

January 2010

A Survey of the Phoenix Metropolitan Area's Industrial Marketplace

New Year, New Brand

Our organization is excited to announce our new affiliation with Cassidy Turley. Already being the largest firm in Phoenix, our new employee-owned entity will have 2,700 employees in 57 offices throughout the country, making it the fourth largest firm nationwide. The Cassidy Turley BRE Commercial official launch date will be March 1, 2010 when we and 24 other top firms throughout the country will launch the new affiliation with Cassidy Turley. We are excited about the positive direction our firm is heading and the abilities our network will have to provide our clients with superior service on a local and national level.

Volatile Year Ends Strong

The fourth quarter finished strong with 1,318,152 square feet of positive net absorption. The Phoenix industrial market has not had positive net absorption since the start of the recession in the fourth quarter of 2007. However, despite a positive finish the year-end net absorption finished at negative 2.7 million square feet, setting the record for the greatest loss of occupied space in Phoenix history. Over 6.7 million square feet of vacant space has surfaced this year, including the 3.3 million square feet of new construction that was delivered in 2009. Of the new space added in 2009 roughly half is vacant today. The excess supply situation could potentially take six years to correct based on an 18-year historical average of net absorption figures. With the abundance of inventory and near record vacancies, asking rental rates will continue to soften. Based on the previous market conditions, asking rental rates are not projected to increase until the overall vacancy rate falls below roughly nine percent. Budget-minded tenants will continue to seek the lowest cost option, and in many cases they will reduce their space. Additionally, many landlords are engaging in lease renegotiations with their existing tenants in an effort to shore up and retain their occupancies. It is apparent that it will be a tenant-controlled market for at least the next 12 months.



AVAILABLE FOR SALE

Falcon Commerce Park
Mesa, AZ
Multi-Tenant Industrial &
Single Tenant Investment
138,382 Total SF
\$11,750,000
Fully Built-Out with Fenced
Yards in Each Unit
Ideal Resale Property



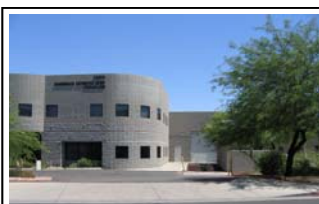
AVAILABLE FOR LEASE

Avondale Commerce Center
Avondale, AZ
Phase I Divisible to 9,794
SF - \$0.35 PSF, NNN
Phase II Divisible to 2,493
SF - \$0.45 PSF, NNN
Excellent I-10 Exposure
New Construction



AVAILABLE FOR SALE

3321 East Global Loop
Tucson, AZ
R&D/Flex Facility
±80,600 SF
\$7,500,000
(\$93.05 PSF)
9.38 Acres Additional
Land Available



AVAILABLE FOR SALE

15270 N. 83rd Pl.
Scottsdale, AZ
Single Tenant Industrial
15,570 SF
\$2,200,000
(\$141.30 PSF)
Bank Owned



FOR SALE/LEASE

7879 E. Beck Lane
Scottsdale, AZ
Single Tenant Industrial
\$3,700,000 (\$175.46 PSF)
\$12.00 NNN
Lender Owned
Scottsdale Airpark Location



AVAILABLE FOR SALE

1139 E. Curry Road
Tempe, AZ
Ideal Owner/User
Investment Opportunity
31,600 SF
\$2,200,000
(\$69.62 PSF)



AVAILABLE FOR SALE

602 N. Hayden Rd.
Scottsdale, AZ
Single Tenant Industrial
17,500 SF
\$1,649,000 (\$94.23 PSF)
Lease Rate: \$0.55 PSF,
NNN
Outside Fenced Storage Yard

2375 E. Camelback Road,
Suite 300
Phoenix, AZ 85016
602.954.9000
www.brephoenix.com



AVAILABLE FOR LEASE

1450 E. Buckeye Rd.
Phoenix, AZ
39,360 SF
\$0.45 PSF, NNN
±4,623 SF Office
3.45 Acres
Excess Outside Land Area
Minutes from Sky Harbor



AVAILABLE FOR SALE

9838 N. 19th Avenue*
Phoenix, AZ
Multi-Tenant
17,720 SF
\$1,500,000
(\$84.64 PSF)
Major Street Frontage



FOR SALE OR LEASE

6632 W. Myrtle Ave.
Glendale, AZ
±45,343 Total SF
\$1,600,000
\$0.19 PSF, NNN Lease
Rate
Short Sale
Assumable Financing

2009 Investment Sales Over \$1M

PRODUCT	AVERAGE SIZE	SALES	AVERAGE PRICE/FOOT	AVERAGE CAP RATE
Multi-Tenant	82,578	10	\$54.07	8.2%
Single Tenant	66,148	10	\$55.60	7.1%
Distribution	83,644	2	\$68.25	7.6%
Back Office/R&D	77,097	3	\$113.63	8.3%
TOTAL/AVERAGE	75,434	25	\$63.17	8.0%
<i>Owner/User</i>	<i>38,811</i>	<i>70</i>	<i>\$68.47</i>	<i>N/A</i>

2008 Investment Sales Over \$1M

PRODUCT	AVERAGE SIZE	SALES	AVERAGE PRICE/FOOT	AVERAGE CAP RATE
Multi-Tenant	56,983	22	\$80.02	6.9%
Single Tenant	47,889	36	\$95.52	7.4%
Distribution	437,941	12	\$61.20	6.6%
Back Office/R&D	100,856	8	\$120.40	7.0%
TOTAL/AVERAGE	115,894	78	\$75.64	7.1%
<i>Owner/User</i>	<i>27,266</i>	<i>119</i>	<i>\$101.44</i>	<i>N/A</i>



AVAILABLE FOR SALE

305 S. Rockford Dr.
Tempe, AZ
Single Tenant Industrial
4,318 SF
\$367,000
(\$85 PSF)
Outside Fenced Yard



AVAILABLE FOR SALE

2915-2927 N. 35th Ave.
Phoenix, AZ
Owner/User Opportunity
35,005 SF
\$1,610,230
(\$46.00 PSF)
21,813 SF Available



AVAILABLE FOR SALE/LEASE

1700 W. Drake Dr.
Tempe, AZ
Single Tenant Industrial
20,867 SF
\$2,337,104
\$0.52 PSF, NNN Lease
Rate

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