

results



talent



knowledge



# 2011 Market Review

Office

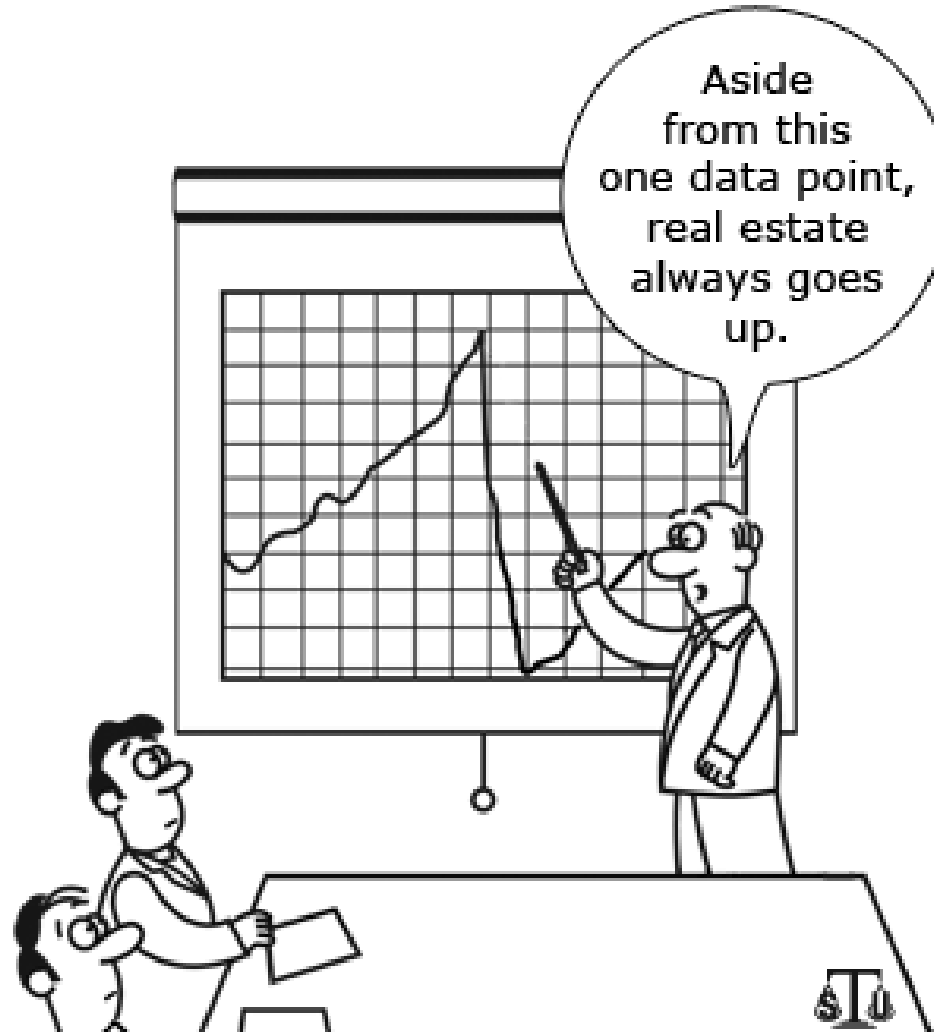
Retail

Industrial



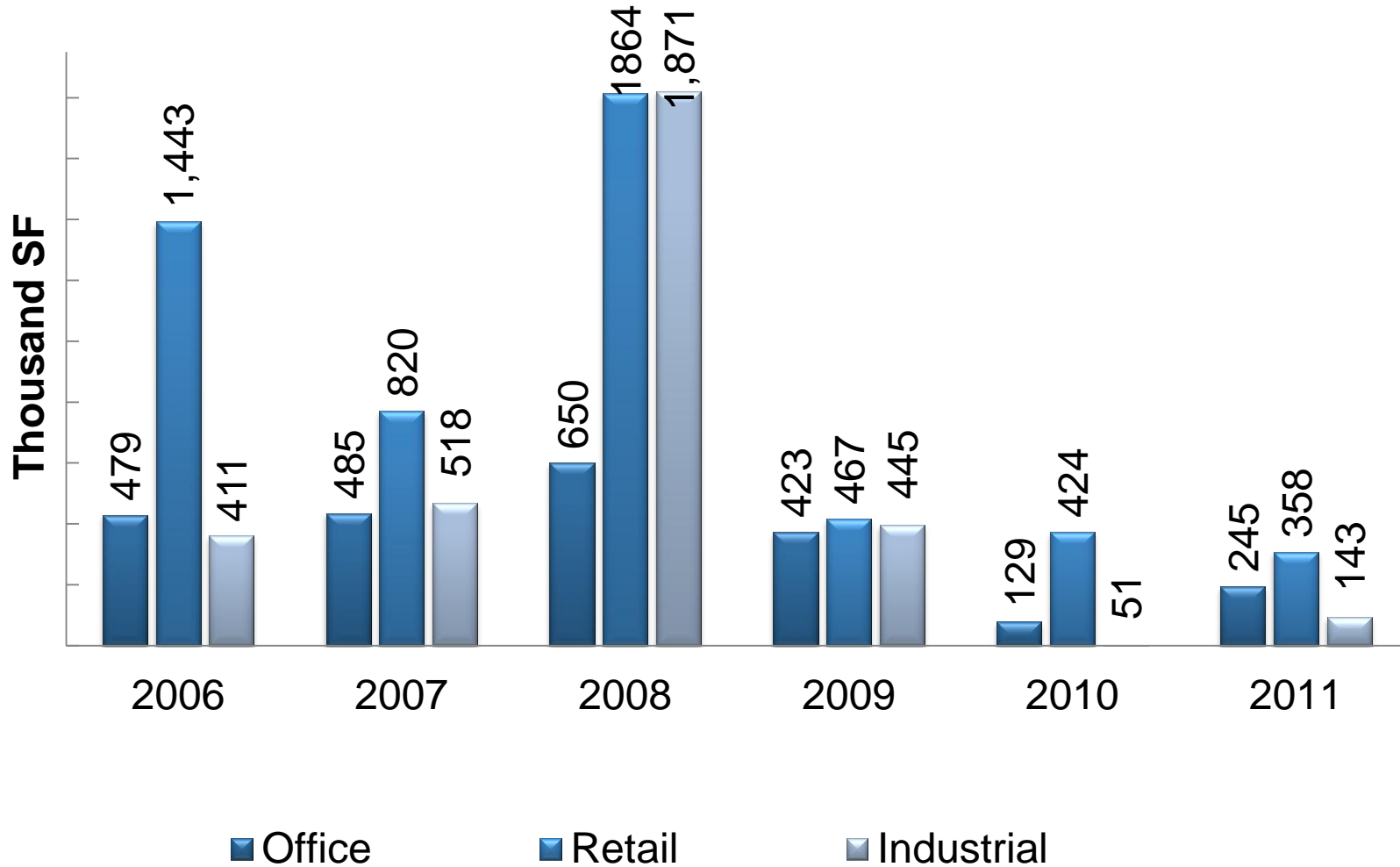
Stu's Views

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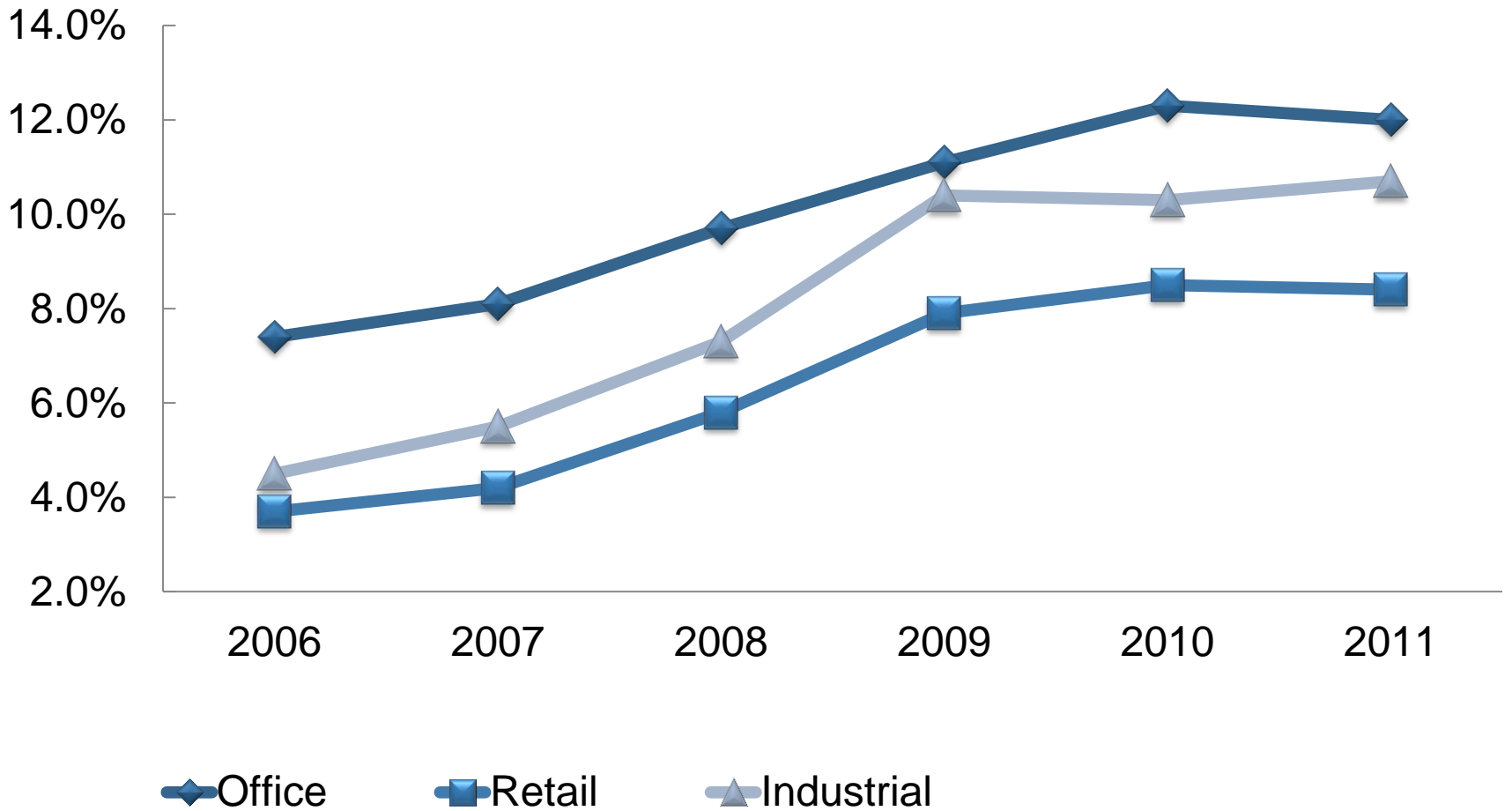
- The great (expectation) reset
- Shift from uncertainty to stability
  - Housing
  - Consumer spending
  - Rates/occupancy
- Corporate consolidations
- Broad dynamics with local impact
  - Jobs
  - Deficits at all levels
  - Infrastructure needs
- Community assets
- Tourism as driver

# Tucson Construction Completions



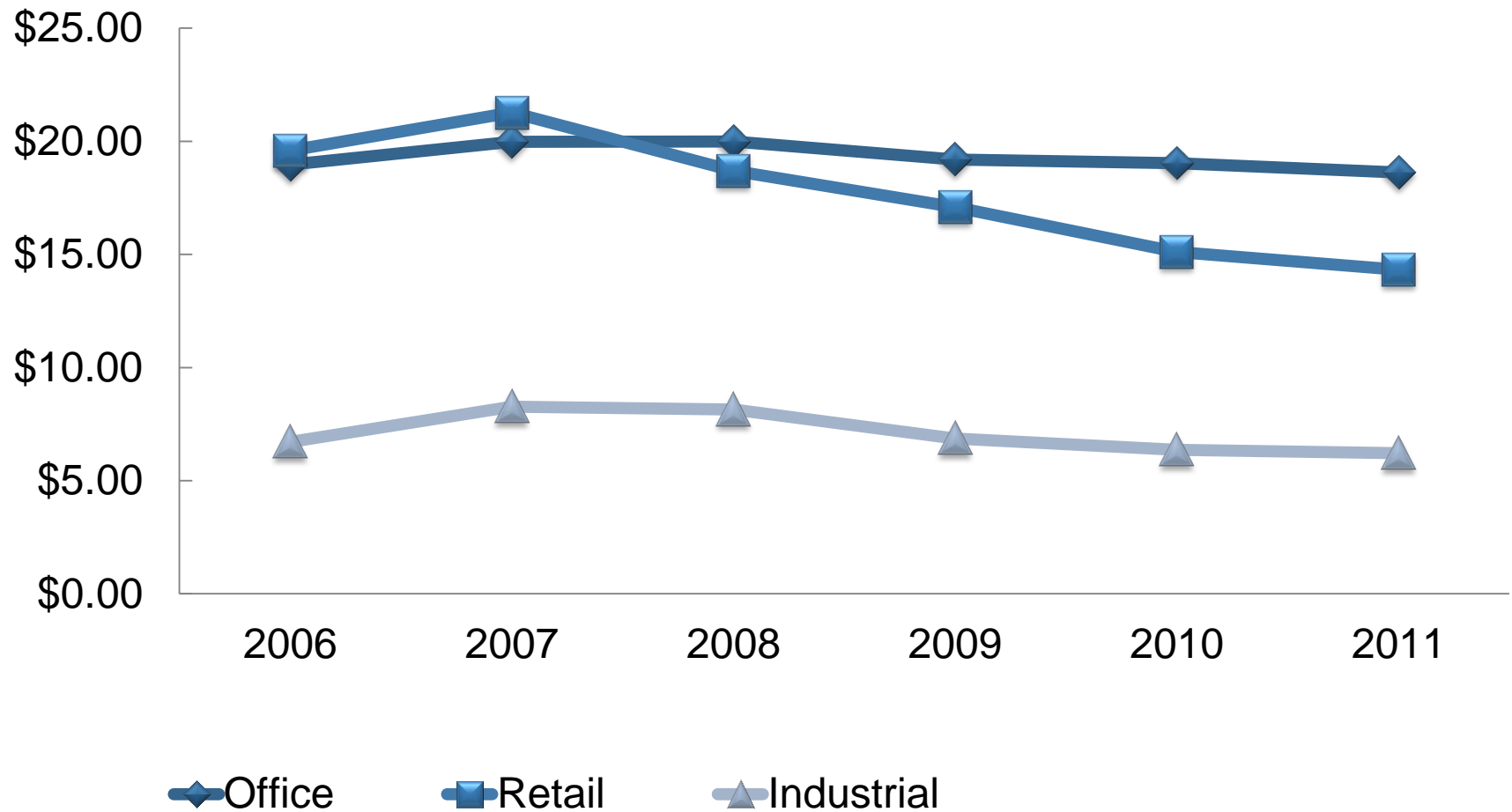
Source: CoStar

# Vacancy

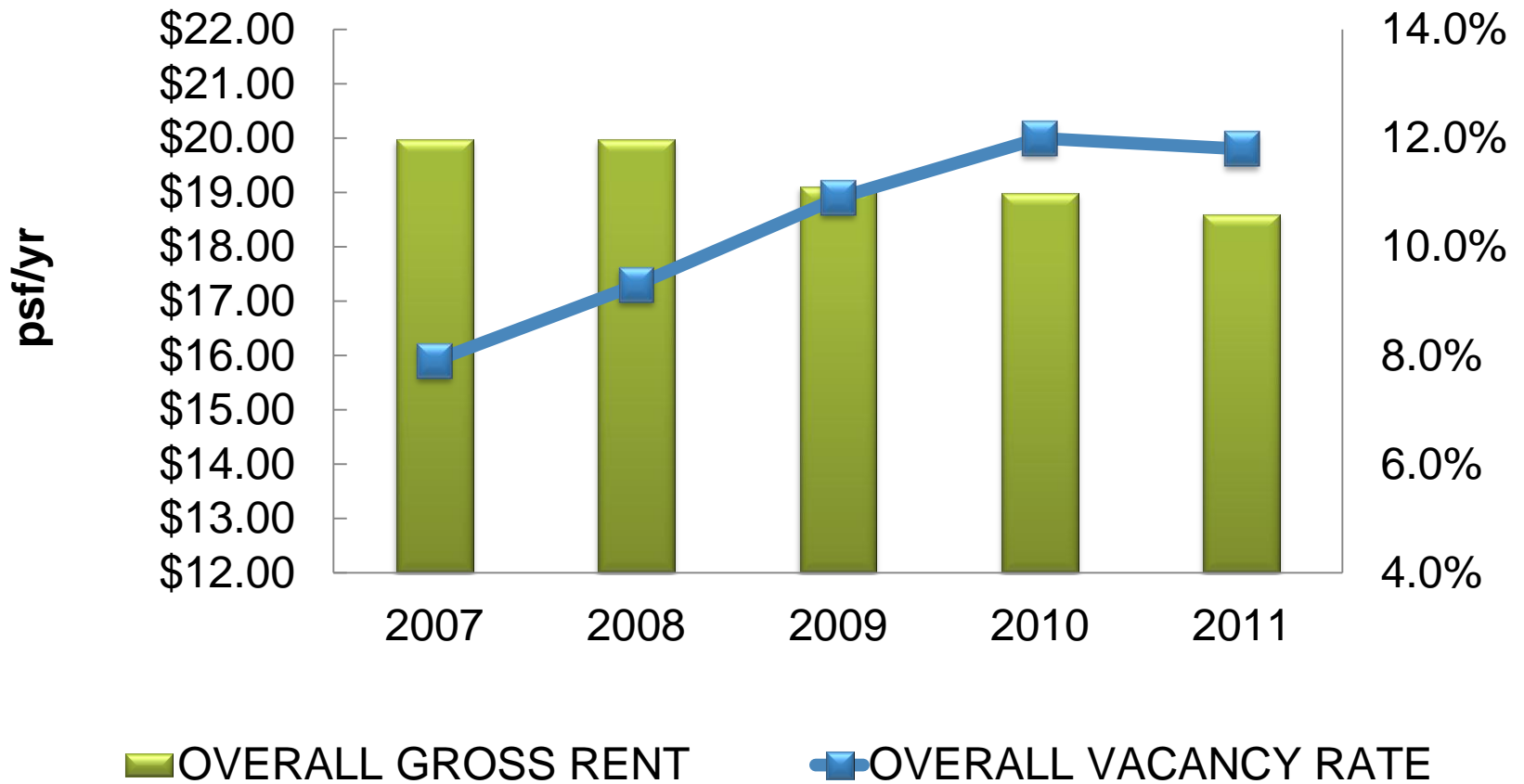


Source: CoStar

# Asking Rents



Source: CoStar



Source: CoStar

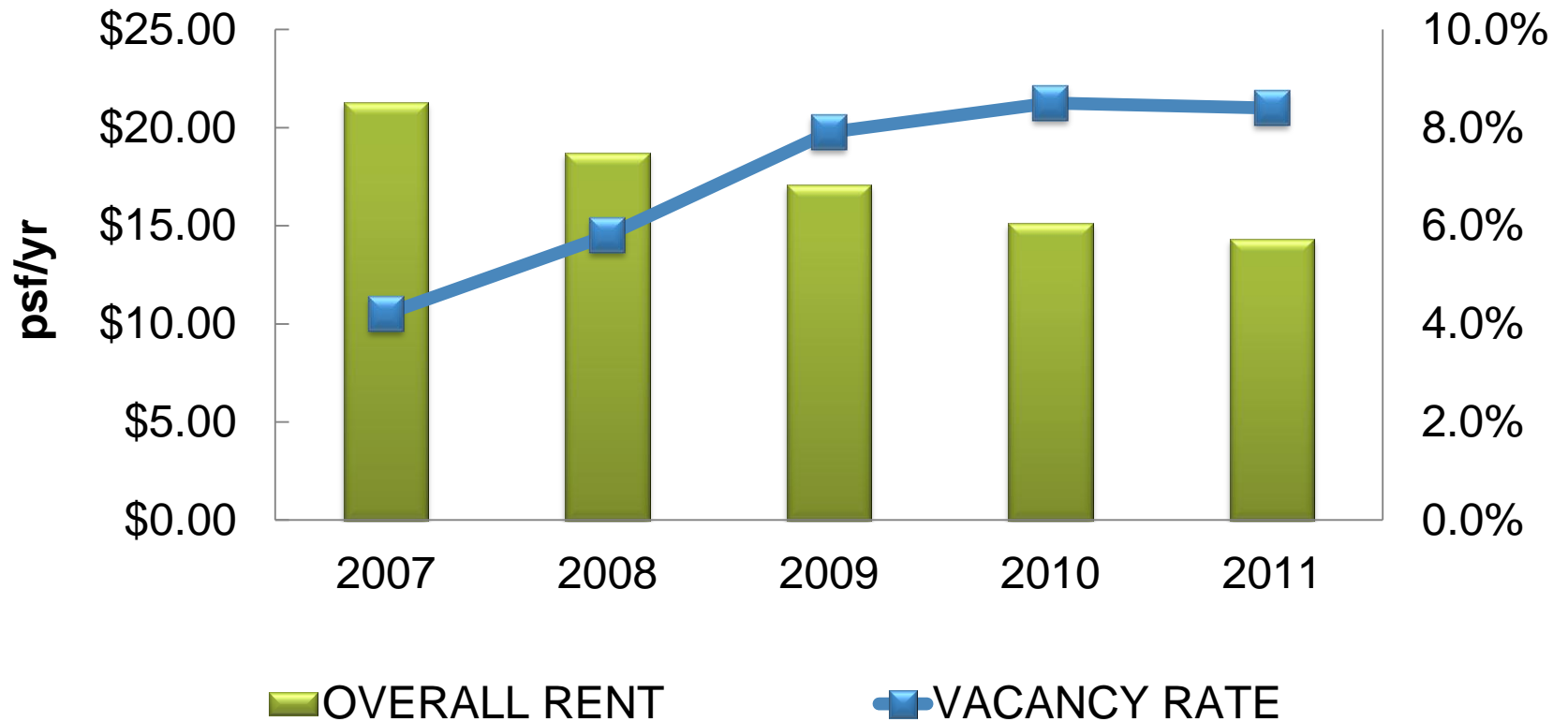
## ■ 2011

- Improving fundamentals
- Increased lease activity year end
- Limping sale market
- Stable medical office market

## ■ 2012

- Bright future downtown
- Office demise? Footprint change = opp
- Pent up demand remodel/cap upgrades
- Grant Rd relocations/redevelopment





Source: CoStar



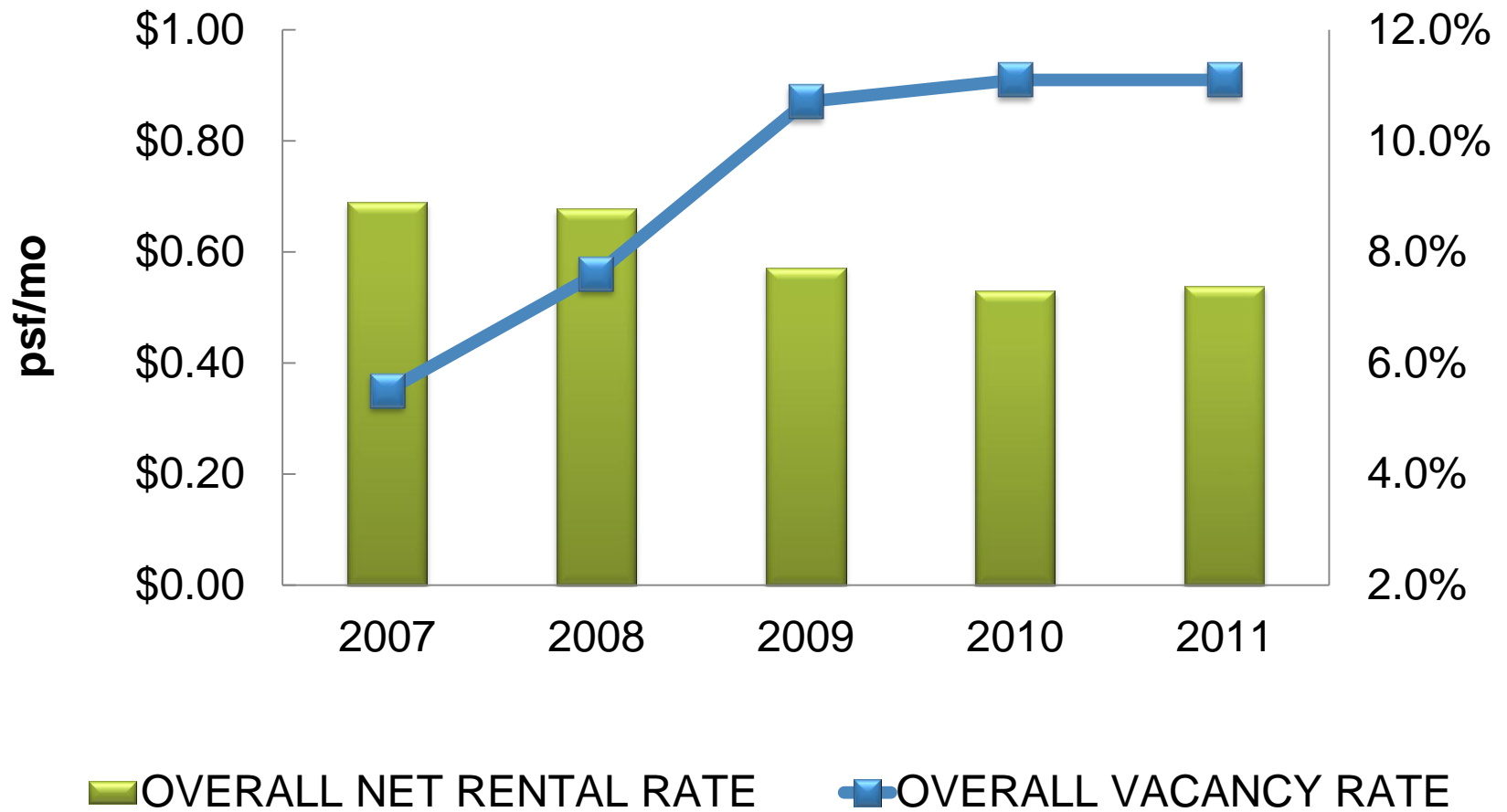
## ■ 2011

- Strong finish (spending, improvements, auto)
- Positive absorption (376K)
- Development/redevelopment traction
- Active competition for location/corners

## ■ 2012

- Bricks/mortar demise? (change/opp)
- Benefit from improving housing market
- Stabilized rates
- Continued flight to quality
- Increased investor activity

# Industrial



Source: CoStar

## ■ 2011

- Corporate consolidations
- Increased economic development activity
- Tale of 3 lease markets
- Sales dominated by distress

## ■ 2012

- Large Vacancies = opportunity
- Logistics & “Reshoring”
- Mining support
- Construction supply survivors

- Where are the opportunities?
- How will proximity to Mexico support growth & opportunity?
- When will the windows close/pendulum shift?



"This takes the guesswork out of choosing the site for our new headquarters."

## ■ Resources



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