

SCOTTSDALE OFFICE MARKET REPORT



Second Quarter 2015

OFFICE OVERVIEW

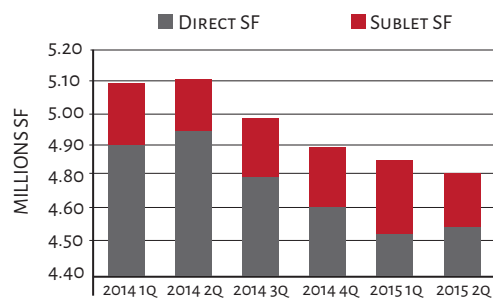
The Scottsdale Office market ended the second quarter 2015 with a vacancy rate of 15.8%, which was slightly lower over the previous quarter. Net absorption totaled positive 42,390 square feet and rental rates ended the second quarter at \$23.29, an increase over the previous quarter. No buildings were delivered, but 239,189 square feet are still under construction at the end of the quarter.

SCOTTSDALE VACANCY				
PERIOD	TOTAL SF	VACANCY SF	VACANCY %	NET ABSORPTION
2011 4 Q	30,120,626	6,519,631	21.6%	261,722
2012 4Q	29,966,389	5,782,094	19.3%	334,573
2013 4Q	29,790,424	5,557,262	18.7%	41,489
2014 4Q	29,785,639	4,782,655	16.1%	172,826
2015 1Q	29,779,425	4,735,669	15.9%	40,772
2015 2Q	29,779,425	4,693,279	15.8%	42,390

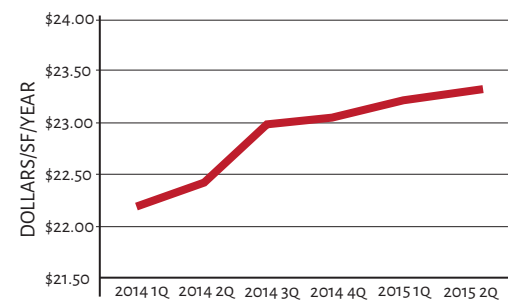
MARKET INDICATOR SCOTTSDALE		
Indicator	Q2 2015	Projection
VACANCY RATE	↓	↓
NET ABSORPTION	↑	↓
AVG. LEASE RATE	↑	↑

Avg. Effective Rate	Q2 2015	Change
AIRPORT AREA	\$20.82	↓
CENTRAL CORRIDOR	\$21.67	↑
EAST PHOENIX	\$23.18	↑
EAST VALLEY	\$21.56	↑
NORTH PHOENIX	\$20.35	↓
NORTHWEST PHOENIX	\$19.10	↑
SCOTTSDALE	\$23.29	↑
WEST PHOENIX	\$21.84	↓
TOTAL	\$21.51	↑

Vacant Space (Historical Analysis, All Classes)



Quoted Rental Rates (Historical Analysis, All Classes)



ABOUT LEVROSE/TCN WORLDWIDE

Since 1992, LevRose Real Estate has been a full service real estate company servicing Scottsdale and the Greater Phoenix area. We provide services for commercial leasing, sales and commercial property management. LevRose handles the leasing, sales and/or management of over 200 commercial properties encompassing over three million square feet of office and retail space within the Greater Phoenix and Scottsdale areas. Our team is dedicated to providing our clients with the highest level of service through industry knowledge of the marketplace. Our goal is to represent you, our client, in a professional manner while maintaining high expectations and standards for our performance.

LEVROSE COMMERCIAL REAL ESTATE
 4414 N. CIVIC CENTER PLAZA, SUITE 100
 SCOTTSDALE, AZ 85251

MAIN CONTRIBUTING SOURCES: COSTAR

This information has been secured from sources believed to be reliable, but no representations or warranties are made, expressed or implied, as to the accuracy of the information. References to square footage are approximate.