



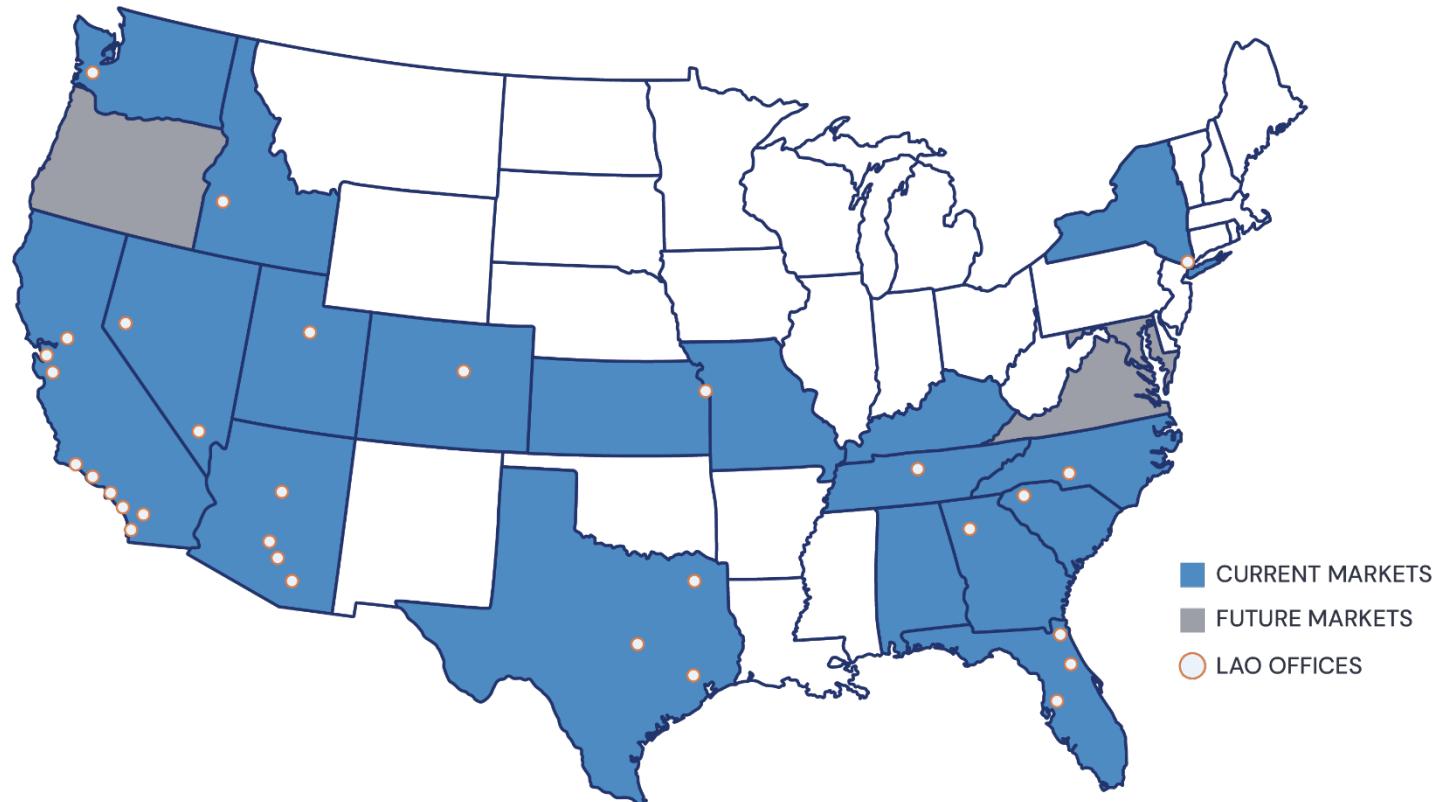
2024 PHOENIX LAND & HOUSING FORECAST

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



LAND ADVISORS TECHNOLOGIES

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**



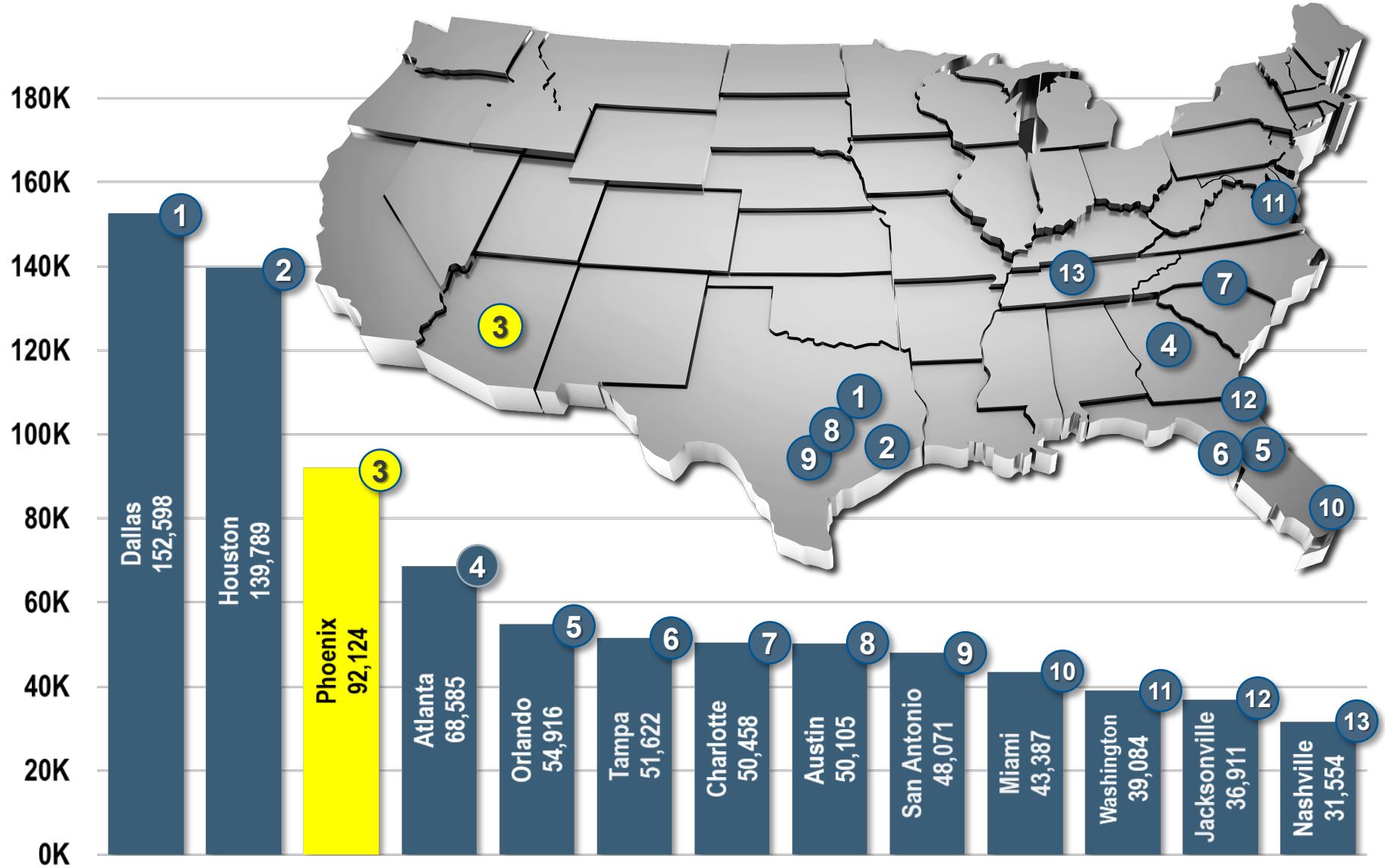
US Population 2023
335,000,000

Arizona Accounts for
2.2%
of the US Population

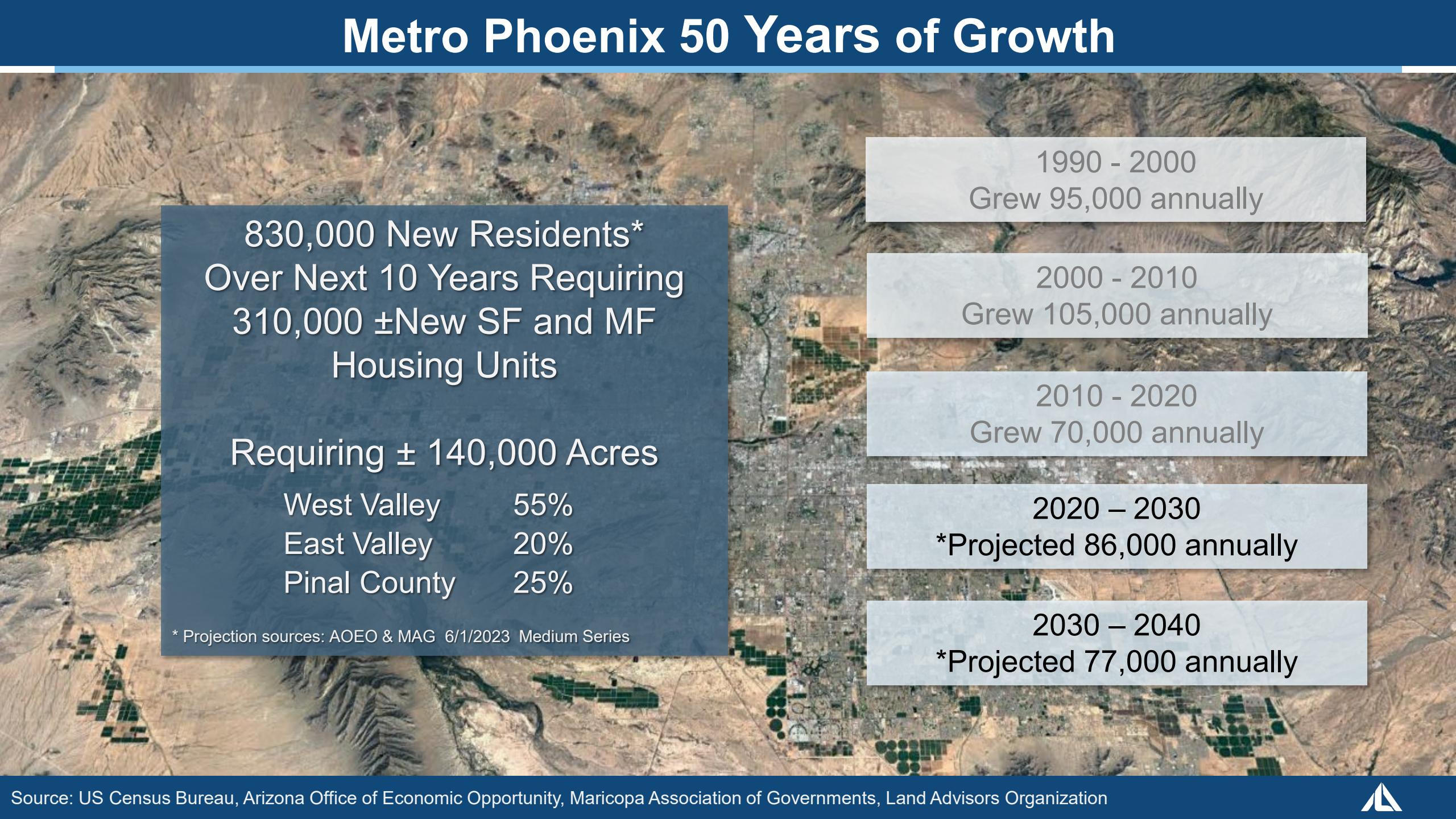
AZ Percentage of US
Population Growth

2000 to 2023: 4.2%

US Population Growth – Top MSAs 2023



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

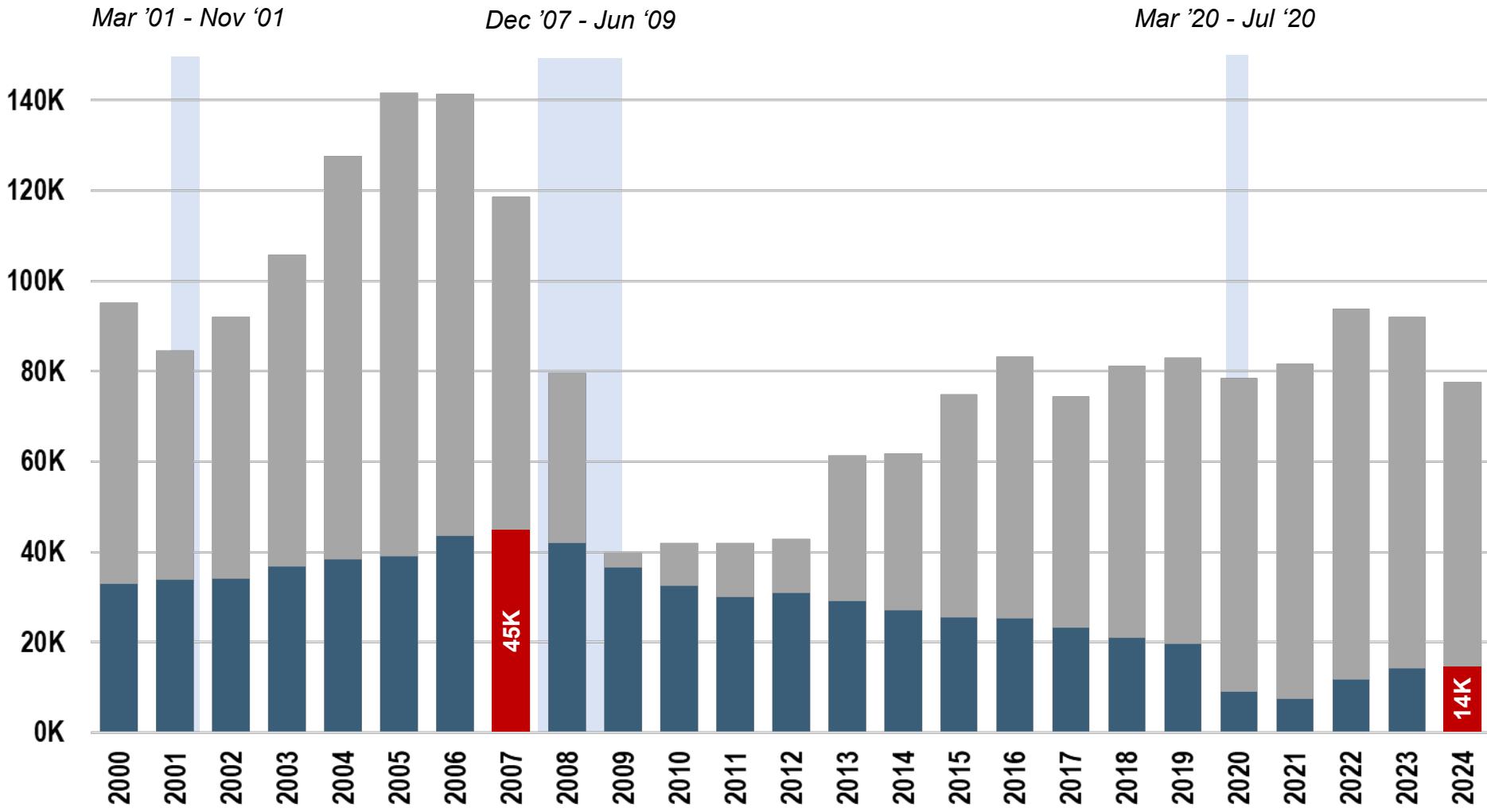
1990's	960,000
2000's	1,040,000
2010's	710,000
2020's*	860,000
2030's*	770,000

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

Natural Growth

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

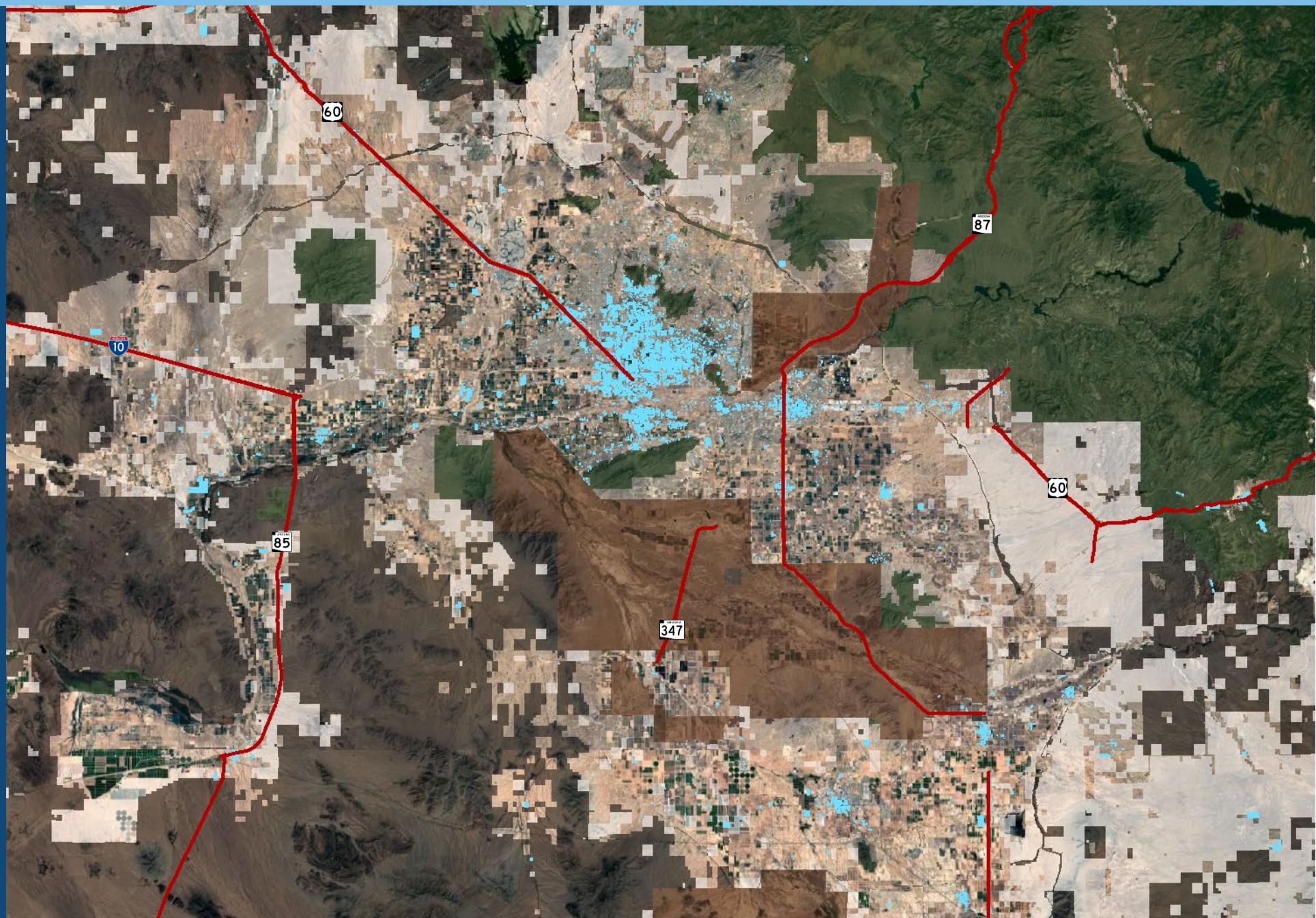
- In-Migration
- Natural Growth
- Projected
- Recession



Metro Phoenix Developed Land & Future Growth

Year Built	Acres Developed	Pop
Before 1955	80K	500K

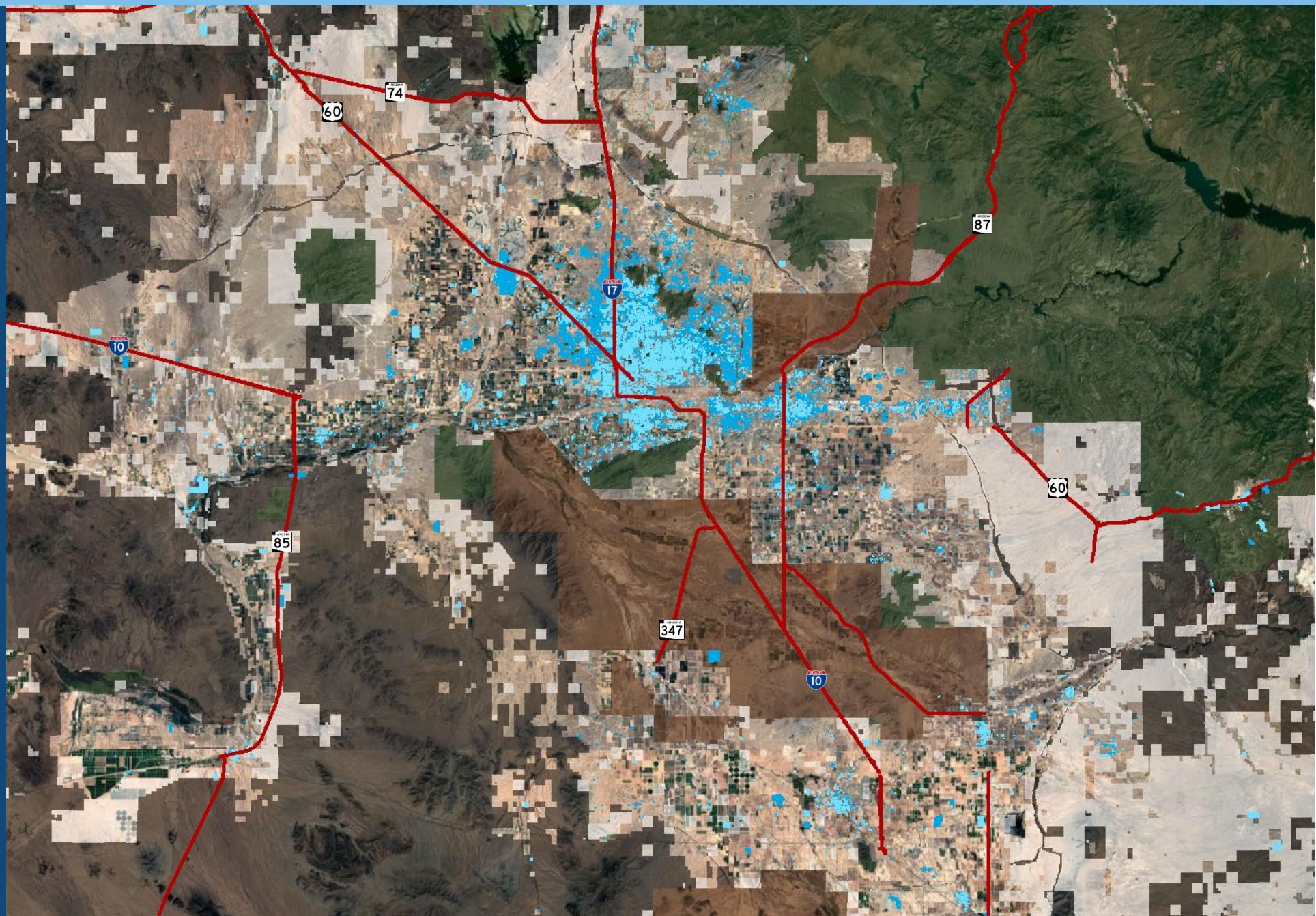
Federal
 Tribal Lands
 State Trust
 Parks & Preserves



Metro Phoenix Developed Land & Future Growth

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

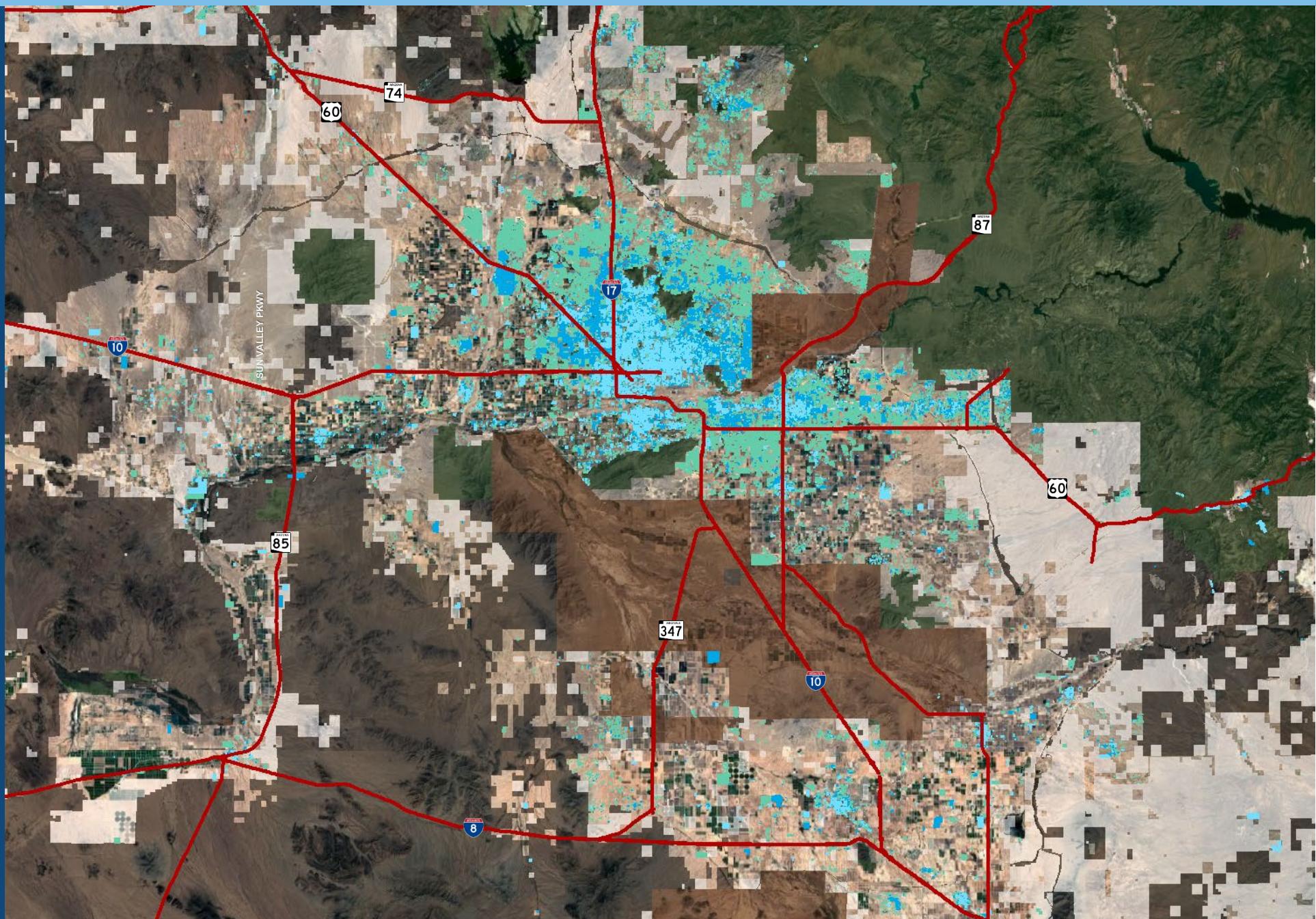
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Metro Phoenix Developed Land & Future Growth

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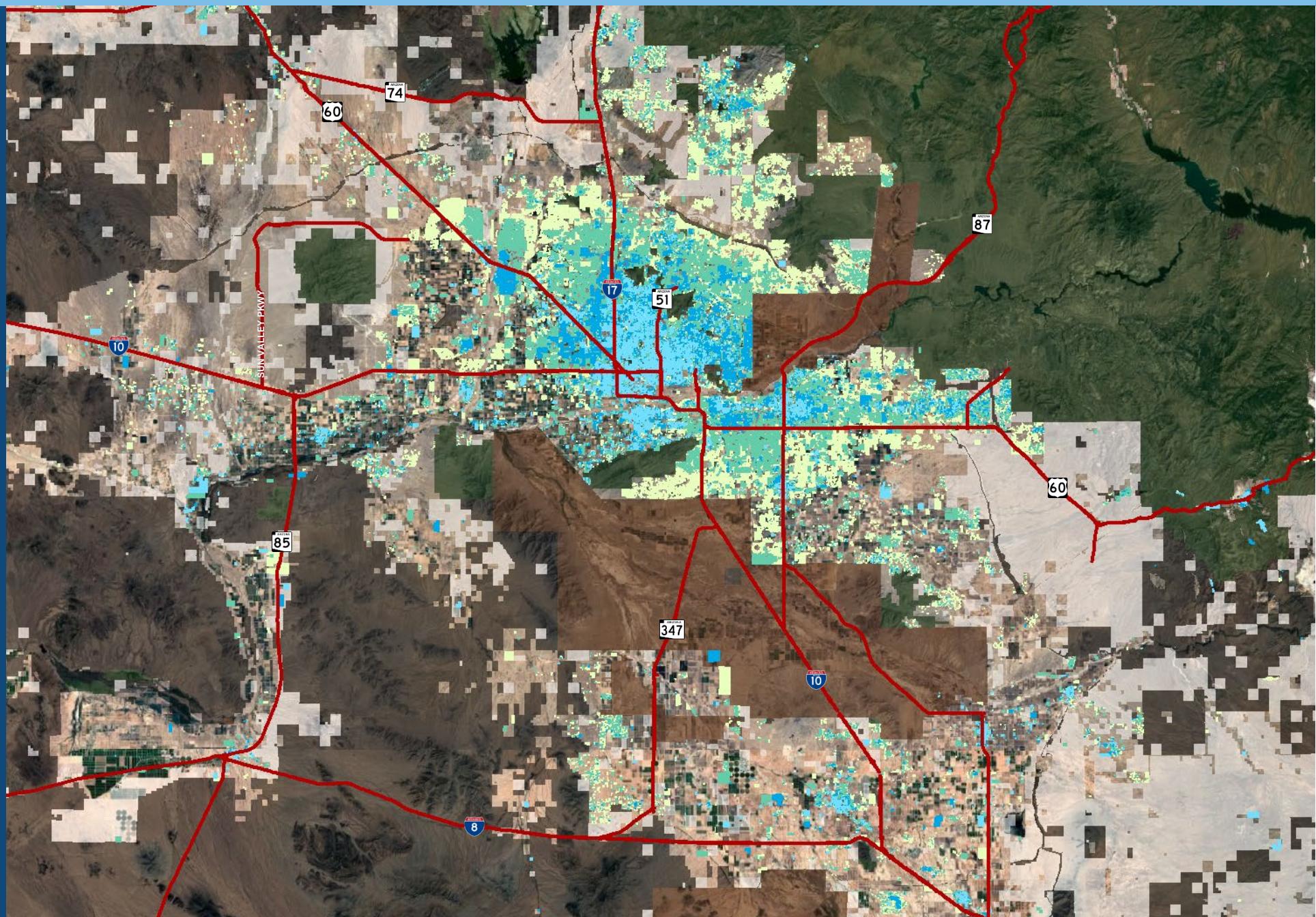
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- State Trust
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Metro Phoenix Developed Land & Future Growth

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1986 – 2000	500K	3.27M

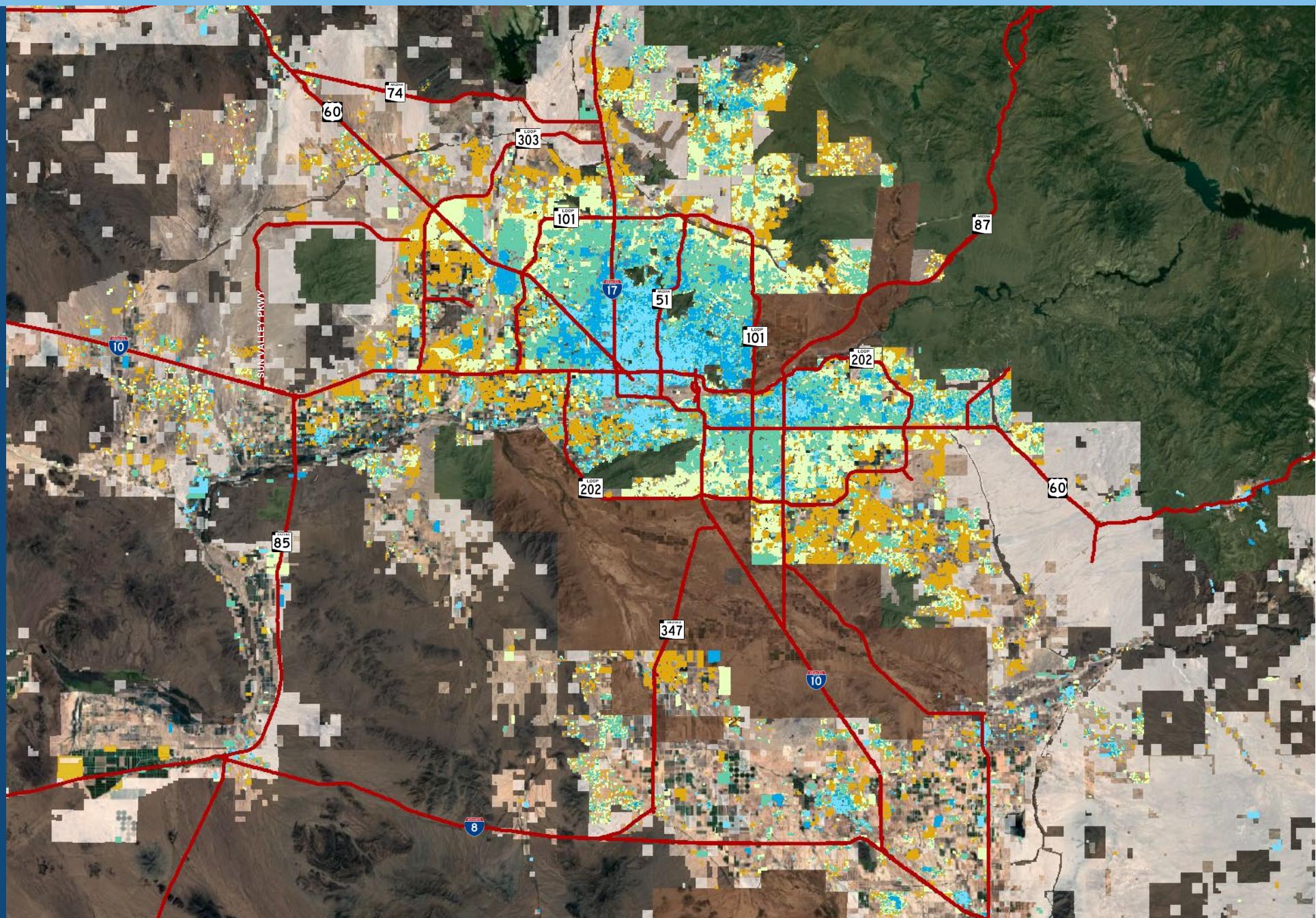
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2000 – 2015	700K	4.46M

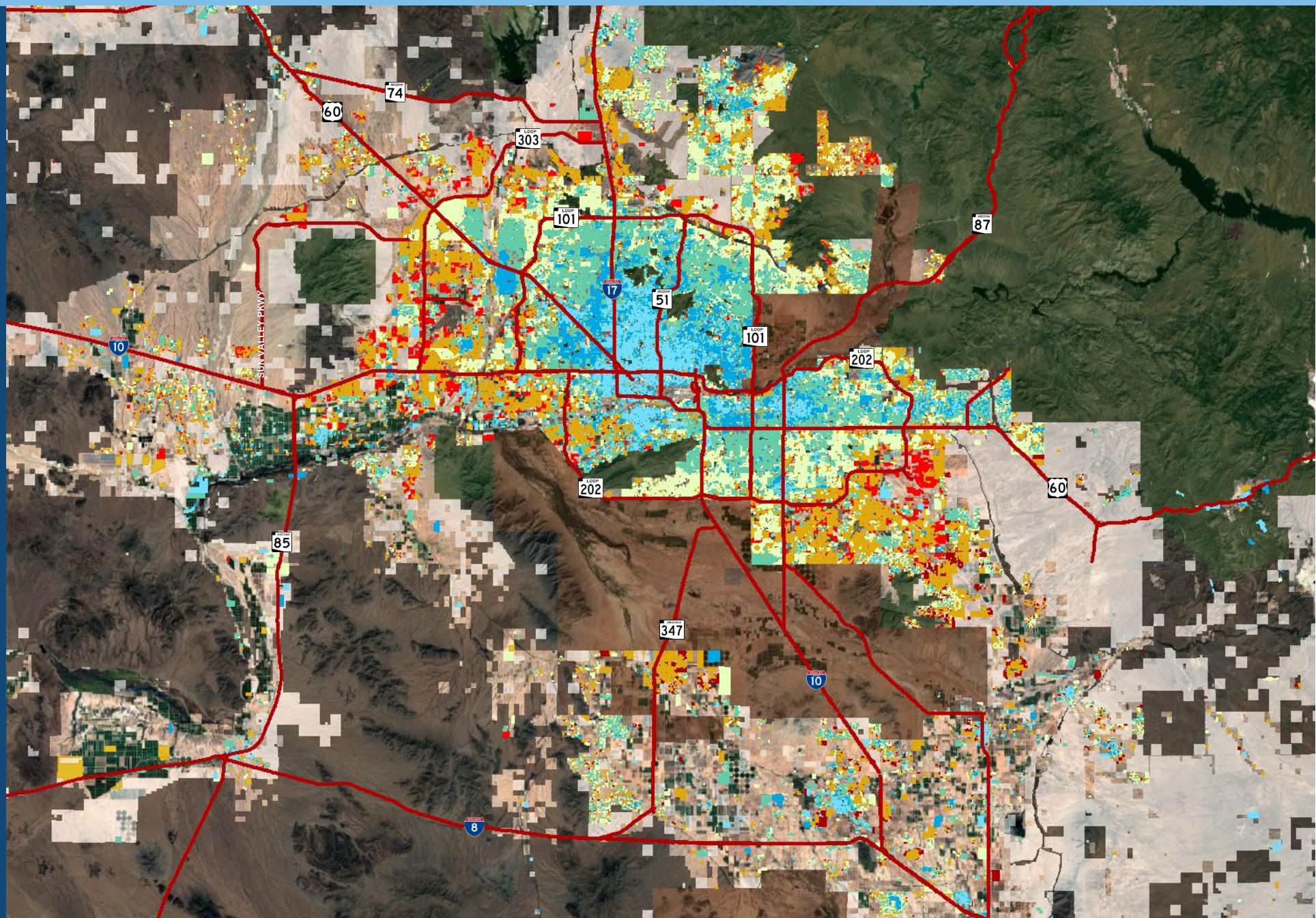
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2016 - 2024	800K	5.09M

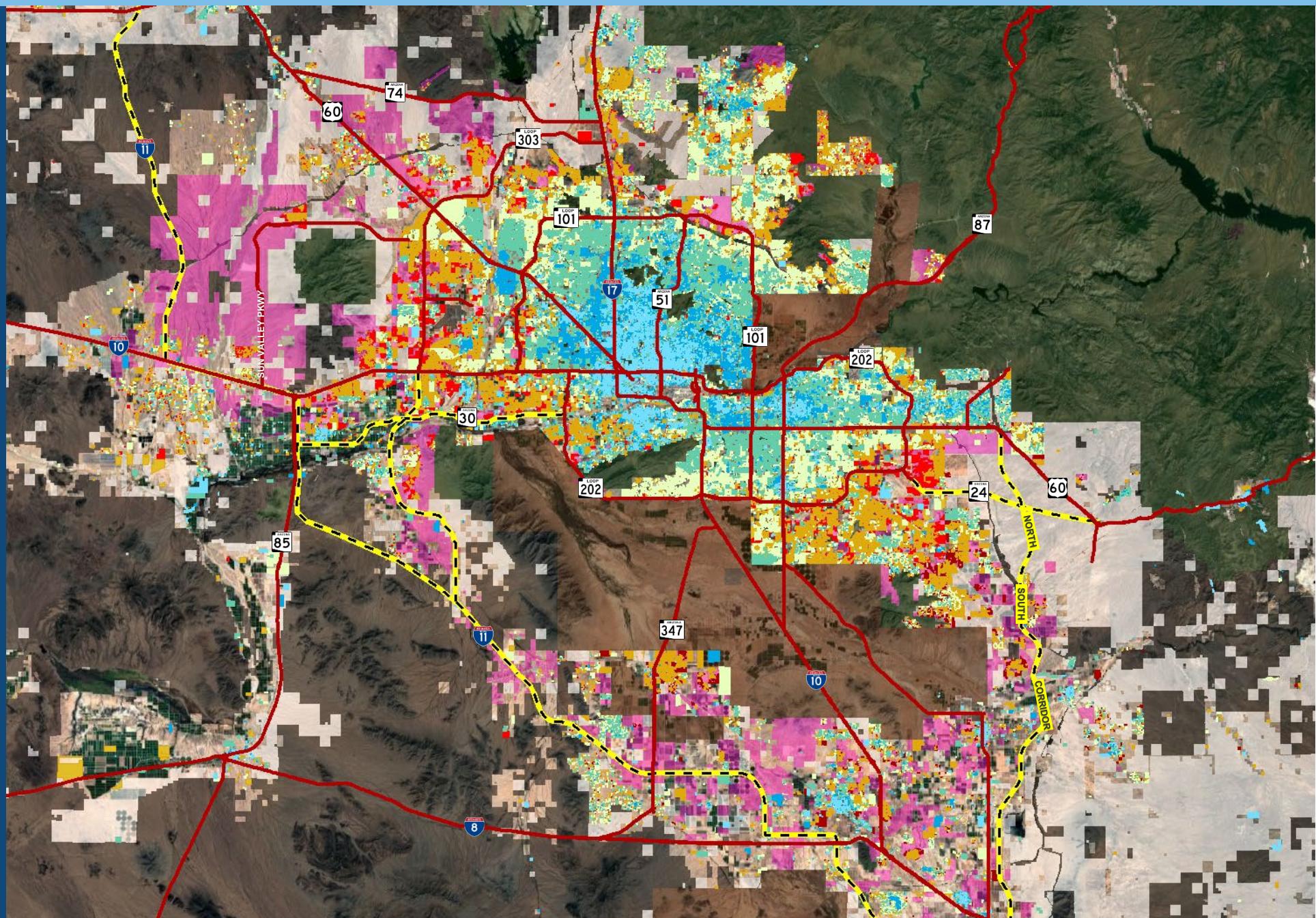
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2024 +		

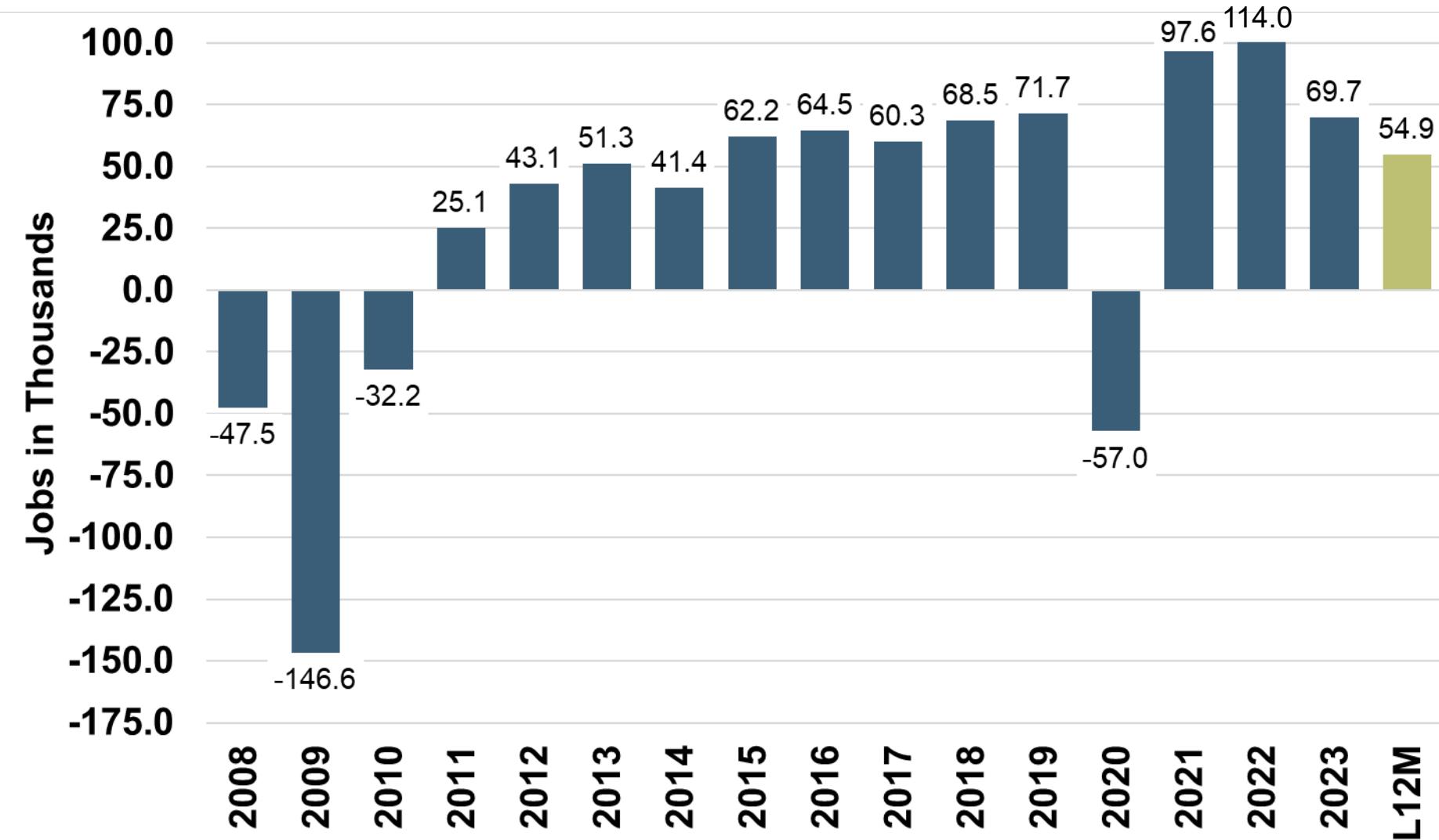
Federal
Tribal Lands
State Trust
Parks & Preserves





Annualized Employment Change

Jobs Added or Lost Annually – October 2024



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



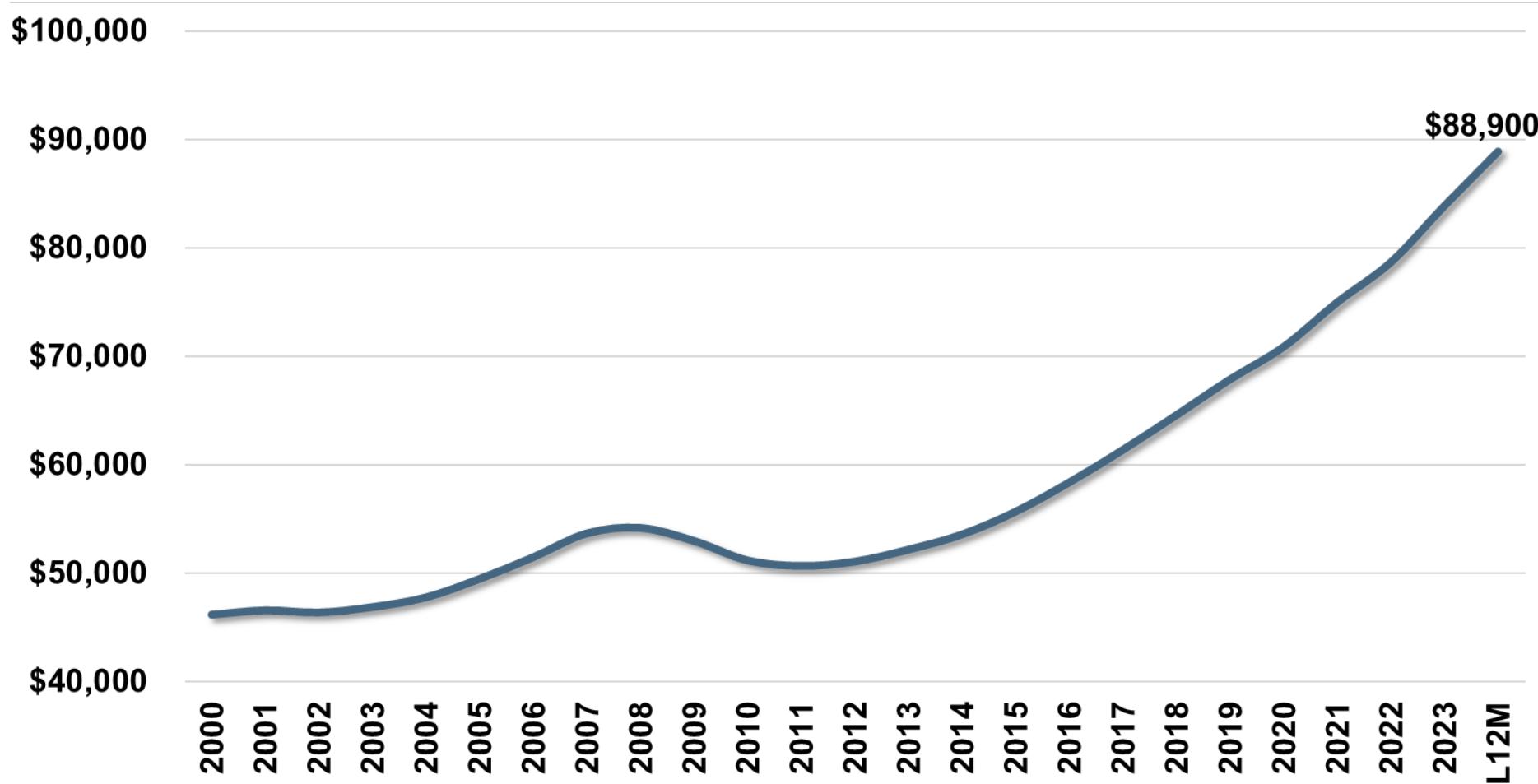
Phoenix MSA Median Household Income

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



Metro Phoenix

Metro Phoenix

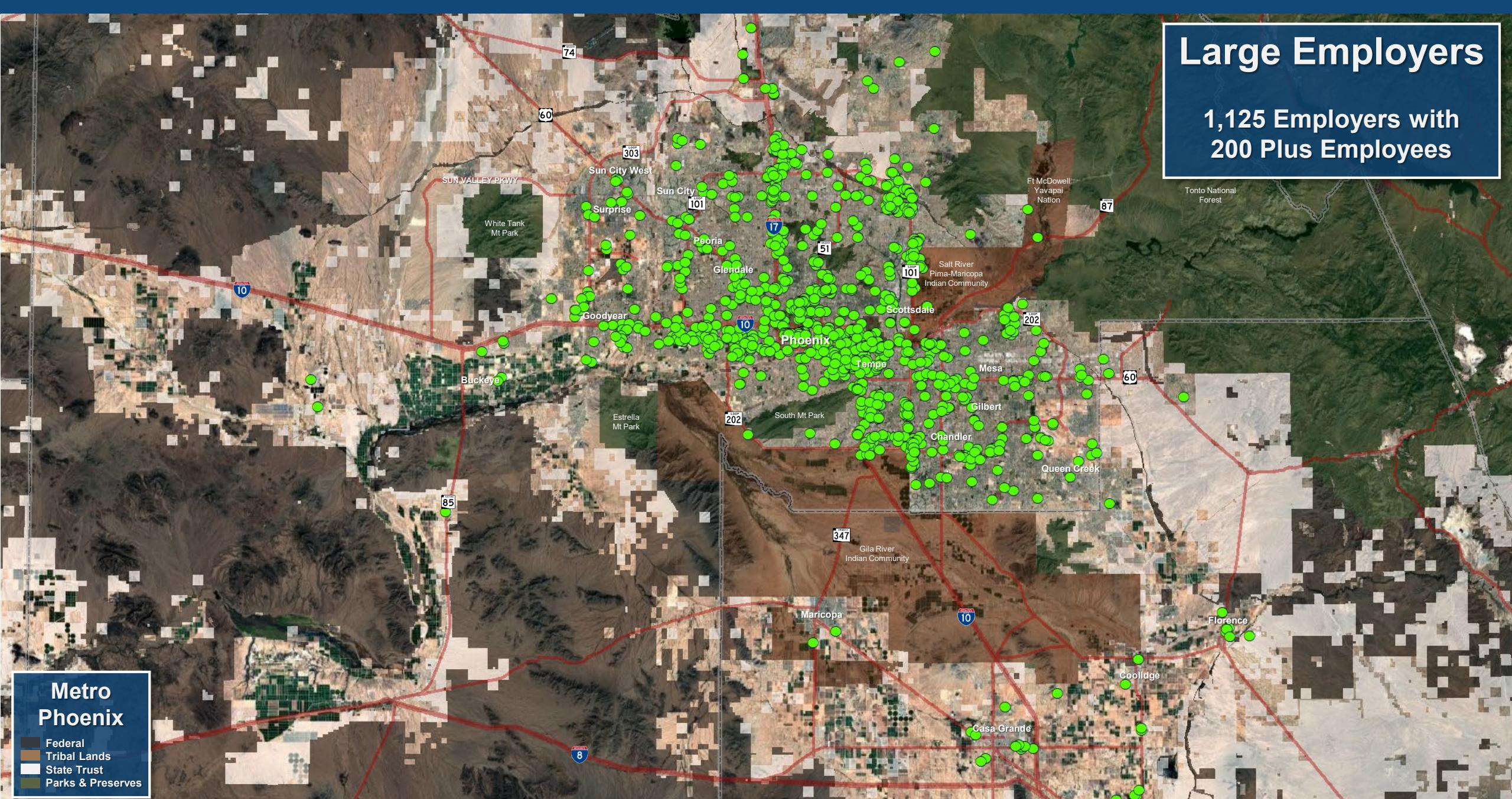
- Federal
- Tribal Lands
- State Trust
- Parks & Preserves

Source: Land Advisors Organization



Large Employers

1,125 Employers with 200 Plus Employees

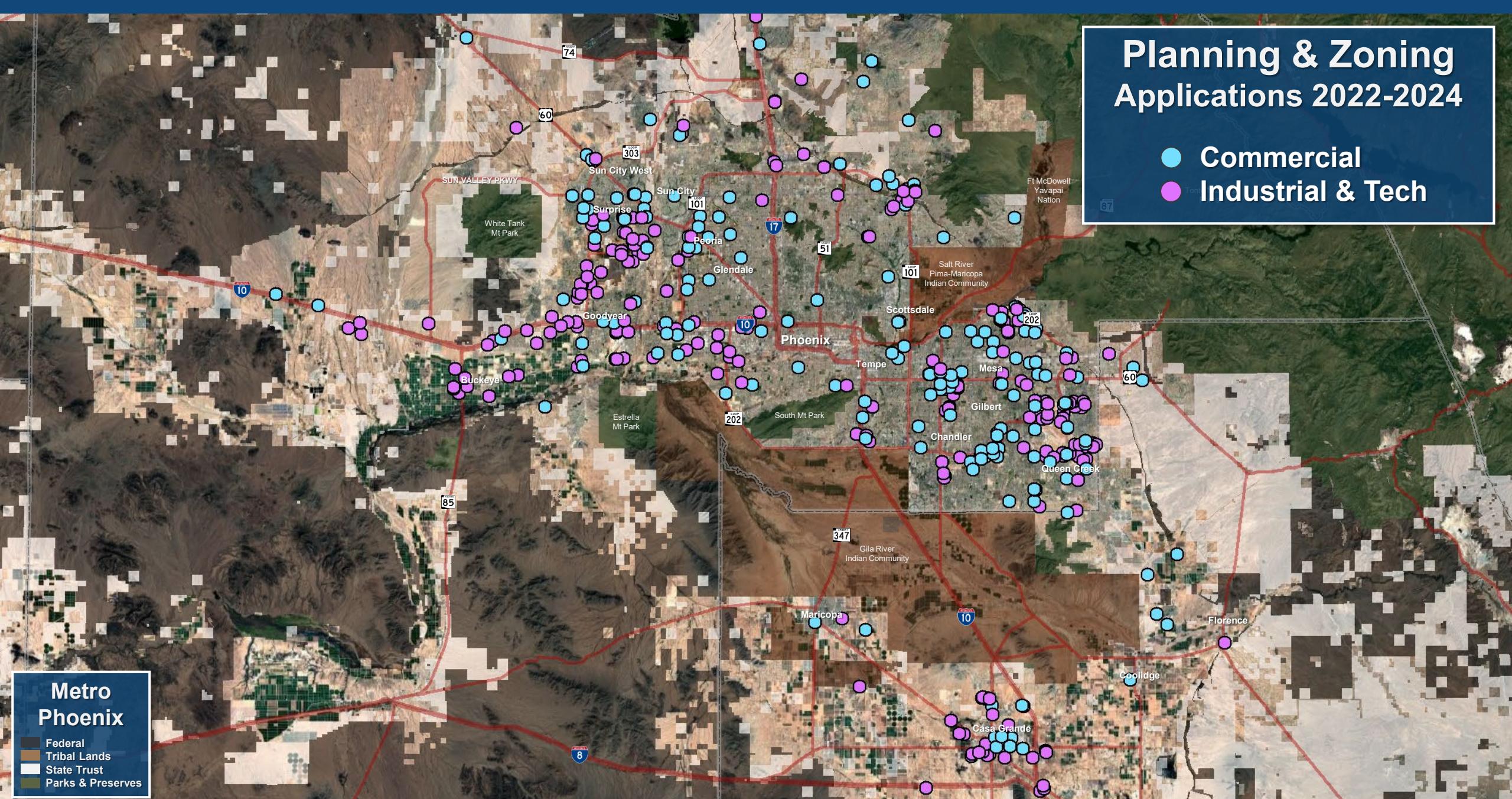


Source: Maricopa Association of Governments



Planning & Zoning Applications 2022-2024

● Commercial
● Industrial & Tech

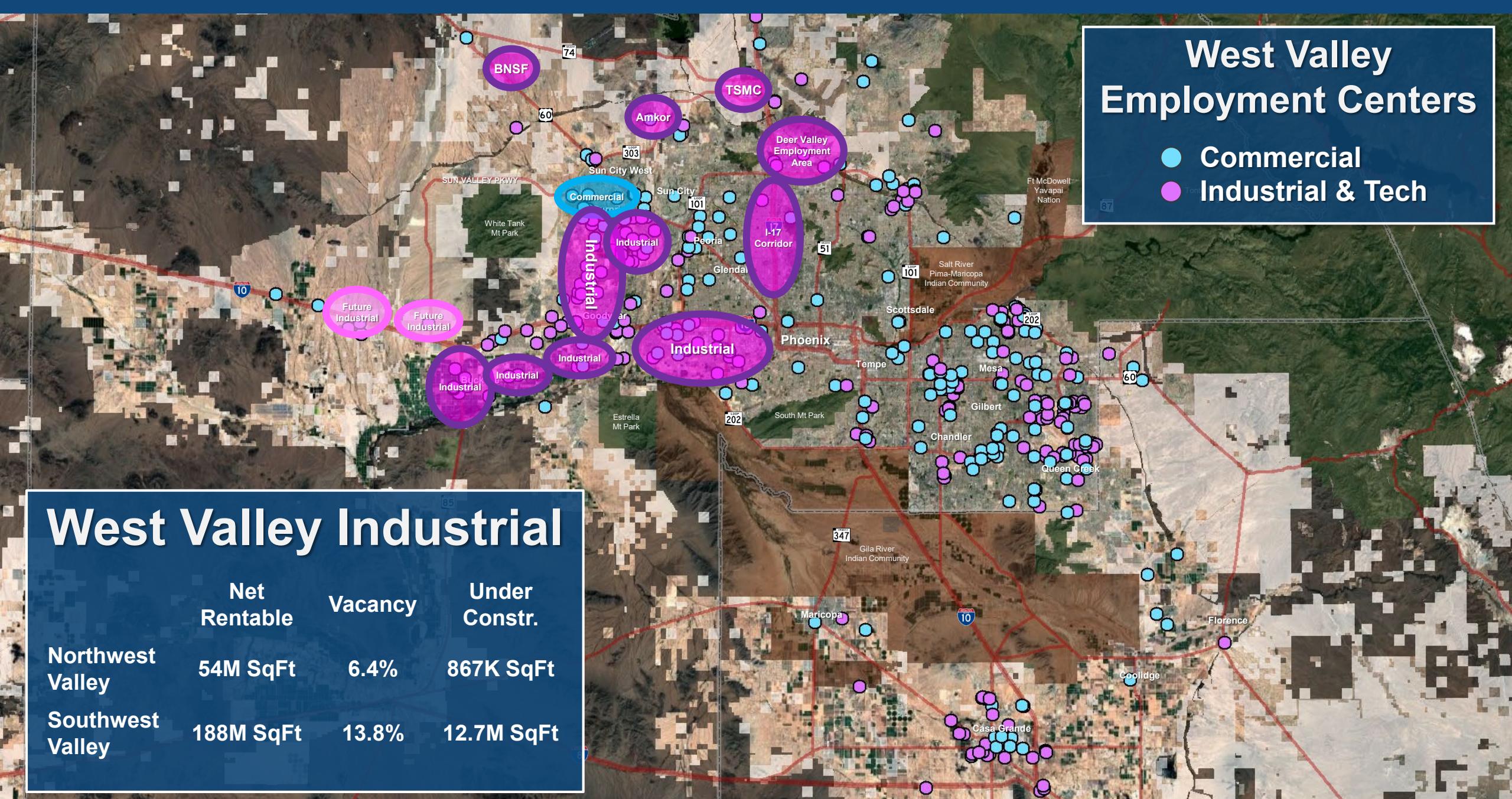


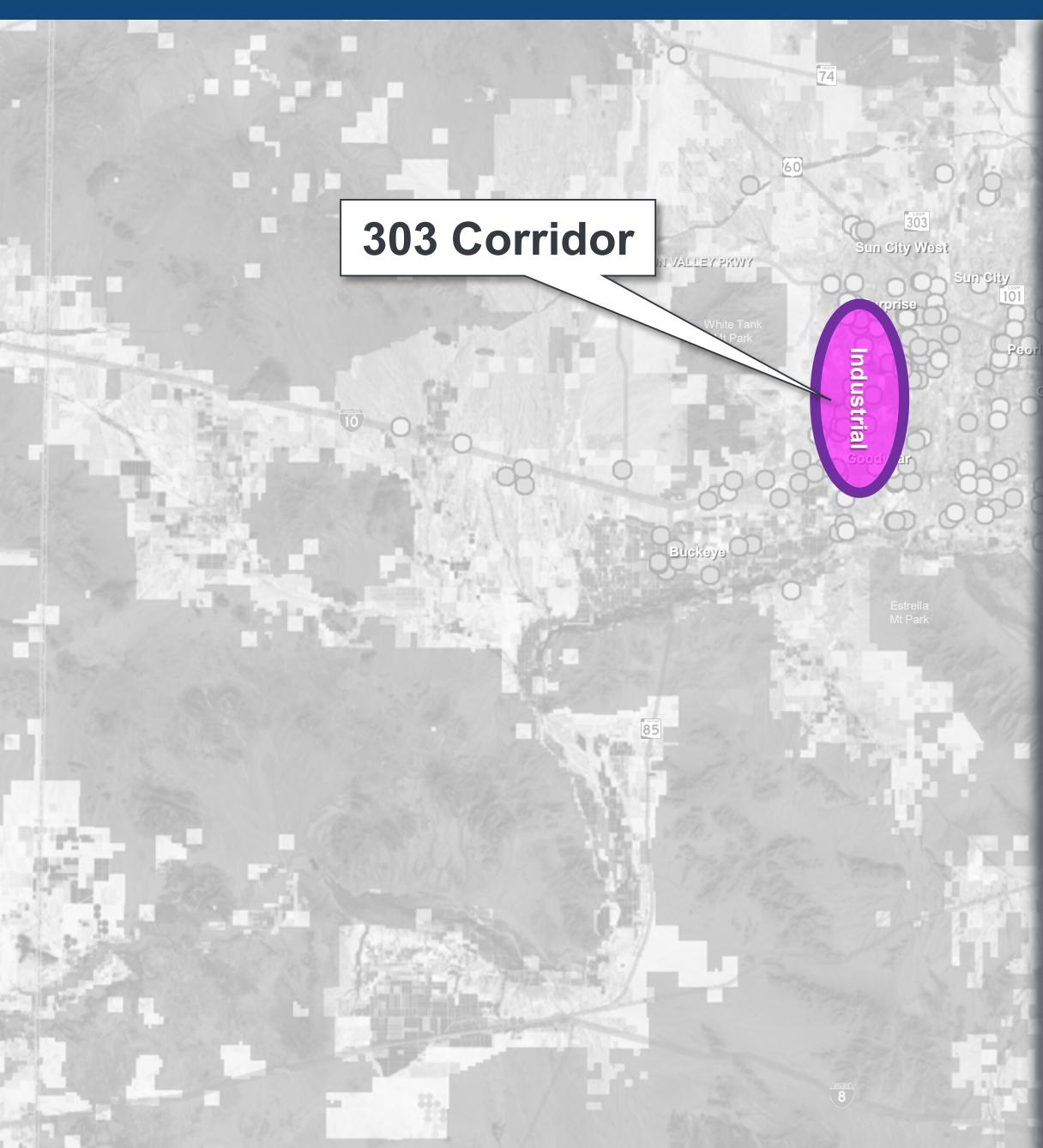
West Valley Employment Centers

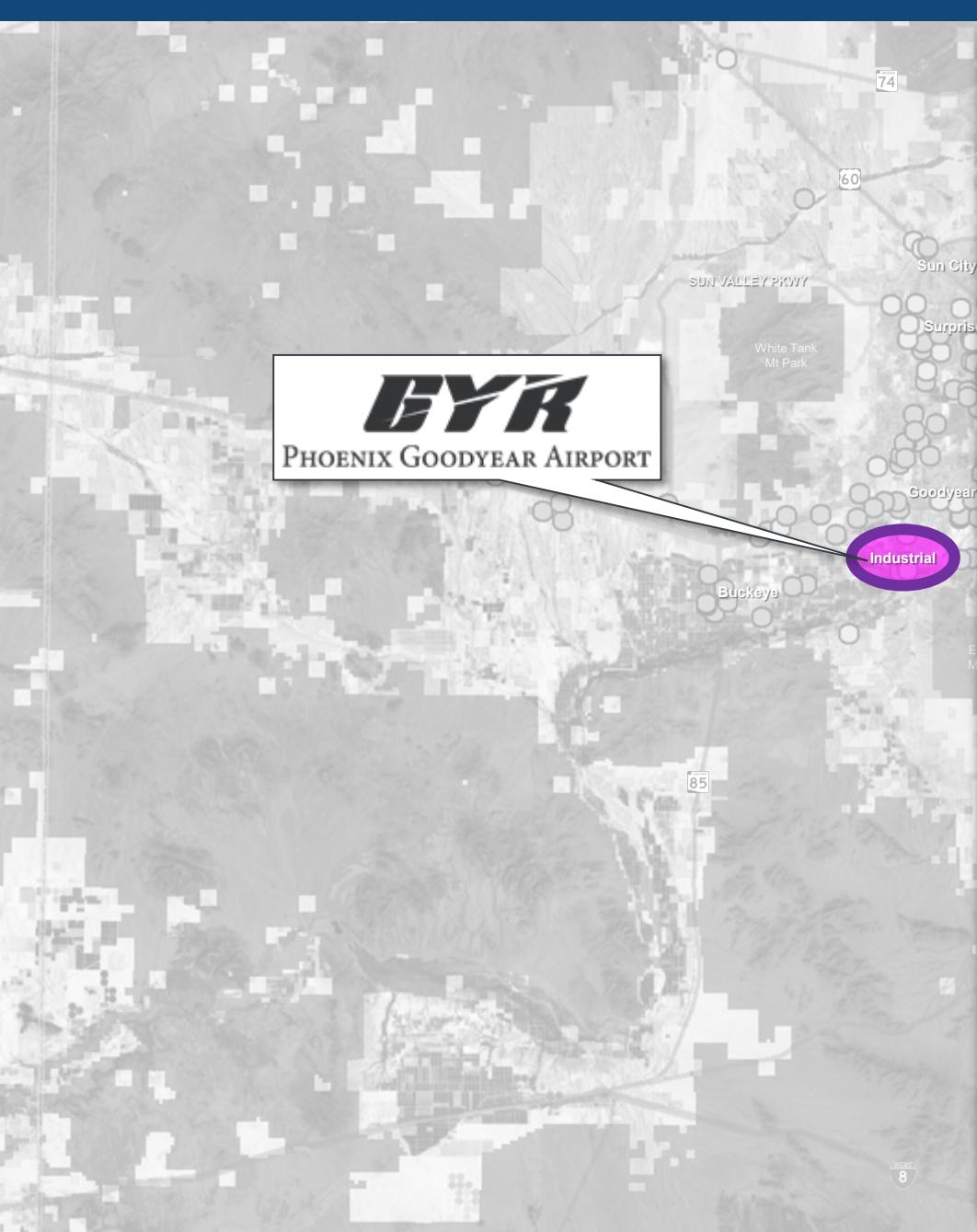
- Commercial
- Industrial & Tech

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

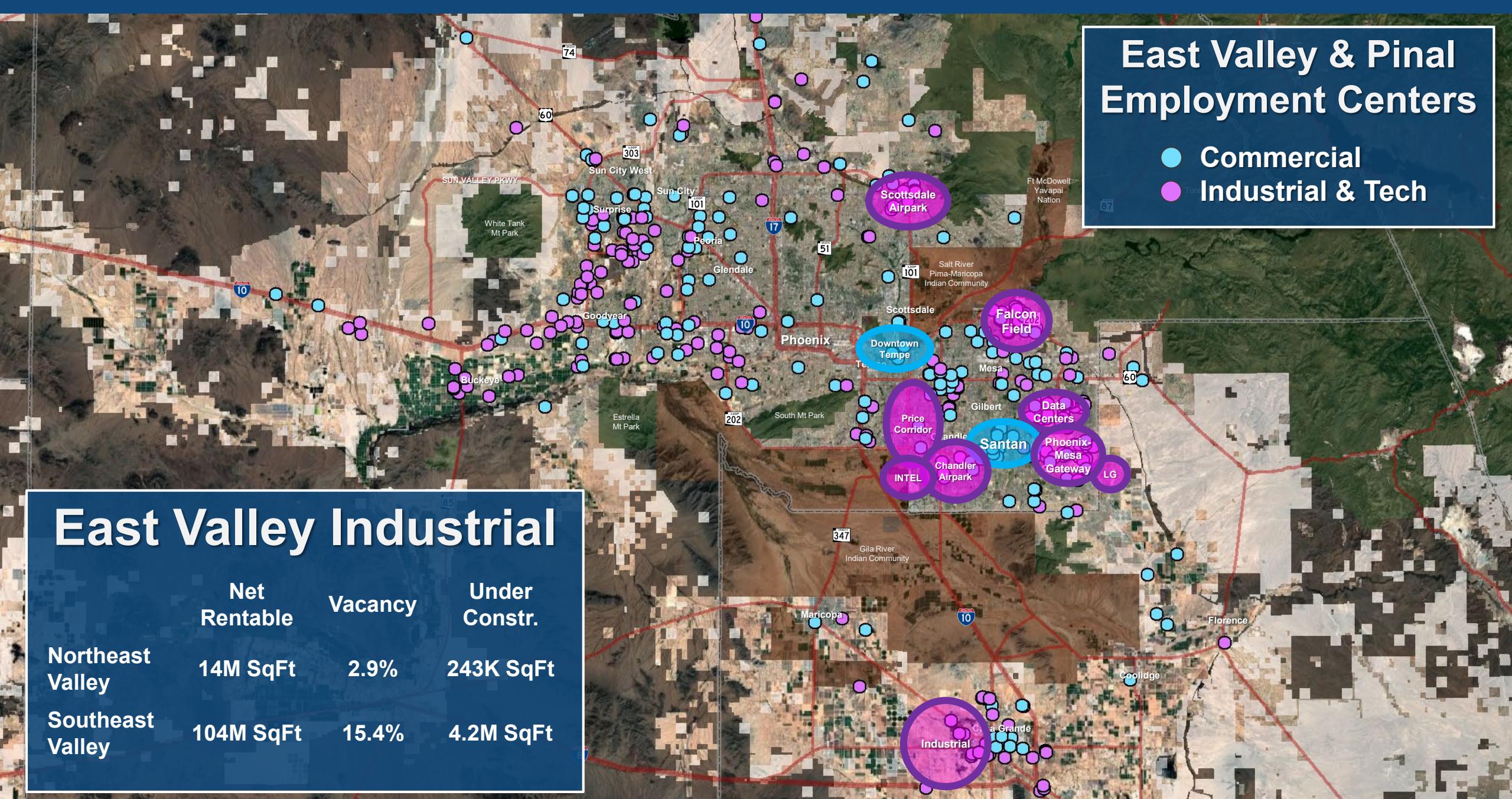


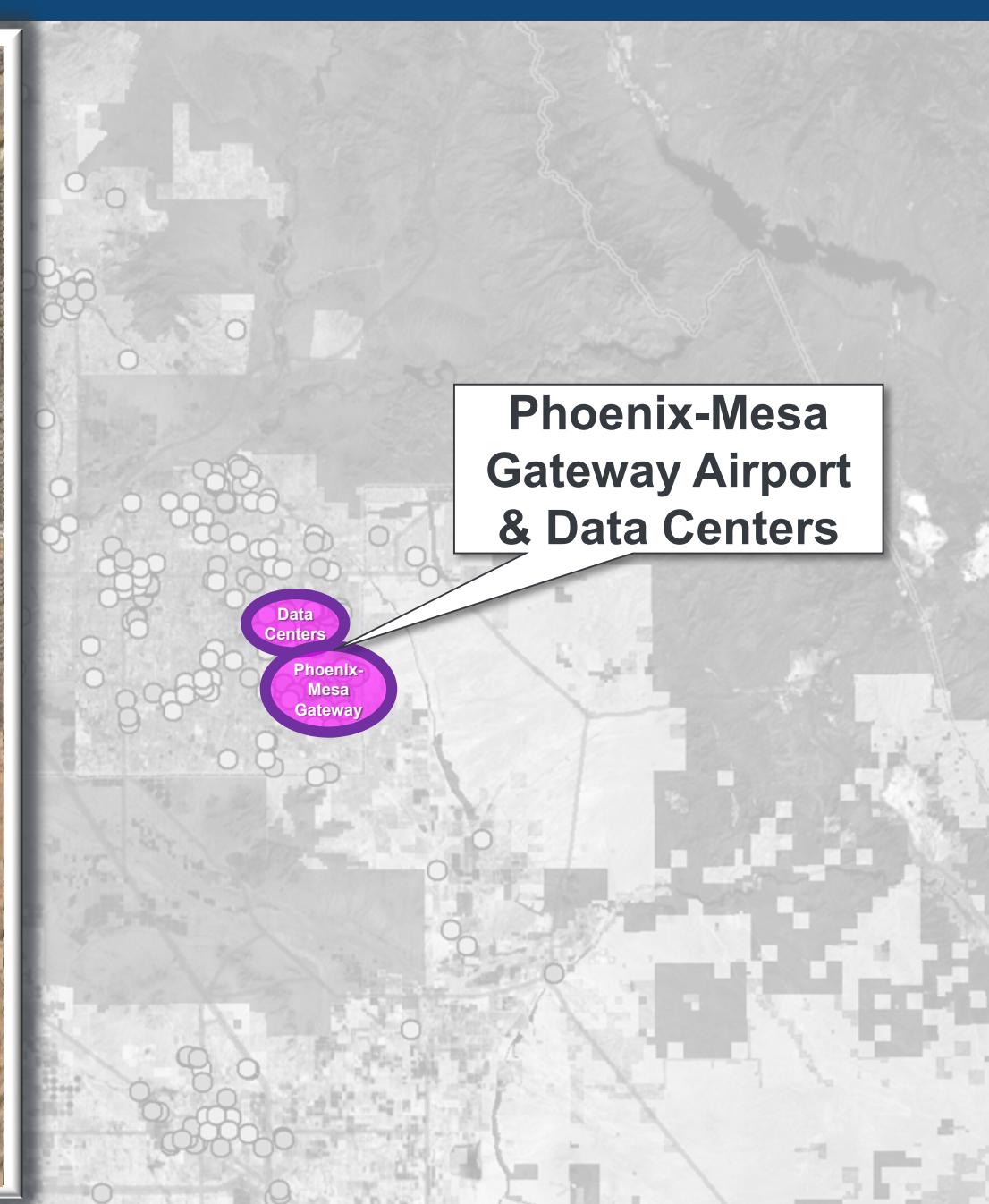
East Valley & Pinal Employment Centers

● Commercial
● Industrial & Tech

East Valley Industrial

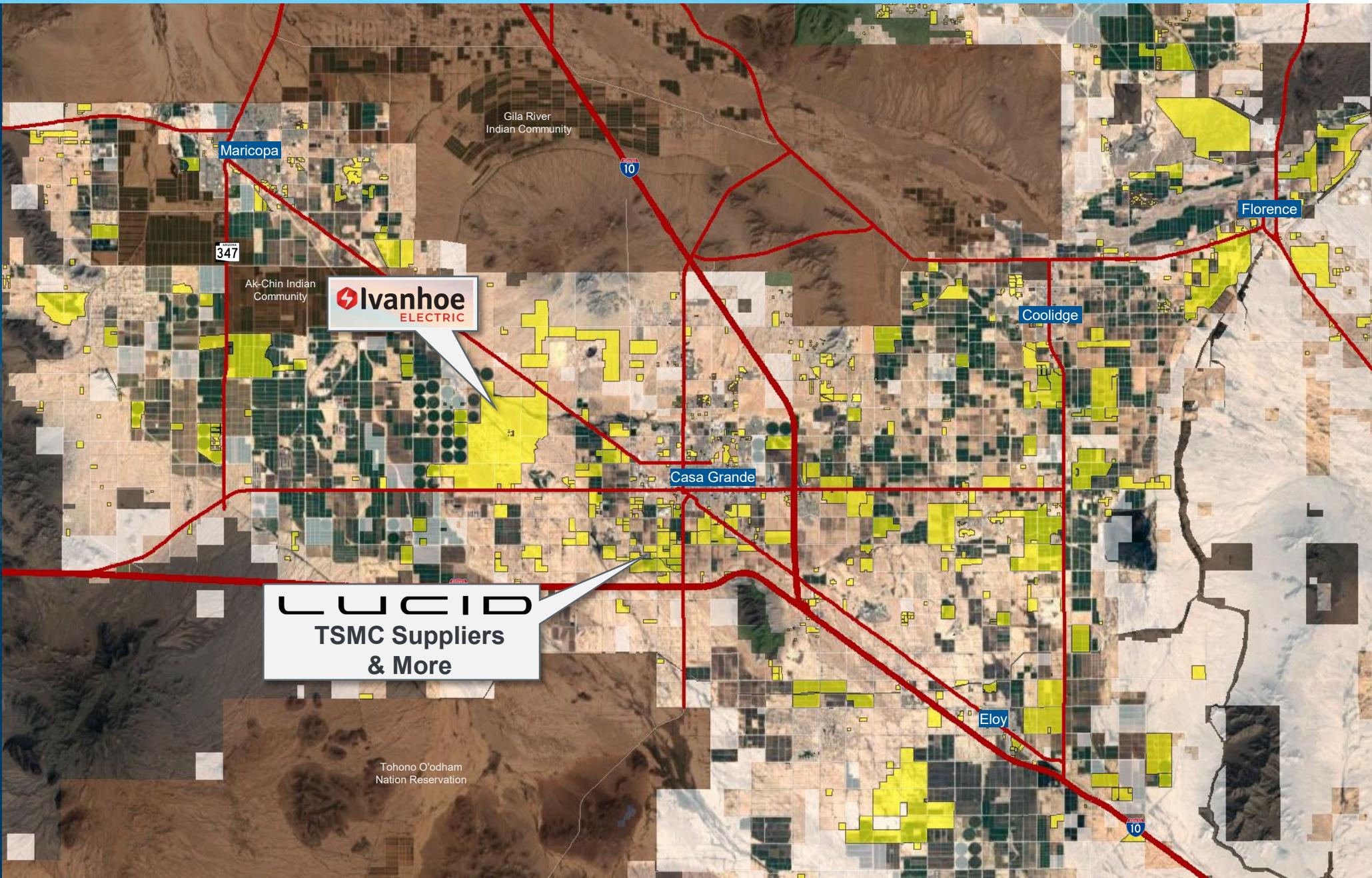
	Net Rentable	Vacancy	Under Constr.
Northeast Valley	14M SqFt	2.9%	243K SqFt
Southeast Valley	104M SqFt	15.4%	4.2M SqFt





Pinal County

Recent Sales
2021 to 2023



Source: Land Advisors Organization

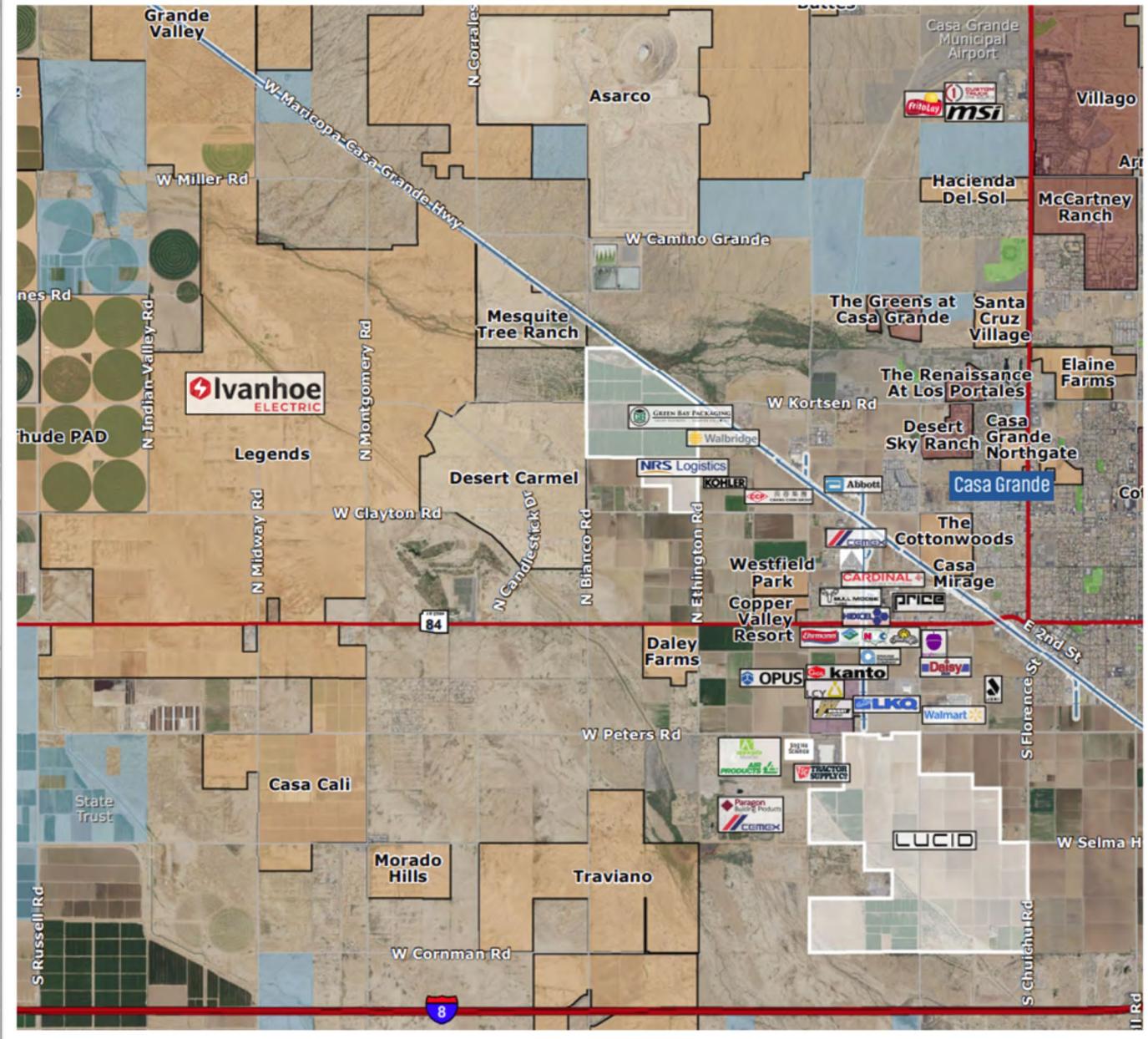
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Pinal County

Casa Grande Employment

Federal
Indian Community
State Trust
Parks & Preserves



Source: Land Advisors Organization

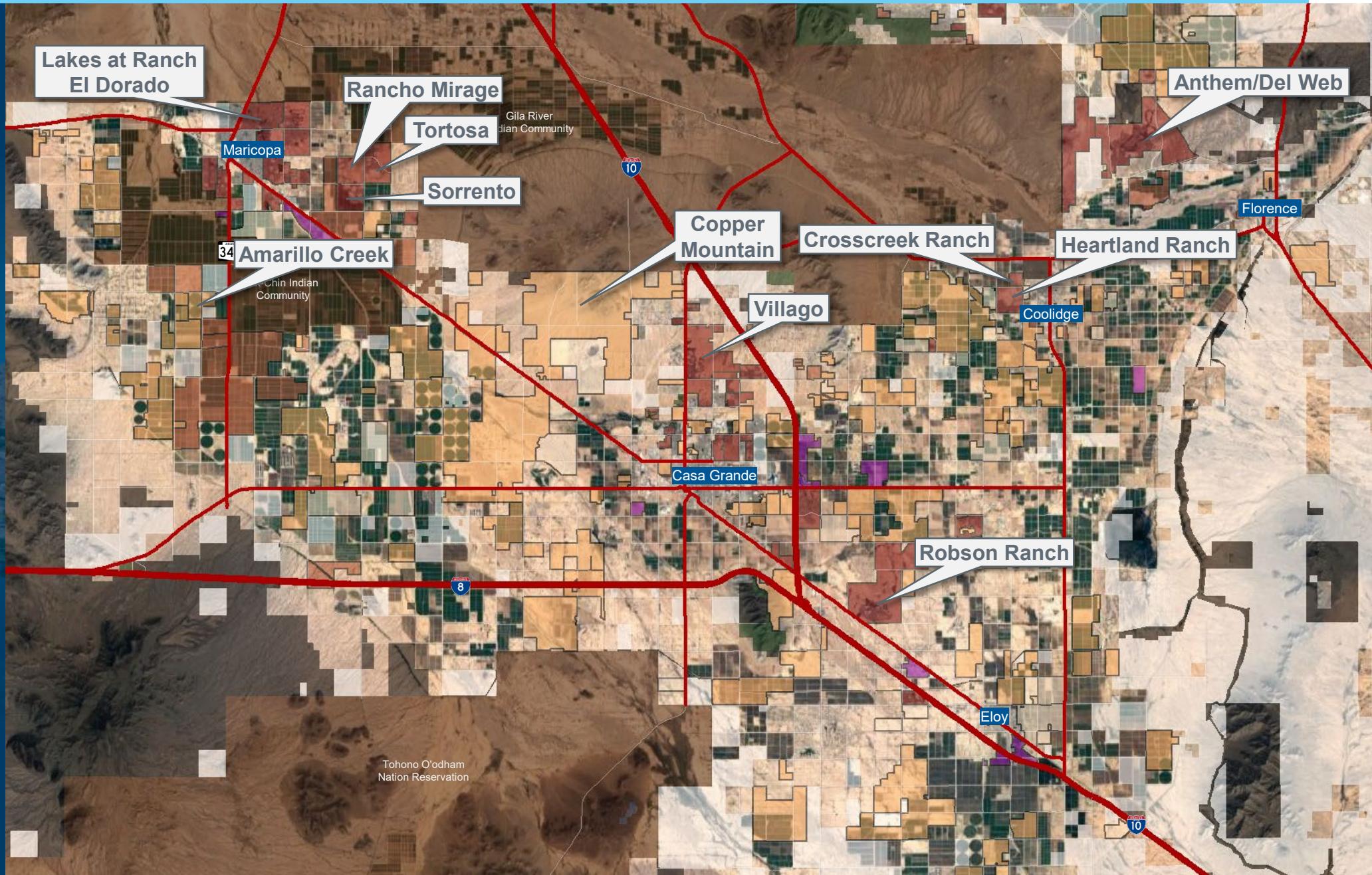
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Pinal County

12 Month SF
Permits
2,727

- Projects
- Active
- Pending
- Conceptual
- Future
- Non-Residential
- Federal
- Indian Community
- State Trust
- Parks & Preserves



Source: RL Brown, Land Advisors Organization

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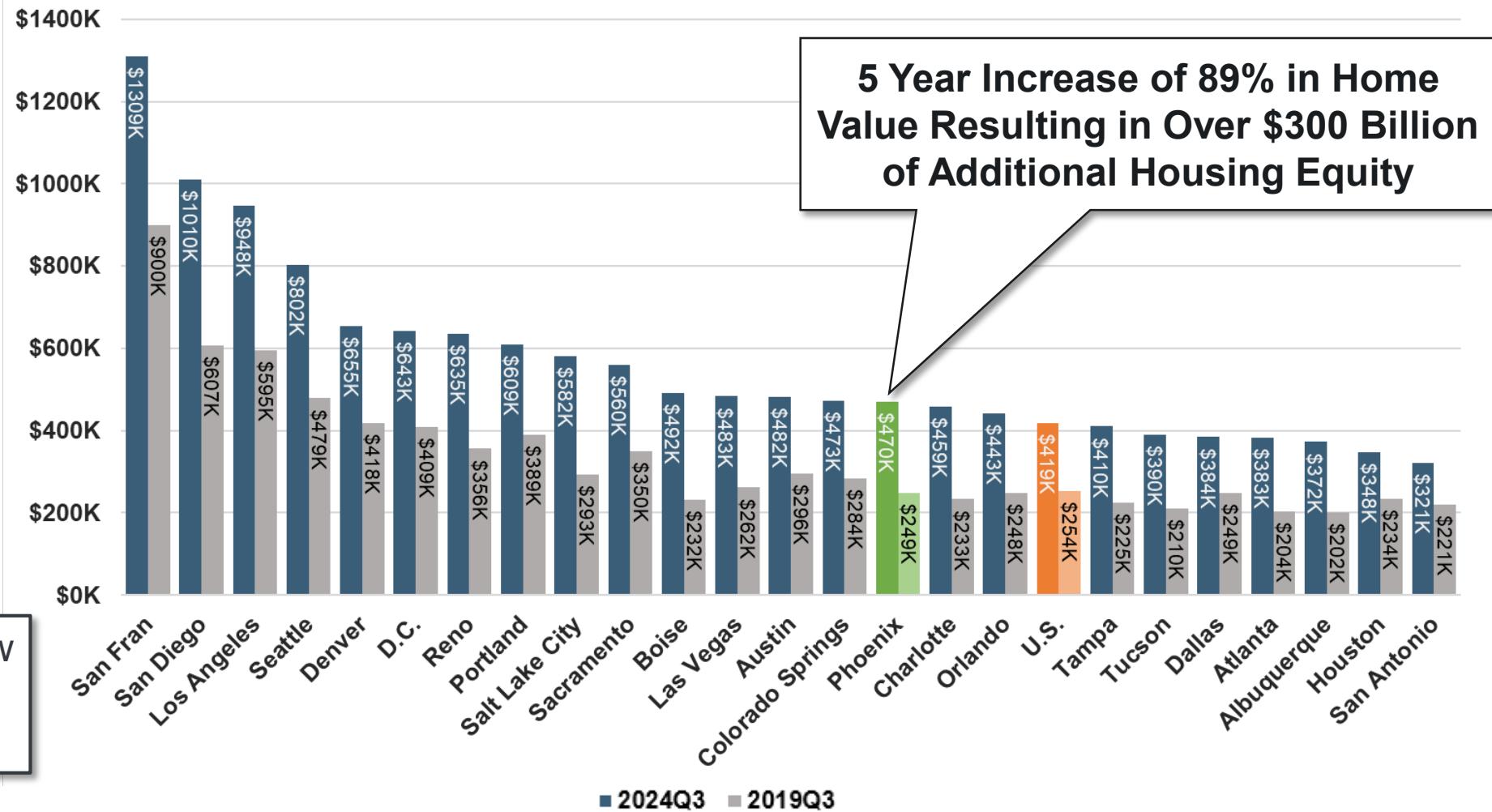
Rapid Appreciation Leads to:

- 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

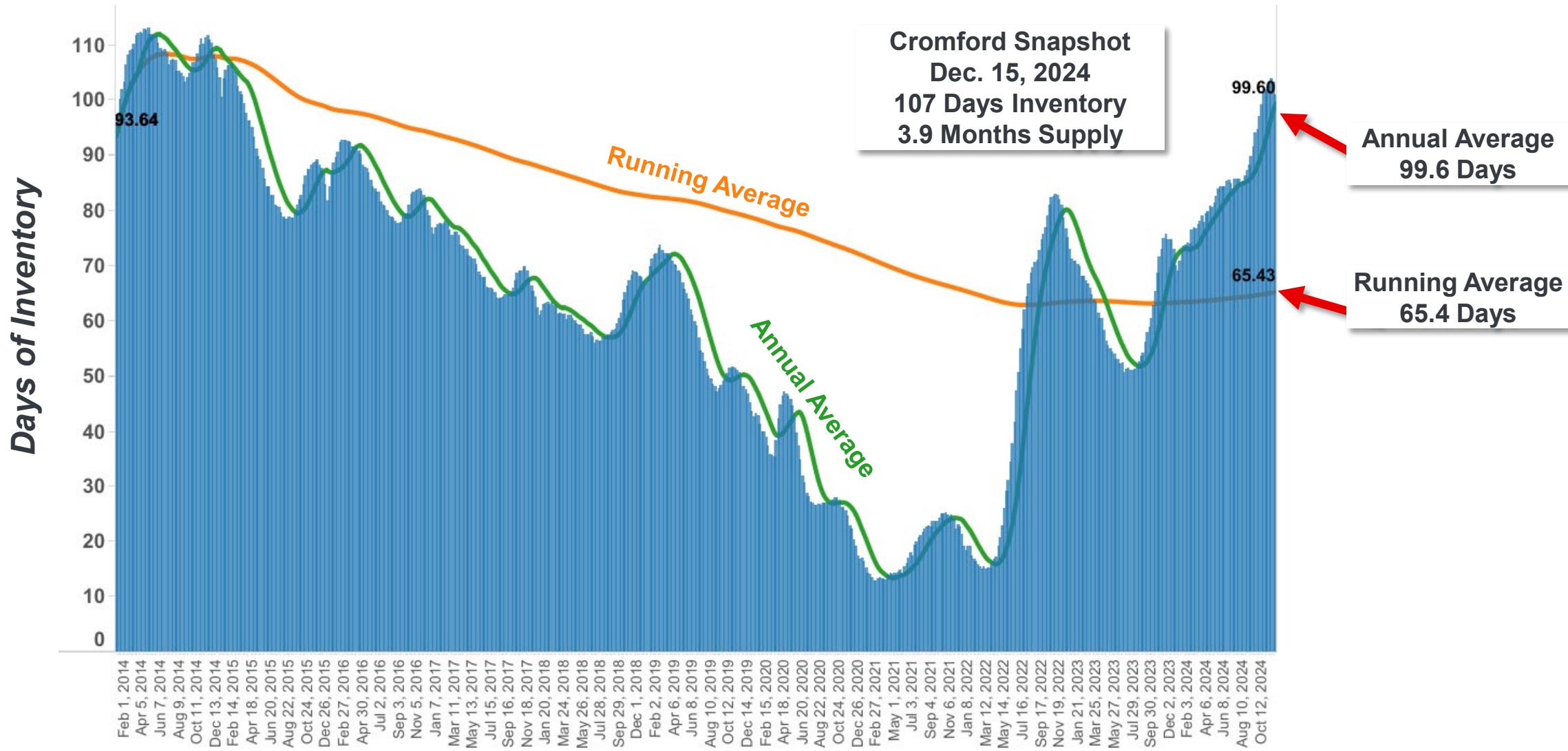
Median Resale Home Price

2019 3Q vs 2024 3Q



Resale Days of Supply – Phoenix Metro

Net of Pending

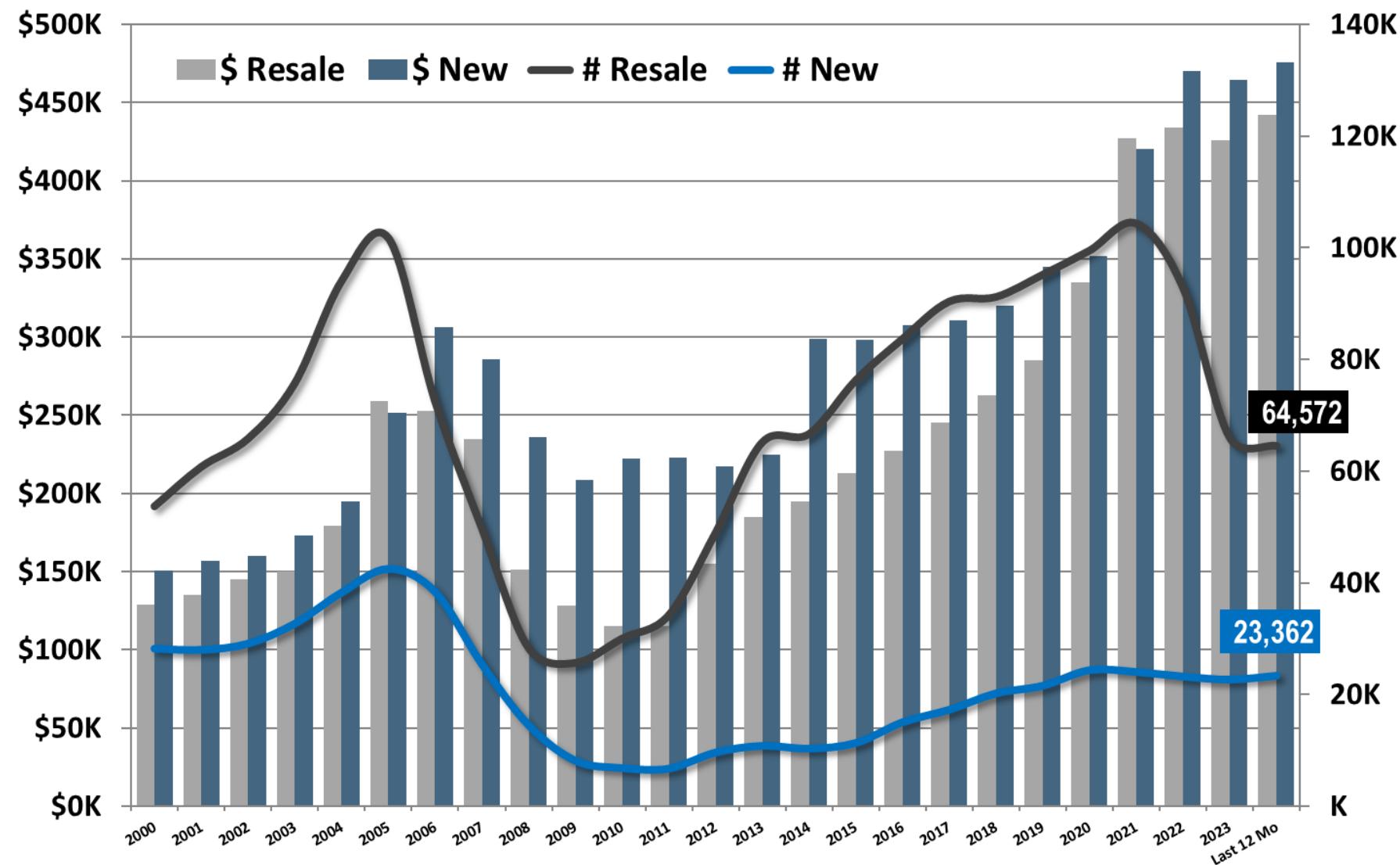


Resale vs. New

	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

New & Resale Home Sales & Median Prices

November 2024

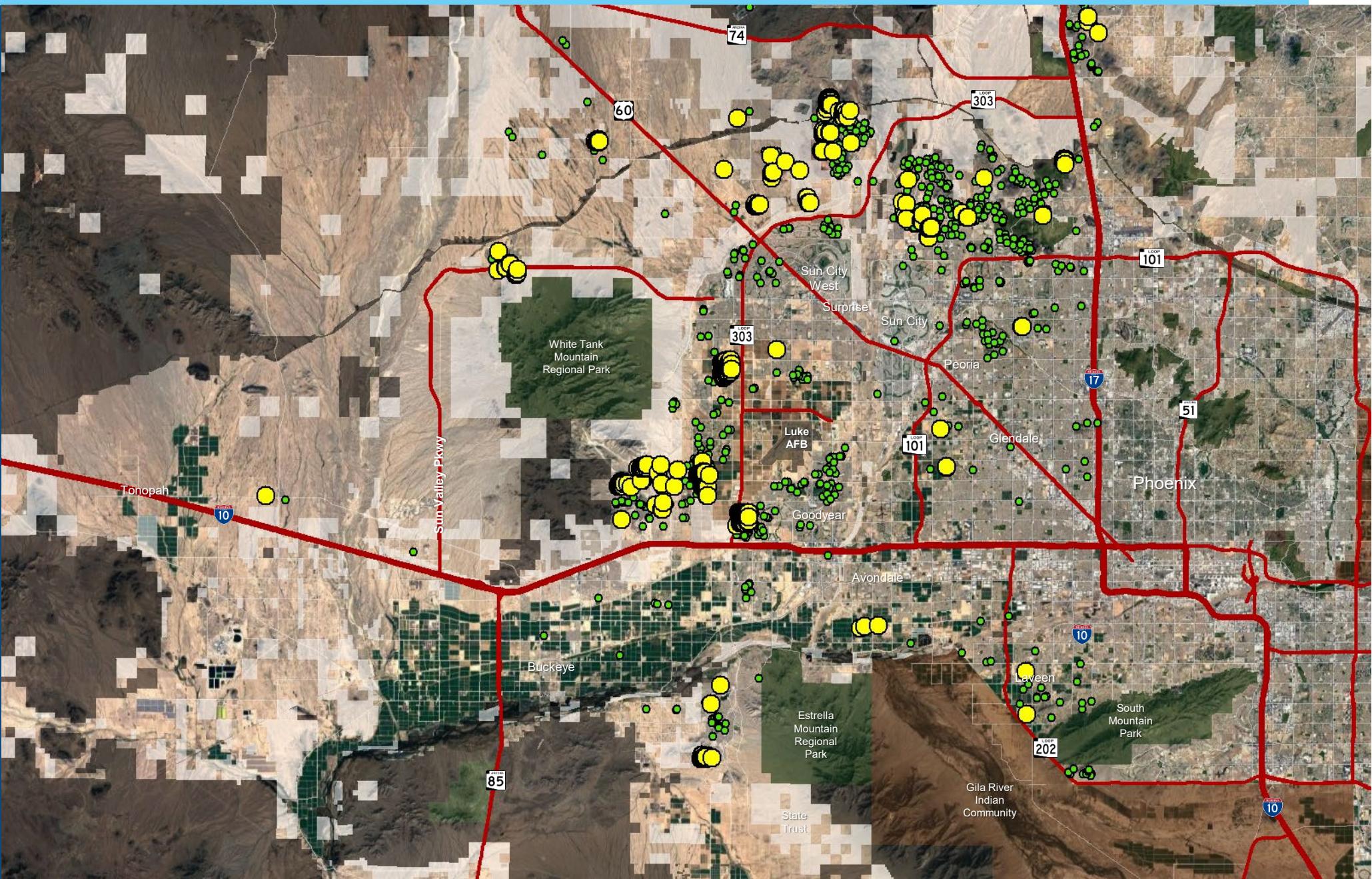


West Valley Home Closings Over \$800,000

JULY 2022-23

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

Federal
Tribal Lands
State Trust
Parks & Preserves



Source: RL Brown, Land Advisors Organization

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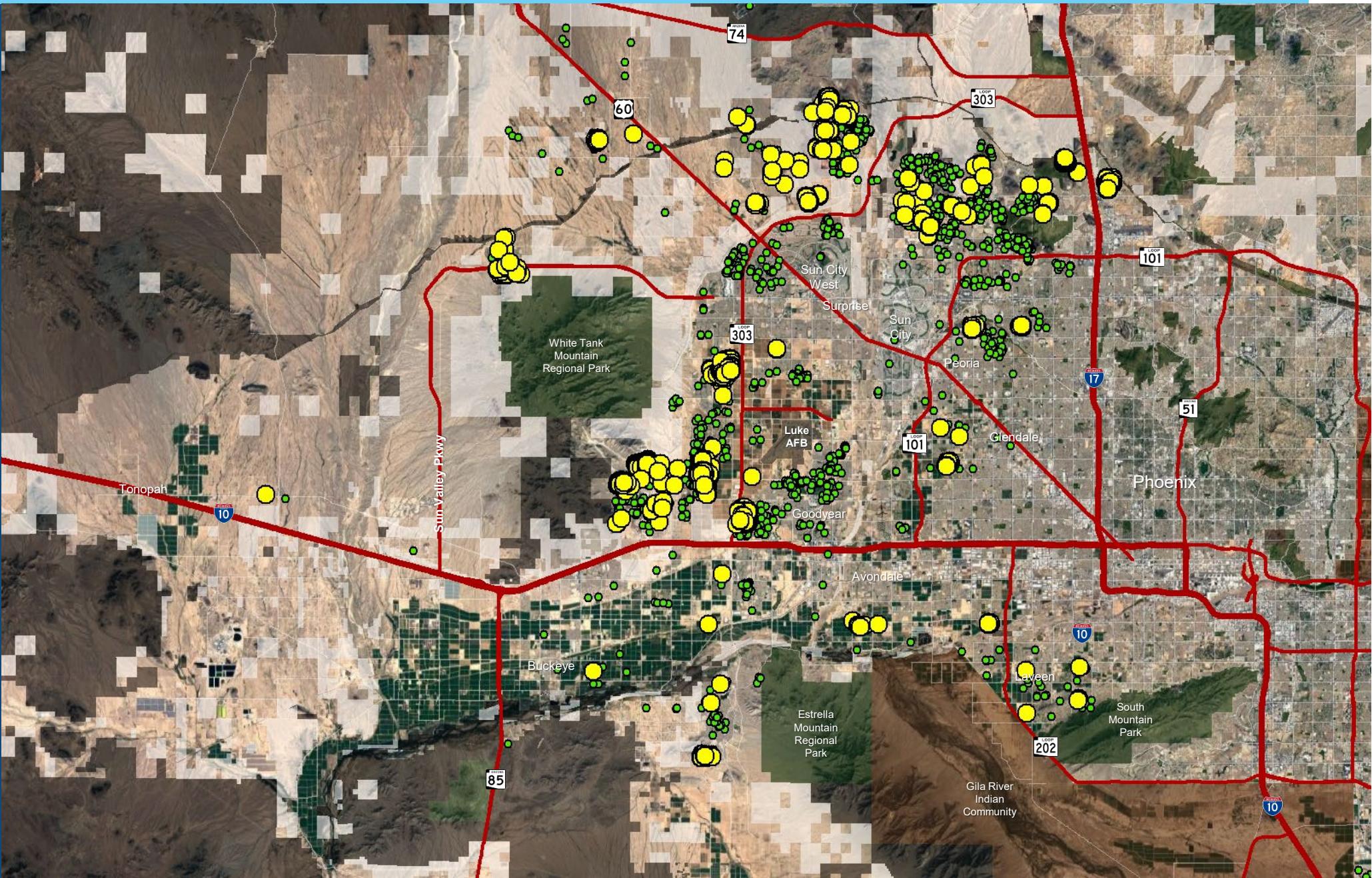
West Valley Home Closings Over \$800,000

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



Source: RL Brown, Land Advisors Organization

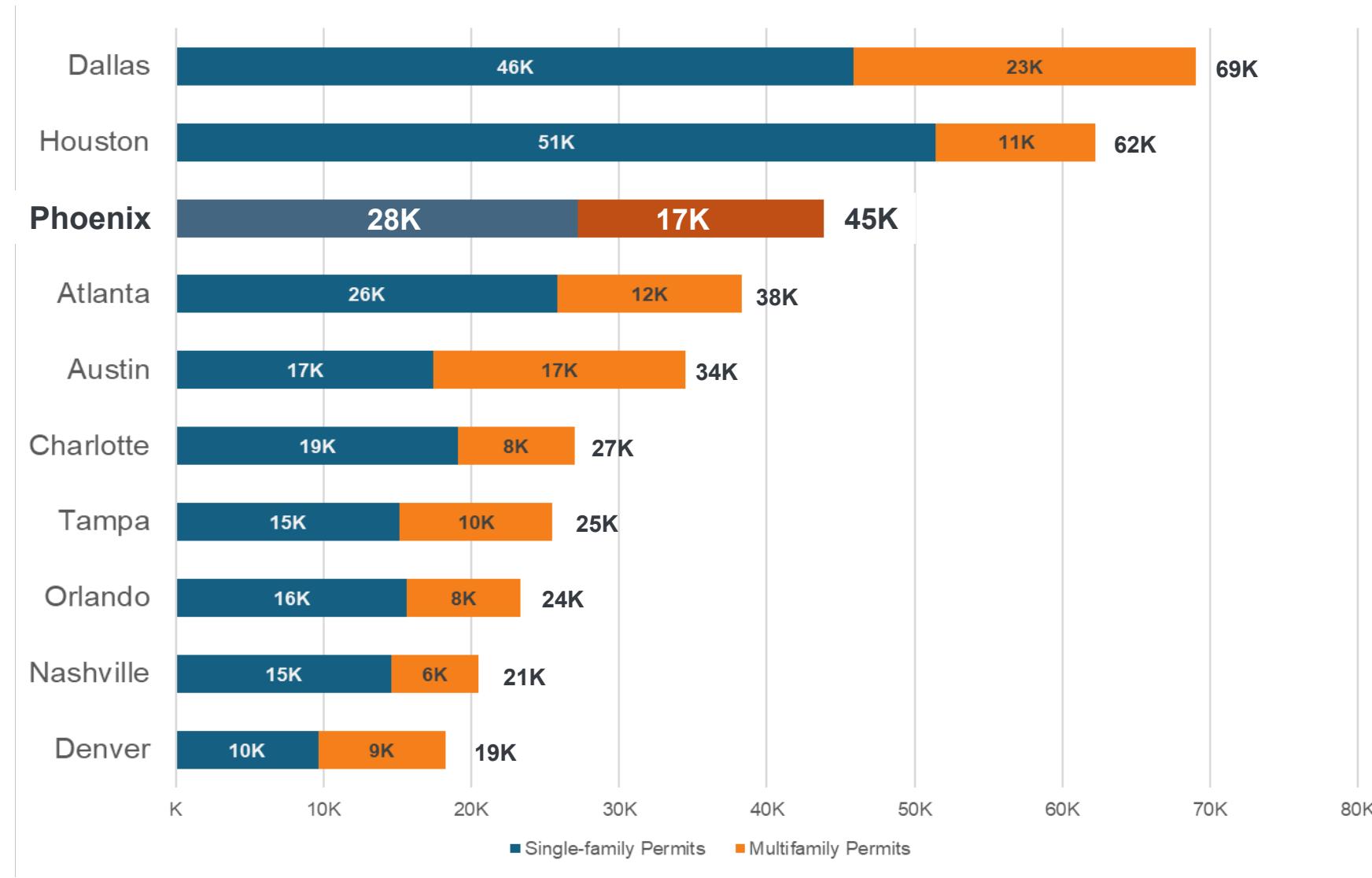
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Total Single-Family and Multifamily Permits

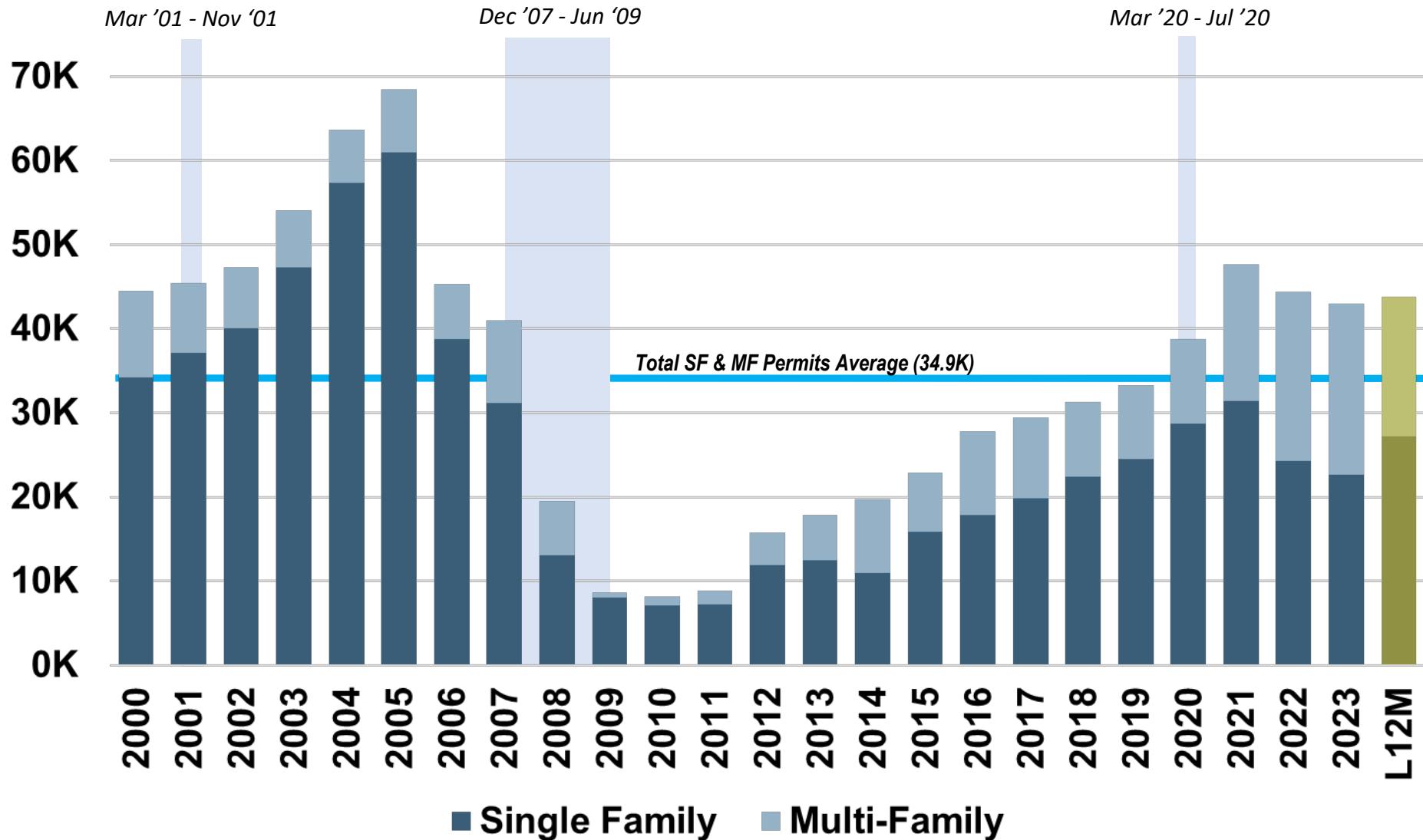
Last 12 Months through September 2024



Total Housing Permits

Single & Multifamily

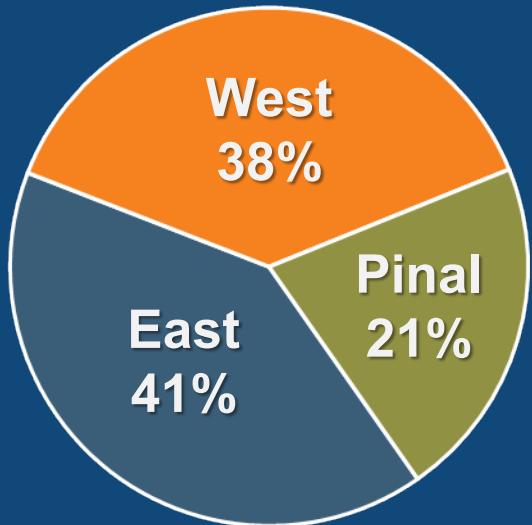
	Single Family	Multi-Family	Total
1990s	265,000	59,000	324,000
2000s	368,000	70,000	438,000
2010s	150,000	65,000	215,000
2020s*	250,000	100,000	350,000



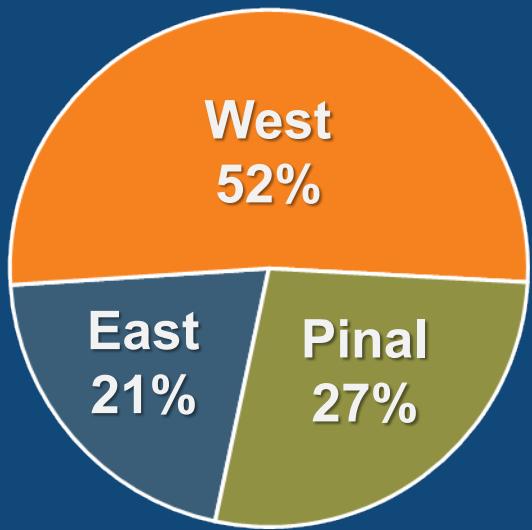
2020s* – Forecast



2010 Market Share

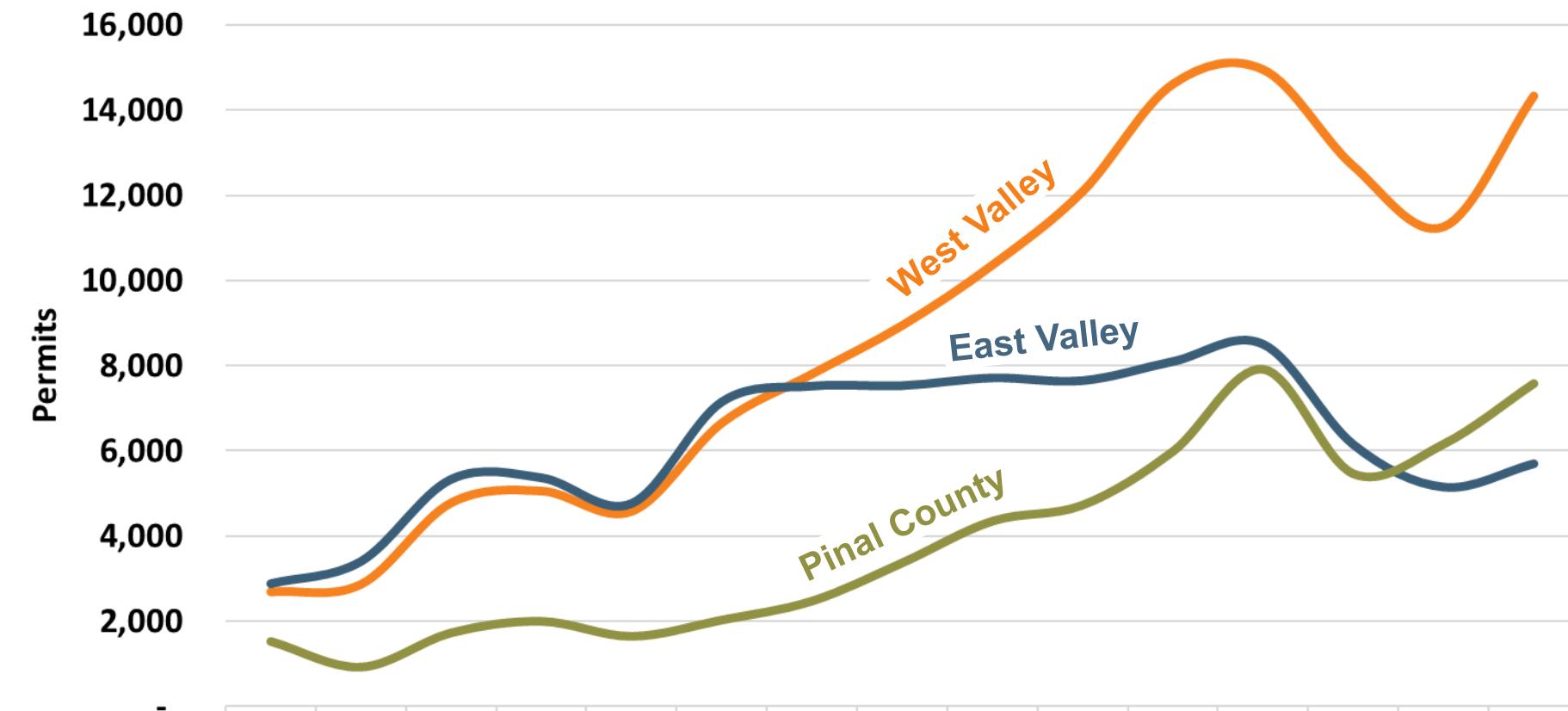


Last 12 Months



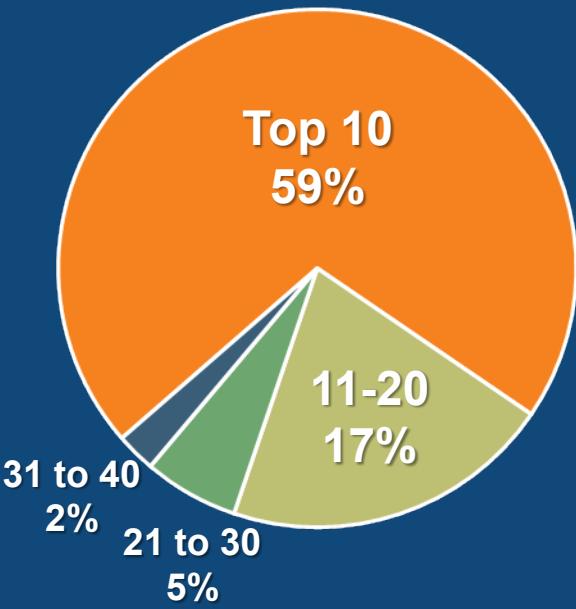
Single-Family Permits by Region

November 2024

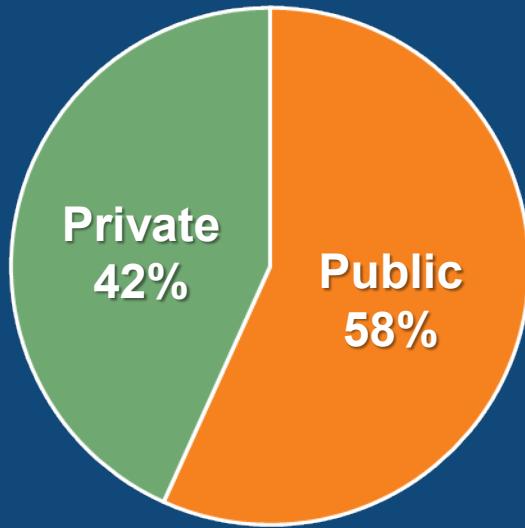


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Last 12 Mo
West Valley	2,699	2,874	4,786	5,063	4,585	6,659	7,806	8,945	10,363	12,089	14,607	14,945	12,682	11,257	14,327
East Valley	2,888	3,412	5,340	5,374	4,771	7,155	7,523	7,536	7,715	7,654	8,101	8,508	6,152	5,155	5,703
Pinal County	1,522	918	1,726	1,995	1,644	2,028	2,473	3,373	4,356	4,733	5,996	7,929	5,469	6,168	7,593

Builder's Market Share

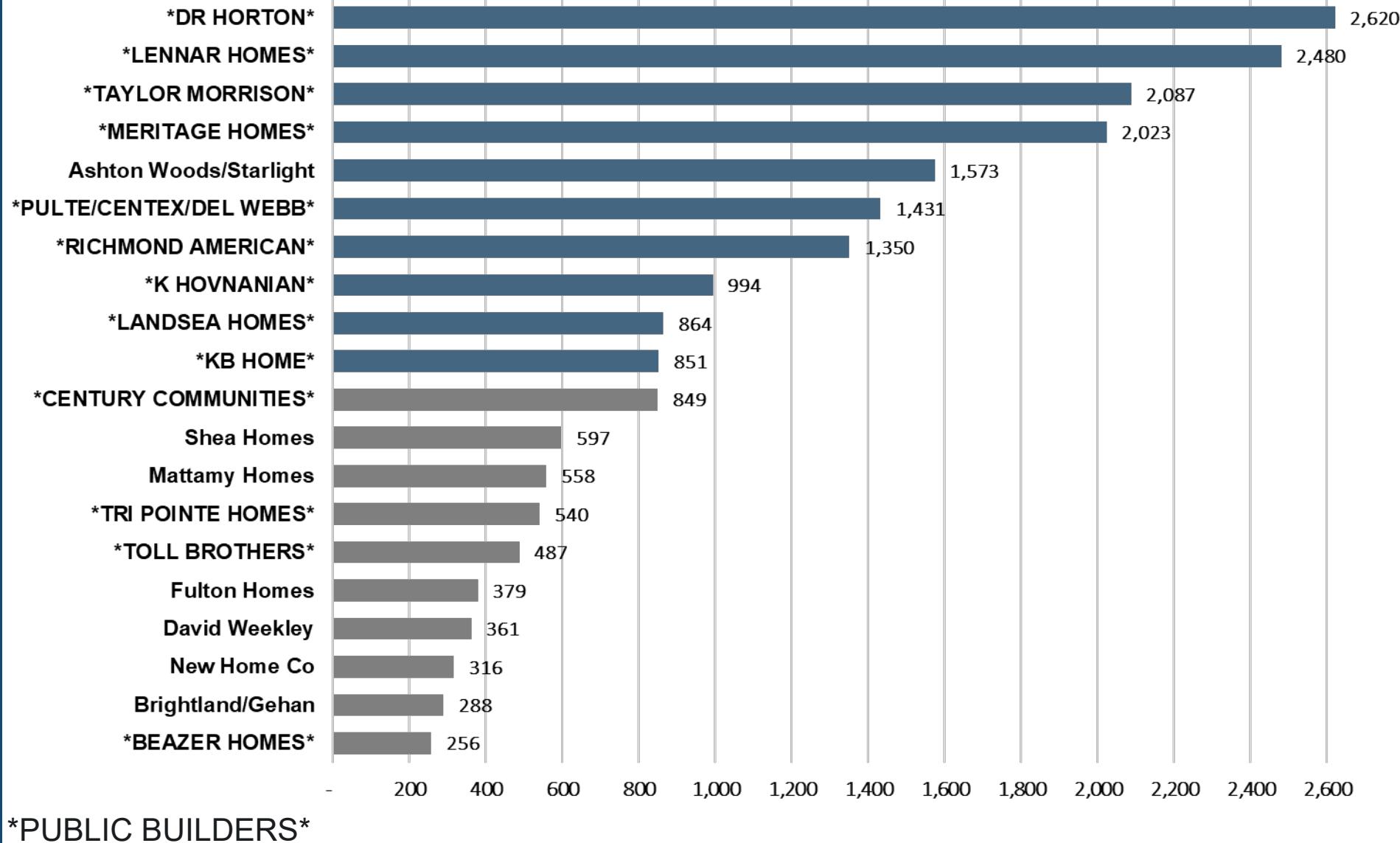


Public vs. Private

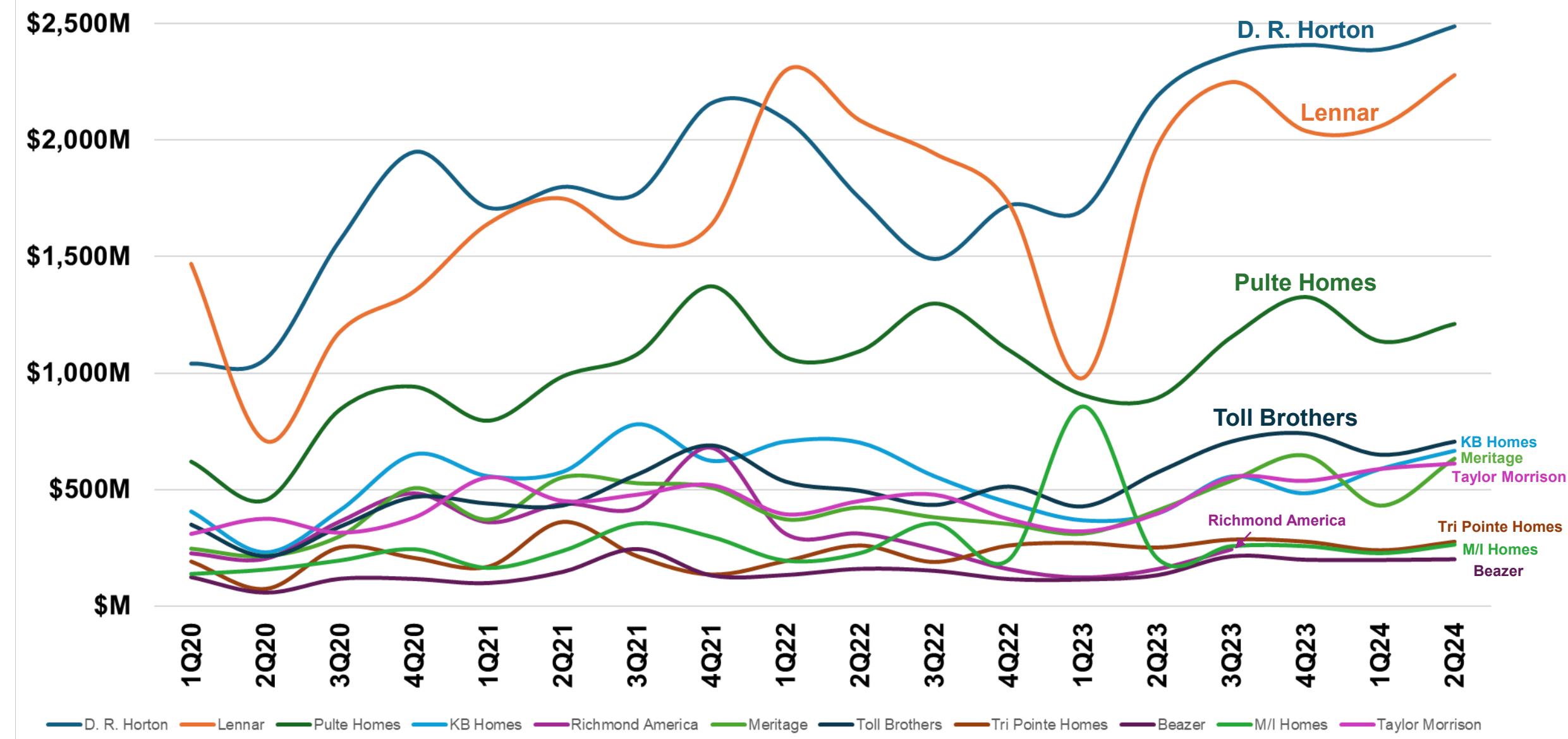


Top 20 Home Builders by Permits

Last 12 Months – November 2024



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



Closings Per Active Subdivision Last 12 Months

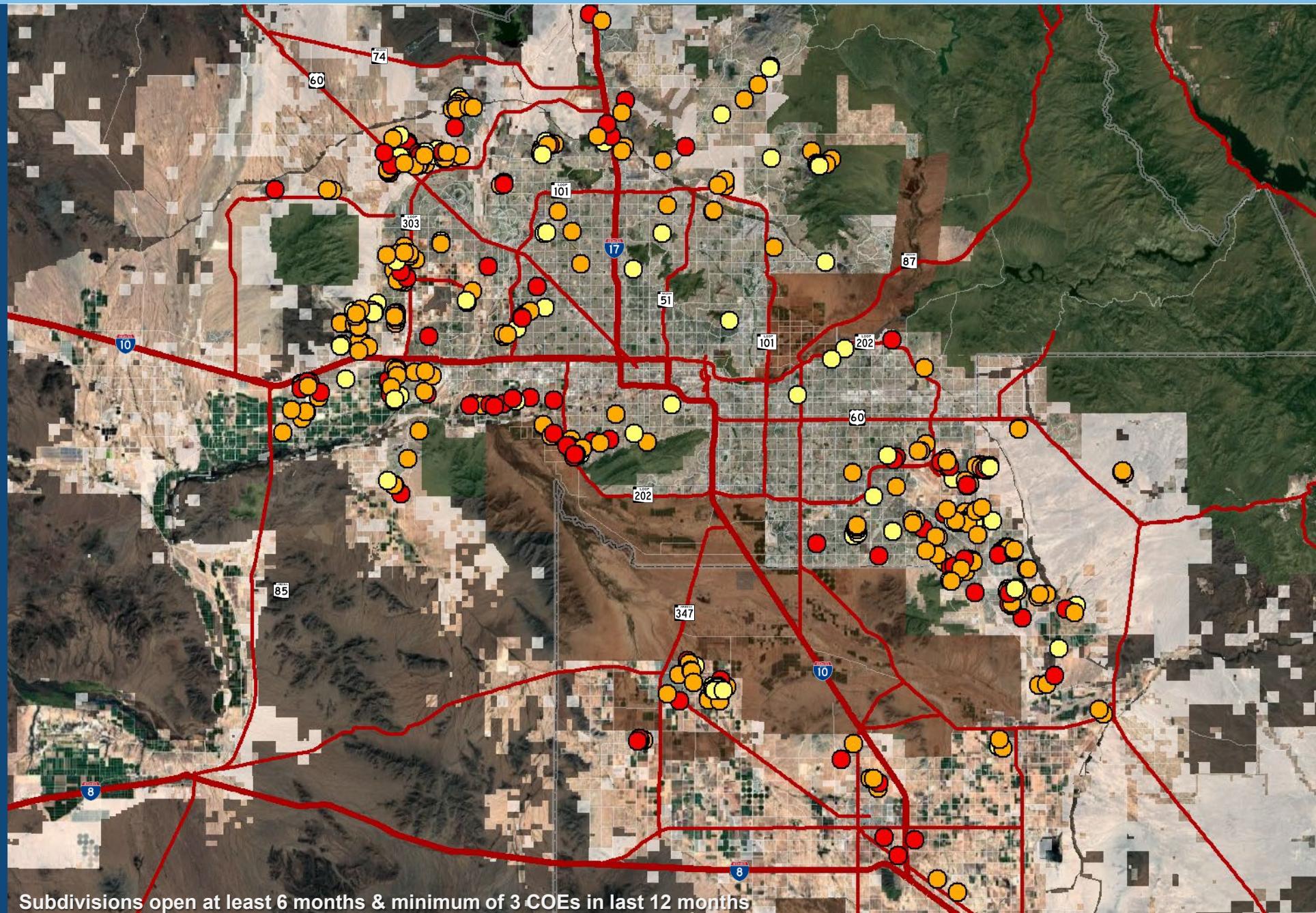
Closings

- 3 - 10 (79)
- 11 - 50 (268)
- Greater than 50 (109)

Active Subdivisions

456

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



Closings Per Active Subdivision Last 12 Months

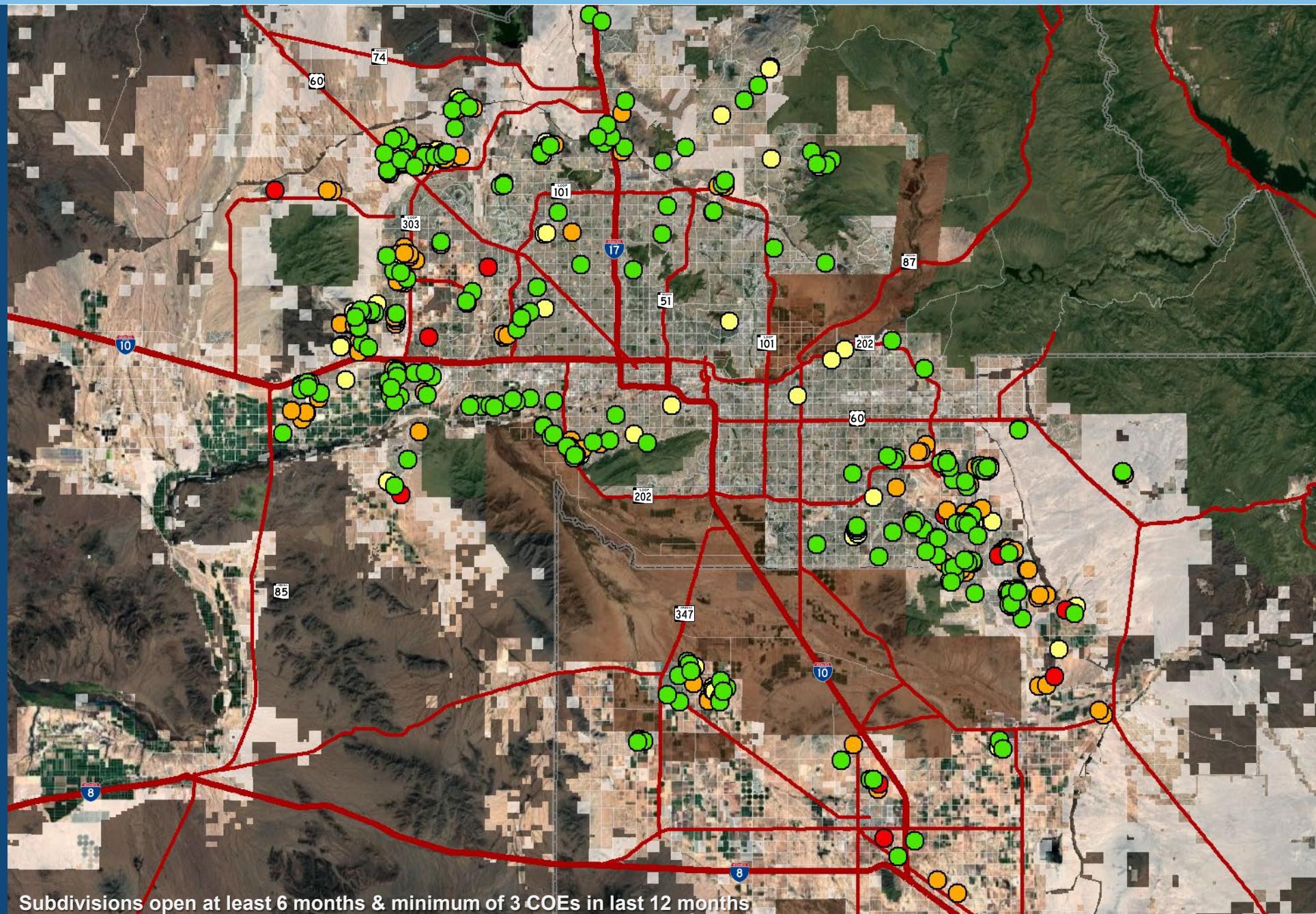
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Active Subdivisions
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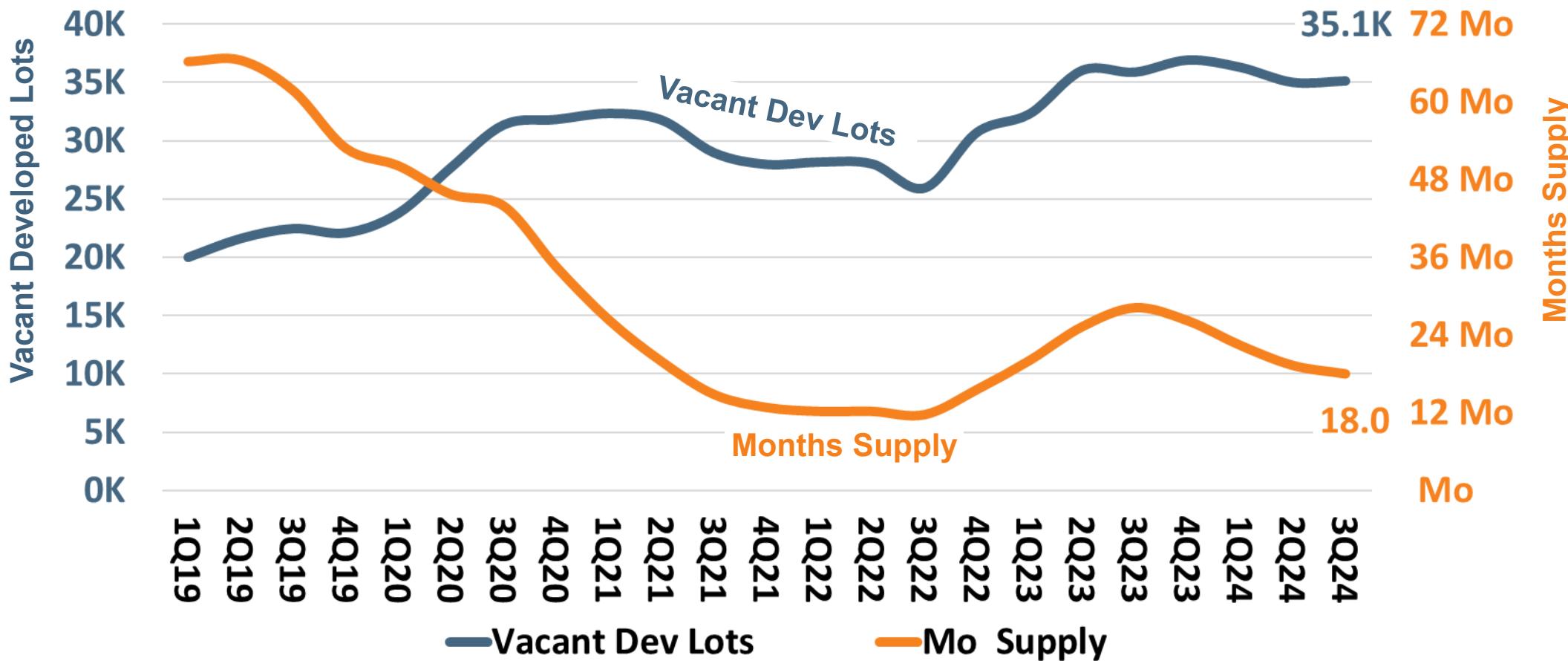
Built Out in 12 Months
220

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

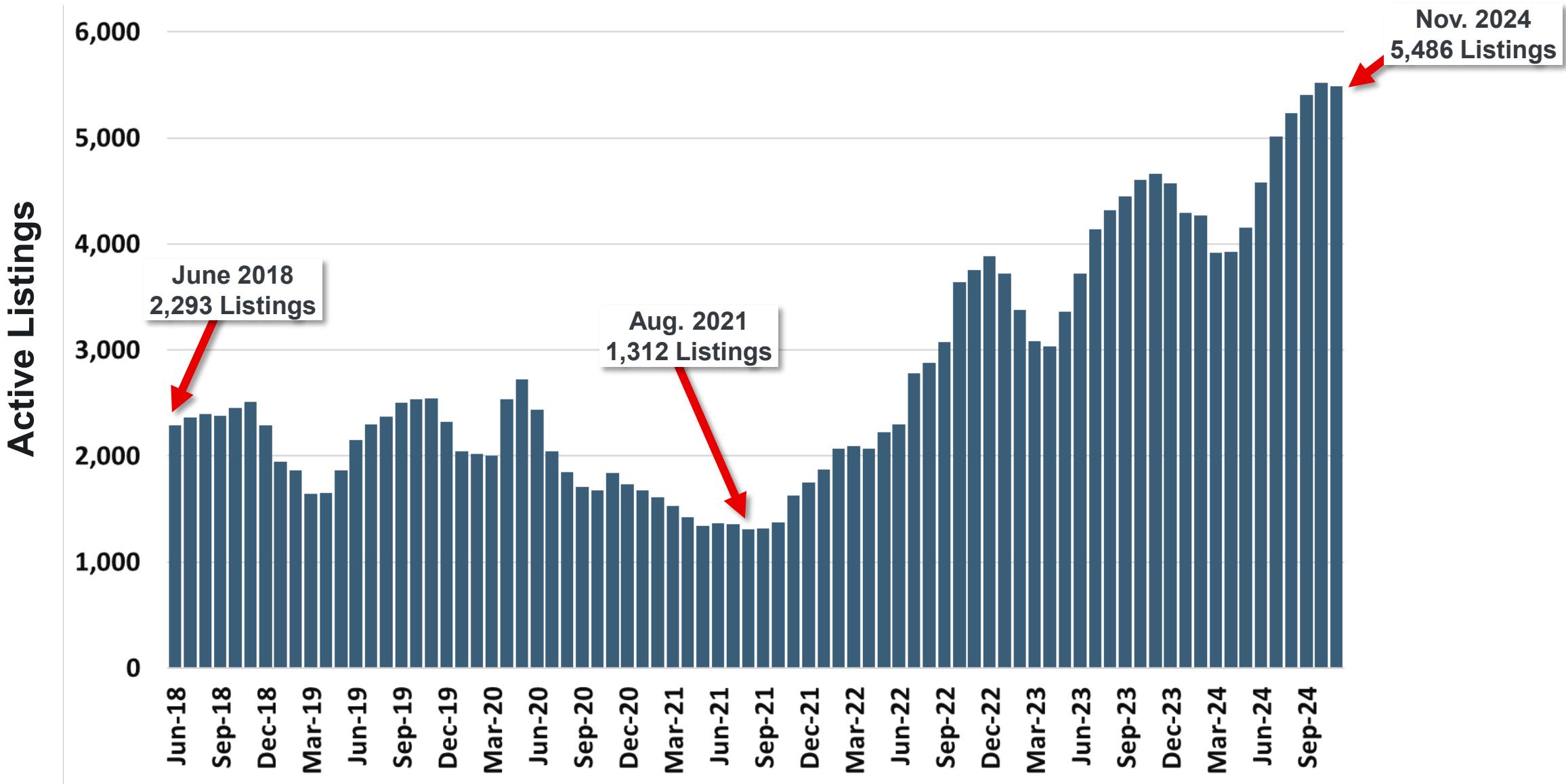


Finished Lot Inventory & Months Supply

Conventional Finished Lots



Active Single Family Rental Listings



SF Rental Rates
-4.6% Change YoY

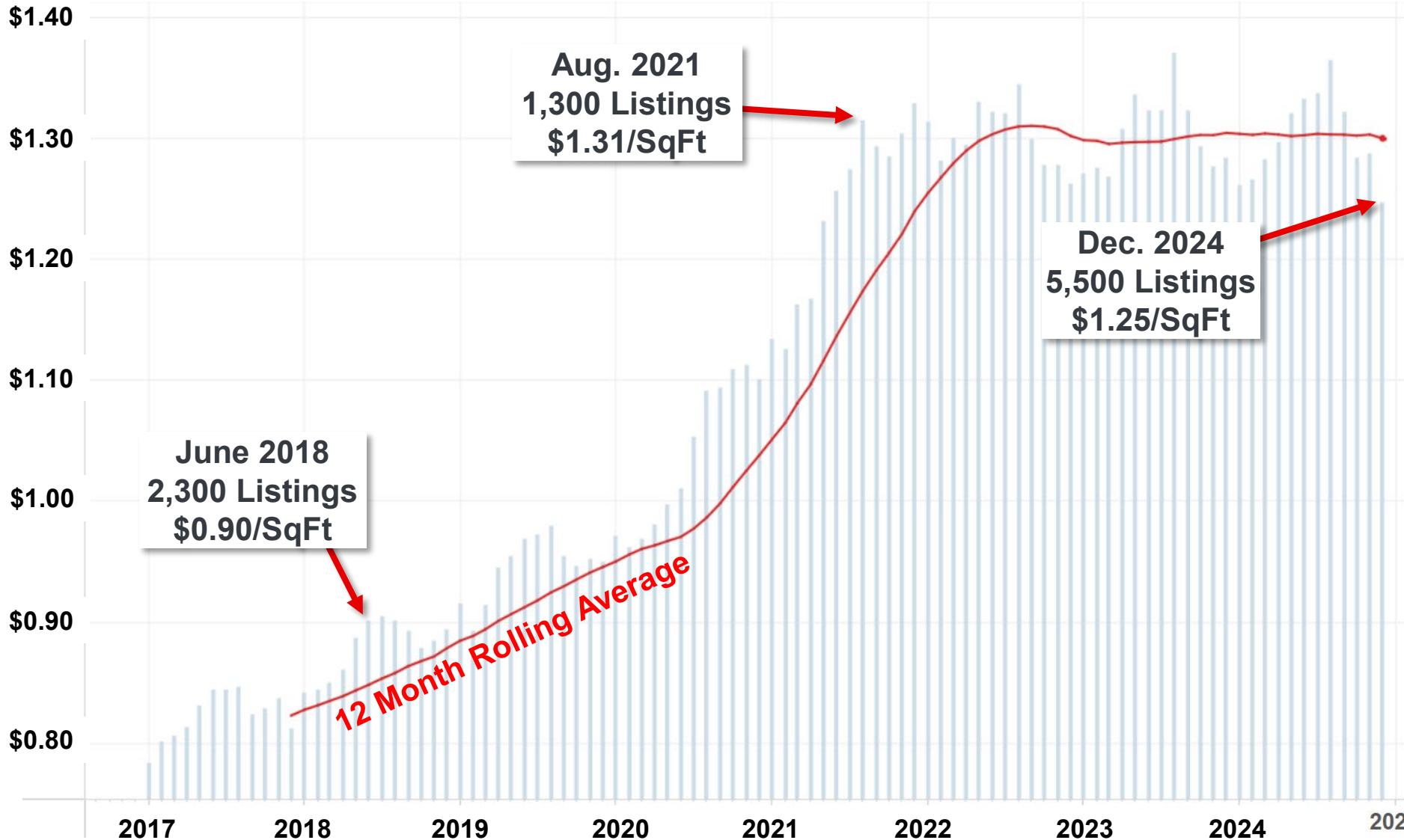
38.9% Increase over
the last 6 ½ years

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

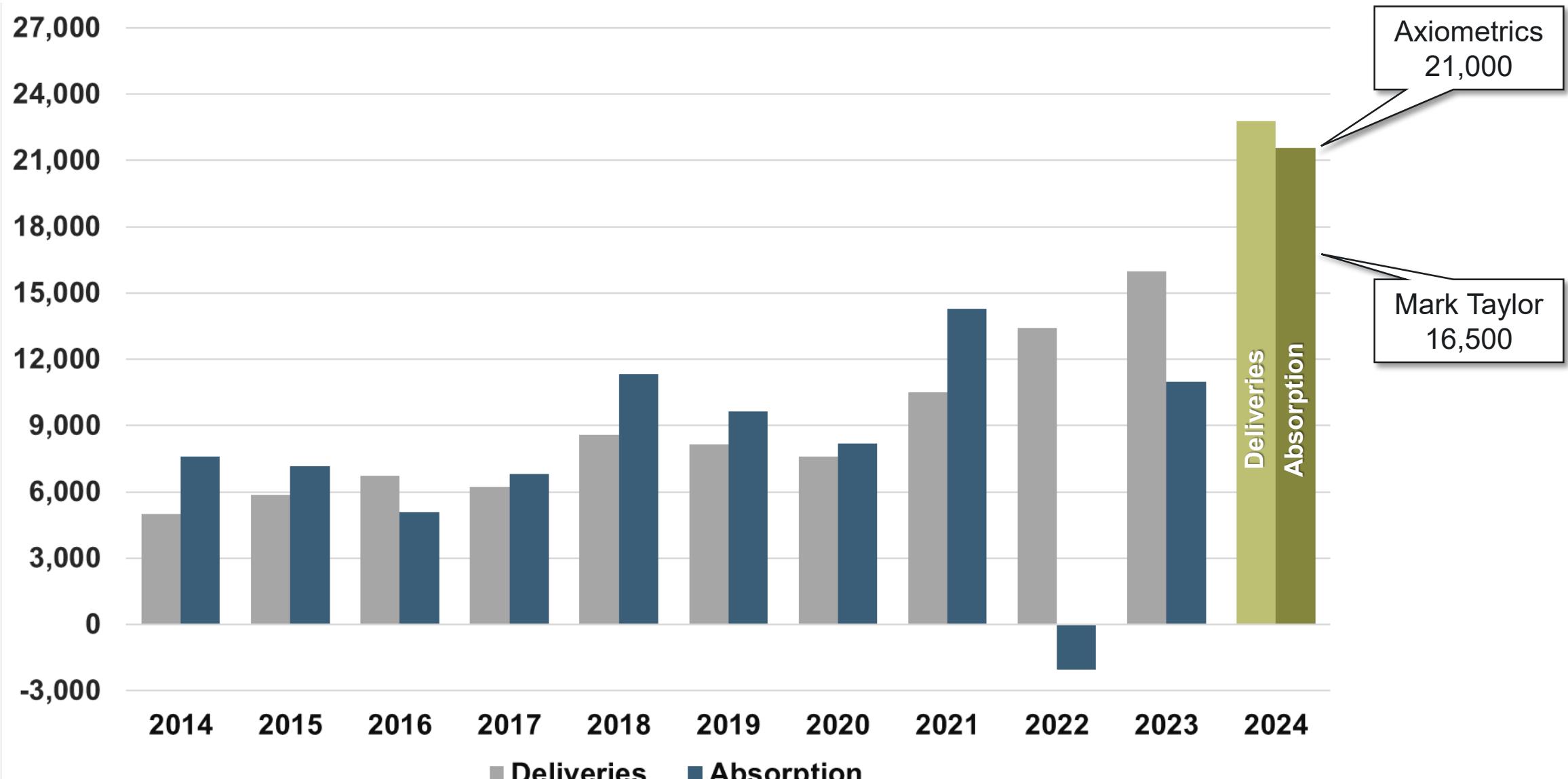
Monthly Average Lease Price per Square Foot, Detached Single Family Home



Phases of the Real Estate Cycle

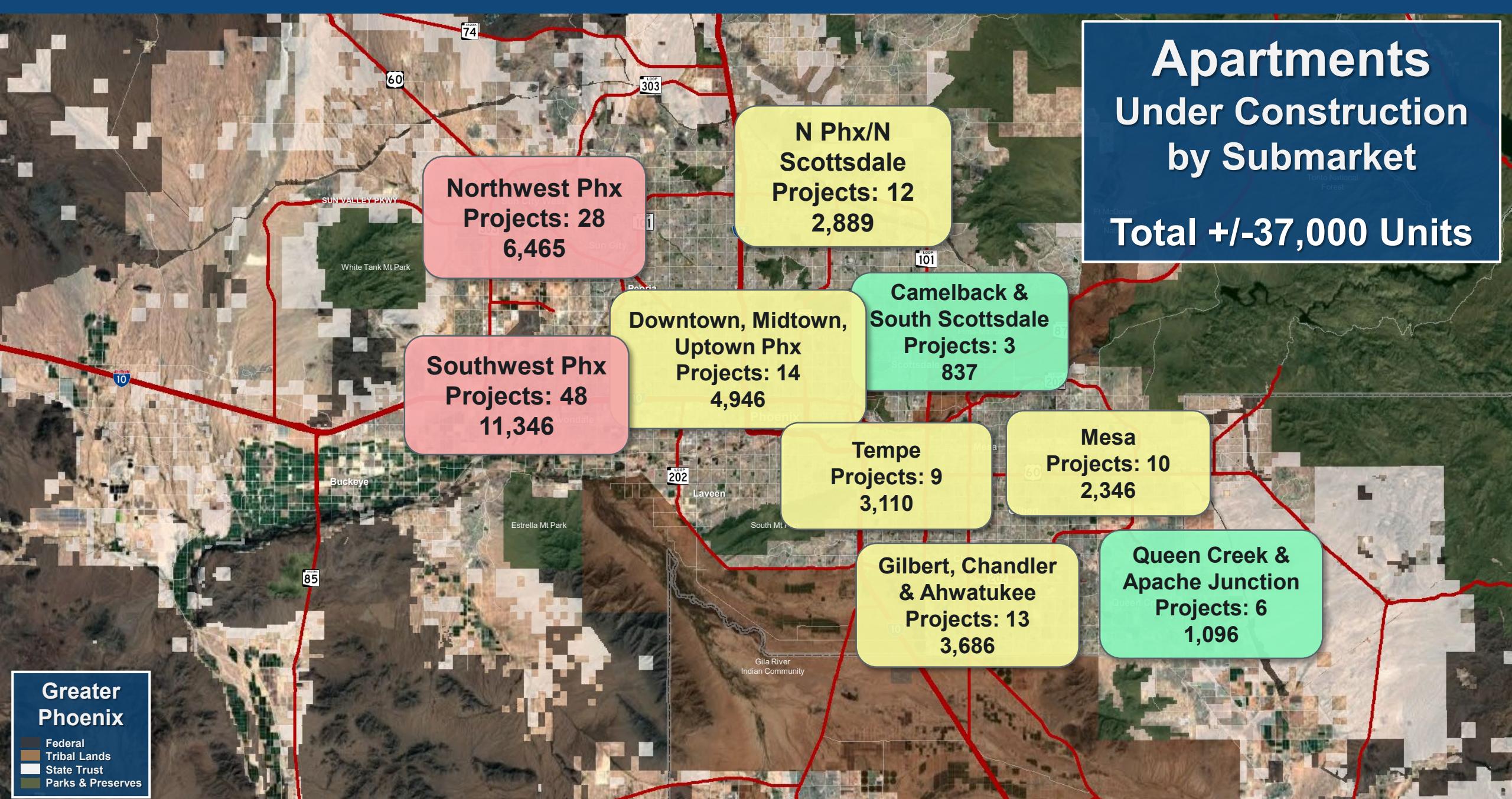


Multifamily Deliveries vs. Net Absorption



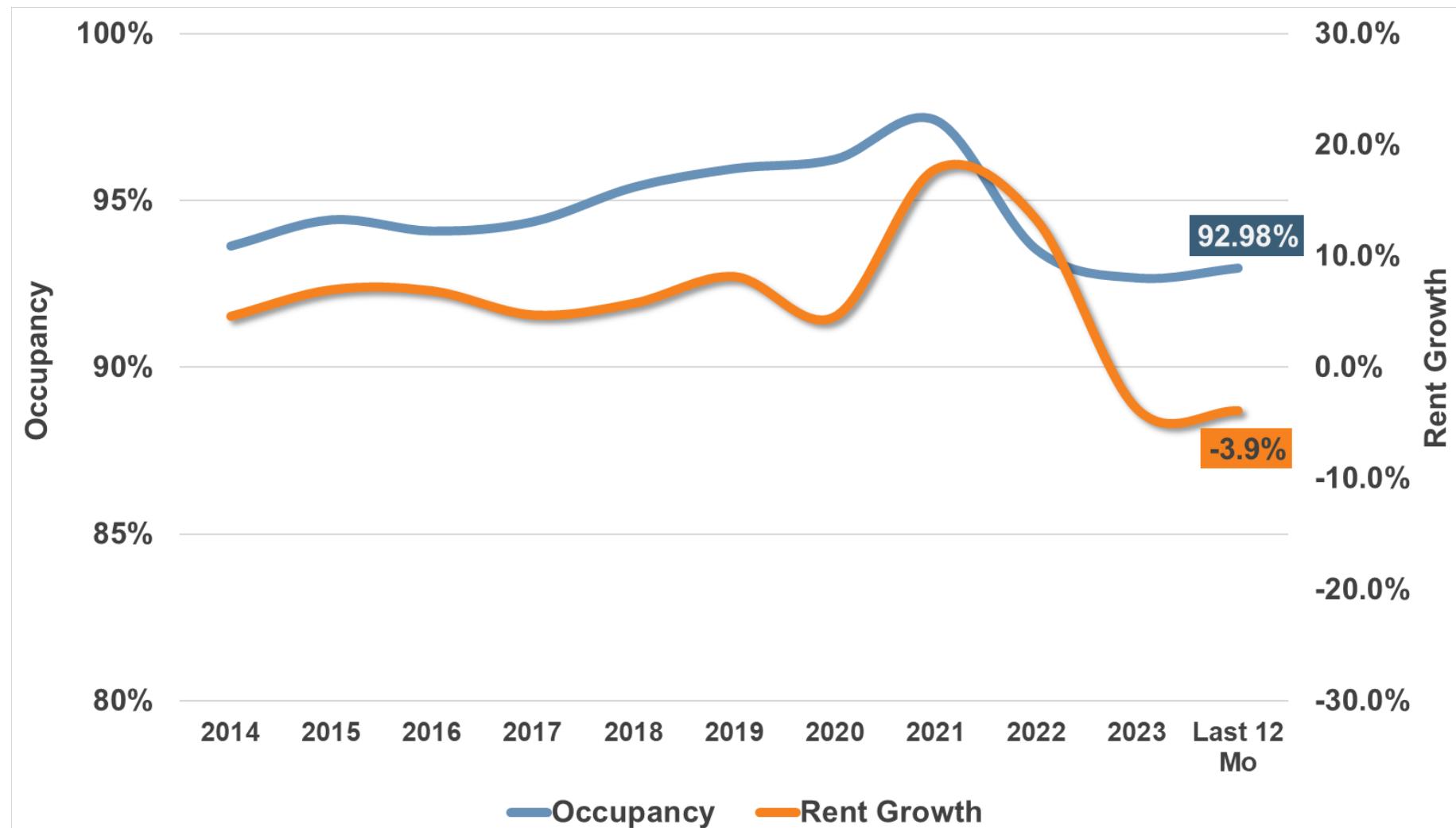
Apartments Under Construction by Submarket

Total +/-37,000 Units

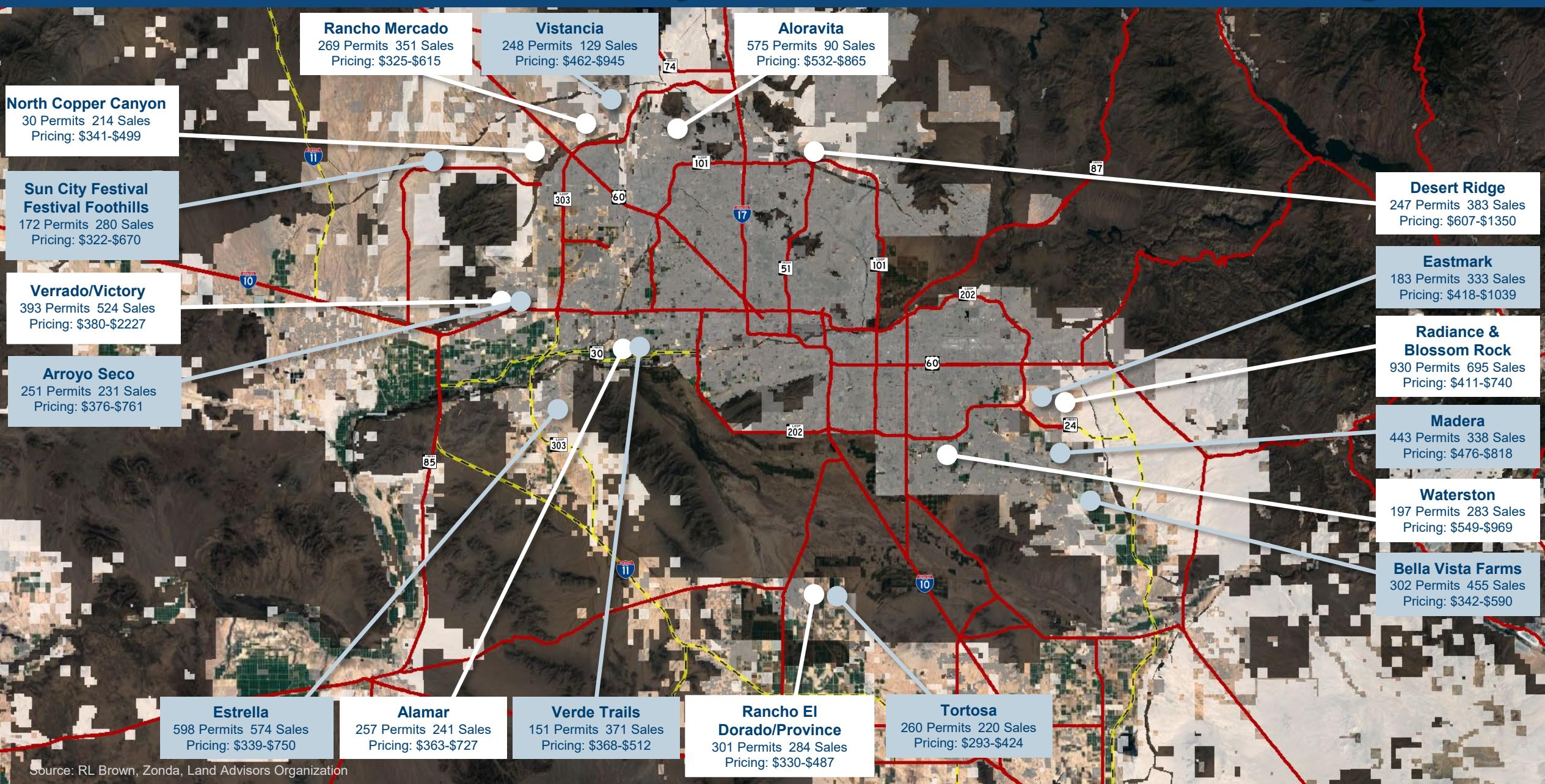


Multifamily Occupancy Rate & Rent Growth

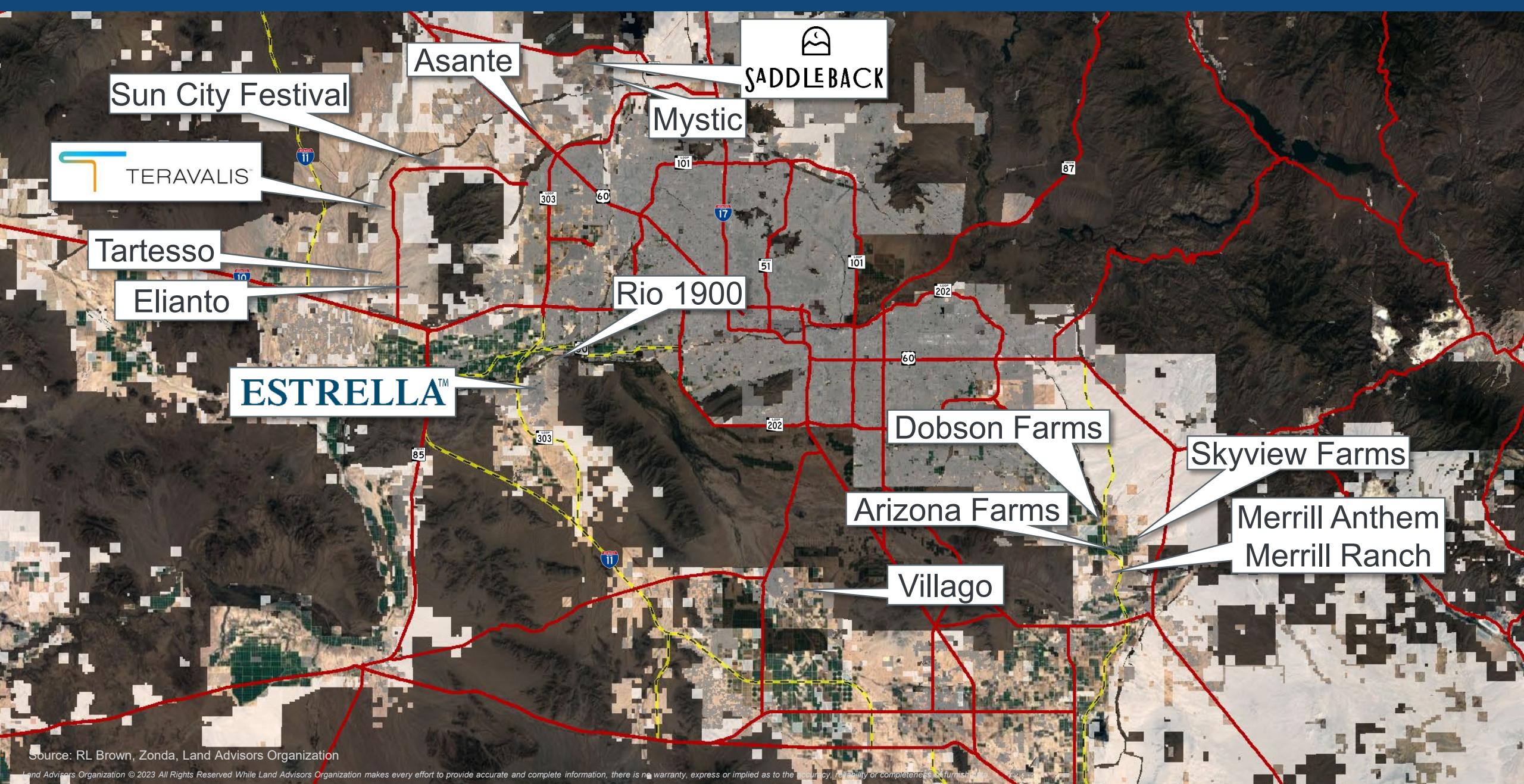
Projected Units Delivered	
2025	27,400
2026	6,200
2027	1,500



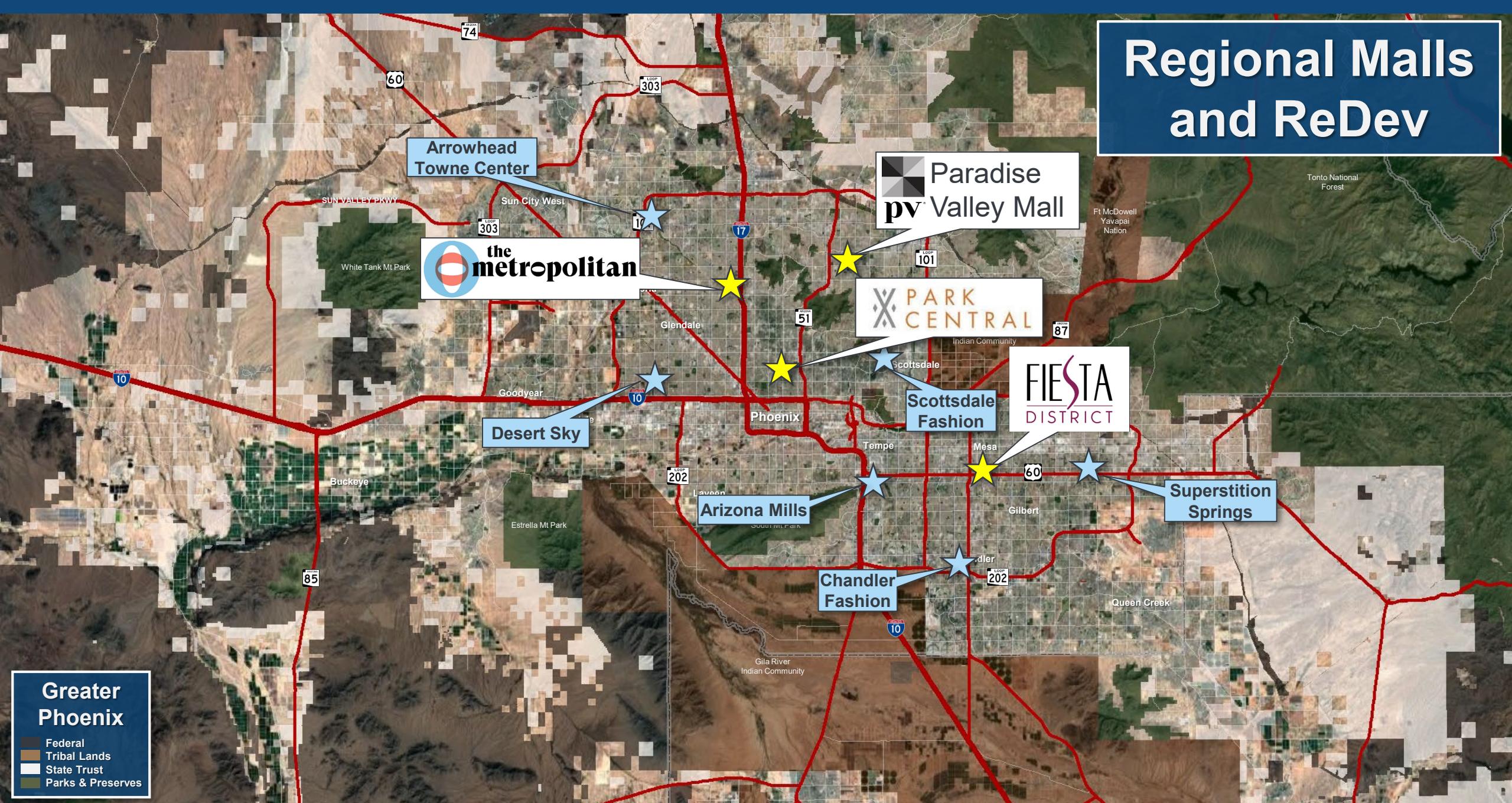
Active Master Plan Community Performance & Current Pricing



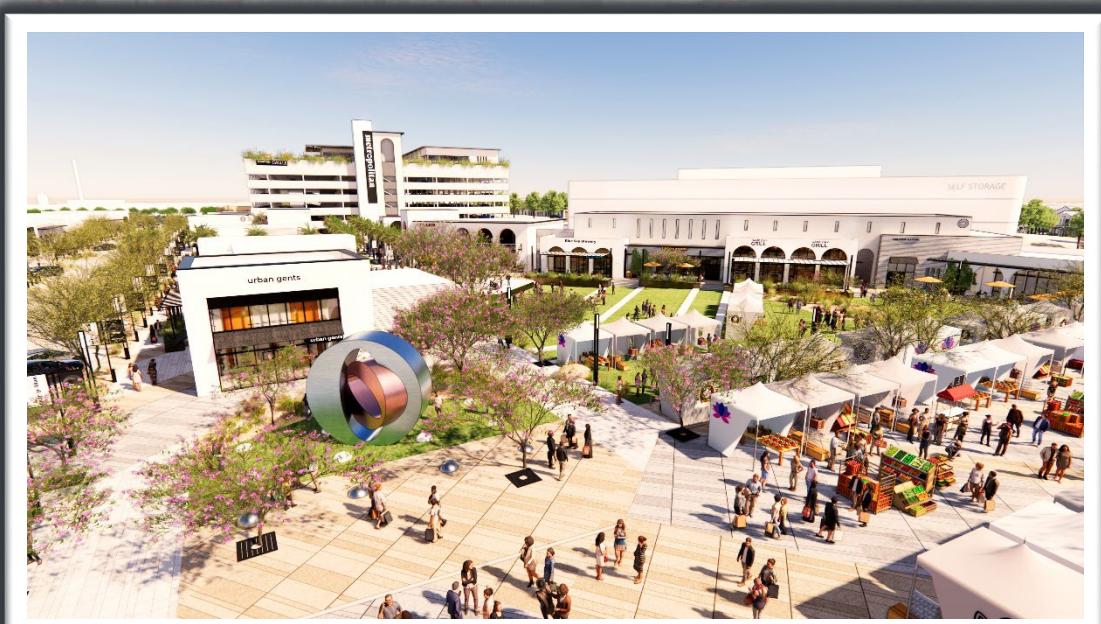
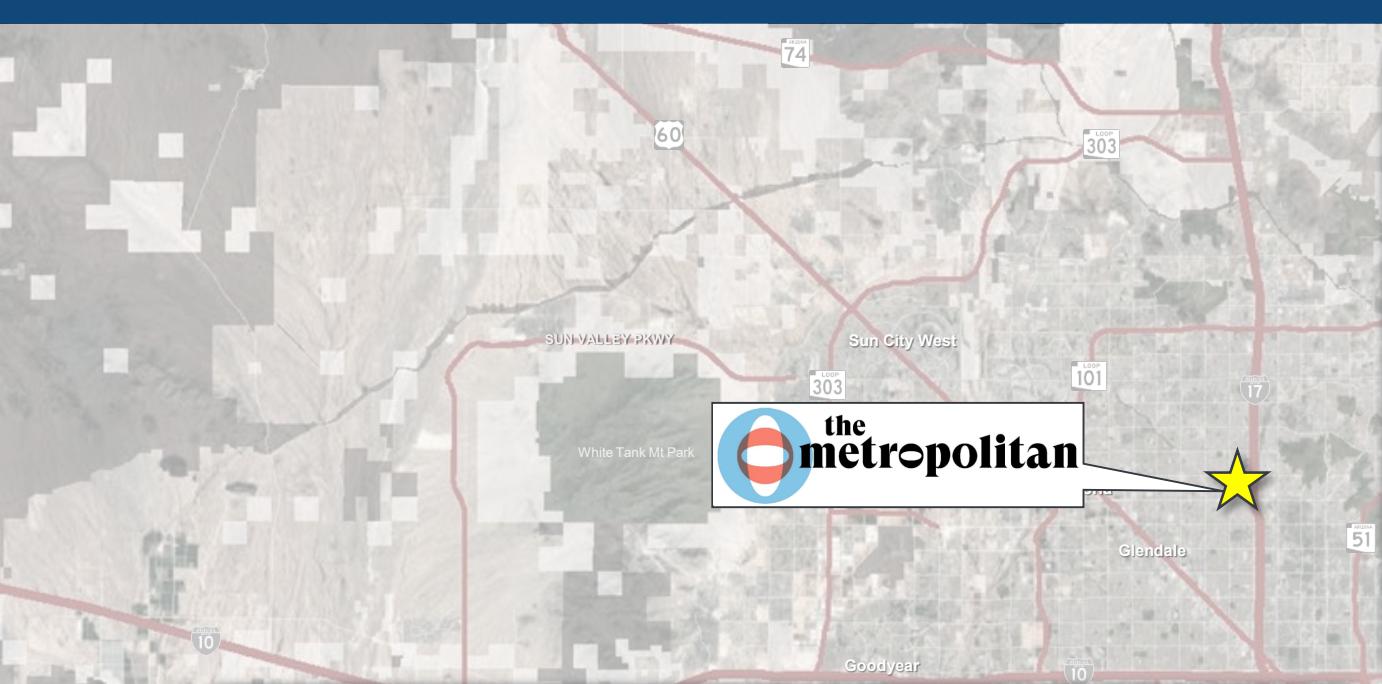
Active & Future Master Planned Communities



Regional Malls and ReDev



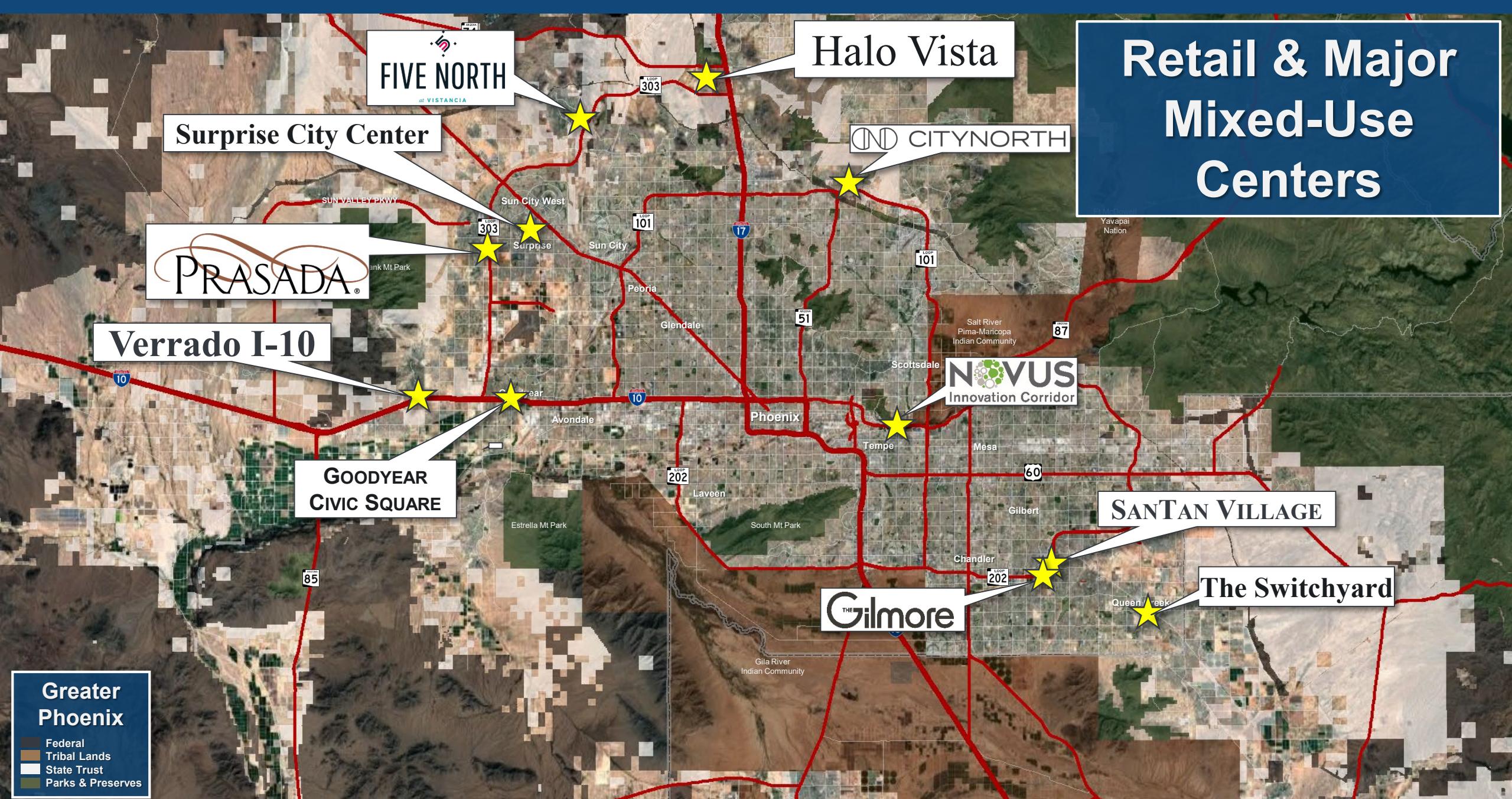








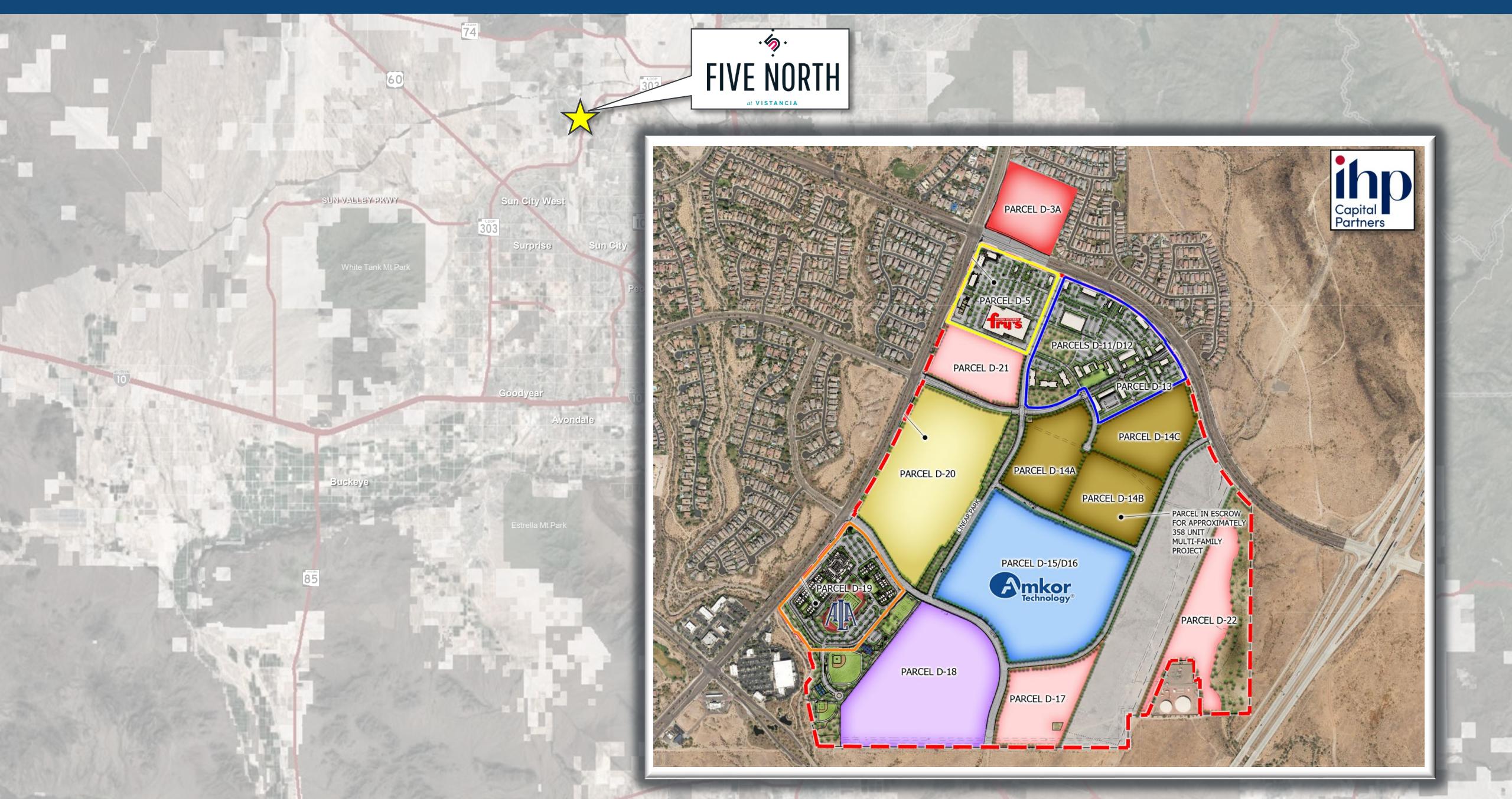
**FIESTA
DISTRICT**



Retail & Major Mixed-Use Centers







Halo Vista



MACK | REAL
ESTATE
GROUP

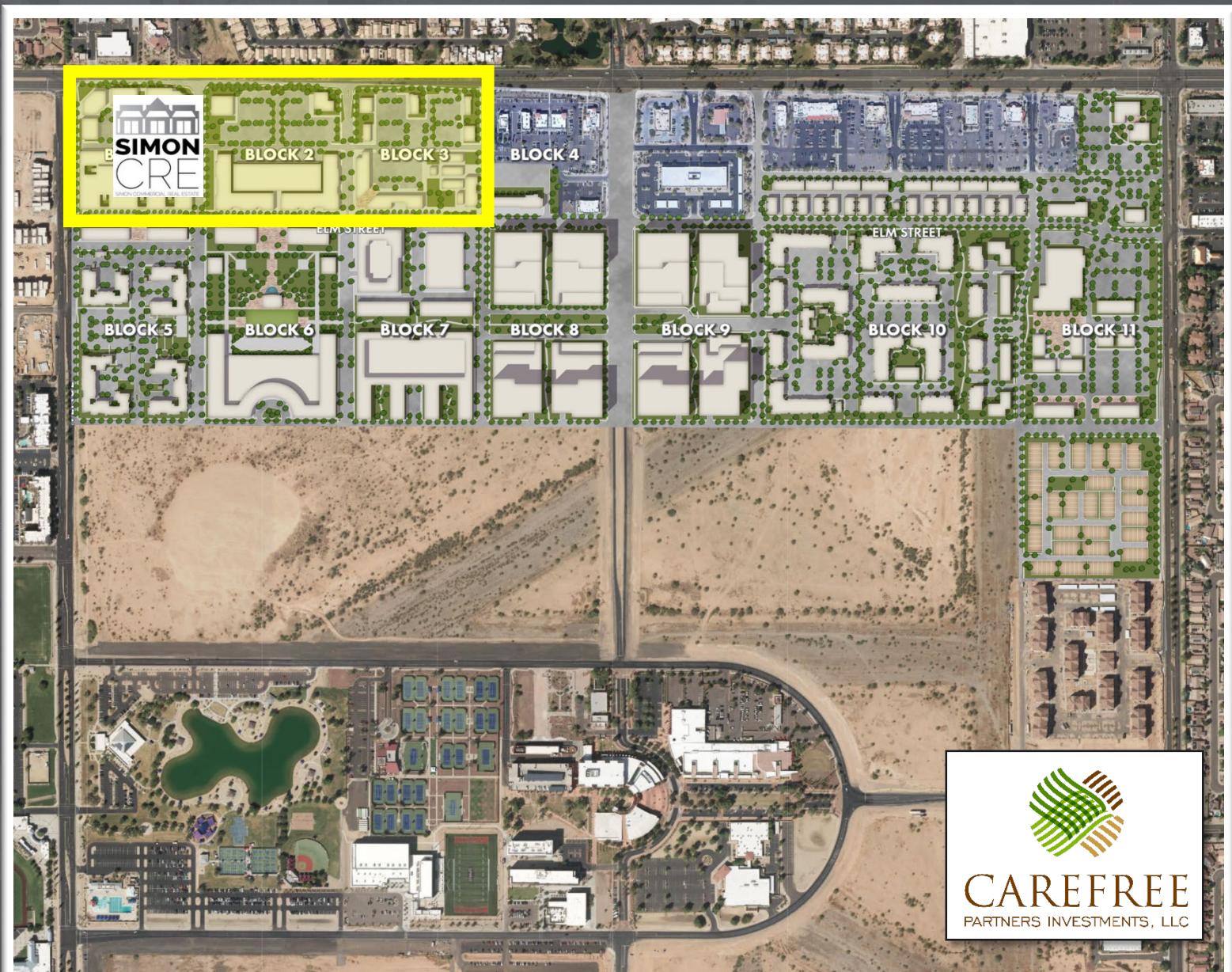
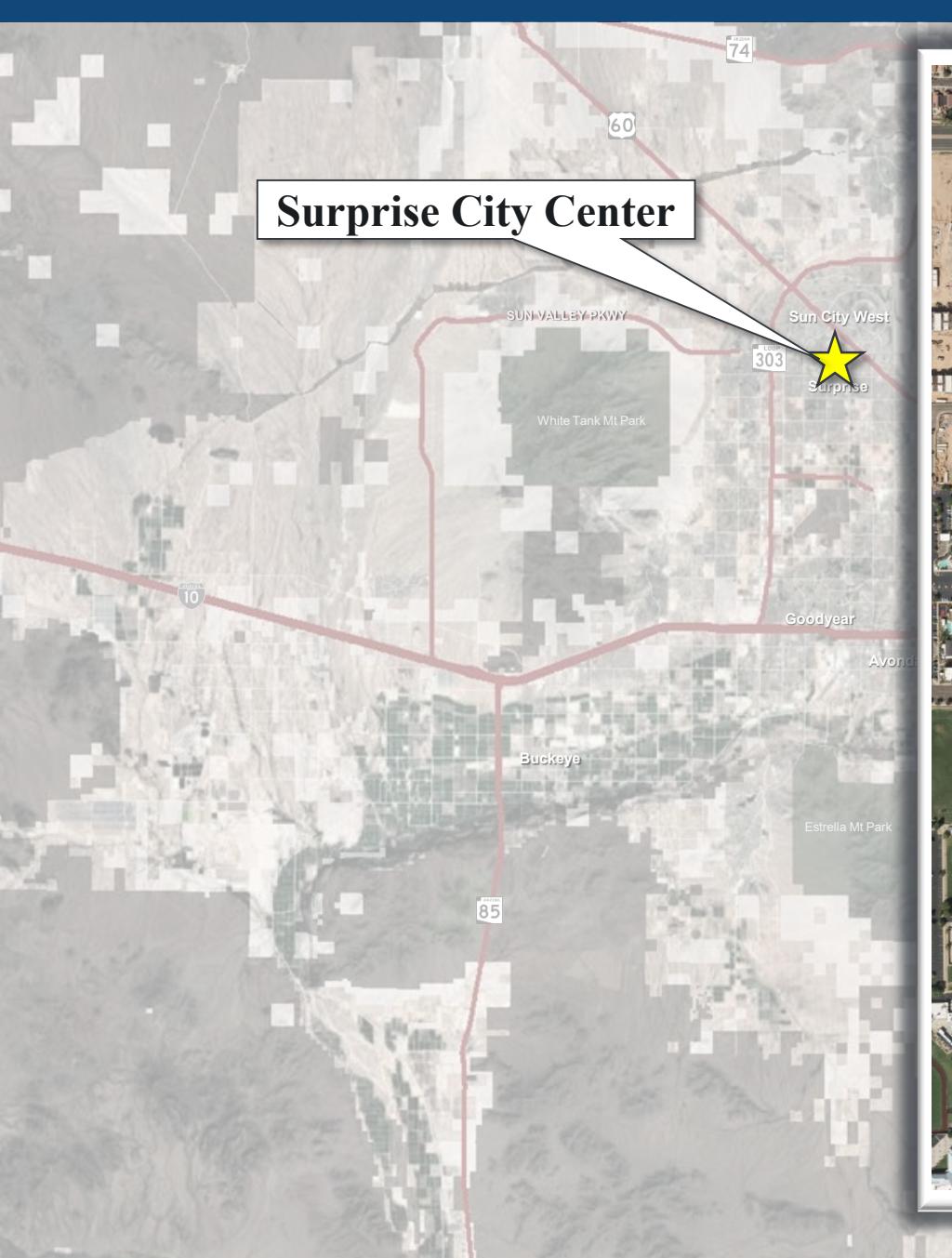


TSMC Arizona photo provided by TSMC Arizona.

13 HOURS AGO

[AZ Business Magazine](#)

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





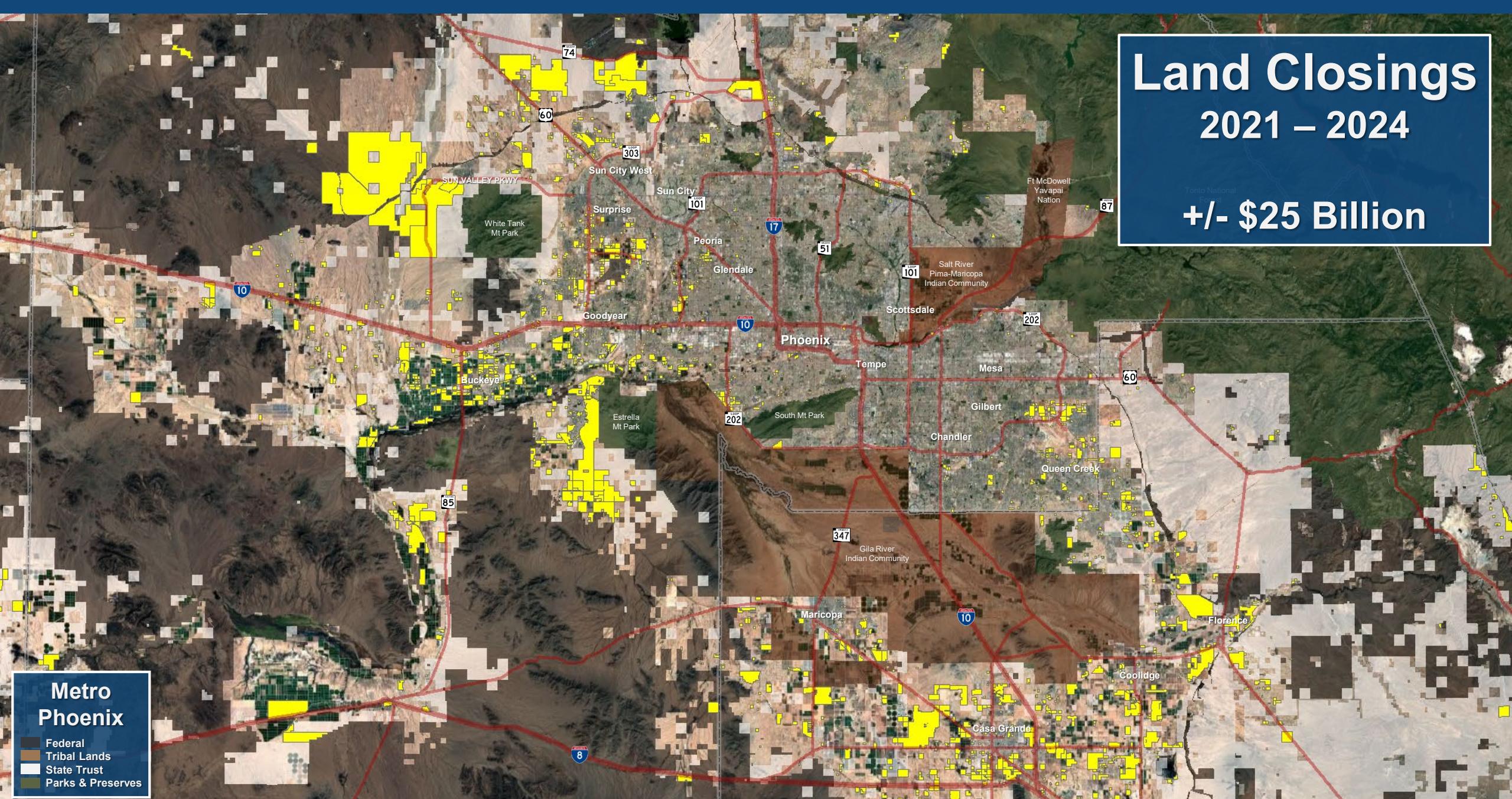
GOODYEAR CIVIC SQUARE



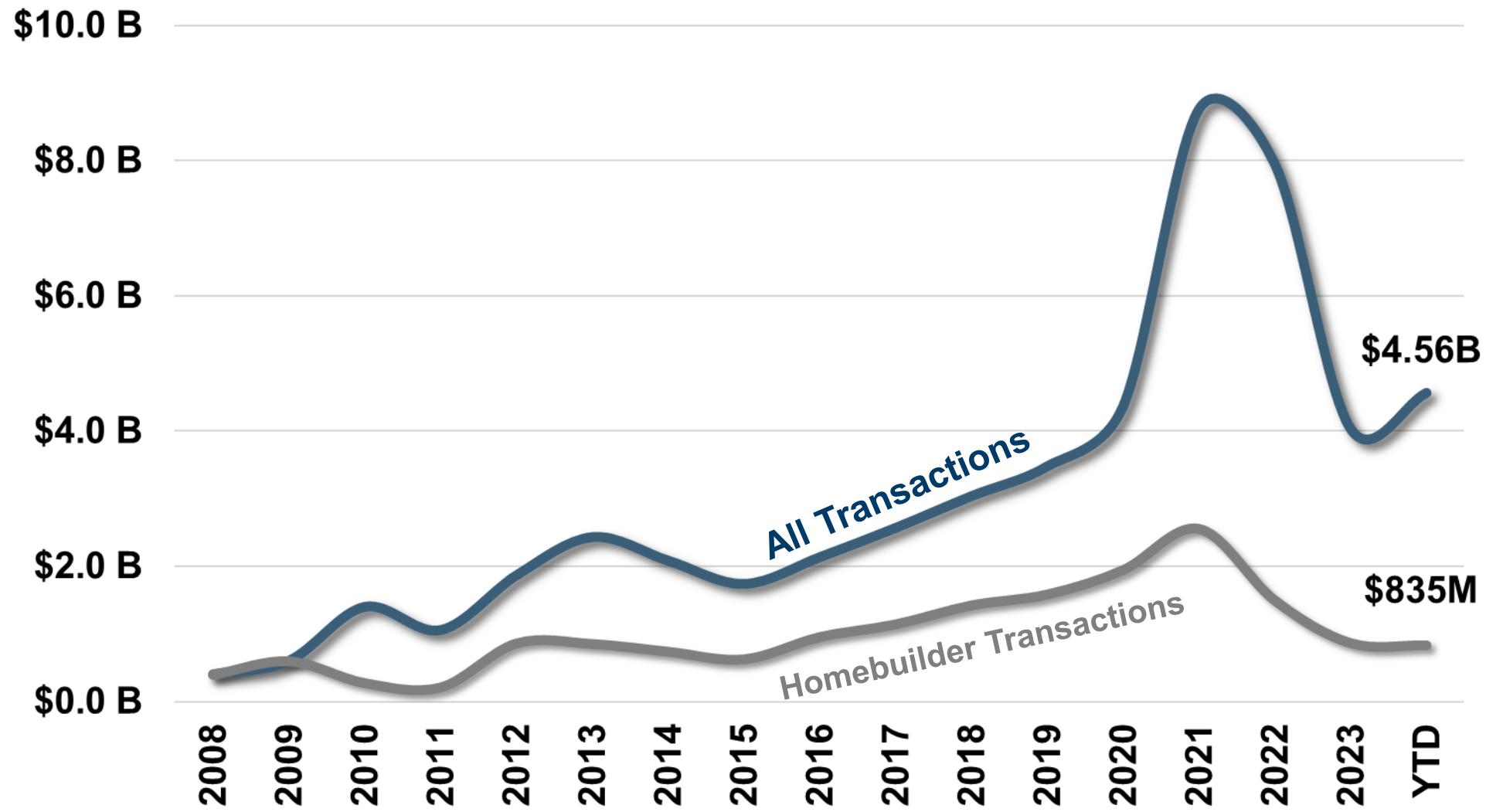
Land Closings

2021 – 2024

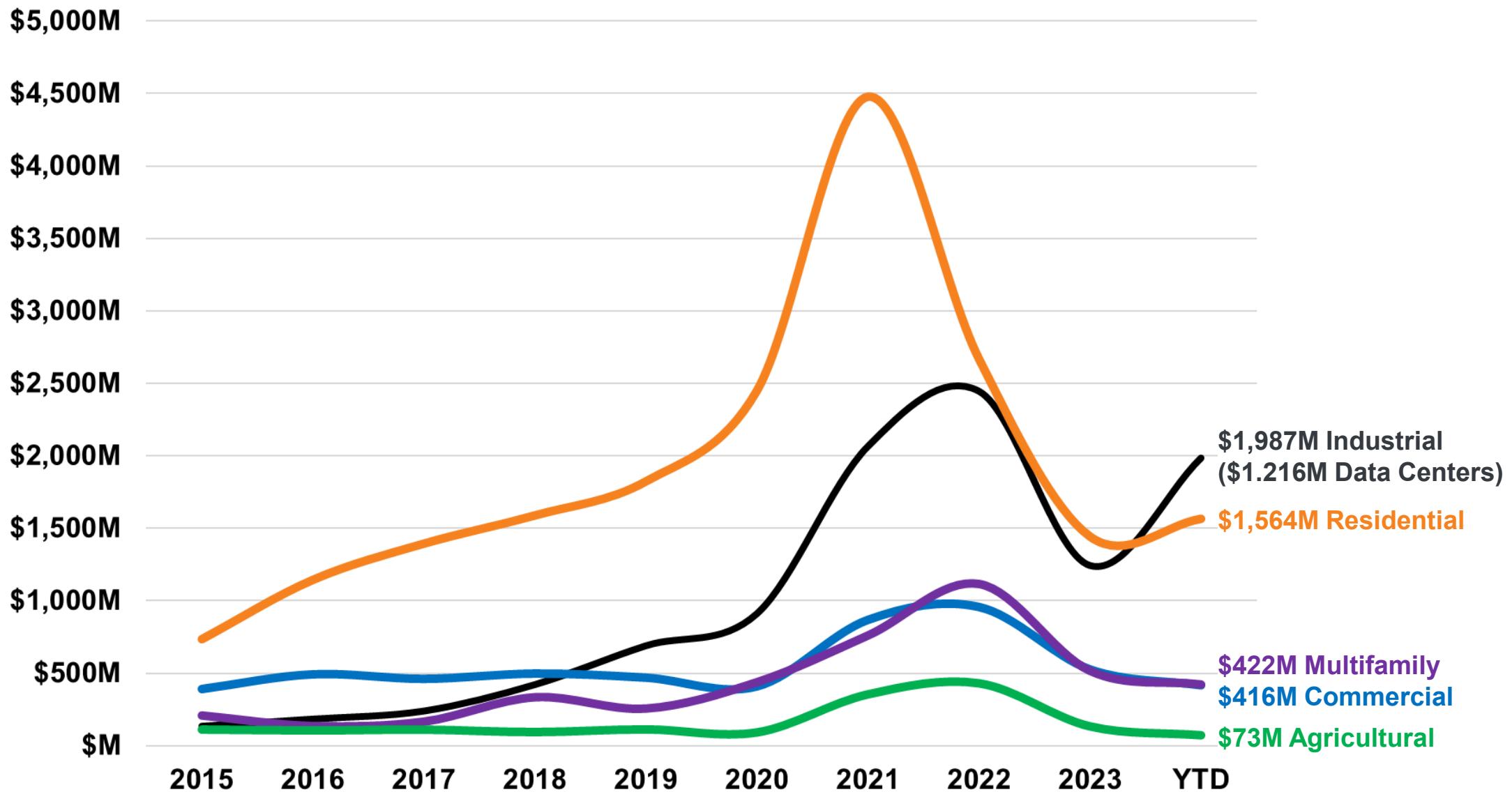
+/- \$25 Billion



2008-2024 Land Transactions



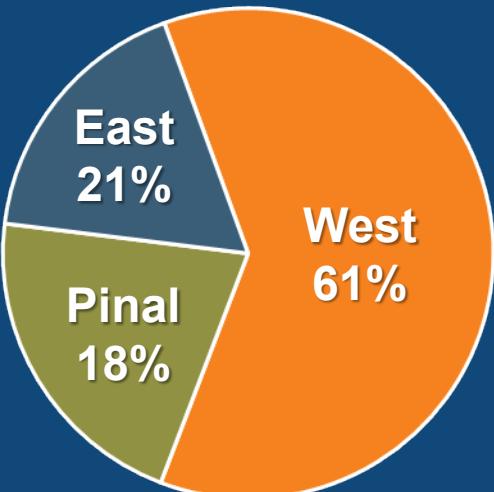
Land Closings by Land Category



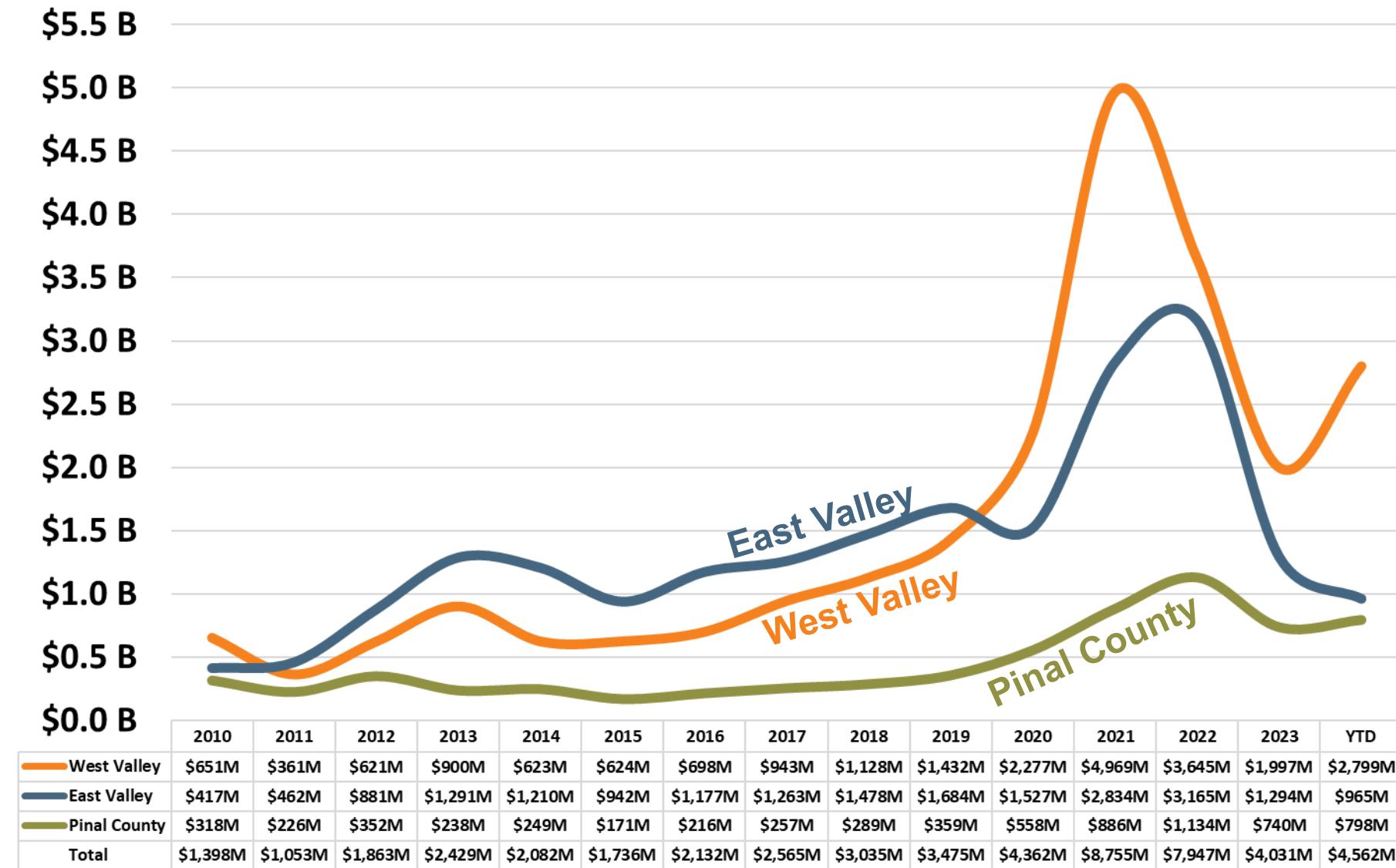
2010-2024 Land Transaction Volume

Metro Phoenix All Transactions

Market Share



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



West Valley Transactions Map By Year Sold

Sale Year

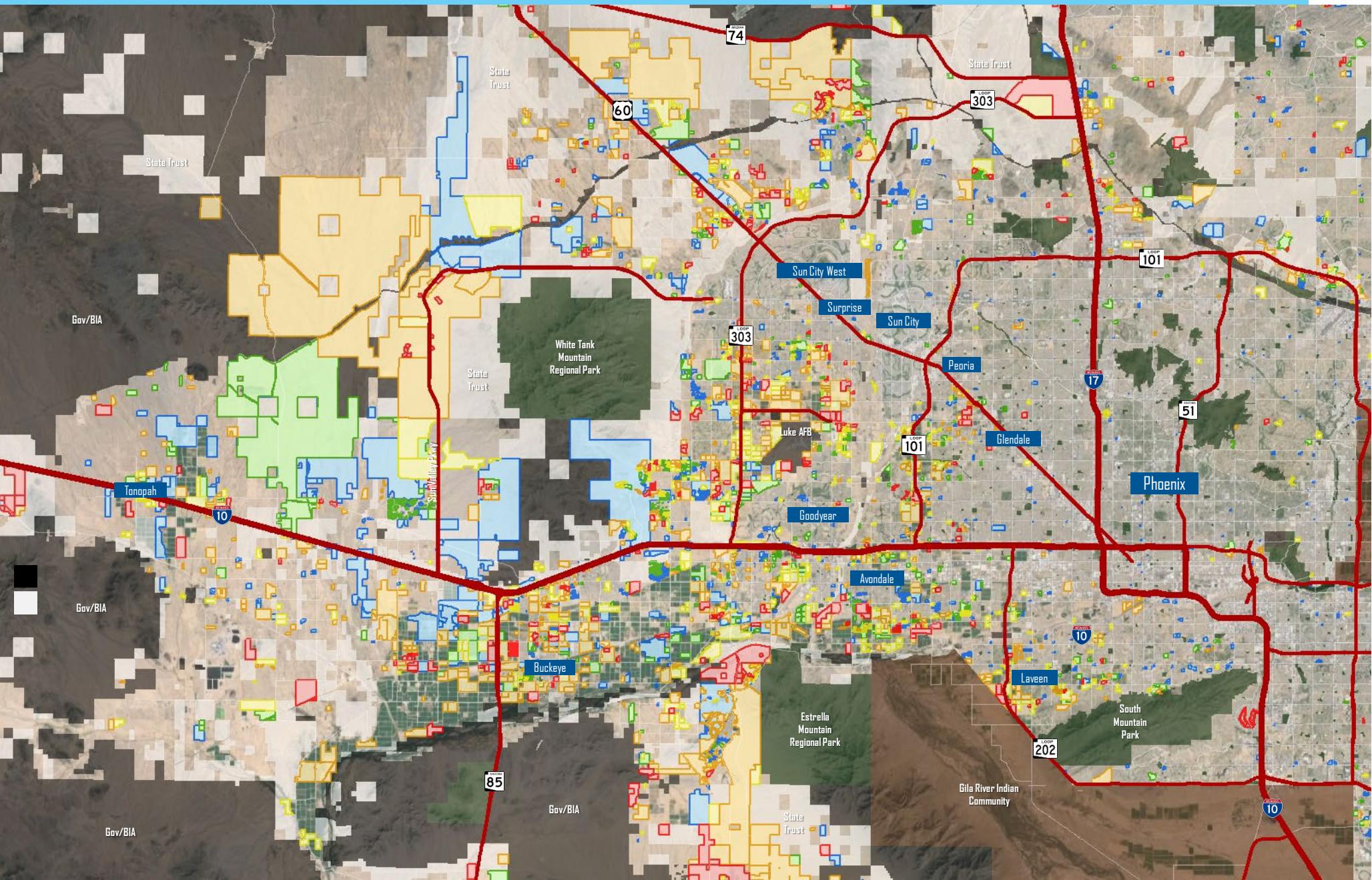
- 2000 - 2016
- 2017 - 2018
- 2019 - 2020
- 2021 - 2022
- 2023-2024

Federal

Tribal Lands

State Trust

Parks & Preserves



Source: Land Advisors Organization

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LandAdvisors.com



Commercial Real Estate

Industrial



VACANCY

12.2%

Up 0.4%
from 2024Q3



RENTABLE AREA

2024
487M Sq Ft

12 MONTH NET ABSORPTION

12.7M Sq Ft

4Q24 UNDER CONSTRUCTION

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

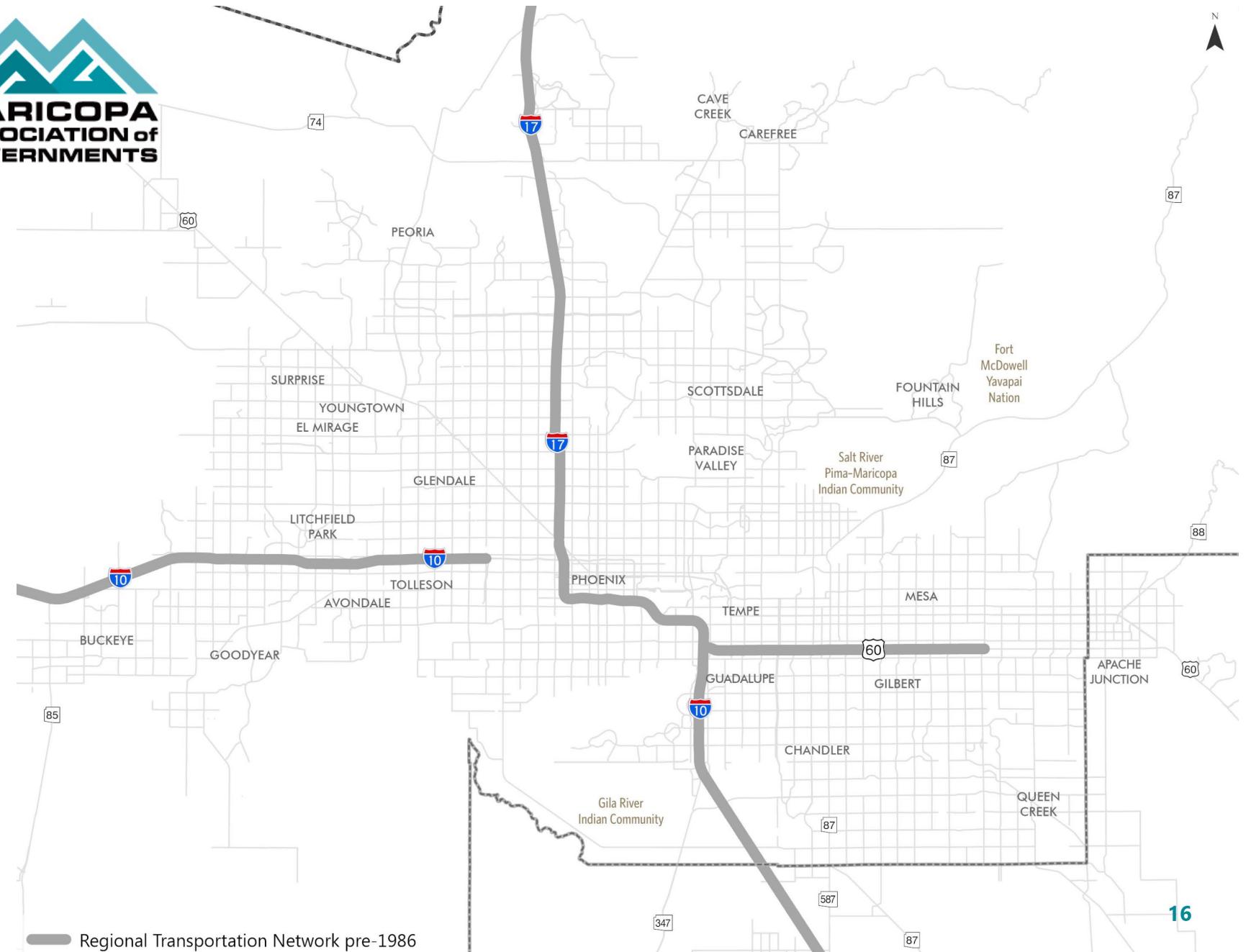


2024
197M Sq Ft

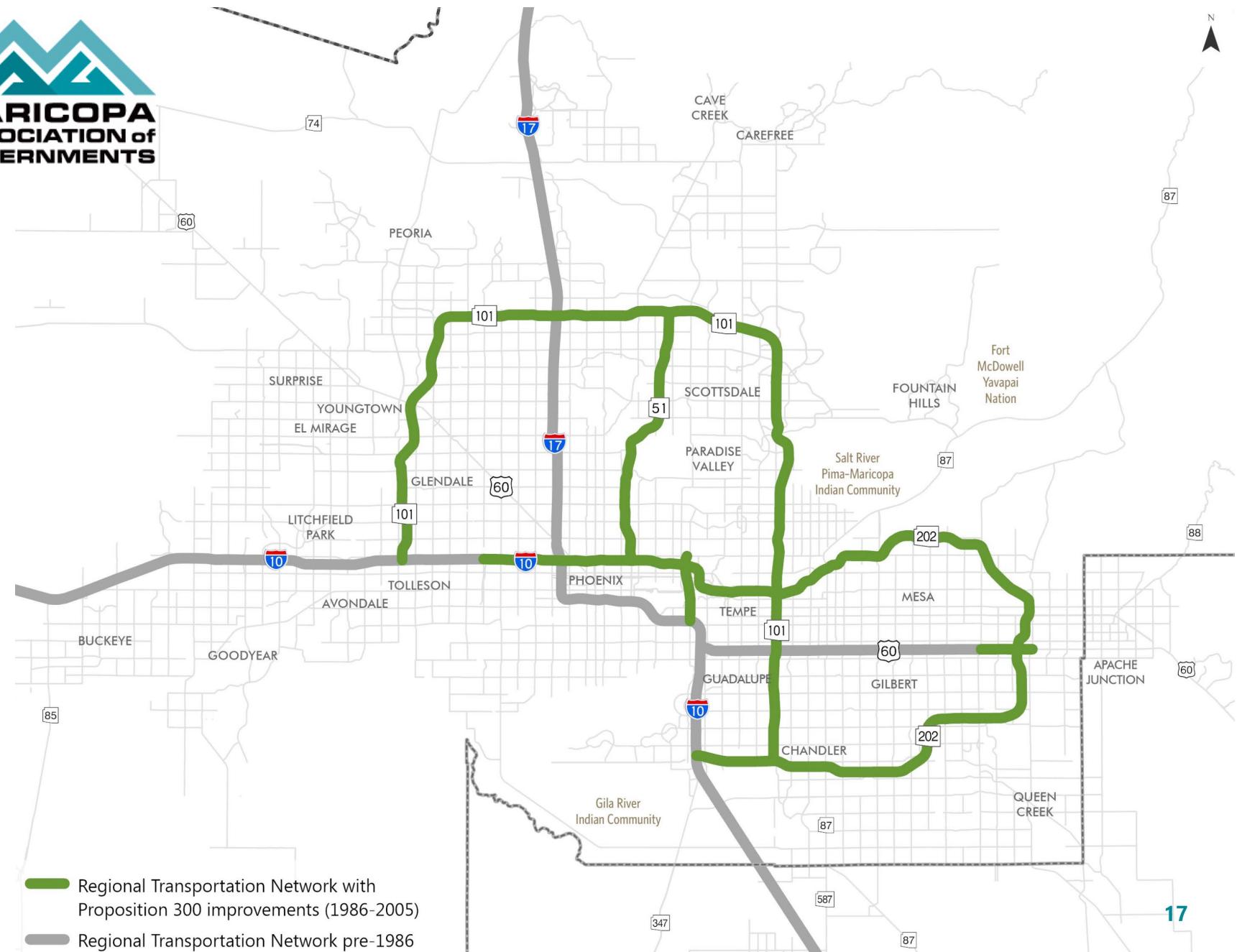
-2.3M Sq Ft

753K Sq Ft

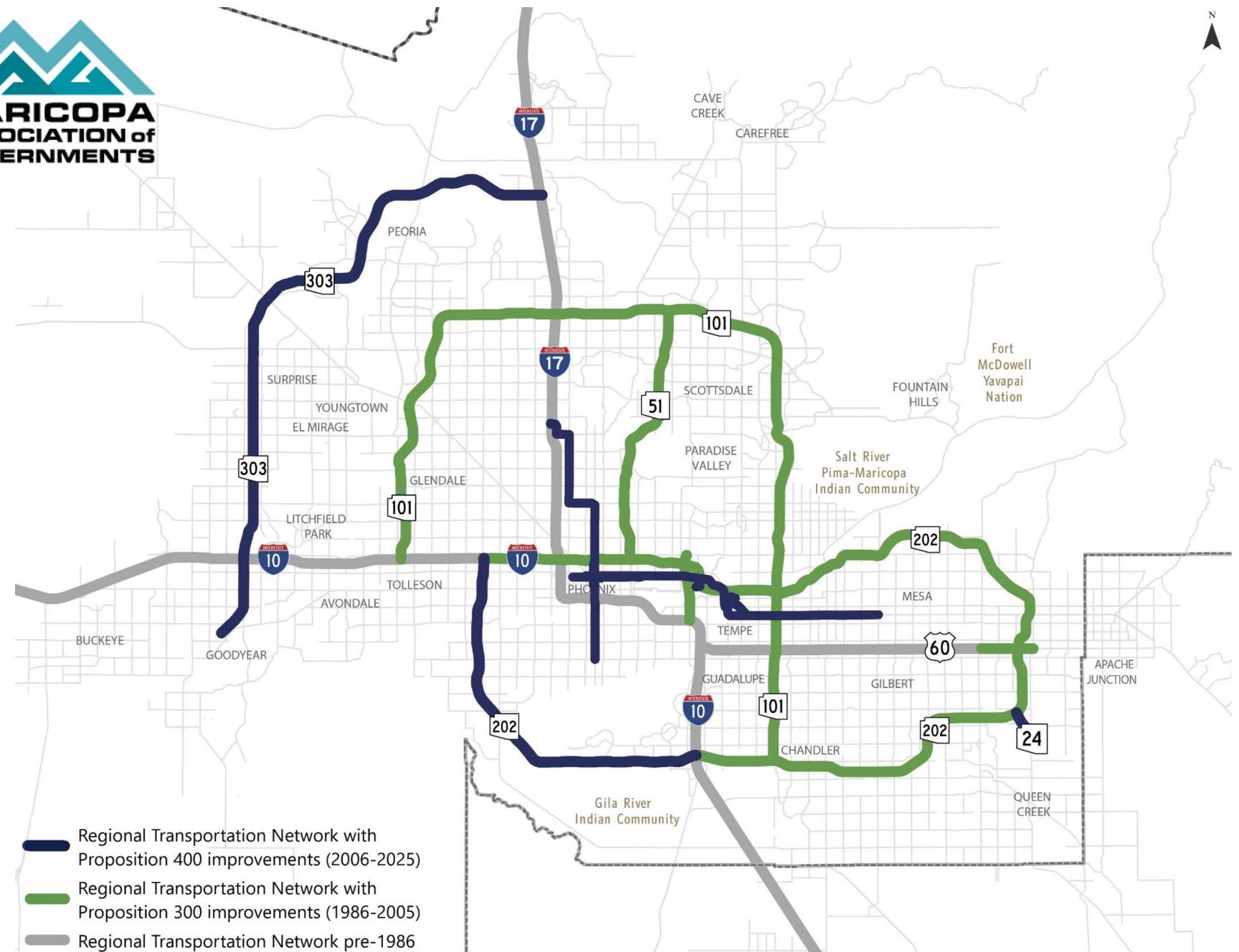
Regional Transportation Network: *Pre-1986*



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



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



- Regional Transportation Network with Proposition 400 improvements (2006-2025)
- Regional Transportation Network with Proposition 300 improvements (1986-2005)
- Regional Transportation Network pre-1986

Funding Future Transportation

Prop 479 APPROVED!

Extends $\frac{1}{2}$ cent transportation tax to 2045

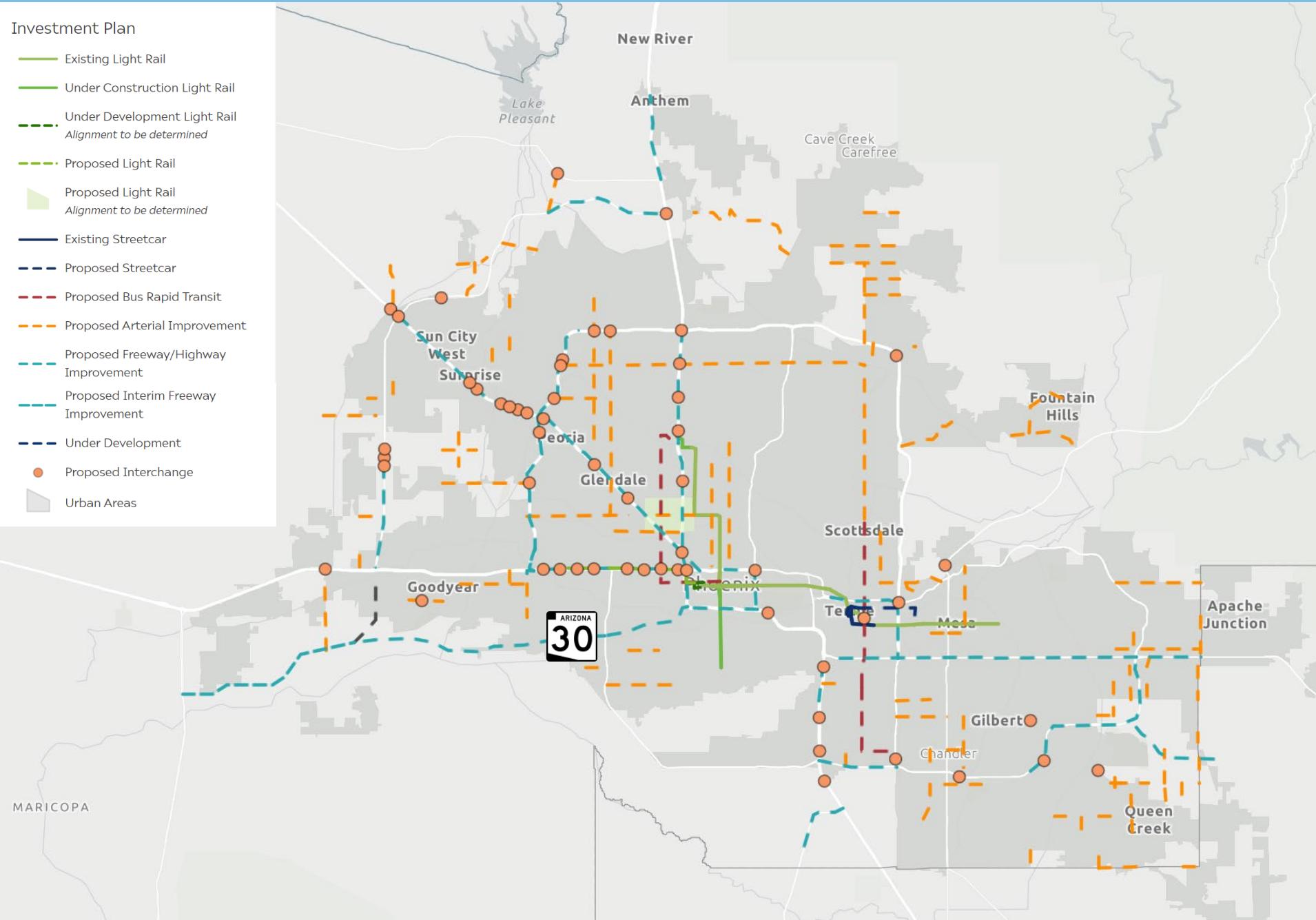
Estimated to raise \$15B

Allocations

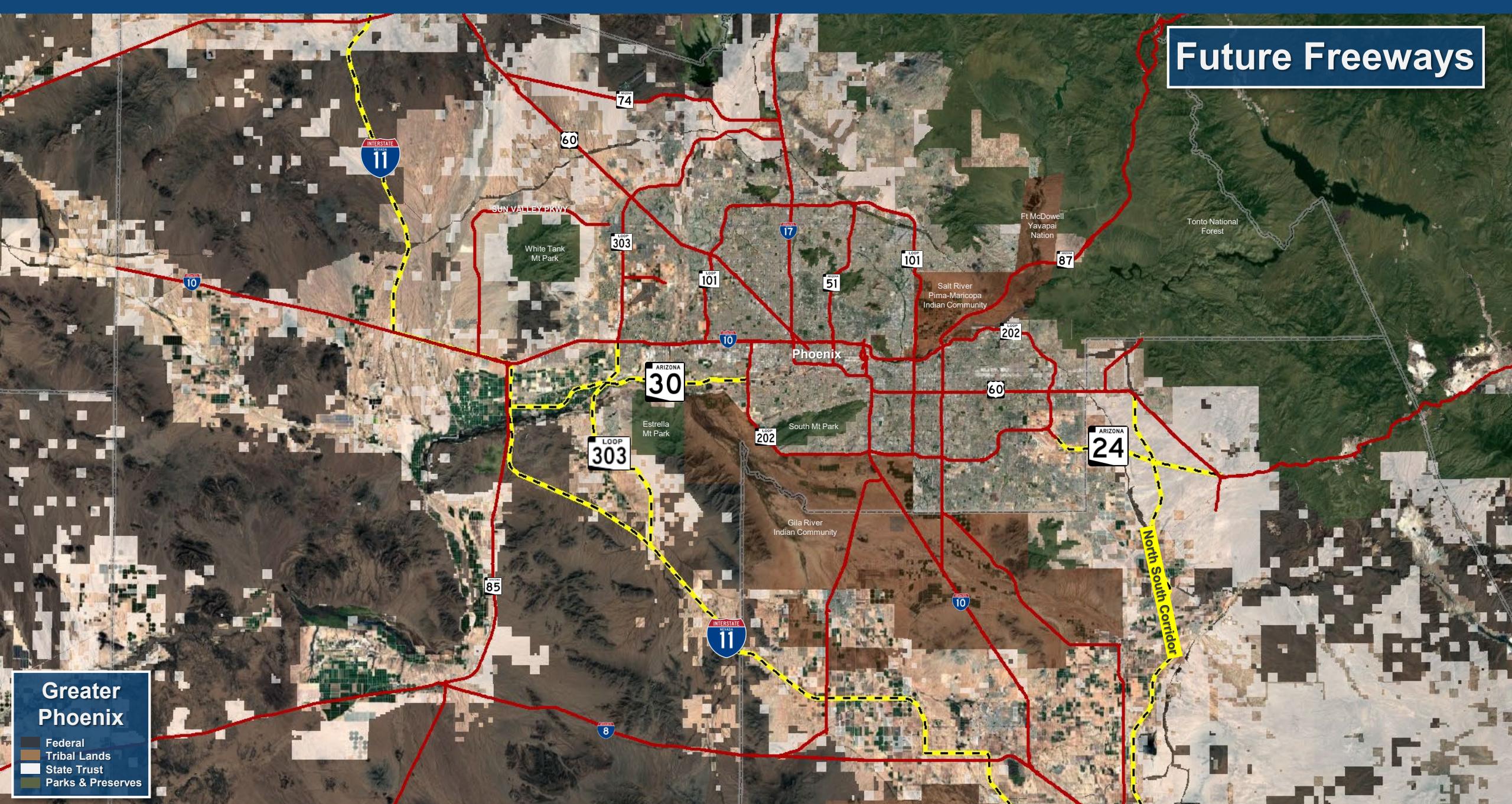
Highways	40.5%
Roads	22.5%
Public Transit	37.0%

Investment Plan

- Existing Light Rail
- Under Construction Light Rail
- Under Development Light Rail
Alignment to be determined
- Proposed Light Rail
- 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

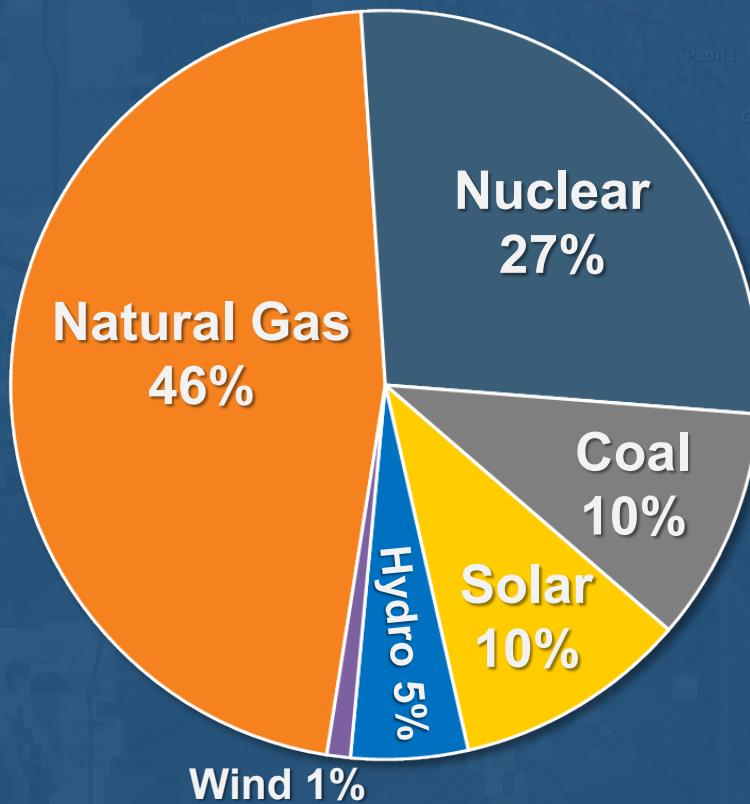


Future Freeways



POWER

Sources



Capacity

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

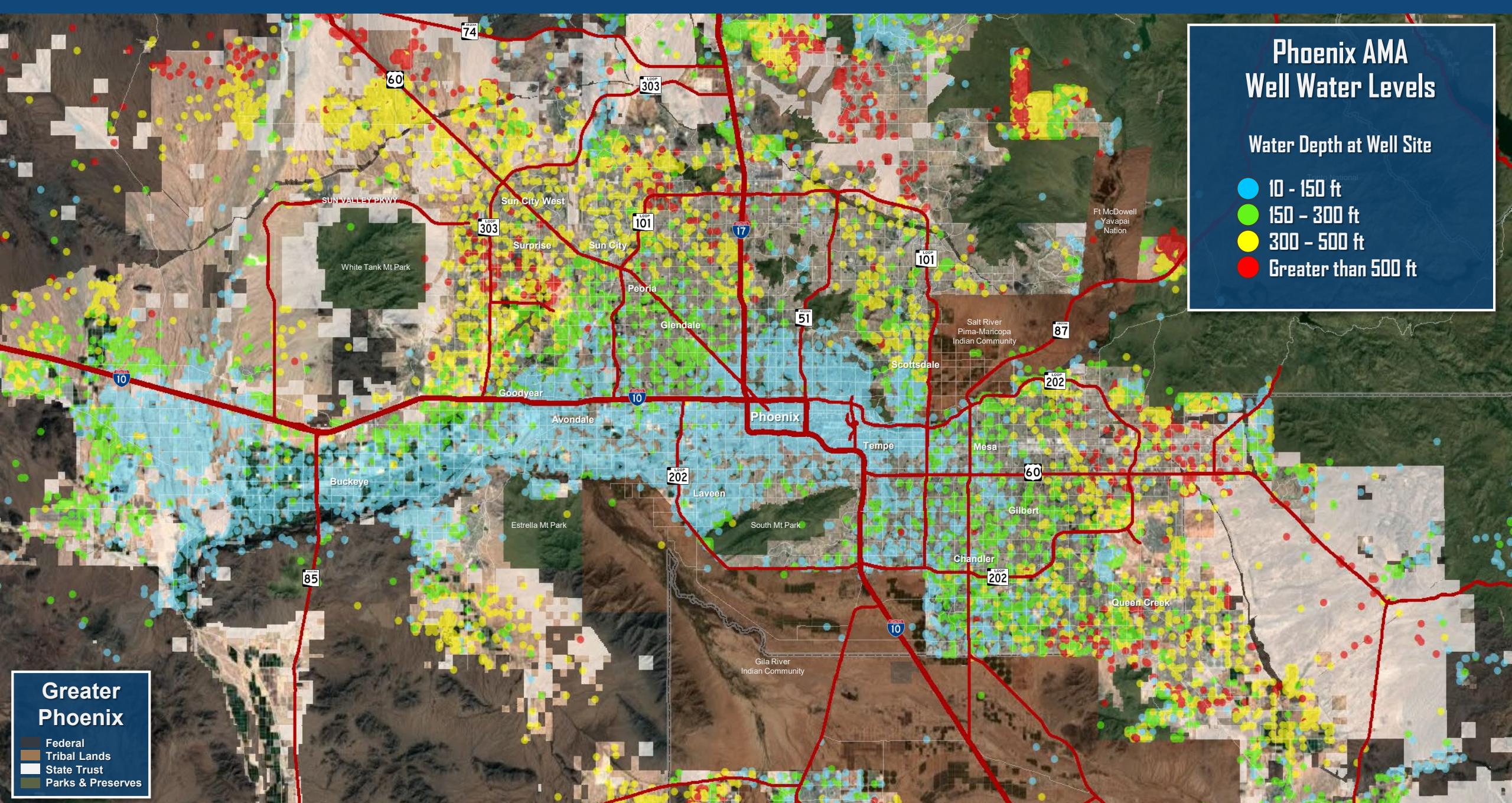
Record Peak

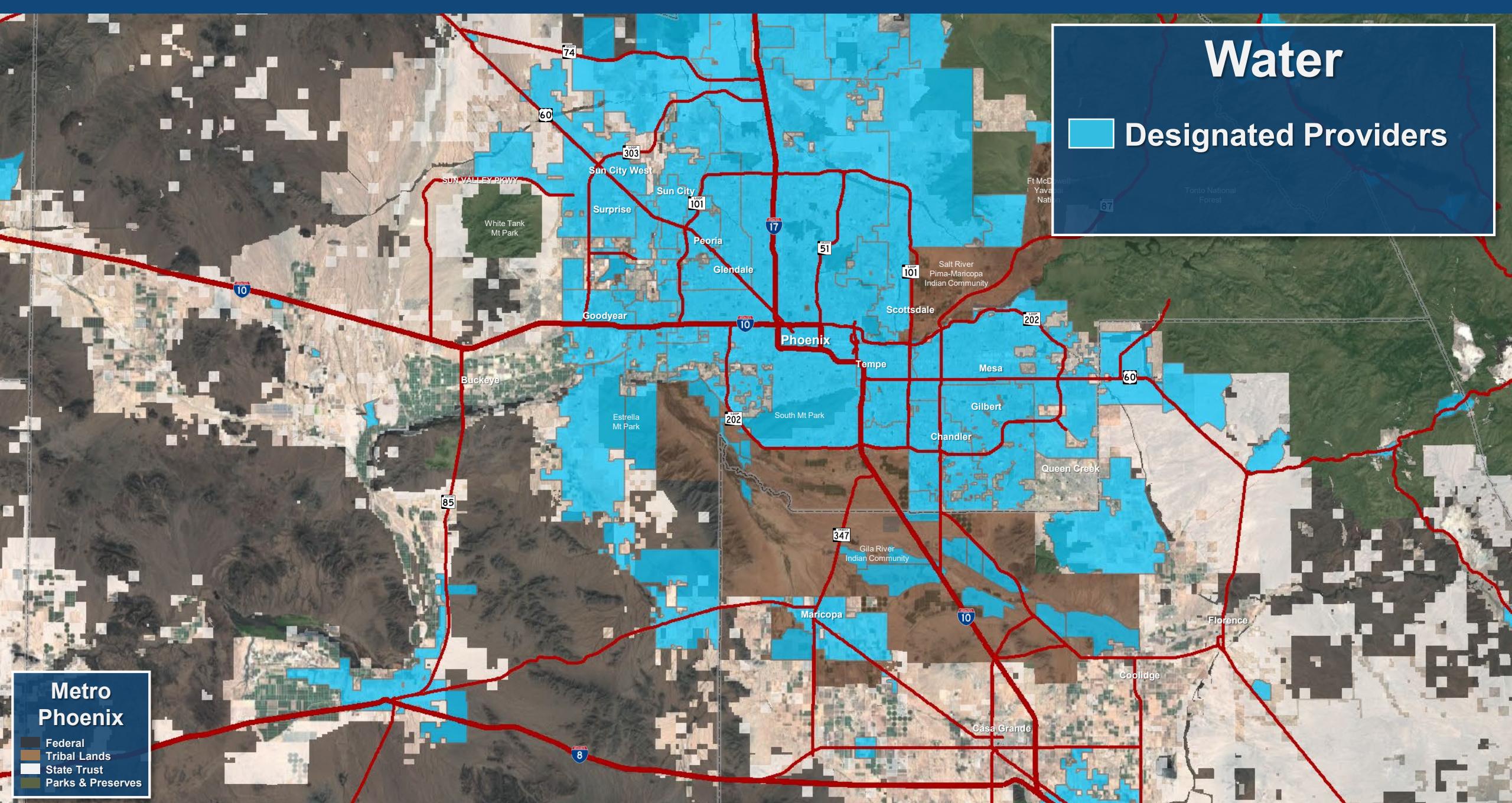
Aug. 4, 2024

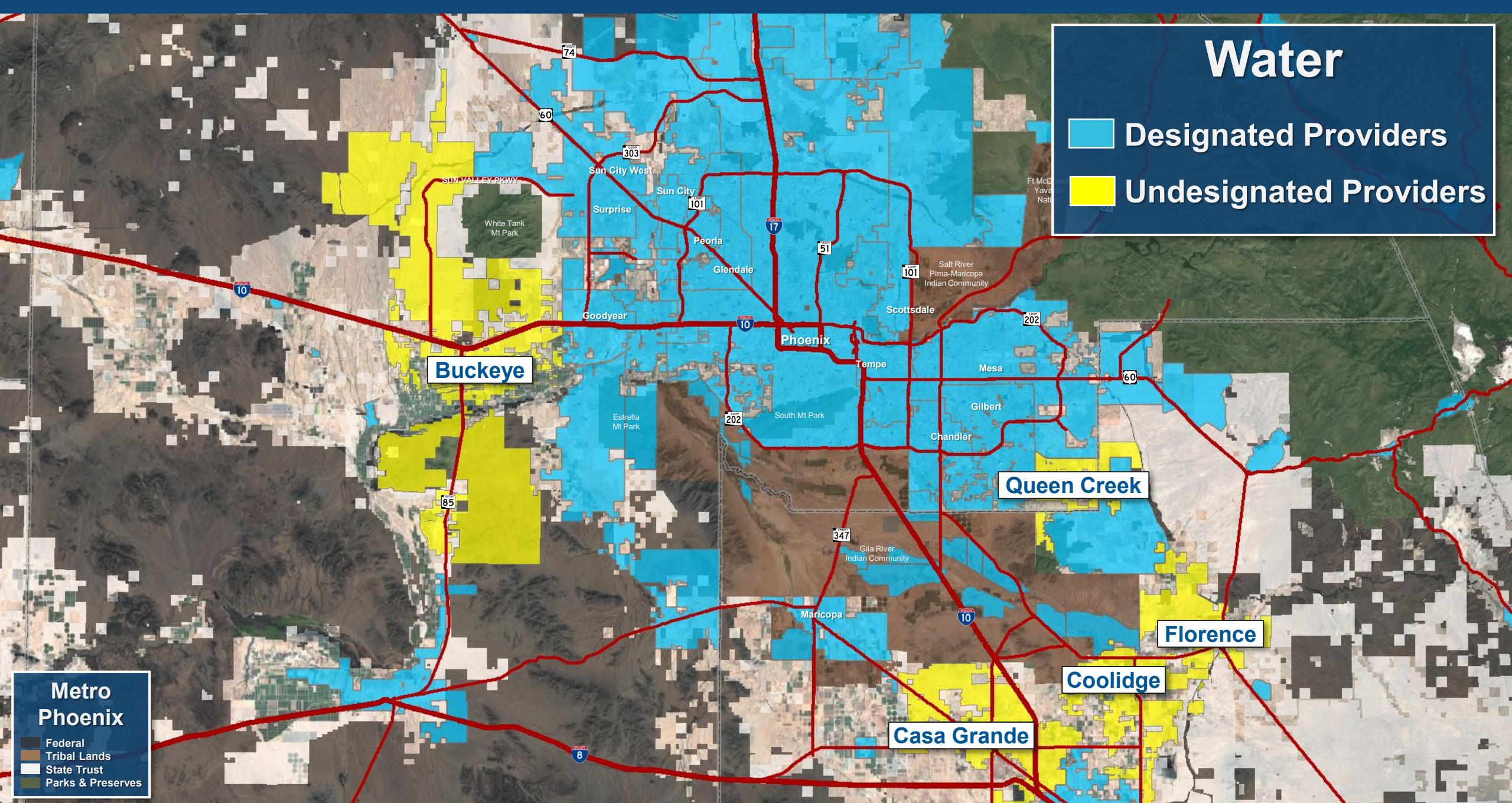
16,431 MW
(86% of Total Capacity)

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



GROWTH IN MIGRATION

THANK YOU