

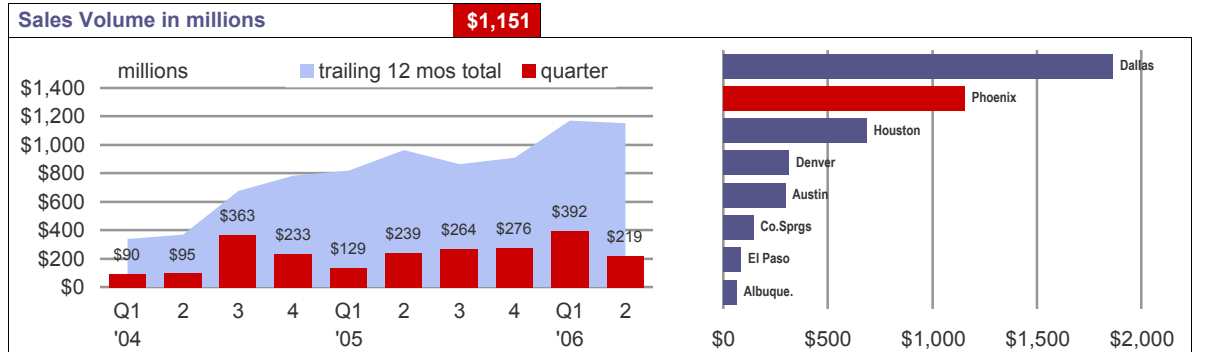
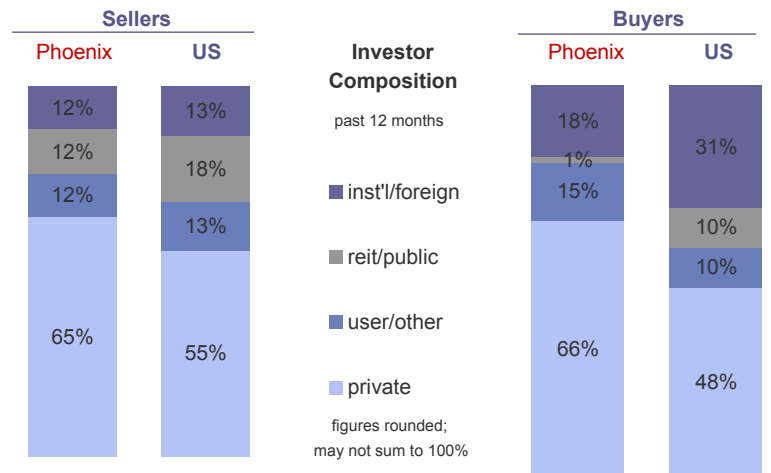
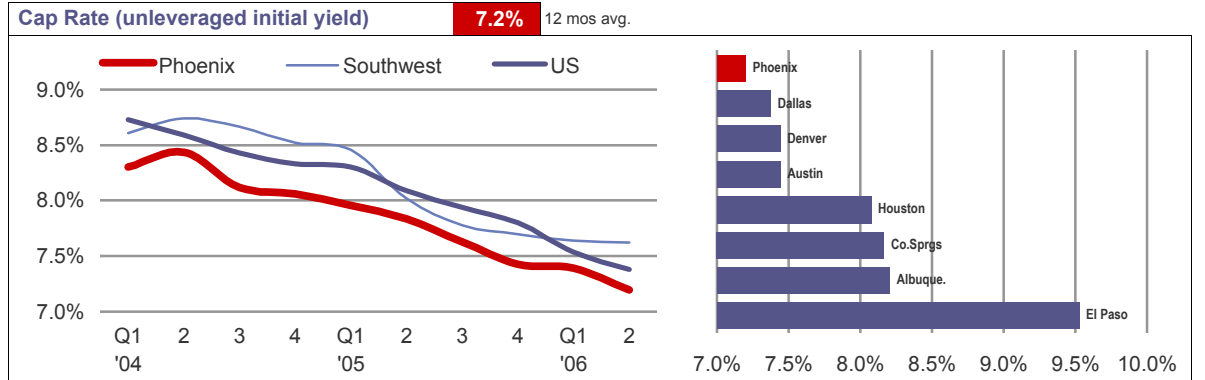
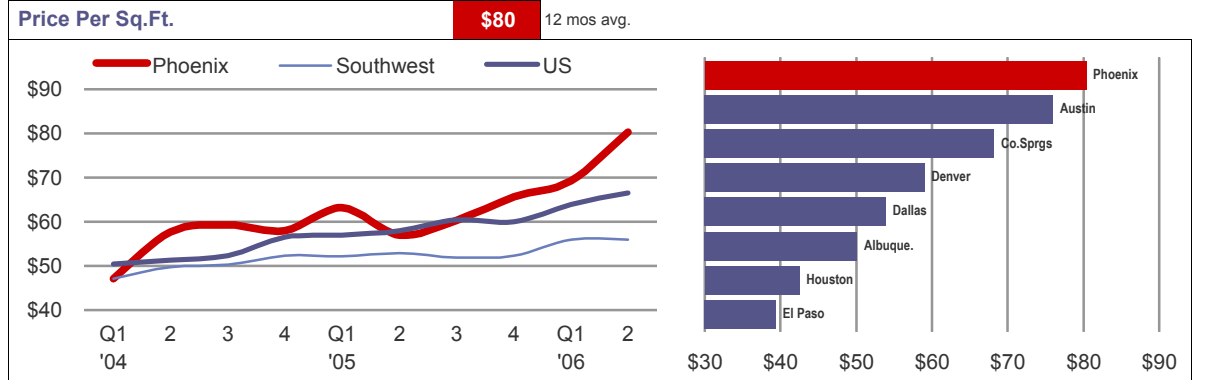


# Phoenix

## Industrial Investment Market Report: Second Quarter 2006

[www.LoopNet.com/MarketReports](http://www.LoopNet.com/MarketReports)

	Phoenix		US Total	
past 12 mos. > \$2.5 mil	Current	1 Yr. Ago	Current	1 Yr. Ago
<b>Dollar Volume (\$mil)</b>				
Flex	\$575	\$472	\$14,553	\$10,641
Warehouse	\$576	\$493	\$34,335	\$22,894
<b>Total Industrial</b>	<b>\$1,151</b>	<b>\$965</b>	<b>\$48,889</b>	<b>\$33,535</b>
<b>Price Per sq.ft.</b>				
Flex	\$104	\$107	\$94	\$88
Warehouse	\$66	\$39	\$59	\$50
<b>Total Industrial</b>	<b>\$80</b>	<b>\$57</b>	<b>\$66</b>	<b>\$58</b>
<b>Capitalization Rate</b>				
Flex	7.5%	8.2%	7.5%	8.3%
Warehouse	7.0%	7.5%	7.3%	7.9%
<b>Total Industrial</b>	<b>7.2%</b>	<b>7.8%</b>	<b>7.4%</b>	<b>8.1%</b>
<b>Mortgage Terms</b>				
interest rate	5.77%	5.61%	5.70%	5.53%
loan-to-value	71%	70%	70%	71%
debt service coverage	1.36x	1.38x	1.43x	1.47x



Data believed to be accurate but not guaranteed; subject to future revision; based on properties & portfolios \$2.5 million and greater. © 2007 Real Capital Analytics  
 Cap rates: unleveraged initial yield from sales as well as refinancings

# Phoenix

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### Phoenix Industrial Submarket Activity\*

Submarket	Vol. \$mil	#	\$/sq.ft.	Cap Rate
Phoenix - Proper	\$711.0	79	\$74.2	7.1%
Mesa/Tempe/Chandler	\$324.0	43	\$82.8	7.6%
Scottsdale	\$113.2	21	\$134.5	7.0%
Glendale	\$3.2	1	\$258.8	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total</b>	<b>\$1,151.4</b>	<b>144</b>	<b>\$80.2</b>	<b>7.2%</b>

\*past 12 mos.

### Pricing & Cap Rates by Size & Year Built

Deal size	2000s	1990s	1980s	Older	Total
< \$5 mil	\$133	\$122	\$88	\$69	<b>\$99</b>
	7.5%	8.0%	7.8%	7.6%	7.7%
\$5-\$20	\$146	\$106	\$87	\$59	<b>\$99</b>
	6.7%	6.6%	7.4%	6.7%	6.9%
\$20+	\$118	\$181	\$115	\$25	<b>\$113</b>
	6.6%	-	-	-	6.6%
<b>Market Avg.</b>	<b>\$137</b>	<b>\$117</b>	<b>\$90</b>	<b>\$64</b>	<b>\$80</b>
	<b>6.9%</b>	<b>6.8%</b>	<b>7.6%</b>	<b>7.3%</b>	<b>7.2%</b>

### Selected Recent Transactions

Date	Property	Address	Location	Type	Yr. Blt	sq.ft.	Price	\$/sq.ft.	Cap Rate
Jun-06	4034 W Washington S	4034 W Washington St	Phoenix	Warehouse	2006	45,556	\$3,531,435 o	\$78	-
Jun-06	Hollow Metal Express	602 S 65th Ave	Phoenix	Warehouse	1998	31,642	\$2,630,000 os	\$83	-
Jun-06	Karemore Crown Ctr	2406 S 24th St	Phoenix	Flex	1989	79,000	\$3,500,000	\$44	-
Jun-06	Southwest Storage & I	1 N 59th Ave	Phoenix	Warehouse	1985	175,991	\$12,450,000 s	\$71	6.1%
Jun-06	Chandler Freeways Bldg	6950 W Morelos Rd	Chandler	Flex	2002	31,531	\$3,608,134	\$114	-
Jun-06	3620 N Black Canyon	3620 N Black Canyon H	Phoenix	Warehouse	1973	177,988	\$4,600,000	\$26	-
Jun-06	2820-2834 W Kelton L	2820-2834 W Kelton Ln	Phoenix	Flex	1984	47,251	\$4,988,000 os	\$106	-
Jun-06	202 N 47th Ave	202 N 47th Ave	Phoenix	Warehouse	1984	47,000	\$2,835,000	\$60	-
Jun-06	North Phoenix Techno	16212 N 28th Ave	Phoenix	Flex	1980	61,304	\$6,436,900	\$105	-
Jun-06	7845-7855 E Evans Dr	7845-7855 E Evans Dr	Scottsdale	Flex	1980	24,937	\$2,700,000	\$108	-
May-06	Stellar Business Ctr	4230 W Chandler Blvd	Chandler	Flex	2003	135,535	\$16,600,000	\$122	-
May-06	16930 E Palisades Blv	16930 E Palisades Blvd	Fountain Hills	Flex	2000	41,759	\$3,010,000	\$72	-
May-06	Scottsdale Place Bldg	5635 N Scottsdale Rd	Paradise Valley	Flex	1986	18,132	\$3,775,000	\$208	7.8%
May-06	2850 S Roosevelt St	2850 S Roosevelt St	Tempe	Warehouse	1988	98,943	\$7,237,000	\$73	-
May-06	Pinnacle Business Par	1507 W Parkside Ln	Phoenix	Warehouse	2000	19,185	\$2,700,000	\$141	-
May-06	Diablo Campus	2900 S Diablo Way	Tempe	Flex	1982	376,160	\$41,000,000 o	\$109	-
May-06	7464 E Tierra Buena L	7464 E Tierra Buena Ln	Scottsdale	Flex	1998	25,335	\$3,300,000	\$130	-
May-06	6101-6111 W Washinç	6101-6111 W Washingt	Phoenix	Warehouse	1976	194,977	\$12,000,000	\$62	-
May-06	15690 N 83rd Way	15690 N 83rd Way	Scottsdale	Flex	1997	34,000	\$4,894,620	\$144	-
May-06	535 W Iron Ave	535 W Iron Ave	Mesa	Warehouse	1987	53,000	\$3,400,000	\$64	-

c: condo conversion l: leasehold o: buyer to occupy p: partial interest r: buyer to reposition/redevelop s: single tenant

### Leading Market Players\*

Top Buyers
CB Richard Ellis Investors (CBRE)
Birtcher Anderson Properties
Principle Equity Management
GW Williams & Co
Muller Co

Top Sellers
First Industrial
Crown West Realty
Urban Realty Partners
Victoria Properties
Cybert Hall Partners

Top Lenders
Mortgage Electronic Registration System
PNC BANK NA
Wachovia Bank NA
GE Capital
Gw Williams Co

\*by dollar volume in past 12 mos.

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