



BUSINESS & INDUSTRY DATA CENTER

CITY OF PHOENIX PLANNING DEPARTMENT

Data Summary Sheet

March, 2008

Statistics

Phoenix Corporate Limits

Population Estimate - Dec. 1, 2007

1,551,009

Phoenix Municipal Planning Area

Population Projection - March, 2008

1,618,680

Source: City of Phoenix Planning Department

Phoenix Corporate Limits

Total Area - November 2007

517.4395 square miles

Source: City of Phoenix City Clerk Department

Unemployment Rate

February (seasonally adjusted):

	<u>2008</u>	<u>2007</u>
Phoenix-MSA*	NA	NA
State of Arizona	4.0%	3.8%
U.S.	4.8%	4.5%

Source:

http://www.workforce.az.gov/admin/uploadedPublications/2265_PrJan07.pdf "Arizona's Workforce"

Non-farm Payroll Employment

Arizona for February (In 1,000's)

	<u>2008</u>	<u>2007</u>	<u>Change</u>
	2,672.4	2,668.5	0.1%

Source: www.workforce.az.gov, right-hand column, "Arizona's Workforce"

Consumer Price Index- Phoenix-Mesa

All Consumers, December 2001 = 100

<u>2007 Q4</u>	<u>2002 Q2</u>	<u>Change</u>
116.038	101.3	14.55%

Source: U.S. Bureau of Labor Statistics

Industrial Market in Southwest Valley Still Strong

Those who believe the real estate market is all gloom and doom should take a closer look at the industrial real estate market in the southwest valley. According to a fourth quarter 2007 analysis by Grubb & Ellis, the southwest valley, largely inside Phoenix boundaries, is predicted to have *positive* absorption levels in 2008. It seems there are few reasons to remain bullish in a bear-dominated real estate market.

Several factors in the fourth quarter 2007 predict this positive trend in the southwest valley for 2008. The 4Q rental rates did not escalate quite so quickly when compared to other parts of the Metro Phoenix area. The average rental rate for the southwest area was \$57 per square foot of industrial space, while the northwest valley was more than double (\$134 per square foot). Rental rates per square foot of industrial space ranged from \$57 to \$134, with the valley average being reported at \$99 per square foot. The average airport area rate was only \$88, less than average as well in the 4th quarter.

Also, Vacancy rates for this southwest area went up from 10.2% to 13.2% from the 4Q 2006 to 4Q 2007. This vacancy rate is the highest in the valley. With increasing vacancy rates, tenants now have more options to locate in areas like the southwest valley. In the not-too-distant past vacancy rates remained fairly low, creating a land-lord driven market. An abundance of new industrial buildings were built in 2007, creating more industrial product, which in turn reduced demand. Future industrial tenants can now enjoy the fruits of a lease-oriented market vs. a landlord-oriented market in the southwest valley.

In related news from the Associated Press, the Census Bureau just released data that shows Phoenix saw the 3rd largest influx of new residents with 132,000 people 2006-2007, behind Dallas-Fort Worth (1st) and Atlanta (2nd). This positive trend means the Phoenix residential real estate market is bound to turn around.

This publication can be made available in the following ADA formats: large print, Braille, audio-tape, or computer diskette. Please call Theresa Damiani in the Phoenix Planning Department at Voice/602-262-6368 (Fax/602-534-4415) or the Phoenix TTY/TDD Relay number at 602-534-5500 as early as possible to coordinate needed arrangements.

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