



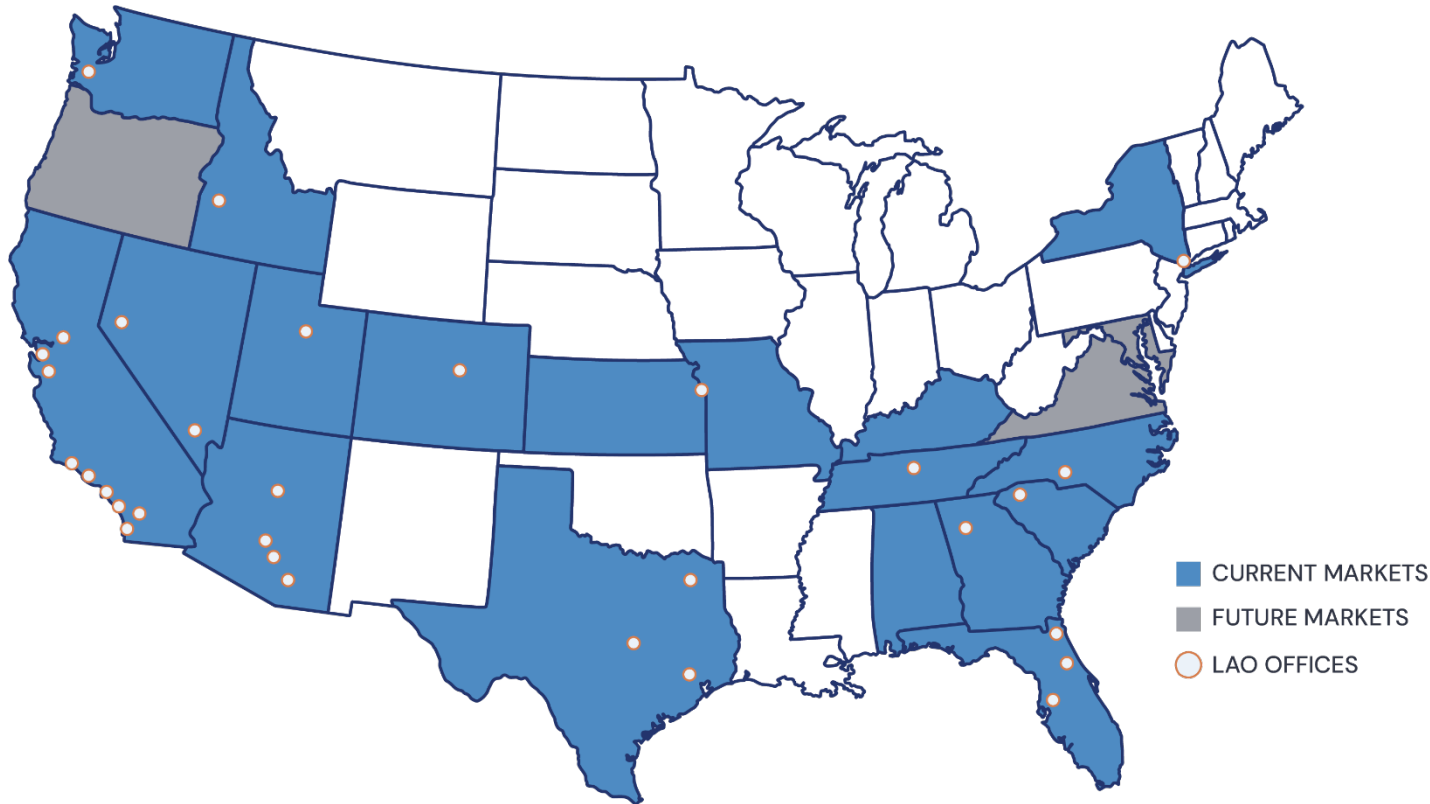
PHOENIX LAND & HOUSING FORECAST

29th Annual Ag Forum

March 7, 2025

THE LARGEST LAND COMPANY IN AMERICA

- Founded in 1987 - Land Advisors Organization has expanded to over 30 growth markets nationwide
- Specializing in Land-Related Services – Advisory, Brokerage, Capital, Infrastructure, Conservation



AFFILIATE COMPANIES

Land Advisors Capital specializes in establishing strategic capital relationships between landowners, homebuilders, developers and capital providers



- Lot and Land Banking
- Conventional & Bridge Lending
- Private Equity & Family Offices
- Joint Venture/Mezzanine Finance
- Build to Rent Debt and Equity

Launch assists our clients to finance infrastructure, reduce costs and mitigate transaction risks all with goal of enhancing project profitability



- Community Facilities District Financing
- Revitalization and Improvement District Financing
- "Private Label" Bond Financing
- Reimbursement Agreements & Processing
- Cash Flow Modeling
- Fiscal Impact Studies
- Development Impact Fee Reviews & Analysis



Cecilian.

Cecilian Partners collaborates with land developers and homebuilders across the U.S. who aspire to modernize their digital footprint and ease everyday pain points associated with building and buying homes.

LAO is advancing its investments and leveraging its vast collection of data.



Revalo

Revalo—your property intelligence platform designed to help you **make smarter moves, faster, with the most complete and accurate property data and advanced analysis tools—all in one place.**

2024 Market Overview & Forecast

- **Population and Employment Growth**
- **Single and Multi-Family Markets**
- **Master Planned Communities**
- **Mixed-Use and Major Retail Projects**
- **Transaction Volume and Related Activity**
- **Water, Energy and Transportation**



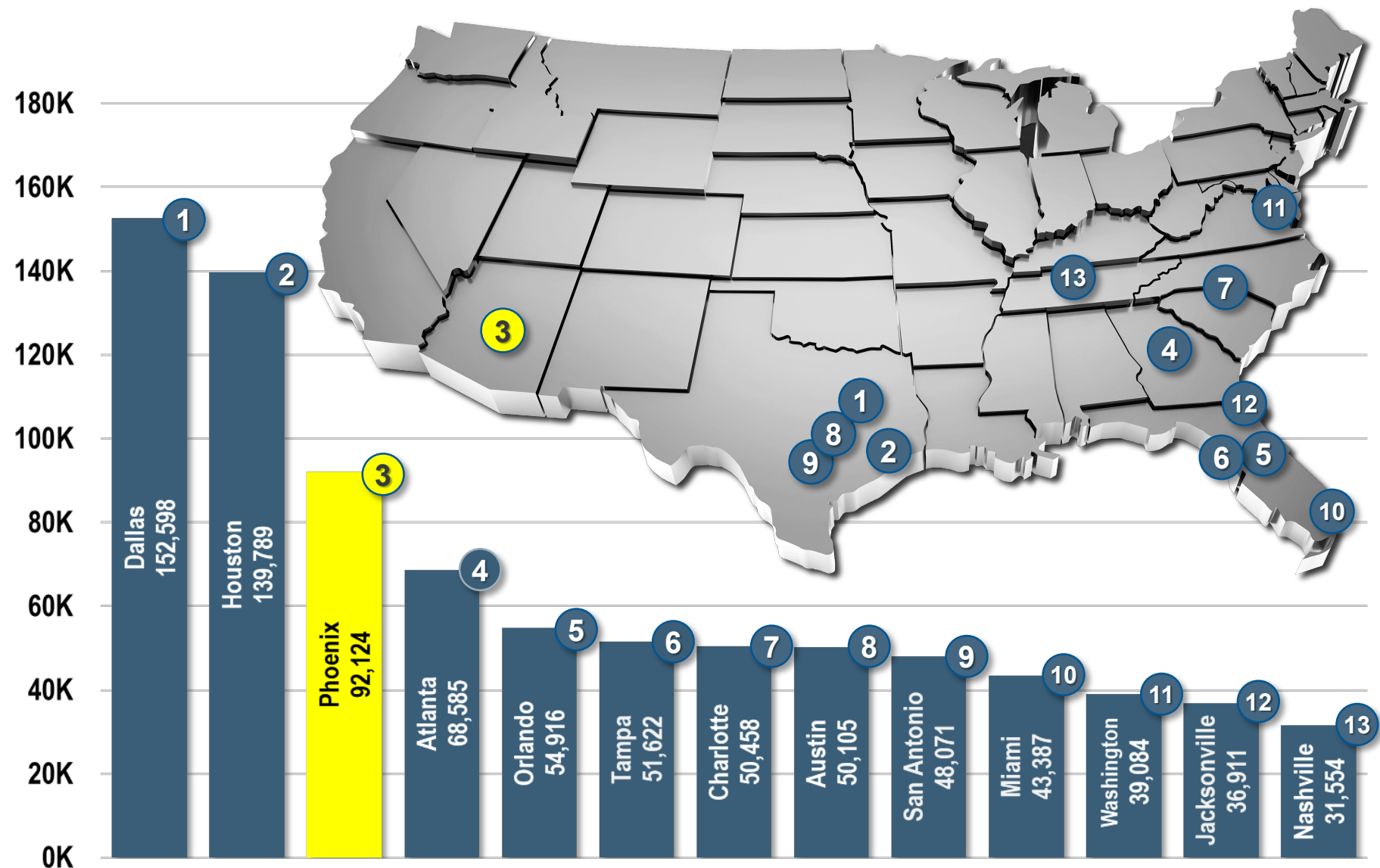
US Population Growth – Top MSAs 2023

US Population 2023
335,000,000

Arizona Accounts for
2.2%
of the US Population

AZ Percentage of US
Population Growth

2000 to 2023: 4.2%



Metro Phoenix 50 Years of Growth

830,000 New Residents*
Over Next 10 Years Requiring
310,000 ± New SF and MF
Housing Units

Requiring ± 140,000 Acres

West Valley	55%
East Valley	20%
Pinal County	25%

* Projection sources: AOEO & MAG 6/1/2023 Medium Series

1990 - 2000
Grew 95,000 annually

2000 - 2010
Grew 105,000 annually

2010 - 2020
Grew 70,000 annually

2020 – 2030
*Projected 86,000 annually

2030 – 2040
*Projected 77,000 annually

Annual Population Change

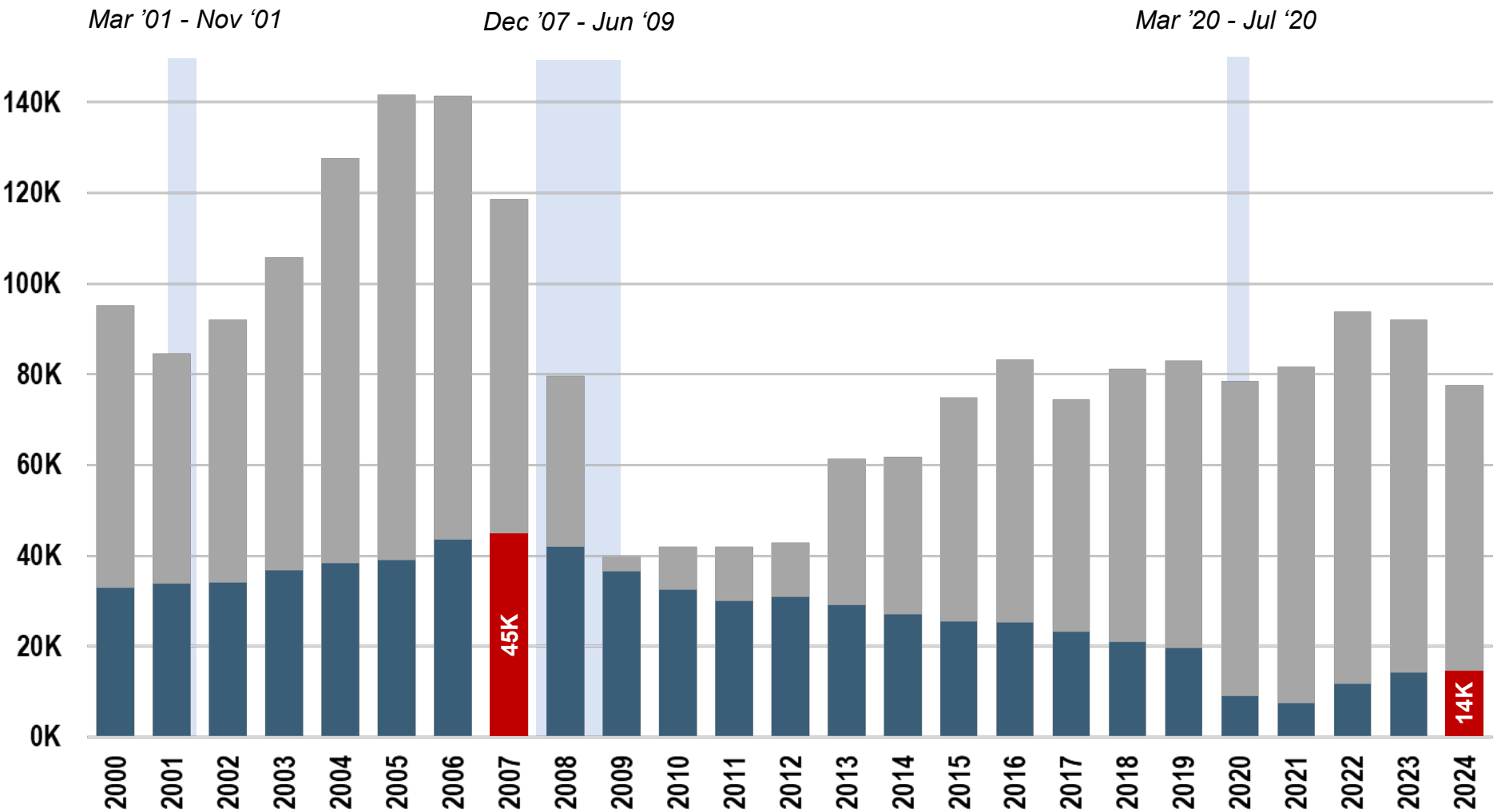
Decennial Pop Growth

1990's	960,000
2000's	1,040,000
2010's	710,000
2020's*	860,000
2030's*	770,000

* AOEO & MAG 6/1/2023 Medium Series Projections

Natural Growth

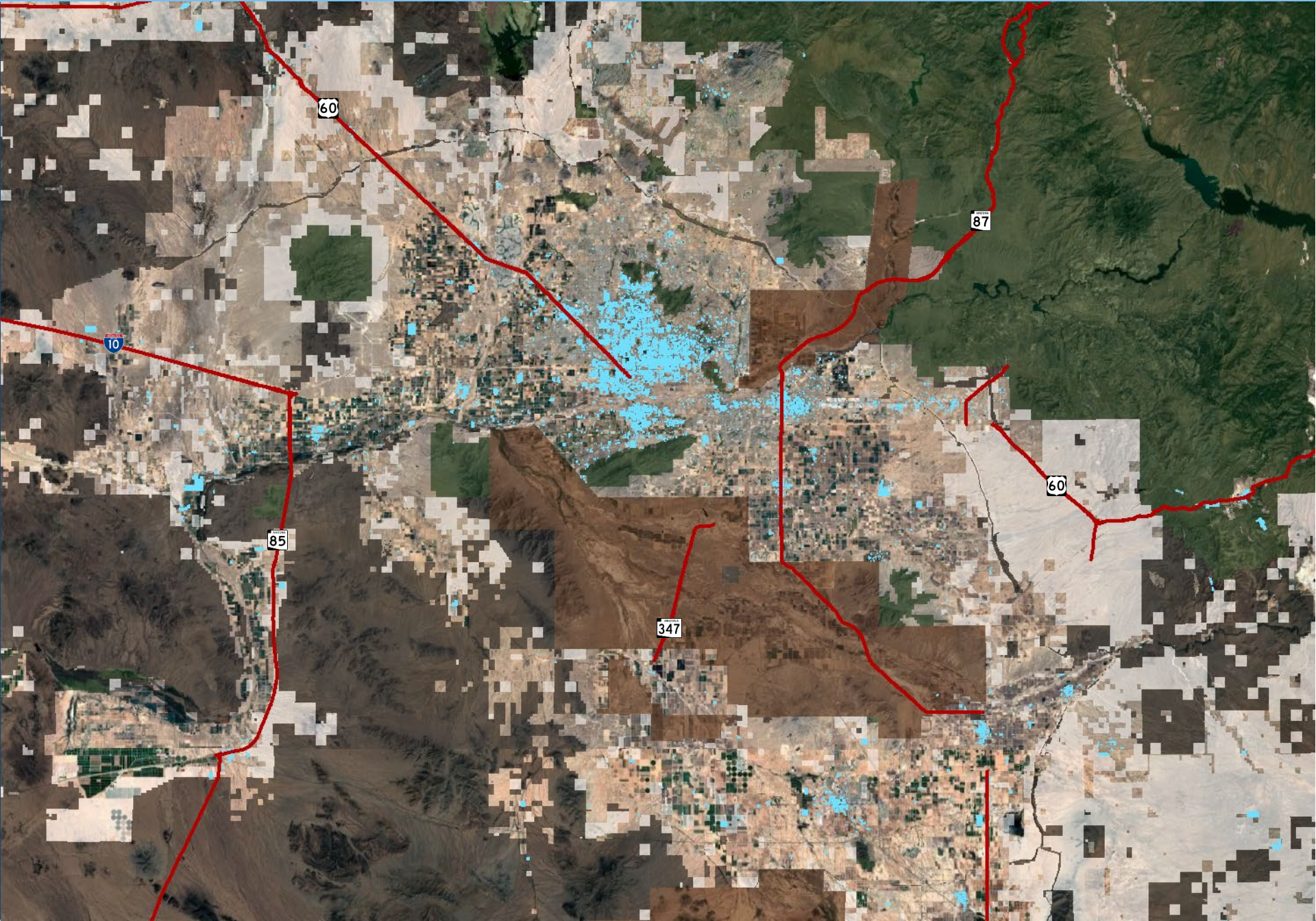
2007 Peak	44,800
2024	14,400
Change	-30,400



Metro Phoenix Developed Land & Future Growth

Year Built	Acres Developed	Pop
Before 1955	80K	500K

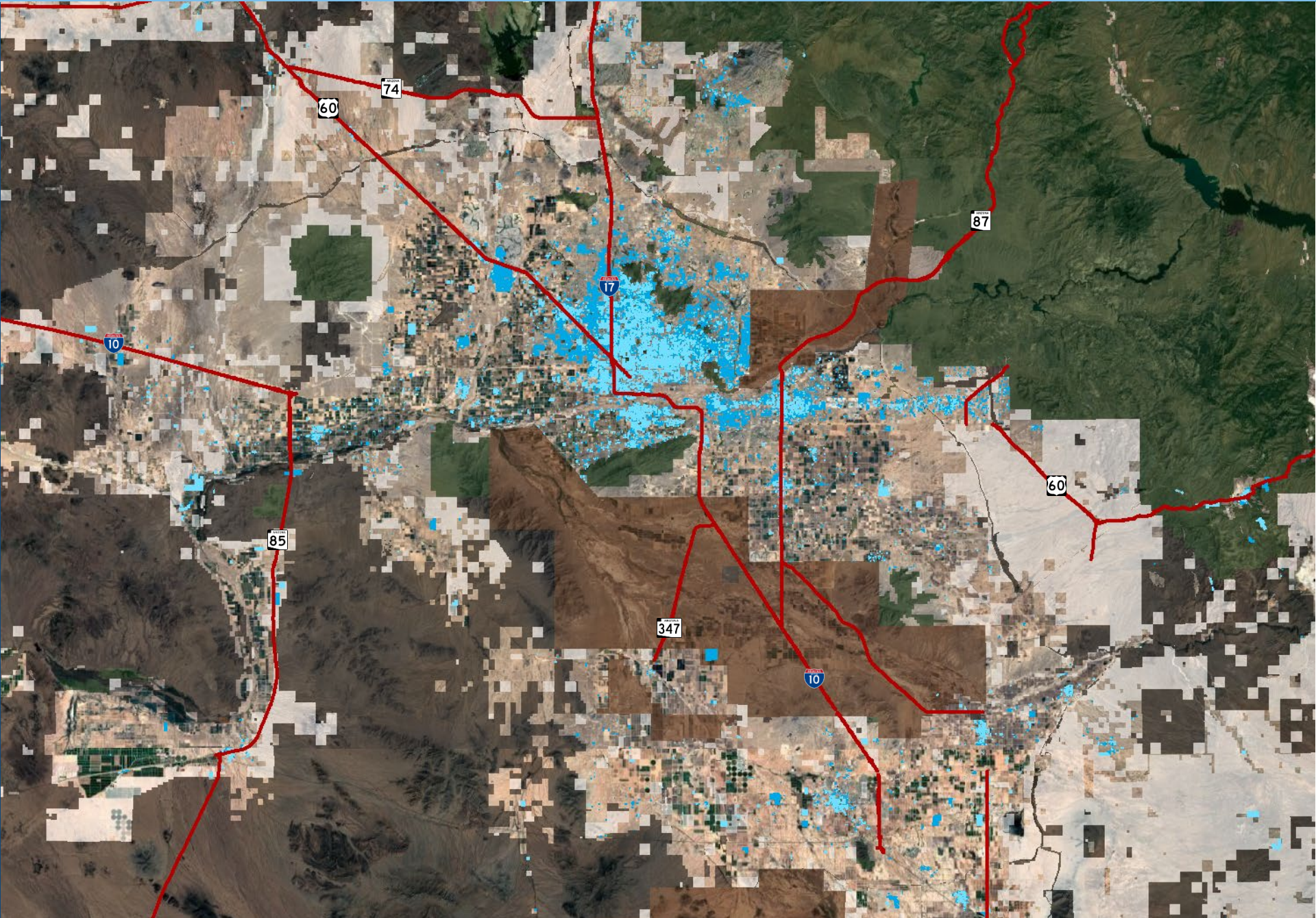
- Federal
- Tribal Lands
- State Trust
- Parks & Preserves



Metro Phoenix Developed Land & Future Growth

Year Built	Acres Developed	Pop
Before 1955	80K	500K
1956 – 1970	160K	1.04M

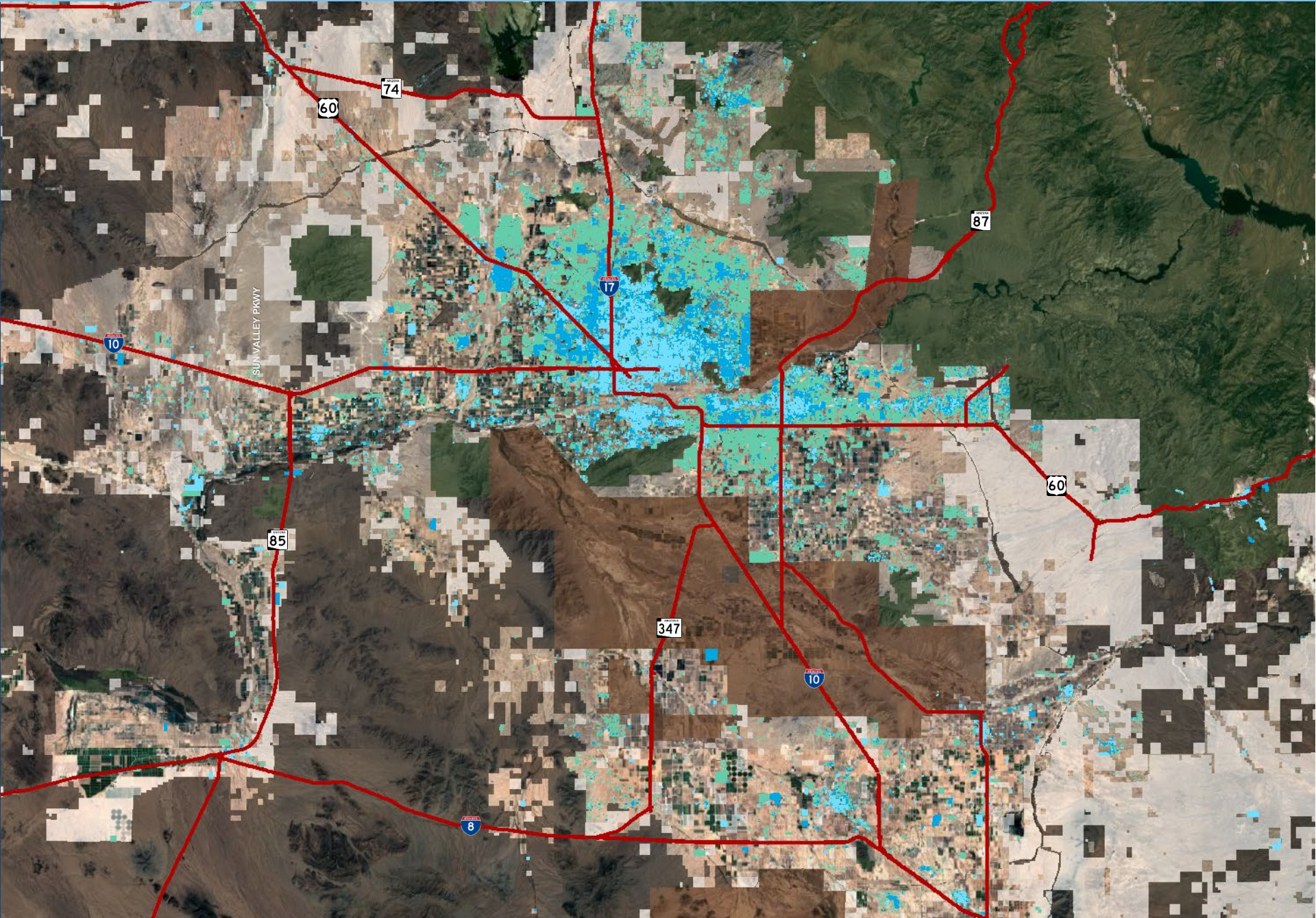
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Metro Phoenix Developed Land & Future Growth

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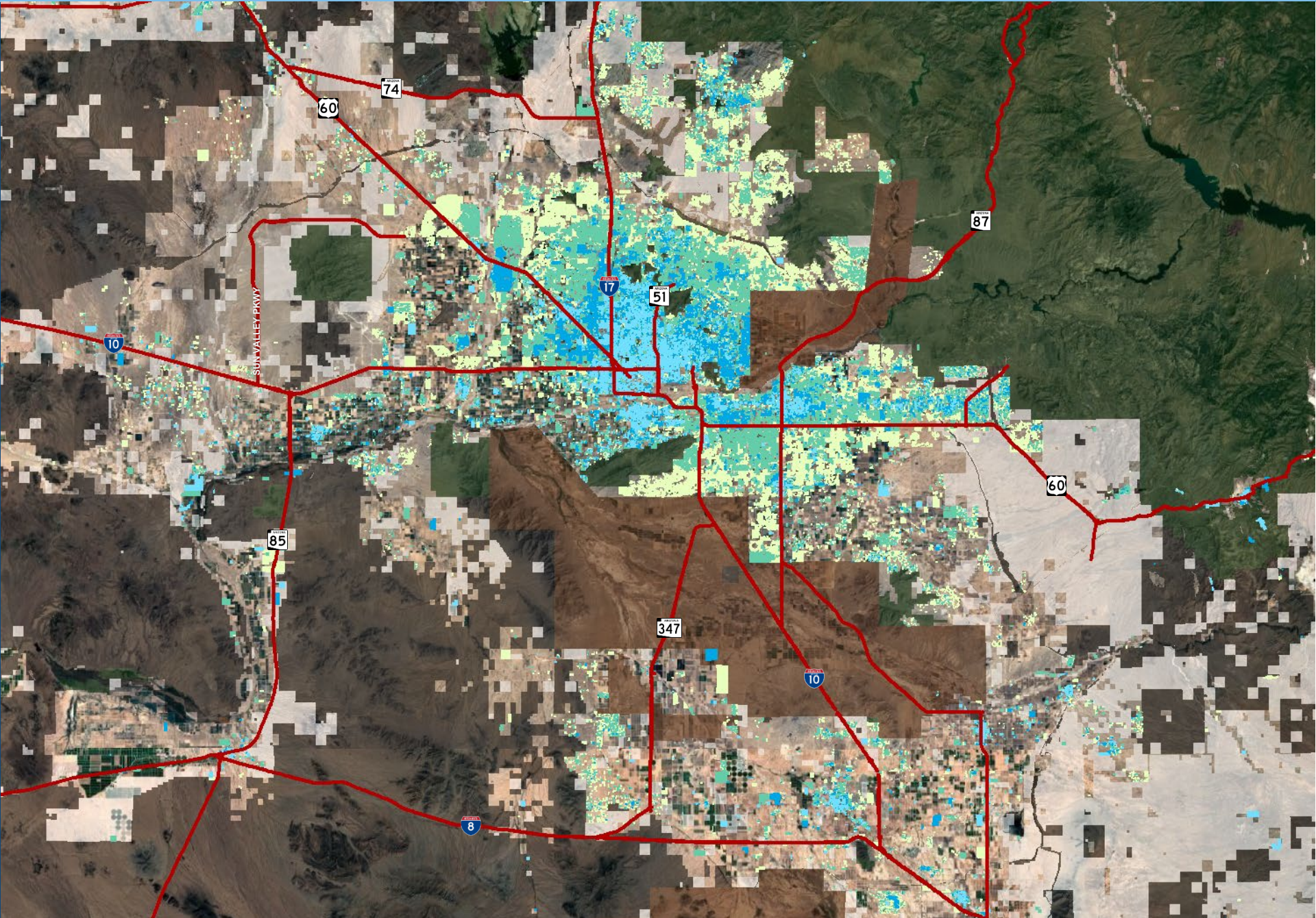
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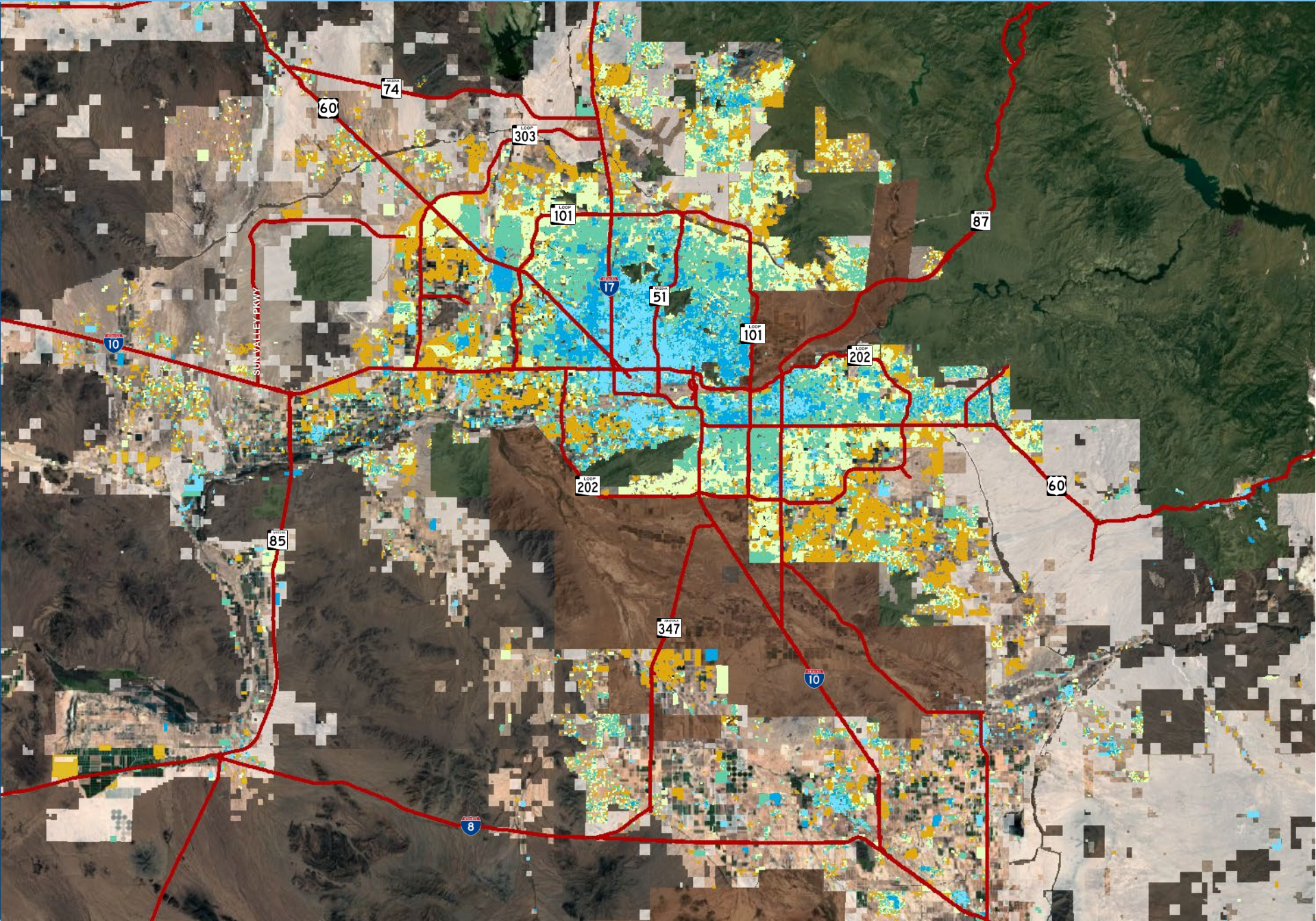
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Year Built	Acres Developed	Pop
Before 1955	80K	500K
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1986 – 2000	500K	3.27M
2000 – 2015	700K	4.46M

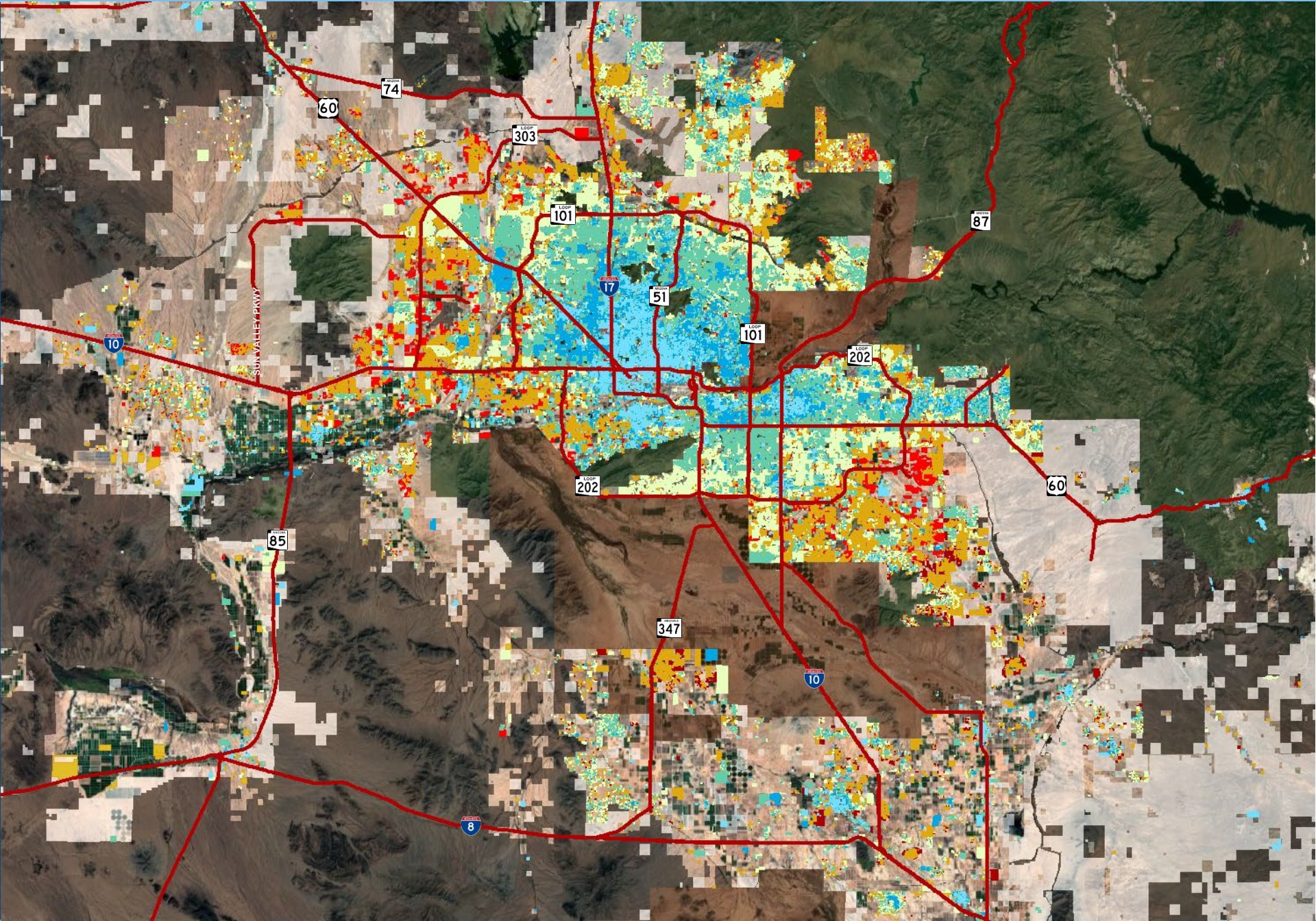
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1971 – 1985	300K	1.92M
1986 – 2000	500K	3.27M
2000 – 2015	700K	4.46M
2016 - 2024	800K	5.09M

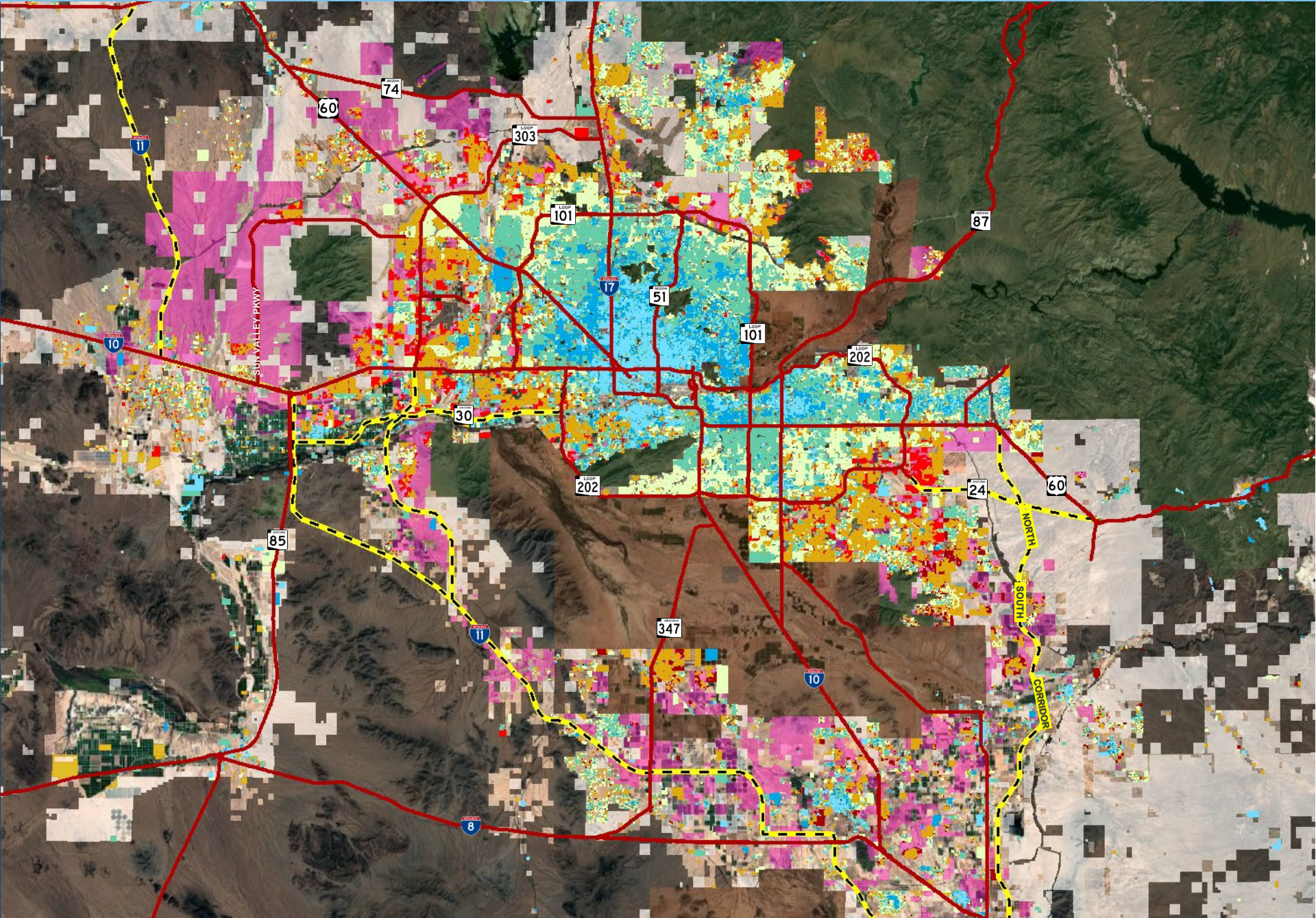
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2024 +		

- Federal
- Tribal Lands
- State Trust
- Parks & Preserves



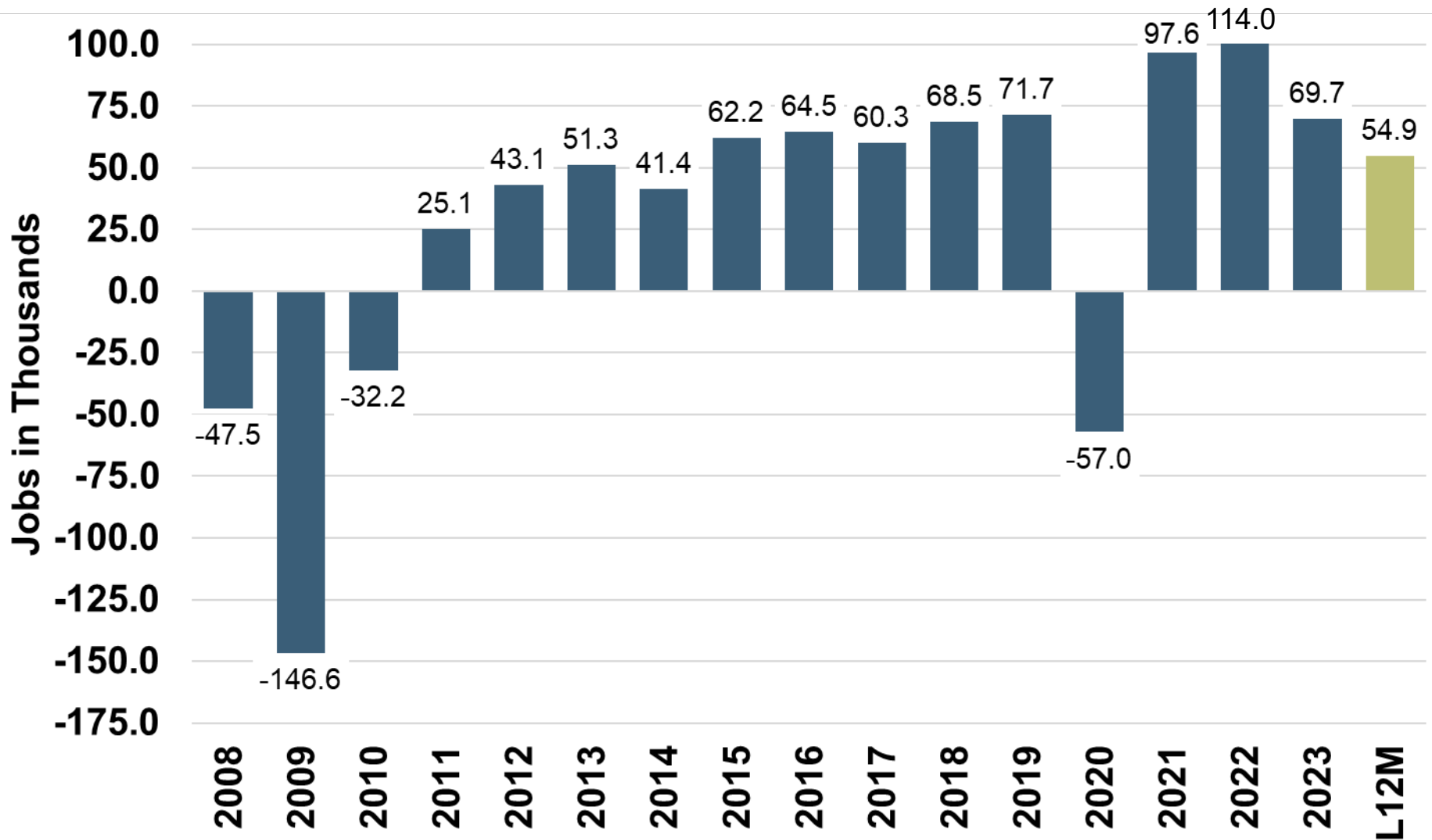
Unemployment Rate

	Oct 24	YoY Change
US	4.1%	0.3% 
AZ	3.6%	-0.6% 
PHX	3.3%	-0.4% 

Total Non-Farm Employment
2,480,000

Annualized Employment Change

Jobs Added or Lost Annually – October 2024



Averaged year over year monthly change for the last 12 months.



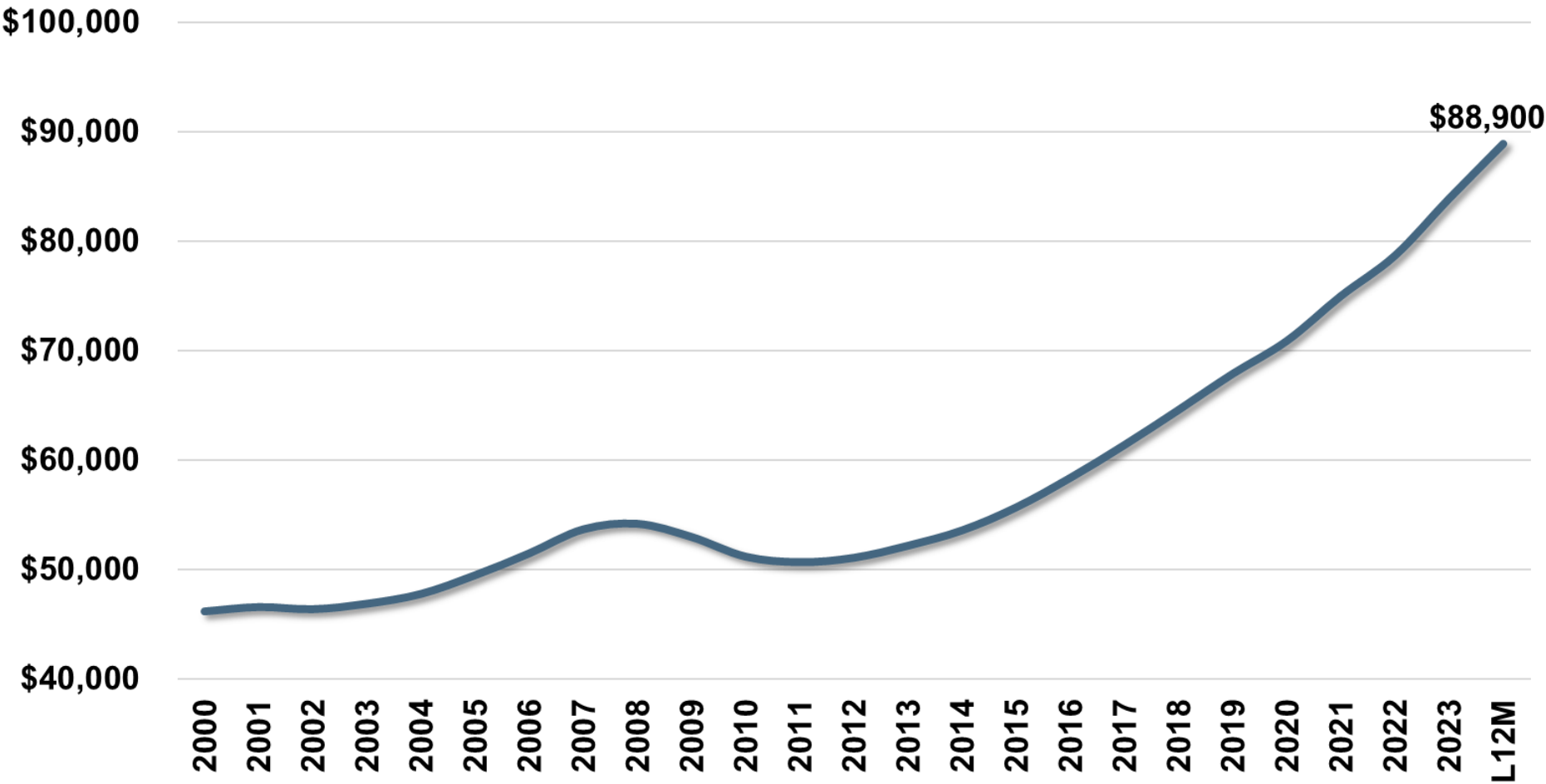
Housing Affordability

Percent of Median Income

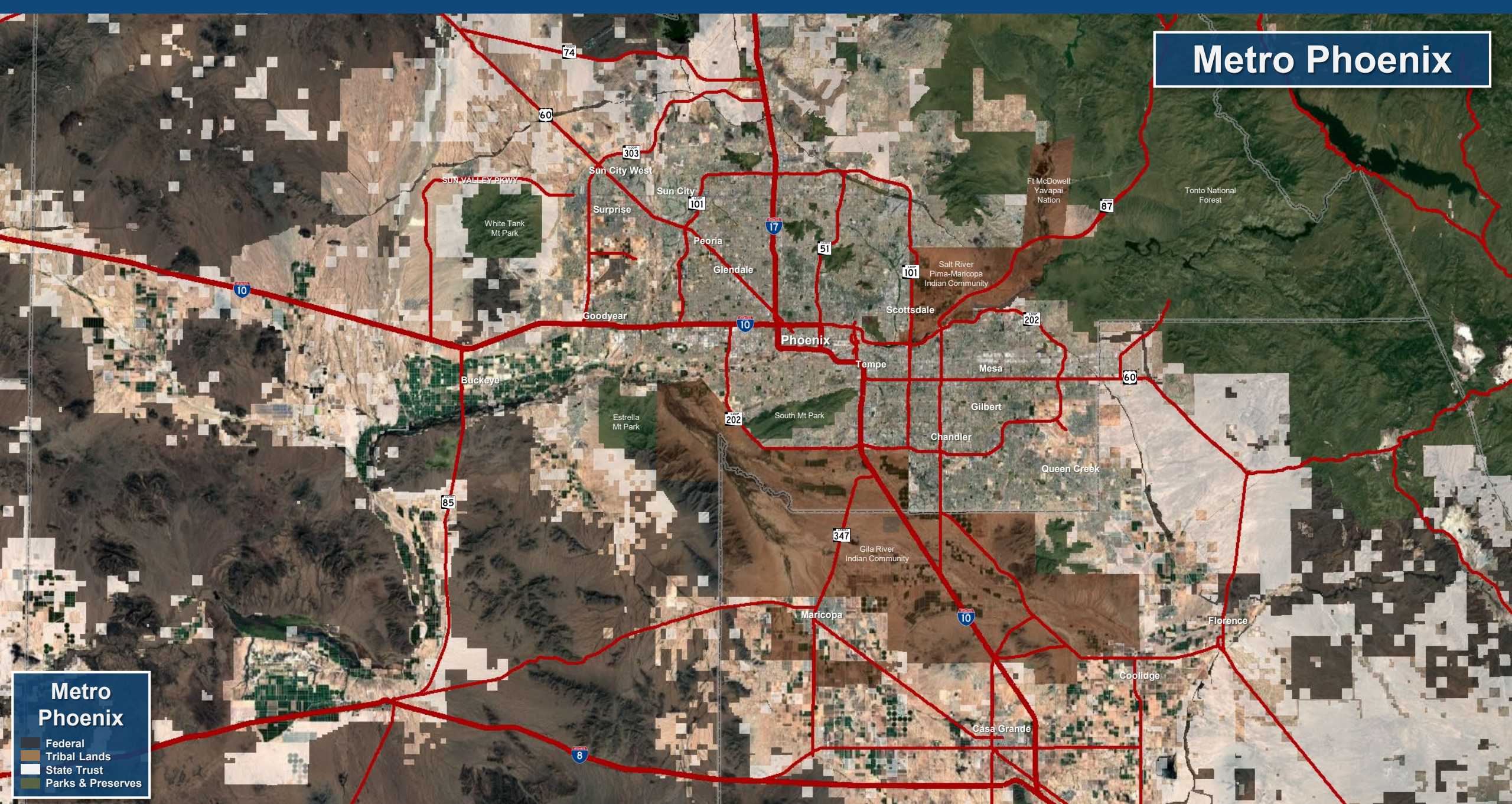
Rate	New (\$475K)	Resale (\$435K)
3%	29.2%	26.7%
5%	35.1%	32.1%
7%	41.7%	38.2%

30-Yr Mortgage 20% Down
PITI Included

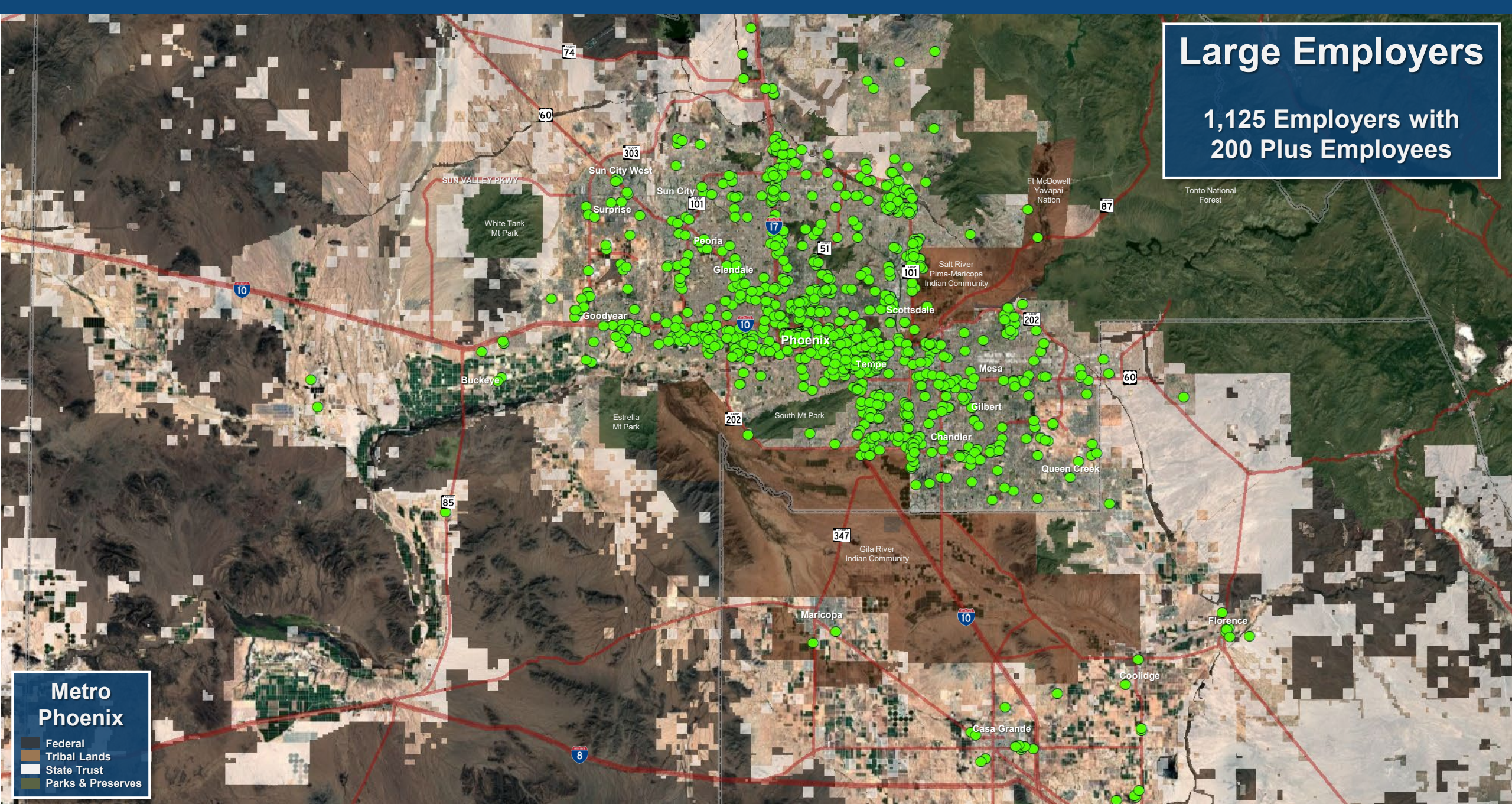
Phoenix MSA Median Household Income



Metro Phoenix



Large Employers
1,125 Employers with
200 Plus Employees



Metro Phoenix
Federal
Tribal Lands
State Trust
Parks & Preserves

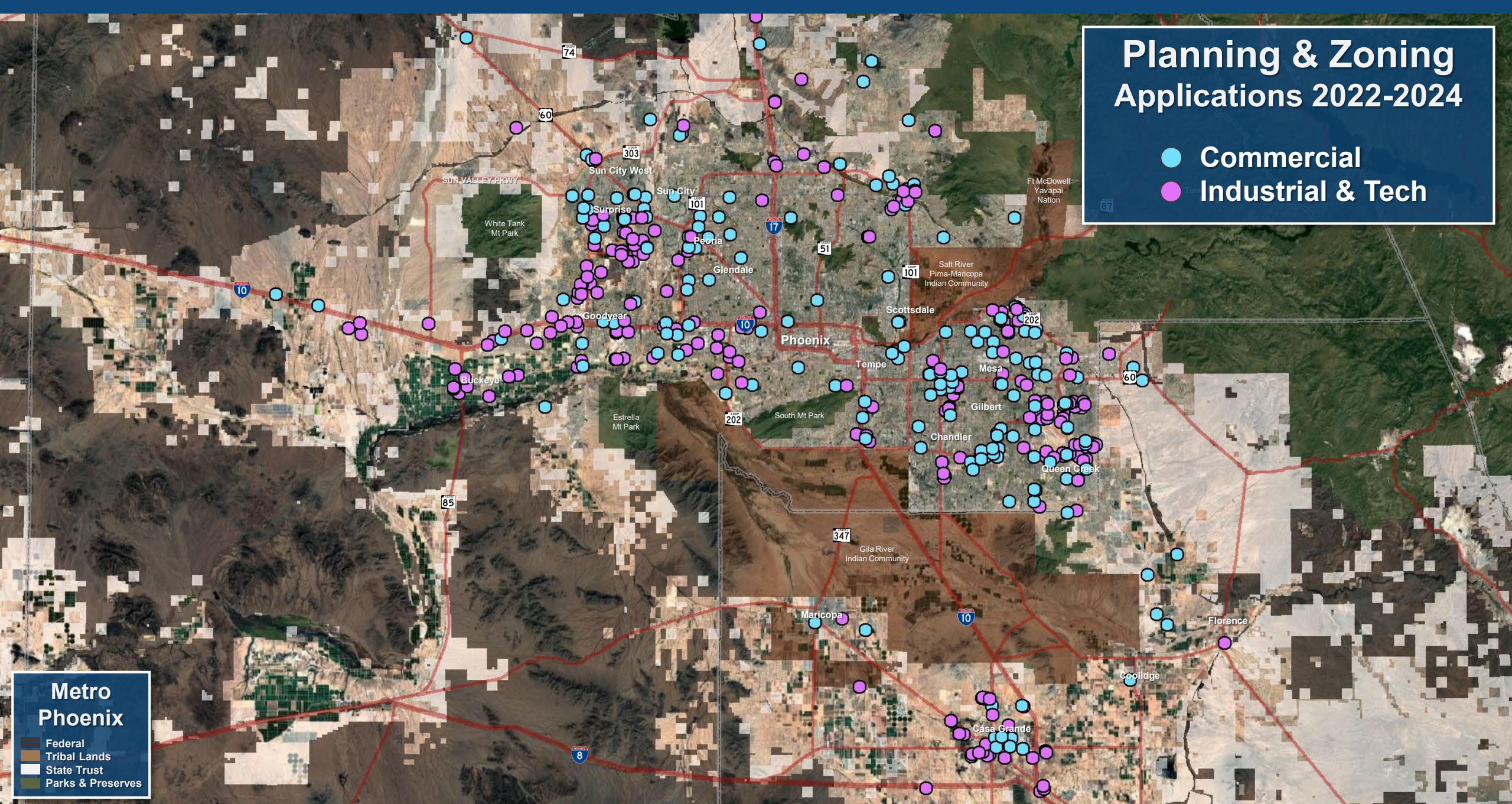


Planning & Zoning Applications 2022-2024

- Commercial
- Industrial & Tech

Metro Phoenix

- Federal
- Tribal Lands
- State Trust
- Parks & Preserves



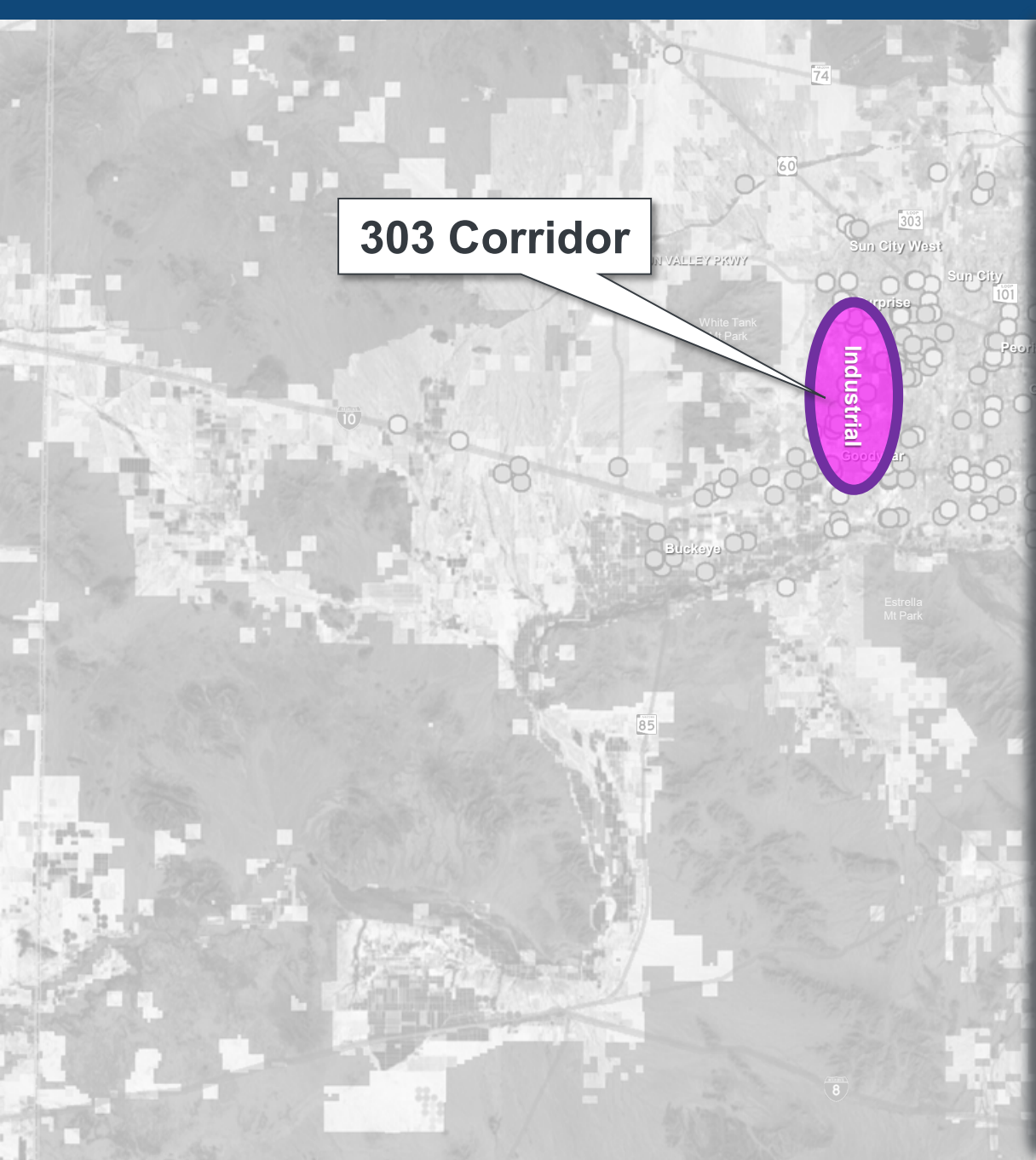
West Valley Employment Centers

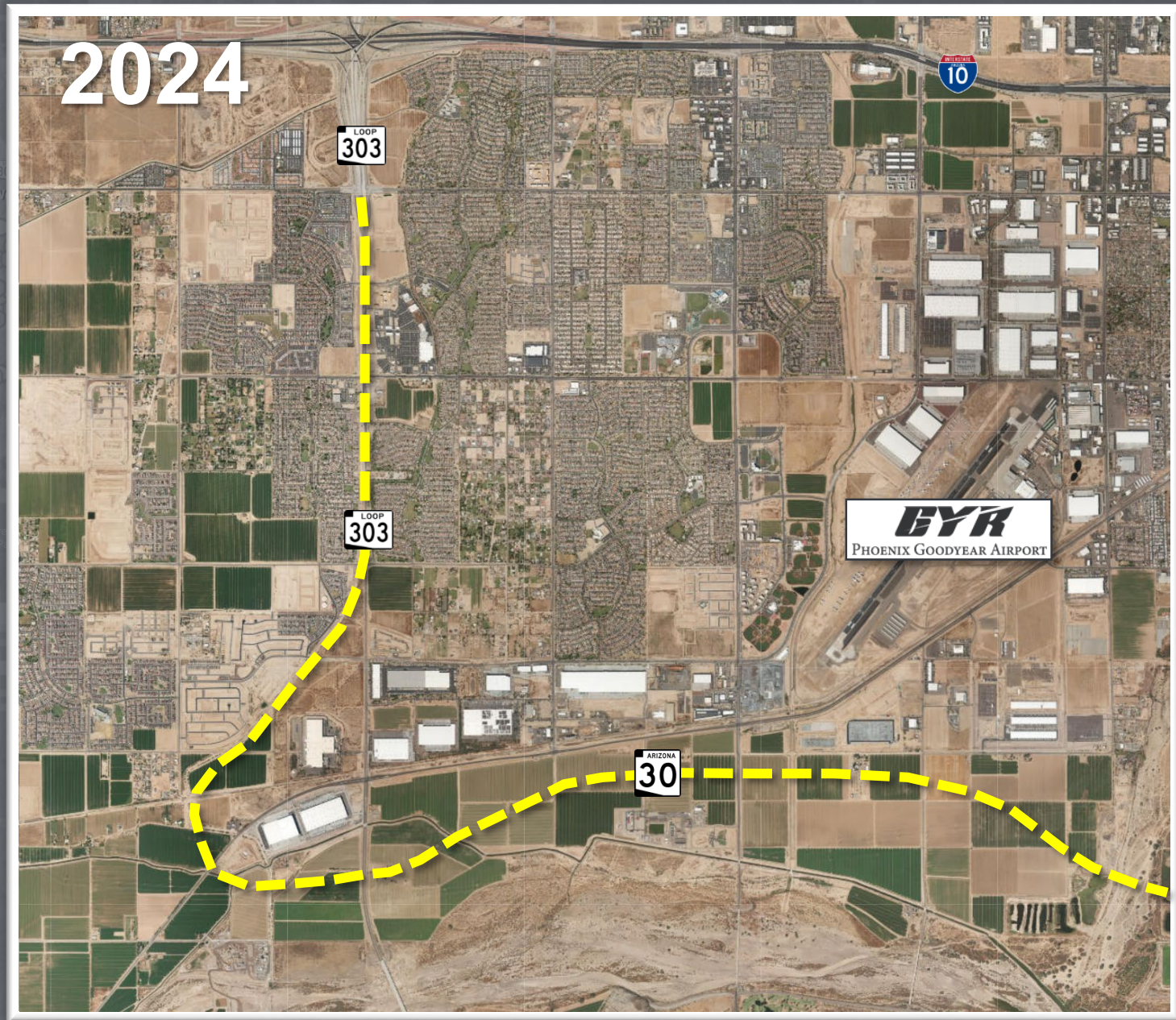
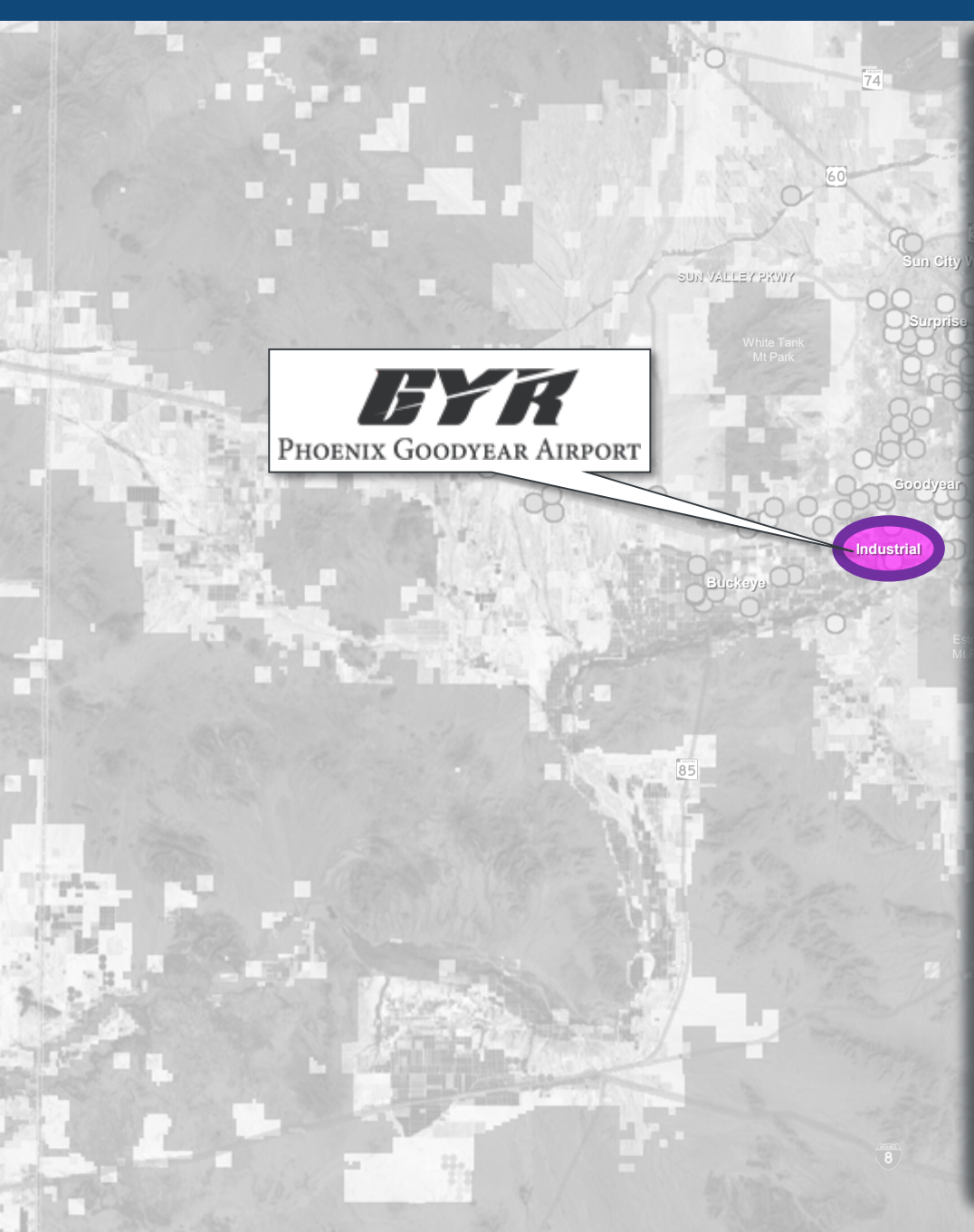
- Commercial
- Industrial & Tech

West Valley Industrial

	Net Rentable	Vacancy	Under Constr.
Northwest Valley	54M SqFt	6.4%	867K SqFt
Southwest Valley	188M SqFt	13.8%	12.7M SqFt







Major Employers Southwest



- Federal
- Indian Community
- State Trust
- Parks & Preserves

Source: Land Advisors Organization

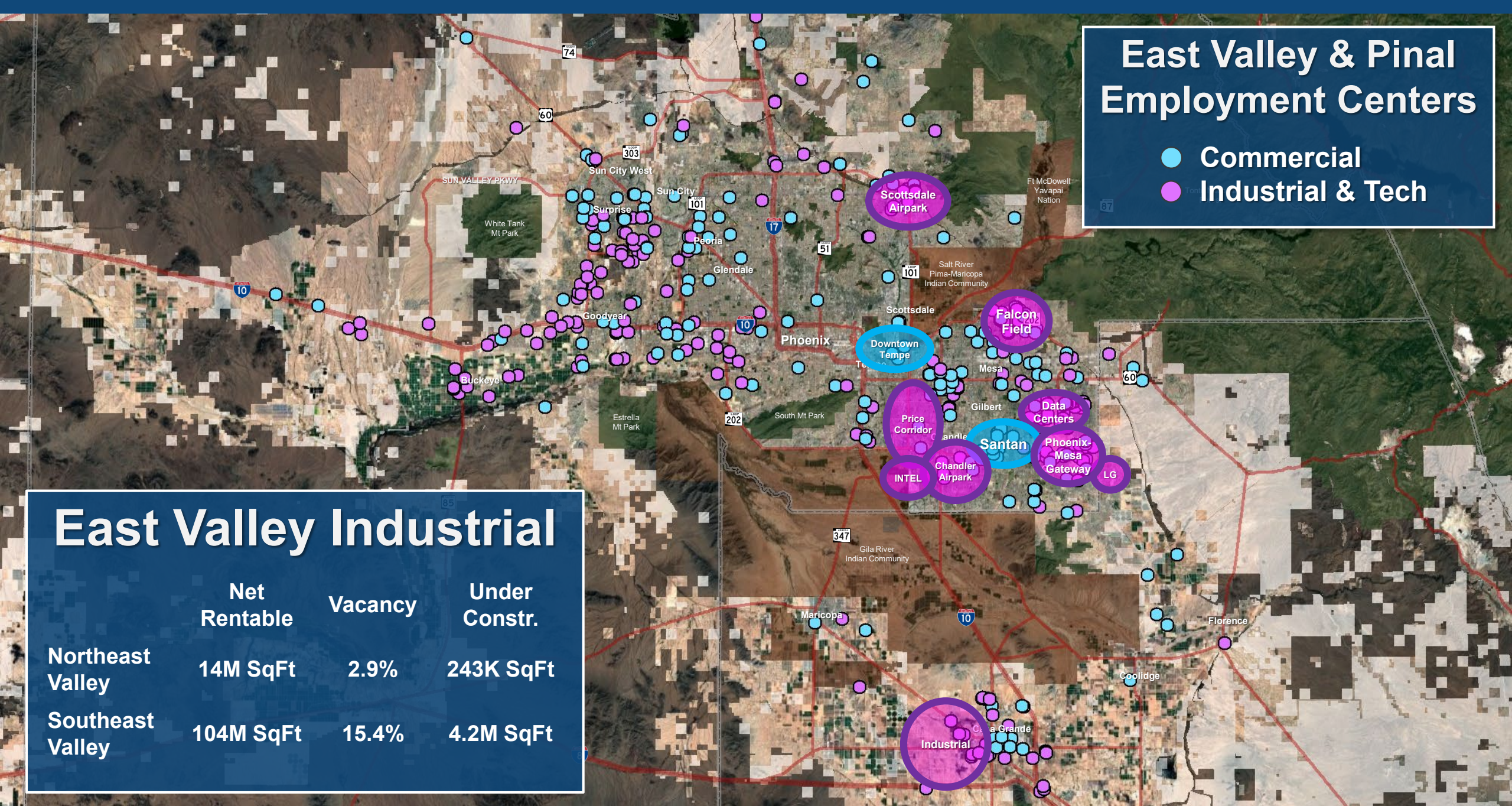
LandAdvisors.com



East Valley & Pinal Employment Centers

- Commercial
- Industrial & Tech

	Net Rentable	Vacancy	Under Constr.
Northeast Valley	14M SqFt	2.9%	243K SqFt
Southeast Valley	104M SqFt	15.4%	4.2M SqFt



2024

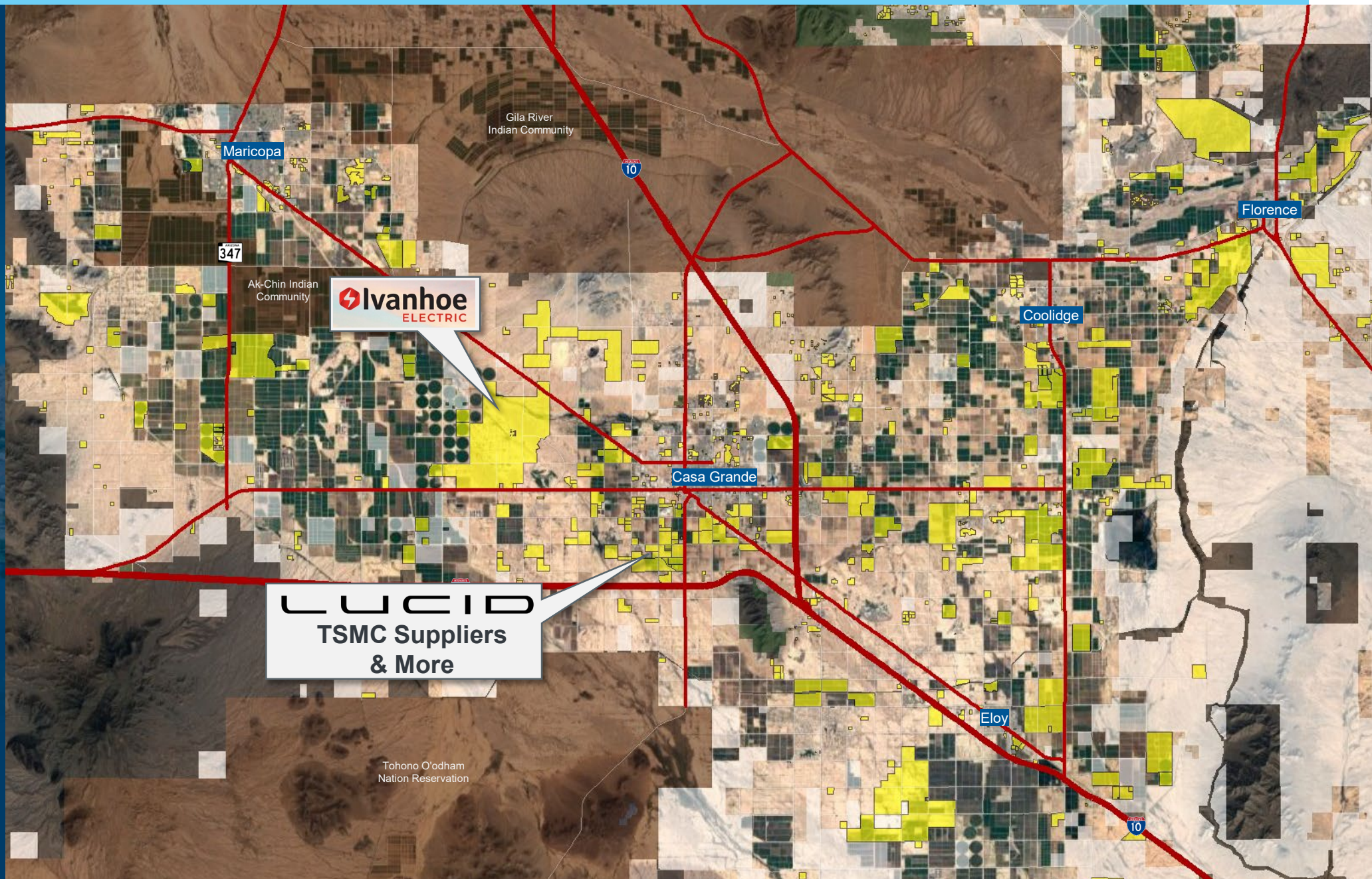


Phoenix-Mesa Gateway Airport & Data Centers



Pinal County

Recent Sales 2021 to 2023



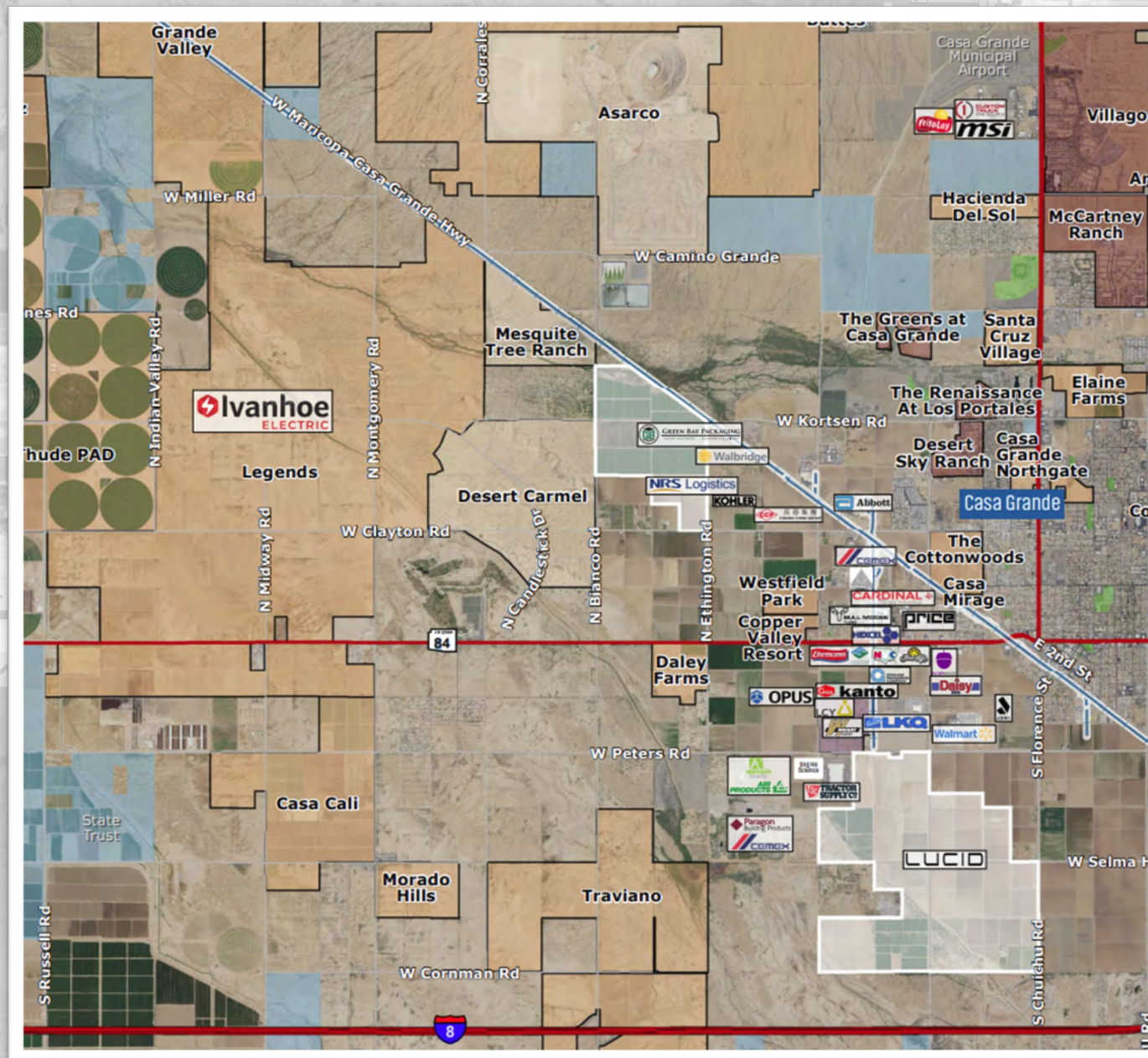
- Federal
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Source: Land Advisors Organization

Pinal County

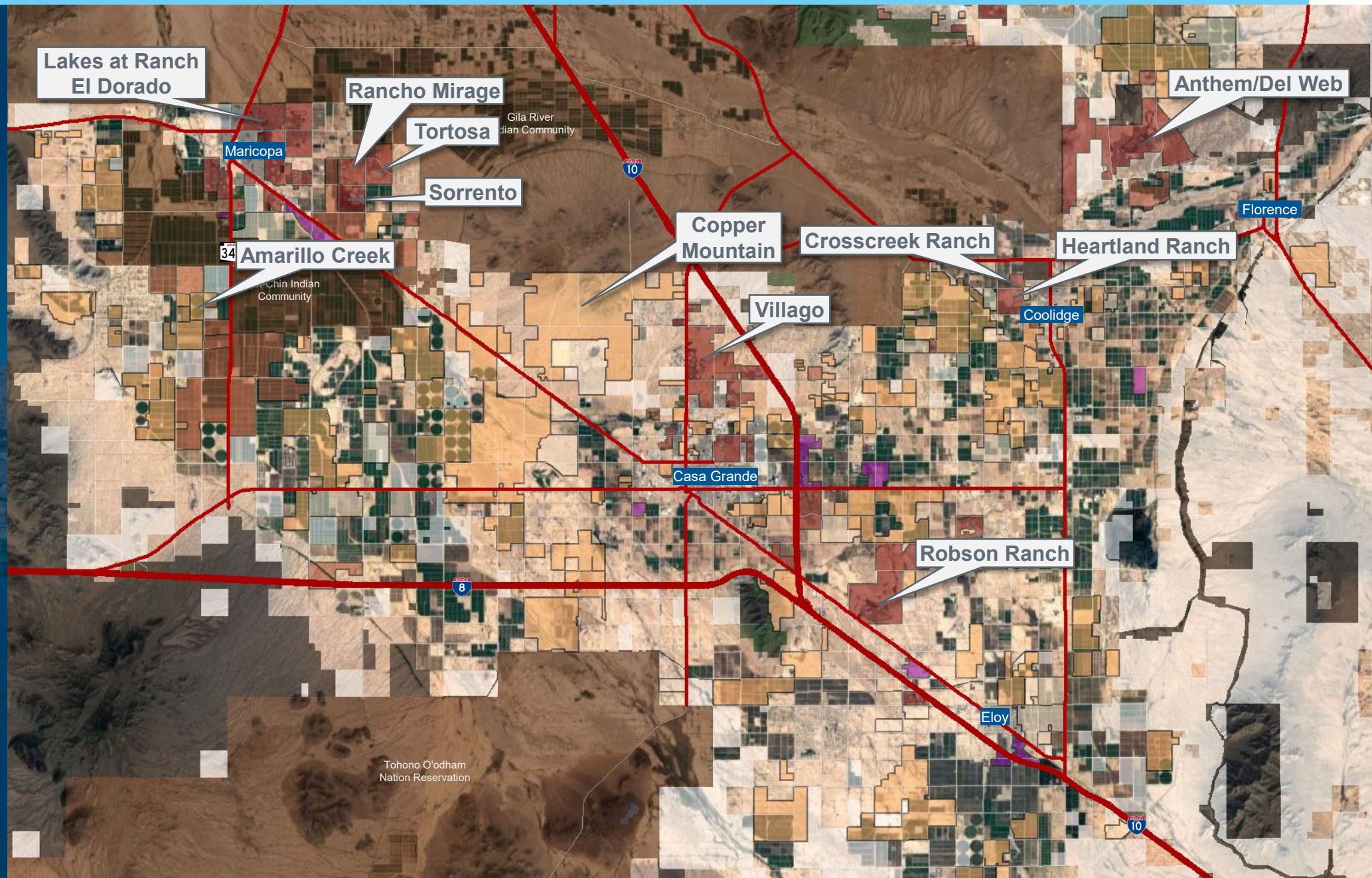
Casa Grande Employment

- Federal
- Indian Community
- State Trust
- Parks & Preserves



Pinal County

12 Month SF
Permits
2,727



Source: RL Brown, Land Advisors Organization

LandAdvisors.com



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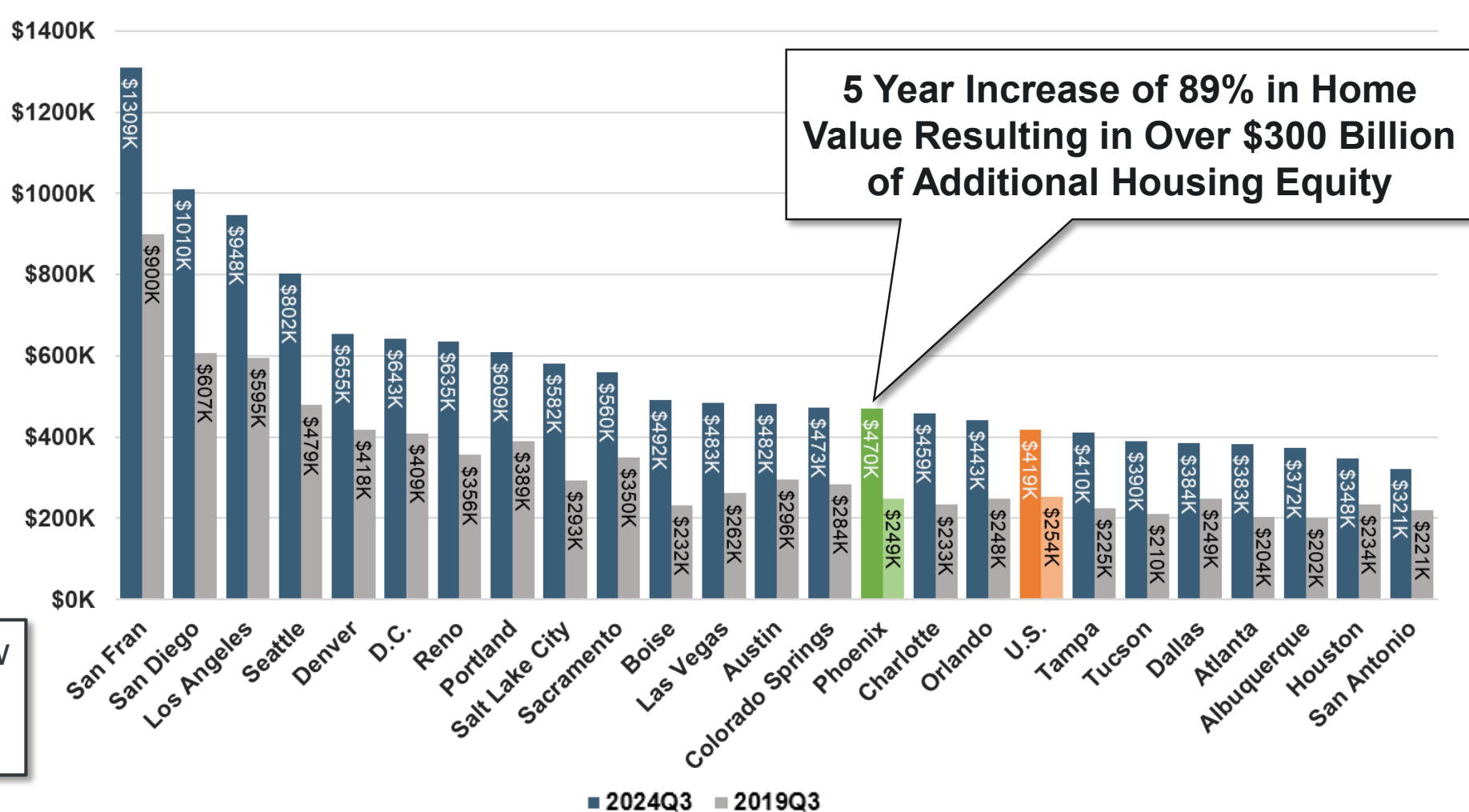
Rapid Appreciation Leads to:

- Few to no Foreclosures
- Equity for Move Up Housing & Transfer of Wealth
- \$225,000 per Owner
- Affordability Challenged

Home Payment Then & Now
2019: \$1,250/month
2024: \$3,000/month

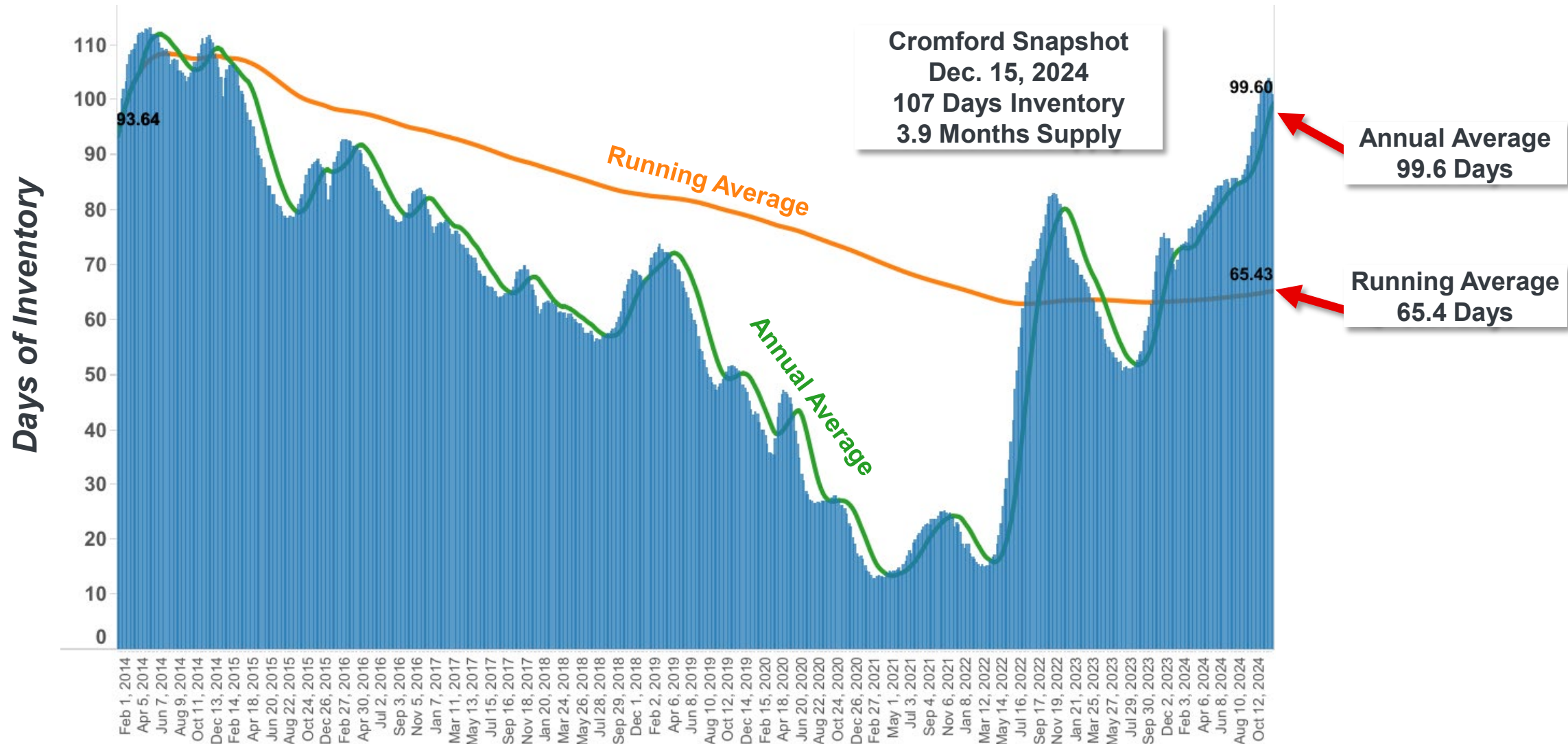
Median Resale Home Price

2019 3Q vs 2024 3Q



Resale Days of Supply – Phoenix Metro

Net of Pending

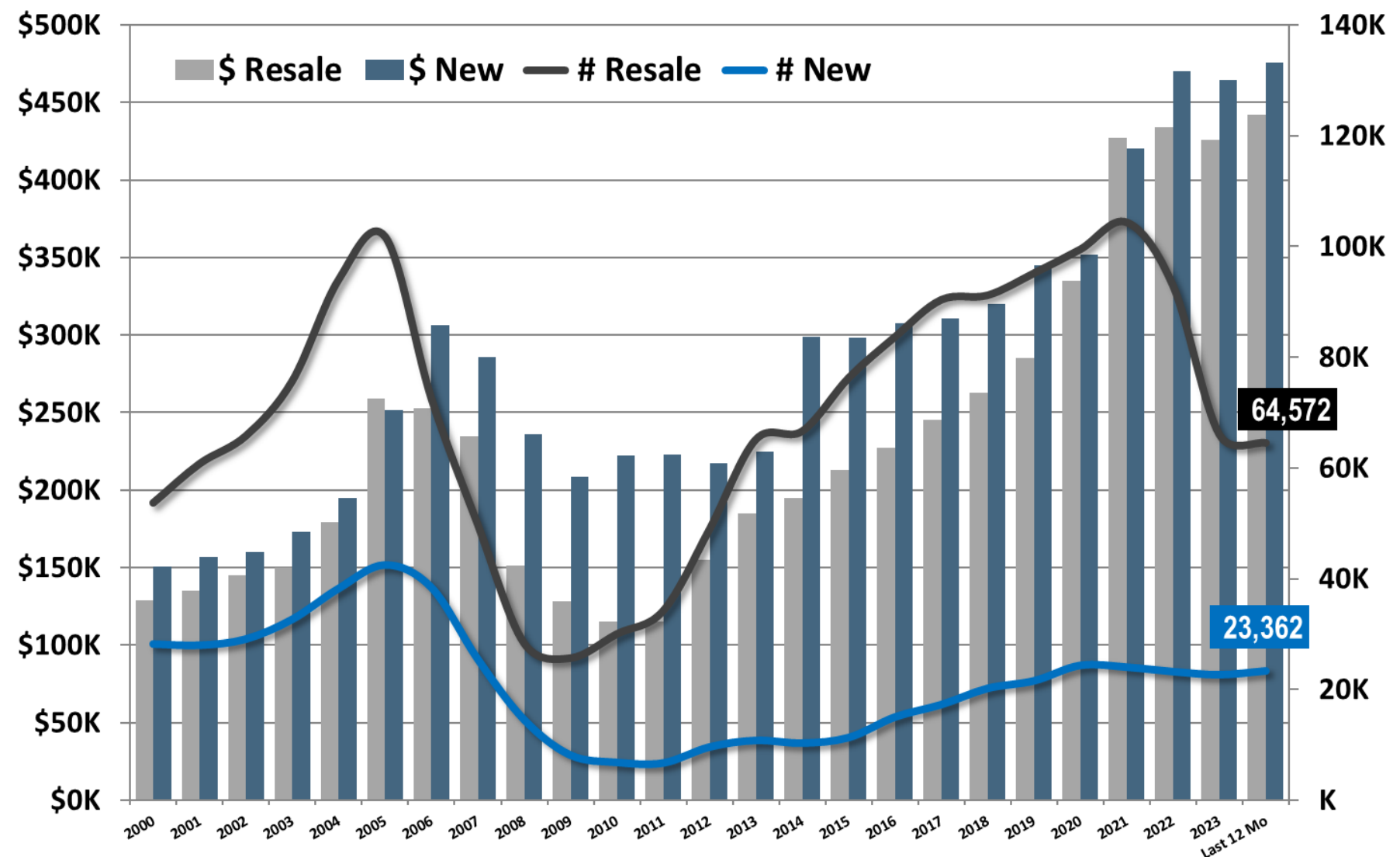


New & Resale Home Sales & Median Prices

November 2024

Resale vs. New

	Resale	New
Median Price	\$442,000	\$475,572
Median Size	1,784 sqft	2,106 sqft
Price/SqFt.	\$248/sqft	\$226/sqft
12 Mo Closings	64,572	23,362

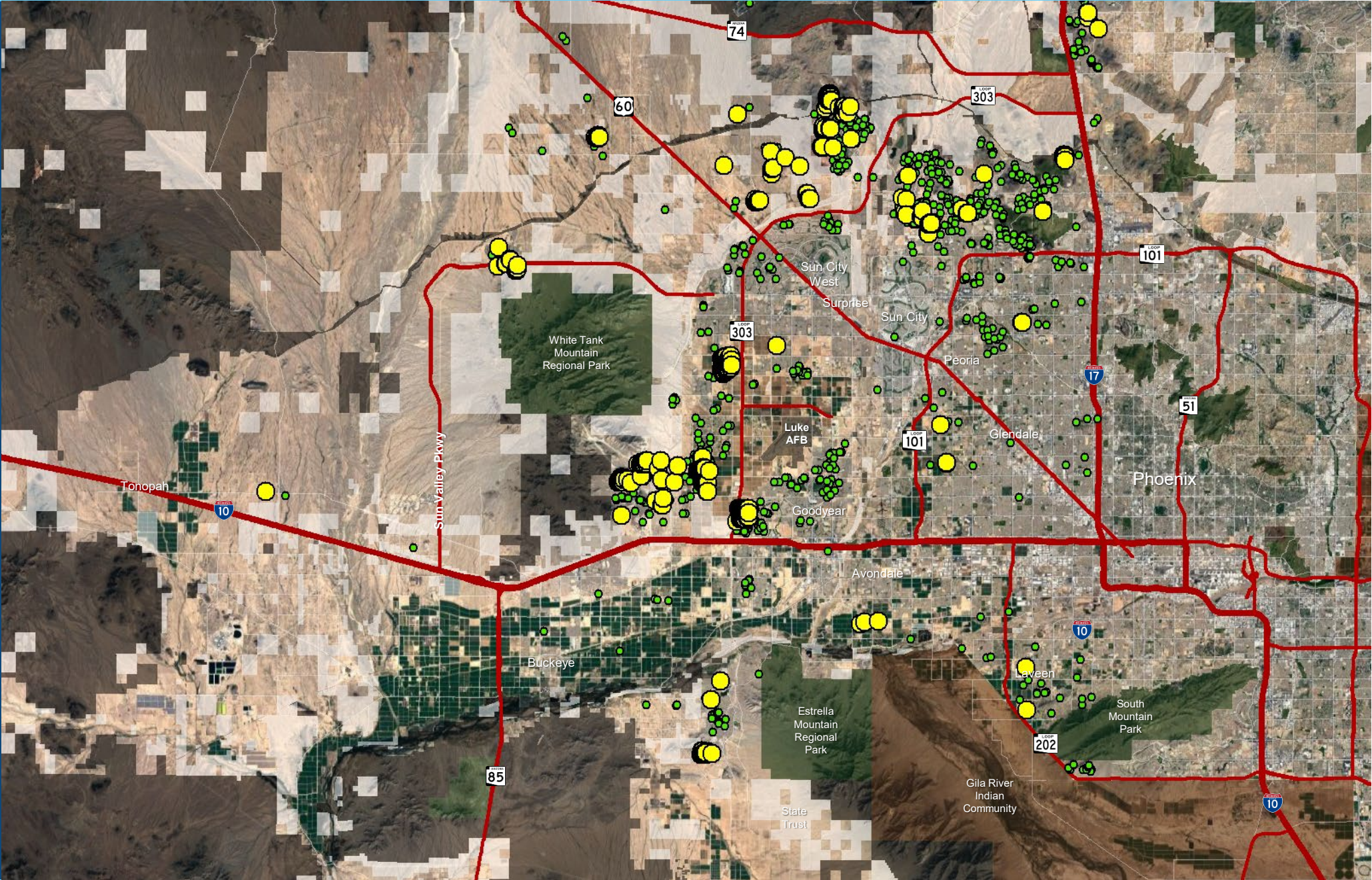


West Valley Home
Closings Over
\$800,000

JULY 2022-23

- New Homes (476)
- Resale Homes (828)
- Total: 1,304 Homes

- Federal
- Tribal Lands
- State Trust
- Parks & Preserves



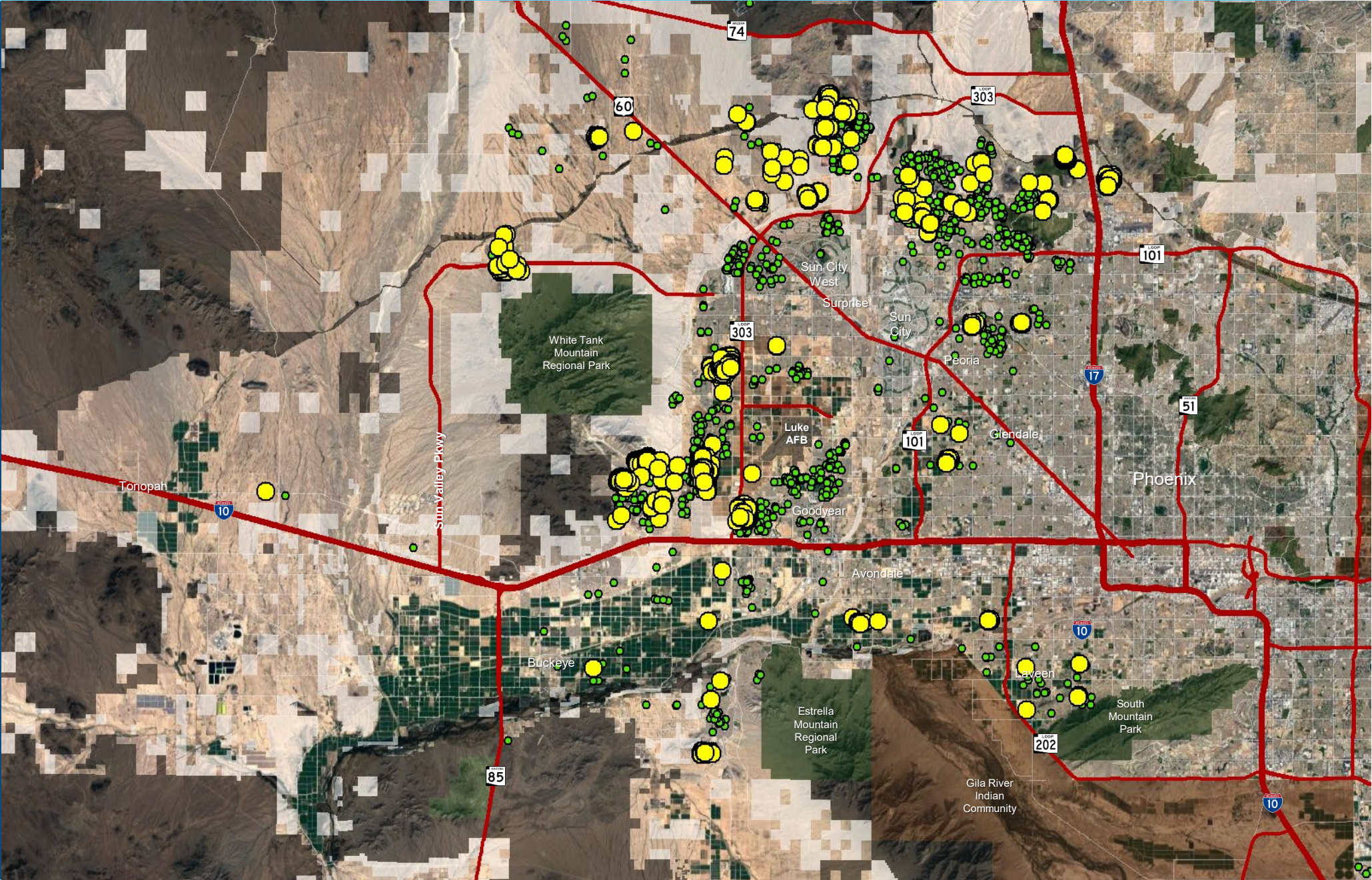
West Valley Home
Closings Over
\$800,000

JULY 2023-24

- New Homes (1,183)
- Resale Homes (1,571)
- Total: 2,754 Homes

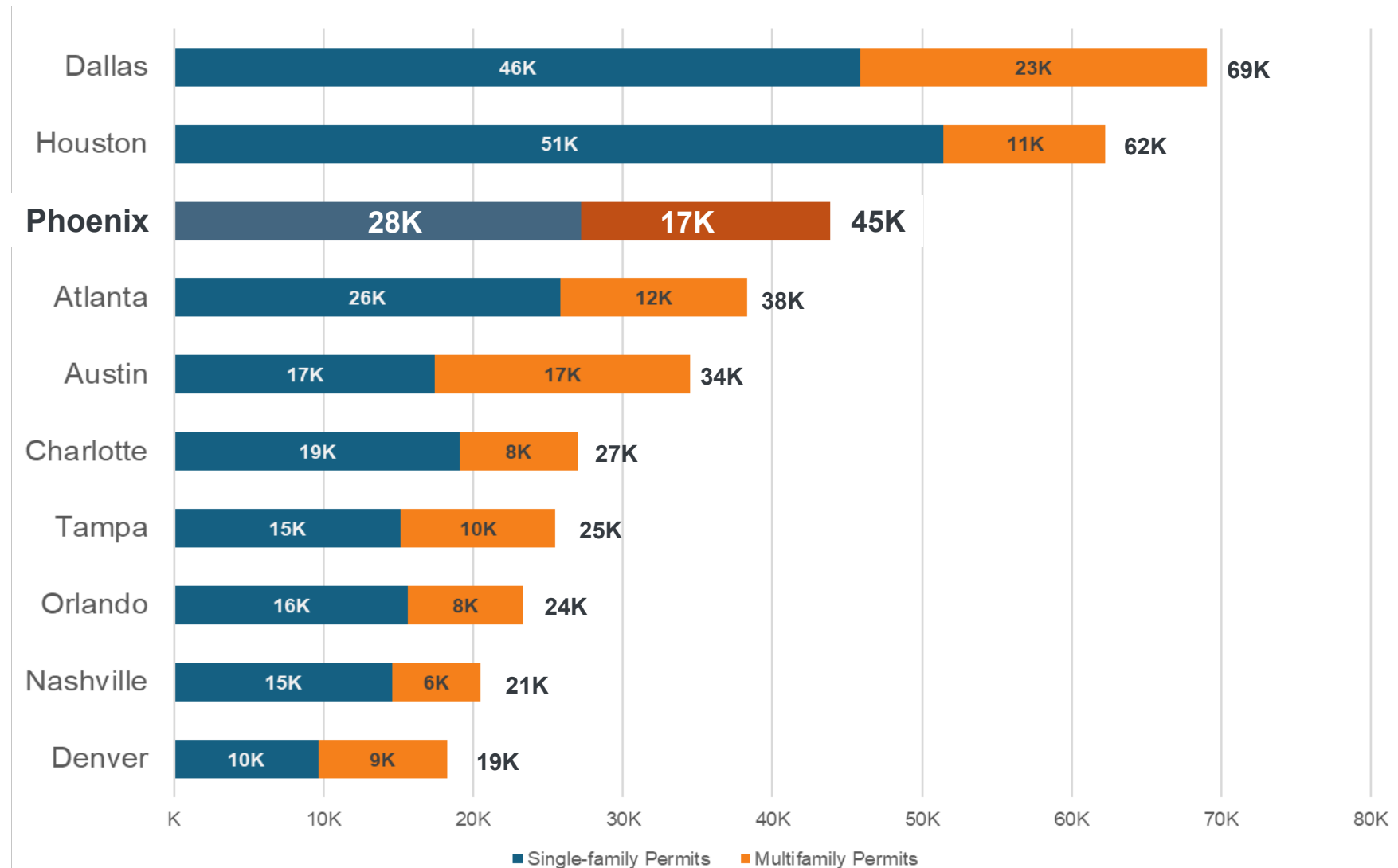
112% Increase from
2022-2023

- Federal
- Tribal Lands
- State Trust
- Parks & Preserves



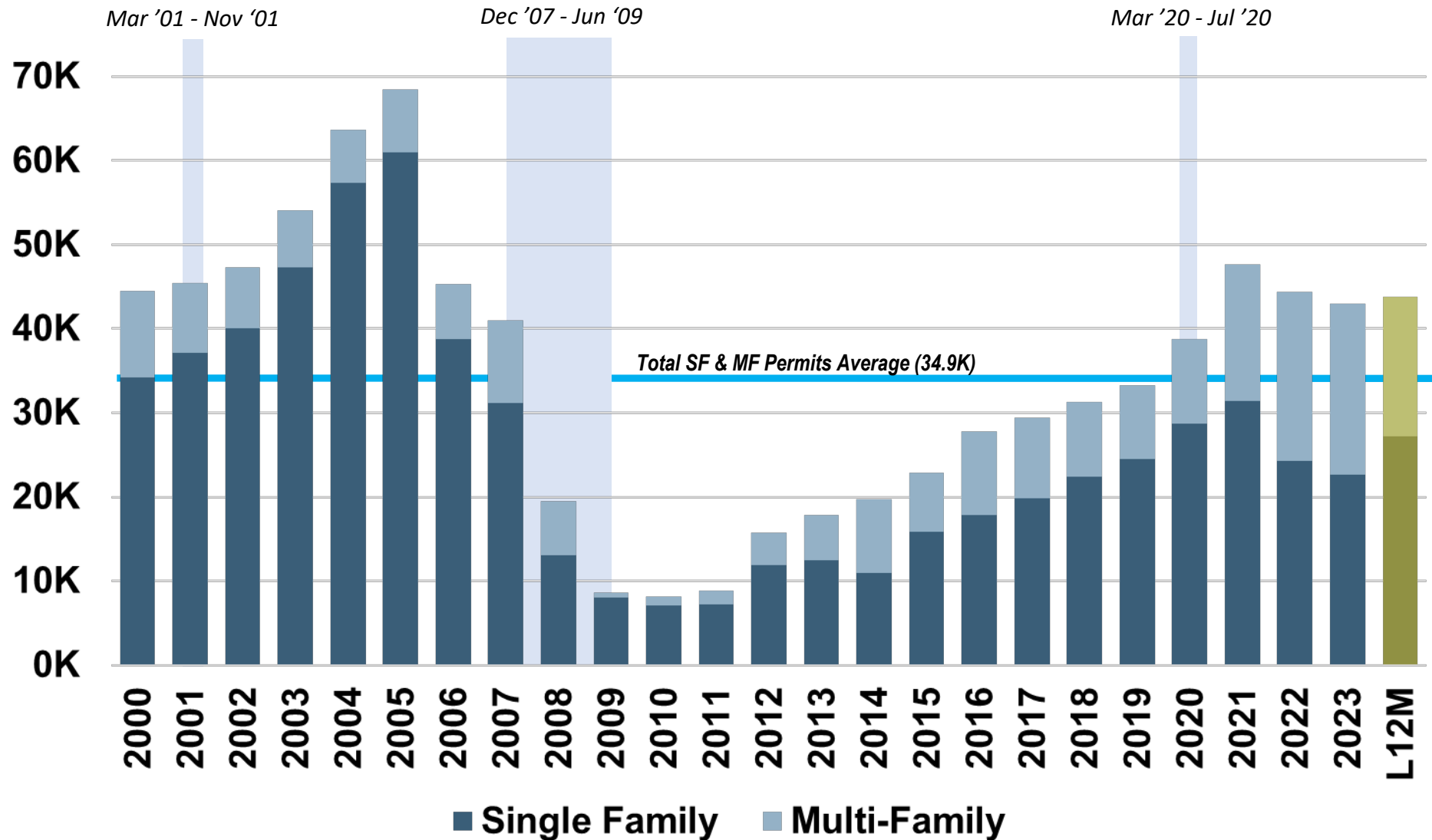
Total Single-Family and Multifamily Permits

Last 12 Months through September 2024



Total Housing Permits

Single & Multifamily



	Single Family	Multi-Family	Total
1990s	265,000	59,000	324,000
2000s	368,000	70,000	438,000
2010s	150,000	65,000	215,000
2020s*	250,000	100,000	350,000

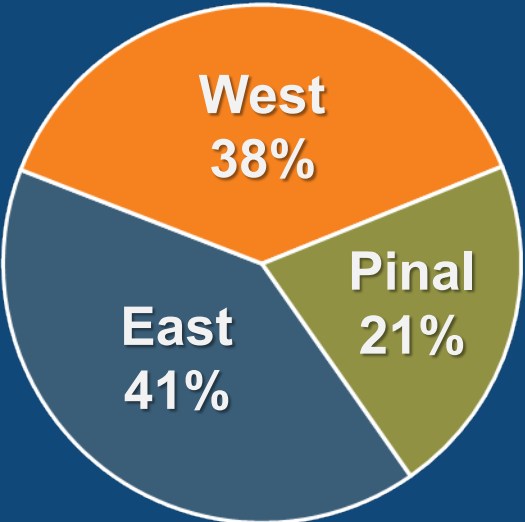
2020s* – Forecast



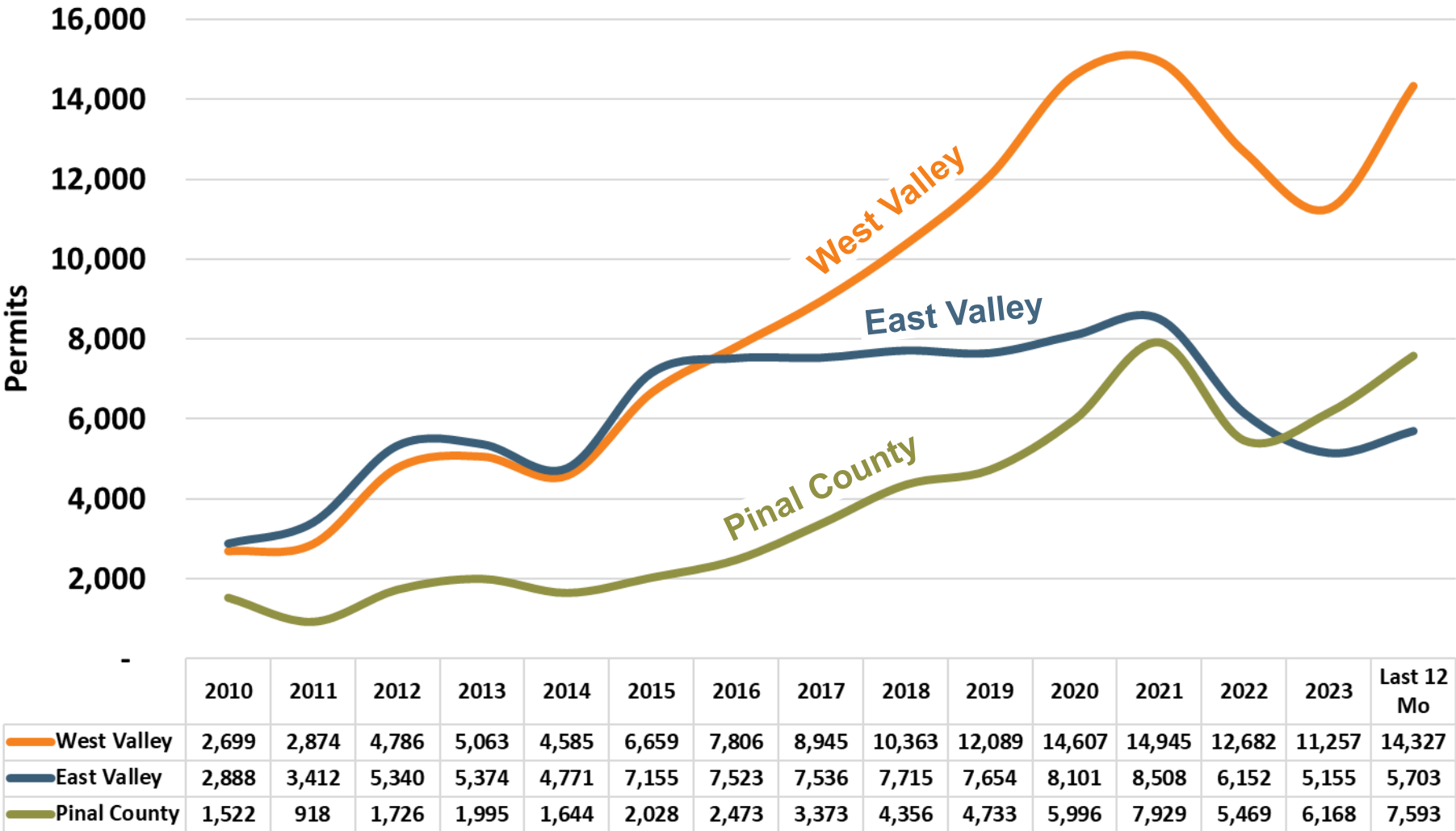
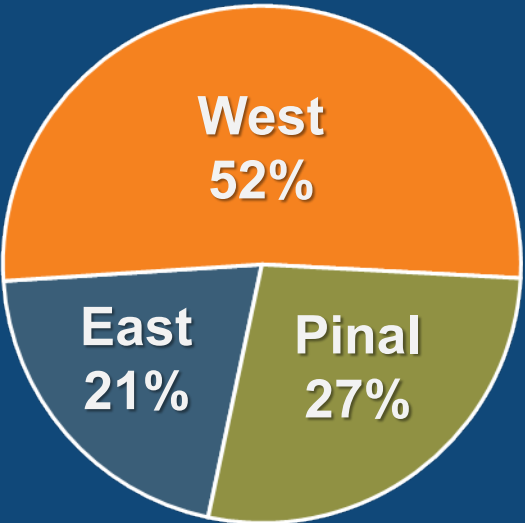
Single-Family Permits by Region

November 2024

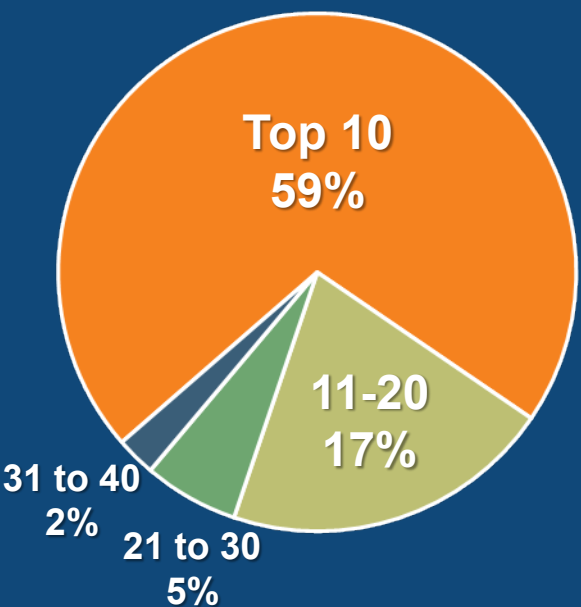
2010 Market Share



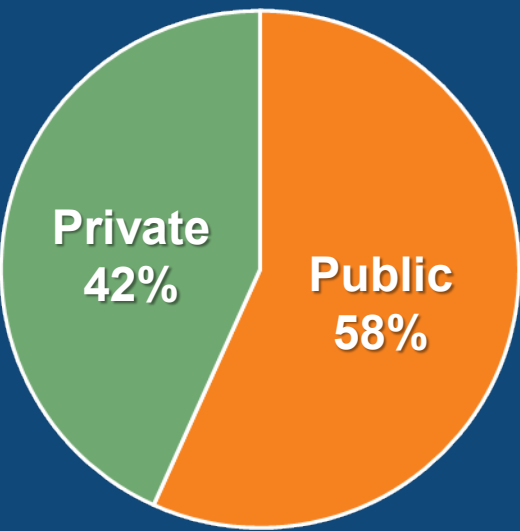
Last 12 Months



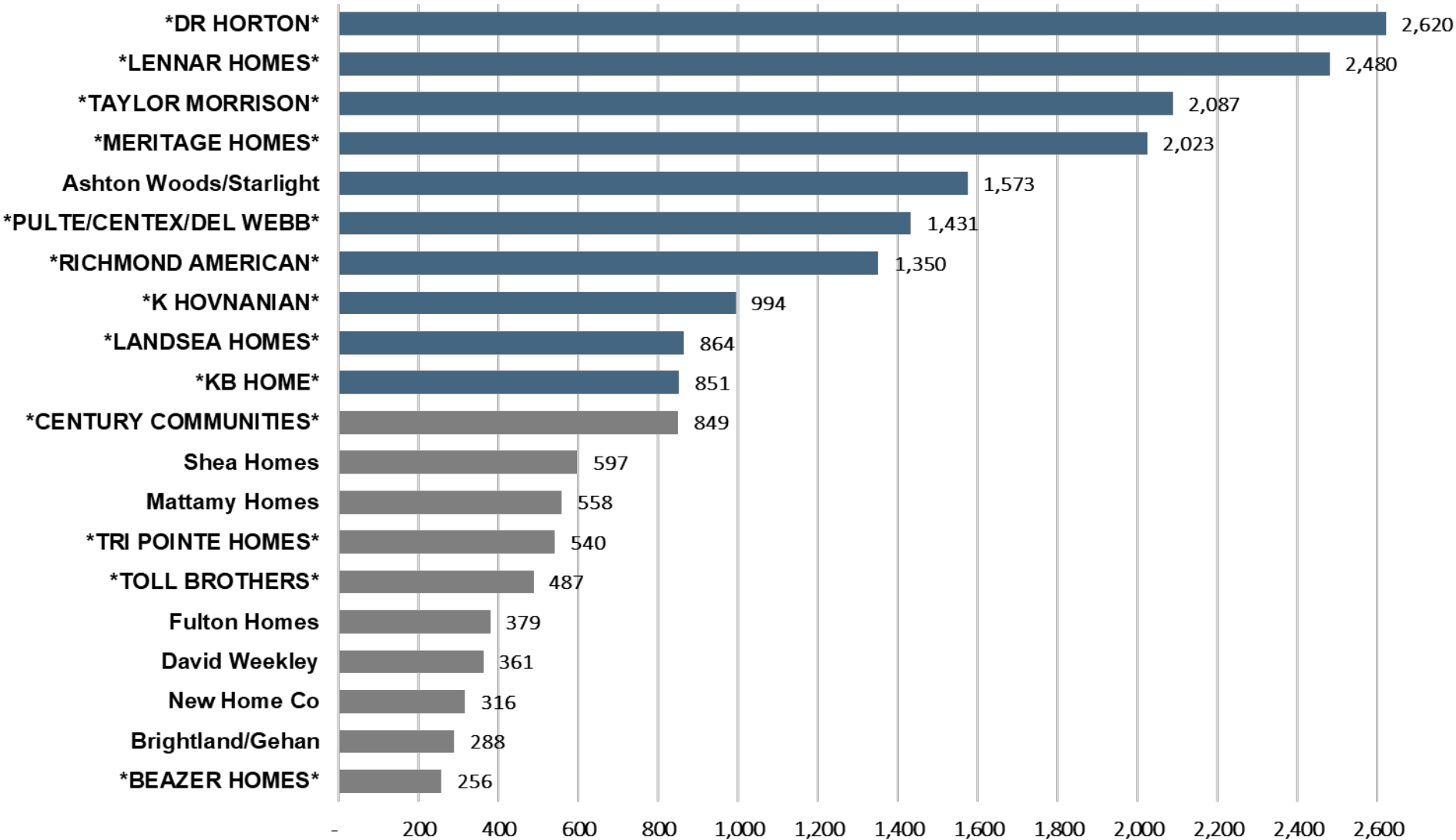
Builder's Market Share



Public vs. Private



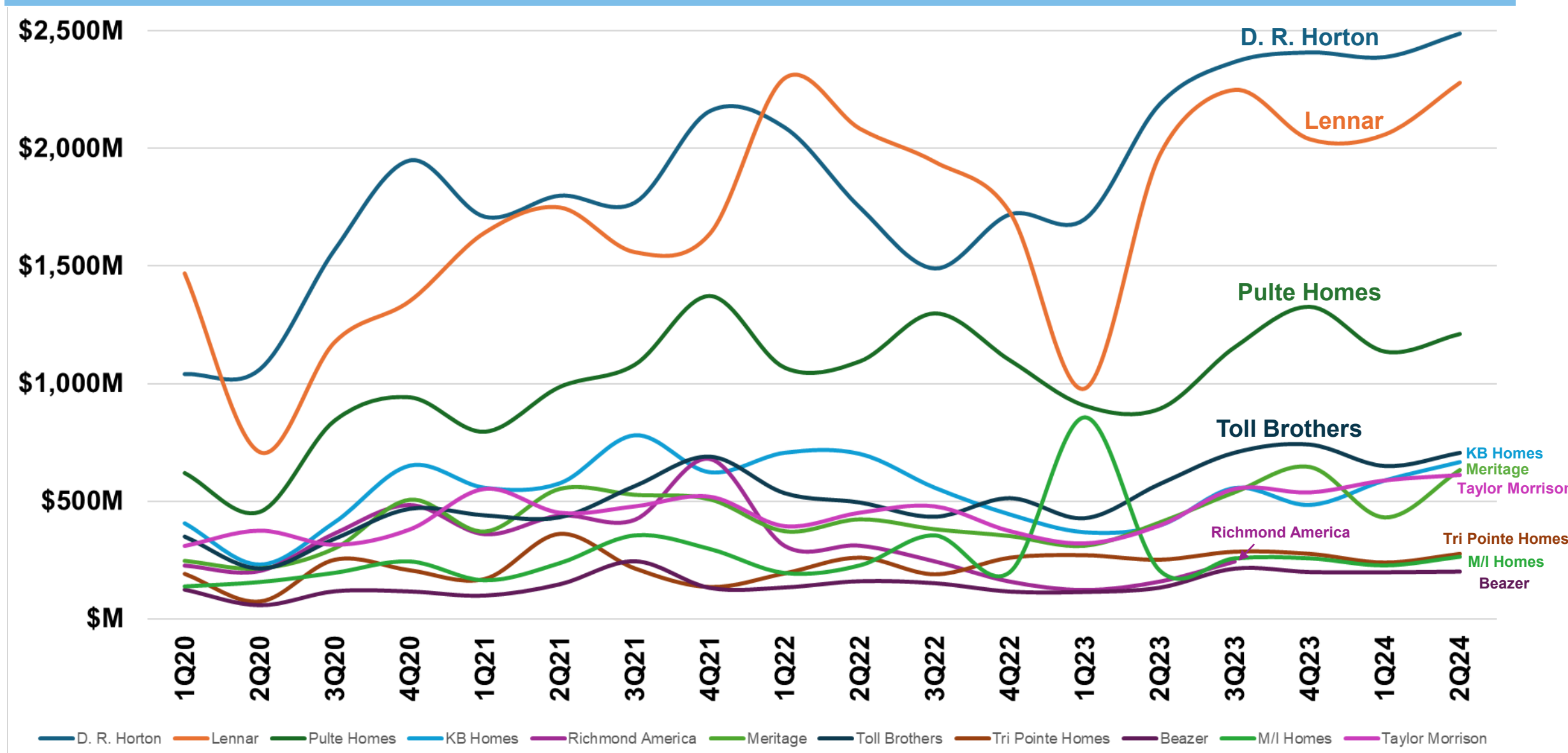
Top 20 Home Builders by Permits
Last 12 Months – November 2024



PUBLIC BUILDERS



US Public Builder Land/Lot/Dev Spend – Q2 2024 \$9.3B Total



Closings Per Active Subdivision Last 12 Months

Closings

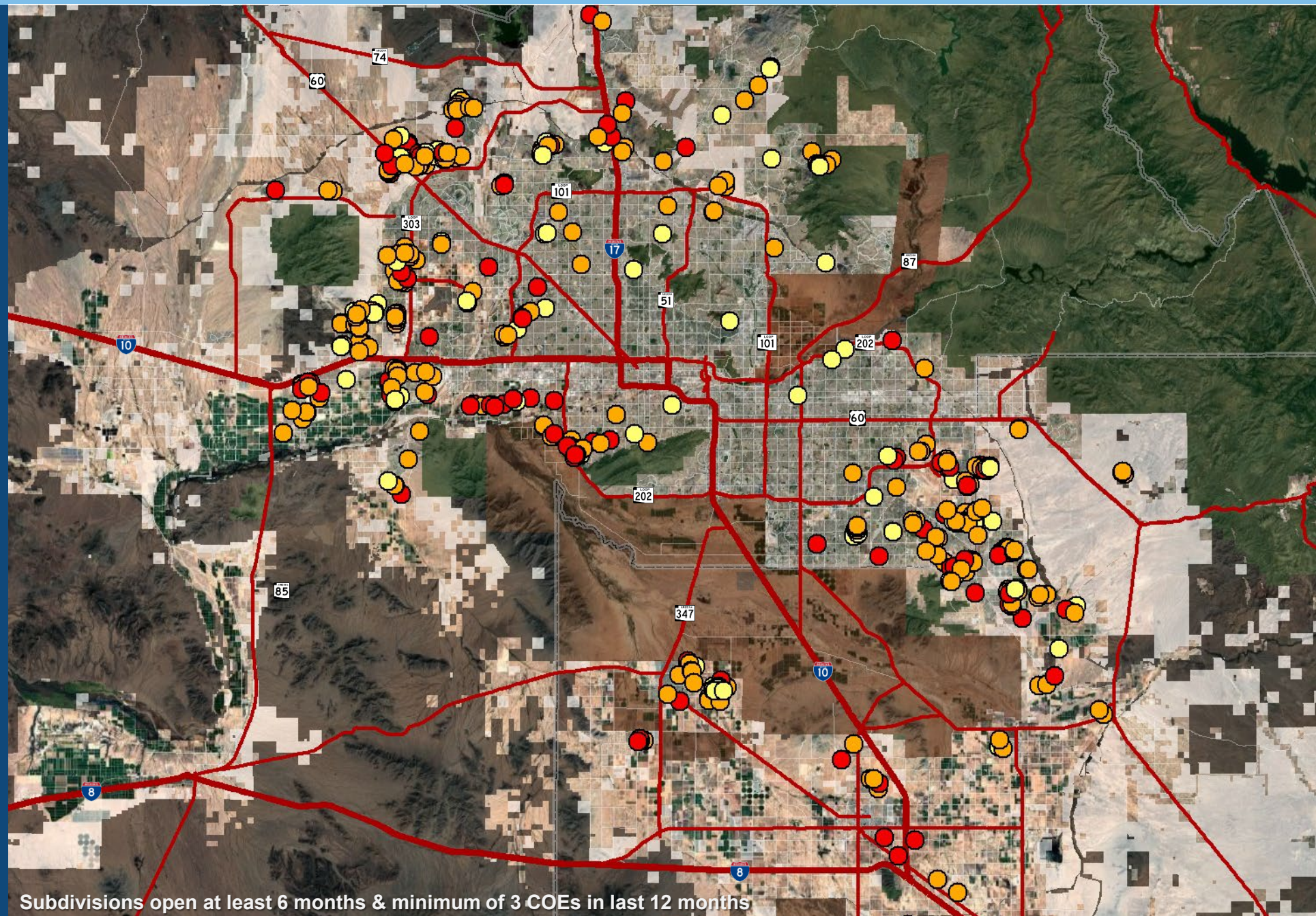
● 3 - 10 (79)

● 11 - 50 (268)

● **Greater than 50 (109)**

Active Subdivisions

- Federal
- Tribal Lands
- State Trust
- Parks & Preserves



Subdivisions open at least 6 months & minimum of 3 COEs in last 12 months

Closings Per Active Subdivision Last 12 Months

Closings

● 3 - 10 (79)

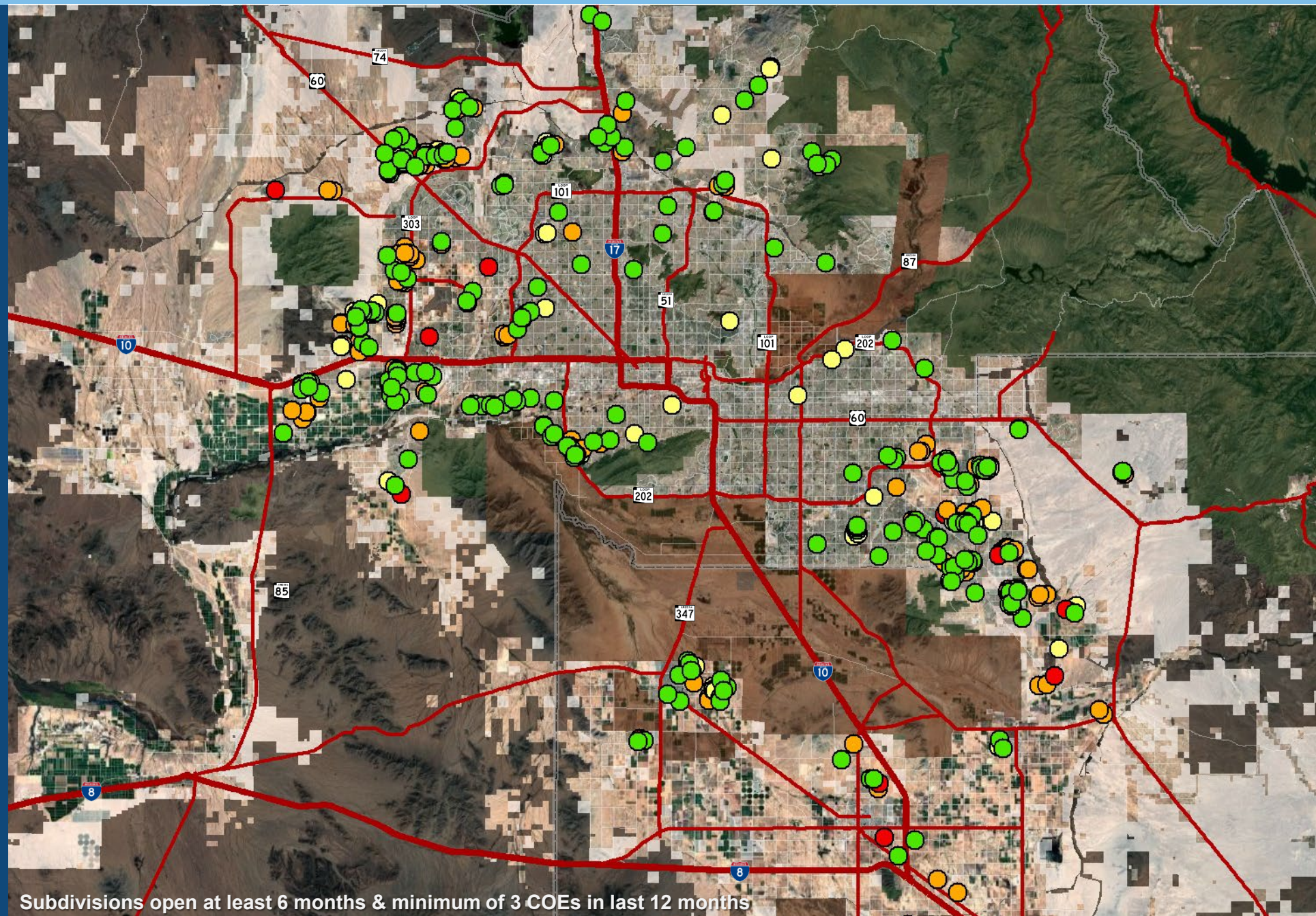
● 11 - 50 (268)

● Greater than 50 (109)

Active Subdivisions

Built Out in 12 Months
220

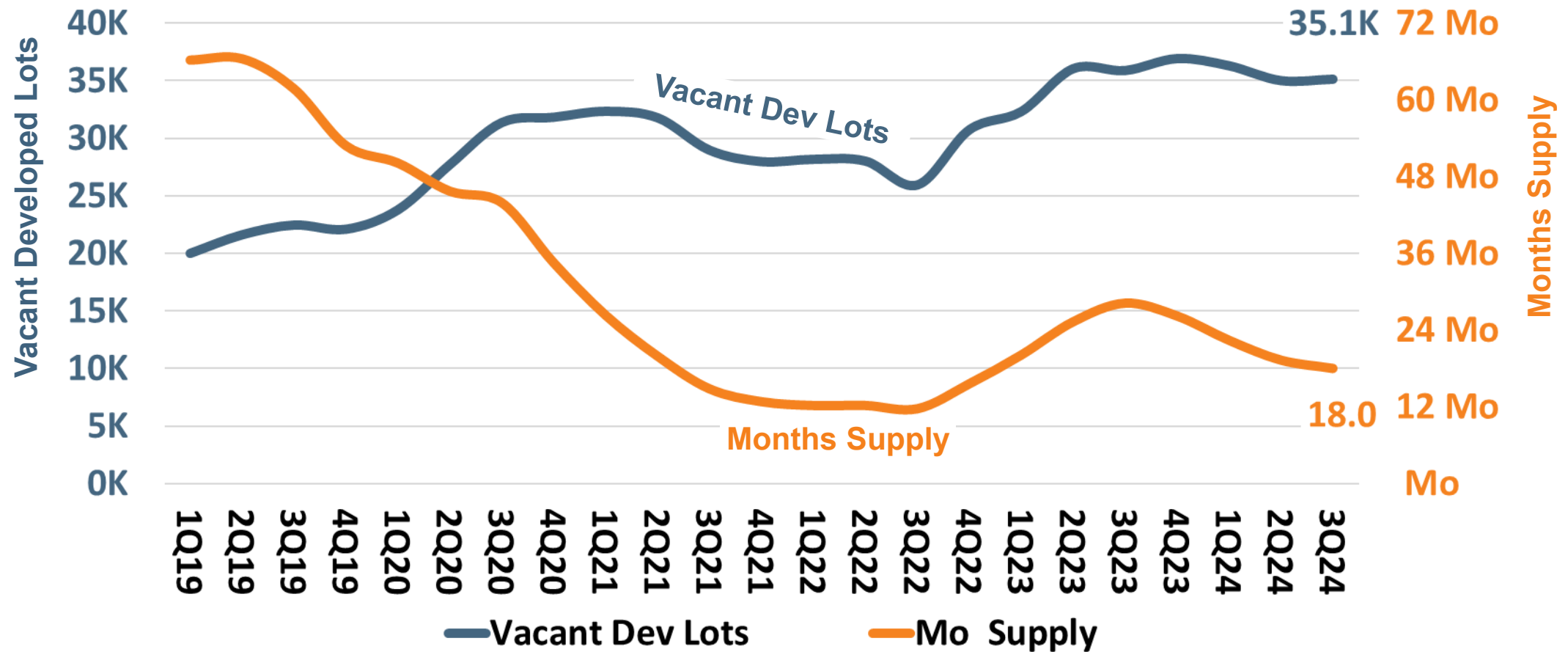
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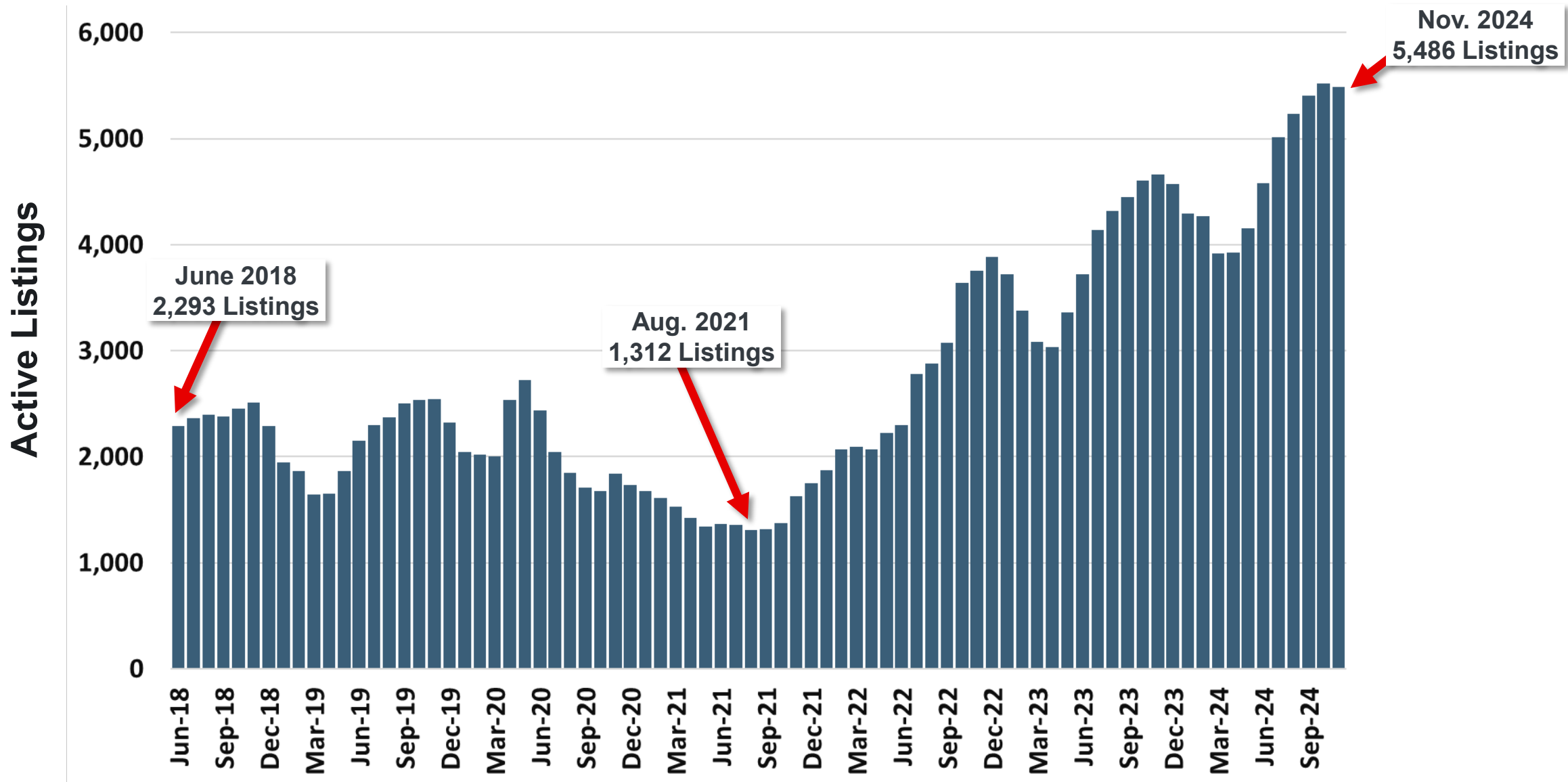
Subdivisions open at least 6 months & minimum of 3 COEs in last 12 months

Finished Lot Inventory & Months Supply

Conventional Finished Lots



Active Single Family Rental Listings



SF Rental Rates
-4.6% Change YoY

38.9% Increase over
the last 6 ½ years

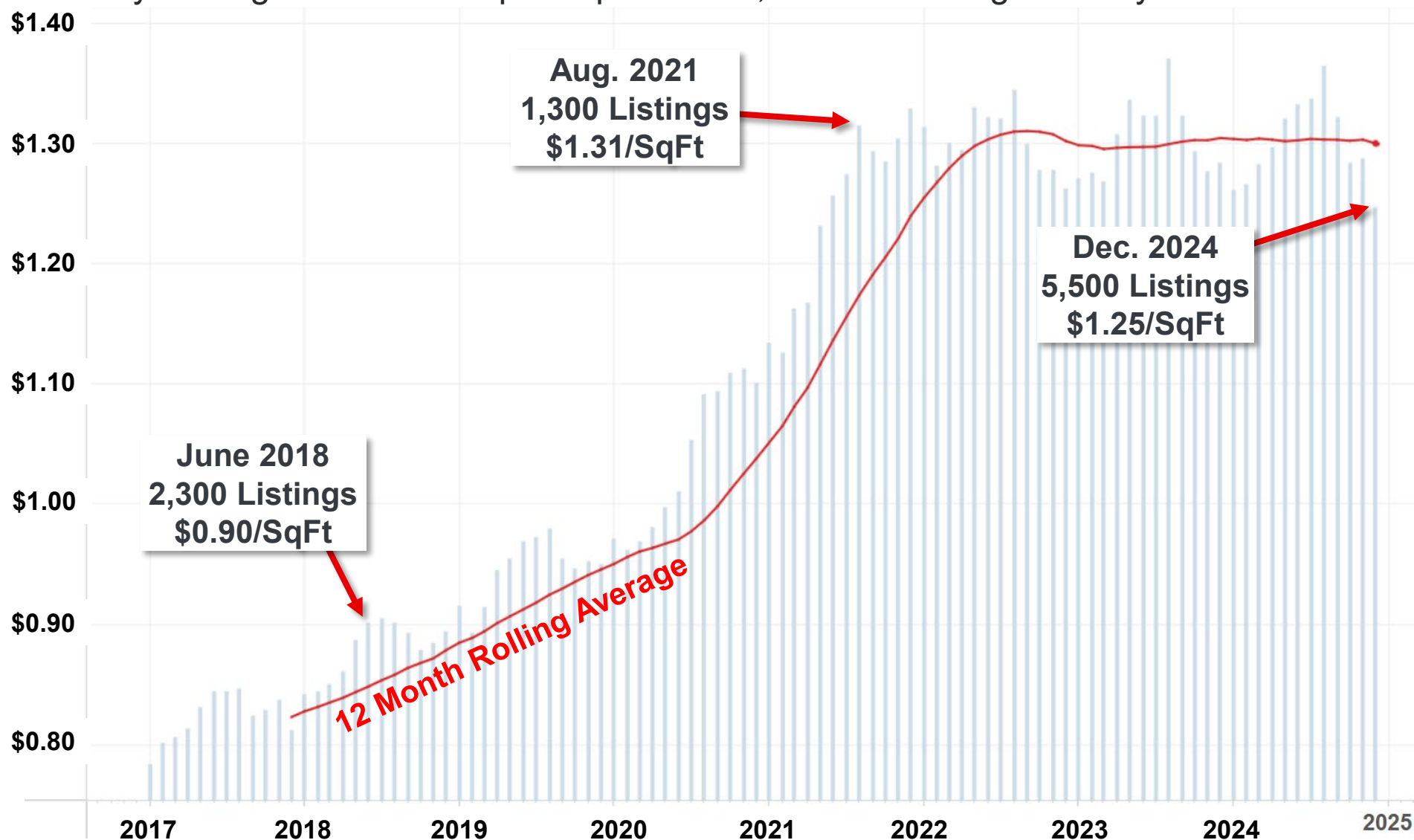
Phoenix Median
Household Income

2018	\$67,900
2024	\$88,900
Increase	37.6%

Net Yield on SFR at
Median Resale Value
Equals 4.2%

Single Family Rental Rates

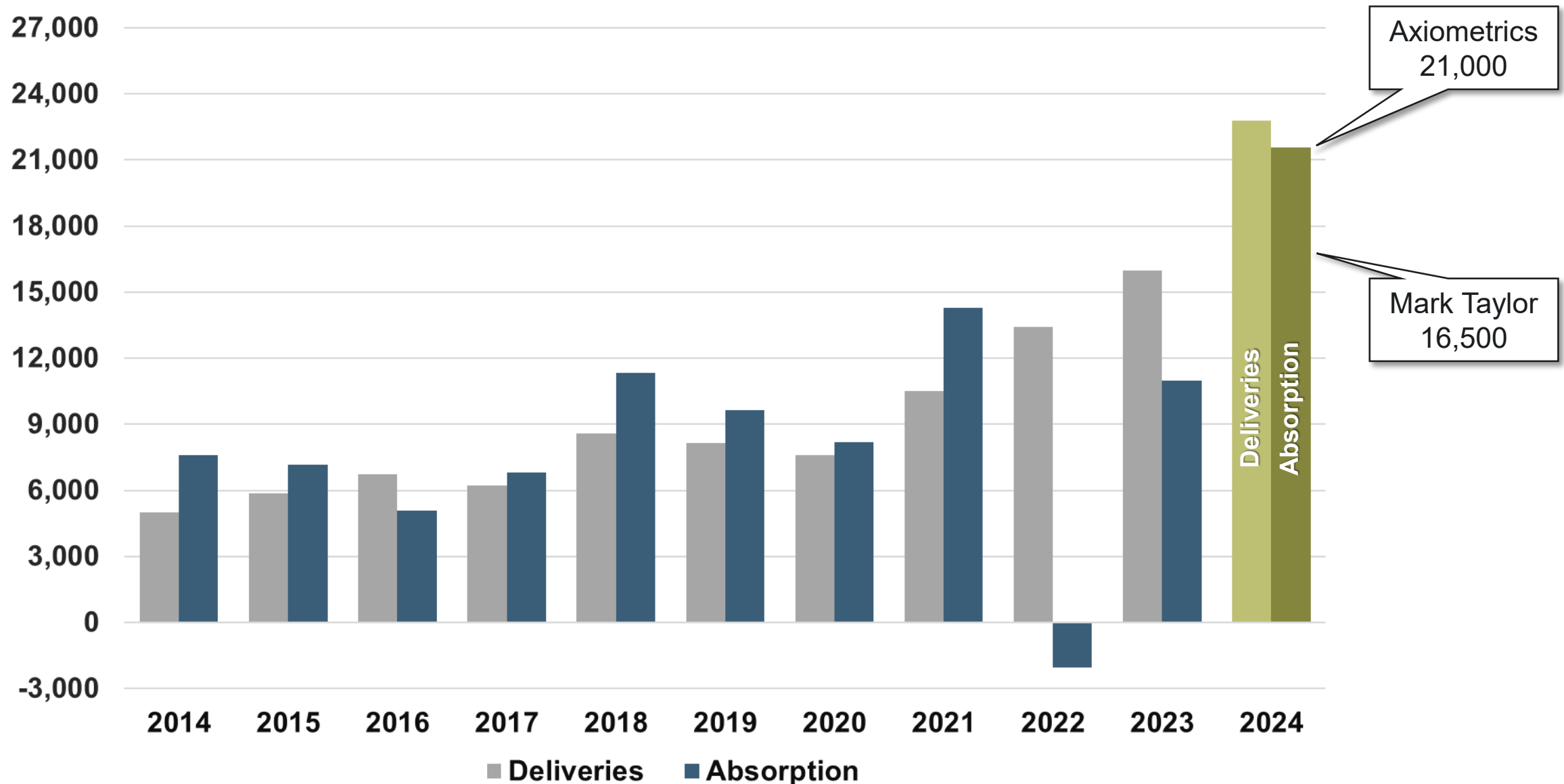
Monthly Average Lease Price per Square Foot, Detached Single Family Home



Phases of the Real Estate Cycle



Multifamily Deliveries vs. Net Absorption



Apartments Under Construction by Submarket

Total +/-37,000 Units

**Northwest Phx
Projects: 28
6,465**

**N Phx/N
Scottsdale
Projects: 12
2,889**

**Camelback &
South Scottsdale
Projects: 3
837**

**Downtown, Midtown,
Uptown Phx
Projects: 14
4,946**

**Southwest Phx
Projects: 48
11,346**

**Tempe
Projects: 9
3,110**

**Mesa
Projects: 10
2,346**

**Gilbert, Chandler
& Ahwatukee
Projects: 13
3,686**

**Queen Creek &
Apache Junction
Projects: 6
1,096**

Greater Phoenix

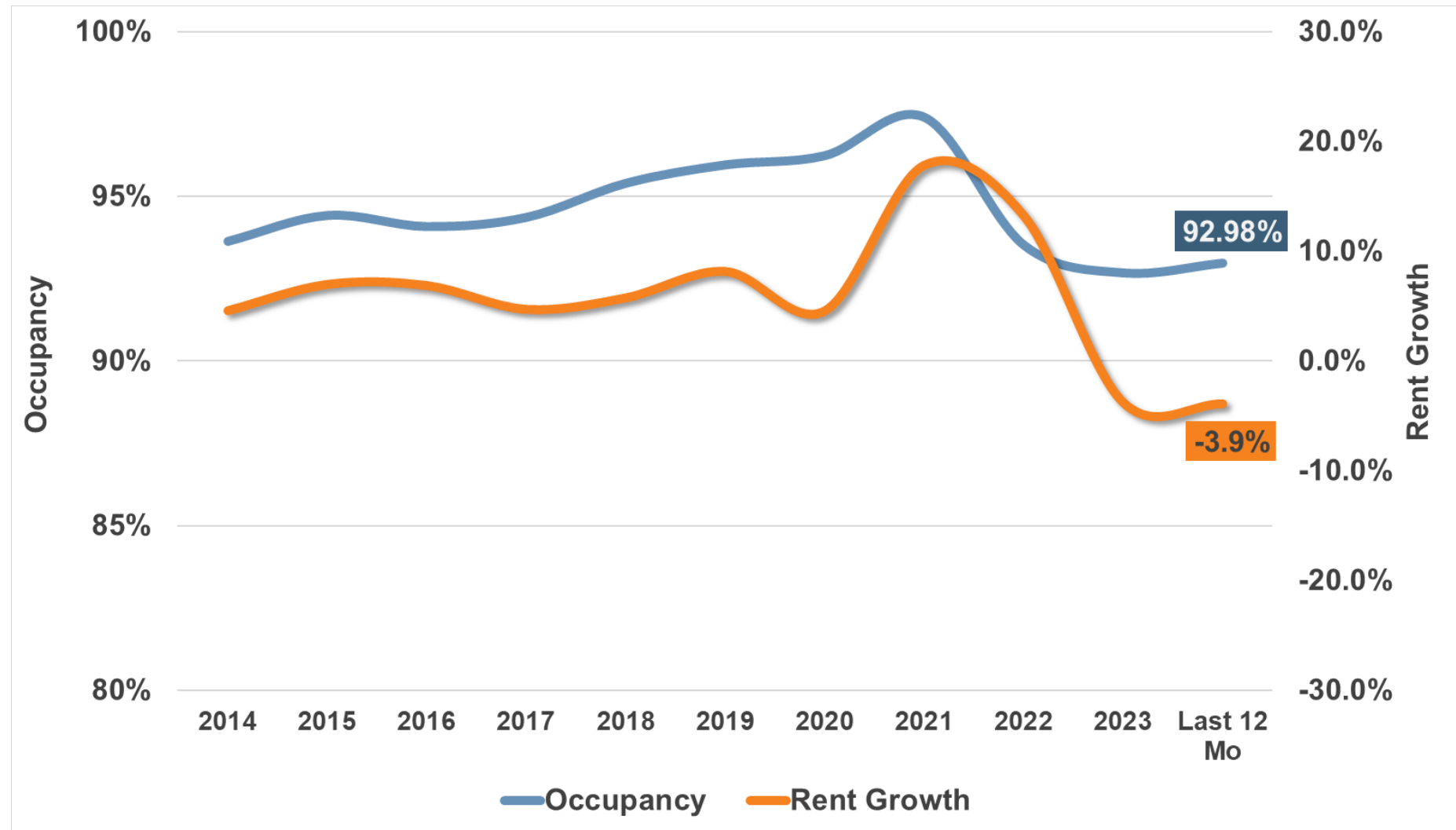
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Tribal Lands
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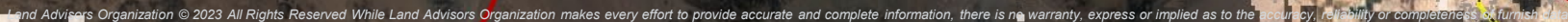


Multifamily Occupancy Rate & Rent Growth

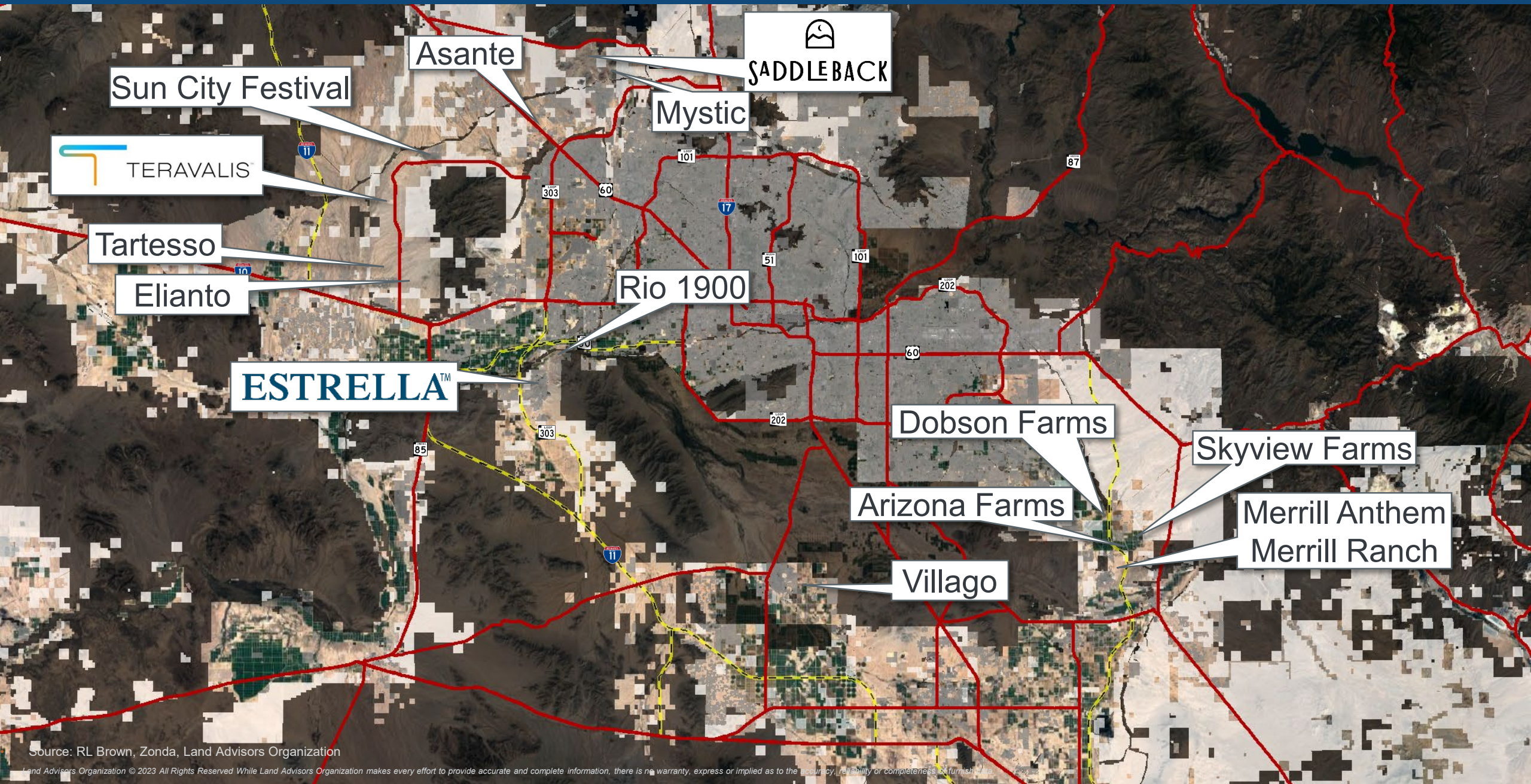
Projected Units Delivered

2025	27,400
2026	6,200
2027	1,500





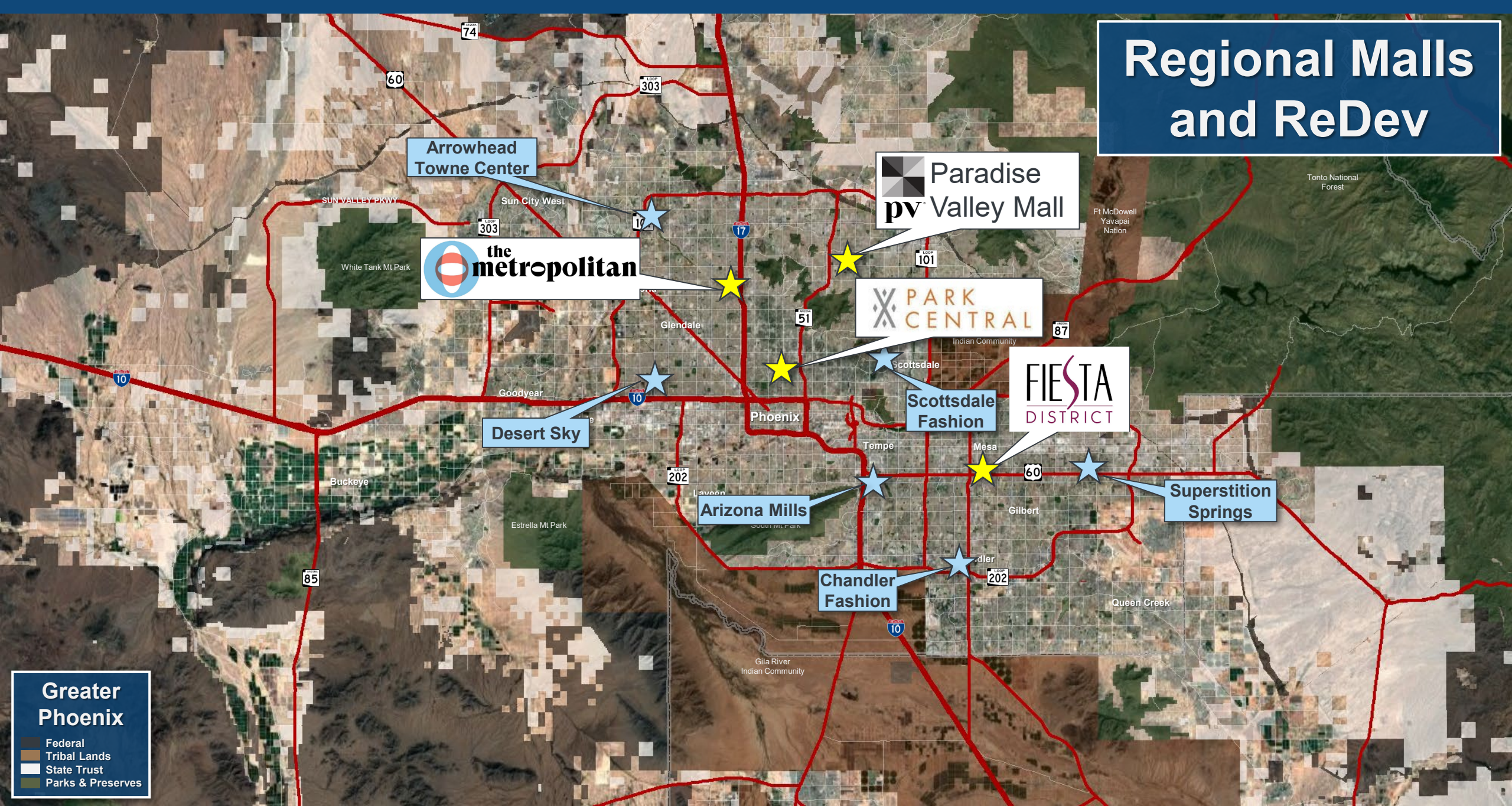
Active & Future Master Planned Communities



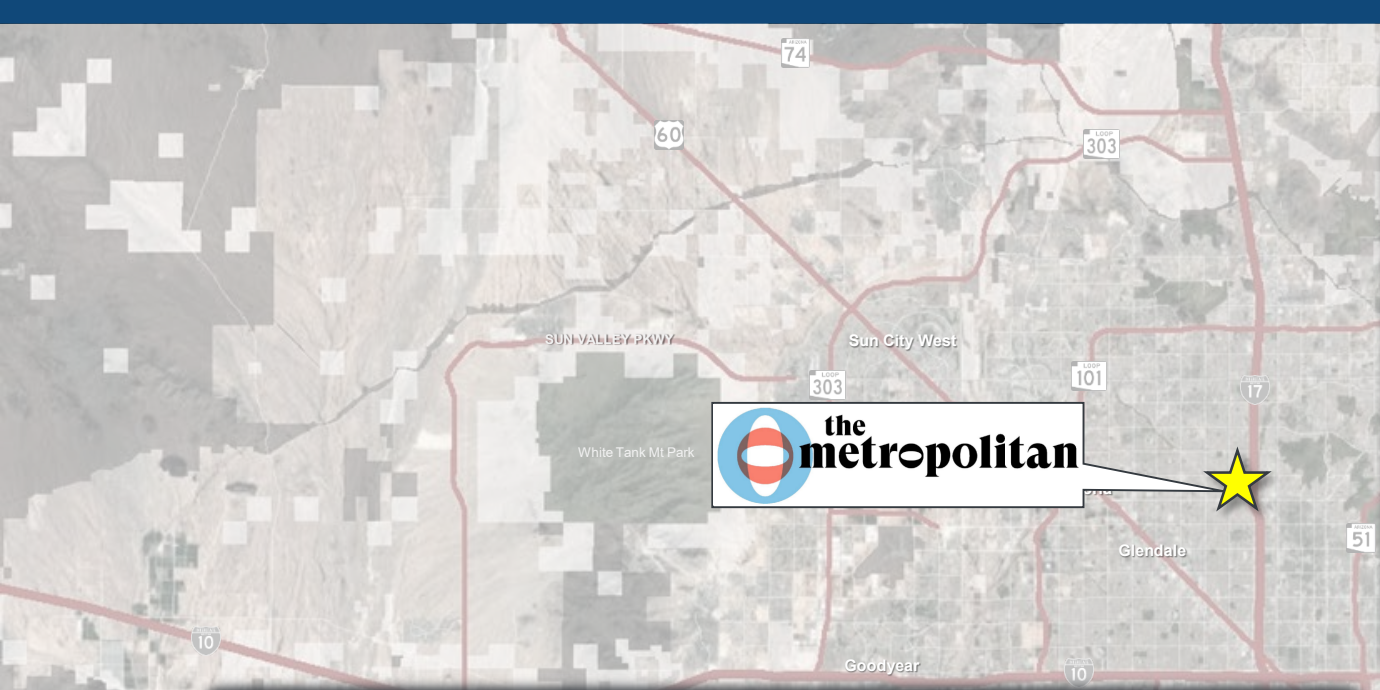
Source: RL Brown, Zonda, Land Advisors Organization

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Regional Malls and ReDev

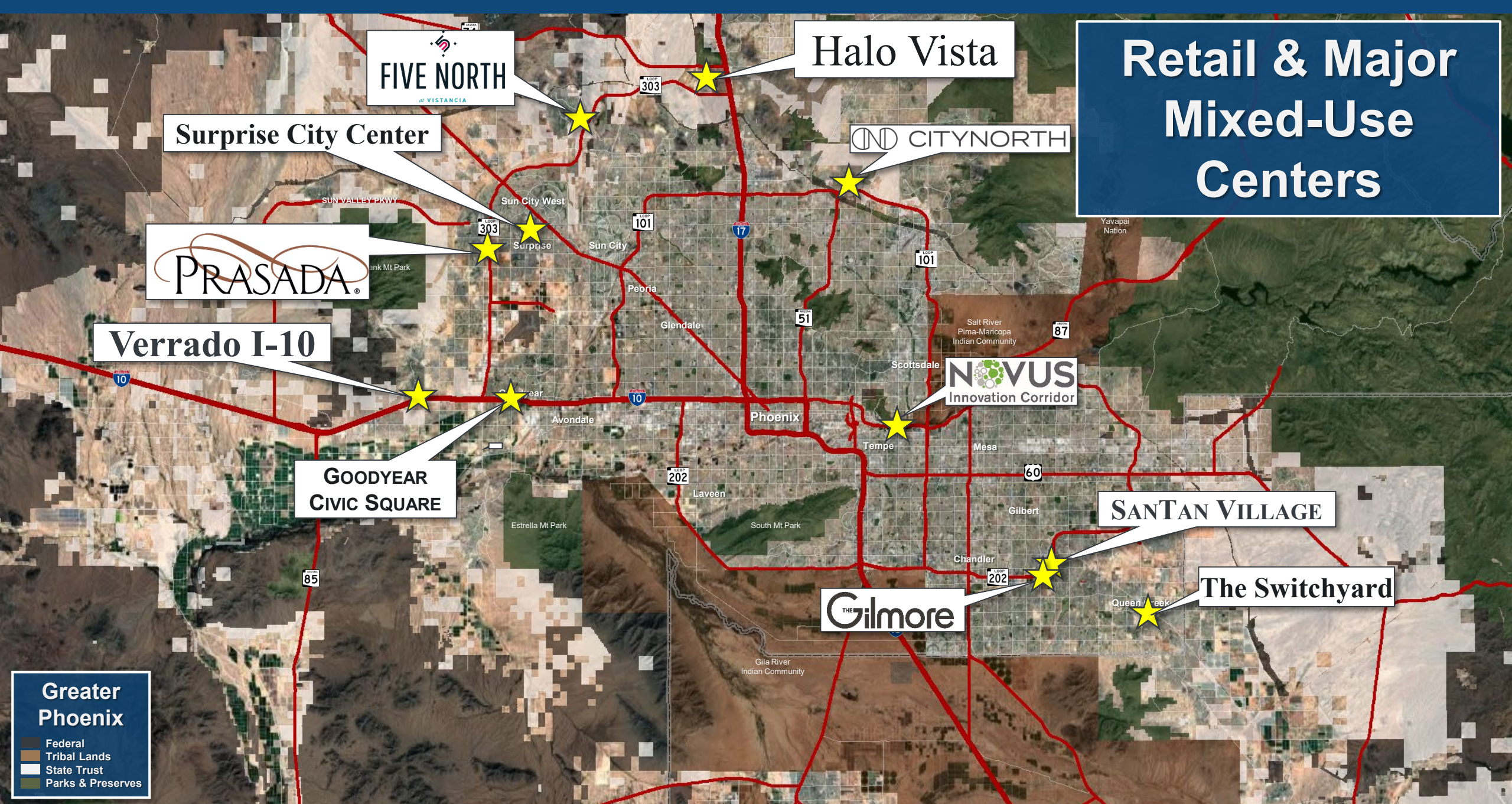














Verrado I-10



Banner Health

Verrado Marketplace
Vestar

Abrazo Health

SIHI
Buckeye Commons West

SIMON CRE
Roosevelt Commons

COSTCO
WHOLESALE

SIHI
Buckeye Commons

Roosevelt St





PRASADA®



Walmart

American Furniture Warehouse



COSTCO WHOLESALE

SIMON CRE Mixed-Use

Marriott HOTELS-RESORTS-SUITES

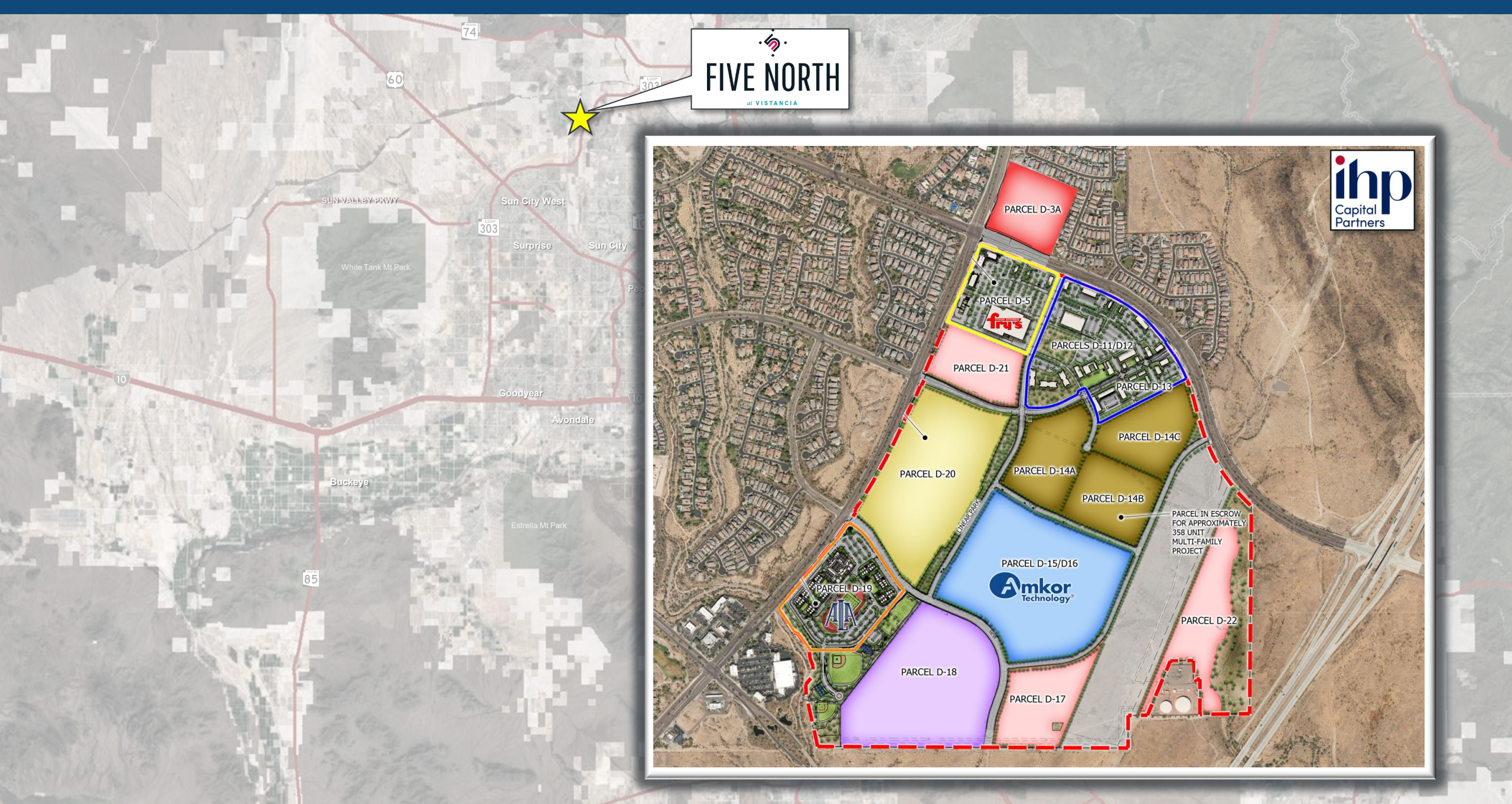
VILLAGE AT PRASADA

SIMON CRE Skyline at PrasadA 300 Units

SIMON CRE Bella PrasadA 240 Units

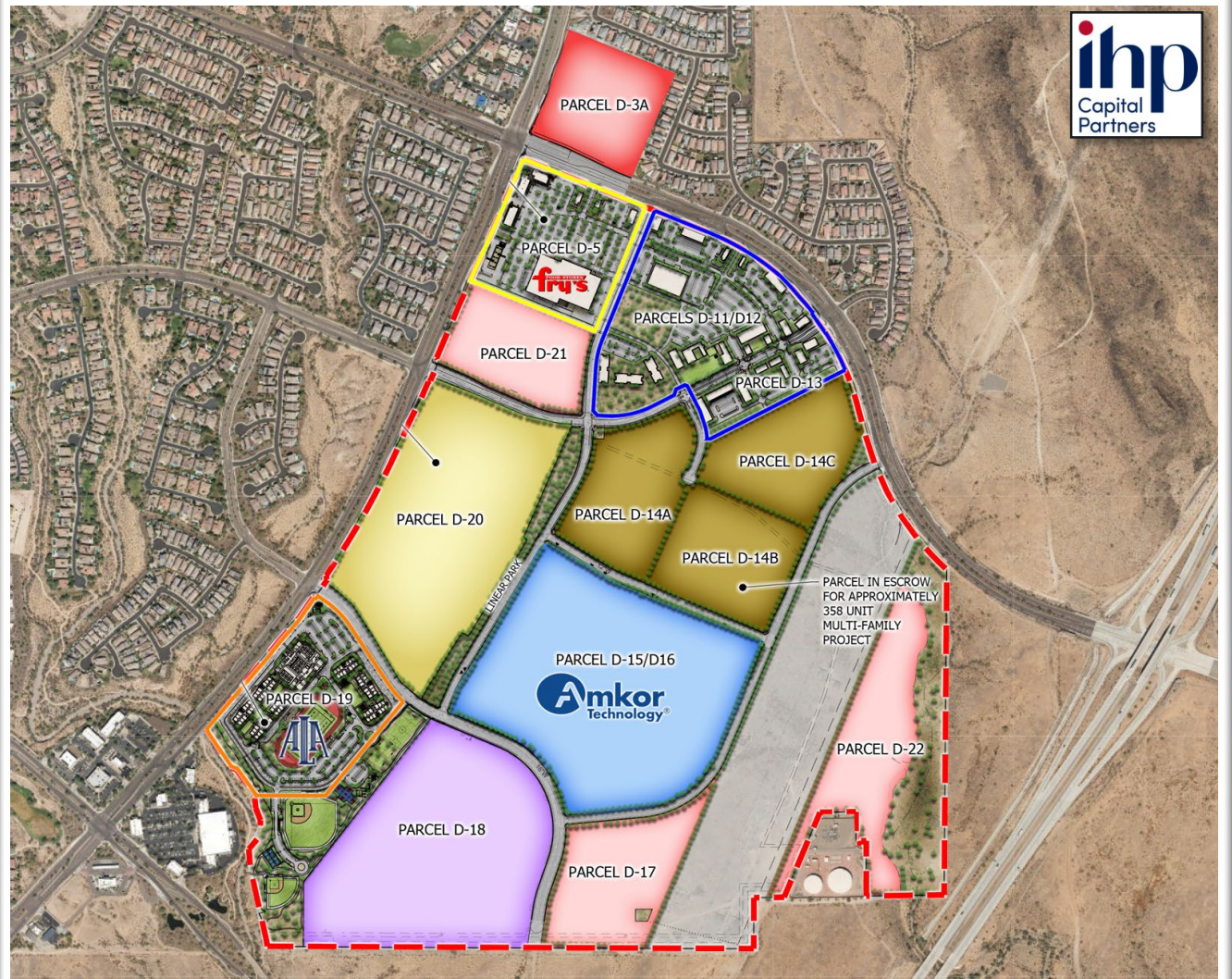
303 autoshow at PRASADA





FIVE NORTH
at VISTANCIA

ihp
Capital
Partners



Halo Vista





TSMC Arizona photo provided by TSMC Arizona.

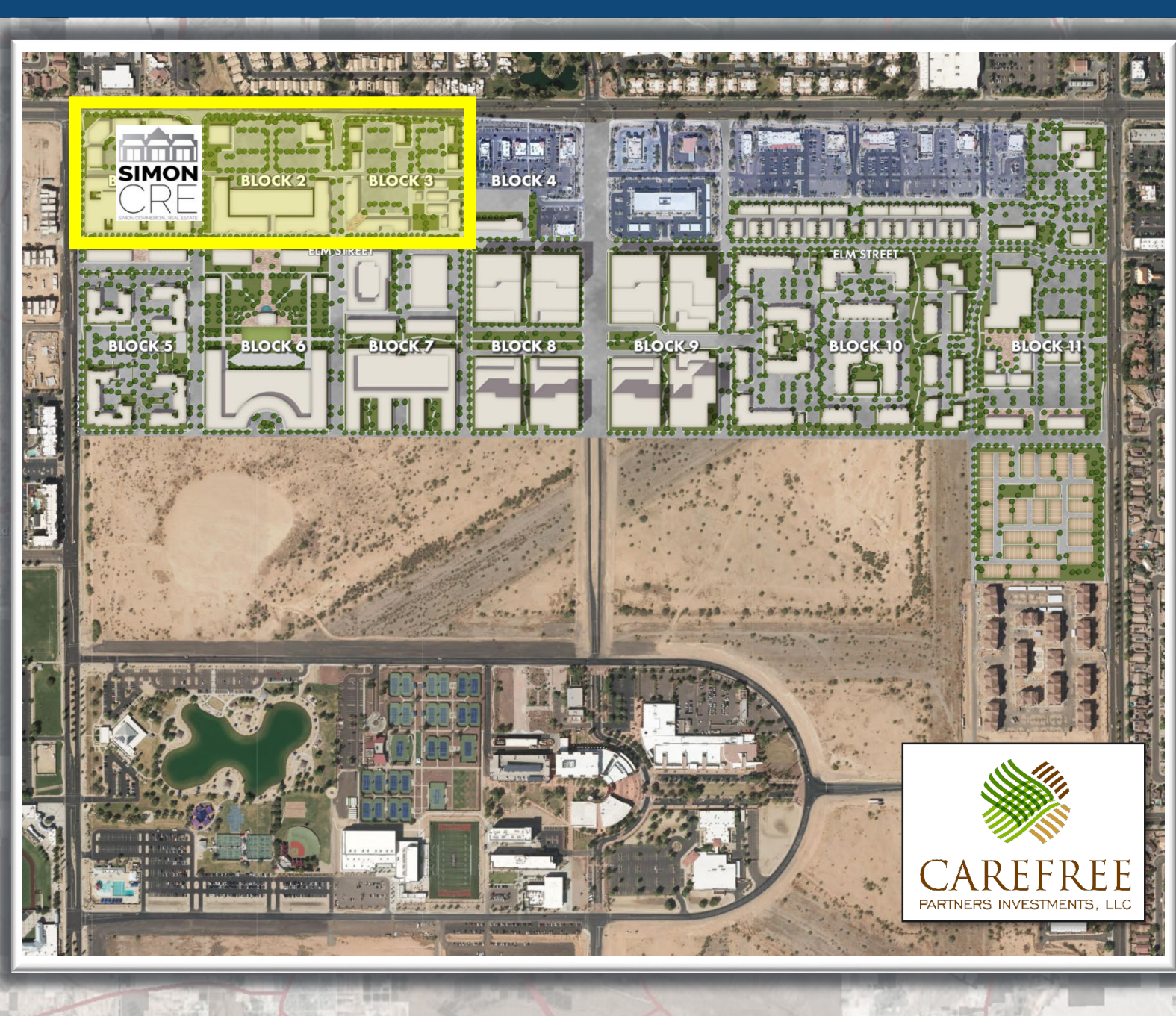
13 HOURS AGO

[AZ Business Magazine](#)

TSMC will invest an additional \$100 billion in Arizona, add 3 facilities

Source: Land Advisors Organization

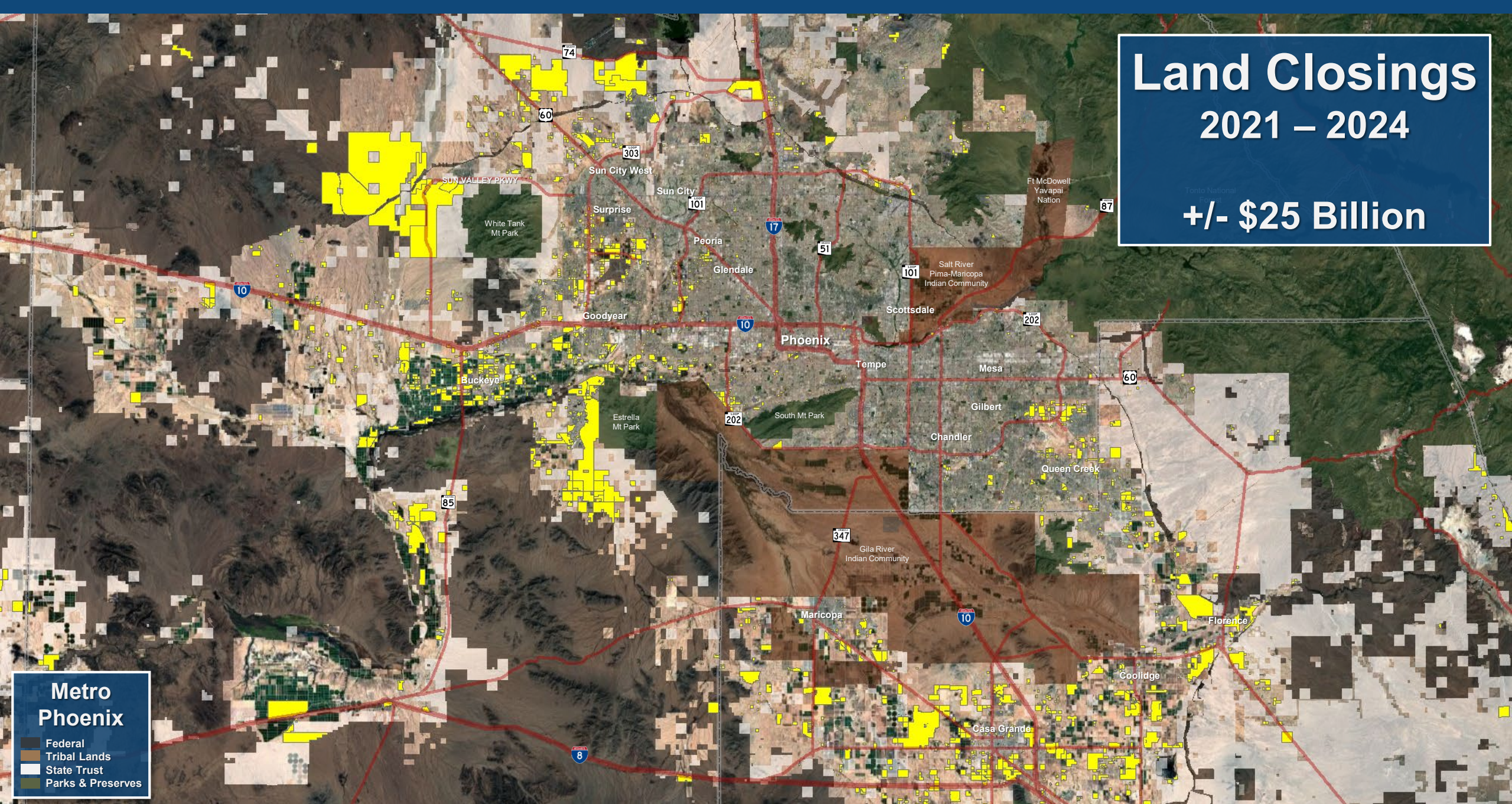






Land Closings 2021 – 2024

Terra National
+/- \$25 Billion

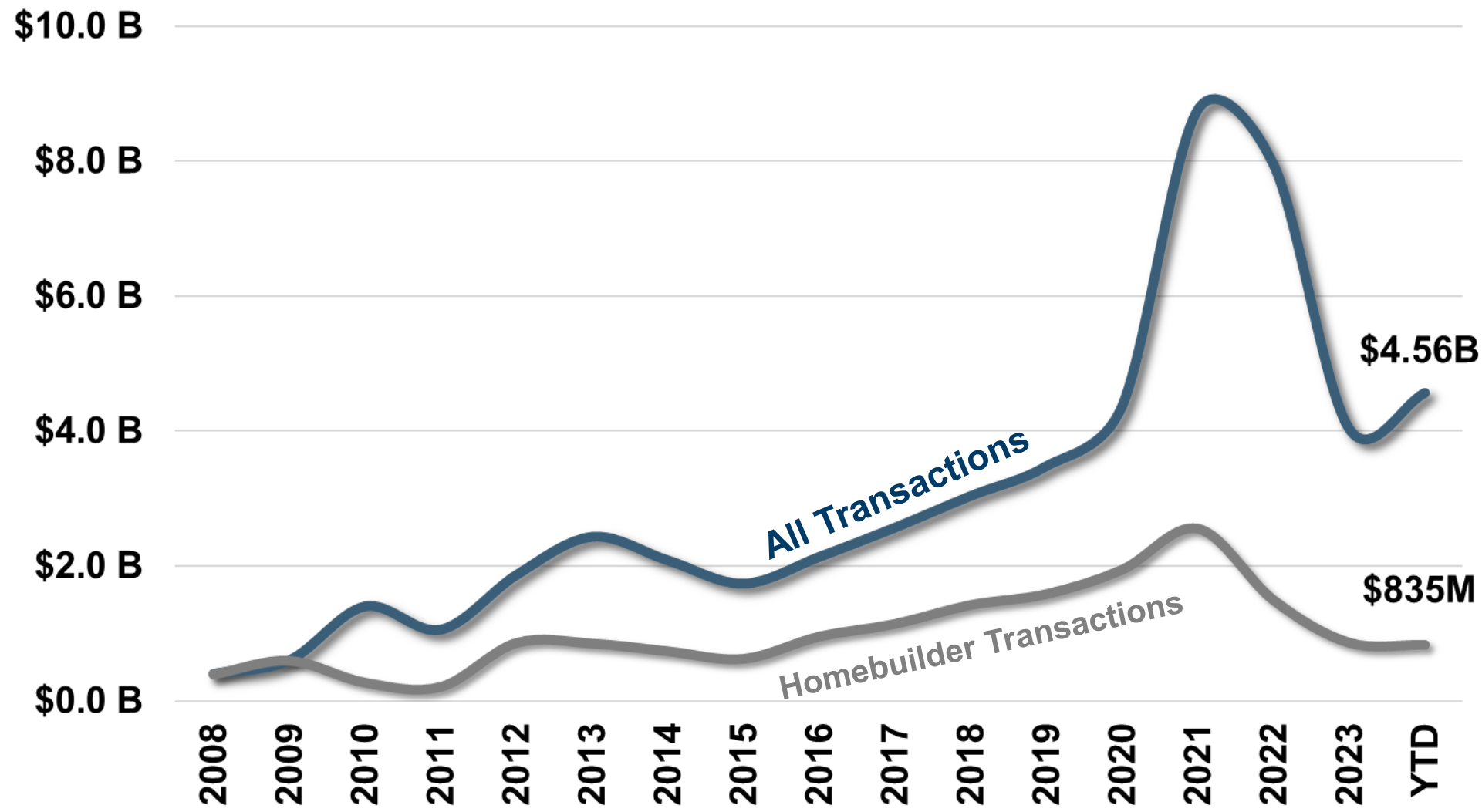


Metro Phoenix

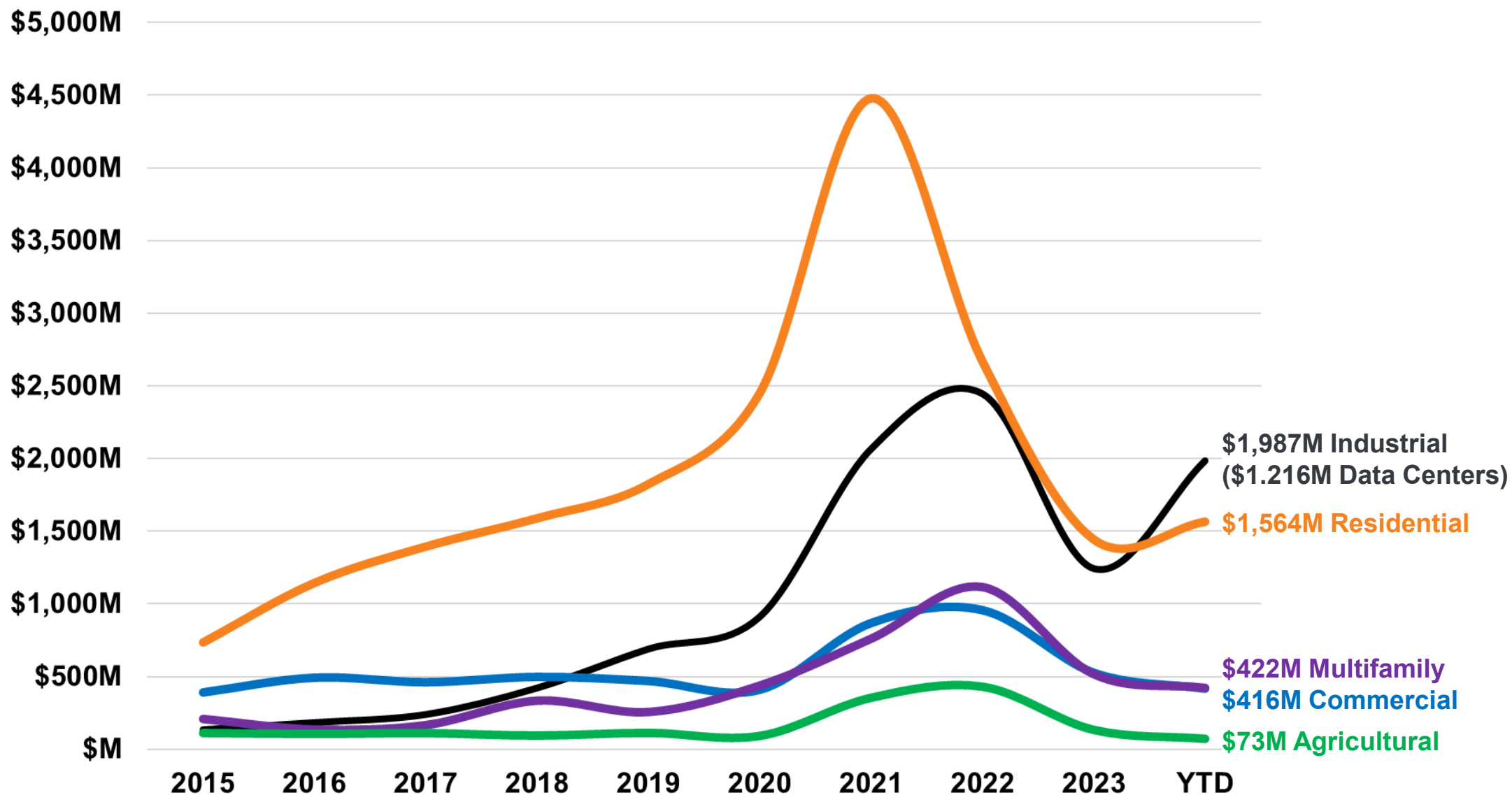
- Federal
- Tribal Lands
- State Trust
- Parks & Preserves



2008-2024 Land Transactions



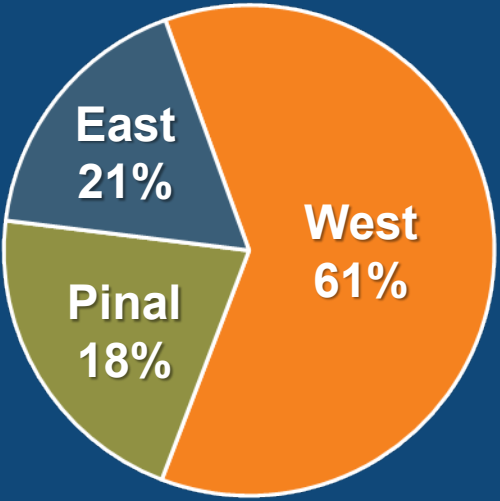
Land Closings by Land Category



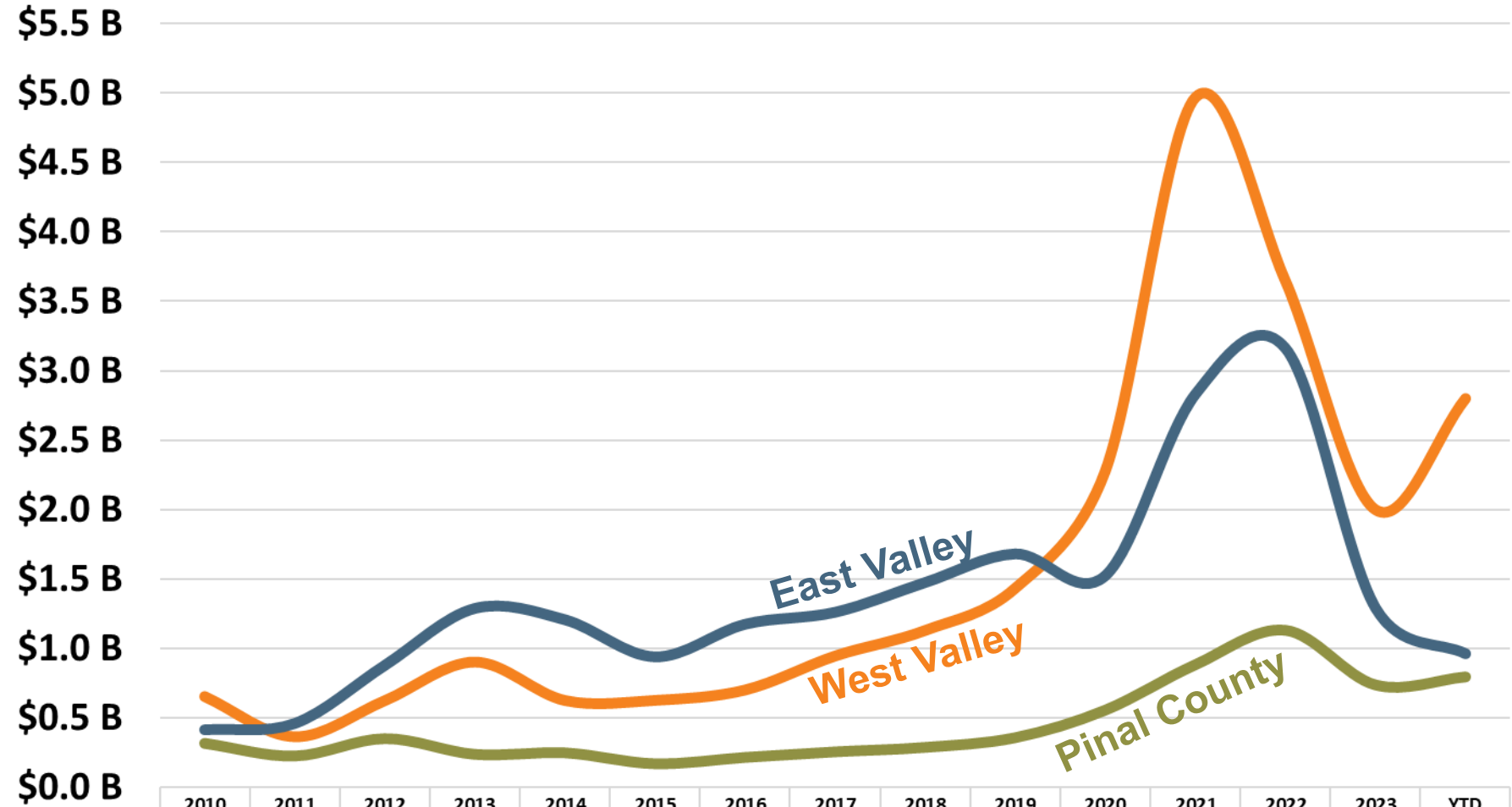
2010-2024 Land Transaction Volume

Metro Phoenix All Transactions

Market Share



State Land Department
Sales
+/- \$300 Million FY 2024

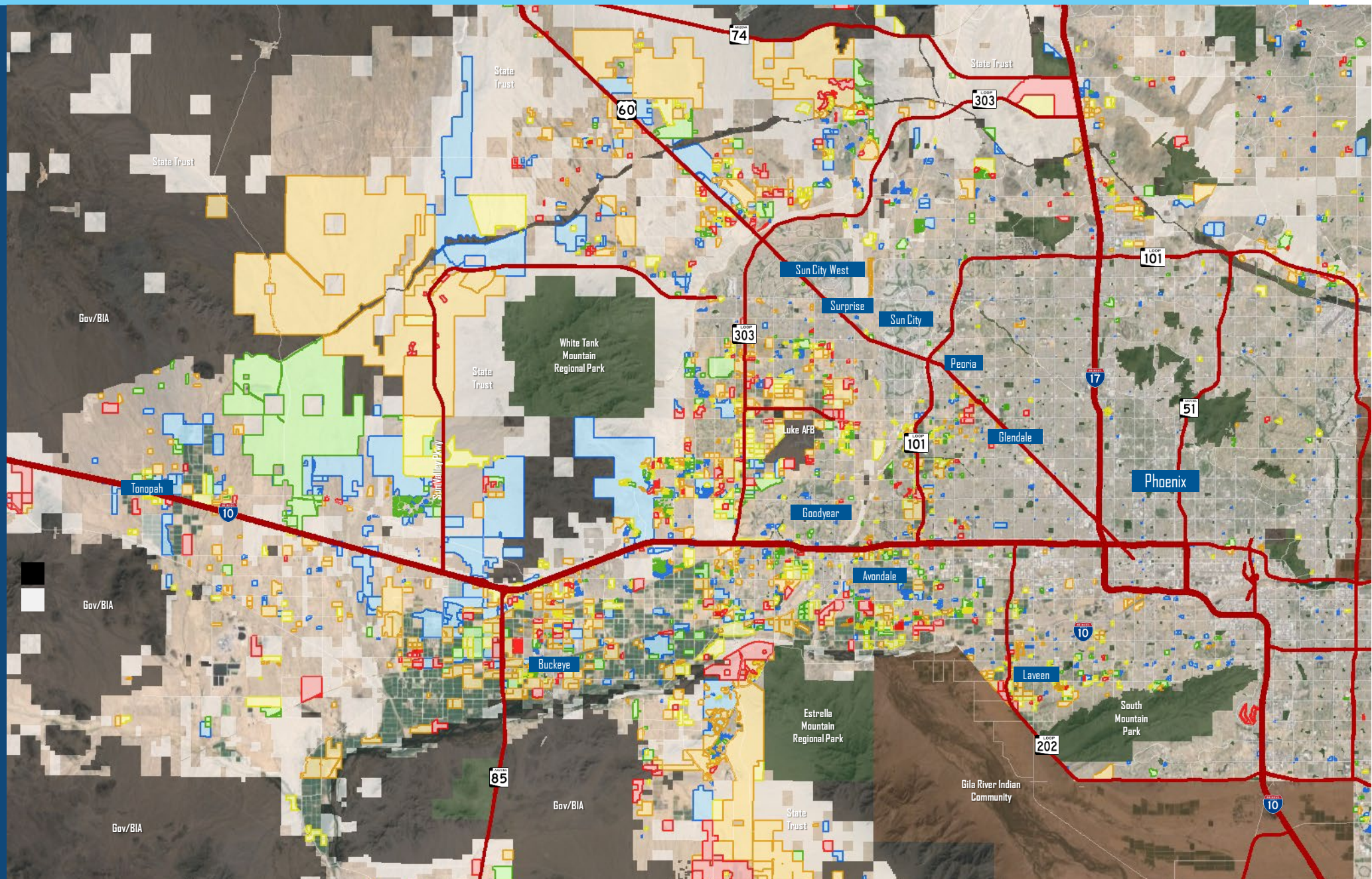


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
West Valley	\$651M	\$361M	\$621M	\$900M	\$623M	\$624M	\$698M	\$943M	\$1,128M	\$1,432M	\$2,277M	\$4,969M	\$3,645M	\$1,997M	\$2,799M
East Valley	\$417M	\$462M	\$881M	\$1,291M	\$1,210M	\$942M	\$1,177M	\$1,263M	\$1,478M	\$1,684M	\$1,527M	\$2,834M	\$3,165M	\$1,294M	\$965M
Pinal County	\$318M	\$226M	\$352M	\$238M	\$249M	\$171M	\$216M	\$257M	\$289M	\$359M	\$558M	\$886M	\$1,134M	\$740M	\$798M
Total	\$1,398M	\$1,053M	\$1,863M	\$2,429M	\$2,082M	\$1,736M	\$2,132M	\$2,565M	\$3,035M	\$3,475M	\$4,362M	\$8,755M	\$7,947M	\$4,031M	\$4,562M



West Valley Transactions Map By Year Sold

Sale Year









Source: Land Advisors Organization

LandAdvisors.com

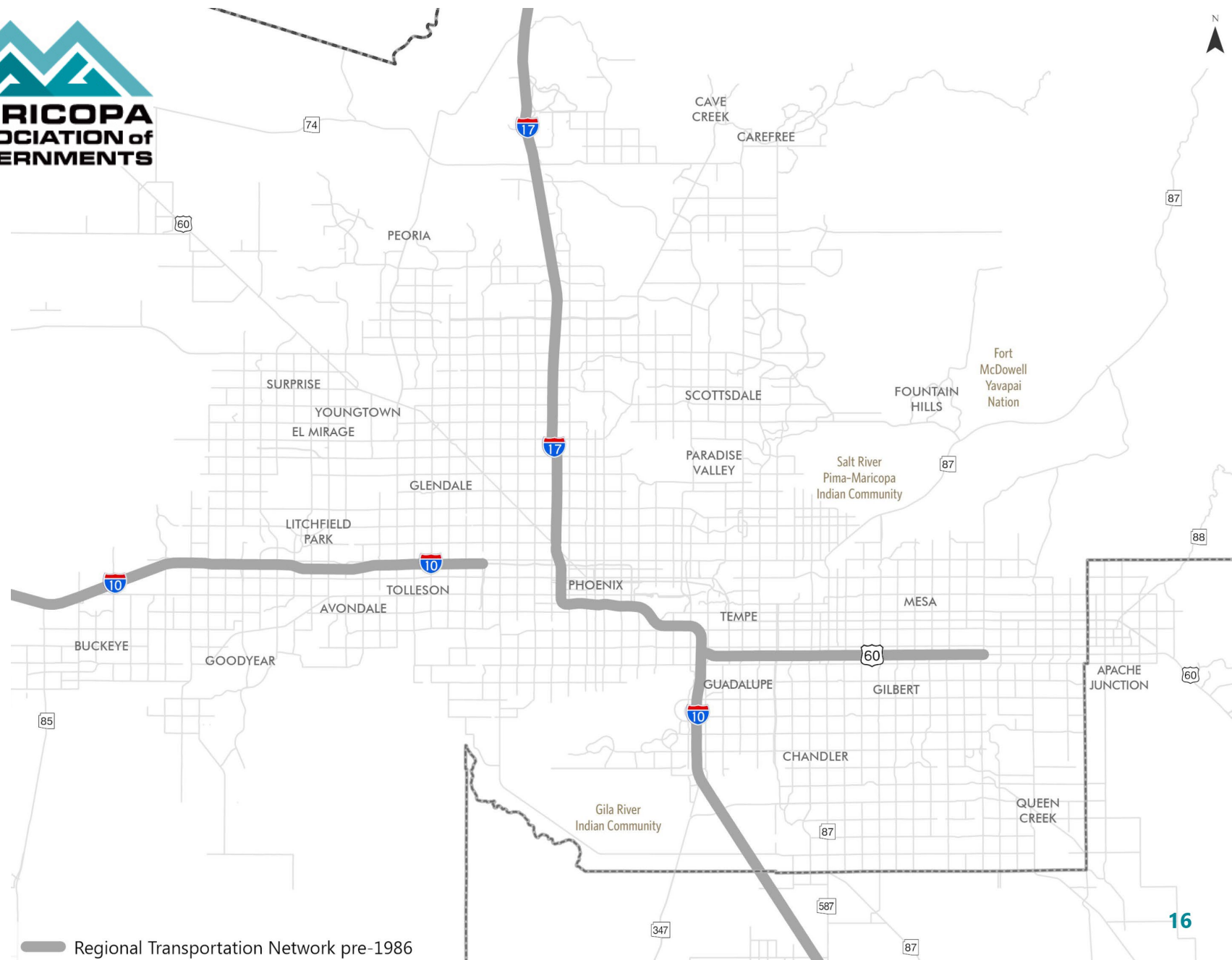


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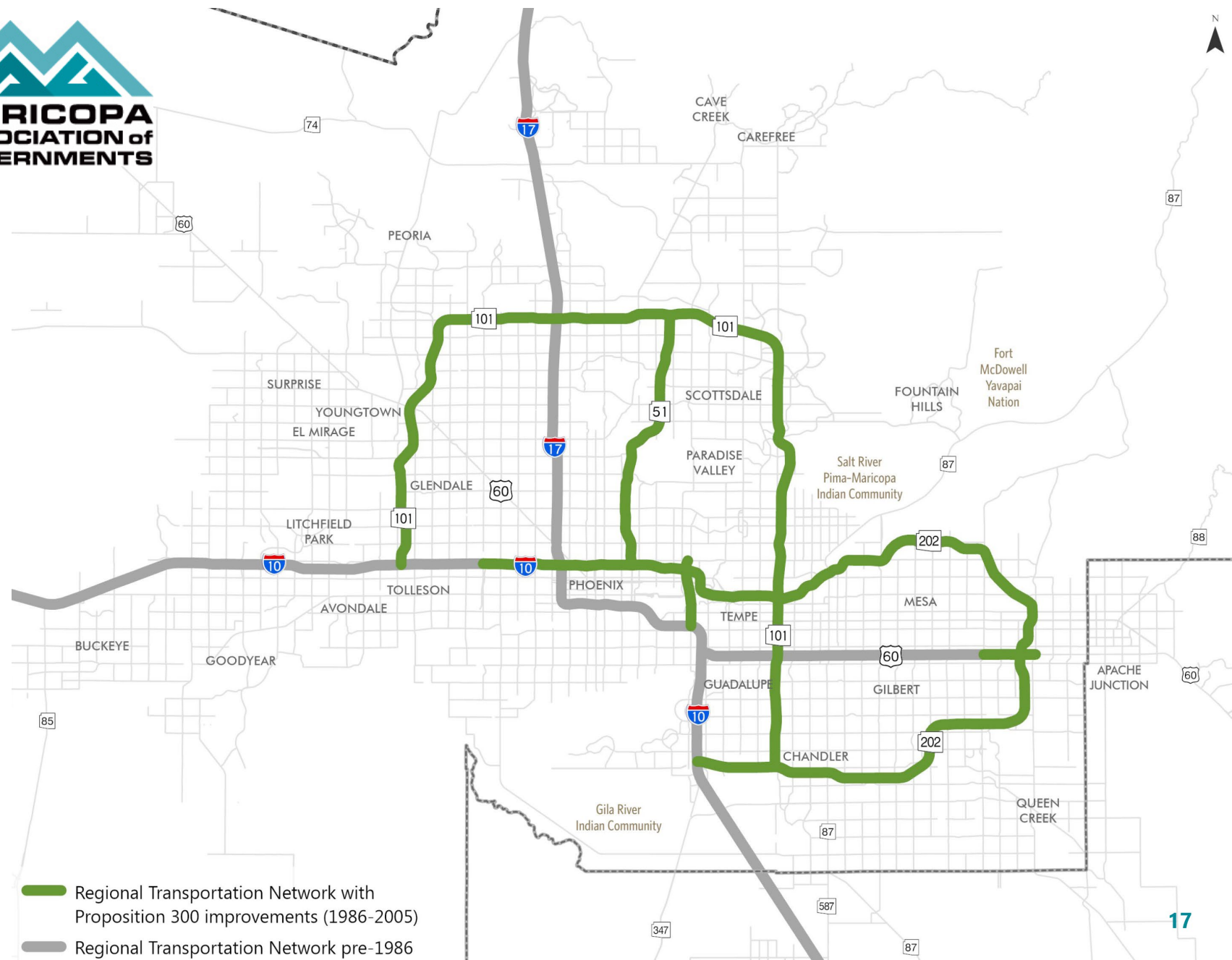
Commercial Real Estate

	VACANCY	RENTABLE AREA	12 MONTH NET APSORPTION	4Q24 UNDER CONSTRUCTION
Industrial 	12.2% Up 0.4% from 2024Q3 	2024 487M Sq Ft	12.7M Sq Ft	25.6M Sq Ft
Retail 	4.9 % Up 0.1% from 2024Q3 	2024 246M Sq Ft	-322K Sq Ft	2.7M Sq Ft
Office 	27% Up 1% from 2024Q3 	2024 197M Sq Ft	-2.3M Sq Ft	753K Sq Ft

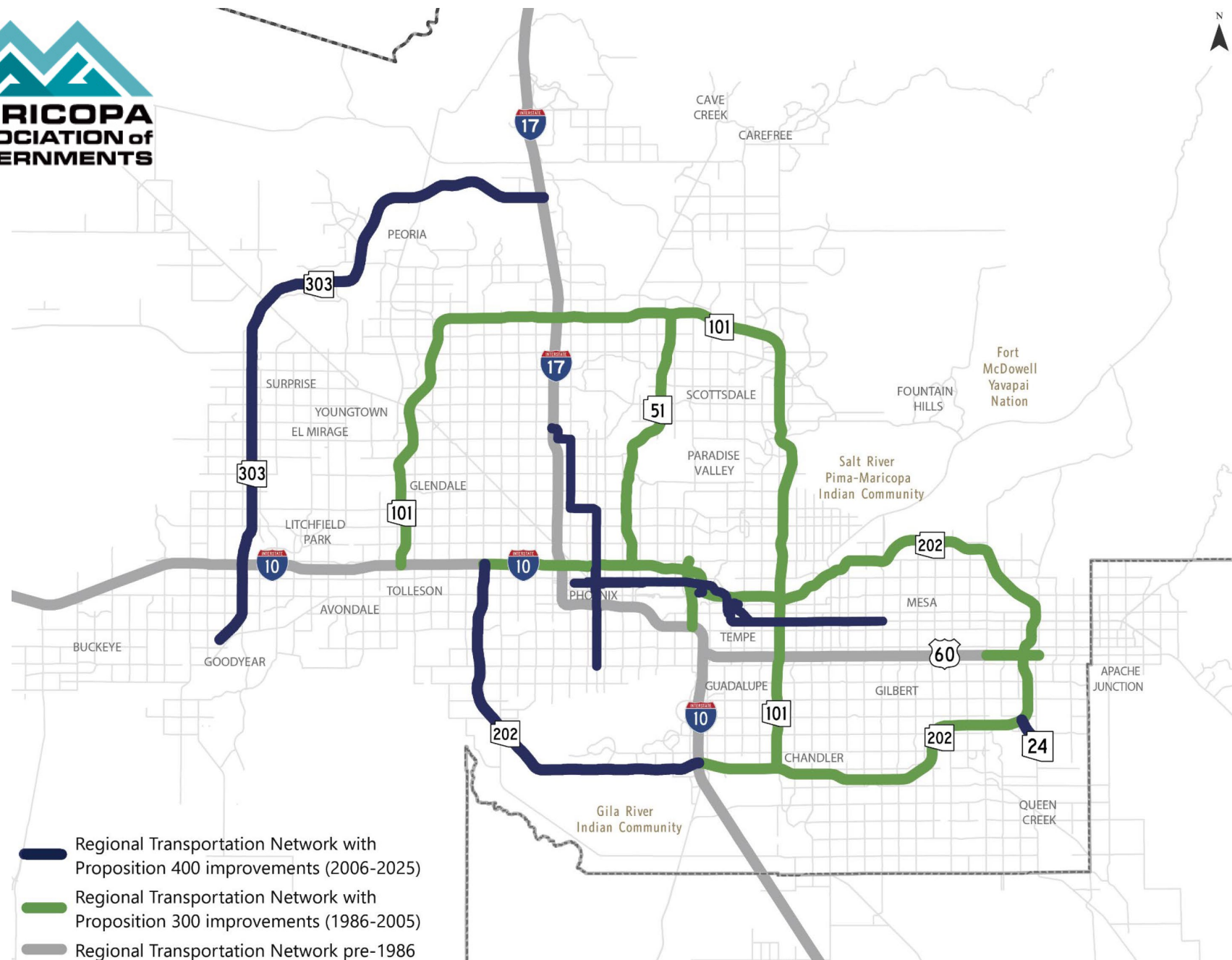
Regional Transportation Network: *Pre-1986*



Regional Transportation Network: *Proposition 300* (1986 - 2005)



Regional Transportation Network: *Proposition 400* (2006 - 2025)



Funding Future Transportation

Prop 479 APPROVED!

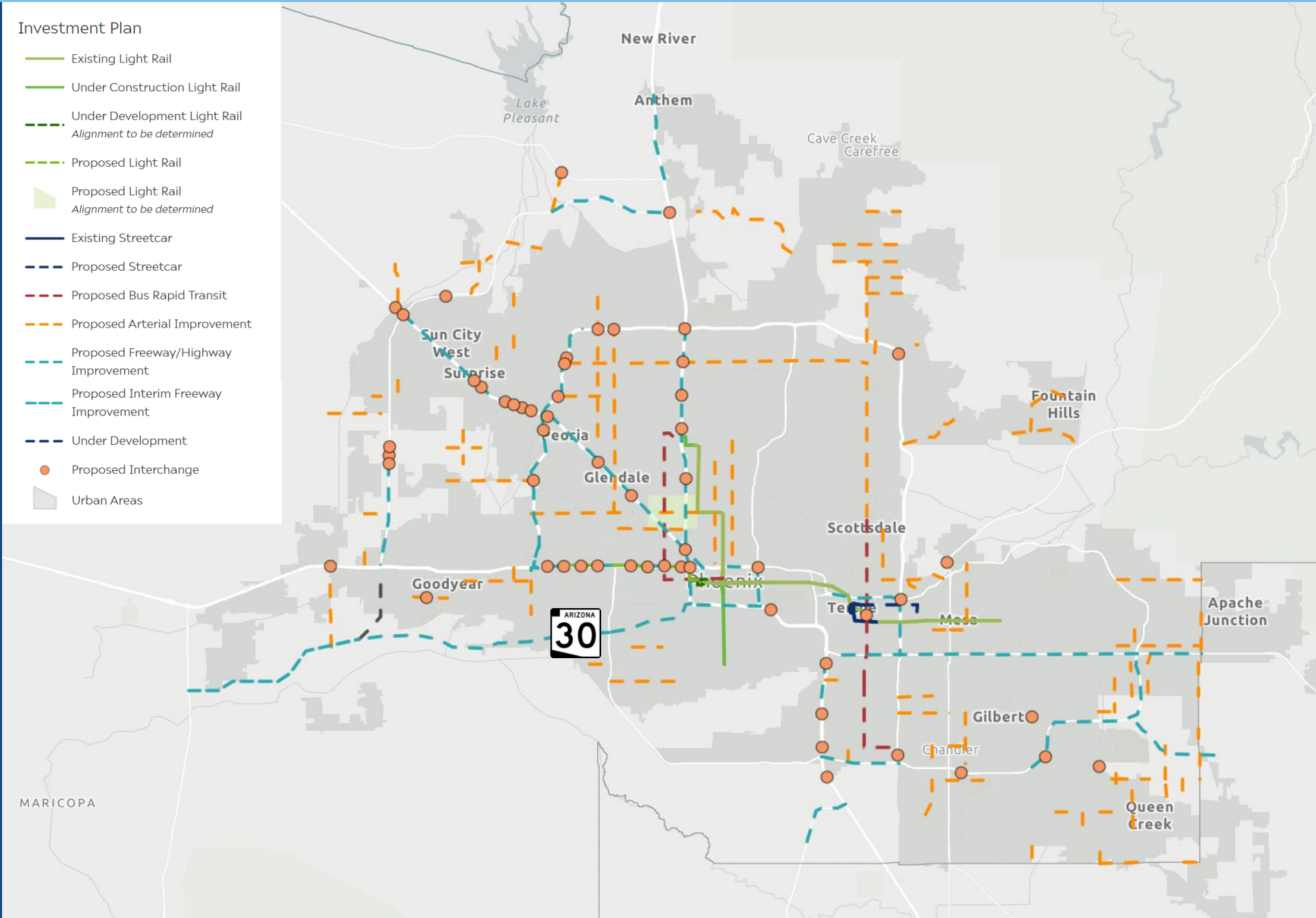
Extends ½ cent transportation tax to 2045
Estimated to raise \$15B

Allocations

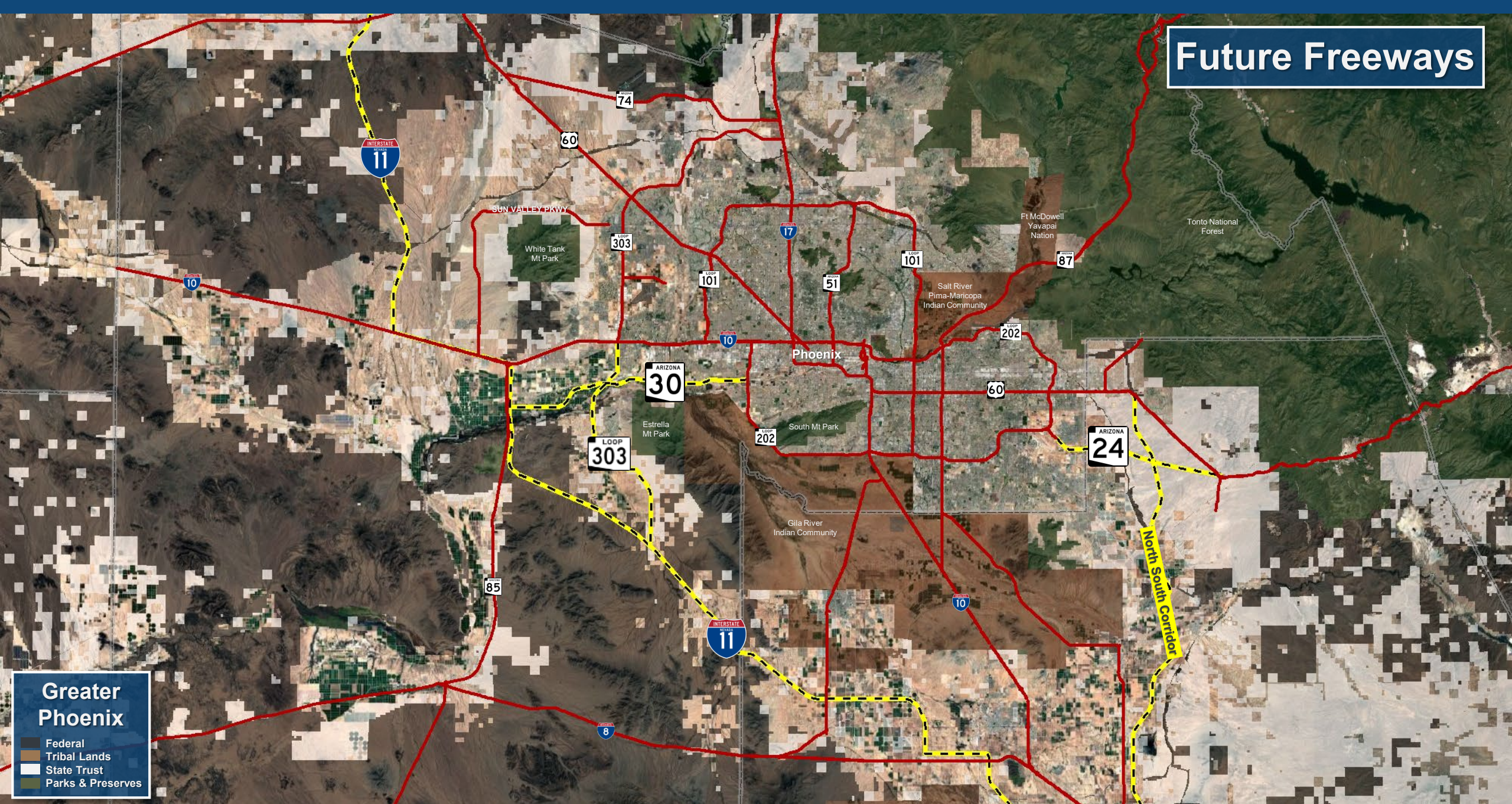
Highways	40.5%
Roads	22.5%
Public Transit	37.0%

Investment Plan

- Existing Light Rail
- Under Construction Light Rail
- Under Development Light Rail
Alignment to be determined
- Proposed Light Rail
Alignment to be determined
- Existing Streetcar
- Proposed Streetcar
- Proposed Bus Rapid Transit
- Proposed Arterial Improvement
- Proposed Freeway/Highway Improvement
- Proposed Interim Freeway Improvement
- Under Development
- Proposed Interchange
- Urban Areas



Future Freeways



Greater Phoenix

- Federal
- Tribal Lands
- State Trust
- Parks & Preserves

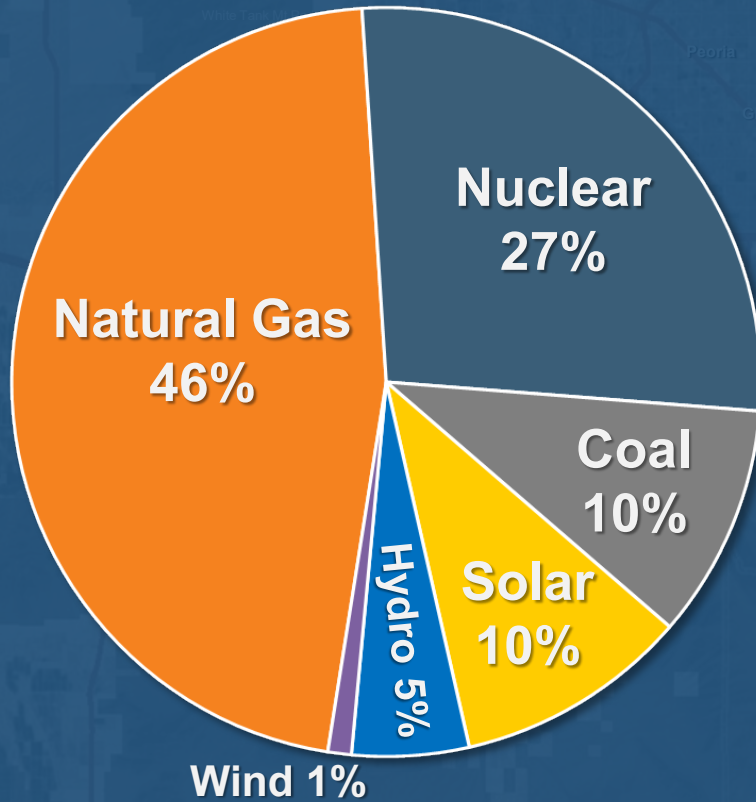
Greater Phoenix

- Federal
- Tribal Lands
- State Trust
- Parks & Preserves



POWER

Sources



Capacity

APS	9,740 MW
SRP	9,385 MW
Total	19,125 MW

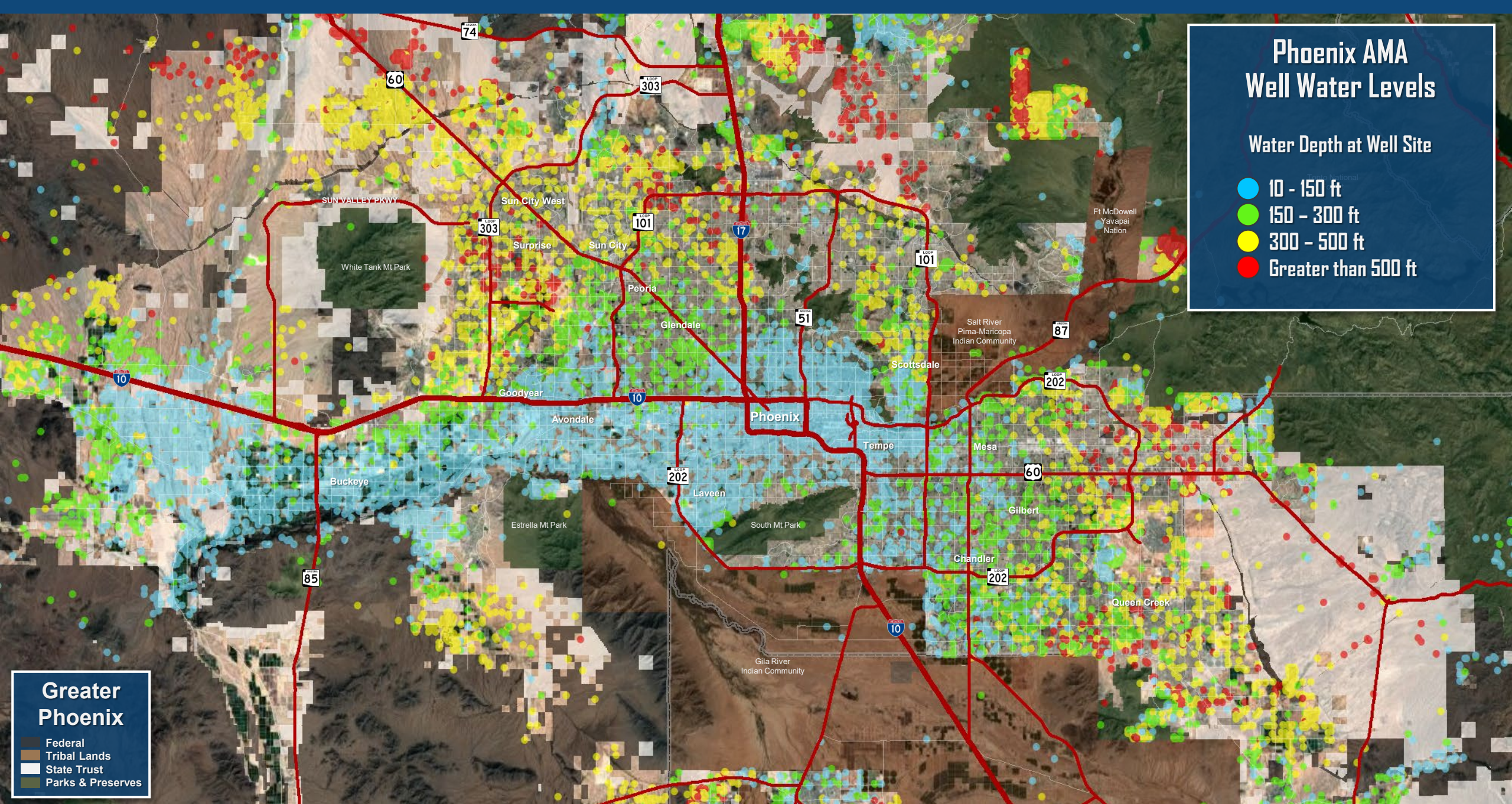
Record Peak

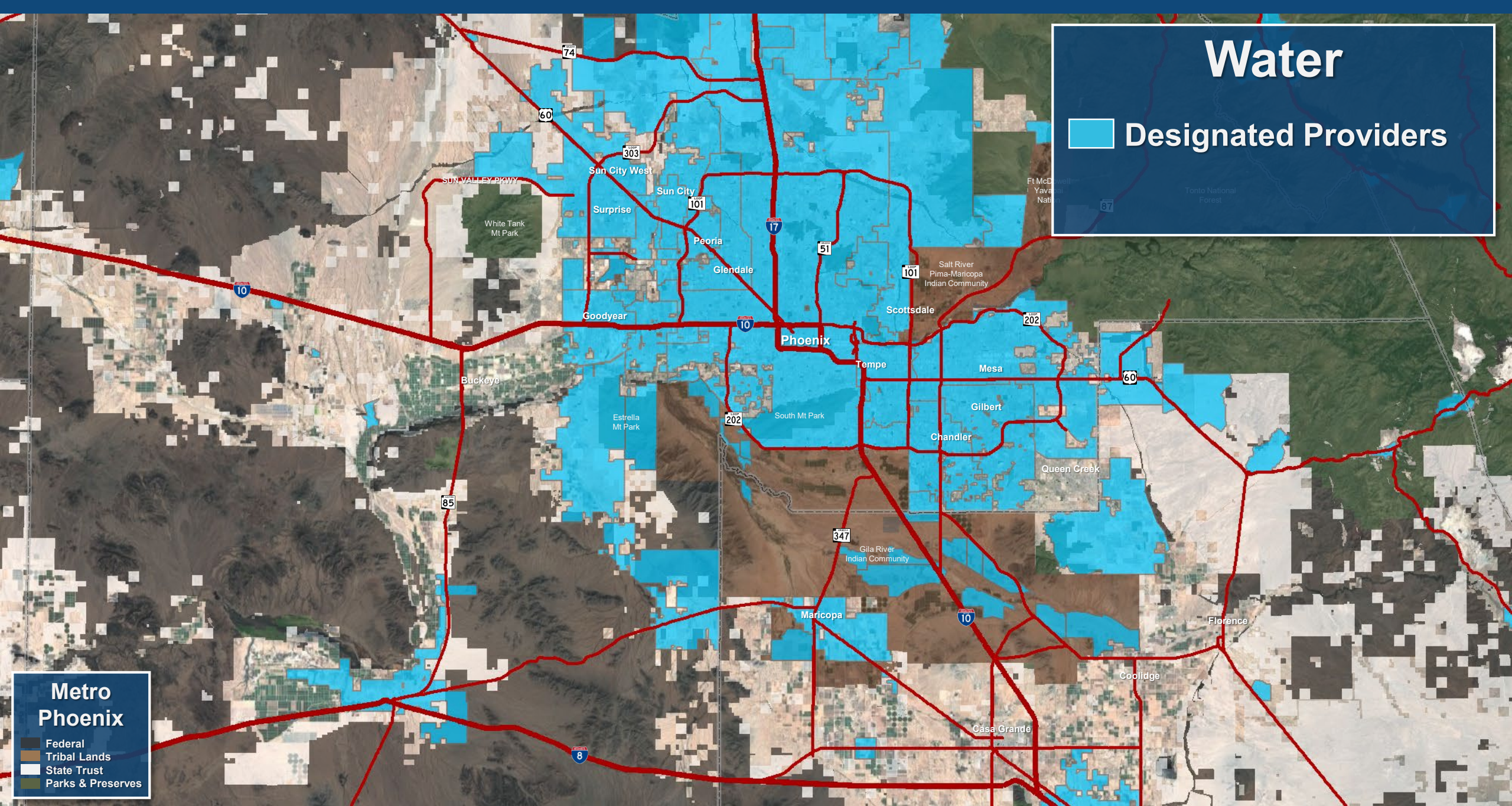
Aug. 4, 2024

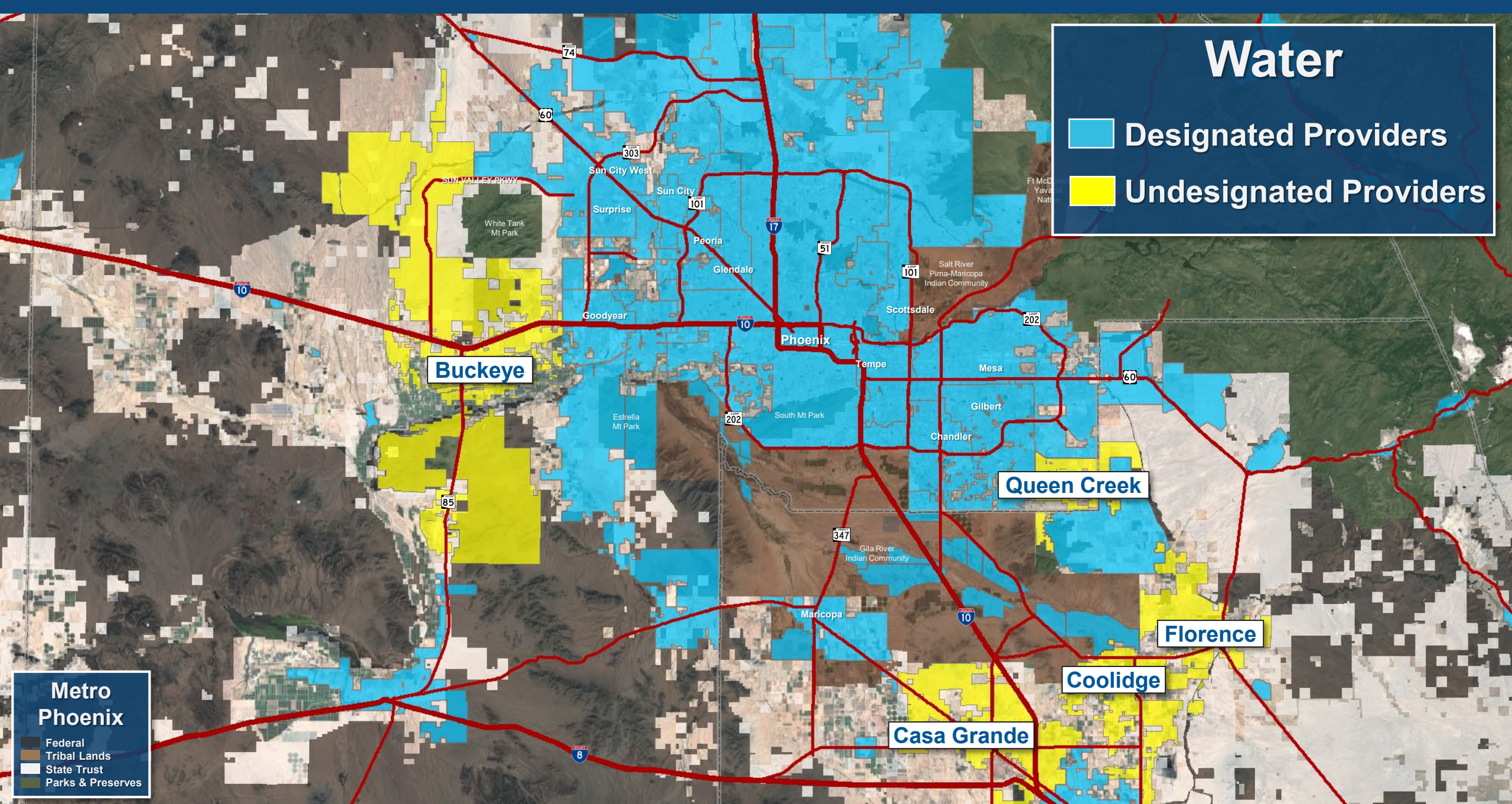
16,431 MW
(86% of Total Capacity)

Water









WATER WATER EVERYWHERE – BUT FOR POLITICS

- **72% of WATER USAGE IN AZ is IRRIGATION for FARMING**
- **STATE of AZ LAND LEASES IN MARICOPA & PINAL – 100,000 AF/YR**
- **DWR STUDIES – Pinal – Hassayampa – Phoenix AMA**
- **DESIGNATED VS UNDESIGNATED DUE to UNMET DEMAND**
- **RESIDENTIAL WATER USAGE DOWN NEARLY 25% in 25 YEARS**
- **WATER CONSERVATION AND REPLENISHMENT NETS 50 PERCENT**
- **AUGMENTATION – HARQUAHALA, BUTLER, MCMULLEN VALLEYS**
- **AG to URBAN**
- **ADAWS EFFORTS – ALTERNATIVE DESIGNATION OF WATER SUPPLY**



Actual & Potential Headwinds

- **INITIATIVES OF INCOMING ADMINISTRATION**
- **INTEREST RATES – HIGHER LONGER**
- **MULTI FAMILY & INDUSTRIAL OVERBUILDING**
- **PROVING AND PROVIDING WATER – CAP 2026**
- **SHORTAGE OF LARGE INFRASTRUCTURE**
- **MUNICIPAL IMPACT FEES & PROCESSING TIMES**



Tailwinds

- **NEW ADMINISTRATION - REDUCED REGULATION, GOVERNMENT EFFICIENCY, TAX**
- **Sustainable Long-Term Growth – “Rather Be in AZ”**
 - **Population**
 - **Employment**
- **Housing Relative Affordability vs CA, WA, OR, CO**
- **AZ and Local Governments**
 - **Low Regulation – Relative**
 - **Cooperative & Relatively Pro Growth**
 - **Rationalizing & Support of Higher Density**
- **Wealth**
 - **Increasing Wages**
 - **Transfer of Wealth Boomers to Gen-X/Millennials**
 - **Housing & Stock Market Wealth Effect**



Conclusions

- **Metro Phoenix will Continue to be Top Ranked in Housing Activity, Population and Employment Growth**
- **Residential Affordability will Continue to be Challenged**
 - **Lower Interest Rates & Apartment Supply Will Help**
- **Income Property Financial Disruption will run through 2026 - Challenging Owners, Developers and Lenders**
- **Phoenix Metro will Remain the Land of Opportunity**





Q & A

THANK YOU

[illegible]