

# Metro Phoenix Commercial

## Multifamily Team

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GPEC has been instrumental in growing the Phoenix economy for many years influencing both residential and commercial real estate.

The cost for the audio recording by [FinancialPotion.com](https://FinancialPotion.com) and combining these slides is our treat – so please share!

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Focused on multifamily since 1998  
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**ECONOMIC & COMMERCIAL FORUM | JUNE 2025**



**Current and Future Economic  
Development across the  
Greater Phoenix Area**

**Thomas Maynard**

Senior Vice President, Business Development  
**Greater Phoenix Economic Council**



# Greater Phoenix Greater Together

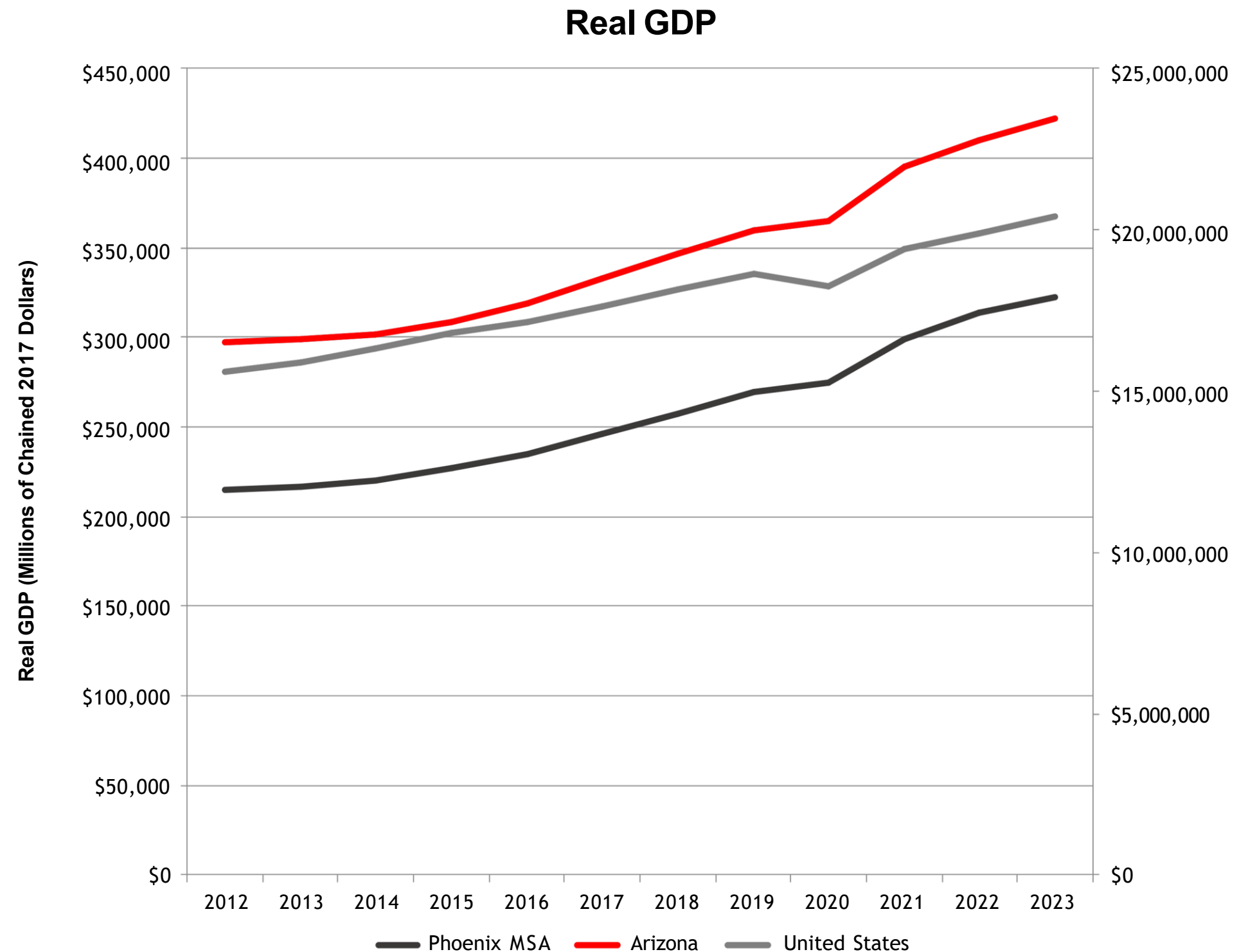
WEDNESDAY, JUNE 25, 2025

# Economic Activity



# National, State & Greater Phoenix Economy

- ⊕ Greater Phoenix real GDP in 2023 was \$322.79 billion, expanding by 2.9% over the previous year
- ⊕ Arizona real GDP grew 3.0% from 2022 to 2023
- ⊕ U.S. real GDP grew 2.7% from 2022 to 2023
- ⊕ Most recent estimates of GDP indicate a slowing economic outlook, with a -0.2% annual growth rate in Q1 2025 nationally, a contrast to the 2.4% increase in Q4 2024.



# Wage Growth



In Greater Phoenix and Arizona, overall real personal income grew slower than the national average from 2022 to 2023



The percentage growth in real per capita personal income from 2022 to 2023 in Greater Phoenix was modestly lower than the national average

Source: Bureau of Economic Analysis January 2025

## Real Personal Income (millions of constant 2017 dollars)

	2022	2023	% Growth
Greater Phoenix	261,076	265,177	1.6%
Arizona	374,593	381,769	1.9%
United States	19,013,960	19,404,132	2.1%

## Real Per Capita Personal Income (constant 2017 dollars)

	2022	2023	% Growth
Greater Phoenix	51,998	52,302	0.6%
Arizona	50,856	51,373	1.0%
United States	57,052	57,937	1.6%





# Greater Phoenix Employment

- ⊕ Greater Phoenix’s pre-COVID peak was in December 2019 at 2,255,700 jobs
- ⊕ Jobs have increased by 18,200 compared to March, and rose by 15,100 year over year
- ⊕ Current total nonfarm payroll employment is 2,478,300 jobs; unemployment rate is 3.1%

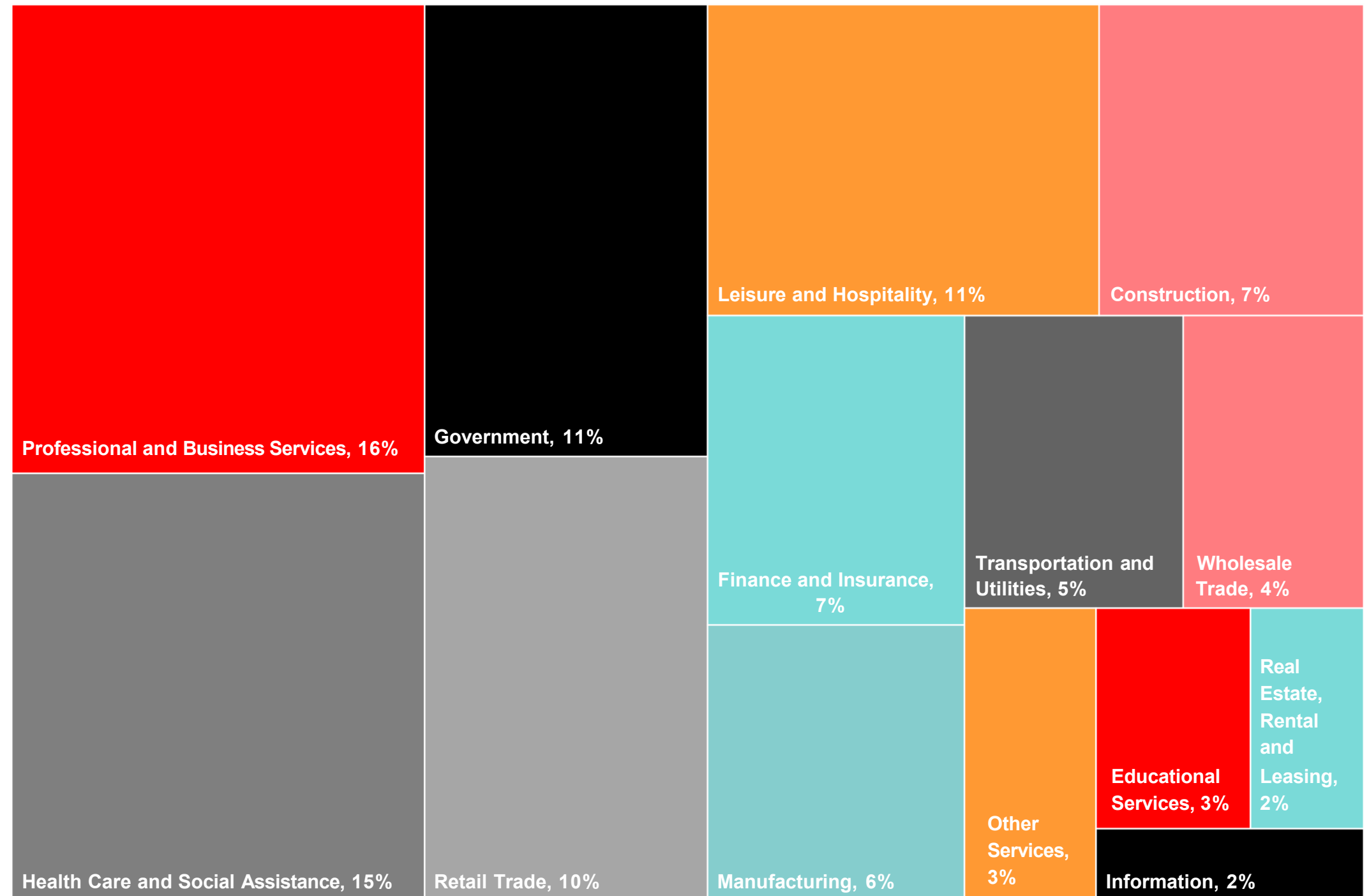


Source AZ Office of Economic Opportunity Labor Statistics, May 2025, not seasonally adjusted, preliminary numbers

# Current Makeup of Industry

- ⊕ The largest industries in Greater Phoenix are professional and business services and healthcare and social assistance
- ⊕ There has been significant growth in the healthcare and social assistance sector following the 2008 recession. Conversely, construction is experiencing very slow but gradual growth while there is a decline in retail trade as a share of total employment

## Current Employment Diversity





# Inflation and Prices (National)

- ⊕ Inflation reflects the annual percentage change in the cost to an average consumer of acquiring a standard market basket of goods and services. The inflation rate presented below is the year-over-year percentage change which is a measure of the average monthly change in the overall price for goods and services paid by urban consumers
- ⊕ The most recent inflation rate was 2.3%, 0.1 percentage points lower than the month of March.

**Inflation Rates - U.S.**





# Cost of Living Comparison for Select Markets

The overall cost of living in Greater Phoenix is 7.2% above the national average.

Region	100% Composite Index	14.67% Grocery Items	29.97% Housing	8.75% Utilities	10.75% Transportation	4.59% Healthcare	33.27% Misc. Goods & Services
Houston TX	94.7	98.3	81.2	91.0	94.6	103.0	104.3.
Albuquerque NM	95.0	97.8	88.7	83.8	87.7	107.0	102.7
Austin TX	96.6	95.8	102.5	98.9	98.0	97.6	90.9
Dallas TX	100.8	98.7	90.8	120.8	90.0	107.9	107.3
Phoenix AZ	107.2	103.3	116.6	109.3	100.2	89.6	105.2
Denver CO	108.8	100.9	122.1	88.9	101.0	110.4	108.6
Salt Lake City UT	109.5	98.6	129.7	101.7	113.4	89.8	100.9
Portland OR	115.3	103.9	145.1	89.2	121.3	110.4	100.8
Arlington VA	133.8	110.5	206.1	92.6	107.0	116.3	105.3
Seattle WA	144.0	107.5	212.0	101.4	126.7	127.7	121.9
San Diego CA	146.5	111.7	213.2	149.5	136.2	104.0	114.2
Boston MA	146.9	104.5	226.0	146.1	109.5	130.1	113.6
Los Angeles CA	148.7	109.3	233.1	104.7	126.8	99.3	120.6
San Francisco CA	162.7	122.2	252.0	158.8	133.8	130.4	120.3
New York (Manhattan) NY	229.9	117.0	499.7	112.5	124.6	150.2	128.8

Source: C2ER Cost of Living Index 2024 Q3





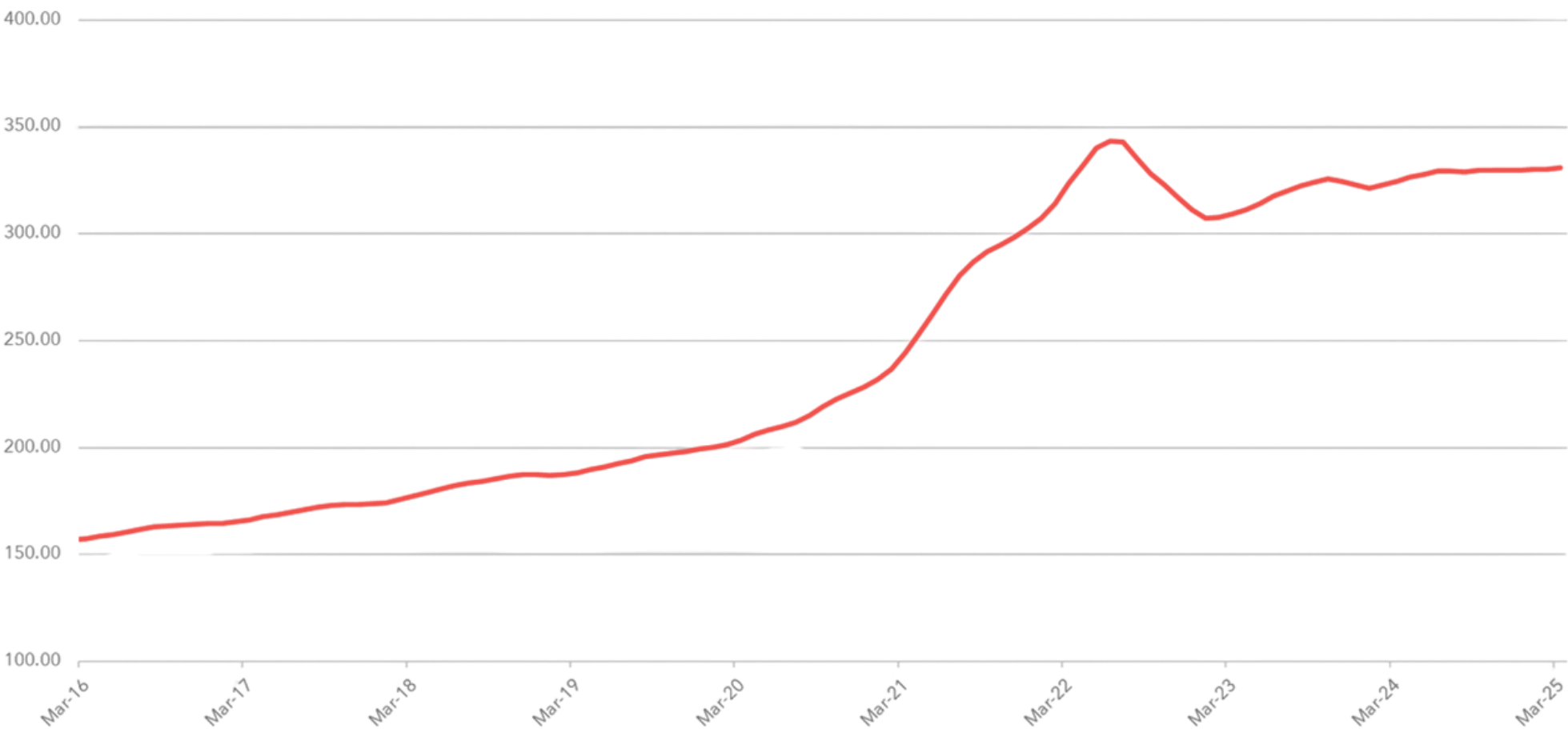


HOUSING SECTOR

# Housing Prices

- ⊕ Home prices in Greater Phoenix increased for over a decade with the month of June 2022 recording the highest index at 343.56 with an annual percentage change of 26.55%
- ⊕ There has been an uptick in home prices since February 2023. The YoY change is at 1.92% for the month of March

Greater Phoenix Home Price Index

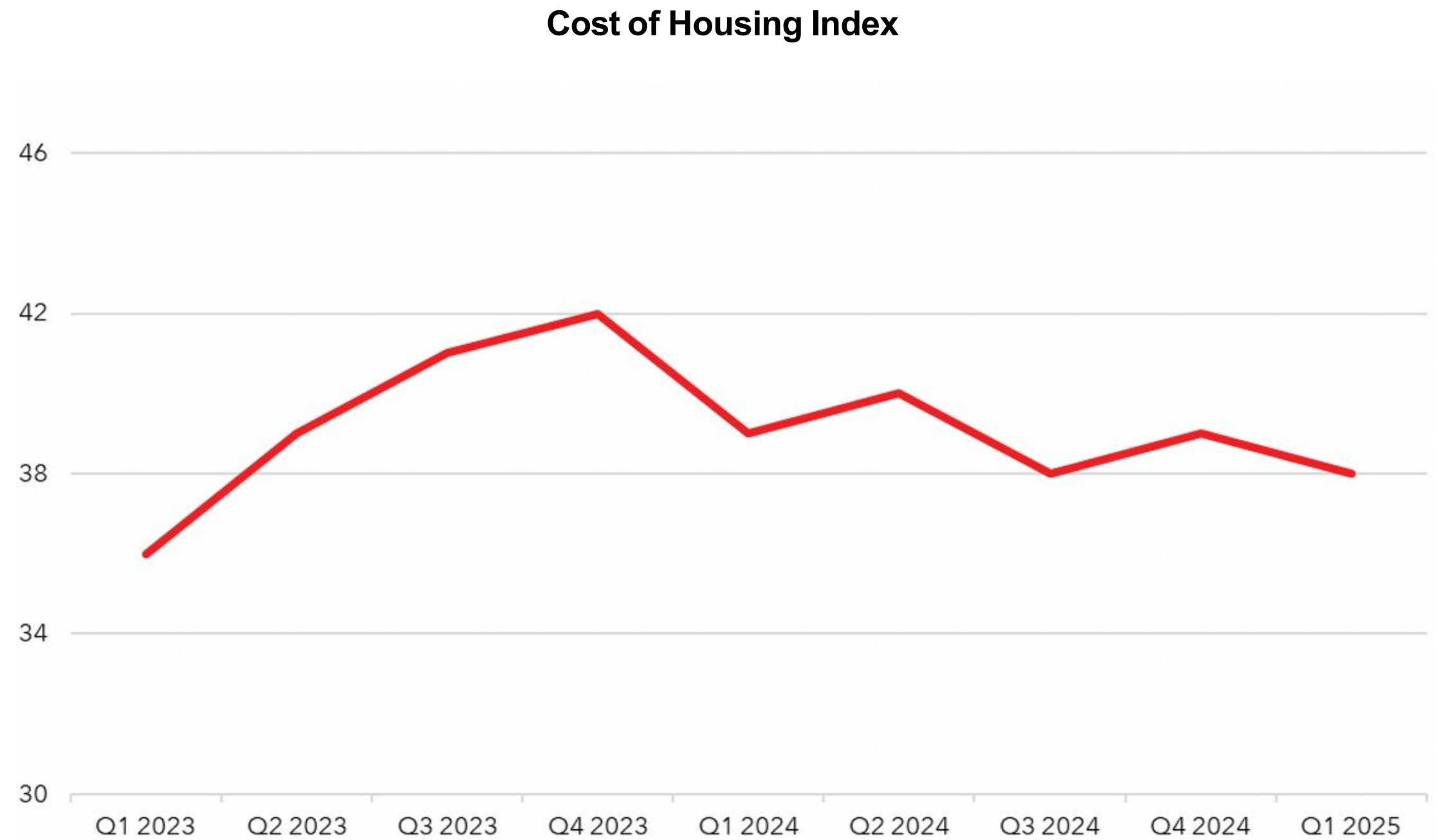


*\*An index value of 100 equals the home price in January 2000.  
Source: S&P/Case-Shiller Home Price Index, May 2025, Not Seasonally adjusted*



# Housing Costs

- ⊕ This index shows the portion of a typical family's income needed to make a mortgage payment on a median-priced home
- ⊕ The Q1 2025 reading for the Phoenix MSA indicates that 38% of a typical median family's income of \$109,600, was needed, to make a mortgage payment on a median-priced new single-family home of \$487,900
- ⊕ Nationally, 36% of a typical family's median income of \$104,200 was needed to make a mortgage payment on a median-priced new single-family home of \$416,900





# Business Development Update





# FY25 Quick Overview

## Prospect Stats



41  
Companies Located in FY25



\$3.37B  
in Capital Investment



4,990  
Jobs Created in the Region

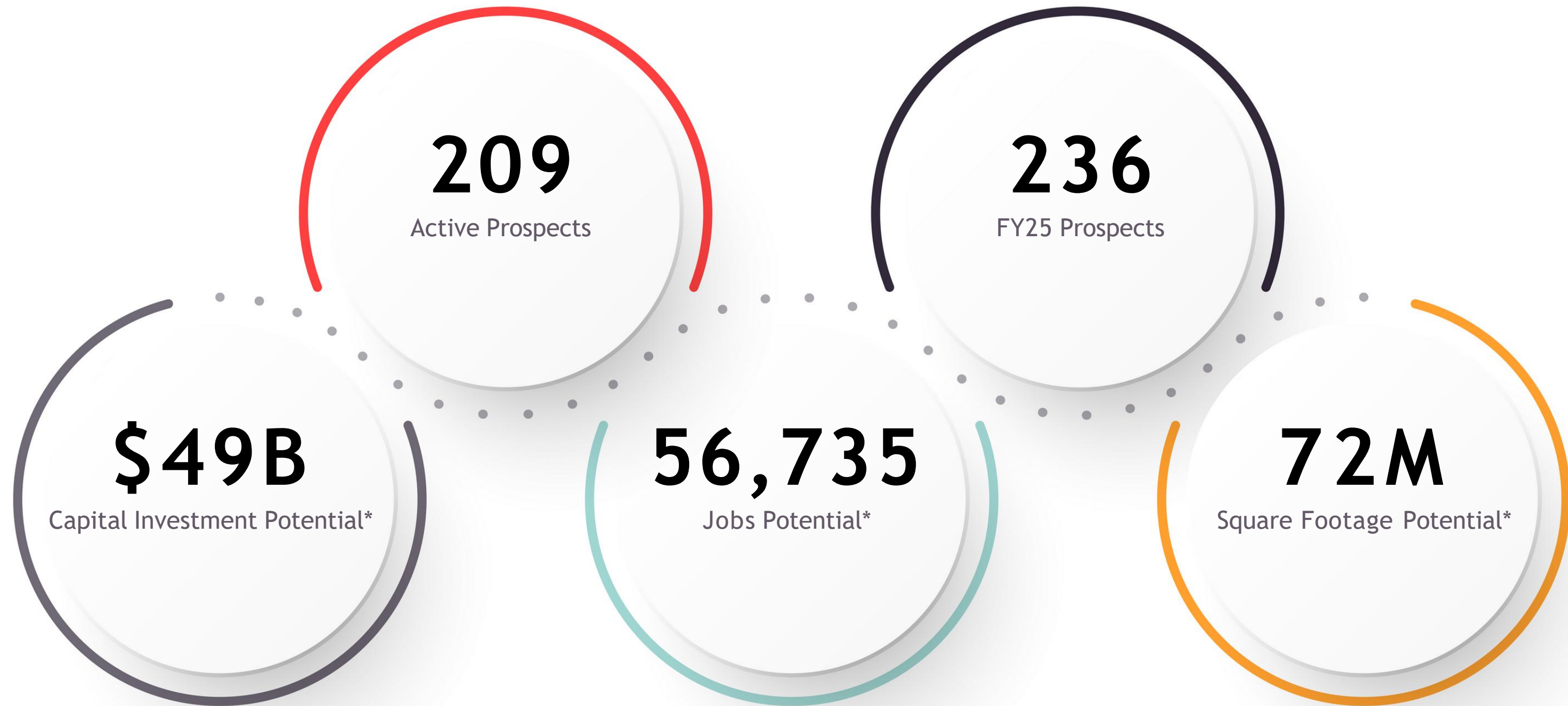


\$95,373  
Avg. High-Wage Salary

Numbers as of May 31.



# FY25 Year-to-Date Prospect Activity

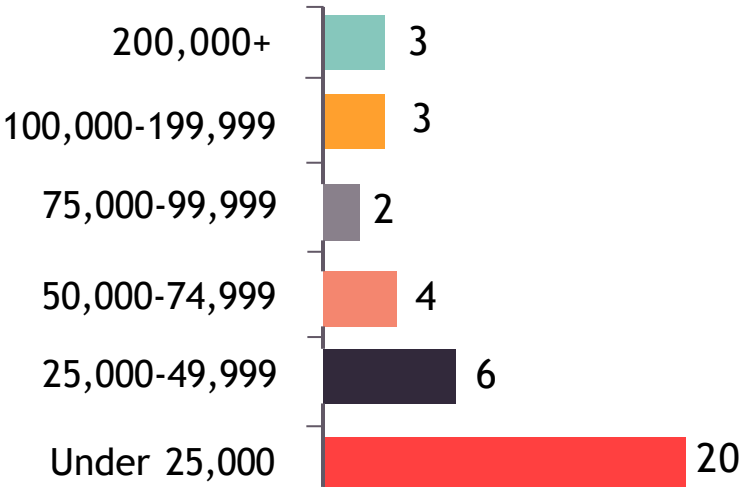


# FY25 Prospects by Type and Operation

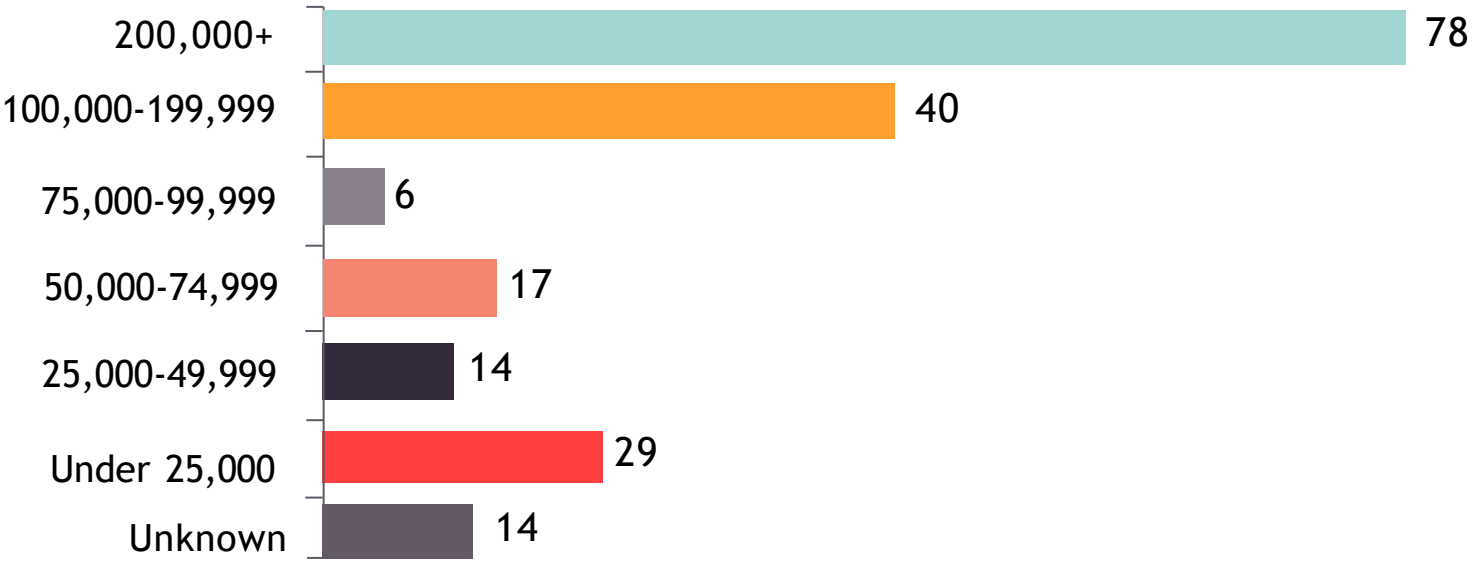
## Operation Type Highlights

- 96 Light Manufacturing
- 43 Advanced/High Tech Manufacturing
- 33 Warehouse/Distribution
- 20 Advanced Administrative/Back Office
- 12 Data Centers
- 15 Heavy Manufacturing
- 11 Headquarters Office
- 3 R&D

## Office Prospects (38)



## Industrial Prospects (198)





# Recent Announcements



**Mesa**  
300 Phase 1 Jobs  
30,000 SF

**Arctic  
Ammo**

**Surprise**  
82 Phase 1 Jobs  
45,000 SF



**Tempe**  
75 Phase 1 Jobs  
58,000 SF



**Eloy**  
200 Phase 1 Jobs  
150,000 SF



**Tempe**  
136 Phase 1 Jobs  
60,000 SF



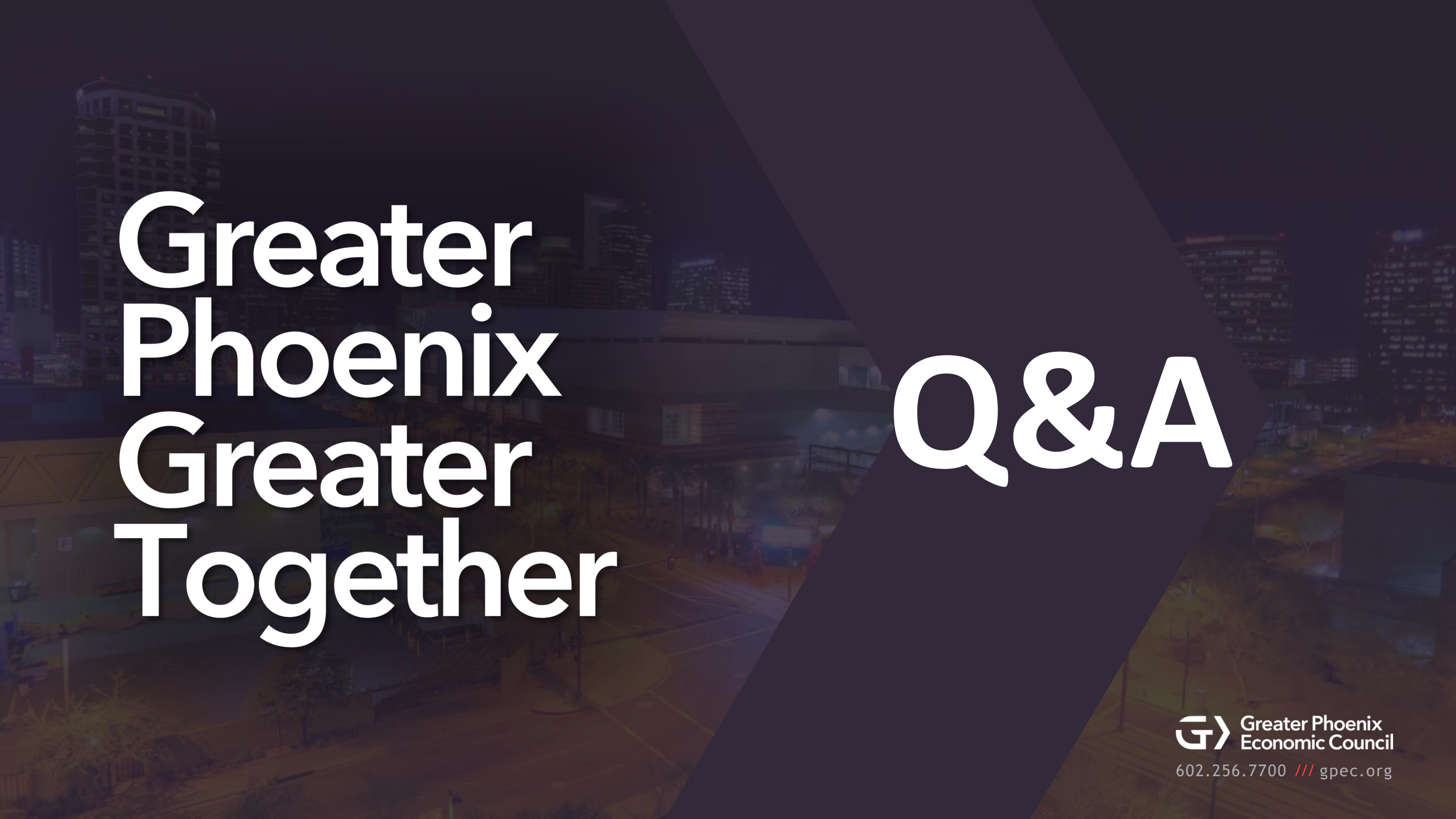
**Casa Grande**  
30 Phase 1 Jobs  
100,000 SF



**Avondale**  
38 Phase 1 Jobs  
630,000 SF



**Phoenix**  
70 Phase 1 Jobs  
12,500 SF



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Phoenix  
Greater  
Together

Q&A



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