

PHOENIX OFFICE MARKET

Yardi® Matrix

Market Analysis

First Quarter 2019

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Job Gains Sustain Demand



The Phoenix office market is doing well, bolstered by robust employment growth and rising tenant demand. Although not yet a leading tech market, Phoenix has attracted an increasing number of fast-growing tech companies in recent years, including Uber, Ring and Infusionsoft. As more companies move or expand in the Valley of the Sun, demand for office space is likely to stay solid.

Phoenix added 77,000 jobs in 2018, a 3.7% rate of employment growth year-over-year, well above the 1.9% national rate. The most significant job gains were in the professional and business services (16,900) and mining, logging and construction (16,300) sectors, with no sector recording net losses in 2018.

Large office-using employers—such as Deloitte, Wells Fargo and Allstate—announced plans to expand in the metro. Allstate is set to bring 2,500 new jobs to Chandler when it opens its new corporate campus. The insurance company occupies more than 200,000 square feet between the first phase of One Chandler Corporate Center and Alfred Park Place.

Following a sluggish 2018, development activity is picking up pace, with more than 3 million square feet currently in the works. Phoenix is the sixth-largest metro in square footage in place or under construction in opportunity zones, with 28.5 million as of March, representing 20.2% of its total inventory.