



THE GREATER SCOTTSDALE AIRPARK 2030 REPORT



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LOCATION

The "Greater Scottsdale Airpark" Boundaries:

NORTH Loop 101 Pima Freeway

SOUTH Thunderbird Rd.

WEST 64th St.

EAST 90th St. - between Raintree & the CAP Canal; 96th St. - between the CAP Canal & Bell Rd.

ZONING

Commercial Office; Light Industrial; Hotel; Commercial Retail; Aviation; Multifamily

SIZE

±3,300 Acres

±44,402,564 SF of Buildings

CURRENTLY DEVELOPED

±3,250 Acres

NUMBER OF COMPANIES

±3,283

BUSINESS CATEGORIES

±130 (i.e., accountants, auto, publishing, aerospace/defense, light manufacturing, retail, high tech, healthcare & biotech, business services, hospitality, retail, etc.)

NUMBER OF EMPLOYEES

±59,732

NUMBER OF BUILDINGS – 1,204

(including hotels, auto dealerships, all retail)

Building Usage	Square Feet	Percentage
Office	12,938,588	29%
Industrial/Flex	9,241,921	21%
Hangar	910,272	2%
Retail	8,527,800	19%
Hotels	2,960,352	7%
Apartments	9,823,631	22%
Total	44,402,564	



// Pictured Above: Nationwide Insurance building under construction at Hayden Road and Loop 101

2030 Report

Our original report for the Scottsdale Airpark began in 1981 and was named the 2010 Report. In that Base Year of 1981, there were 3,320 employees, 1,580,000 square feet of buildings, and 268 companies.

The Scottsdale Airpark has exceeded every recorded prediction since then. Currently, the Airpark has approximately 59,732 employees, 44,402,564 square feet of buildings and 3,283 companies.

The Scottsdale Airpark Economy

In 2019, we reached the longest economic expansion in U.S. history (10+ years), and, despite the trade war turmoil, the economy did well and seems poised to continue a steady climb.

"Power in the Pause"

Since 2009, we have actually had several small recessions or "pauses" in the economy. Pause 1 in the Airpark was 2011, when investors and companies pondering purchases and growing their companies became nervous, fearing a double-dip recession. And tapped the brakes.

Pause 2 occurred in 2015-2016. Economic activity was robust, but the winds of change were blowing. There was a slowdown in industrial production and the Fed hiked rates for the first time in over 10 years in December 2015. Tap the brakes!

Pause 3, we are now in the middle of a manufacturing slowdown and lower CEO confidence domestically. The Fed stopped further rate hikes and began cutting rates in June 2019. So now we are back to optimism and growth.

The power of the pause seems to have curtailed possible imbalances in the economy that could have led to a recession, thus allowing the U.S. economy to grow modestly and perhaps extend the current expansion cycle for several more years. That is what we and our colleagues are seeing.

18-Hour City

The Greater Scottsdale Airpark has become an "18-Hour" City, with a robust and growing job market, 9,000+ apartment units (±9,823,631 sf) and new modern retail and hotel amenities.

The Airpark is now lively all day and into the night, and continues to create an urban character where one can walk to breweries and restaurants...and even walk their dogs.

This is drawing employers, and in turn, attracts job seekers and entrepreneurs.



// Pictured Above: One of Many Cranes/Shutterstock Tech Image/Cavasson Mixed-Use Development (www.cavasson.com)

Supply and Demand

Office/Warehouse

We actually need more office/warehouse space; however, due to land costs, no more will be built.

Retail

Some of the non-functional space built over the last 10 years has been remodeled to fit today’s needs. Some newer boutique space has also come online, so retail is in a good spot.

Office

This segment has reached the point where new development is needed. The Axis Raintree by Trammell Crow is under construction with ±175,000 sf of new, modern office space at Raintree, just west of Loop 101.

Self-Storage

This segment may be out in front of its skis, with nine existing facilities and over ±500,000 sf. There are two currently under construction and three more planned. This supply pipeline is probably going to over-supply the current demand.

Cranes, Cranes, Cranes

Cavasson’s 134 acres mixed-use development is under construction, with ±500,000 sf of new office space for Nationwide Insurance Company and Choice Hotels at Hayden Road and the Loop 101 Freeway.

In total, ±800,000 square feet of new office space is coming to the Airpark, which is about 5% of the existing inventory, not an overabundance. Watch for more developments in 2020.

Investment Market

Rents are still not at 2008 levels and operational costs are higher; however, average building prices are selling over the 2008 levels due to the low interest rates and low CAP rates.

National Commercial Real Estate Predictions for 2020:

- » Interest rates will remain low, possibly dropping lower
- » Downward pressure on CAP rates
- » Alternate investment sectors will grow

Commercial real estate is still a very good investment – when you can find it.

Technology Chatter

There are over 70 “high-tech” companies in the Airpark that employ over 4,000 people. Ranging from Go Daddy Software, Inc. (800+) to Universal Laser Systems, Inc. (80), the companies are diverse in size and applications.

Company	# of Emp*	Cluster
Go Daddy Software, Inc	880	High Tech Mfg & Development
Early Warning Services, LLC	660	High Tech Mfg & Development
JDA Software, Inc	430	High Tech Mfg & Development
Abbott	280	High Tech Mfg & Development
Ring	200	High Tech Mfg & Development
Interface, Inc	180	High Tech Mfg & Development
Stormsource Software, Inc	150	High Tech Mfg & Development
Universal Laser Systems, Inc	80	High Tech Mfg & Development
Data Mapping solutions, LLC	80	High Tech Mfg & Development
Aspen Marketing Services, Inc	100	Media, Publishing & Entertainment
GPS Insight, LLC	150	Telecommunications
Globalmedia Group, LLC	100	Transportation & Distribution
Avad LLC	150	Transportation & Distribution

*These are all estimates

What else happened in 2019?

- Tesla opened a much larger service center in the Scottsdale Airpark at 8300 E. Raintree Drive. This new 40,000 facility is nearly four times what the previous facility was. Go Tesla!
- Optima added two more properties to their existing multi-family properties at Scottsdale Road and Greenway-Hayden Parkway. These additional 10 story multi-family projects will complement their new 12-story projects built in 2017 and 2018.
- Axon’s new headquarter plans to move to the Salt River-Pima Indian Community have fallen through, so they remain in the Greater Scottsdale Airpark (Perimeter Center). Stay tuned for future announcements!
- Shmoop University Inc. has moved into Scottsdale Airpark. This Silicon Valley ed-tech company, started by a Yahoo founding executive, opened its Scottsdale offices July 1, 2019.
- Whish Body Products expanded into a ±24,279 sf facility on Greenway-Hayden Loop.

PREDICTIONS FOR 2030

- » The Metro Phoenix area will add another 1 million people
- » Autonomous vehicles will be commonplace
- » Your Virtual Assistant will be by your side, “always on”
- » The Scottsdale Airport will be home to 20 electric planes
- » The Greater Scottsdale Airpark will have 82,000 employees, 53 million square feet of a variety of office, flex, industrial, medical, retail, multi-family, hotels and car dealership buildings and about 4,100 companies

LAND SALES				
YEAR	# OF LOT SALES	SALES VOLUME	TOTAL ACRES	AVG PRICE/SF
2019	10	\$36,830,000	37.30	\$25.48
2018	6	\$17,274,920	20	\$25.50
2017	5	\$28,124,548	26	\$24.84
2016	4	\$13,010,986	9	\$33.46
2015	131	\$77,736,765	82	\$21.65
2014	13	\$46,716,714	37.57	\$24.00
2013	6	\$26,558,420	25.36	\$24.04
2012	4	\$10,880,978	15.36	\$16.25
2011	3	\$4,803,456	8.21	\$13.43

THE GREATER SCOTTSDALE AIRPARK GROWTH - JUNE 1981 - DECEMBER 2019

DATE	SQUARE FEET	VACANCY	NUMBER OF EMPLOYEES	NUMBER OF BUSINESSES
Jun. 1981	1,580,611	13.9%	±3,320	268
Jun. 1982	1,720,210	10.1%	±3,680	289
Jun. 1983	1,900,188	6.1%	±4,038	316
Jan. 1984	2,288,439	10.9%	±4,504	383
Jan. 1985	2,683,394	11.8%	±5,345	480
Jan. 1986	3,673,589	18.7%	±5,861	534
Jan. 1987	4,419,226	19.4%	±8,661	733
Jan. 1988	4,881,979	16.0%	±9,802	957
Aug. 1990	5,698,361	14.3%	10,120	943
Aug. 1991	6,170,344	14.2%	10,654	1,082
Aug. 1992	6,971,986	12.6%	11,345	1,076
Nov. 1993	6,977,774	6.7%	13,402	1,237
Sep. 1994	7,716,855	3.5%	13,846	1,257
Sep. 1995	8,920,772	2.3%	14,132	1,332
Dec. 1996	10,114,610	3.1%	17,275	1,477
Dec. 1997	11,685,747	3.2%	19,873	1,624
Dec. 1998	13,991,908	4.1%	25,891	1,708
Dec. 1999	18,443,263	6.0%	30,344	1,807
Dec. 2000	19,474,883	7.6%	31,992	1,868
Dec. 2001	20,388,981	9.8%	33,015	1,907
Dec. 2002	21,683,303	12.9%	41,265	2,198
Dec. 2003	23,385,523	11.9%	44,815	2,288
Dec. 2004	25,864,351	11.5%	47,218	2,397
Dec. 2005	26,714,351	9.9%	48,634	2,481
Dec. 2006	27,661,351	9.7%	50,450	2,554
Dec. 2007	33,764,653	12.9%	52,500	2,774
Dec. 2008	34,213,932	15.1%	52,000	2,800
Dec. 2009	34,736,584	29.0%	48,000	2,576
Dec. 2010	34,757,067	28.8%	48,500	2,580
Dec. 2011	34,766,078	23.0%	49,200	2,601
Dec. 2012	39,722,398	18.5%	52,000	2,848
Dec. 2013	39,781,068	16.0%	53,400	2,900
Dec. 2014	40,101,068	13.0%	54,100	2,950
Dec. 2015	40,718,394	11.6%	55,260	3,025
Dec. 2016	41,251,574	10.3%	56,180	3,075
Dec. 2017	42,187,874	10.1%	57,300	3,150
Dec. 2018	43,887,549	8.5%	59,132	3,233
Dec. 2019	44,402,564	9.5%	59,732	3,283

*Using the newest technology (CoStar) we have updated the list of all buildings, including auto dealerships, Costco, Walmart, etc., that we had not included in the past.

Major Companies

- Accolade Healthcare
- Alliance Defense Fund
- APL Container Transportation Services
- Appogee Physicians
- AutoNation Ford
- AXON
- Best Western
- Chase Bank
- Choice Hotels International, Inc.
- Colliers International
- Carlisle Companies
- Corporate Jets, Inc.
- Costco
- Cox Cable of Scottsdale
- Data Mapping Solutions
- Dillon Precision Industries
- Discount Tire Company, Inc.
- Early Warning Services
- Earnhardt Cadillac
- Electronics for Imaging
- Fairmont Scottsdale Princess
- Farmers Insurance
- Fender Musical Instruments Corporation
- First Fidelity Bank
- Flow Dynamics, Inc.
- GE Franchised Finance Corporation
- General Mills
- Go AZ Motorcycles
- Go Daddy Software
- Go Video
- GPS Insight
- GTCC CalComp Input Technologies Division
- Han Wei Lines
- Harley-Davidson of Scottsdale
- Home Depot
- HomeSmart
- Hypercom Corporation
- IKON
- Ingram Micro
- Interface, Inc.
- IO Capital Princess, LLC
- JDA Software
- Knowledge Net
- KYOCERA Solar
- Lowe's Home Improvement Warehouse
- Mayo Clinic
- Mercer Advisors, Inc.
- Meritage Corporation
- Metris Company
- MidFirst Bank
- Mobility Electronics
- Morgan Stanley Smith Barney, LLC
- Nationwide Insurance Company
- Nautilus Insurance Co.
- North Central University
- Orion Health
- Pegasus Solutions
- Penske Auto Complex
- Peter Piper Corporate Headquarters
- Phase 2 Solutions
- Prudential Insurance
- Pulte Homes
- Rental Service Corp.
- Redirect Health
- Right Honda and Toyota
- Russo & Steele
- Schumacher European, Ltd. (Mercedes-Benz)
- Scottsdale Area Association of Realtors
- Scottsdale Prep Academy
- SonicAir
- State Farm Insurance
- Target
- Tesla Motors
- The Tech Group / Tech Poulson
- Trivita
- Universal Technology Institute (UTI)
- U.S. Postal Service
- U-Haul
- Unison Health Care
- Universal Laser Systems
- Van Chevrolet
- VanGuard
- Wal-Mart Supercenter
- Westin Kierland Resort
- World at Work

BUILDING SALES					
TYPE	# OF SALES	SALES VOLUME	TOTAL SF	AVG PRICE/SF	HIGH/LOW
2019					
Office	20	\$308,868,000	1,397,576	\$233	\$376/\$103
Industrial	12	\$44,017,000	325,620	\$174	\$285/\$145
Retail	4	\$ 31,150,000	97,089	\$321	\$551/\$125
Multifamily	5	\$428,700,000	1,655,795	\$259	\$339/\$223
TOTAL	41	\$812,735,000	3,476,080		
2018					
Office	22	\$ 231,843,037	948,069	\$219	\$313/\$104
Industrial	36	\$ 117,260,350	634,581	\$179	\$220/\$116
Retail	8	\$ 55,127,734	324,448	\$244	\$458/\$99
Multifamily	2	\$ 91,500,000	409,993	\$222	\$240/\$204
TOTAL	68	\$495,731,121	2,317,091		
2017					
Office	23	\$168,965,337	812,008	\$208	\$313/\$104
Industrial	41	\$129,318,047	1,000,204	\$129	\$202/\$92
Retail	5	\$45,512,500	233,280	\$195	\$353/\$170
Multifamily	3	\$270,050,000	1,199,312	\$225	\$326/\$192
Total	72	\$613,845,884	3,244,804		
2016					
Office	35	\$404,599,070	2,032,707	\$199	\$258/\$112
Industrial	38	\$80,386,448	64,229	\$125	\$300/\$64
Retail	16	\$271,149,939	1,177,515	\$230	\$616/\$53
Total	89	\$756,135,457	3,274,451		
2015					
Office	24	\$178,174,381	919,060	\$194	\$254/\$98
Industrial	23	\$48,994,677	395,149	\$124	\$192/\$77
Retail	13	\$97,120,600	448,244	\$217	\$767/\$132
Total	60	\$324,289,658	1,762,453		
2014					
Office	30	\$69,800,000	555,965	\$139	\$217/\$79
Industrial	39	\$60,000,000	668,488	\$114	\$257/\$52
Retail	6	\$39,744,000	208,927	\$190	\$414/\$15,
Total	75	\$169,544,000	1,433,380		
2013					
Office	22	\$179,000,800	1,098,164	\$163	\$312/\$97
Industrial	25	\$24,194,800	9,000	\$101	\$149/\$58
Retail	2	\$4,200,000	239,552	\$250	N/A
Total	49	\$207,395,600	1,346,716		
2012					
Office	41	\$204,454,653	998,687	\$114	\$305/\$48
Industrial	28	\$50,662,667	553,022	\$92	\$303/\$25
Retail	7	\$94,522,237	637,434	\$148	\$350/\$101
Total	76	\$349,639,557	2,189,143		



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Jim Keeley, SIOR, CCIM, founded Classic Real Estate Corporation, now known as CC Partners, L.L.C., DBA Colliers International, in 1983. The firm conducts the majority of its commercial brokerage business within the Scottsdale Airpark and the Loop 101 Employment Base and has concluded over 5,500 transactions and \$3 billion of business.

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