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**BRISK LEASING ACTIVITY BUOYS METRO PHOENIX INDUSTRIAL MARKET IN
SECOND QUARTER**

PHOENIX, AZ (July 29, 2015) – While net absorption is down for the same period a year ago, leasing activity is significantly up, according to the [second quarter industrial report](#) released by Cushman & Wakefield of Arizona, Inc.

“Although net absorption is down year-over-year by almost 400,000 square feet, Phoenix is on track to finish 2015 strong, as leasing activity is up by 2.3 million square feet from this time last year,” says Jackie Orcutt, Market Leader | Investor Services with Cushman & Wakefield. “Cushman & Wakefield is tracking more than four million square feet that has been executed, but has yet to occupy, pushing for a strong third and fourth quarter in the latter part of the year.”

The largest lease signed in 2Q 2015 was Tuesday Morning, 593,600 SF at the Liberty Logistics Center in Southwest Phoenix. Other notable leases included Mattress Firm 170,000 SF, also in Southwest Phoenix; and Home Depot, 111,349 SF, in the North Tempe submarket. Also moving in later in 2015 are Aligned Energy with 545,176 SF and Hunter Douglas with 161,700 SF.

“Much of the current year’s absorption is from mid-sized users ranging between 60,000 and 160,000 square feet,” Orcutt says. “This is especially true in the airport and west Phoenix submarkets.

More than three million square feet of space are under construction in Metro Phoenix. After six months, 3.313 million square feet have already been completed and delivered to the market. The majority of the space delivered so far is in the Southwest Valley, although second quarter completions included 222,470 SF (three buildings at Park Ladera) in Northeast Phoenix, 237,000 SF (Shutterfly) in North Tempe and 208,339 SF (Park Lucero) in Gilbert.

Rental rates have responded to market conditions, ranging from a low of \$0.39 per square foot (Southwest Valley) to a high of \$1.01 (Scottsdale/Northeast Phoenix). Overall vacancy rate for the second quarter is 12.7 percent. Tempe comes in the lowest at 10.2 percent.

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