



LAND ADVISORS ORGANIZATION – PHOENIX ADVISORS

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FOUNDER & CEO



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PRINCIPAL &
DESIGNATED BROKER



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HOMEBUILDER, MULTI-FAMILY
& MPC SPECIALIST



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INDUSTRIAL ADVISOR



KIRK P. MCCARVILLE
PINAL COUNTY
ADVISOR



AFFILIATE COMPANIES



Specializes in establishing strategic capital relationships between landowners, homebuilders, developers and capital providers.

Institutional capital firms • Hedge funds • Opportunity funds
Private equity firms • Mezzanine providers
Traditional/non-traditional debt providers



Assists the development and home building communities with the construction of projects using district financing structures (e.g. SID, CFD, CID, PID etc.) and other financing mechanisms designed to meet the unique characteristics and financing goals of our clients.

THANK YOU - RL BROWN AND JIM DANIEL & “CALM YOURSELVES”

The Phoenix Housing Market Letter

Metro Phoenix Housing Market Data and Analysis -Since 1985



RL Brown

623-341-1127 www.rlbrownreports.com – rlbrownreports@gmail.com
FREE Market Data Blog – Updated Regularly – phoenixhousingmarketdata.com
Joann Brown – Accounting Joni Vollmer-Product Jennifer Daniel-Permits



Jim Daniel

Now, in our opinion ... serious students of the local marketplace need to keep their future view carefully reined in and continuously under review ... against the tendency that some observers regularly have to overstate the likely future performance based on some combination of incomplete data, exuberance, self-interest or salesmanship. **At the same time, based on the permits,** the year-end numbers should be nice, assuming no new market or economic glitches.

THANK YOU - JIM BELFIORE AND TEAM – HEAR MORE ON SEPTEMBER 17



“Phoenix-area housing demand continues to skyrocket, while supply languishes.

The perfect storm is here, and with mortgage interest rates so low, buyers should expect home prices to **continue to rise unabated.**” - Jim Belfiore

Metro Phoenix Area Market Update Presentation

September 17th, 2020

9:30am (AZ/PST)

Register at <https://belfioreconsulting.com/app/livestream>

50 YEARS OF GROWTH

West Valley Fall 2020

Average Decennial Growth Rates 1990 to 2040

2020 PHOENIX MSA POPULATION ESTIMATE : 5,000,000



1990 - 2000
Grew 102,000 annually

2000 - 2010
Grew 97,500 annually

2010 - 2020
Projected 86,200 annually

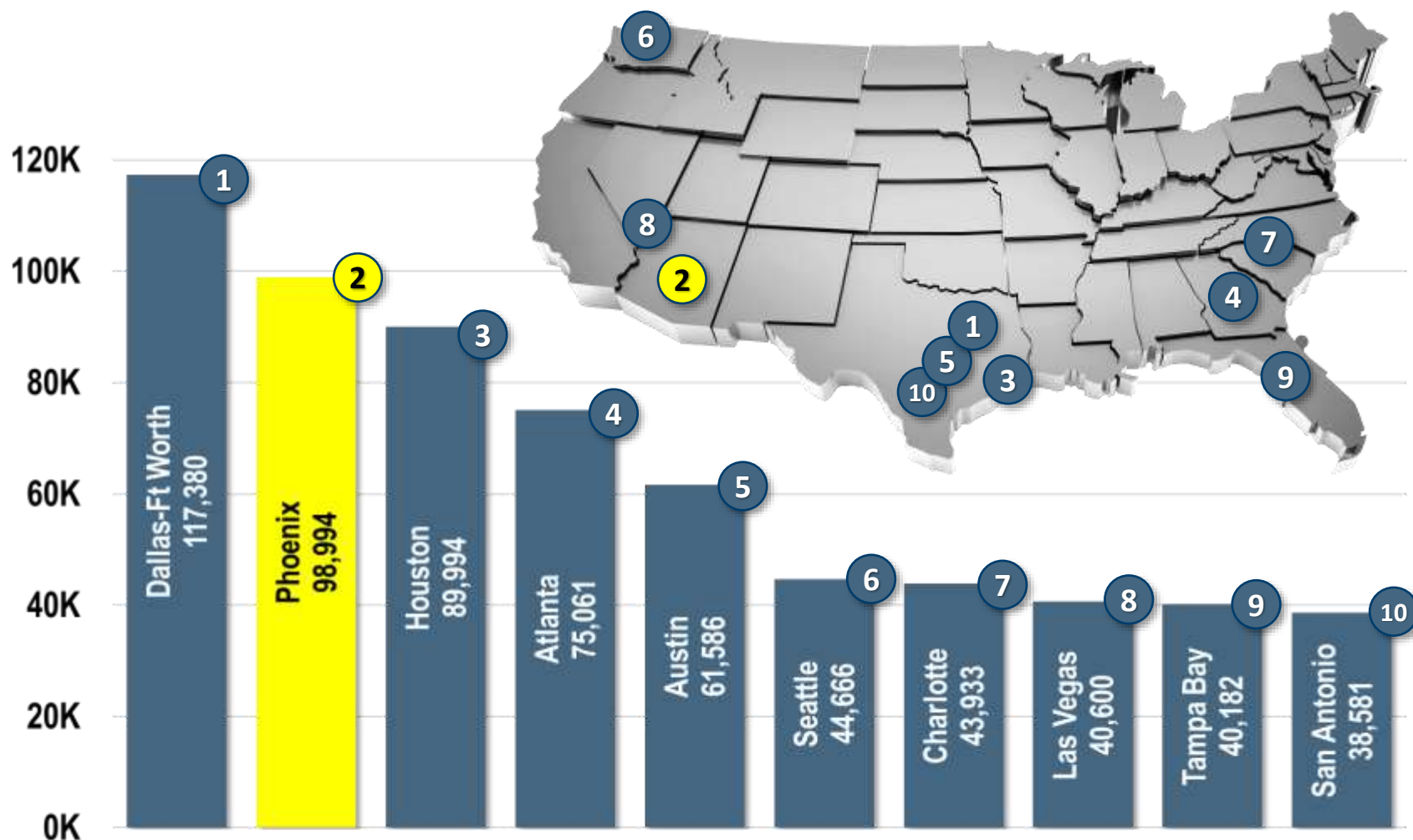
2020 - 2030
Projected 90,000 annually

2030 - 2040
Projected 86,500 annually

US POPULATION GROWTH - TOP 10 MSA'S – “THE SMILE STATES”

West Valley Fall 2020

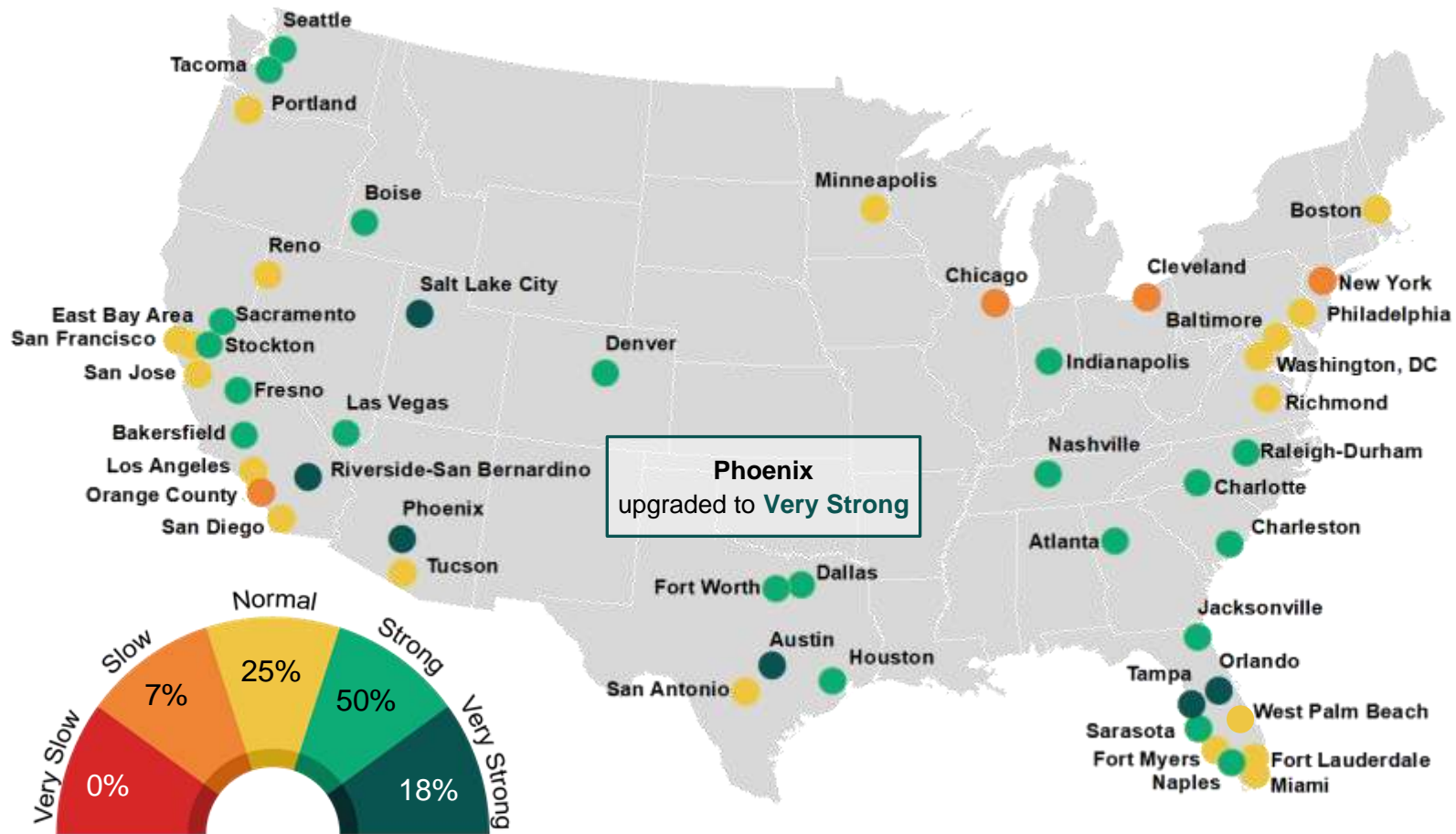
2018 to 2019



HOMEBUILDERS MARKET OUTLOOK AUGUST 2020 – JOHN BURNS

West Valley Fall 2020

68% of Markets Rated Strong or Very Strong



Source: John Burns Real Estate Consulting, LLC (Pub: Aug-20)

In Burns rating system, Strong market conditions reflect builders experiencing robust/steady sales (4 to 5 a month) and are increasing prices every month or release.

ANNUAL POPULATION CHANGE

Yearly Increase in Population

Population Growth

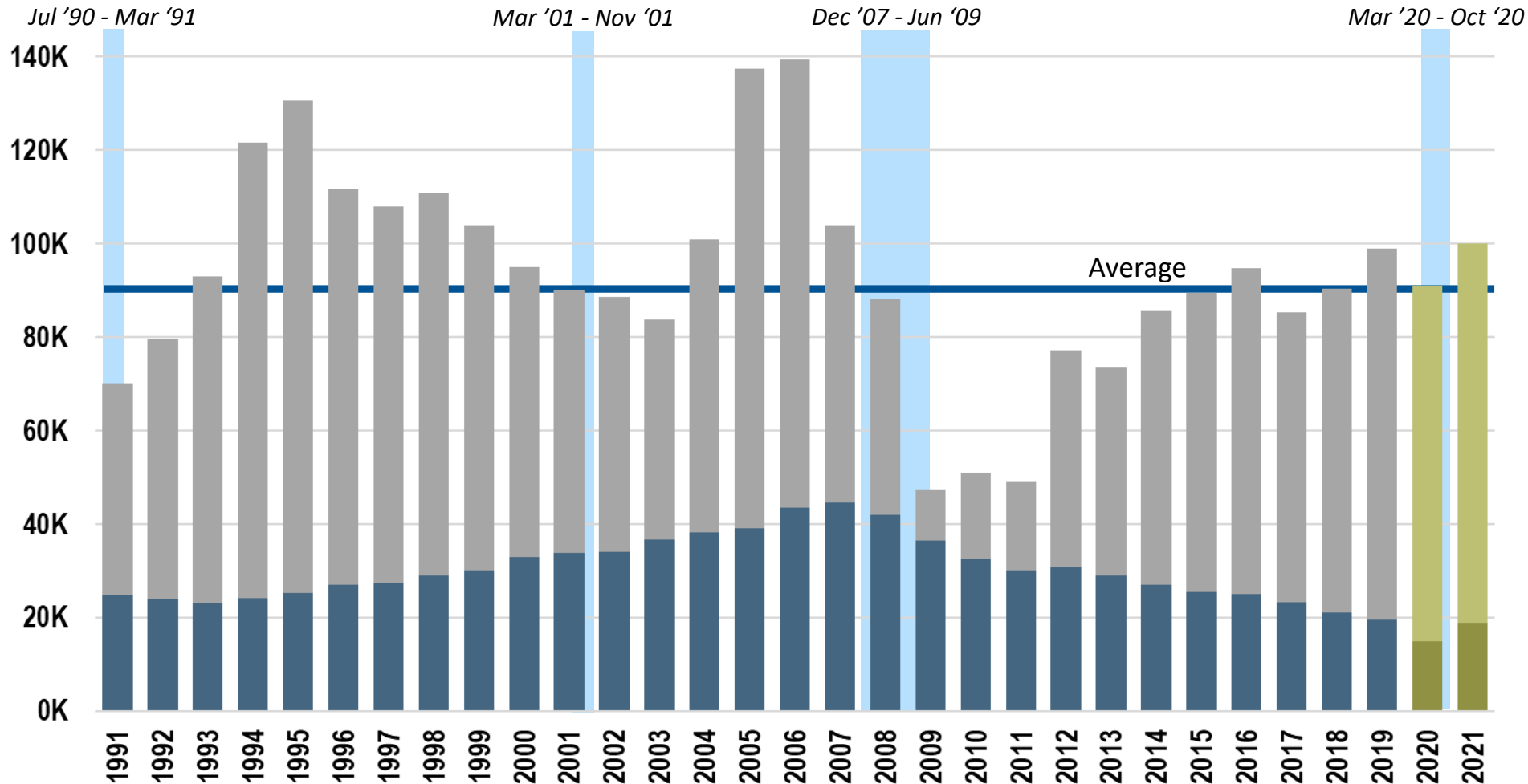
1990's: 1,013,000
2000's: 975,000
2010's: 862,000

Natural Growth

2007 Peak: 44,800
2019: 19,700
Change: -25,100
Declining births & increasing deaths

West Valley Fall 2020

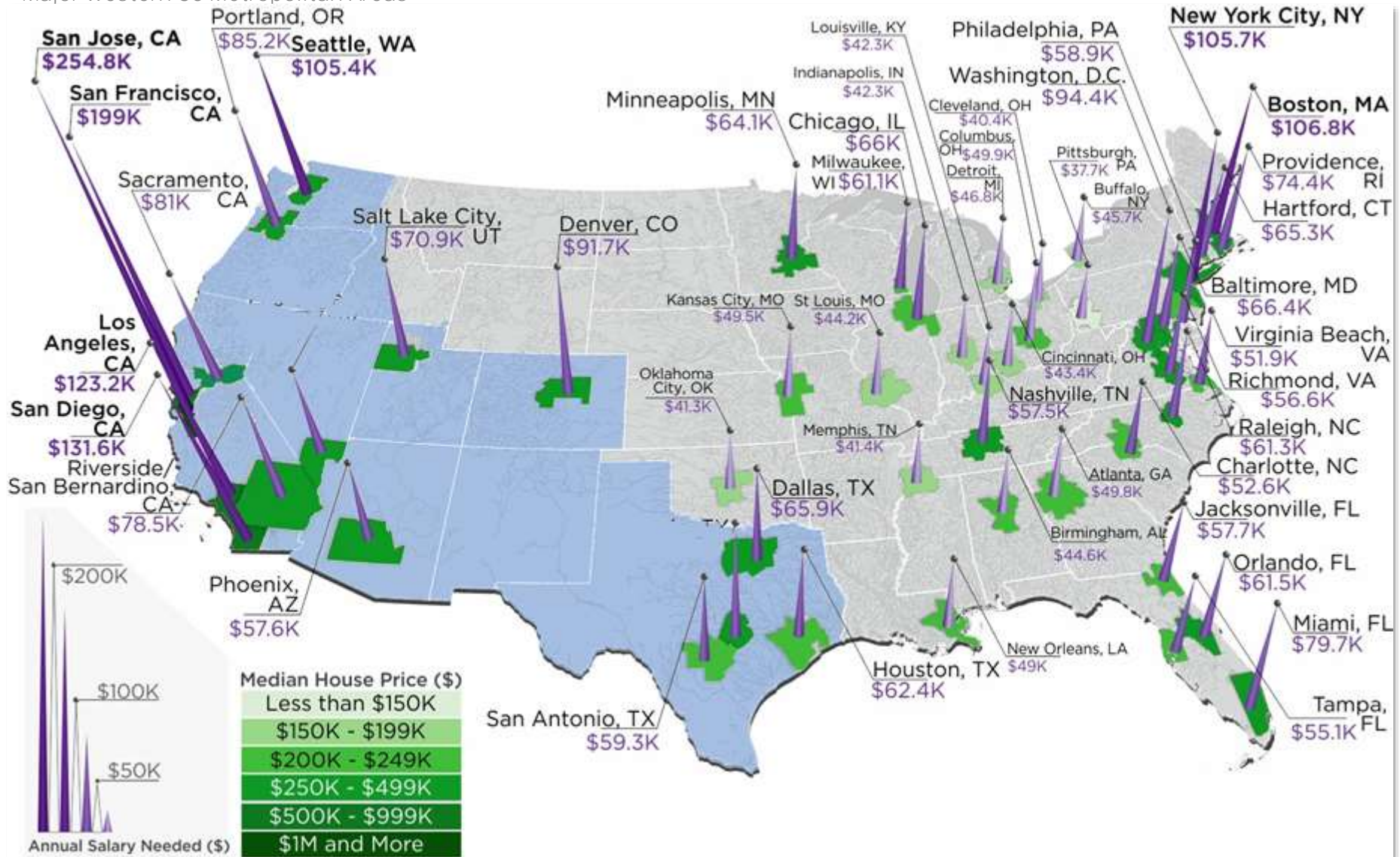
- In-Migration
- Natural Growth
- Projected
- Recession



THE SALARY REQUIRED TO BUY A HOUSE

West Valley Fall 2020

Major Western US Metropolitan Areas



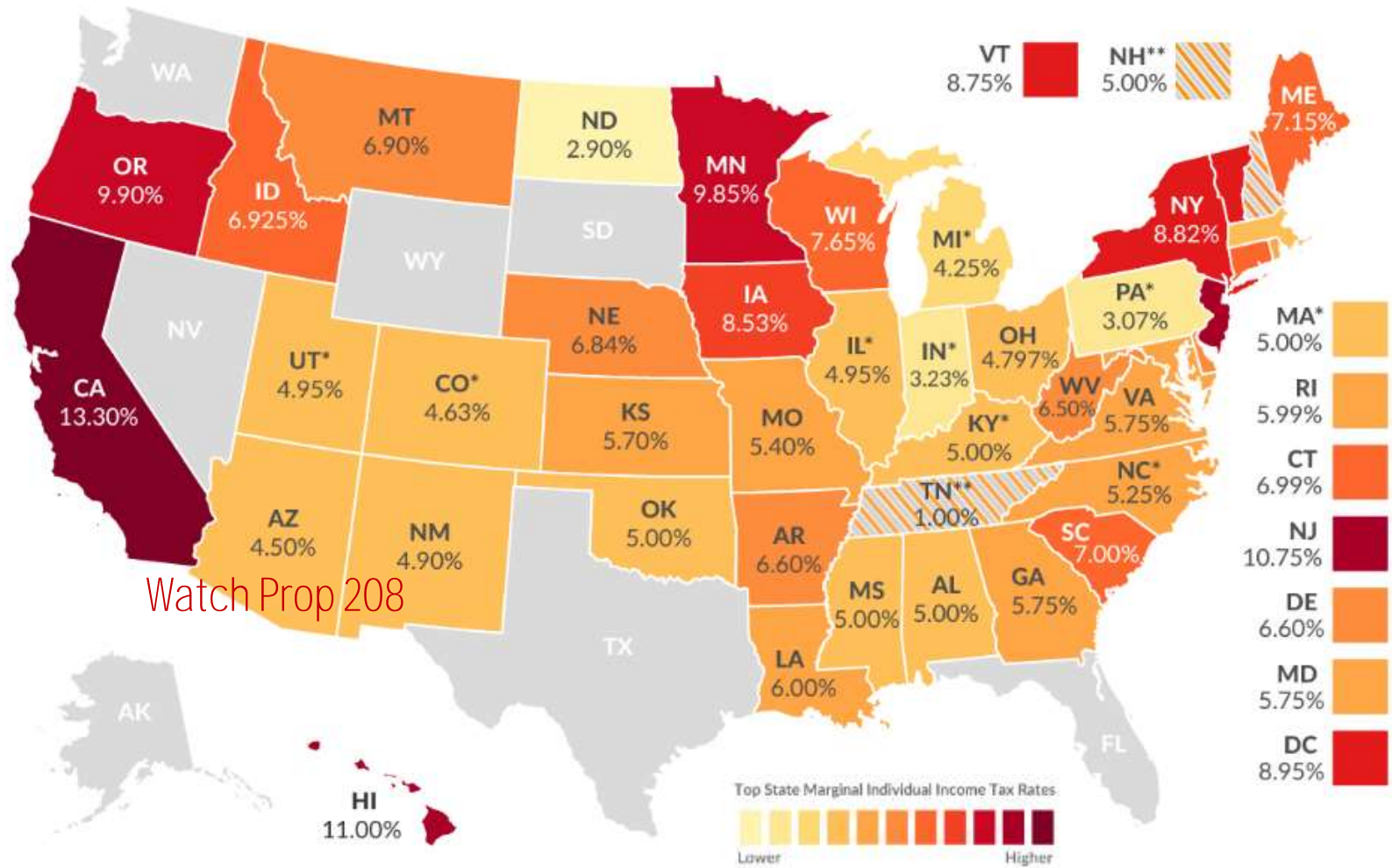
Source: Howmuch.net, Zillow, US Census, Land Advisors Organization

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TOP MARGINAL INDIVIDUAL INCOME TAX RATES

West Valley Fall 2020

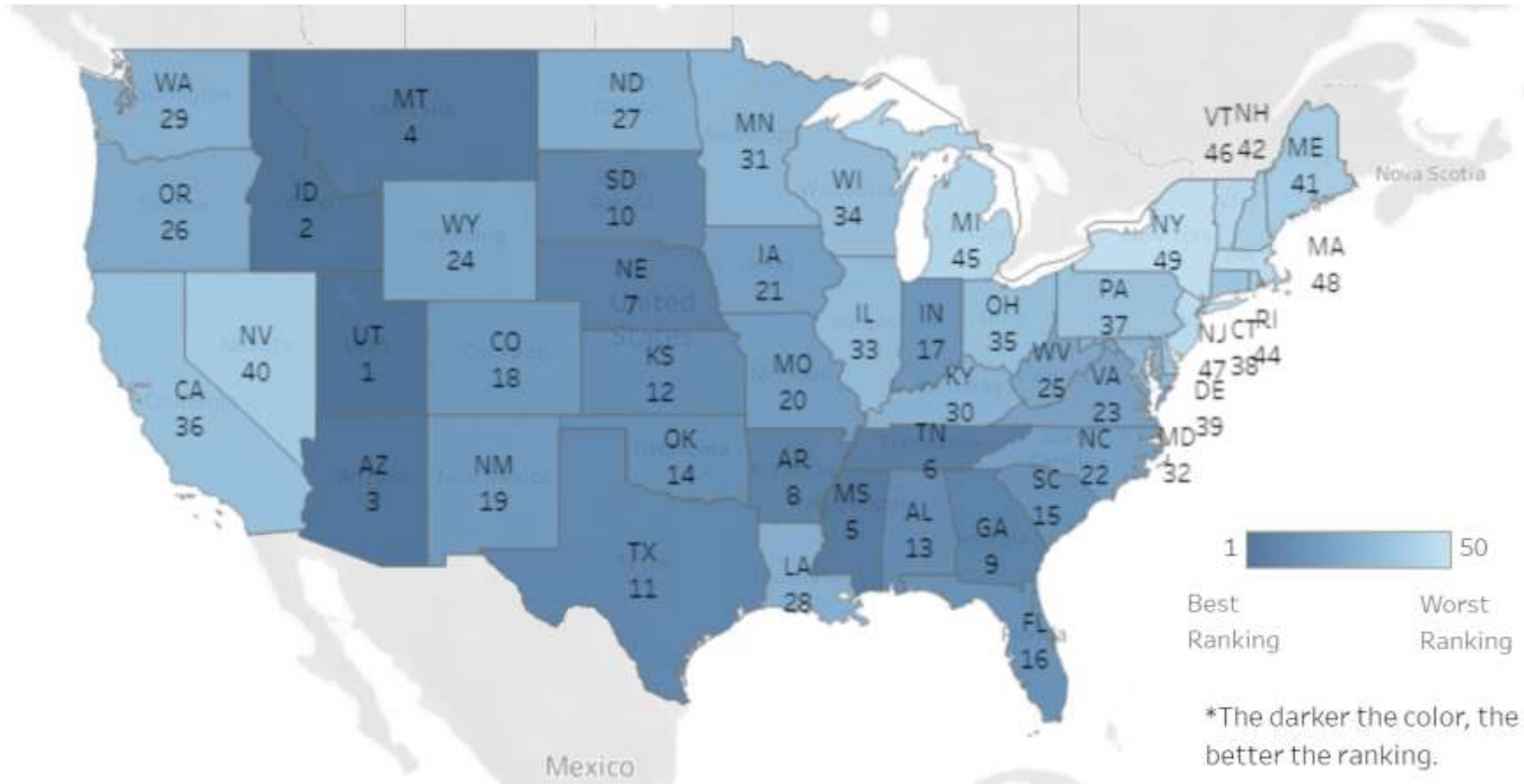
January 2020



EMPLOYMENT RANKING BY YOY% CHANGE

West Valley Fall 2020

Arizona ranked 3rd best for June 2020



90,000

Population increase
Metro Phoenix each year

27,000

Single-Family Housing
Demand Annually
Metro Phoenix

8,000

Multi-Family Housing
Demand Annually
Metro Phoenix

57%

Of Demand in the
West Valley

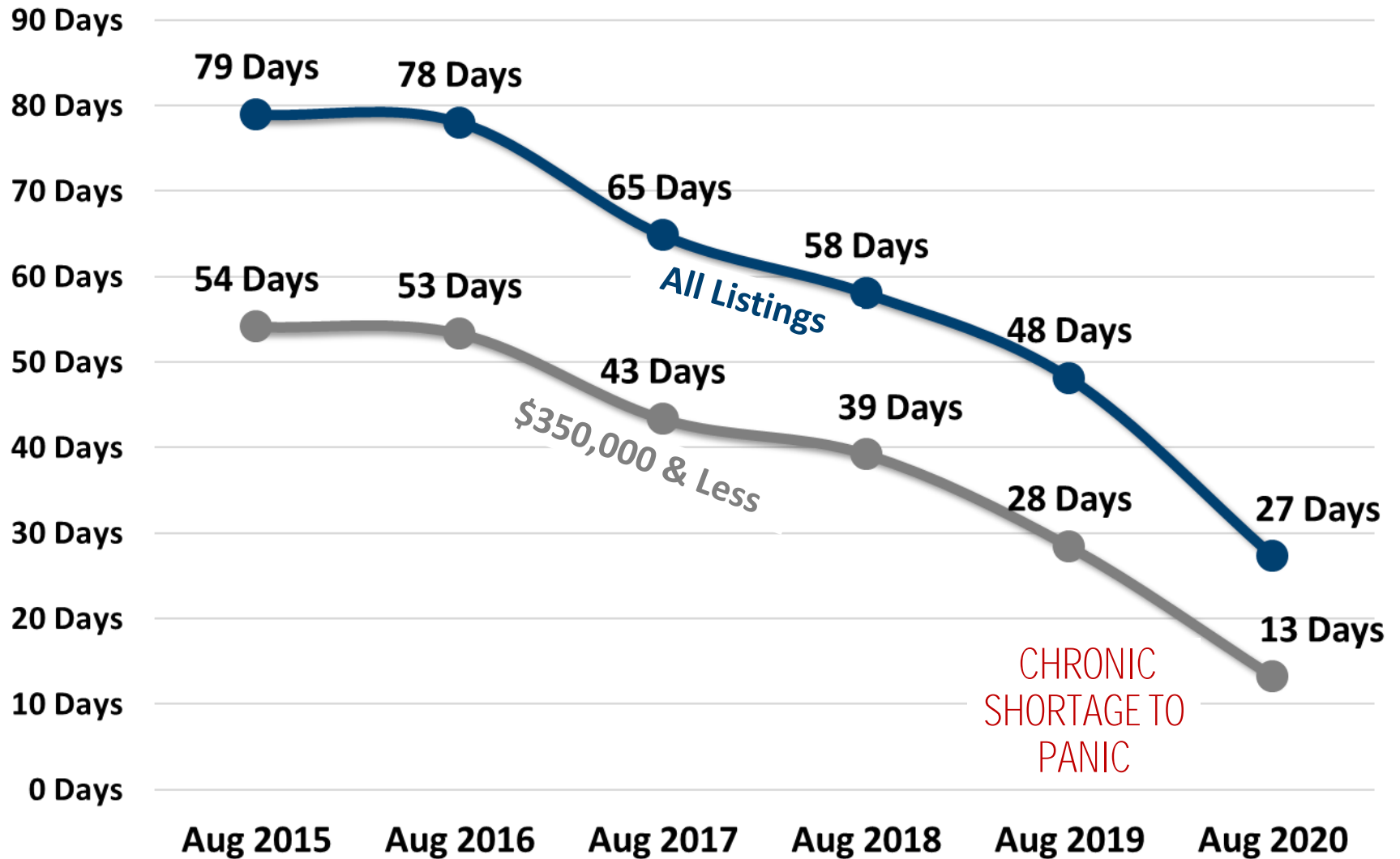
19,000 – West Valley

Units Required Annually in the West
Valley from 2020-2030

**Nearly 200,000 new residential housing units
needed in the West Valley to accommodate
over 550,000 people between 2020 - 2030**

METRO PHOENIX - RESALE DAYS OF SUPPLY

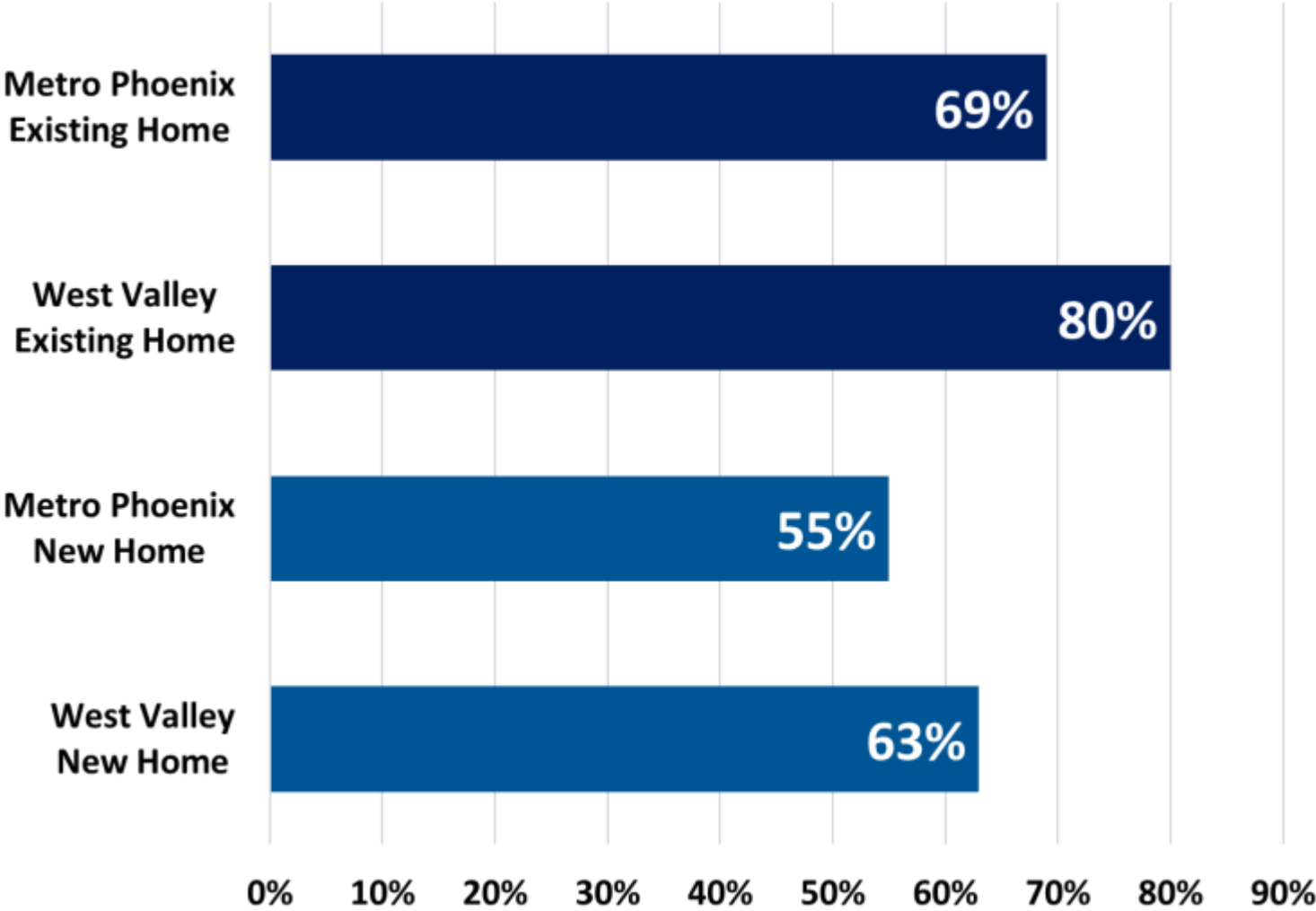
West Valley Fall 2020



AFFORDABILITY COMPARISON

West Valley Fall 2020

Percentage of Total Home Sales Costing \$350,000 or Less



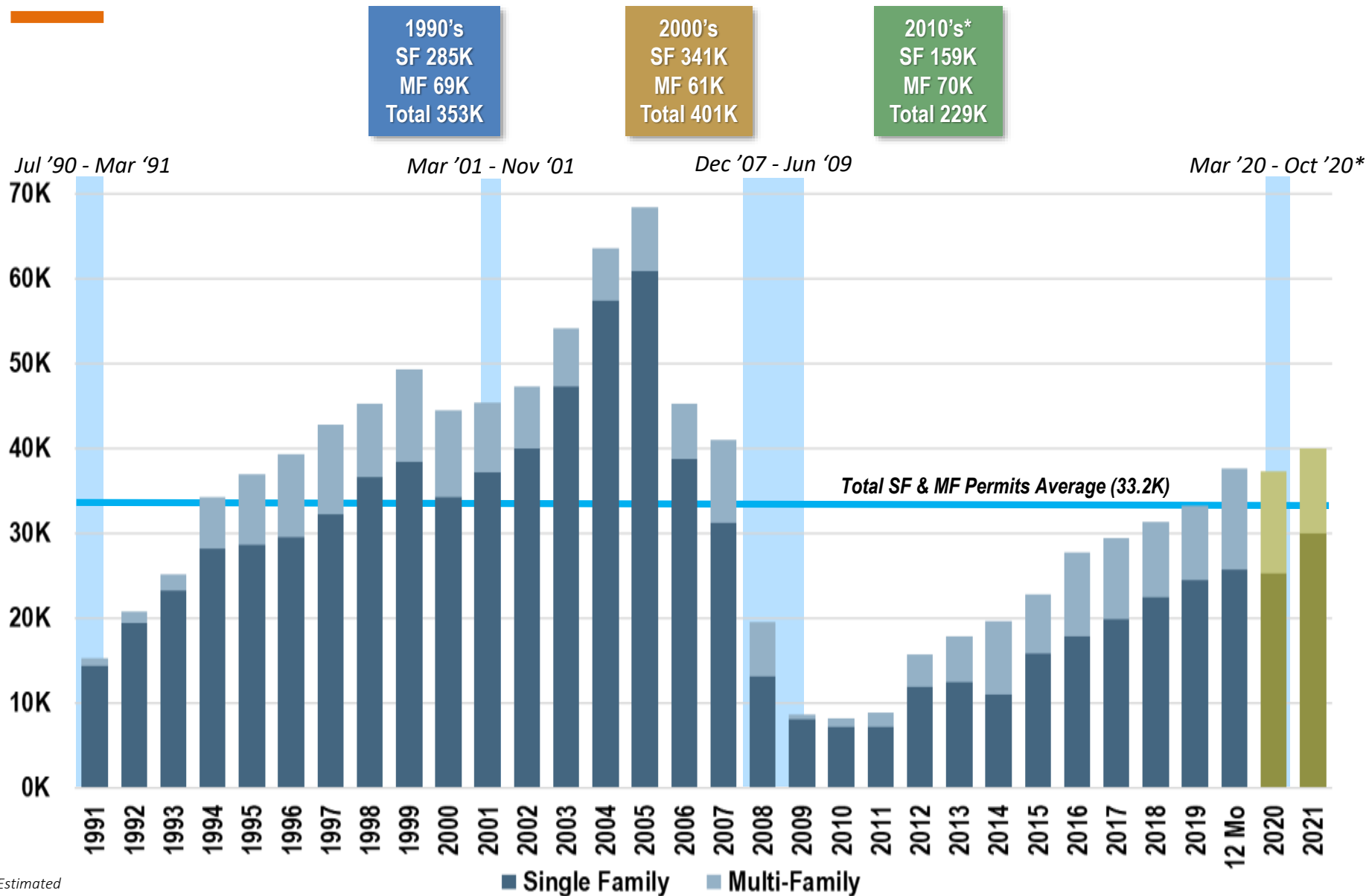
MONTHS SUPPLY OF EXISTING HOMES FOR SALE

West Valley Fall 2020

Market	Months Supply
Avondale	0.4
Buckeye	0.6
Glendale	0.5
Goodyear	0.6
Peoria	0.7
Sun City	1.0
Sun City West	0.7
Surprise	0.6

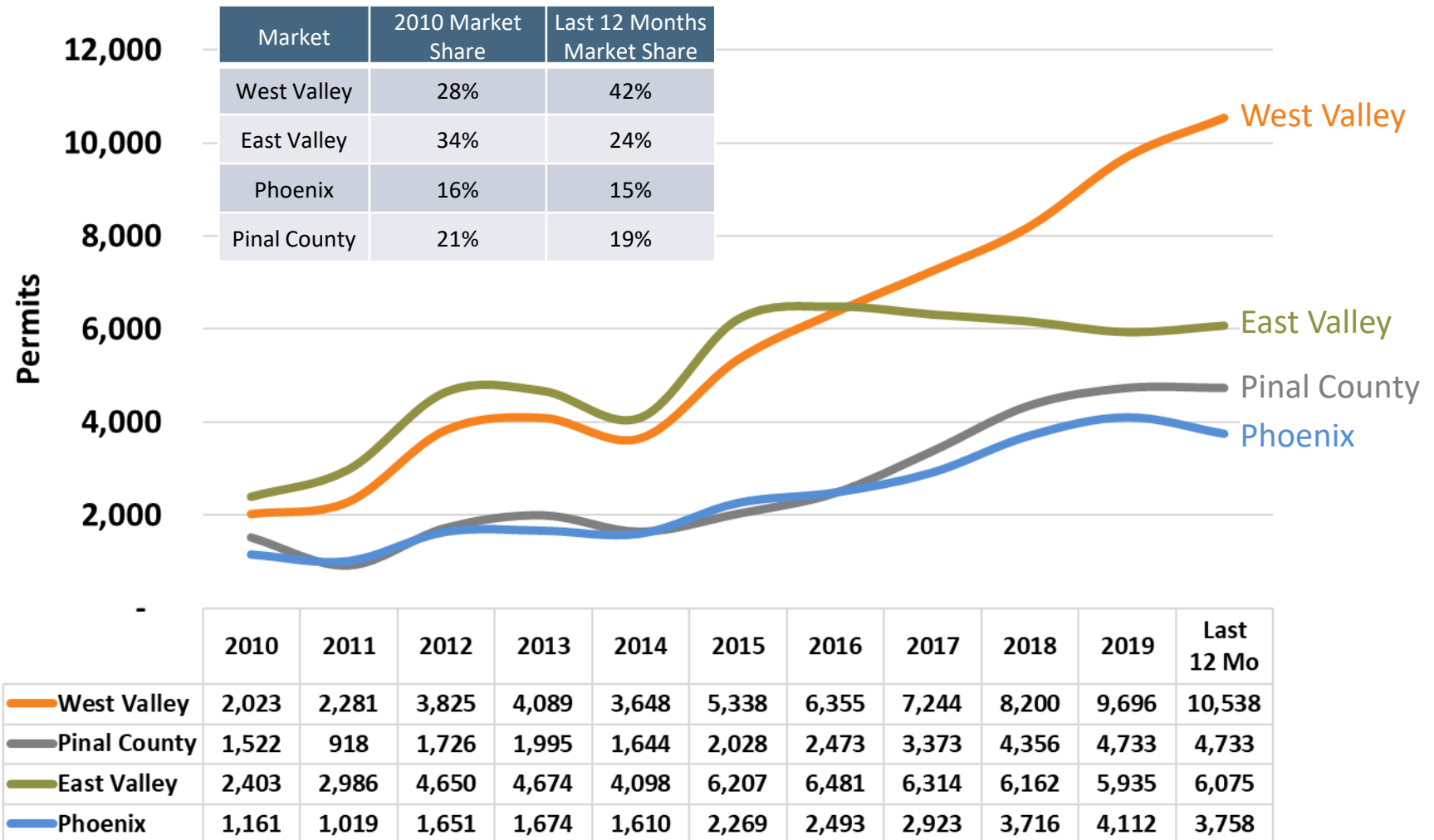
Total Permits

West Valley Fall 2020



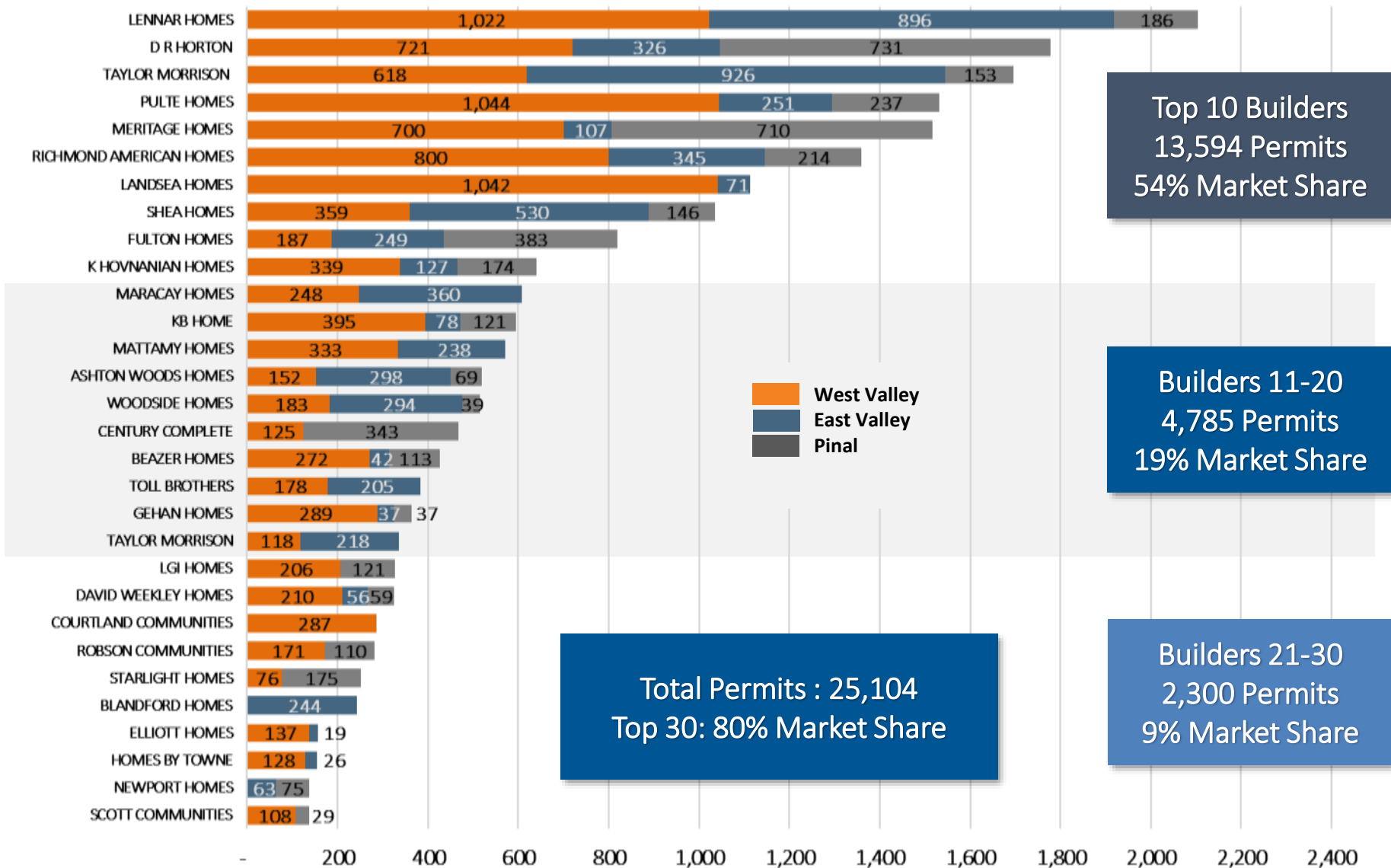
METRO PHOENIX SINGLE-FAMILY PERMITS BY REGION

West Valley Fall 2020

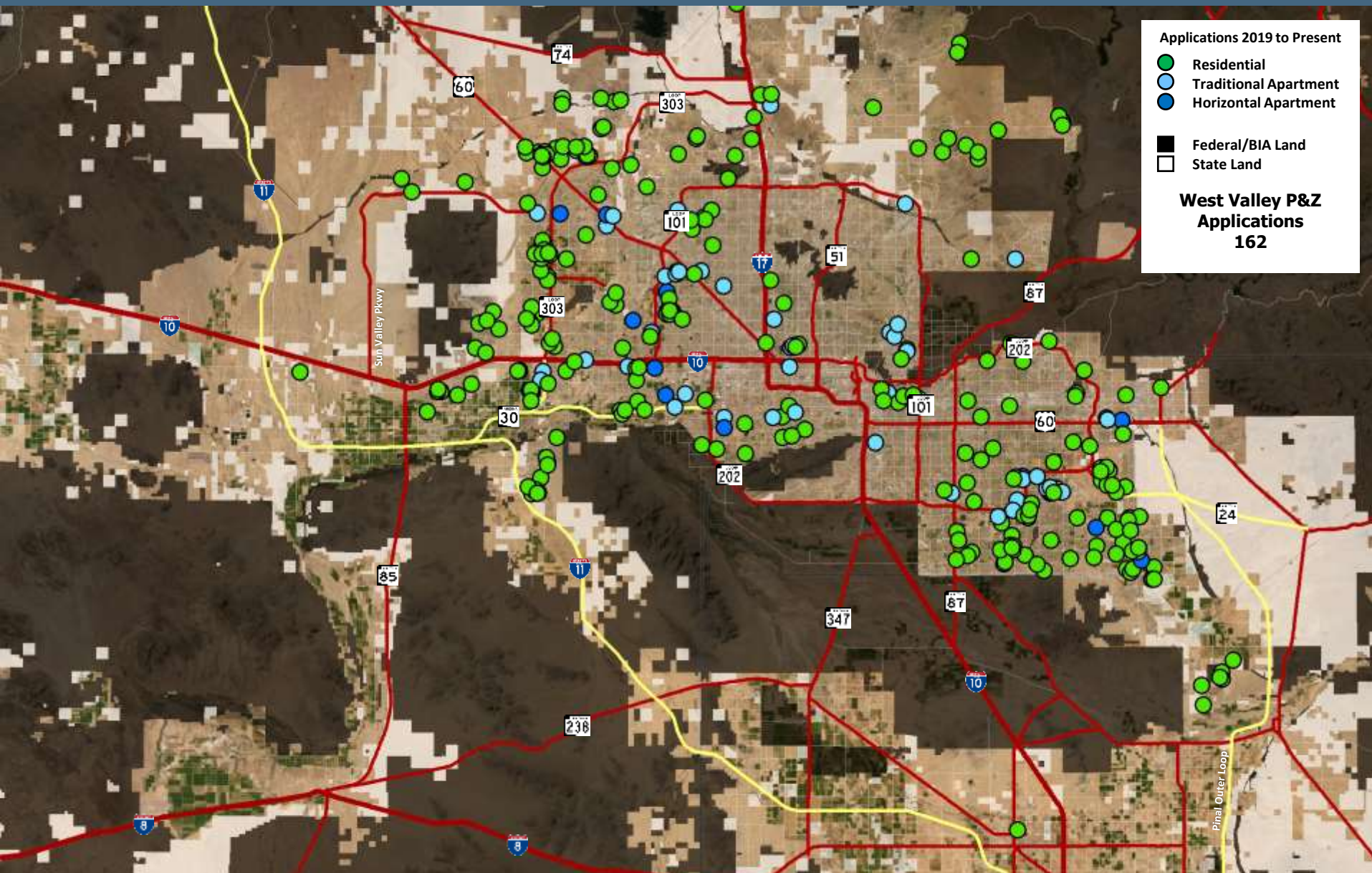


TOP 30 BUILDER BY PERMITS

West Valley Fall 2020



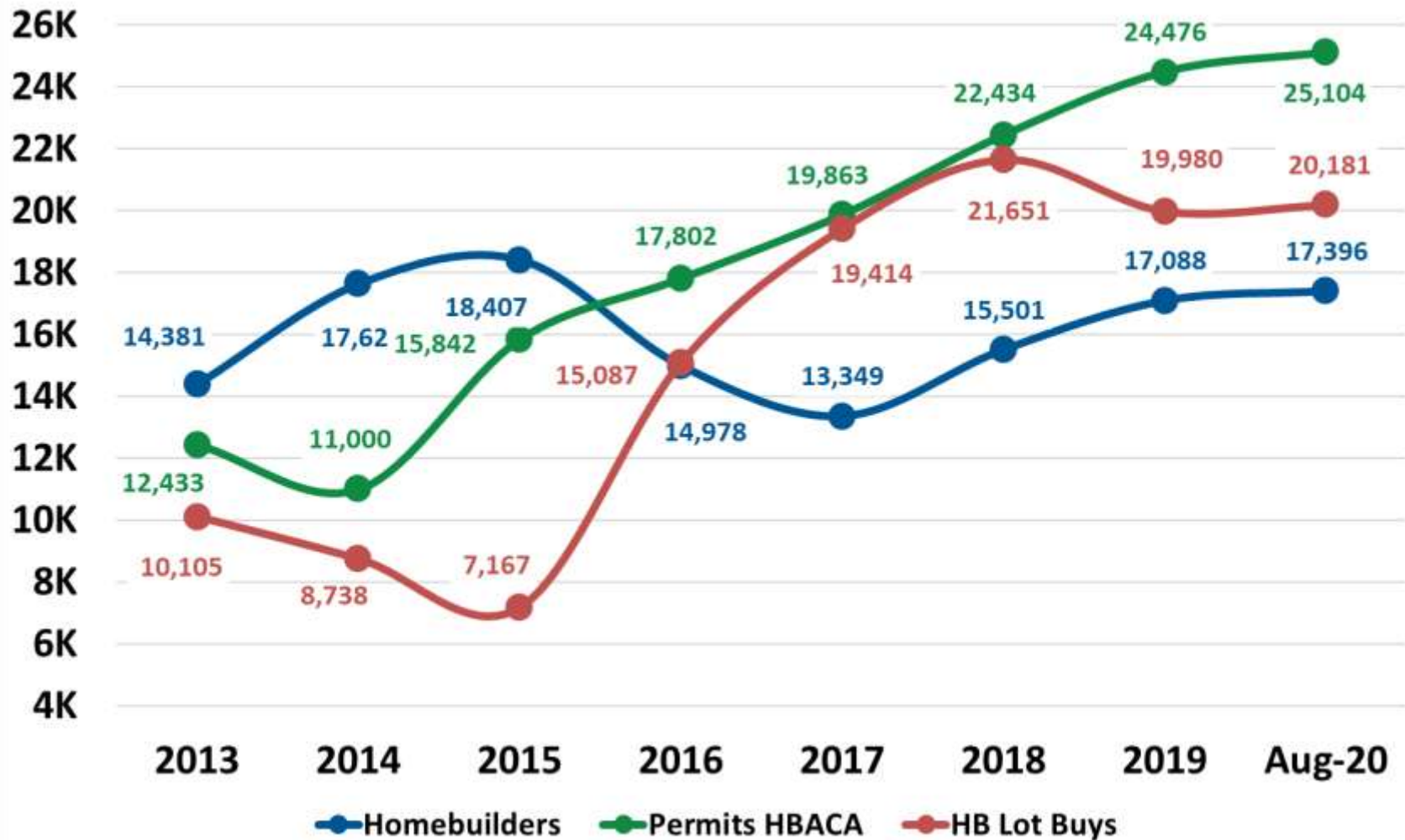
RESIDENTIAL PLANNING & ZONING APPLICATIONS



FINISHED LOT INVENTORY VS. PERMITS VS. LOT BUYS

West Valley Fall 2020

Conventional Active Finished Lots, Permits & Lot Buys



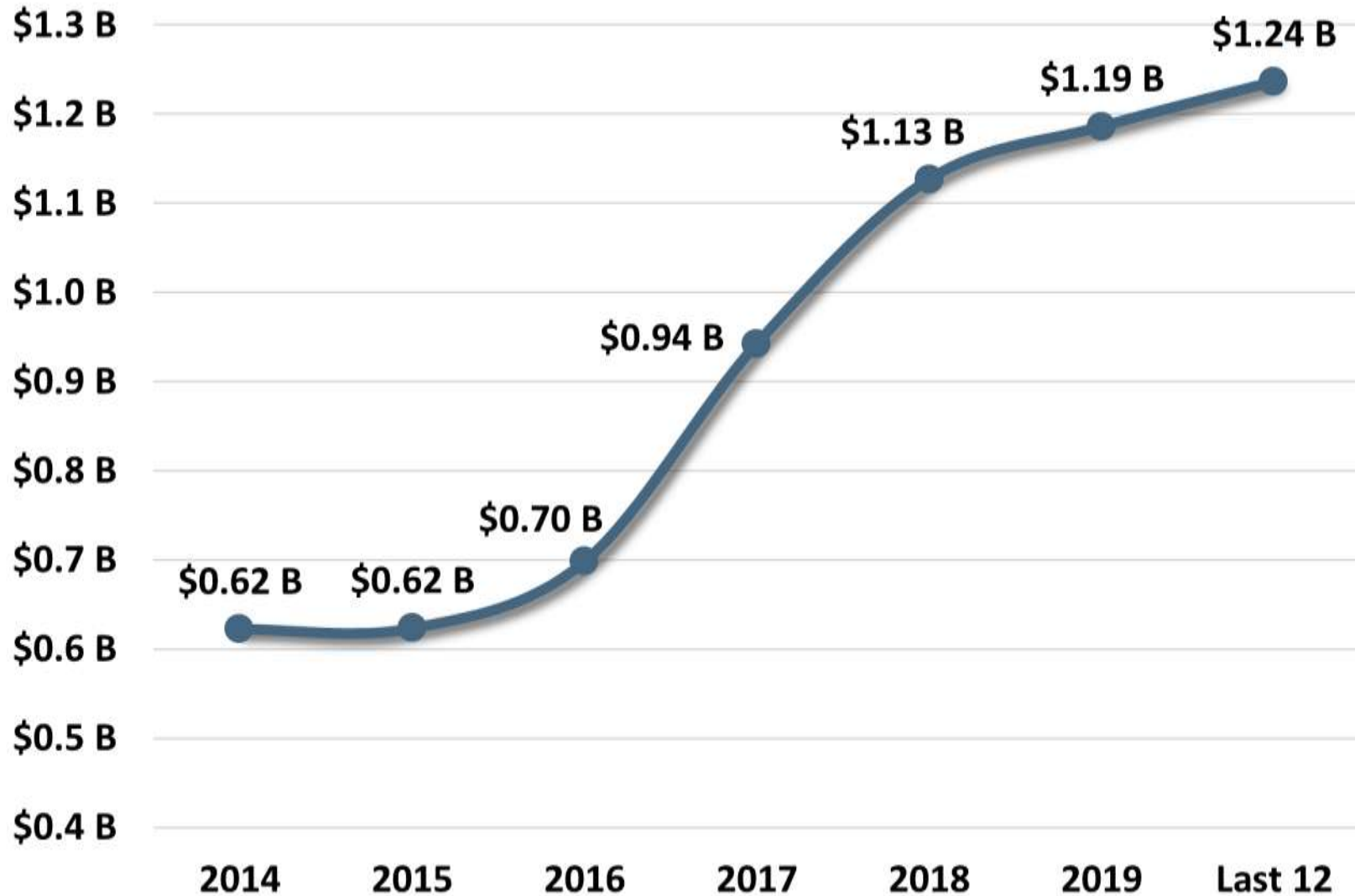
Homebuilder lot buys include finished, partially improved and platted lots. Conventional lot width is between 40 and 94 feet except for HBACA permits which includes all lot sizes.

Source: Land Advisors Organization, HBACA, Belfiore Real Estate Consulting

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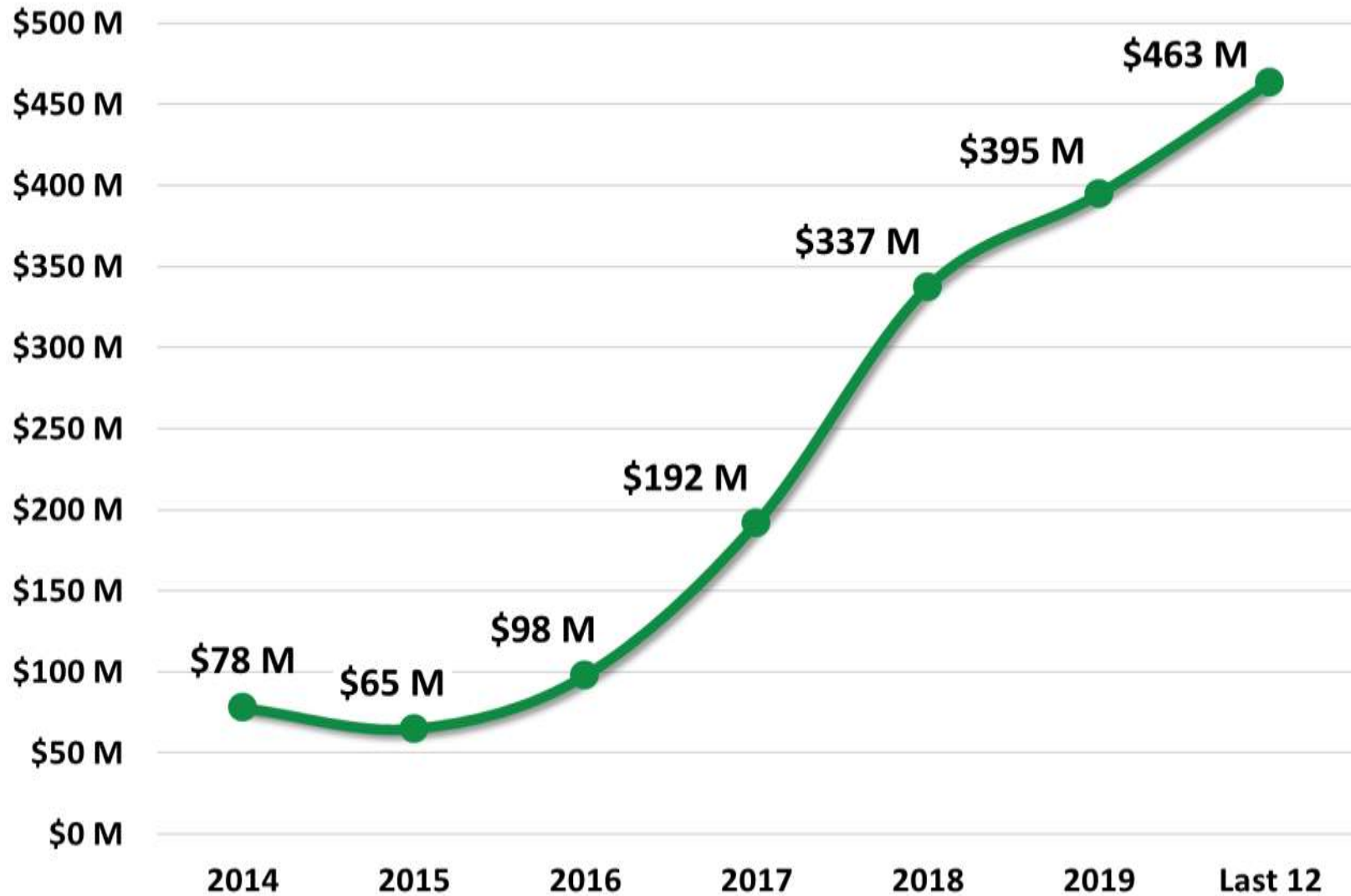
LAND TRANSACTIONS ANNUAL VOLUME - WEST VALLEY

West Valley Fall 2020

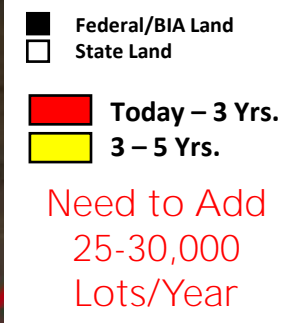


HOMEBUILDER LAND & LOT SPEND – WEST VALLEY – MOSTLY LAND

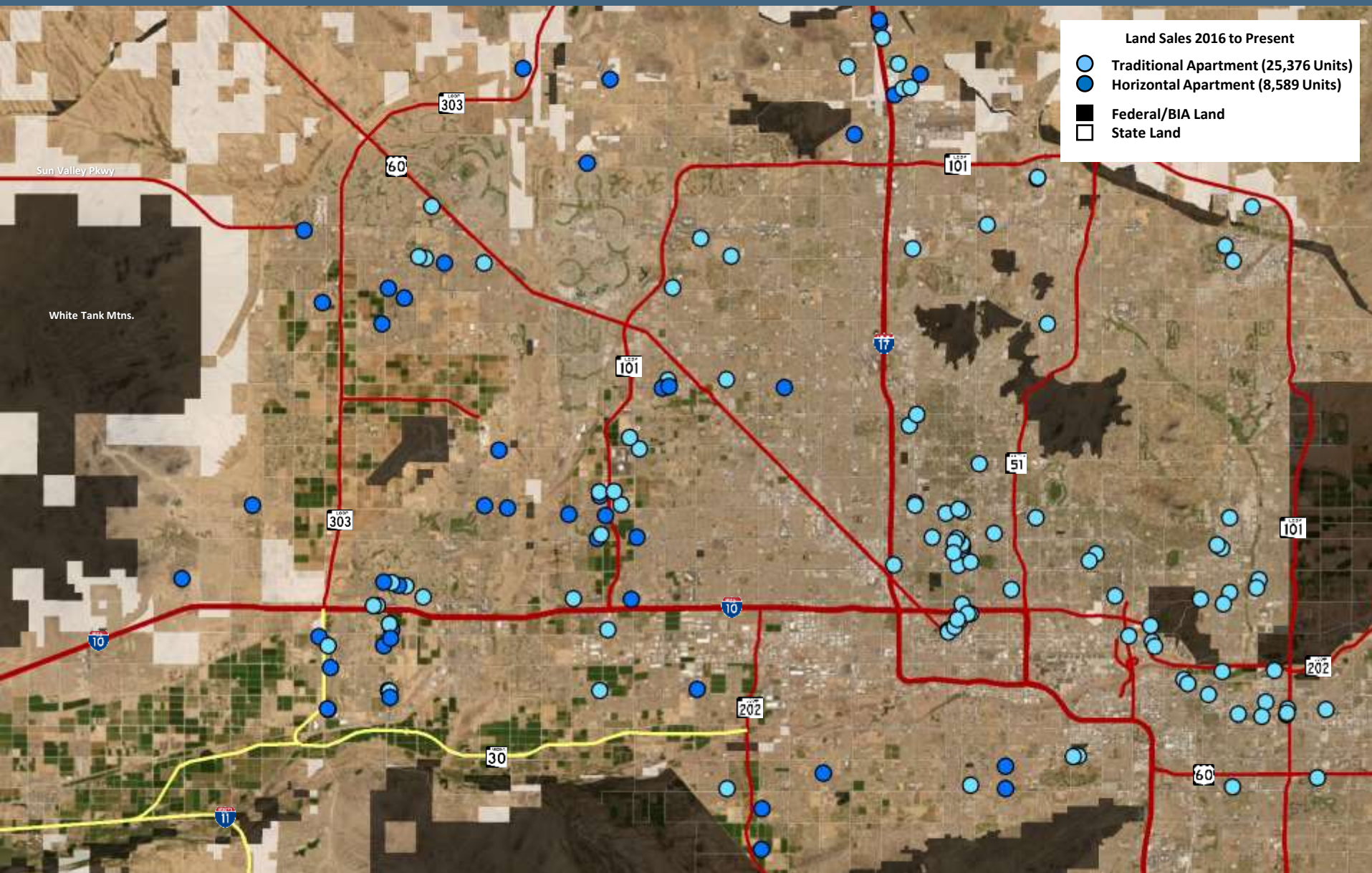
West Valley Fall 2020



LOT DEVELOPMENT PRESSURE



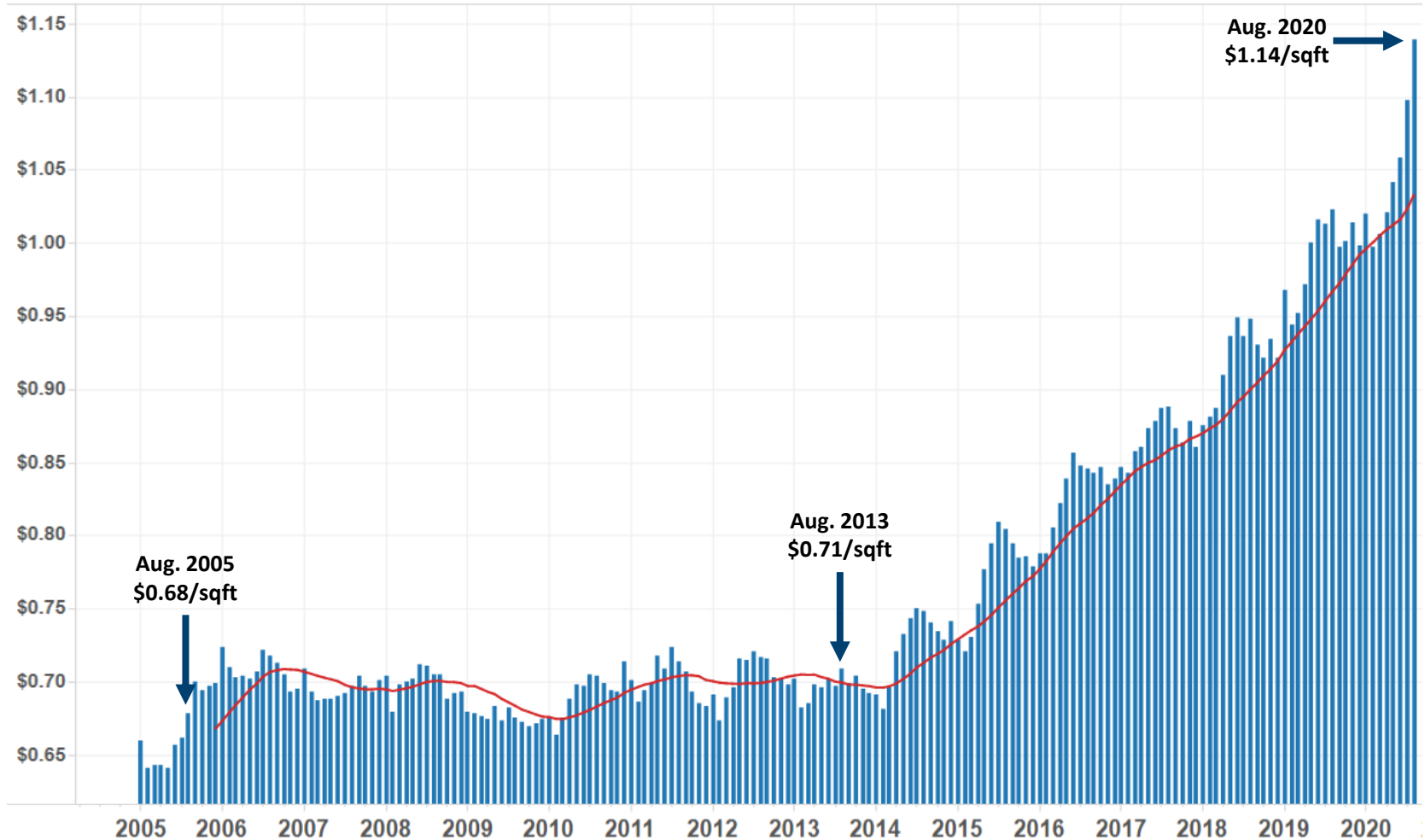
WEST VALLEY MULTIFAMILY LAND SALES

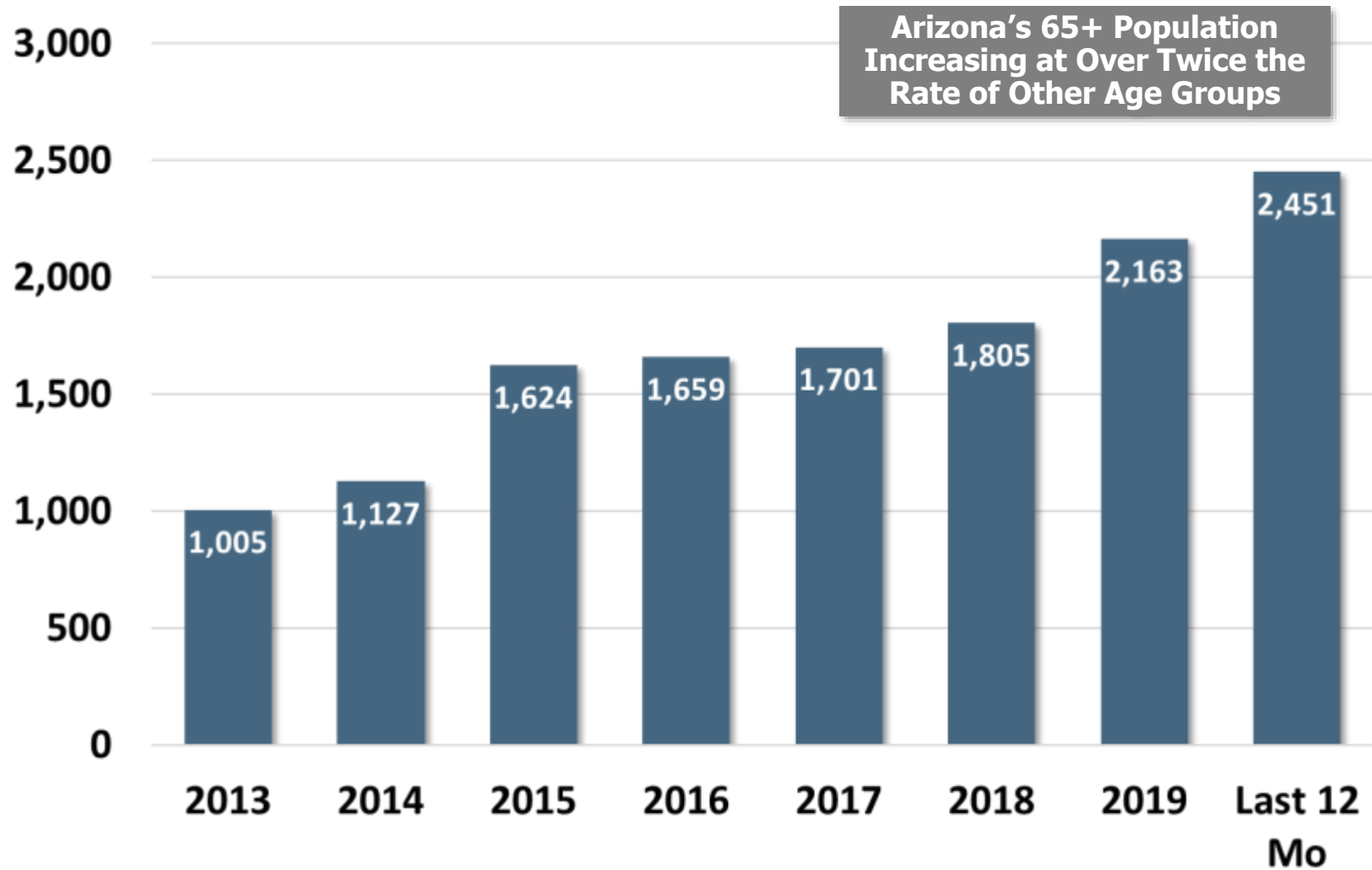


PHOENIX MSA SINGLE FAMILY RENTAL RATES

West Valley Fall 2020

Monthly Average Lease Price per Square Foot, Detached Single Family Home





Sun City Festival Festival Foothills

485 Permits
439 Sales
Avg Base \$285,115

North Cooper Canyon

489 Permits
338 Sales
Avg Base \$276,804

Asante

283 Permits
447 Sales
Avg Base \$301,086

Vistancia

333 Permits
402 Sales
Avg Base \$405,942

Aloravita

313 Permits
282 Sales
Avg Base \$414,204

Sky Crossing

371 Permits
332 Sales
Avg Base \$577,603

Marley Park

609 Permits
515 Sales
Avg Base \$329,589

Zanjero Trials

328 Permits
238 Sales
Avg Base \$335,919

Tartesso

571 Permits
662 Sales
Avg Base \$263,457

Verrado/Victory

558 Permits
460 Sales
Avg Base \$384,920

Blue Horizons

417 Permits
446 Sales
Avg Base \$286,430

Estrella Mnt Rch

559 Permits
457 Sales
Avg Base \$341,175

Tuscano

311 Permits
298 Sales
Avg Base \$301,086

Eastmark

972 Permits
786 Sales
Avg Base \$435,327

Cadence Parkway

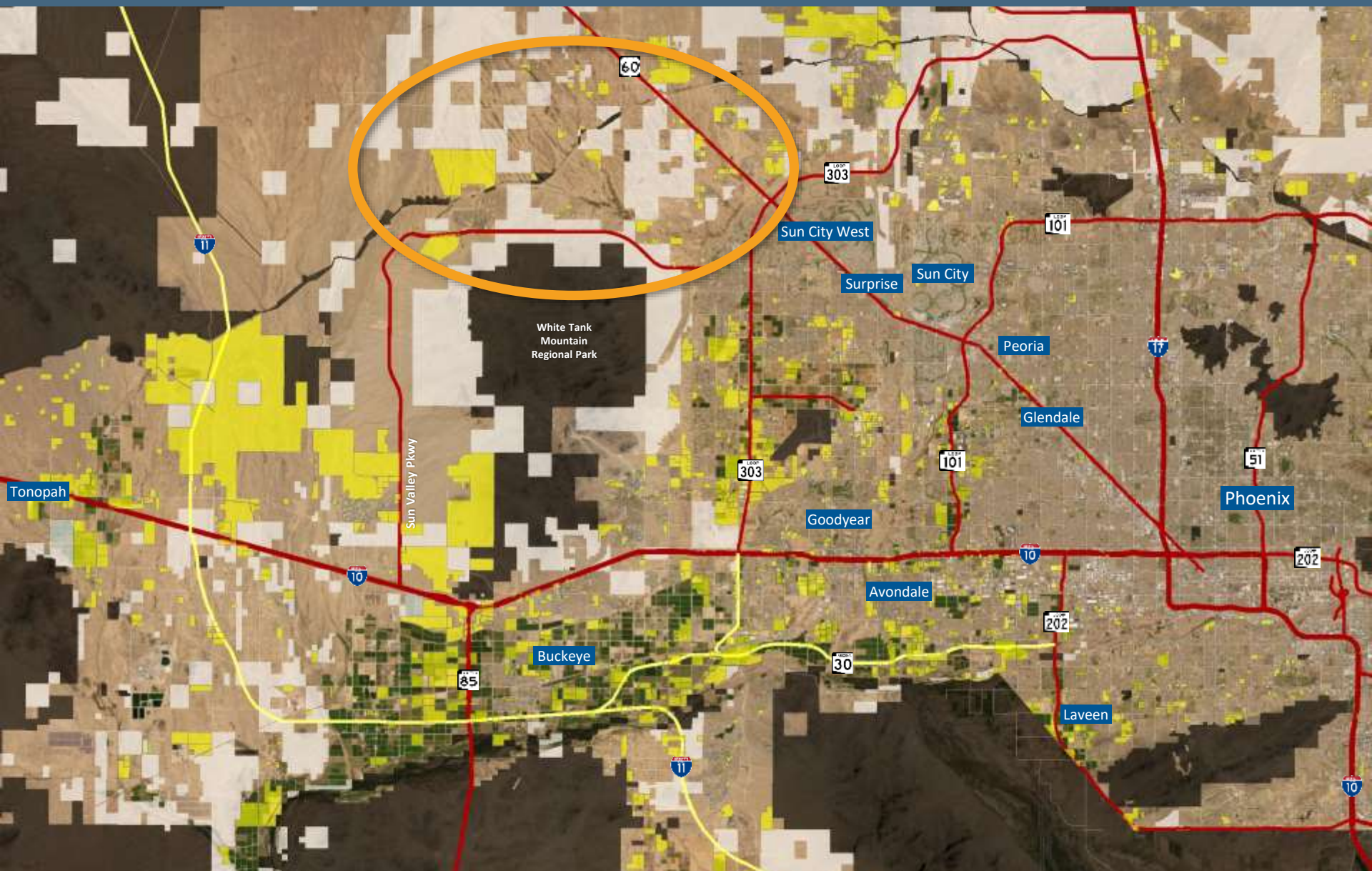
310 Permits
368 Sales
Avg Base \$364,990

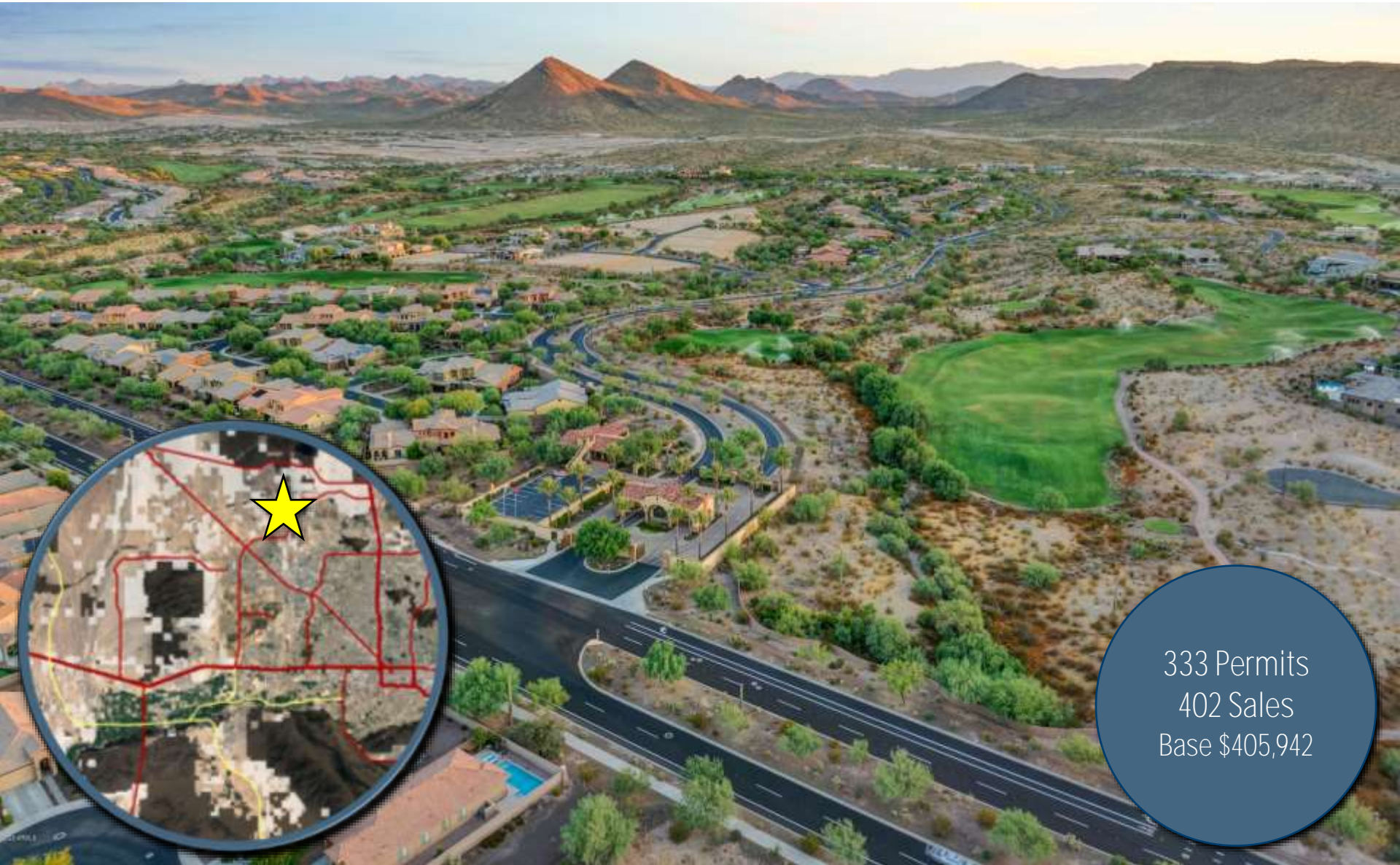
Meridian

270 Permits
472 Sales
Avg Base \$366,163

West Valley MPCs
Permits: 5,256
Sales: 4,984

WEST VALLEY TRANSACTIONS – 2016 TO PRESENT





333 Permits
402 Sales
Base \$405,942

SUN CITY FESTIVAL/FOOTHILLS

 **Sun City Festival**
by Del Webb

- 2020 YTD Average – 43 Sales per Month
- 25 SPM in Sun City Festival (Del Webb) Base \$401,000
- 10 SPM in Festival Foothills (Pulte) Base \$285,000
- 8 SPM in Festival Foothills (Centex) Base \$270,000



485 Permits
439 Sales

VISTANCIA NORTHPOINTE



Opening Late
Spring 2021
3,200 Lots

*Artistic concept rendering. Any specifications in this depiction may change at the developer's sole discretion without notice.



283 Permits
447 Sales
Base \$336,907

DESERT OASIS/SUNRISE RANCH



181 Permits
209 Sales
Base \$281,970



MYSTIC AT LAKE PLEASANT HEIGHTS



± 750 Acres

Mystic at Lake Pleasant Heights

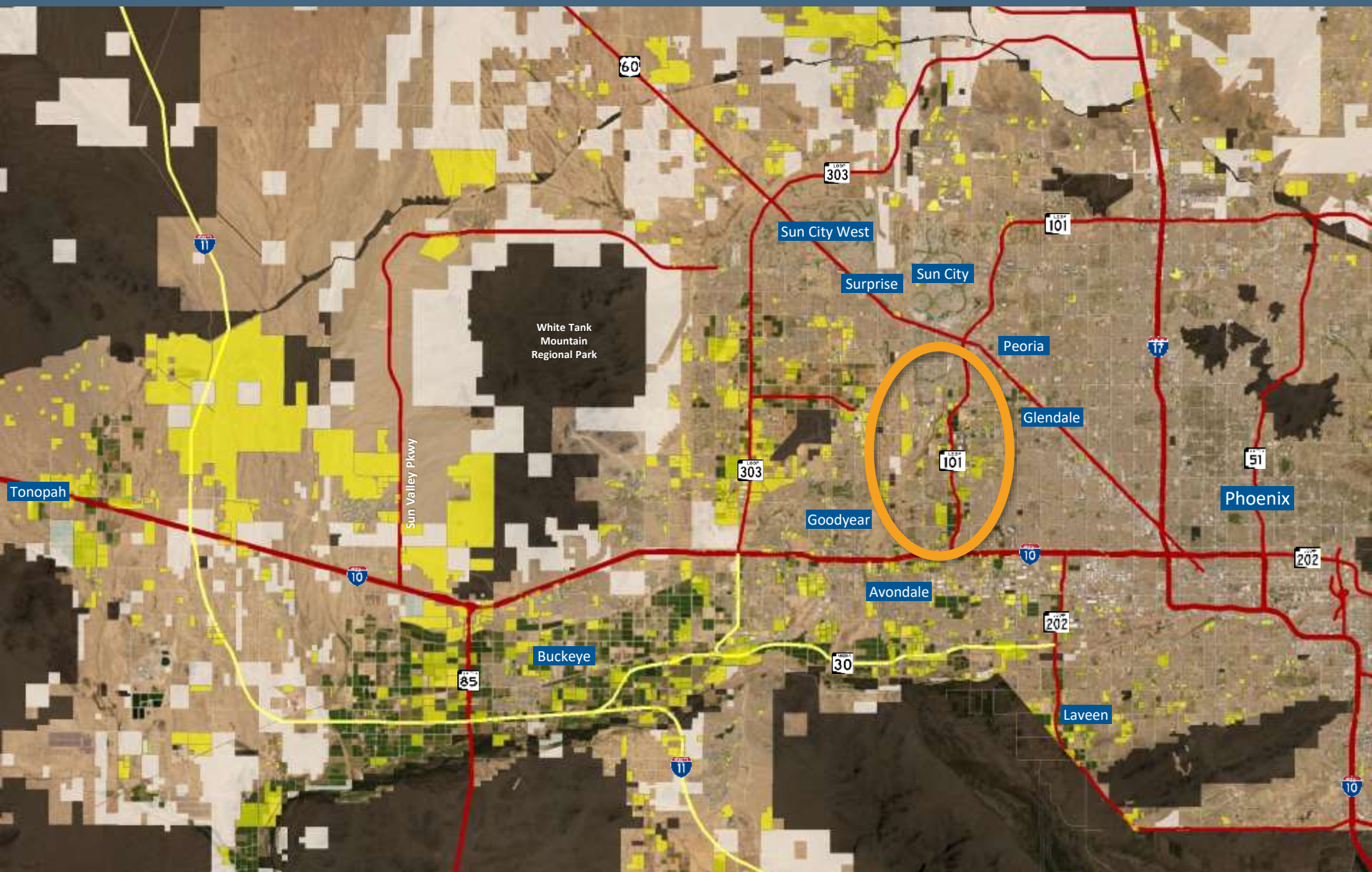
Avanti Properties Group

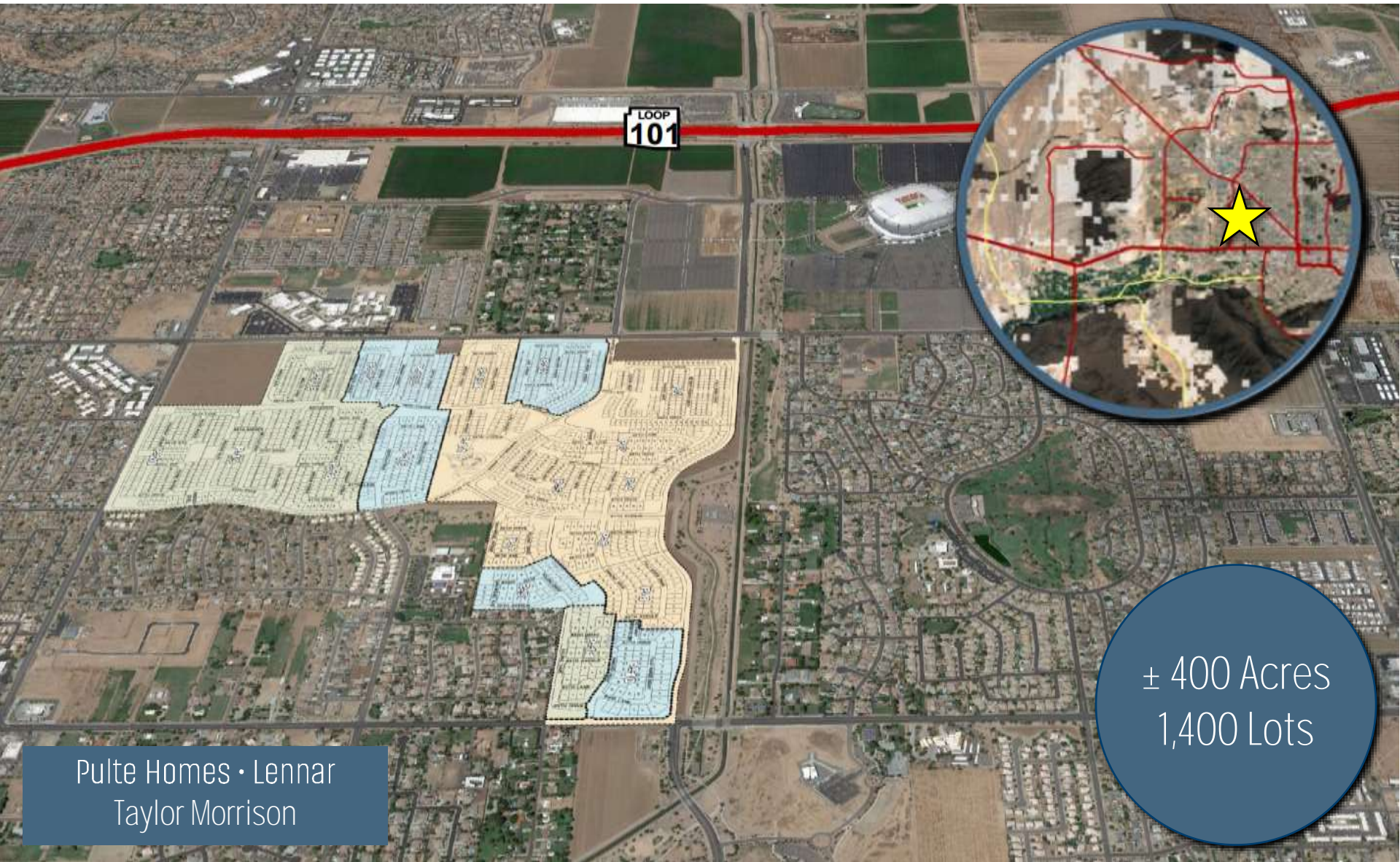
VOYAGER
CONSTRUCTION MANAGEMENT

Land Advisors
CONSULTING GROUP

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Suite 3000
Scottsdale, AZ 85251
480.483.8100
www.landadvisors.com

WEST VALLEY TRANSACTIONS – 2016 TO PRESENT

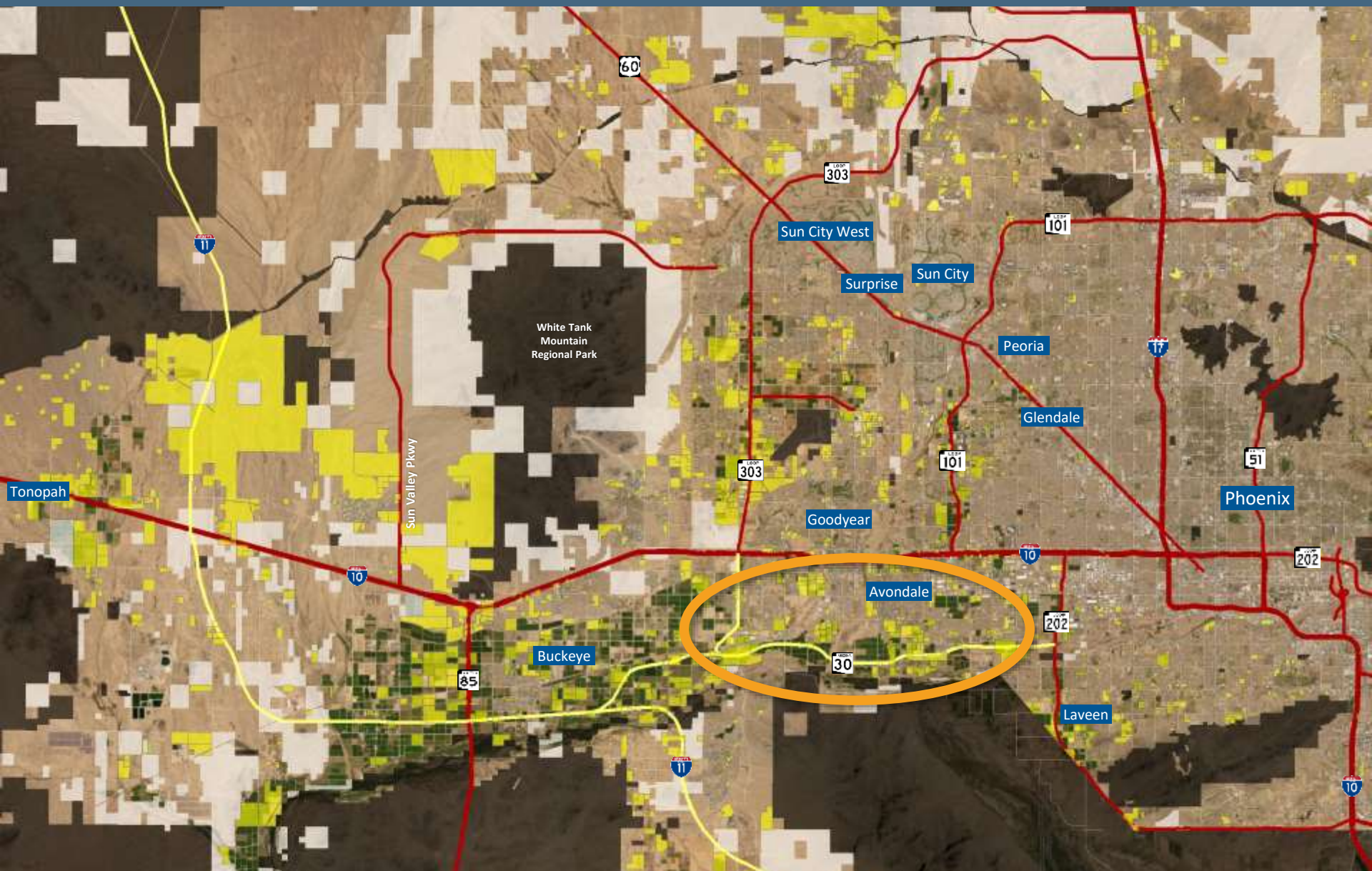




Pulte Homes • Lennar
Taylor Morrison

± 400 Acres
1,400 Lots

WEST VALLEY TRANSACTIONS – 2016 TO PRESENT





559 Permits
457 Sales
Base \$341,175



ALAMAR

Open Space

- Total 182 acres of Open Space
- 43% Active open space includes:
 - 41.5 acre Regional Park
 - 3 Community Parks (1 Community Pool)
 - 30+ Neighborhood Parks
 - 9-10 acre joint school/Community Park
- 57% Passive open space includes:
 - 8.5+ Miles of improved paths and trails



Opening
October 2020
3,695 Lots

Shea Homes • Landsea Homes • David Weekley Homes
Taylor Morrison • Gehan Homes • Capital West Homes



± 160 Acres

Avion
community southwest



Land Advisors
Organization
4805 North Scottsdale Road
Suite 3000
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WEST VALLEY TRANSACTIONS – 2016 TO PRESENT



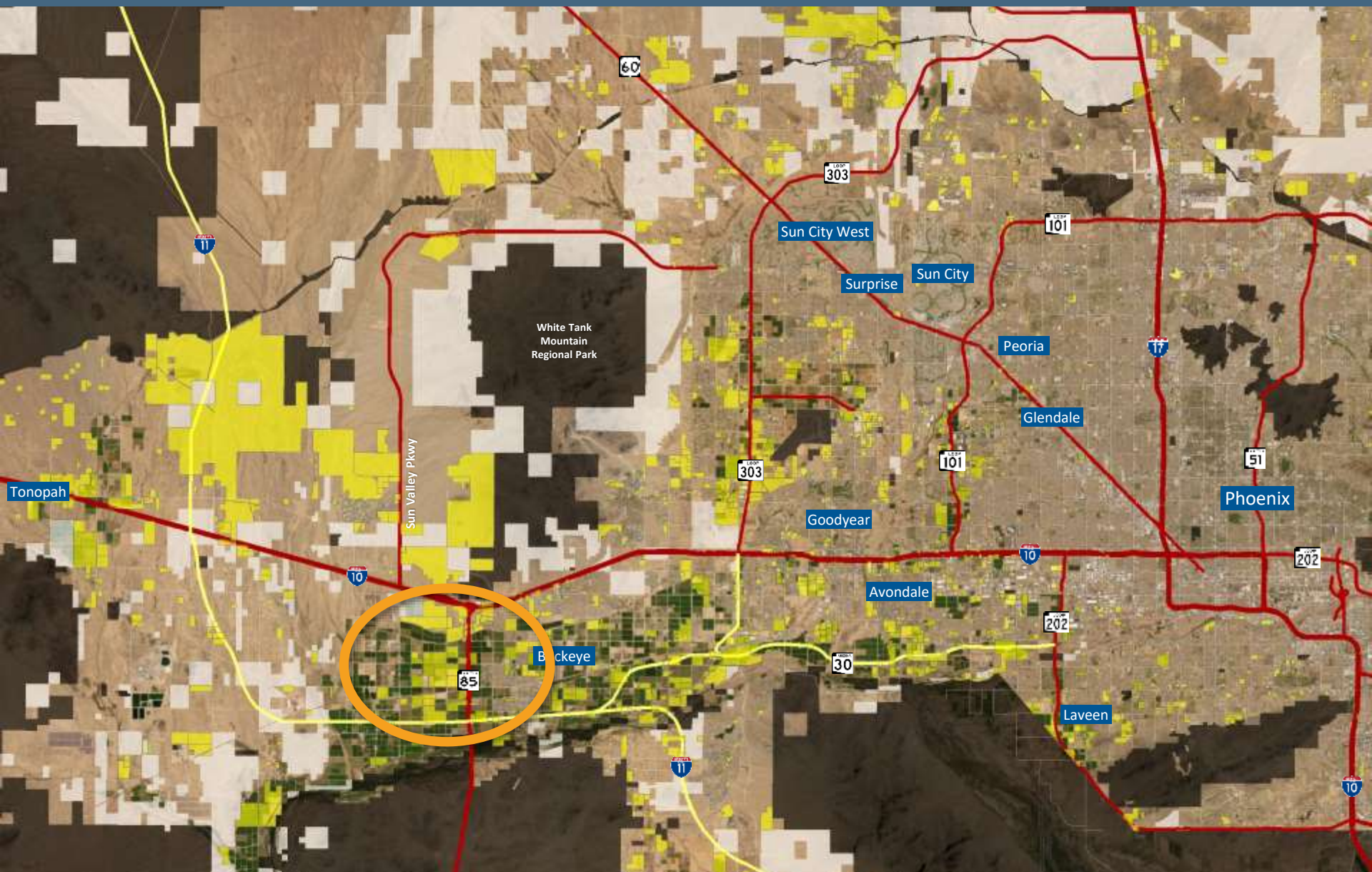
Source: Land Advisors Organization

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558 Permits
460 Sales
Base \$384,920

WEST VALLEY TRANSACTIONS – 2016 TO PRESENT



Source: Land Advisors Organization

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WESTPARK



WEST VALLEY TRANSACTIONS – 2016 TO PRESENT



Source: Land Advisors Organization

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571 Permits
662 Sales
Base \$263,457

WEST VALLEY TRANSACTIONS – 2016 TO PRESENT





105 Permits
101 Sales
Base \$492,104



132 Permits
150 Sales
Base \$332,645



303 CORRIDOR



303 CORRIDOR



White Tank
Mountain
Regional
Park

Sun Valley Pkwy

LOOP
303

LOOP
60

Luke
Airforce
Base

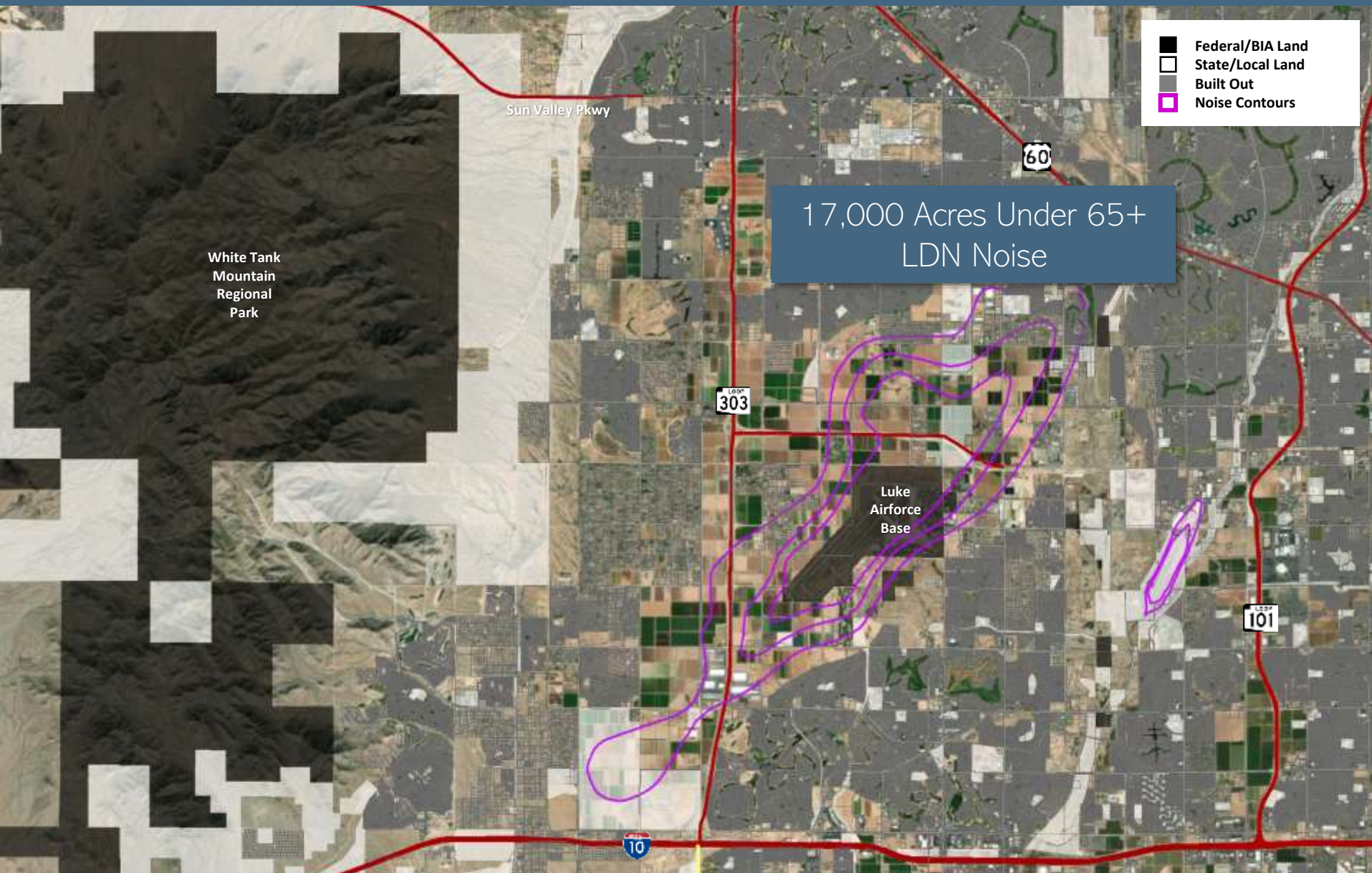
LOOP
101

10

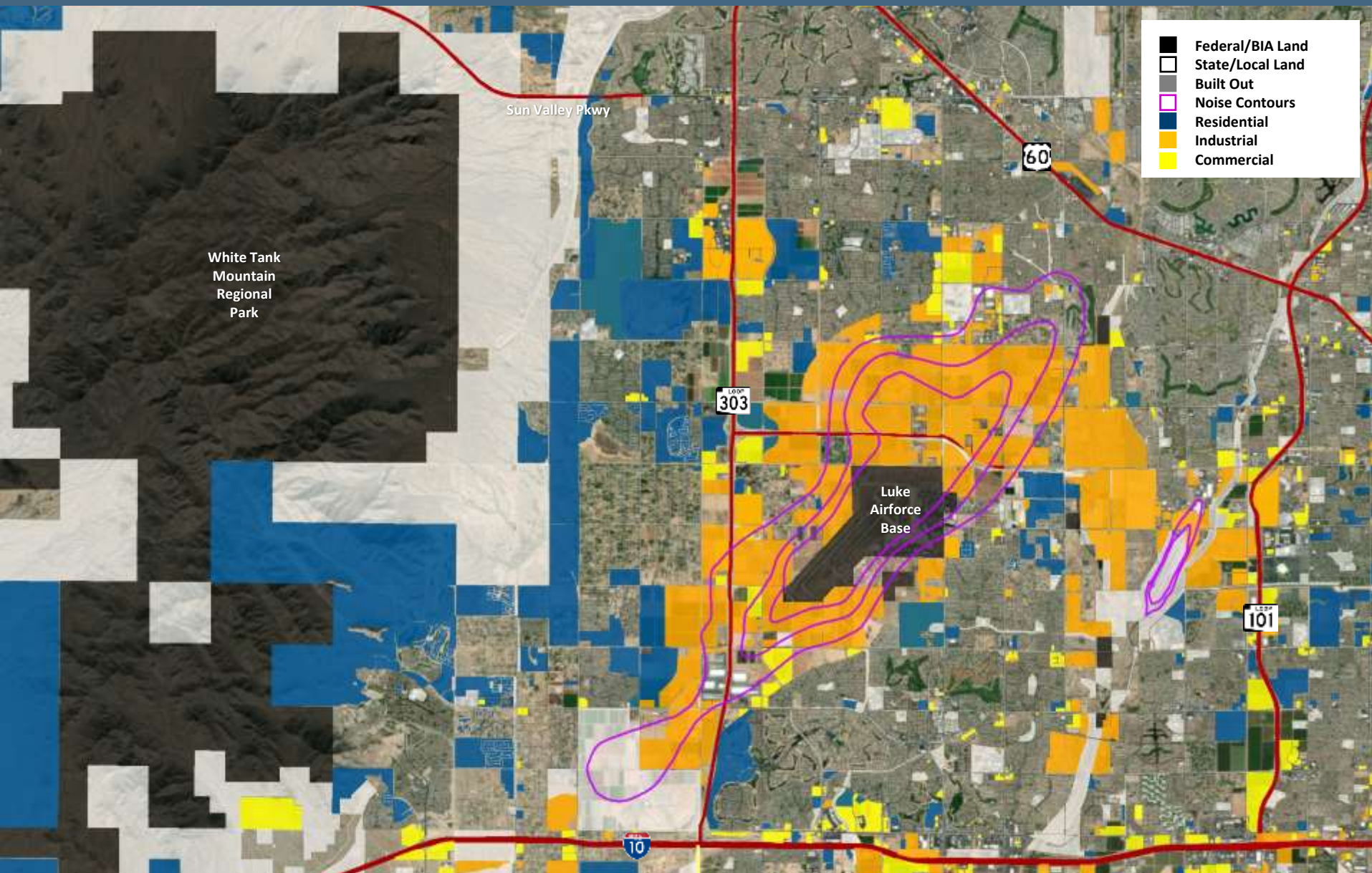
303 CORRIDOR



303 CORRIDOR



303 CORRIDOR – VACANT LAND

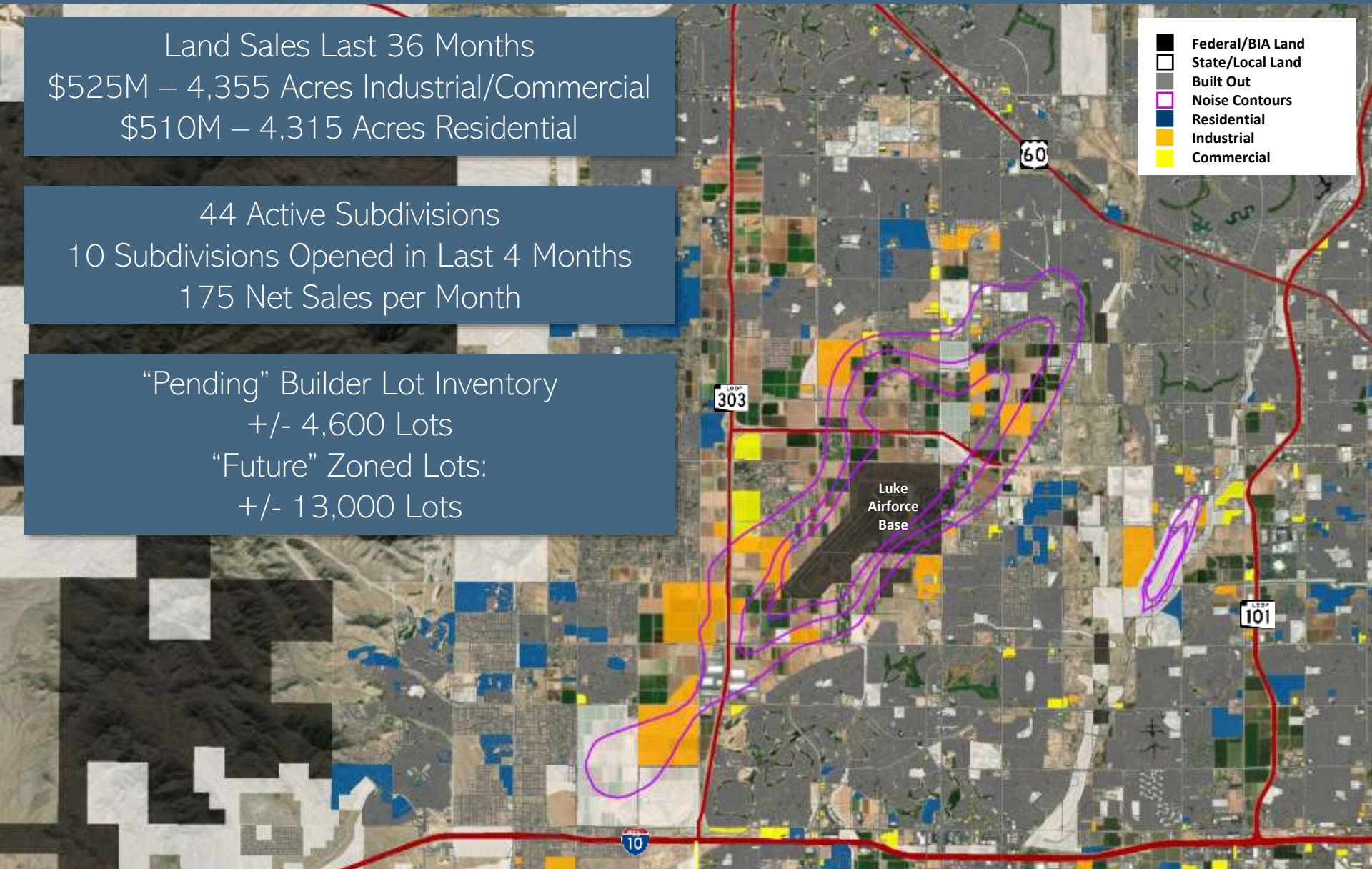


303 CORRIDOR

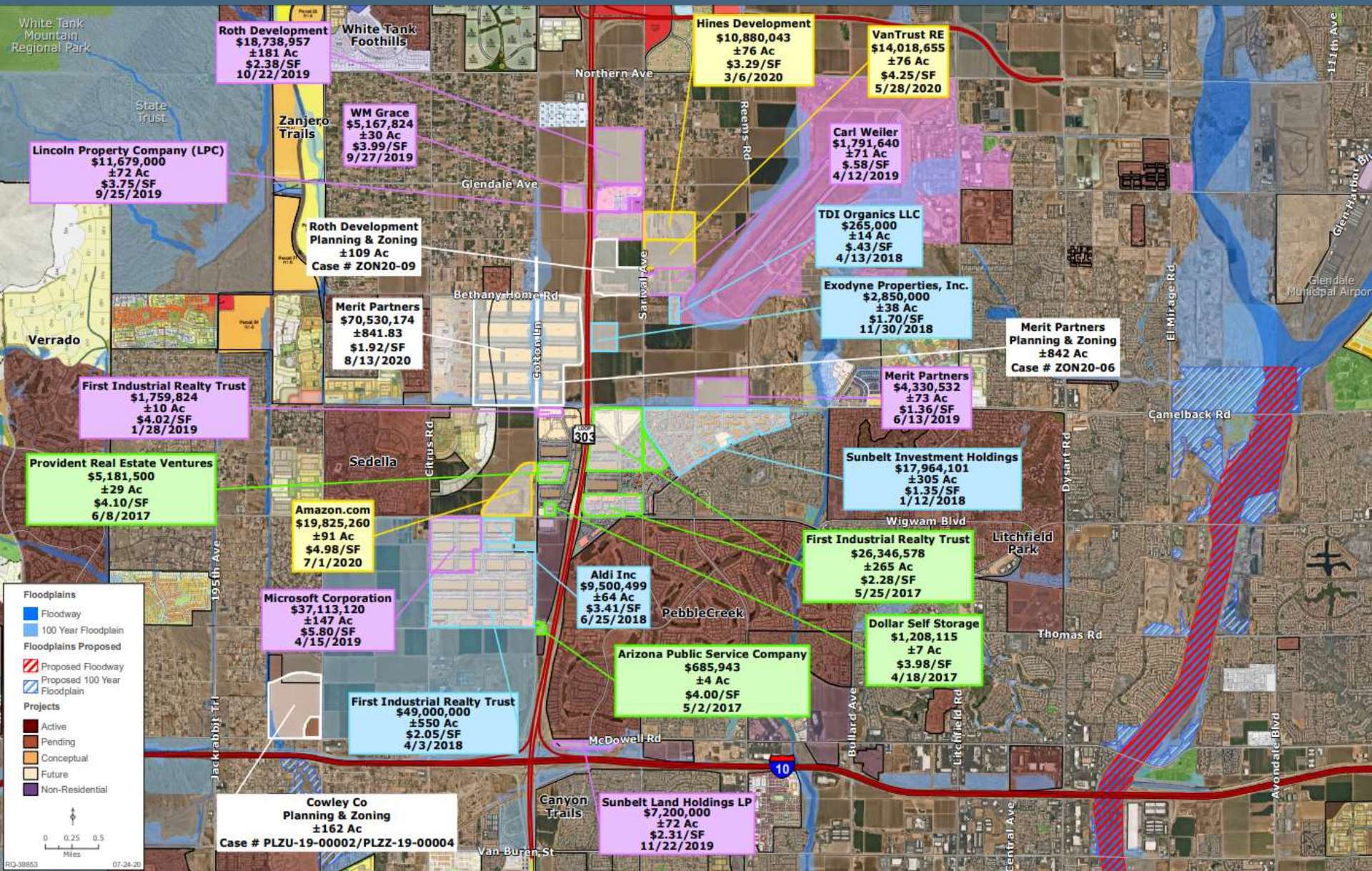
Land Sales Last 36 Months
\$525M – 4,355 Acres Industrial/Commercial
\$510M – 4,315 Acres Residential

44 Active Subdivisions
10 Subdivisions Opened in Last 4 Months
175 Net Sales per Month

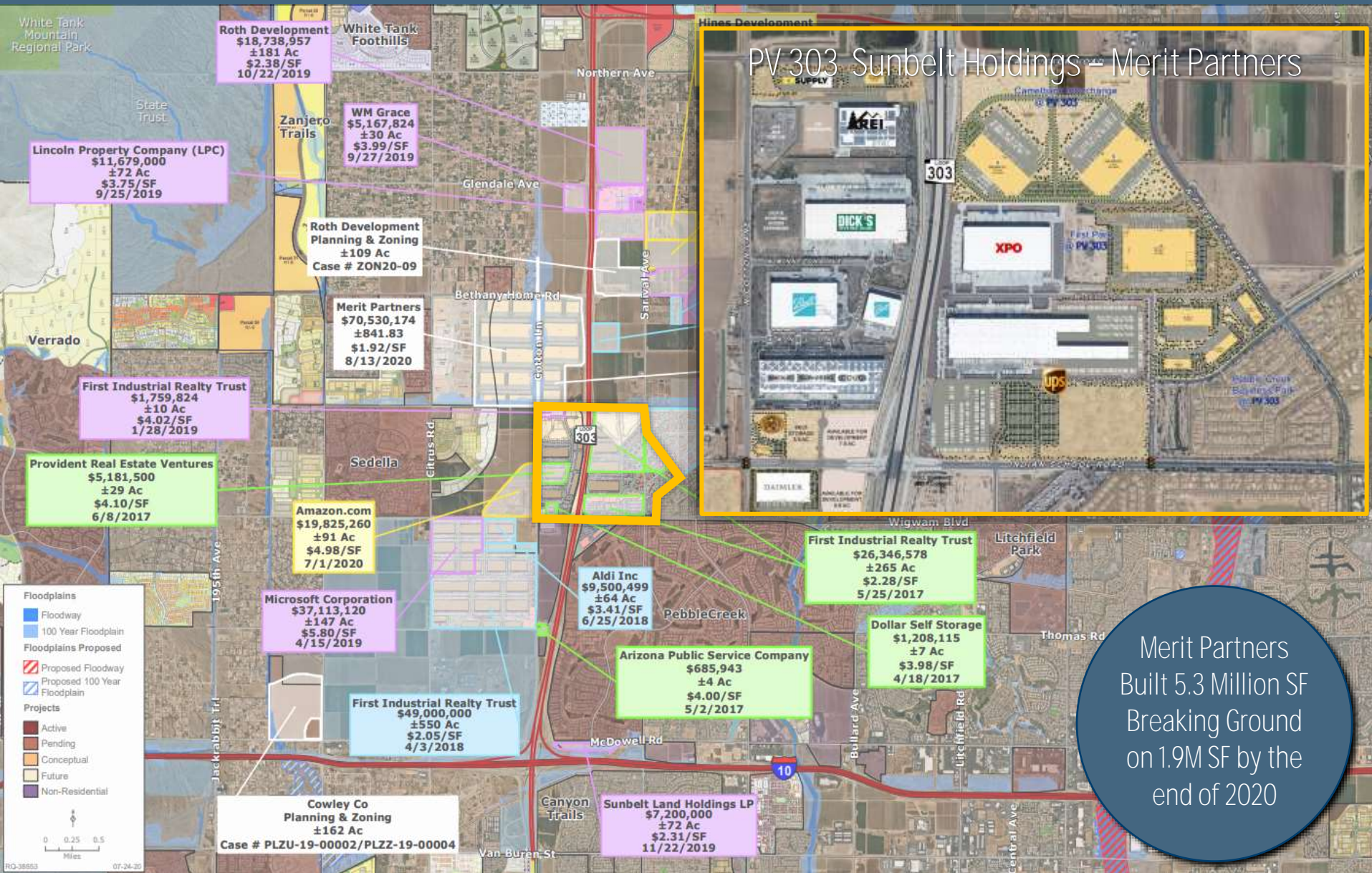
“Pending” Builder Lot Inventory
+/- 4,600 Lots
“Future” Zoned Lots:
+/- 13,000 Lots



NORTH GOODYEAR EMPLOYMENT & COMMERCIAL ACTIVITY

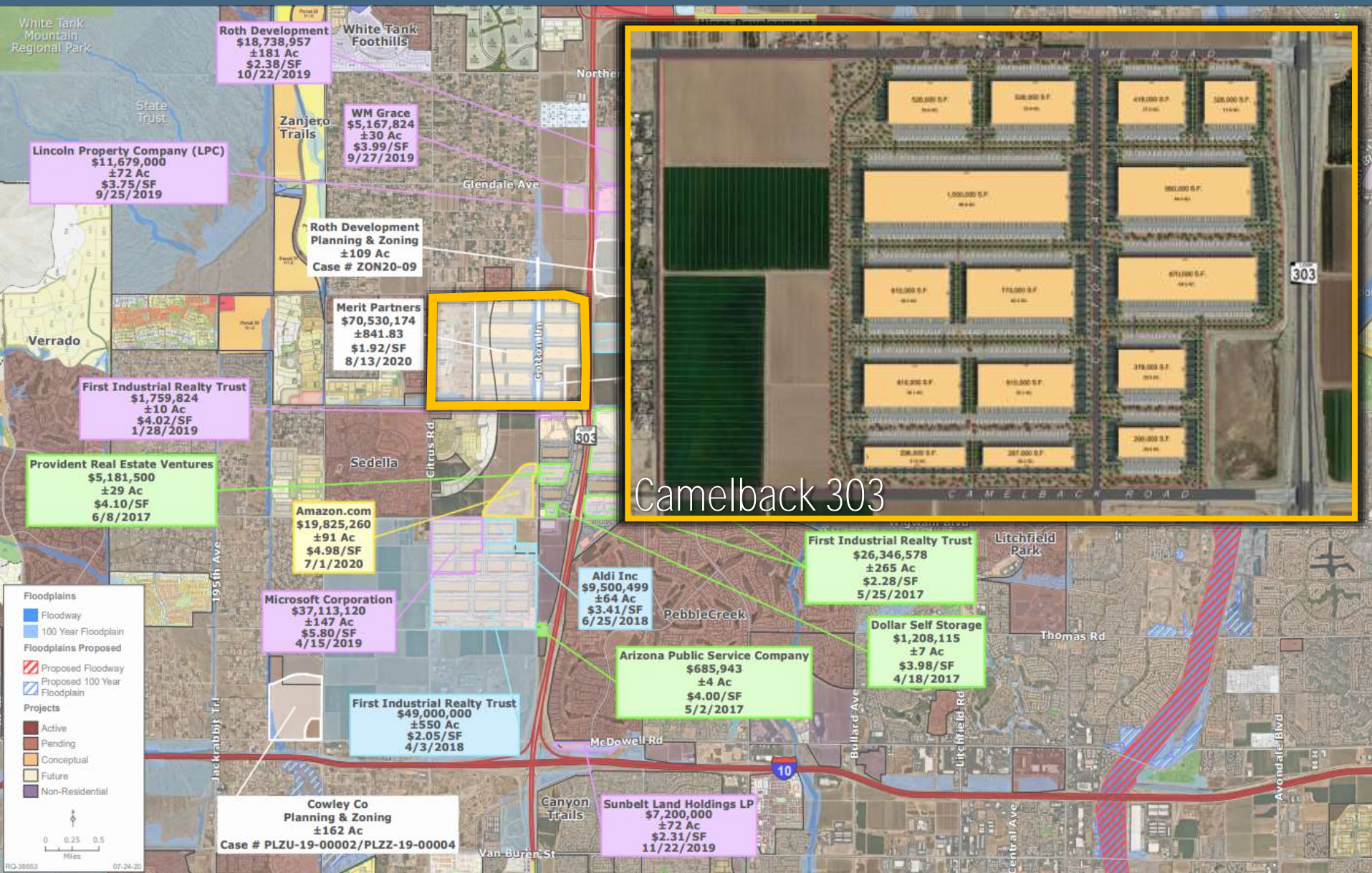


NORTH GOODYEAR EMPLOYMENT & COMMERCIAL ACTIVITY



Merit Partners
Built 5.3 Million SF
Breaking Ground
on 1.9M SF by the
end of 2020

NORTH GOODYEAR EMPLOYMENT & COMMERCIAL ACTIVITY



Industrial

- Vacancy Rate – 5.9%
- YTD Deliveries – 5.4 Million Sq. Ft.
- 2020 Deliveries – 3.4 Million Sq. Ft.
 - 59.8% in the Southwest Valley
- SW Valley Under Construction - 11.8 Million Sq. Ft.

Industrial Market Sees Highest Construction Deliveries Since 2013

Office

- Vacancy Rate – 15.6%
- YTD Deliveries – 791,000 Sq. Ft.
- 2020 Deliveries – 247,000 Sq. Ft.
- West Valley Under Construction 150,000 Sq. Ft.

Retail

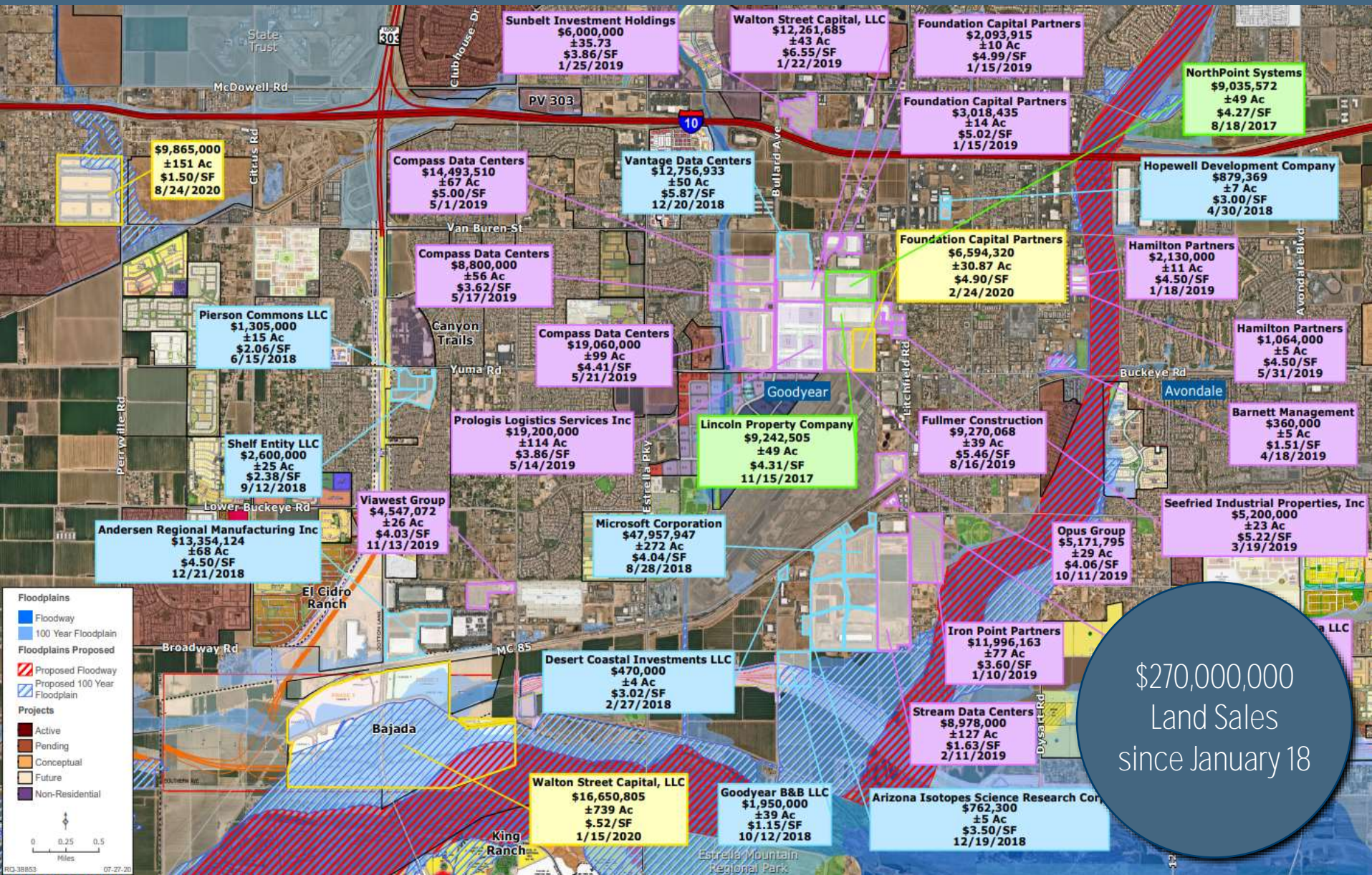
- Vacancy Rate – 7.9%
Down from 8.1% in Jan.
- Under Construction 686,000 Sq. Ft.
- West Valley Under Construction 35,000 Sq. Ft.

Globe Corporation Public Private Partnership



New City Hall
Library
2 Acre Park
100K Sq Ft
Class A Office

GOODYEAR EMPLOYMENT & COMMERCIAL ACTIVITY



\$270,000,000
Land Sales
since January 18



Image © Todd Photographic Services

WEST VALLEY PLANNED HIGHWAYS & ARTERIALS



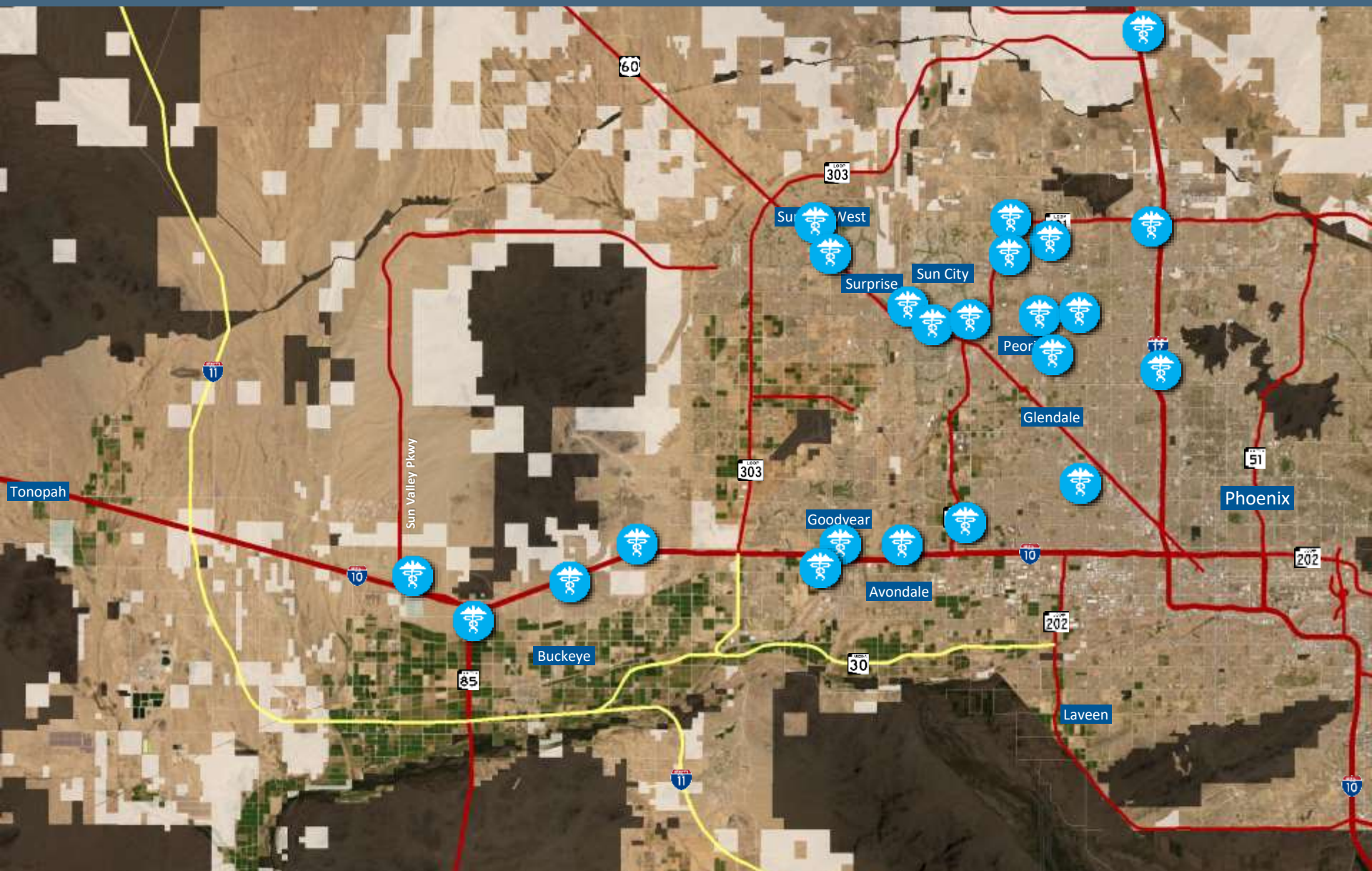
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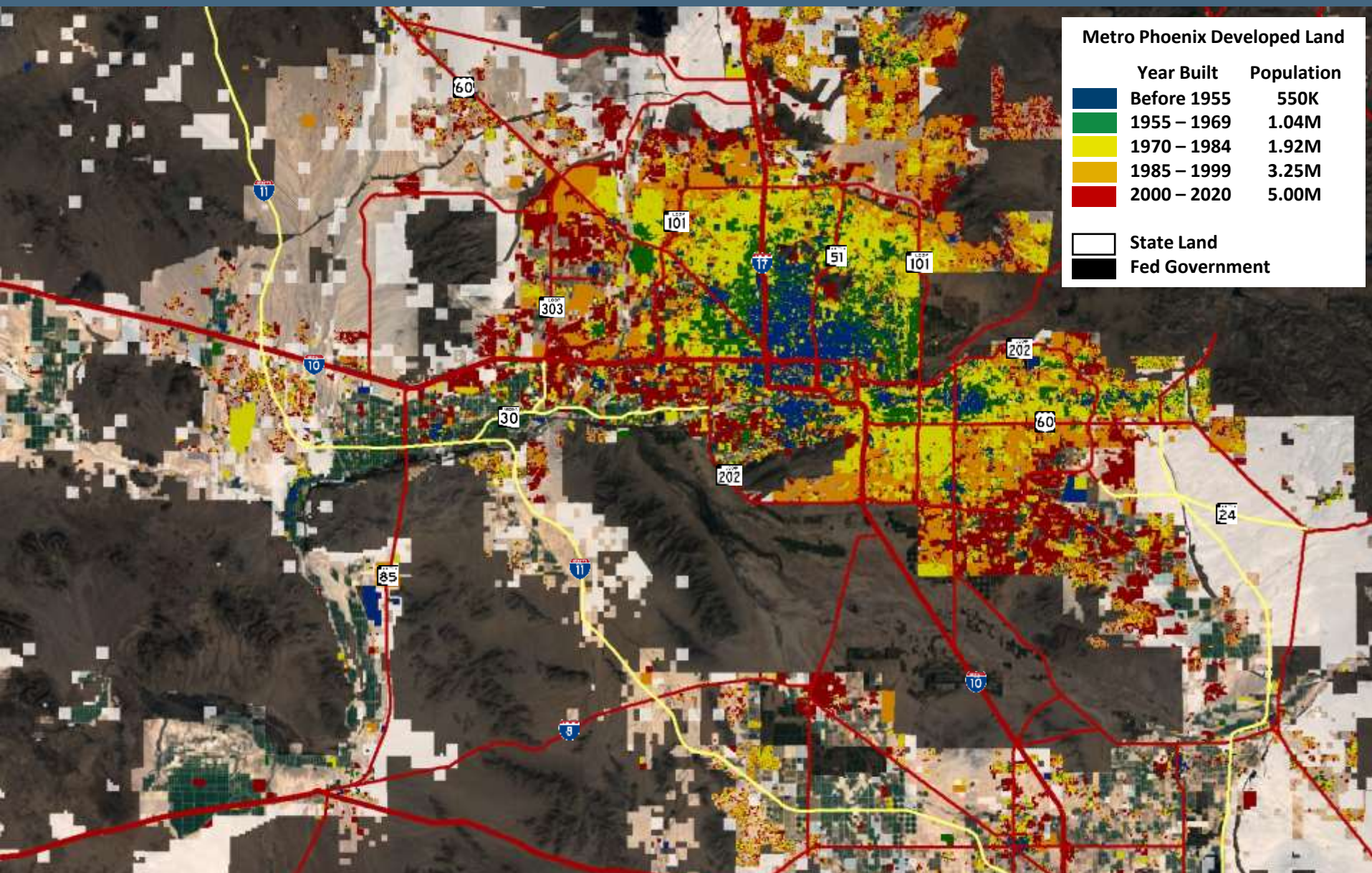
RECREATION



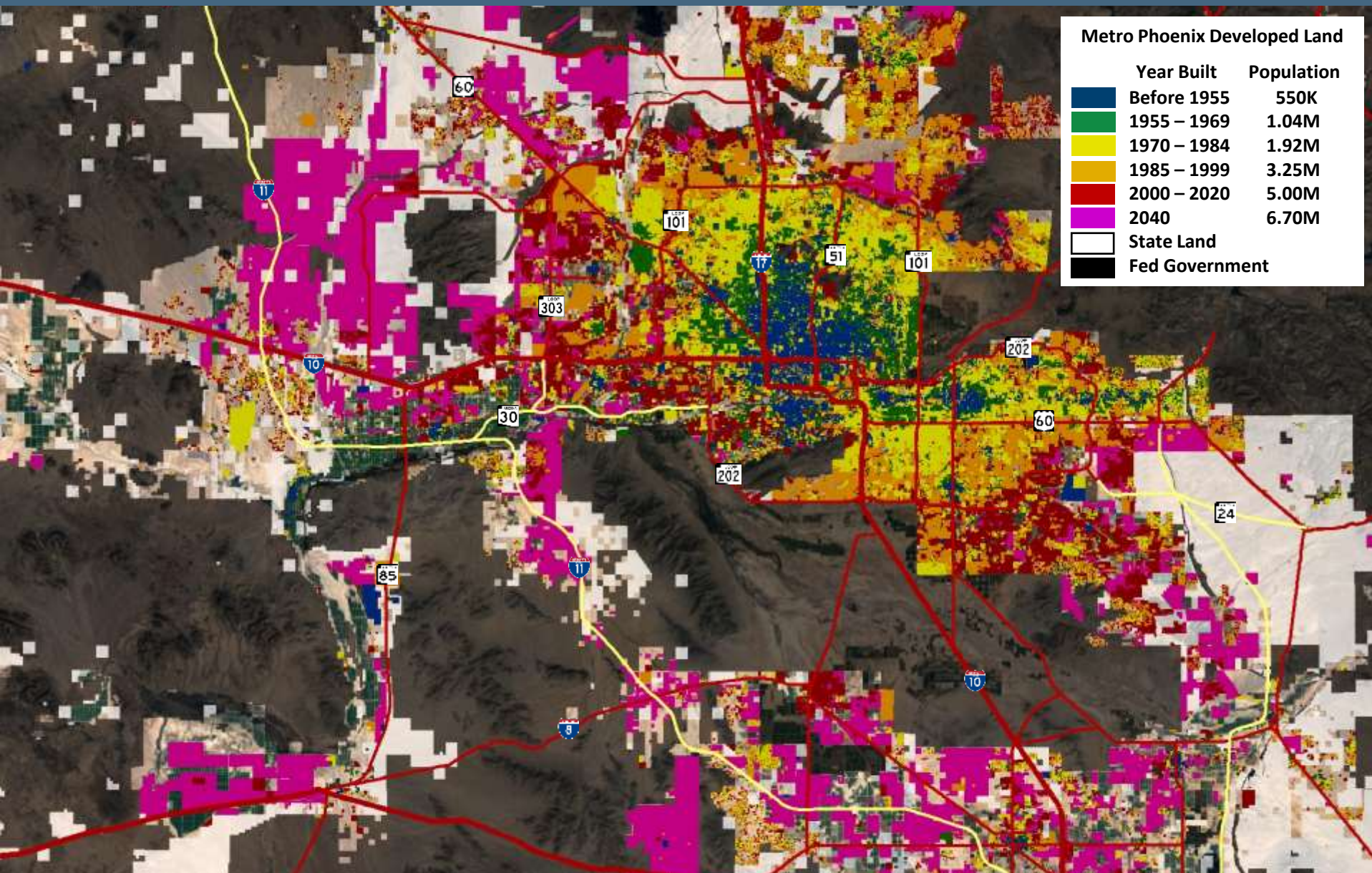
HEALTHCARE



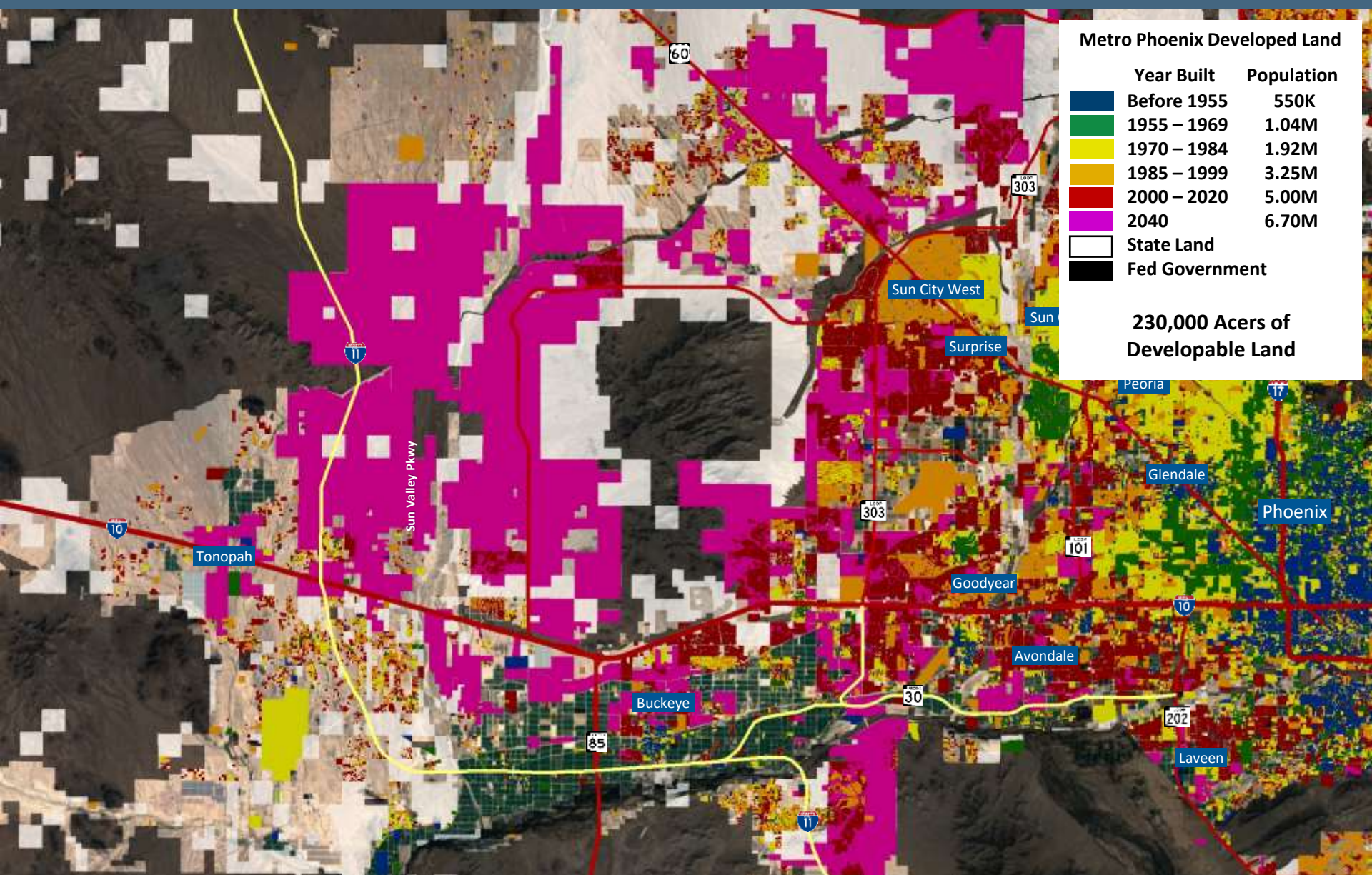
DEVELOPED LAND & FUTURE GROWTH



DEVELOPED LAND & FUTURE GROWTH



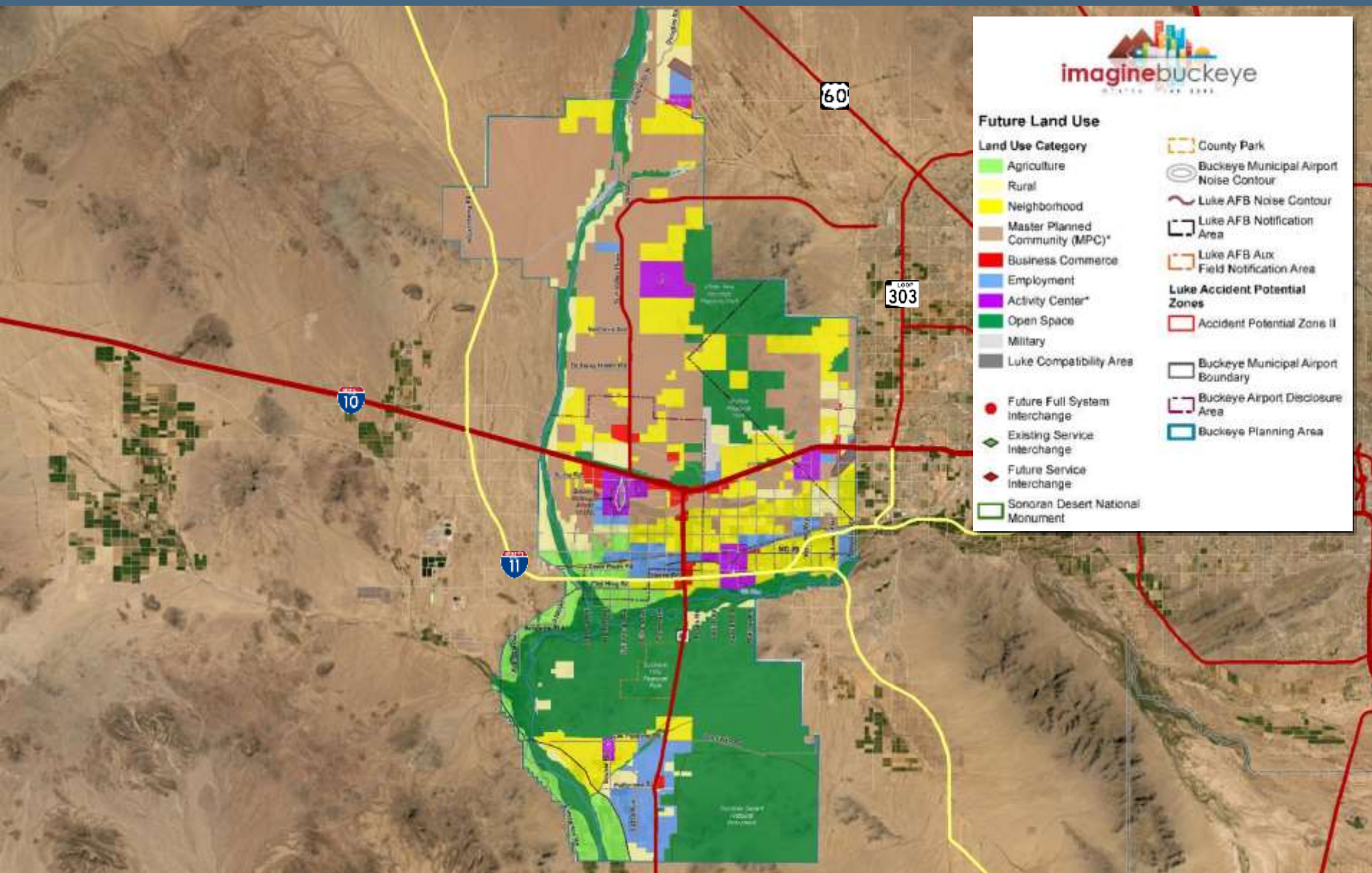
WEST VALLEY DEVELOPED LAND & FUTURE GROWTH



Source: Land Advisors Organization

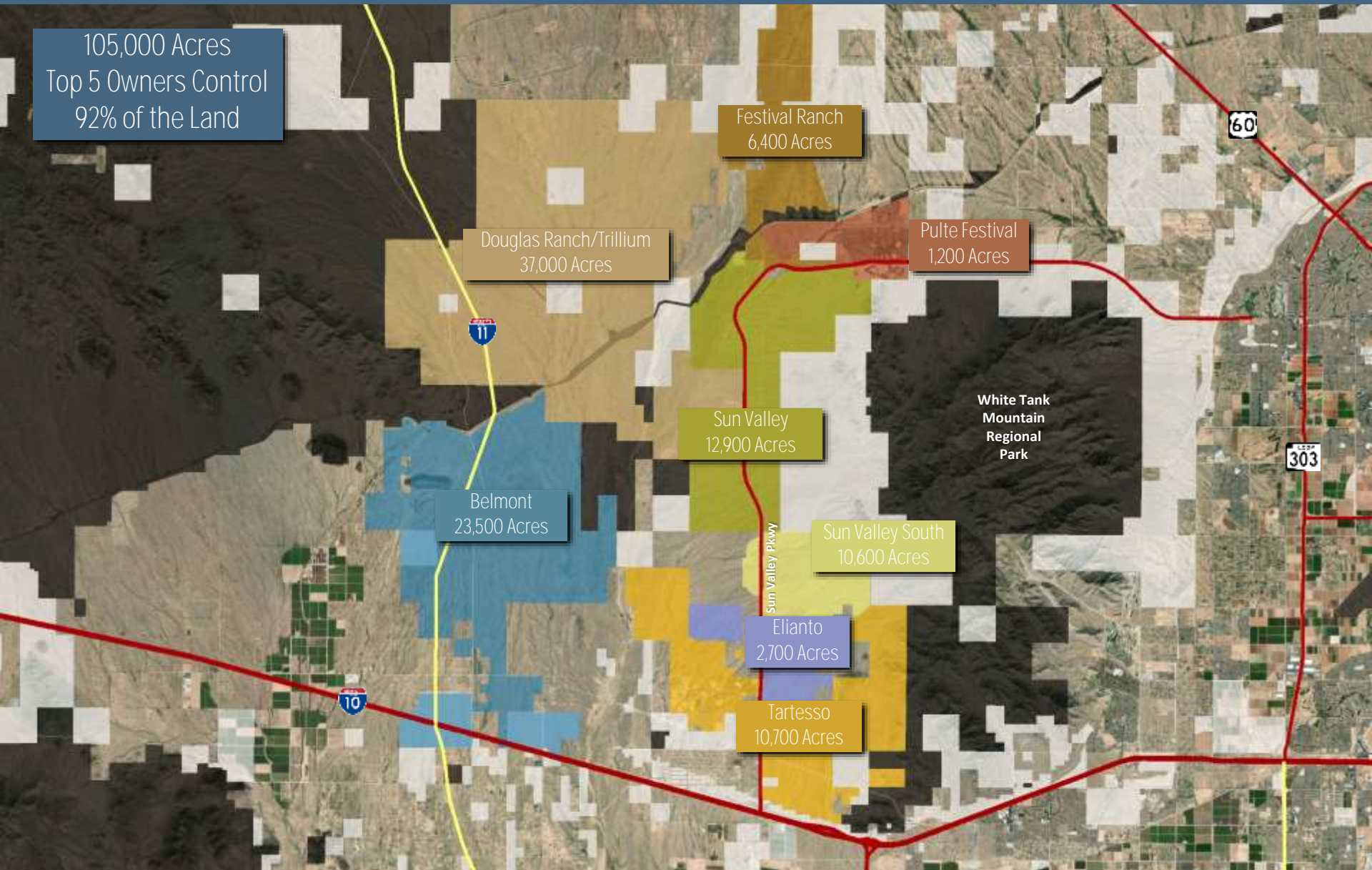
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BUCKEYE GENERAL PLAN



WEST OF WHITE TANKS LAND OWNERSHIP

105,000 Acres
Top 5 Owners Control
92% of the Land



EASE OF DOING BUSINESS



- The West Valley will continue to capture a larger share of the region's growth
- The West Valley will Require nearly 200,000 housing units during this decade
- **The West Valley Governments are Collaborative with “Regionalism” mindset**
- The West Valley is dominating in new housing, Industrial and beginning seeds of commercial office is now underway - Attracting higher income jobs in proximity to where the talent resides.
- Infrastructure – Transportation and Water & Wastewater will be the focus this decade.
- **The Majority of the West Valley’s Future Growth will be developed in large scale, well planned, high quality Master Planned Communities**

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- **The Majority of the West Valley’s Future Growth will be developed in large scale, well planned, high quality Master Planned Communities**

Washington is not a place to live in. The rents are high, the food is bad, the dust is disgusting, and the morals are deplorable. Go West, young man, go West and grow up with the country.

— attributed to Horace Greeley, New-York Daily Tribune, July 13, 1865



Thank You