



Why West Valley

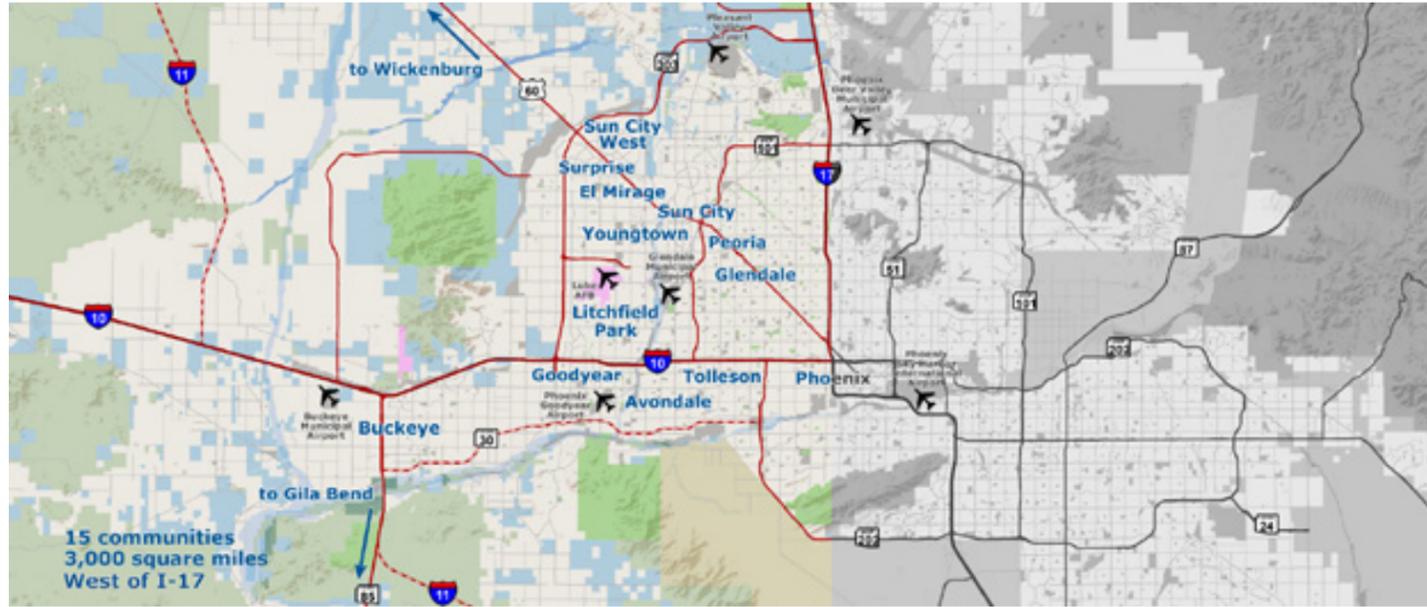
Metro Phoenix 2023



Why West Valley

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Introduction



Phoenix's West Valley has achieved tremendous growth over the last two decades. An influx of residents and businesses are helping the region shed its image as a bedroom community, earning its reputation as a great place to live, work, and play.

Today, more than 1.8 million people call the West Valley home, and the population over the next five years is projected to grow at twice the national rate. The median age of those living in the West Valley is 34. Additionally, the West Valley is a minority majority community. The region's mix of luxury and affordable housing contributes to a diverse region that attracts both executives and first-time home buyers. West Valley amenities – including Westgate, P83, and Park West entertainment venues, State Farm Stadium (home of the Arizona Cardinals), Desert Diamond Arena, five spring training stadiums, numerous outdoor amenities, and continuously expanding dining options – provide an exceptional quality of life for its residents.

The West Valley's large talent pool, affordable cost of living, ease of doing business, and availability of land has attracted healthcare, distribution, and advanced manufacturing companies to the region. Recent business announcements in the West Valley include Nestlé, TSMC, KORE Power, Williams Sonoma, and Microsoft bringing thousands of jobs to the area. Additionally, Luke Air Force Base, located in the West Valley, is a major economic driver in the region with an economic impact of \$2.4 billion in the state of Arizona. Each year, 600 professionals separate from military service and many stay in the region, adding to the strong workforce.

The West Valley has a robust transportation system including a new freeway, connecting to labor markets in the East Valley. With this expansion, the South Mountain freeway is already attracting services and employment along the 59th Avenue corridor. The capital improvements, talented workforce, and livability will continue to attract businesses and talent alike for years to come.



Major Attractions

- Westgate Entertainment District
- Ak-Chin Pavilion Amphitheater
- Desert Diamond Arena
- Wildlife World Zoo, Aquarium & Safari Park
- Tanger Outlets
- Desert Diamond West Valley Casino
- Topgolf
- Vee Quiva Casino
- Wigwam Resort & Spa
- Desert Caballeros Western Museum (Smithsonian Affiliate)
- P83 Entertainment District
- Castle Hot Springs Resort
- VAI Resort
- Six Flags Hurricane Harbor



Parks & Recreation

- Skyline Regional Park
- White Tank Mountain Regional Park
- Estrella Mountain Regional Park
- Lake Pleasant Regional Park
- 50+ Golf Courses



Sporting Venues

- State Farm Stadium (Arizona Cardinals)
- Phoenix Raceway (host to NASCAR)
- Five MLB Spring Training Stadiums:
 - > Goodyear Ballpark (Guardians & Reds)
 - > Peoria Sports Complex (Mariners & Padres)
 - > Camelback Ranch (White Sox & Dodgers)
 - > Surprise Stadium (Rangers & Royals)
 - > Maryvale Baseball Park (Brewers)



Economic Profile

Key Industries

Healthcare	Finance	Warehouse/Dist.	Manufacturing	Info. Technology	Aerospace
2,277 BUSINESSES	1,456 BUSINESSES	1,230 BUSINESSES	984 BUSINESSES	135 BUSINESSES	131 BUSINESSES
56,570 EMPLOYEES	37,630 EMPLOYEES	55,320 EMPLOYEES	43,890 EMPLOYEES	8,400 EMPLOYEES	9,200 EMPLOYEES

Source: Maricopa Association of Governments, 2021.

Companies Expanding and Moving to the West Valley



COMPANY	CITY	NEW JOBS
Williams-Sonoma, Inc.	Glendale	3,000
TSMC	Phoenix	2,000
KORE Power	Buckeye	1,700
Chewy	Goodyear	1,000
Factor	Goodyear	800
UPS Supply Chain Logistics ("The Hub at Goodyear")	Goodyear	400
Nestlé USA	Glendale	350
Funko	Buckeye	300
KeHE Distributors	Goodyear	270

COMPANY	CITY	NEW JOBS
Meyer Burger Technology AG	Goodyear	250
Puma	Glendale	200
Cavco	Glendale	200
Sweetwater	Glendale	165
Frito Lay	Peoria	150
Brooklyn Bedding	Glendale	150
ClearSky Health	Avondale	100
OnePointOne	Avondale	70
Bizerba USA	Avondale	50

Source: CBRE Research, 2022.

Retailers Expanding in the West Valley



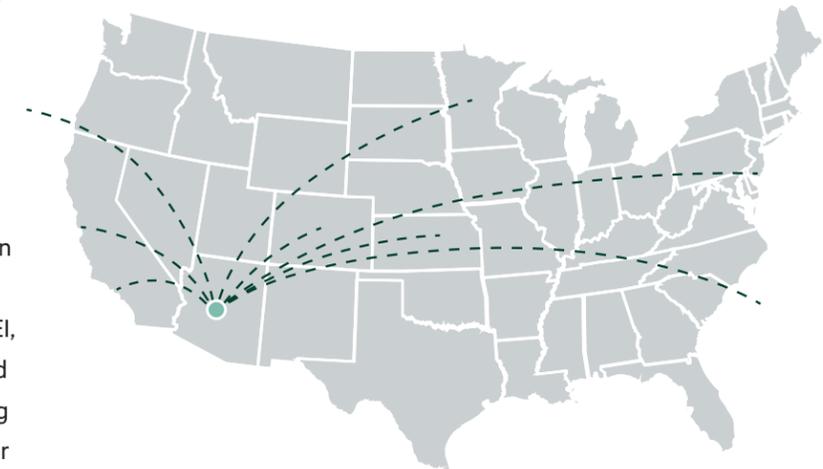
Key Employers

EMPLOYER	EMPLOYEES
Banner Health	7,782
United States Department of the Air Force	7,450
Amazon	7,011
American Express	3,950
Grand Canyon University	3,840
United Parcel Service (UPS)	2,901
Pinnacle West Capital Corporation	2,410
Abrazo Healthcare	2,313
PetSmart	1,732
HonorHealth	1,694
FedEx	1,385
Shamrock Foods Company	1,340
Swift Transportation	1,162
TriWest Healthcare Alliance	1,027
Midwestern University	905
Humana	874

Source: MAG Employer Database, 2020

Greater Maricopa Foreign-Trade Zone

The Greater Maricopa Foreign-Trade Zone (GMFTZ Zone # 277) is Western Maricopa County's own federally recognized FTZ and is one of the fastest growing zones in the USA. The Zone enables manufacturers and e-commerce fulfillment centers to minimize their Duty impact and maximize their Customs efficiencies. The Zone has spurred a wave of industrial development including build-to-suit and spec building of over \$4 billion in the West Valley since inception. There are 12 different nationally recognized companies (Red Bull, Ball Corp., REI, Dick's Sporting Goods, UPS, Nestlé, Ross, Five Below and more) operating in the Zone today, with 3 more activating in 2022. Current economic impact is over \$2.7 billion/year with well over 3,500 high-paying jobs included.

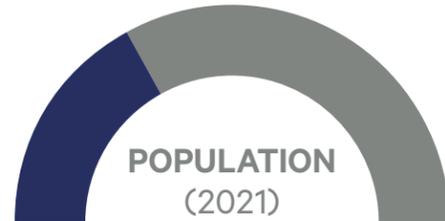




Demographic Profile

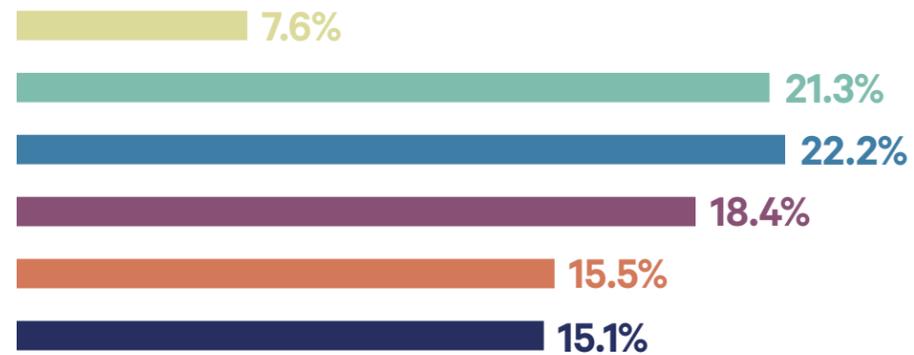
More than a third of Phoenix metro residents live in the West Valley.

1.8M
WEST VALLEY



5M
METRO PHOENIX

West Valley Population by Age



■ Less than 5
 ■ Ages 20-34
 ■ Ages 50-64
■ Ages 5-19
 ■ Ages 35-49
 ■ Ages 65+

1.9M

The West Valley's population is projected to grow more than double the national rate of growth over the next five years.

Education



West Valley Educational Institutions

COMMUNITY COLLEGES

- Estrella Mountain Community College
- Glendale Community College
- Phoenix College
- Rio Salado Community College

CAREER & TECHNICAL PROGRAMS

- Arizona Automotive Institute
- Maricopa County Community College District
- Universal Technical Institute
- West-MEC
 - > Central Campus
 - > Northeast Campus
 - > Southwest Campus
 - > Northwest Campus

PUBLIC

- ASU West Campus
- NAU at Glendale
- NAU at Estrella Mountain
- NAU at North Valley

PRIVATE

- Arizona Christian University
- Arizona College
- Carrington College
- DeVry University
- Embry-Riddle Aeronautical University
- Franklin Pierce University
- Grand Canyon University
- Huntington University
- Midwestern University
- Ottawa University
- University of Phoenix
- Webster University

FALL ENROLLMENT, 2021

Grand Canyon University	23,500
Glendale Community College	13,882
Estrella Mountain Community College	8,516
Arizona State University, West	5,209
West Valley Rio Salado College	5,106
Ottawa University	1,994

Demographics

Median Age	Median Household Income	Median Home Price
34.6 WEST VALLEY	\$63,528 WEST VALLEY	\$278,272 WEST VALLEY
36.4 PHOENIX METRO	\$68,676 PHOENIX METRO	\$312,305 PHOENIX METRO
38.8 UNITED STATES	\$64,730 UNITED STATES	\$264,021 UNITED STATES

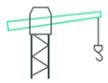
West Valley Educational Attainment

- 23.6%**
BACHELOR'S+
- 33.8%**
ASSOCIATE'S/SOME COLLEGE
- 26.7%**
HIGH SCHOOL



Labor Supply

Labor Highlights



46%

of construction workers in Maricopa County reside in the West Valley.



36%

of healthcare workers in Maricopa County live in the West Valley, yet only 24% of the jobs are located here.

Sources: *Maricopa County Travel Reduction Program, 2021; U.S. Census Bureau American Community Survey, 2020.



35%

of the manufacturing workers in Maricopa County live in the West Valley, yet only 27% of the jobs are located here.



24%

of Aerospace and Aviation workers in Maricopa County reside in the West Valley.*



30%

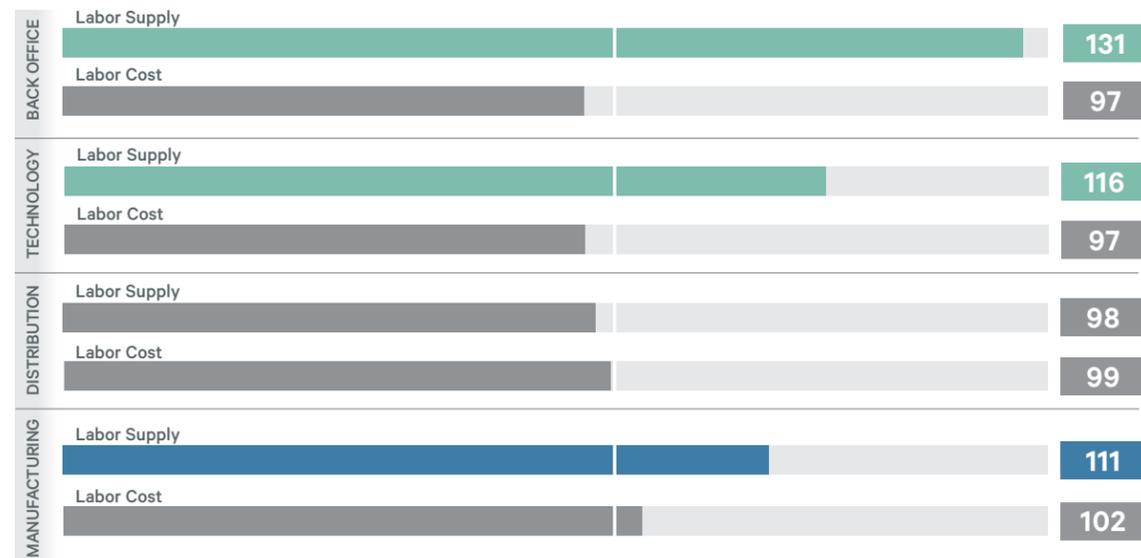
of finance and insurance workers in Maricopa County live in the West Valley compared to 19% of jobs located here.



20%

of Information Technology workers in Maricopa County reside in the West Valley.*

West Valley Labor Supply & Cost Index



Legend

NATIONAL AVERAGE=100

- 115+
Supply Cost
- 105-114
Supply Cost
- 95-104
Supply Cost
- 85-94
Supply Cost

Source: CBRE Labor Analytics, 2022. The supply and cost scores are indicative of the overall market, but are not specific to a company/occupier.

Professional Services Labor Cost Comparison

Phoenix's West Valley professional services labor costs are close to the national average. Compare this to markets like Denver and Los Angeles, where the same labor costs 9% and 16% more than the national average.

OCCUPATION	U.S. Average	West Valley (Avondale, AZ)	Austin, TX	Dallas, TX	Denver, CO	Los Angeles, CA	Salt Lake City, UT
Administrative Assistant	\$37,825	\$38,580	\$37,685	\$37,895	\$41,515	\$42,974	\$36,894
Call Center Representative (Specialized Calls)	\$33,002	\$34,187	\$32,505	\$32,904	\$37,210	\$38,212	\$31,928
Accounts Payable & Receivable Clerk	\$37,231	\$38,139	\$37,439	\$37,496	\$41,067	\$42,160	\$36,008
Financial Analyst	\$81,412	\$77,258	\$82,408	\$85,499	\$88,616	\$89,421	\$76,205
Human Resources Generalist	\$62,165	\$59,963	\$63,311	\$65,254	\$67,516	\$68,612	\$57,815
Physician General Practice (3yr Experience)	\$195,323	\$199,987	\$213,073	\$211,637	\$211,817	\$234,031	\$202,272
Registered Nurse (3yr Experience)	\$74,018	\$73,726	\$76,011	\$77,224	\$79,505	\$89,851	\$73,911
AVERAGE	\$74,425	\$74,549	\$77,490	\$78,273	\$81,035	\$86,466	\$73,576

Source: CBRE Labor Analytics, ERI Economic Research Institute, 2022.

Manufacturing Labor Cost Comparison

A typical manufacturing firm in Phoenix's West Valley saves 1.5% on labor costs compared to the national average. By comparison, the same firm will spend 3% more for labor in Dallas and 12% more in Denver or Los Angeles.

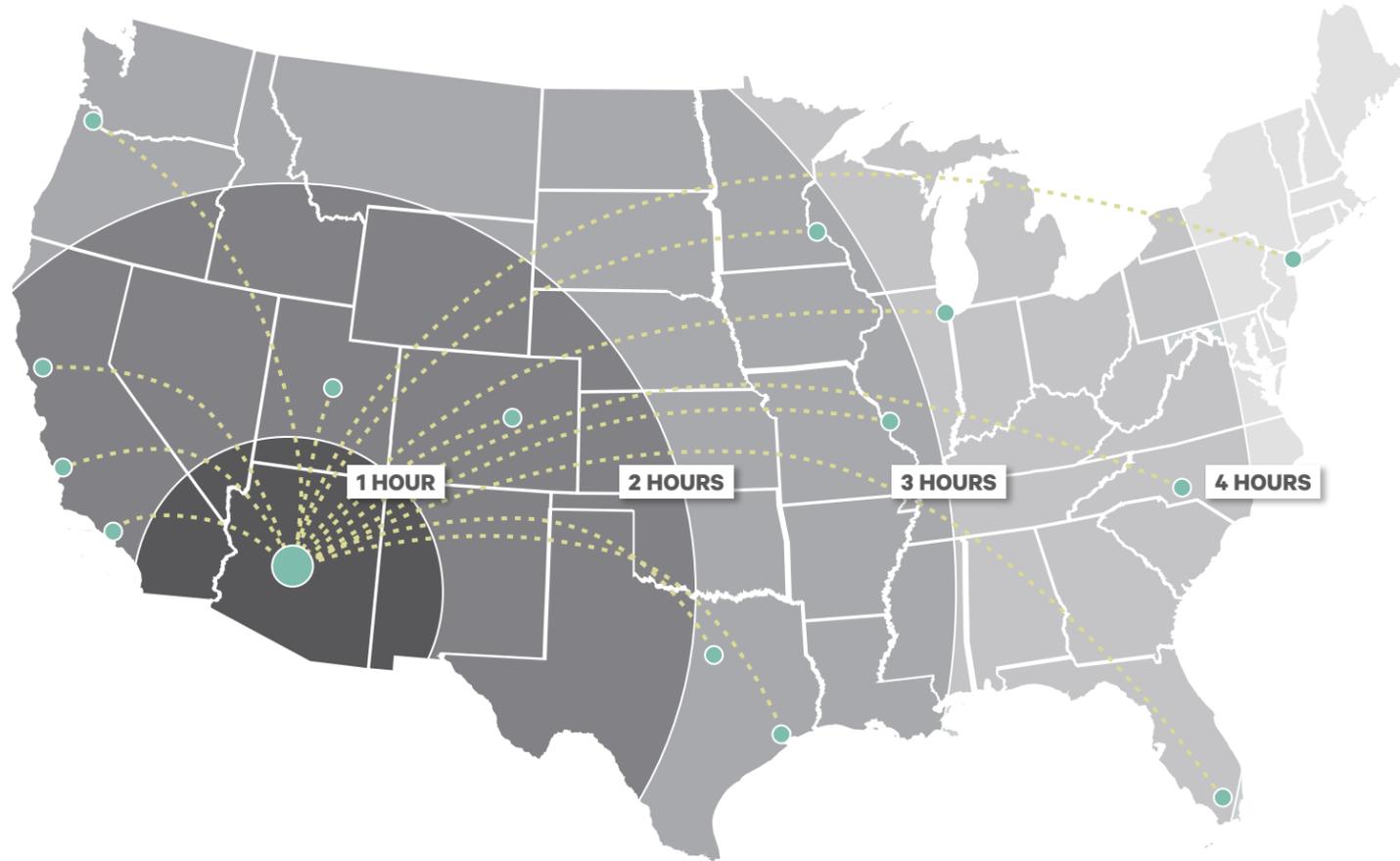
OCCUPATION	U.S. Average	West Valley (Avondale, AZ)	Austin, TX	Dallas, TX	Denver, CO	Los Angeles, CA	Salt Lake City, UT
Manager Production	\$46.90	\$44.30	\$48.87	\$49.89	\$53.00	\$52.03	\$42.57
Product Assembler (Machine)	\$17.90	\$18.16	\$17.61	\$17.64	\$19.28	\$19.32	\$17.58
Assembly Line Foreman	\$24.21	\$23.98	\$24.53	\$24.54	\$26.02	\$26.53	\$23.71
Machine Operator	\$17.89	\$18.15	\$17.60	\$17.63	\$19.27	\$19.31	\$17.57
Manufacturing Worker	\$14.60	\$15.15	\$14.11	\$14.11	\$16.41	\$16.50	\$14.17
AVERAGE	\$24.30	\$23.95	\$24.54	\$24.76	\$26.80	\$26.74	\$23.12

Source: CBRE Labor Analytics, ERI Economic Research Institute, 2022.

Strategic Location



Flight Times



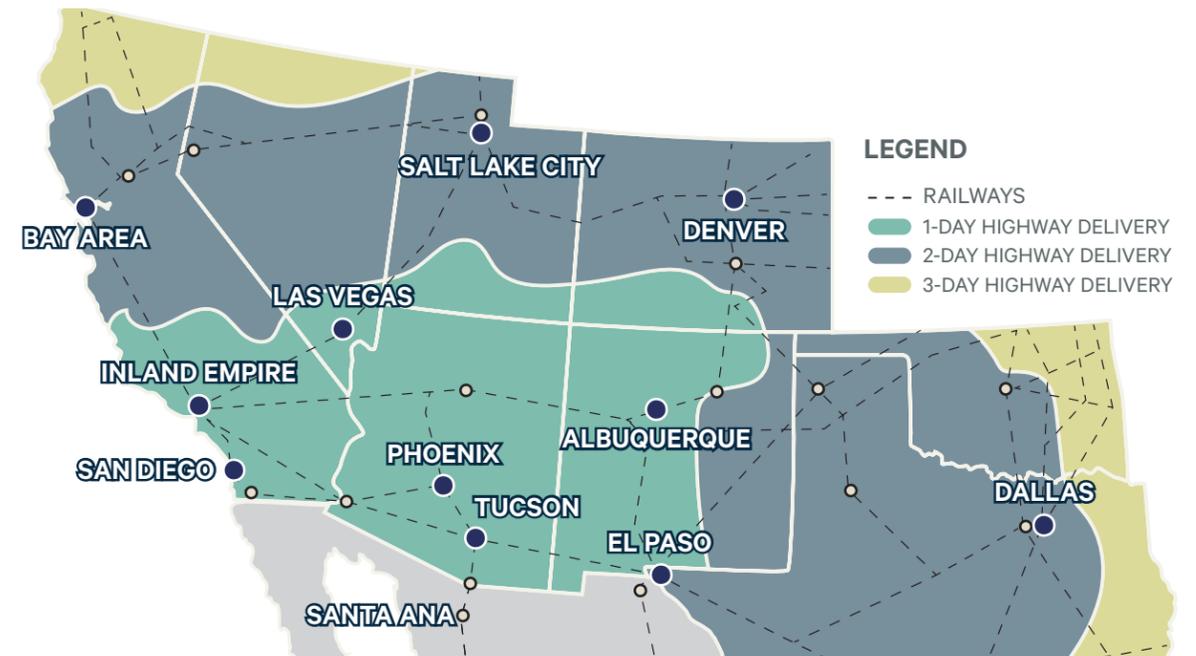
Population Reach from Phoenix

DISTANCE	2021 POPULATION (MILLIONS)	2026 POPULATION (MILLIONS)
100 miles	5.5	6.0
200 miles	7.4	7.9
300 miles	14.8	15.7
400 miles	34.8	36.1

DISTANCE	2021 POPULATION (MILLIONS)	2026 POPULATION (MILLIONS)
500 miles	40.7	42.3
600 miles	50.5	52.7
700 miles	64.2	66.9
800 miles	67.2	70.0

Source: Esri, 2022.

Highway and Rail



Highway Travel Times from Phoenix

CITY	MILES	HOURS
Tucson	125	1.8
Las Vegas	285	5.3
Inland Empire	310	4.1
San Diego	350	4.8
El Paso	440	6.0
Albuquerque	475	6.3
Salt Lake City	635	11.0
Bay Area	750	12.0
Dallas	1,120	15.0
Houston	1,185	17.5

Source: Greater Phoenix Economic Council.

Development

Developments in the West Valley



IT Startups

The West Valley has over 35,000 IT professionals to support the tech sector. WESTMARC and WVIA (West Valley Innovation Alliance) developed a program to identify, mentor, scale and bring investment to tech startups, ultimately increasing the West Valley workforce tech pipeline.

The results have produced new tech startups planting roots in the West Valley, tech funding, workforce growth, and investor awareness. The number of IT startups in the West Valley has increased 38% since 2021. The added benefit of new startups and startup talent, includes new confidence from corporations on having the workforce pipeline to support moving to the West Valley.

Currently there are 32 IT startups in the West Valley:

- Transportation Performance
- Chrysalis Technology Solutions
- EasyVoice
- GeniusInfotech LLC
- LeadFuze
- Scottsdale Bizz
- StealthSeminar
- A to Z Software Integration
- Integral Consulting
- ITE Software Solutions Pvt. Ltd.
- PhoenixBizz
- Savant WMS
- TRIMS Software
- CADint
- ZINKN
- Data Connect Corporation
- Magestore
- Akos MD
- CyberMetrics Corporation
- Enghouse Interactive
- Inception Technologies
- MDS Medical
- Openforce
- Performance Software Corporation
- Progrexion
- PureTech Systems
- qBotica
- SmarterTools
- TTEC
- UnisLink
- Veras Retail
- ZorroSign

Source: West Valley Innovation Alliance, 2022.

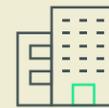


Data Centers

Over the past few years, tech companies have sought the West Valley land to build data centers. Nationally recognized companies like Microsoft, Stream, and Compass have purchased hundreds of acres of land in Goodyear. The Phoenix Metro has seen an increase in data center development, in large part to its stable climate, competitive power, strong labor pool, and tax incentives. The West Valley's proximity to the California tech

market puts this region in a logistical advantage. These investments not only bring jobs to the facilities, but also specialized positions in the construction industry. Tech corridors in the West Valley provide the perfect incubator environment to connect these large capital investments to mid-size support services and IT startups.

West Valley Commercial Real Estate (2022)



Office

The West Valley's office footprint accounts for 13.9% of the metro's total office inventory with 13.3 million sq. ft. Comprised primarily of corporate headquarters and major users that occupy significant space, the West Valley office market offers competitive lease rates in some of the fastest growing suburbs in Metro Phoenix. With Gen 1 at GSQ now completed in Goodyear, the West Valley is home to an additional 103,628 sq. ft of highly sought after premier office space.



Industrial

The industrial sector has a strong presence in the West Valley due to the large labor pool, strategic location and relative affordability compared to coastal markets. West Valley industrial space accounts for 52.7% of metro-wide inventory and an additional 21.4 million sq. ft. of space is currently underway. This includes landmark projects such as Taiwan Semiconductor's fabrication plant at Pinnacle Peak and Puma's distribution center in Goodyear. The West Valley continues to be one of the hottest industrial markets in the U.S.



Retail

Booming population growth continues to attract new retailers to the West Valley, particularly grocers, restaurants and fitness users. The West Valley's retail base is 56.8 million sq. ft. with another 1.5 million sq. ft. in development. This includes the Village at Prasada, a 700,000 sq. ft. power center in Surprise, slated to open in the Fall of 2022. Retail assets are poised to grow at a strong pace as new residents flock to several new and existing master planned communities in the West Valley, each with their own built-in retail amenities.

Source: CBRE Research, H2 2022. Submarket estimates aggregate to the West Valley.

OFFICE	WEST VALLEY	PHOENIX METRO
Total Inventory (sq. ft.)	13,316,119	95,982,158
Vacancy Rate	27.30%	20.60%
Asking Rent (FSG/Annual)	\$23.59	\$29.00
New Supply (sq. ft.)	103,628	1,127,068

INDUSTRIAL	WEST VALLEY	PHOENIX METRO
Total Inventory (sq. ft.)	194,401,379	369,103,638
Vacancy Rate	3.17%	2.80%
Asking Rent (NNN/Monthly)	\$0.80	\$1.13
Under Construction (sq. ft.)	21,376,726	31,203,718

RETAIL	WEST VALLEY	PHOENIX METRO
Total Inventory (sq. ft.)	56,826,532	150,479,025
Vacancy Rate	6.06%	5.50%
Asking Rent (NNN/Annual)	\$17.03	\$18.57
Under Construction (sq. ft.)	1,473,198	1,978,696



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