



# WHY WEST VALLEY METRO PHOENIX 2020









# WHY WEST VALLEY

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## INTRODUCTION

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

Today, more than 1.7 million people call the West Valley home, and its population over the next five years is projected to grow at twice the national rate of growth. The region's mix of luxury and affordable housing contributes to a diverse community that attracts both executives and first-time home buyers. West Valley amenities—including Westgate, P83 and Park West entertainment districts, State Farm Stadium (home of the Arizona Cardinals), Gila River Arena (home of the Phoenix Coyotes), five spring training stadiums, numerous outdoor amenities and continuously expanding dining options—provide an exceptional quality of life for its residents.

The West Valley's large talent pool, affordable cost of living, ease of doing business, and availability of land has attracted healthcare, distribution and advanced manufacturing companies to the region. Recent business announcements in the West Valley include Nike, Amazon, Andersen Corporation, and Microsoft bringing thousands of jobs to the area. Additionally, Luke Air Force Base, located in the West Valley, is a major economic driver in the region with an economic impact of \$2.2 billion in the state of Arizona. Each year, 450 professionals separate from military service and many stay in the region, adding to the strong workforce.

Most recently, the West Valley has seen infrastructure improvements with the completion of the South Mountain Freeway. This will spur economic development opportunities along the 59th Street corridor and expand the workforce base for the West Valley. The capital improvements, talented workforce, and livability will attract businesses and talent alike for years to come.







## MAJOR ATTRACTIONS

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



## SPORTING EVENTS

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



## PARKS & RECREATION

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





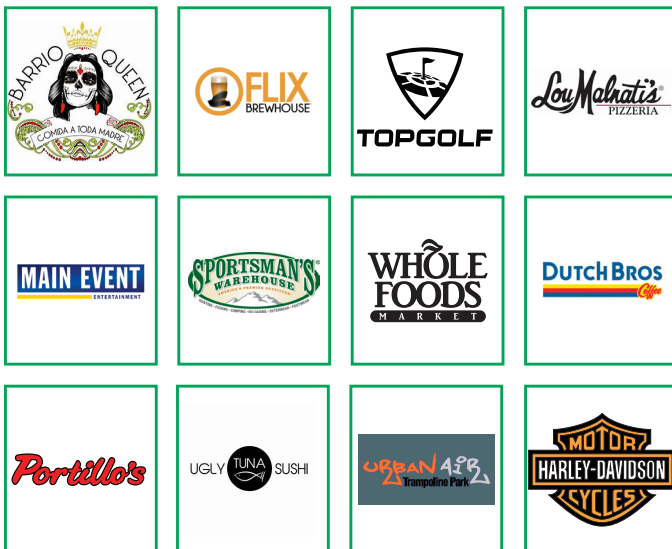
# ECONOMIC PROFILE

## KEY INDUSTRIES



Source: Maricopa Association of Governments, 2019.

## RETAILERS EXPANDING IN THE WEST VALLEY



## KEY EMPLOYERS

Employer	Employees	Employer	Employees
US Department of the Air Force	7,150	Empereon Marketing	800
Walmart	3,520	Rousseau Farming Company	740
Banner Health	3,000	Albertsons Companies	720
State of Arizona	2,090	Chewy.com	700
JBS	1,150	Atlas Retail Services	670
AAA Arizona	1,070	Western Regional Medical Center	670
City of Peoria	1,030	Costco Wholesale	650
Large E-Commerce User	980	Subzero Freezer Co	570
Papa Johns Salad Produce	960	Ace Building Maintenance Co	530
Humana	940	Home Depot	530
Macy's	940	Frys Food Stores	510
Midwestern University	880	Friendship Retirement Community	500
Maricopa County Community College District	860	Progressive Leasing	500
Honeywell	830	Pepsico	480

Source: Maricopa Association of Governments, 2019.





## COMPANIES EXPANDING AND MOVING TO THE WEST VALLEY (2017 - 2019)



### ■ EXPANSION

### ● NEW TO MARKET

Company	City	New Jobs	Space Use
● Chewy	Goodyear	700	±802,671
■ Farmers Insurance	Peoria	750	±35,355
● SK Food Group	Tolleson	550	±212,000
● UPS*	Goodyear	500	±986,350
● Nike	Goodyear	500	±901,700
■ Andersen Corporation*	Goodyear	415	±550,000
● Huhtamaki North America	Goodyear	300	±752,808
■ Conair	Glendale	300	±1,000,000
● IRIS USA*	Surprise	200	±420,000
● Cives Corp	El Mirage	200	±151,400
● Red Bull*	Glendale	140	±722,475
● Fairlife	Goodyear	140	±300,000
■ Alaska USA Federal Credit Union	Glendale	136	±185,000
● Ball Corporation*	Goodyear	130	±500,000
■ Tyr Tactical	Peoria	125	±76,000
■ Trimaco	Surprise	120	±275,000

Company	City	New Jobs	Space Use
● Microsoft	Goodyear/El Mirage	110	±744,666
● Vitamin Shoppe	Avondale	110	±186,643
● Parker Fasteners	Buckeye	110	±30,000
■ Carvana	Tolleson	100	±179,919
● Ring	Glendale	100	±13,065
■ Cardinal IG	Buckeye	100	±460,000
■ KPS Global	Goodyear	85	±13,065
● SeaCa Packaging	Surprise	82	±165,000
■ Bravada Yachts	Tolleson	57	±63,723
■ HonorHealth	Peoria	57	±25,000
● IAC Industries	Goodyear	55	±50,040
■ AKDHC	Glendale	50	±40,000
■ Swire Coca Cola	Glendale	50	±129,927
● Copper State Rubber	Avondale	50	±152,392
● Apex Tactical Specialties	Peoria	30	±50,063

Source: CBRE Research, 2019.

\*The Greater Maricopa Foreign Trade Zone (GMFTZ) Zone #277 is Western Maricopa County's own federally recognized foreign trade zone that enables manufacturers and other industries to maximize duty and US customs efficiencies. This has spurred infrastructure and industrial speculative investment in the West Valley. There are currently eight nationally recognized companies active within GMFTZ to include REI, Sub-Zero, Dick's Sporting Goods, and UPS. To date, these companies have created over 2,700 jobs and invested \$1.39 billion into the region.

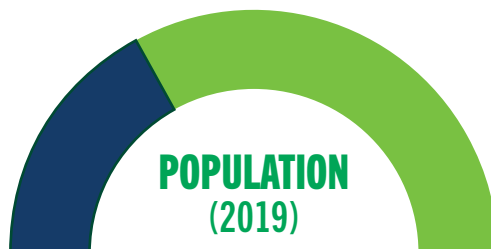


# ARIZONA STATE

## DEMOGRAPHIC PROFILE

**1,735,306**

WEST VALLEY



**4,885,176**

METRO PHOENIX

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

**2.1M**

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

**40%**

By 2030, 40% of the metro's population growth will occur in the West Valley

### Demographics

#### Median Age

**35.0**

WEST VALLEY

**36.9**

PHOENIX METRO

**38.2**

UNITED STATES

#### Median Household Income

**\$57,919**

WEST VALLEY

**\$62,609**

PHOENIX METRO

**\$60,548**

UNITED STATES

#### Median Home Price

**\$229,579**

WEST VALLEY

**\$265,771**

PHOENIX METRO

**\$234,154**

UNITED STATES

#### West Valley Highest Level of Educational Attainment

**22.8%**

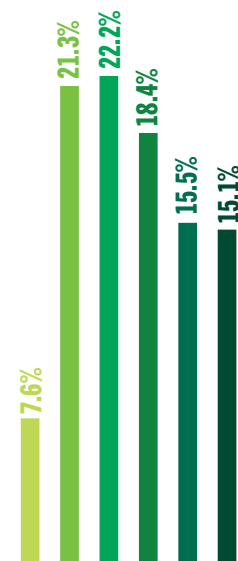
BACHELOR'S+

**33.6%**

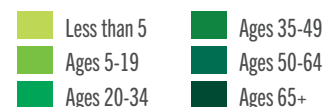
SOME COLLEGE

**27.4%**

HIGH SCHOOL



#### WEST VALLEY POPULATION BY AGE







#### Student Enrollment

Grand Canyon University	22,000*
Glendale Community College	18,054*
Estrella Mountain Community College	10,120*
Arizona State University, West	4,445
West Valley Rio Salado College	2,752
Ottawa University	1,434

\*Fall 2019 Estimates. All others are Fall 2018 Estimates.

#### West Valley Educational Institutions:

##### PUBLIC

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

##### COMMUNITY COLLEGES

- Estrella Mountain Community College
- Estrella Mountain Community College-Buckeye Educational Center
- Glendale Community College
- Phoenix College
- Rio Salado Community College

##### PRIVATE

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

##### CAREER & TECHNICAL PROGRAMS

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





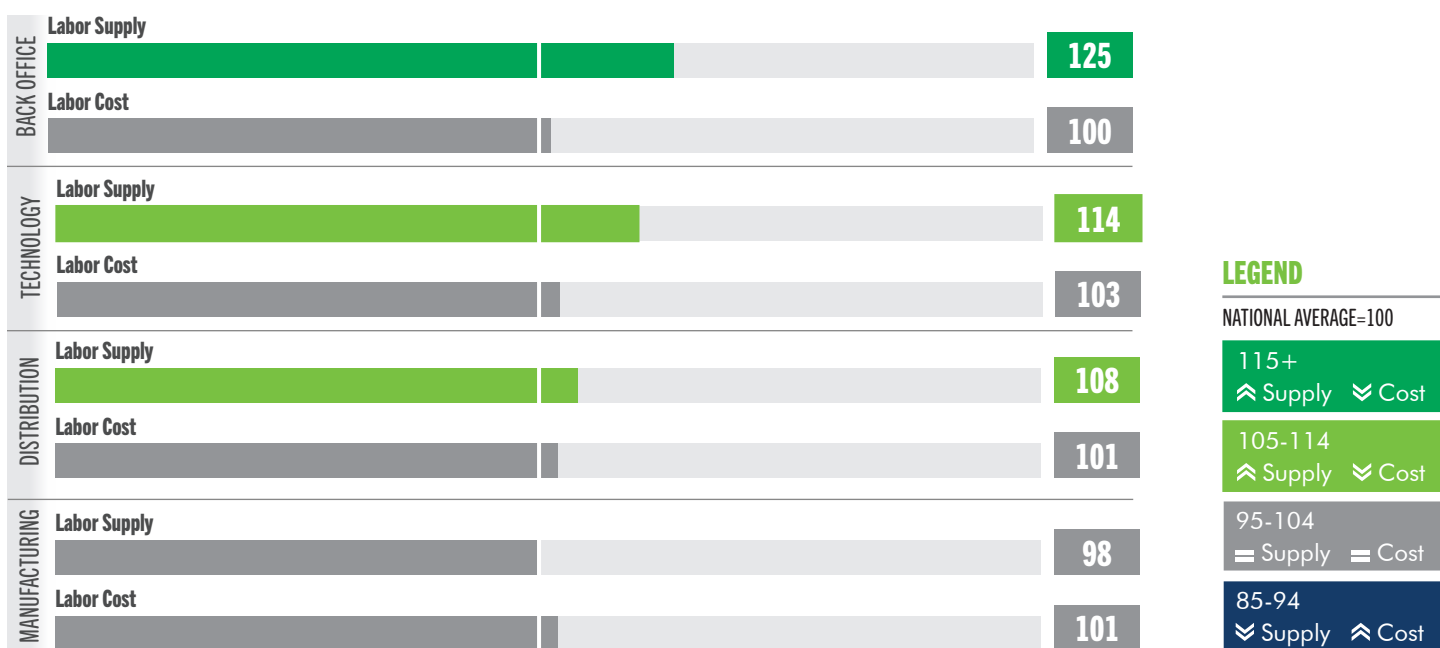
# LABOR SUPPLY

## LABOR HIGHLIGHTS

- 69%** of the Advance Business workforce commutes to jobs east of the I-17.
- 36%** of healthcare workers in Maricopa County live in the West Valley, yet only 20% of the jobs are located here.
- 32%** of finance and insurance workers in Maricopa County live in the West Valley compared to 12% of jobs located here.
- 34%** of the manufacturing workers in Maricopa County live in the West Valley, yet only 21% of the jobs are located here.

Sources: U.S. Census Bureau American Community Survey, Maricopa Association of Governments 2018.

## WEST VALLEY LABOR SUPPLY & COST INDEX



Source: CBRE Labor Analytics, 2019. The supply and cost scores are indicative of the overall market, but are not specific to a company/occupier.





## PROFESSIONAL SERVICES LABOR COST COMPARISON

Phoenix's West Valley professional services labor costs are roughly on pace with the national average, just a \$304 increase. This compares to markets like Denver and Los Angeles, where the same labor costs 10.3% and 15.0% above the national average.

OCCUPATION	U.S. Average	West Valley	Salt Lake City	Austin	Dallas	Los Angeles	Denver
Human Resources Generalist - 1 Year Experience	\$37,111	<b>\$59,008</b>	\$57,673	\$36,350	\$64,579	\$68,152	\$65,280
Financial Analyst - 1 Year Experience	\$73,526	<b>\$69,540</b>	\$68,804	\$73,075	\$77,238	\$81,600	\$77,020
Accounts Payable & Receivable Clerk - 1 Year Experience	\$34,729	<b>\$34,802</b>	\$33,254	\$34,127	\$35,139	\$38,677	\$37,555
Call Center Rep Specialized - 1 Year Experience	\$31,346	<b>\$31,147</b>	\$29,939	\$24,334	\$31,085	\$34,813	\$33,695
Administrative Assistant - 1 Year Experience	\$37,111	<b>\$37,339</b>	\$35,732	\$36,350	\$37,246	\$41,565	\$40,429
Average Annual Wage	\$46,063	<b>\$46,367</b>	\$	\$	\$49,057	\$52,961	\$50,795
<b>% SAVING OVER U.S. AVERAGE</b>	<b>0.0%</b>	<b>-1%</b>	<b>2.1%</b>	<b>11.3%</b>	<b>-6.5%</b>	<b>-15.0%</b>	<b>-10.3%</b>

Source: CBRE Labor Analytics, ERI Economic Research Institute, 2019.

## MANUFACTURING LABOR COST COMPARISON

A typical manufacturing firm can save 2.7% on labor costs in Phoenix's West Valley compared to the national average. This compares to markets like Dallas and Los Angeles, where the same labor costs 1.4% and 8.2% above the national average.

OCCUPATION	U.S. Average	West Valley	Atlanta	Dallas	Columbus	Las Vegas	Los Angeles
Manufacturing Worker - 1 Year	\$13.59	<b>\$13.43</b>	\$13.00	\$12.84	\$13.72	\$13.89	\$14.39
Machine Operator - 1 Year	\$16.32	<b>\$16.20</b>	\$15.51	\$15.58	\$16.72	\$16.85	\$17.26
Assembly Line Foreman - 1 Year	\$21.49	<b>\$21.16</b>	\$21.01	\$21.24	\$21.61	\$21.98	\$22.77
Product Assembler Machine - 1 Year	\$17.20	<b>\$17.19</b>	\$16.63	\$16.56	\$17.71	\$17.85	\$18.27
Manager Production - 3 year	\$46.17	<b>\$43.68</b>	\$47.23	\$50.12	\$45.71	\$45.07	\$51.51
Average Annual Wage	\$22.95	<b>\$22.33</b>	\$22.72	\$22.23	\$23.09	\$23.13	\$24.84
<b>% SAVING OVER U.S. AVERAGE</b>	<b>0.0%</b>	<b>2.7%</b>	<b>1.0%</b>	<b>-1.4%</b>	<b>-0.6%</b>	<b>-0.8%</b>	<b>-8.2%</b>

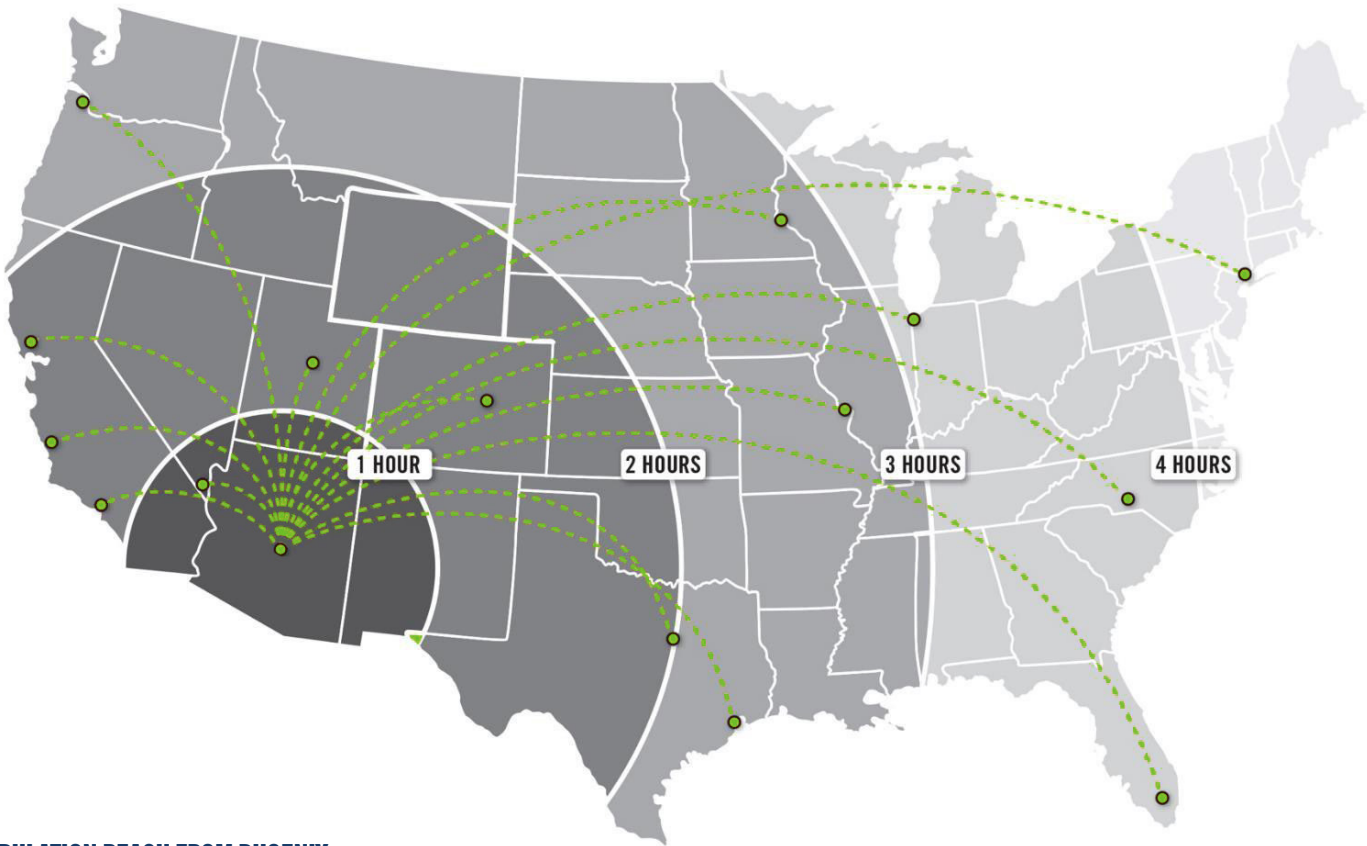
Source: CBRE Labor Analytics, ERI Economic Research Institute, 2019.





# STRATEGIC LOCATION

## FLIGHT TIMES



## POPULATION REACH FROM PHOENIX

Distance	2019 Population (millions)	2024 Population (millions)
100 miles	5.4	5.8
200 miles	7.2	7.7
300 miles	14.6	15.5
400 miles	34.8	36.3

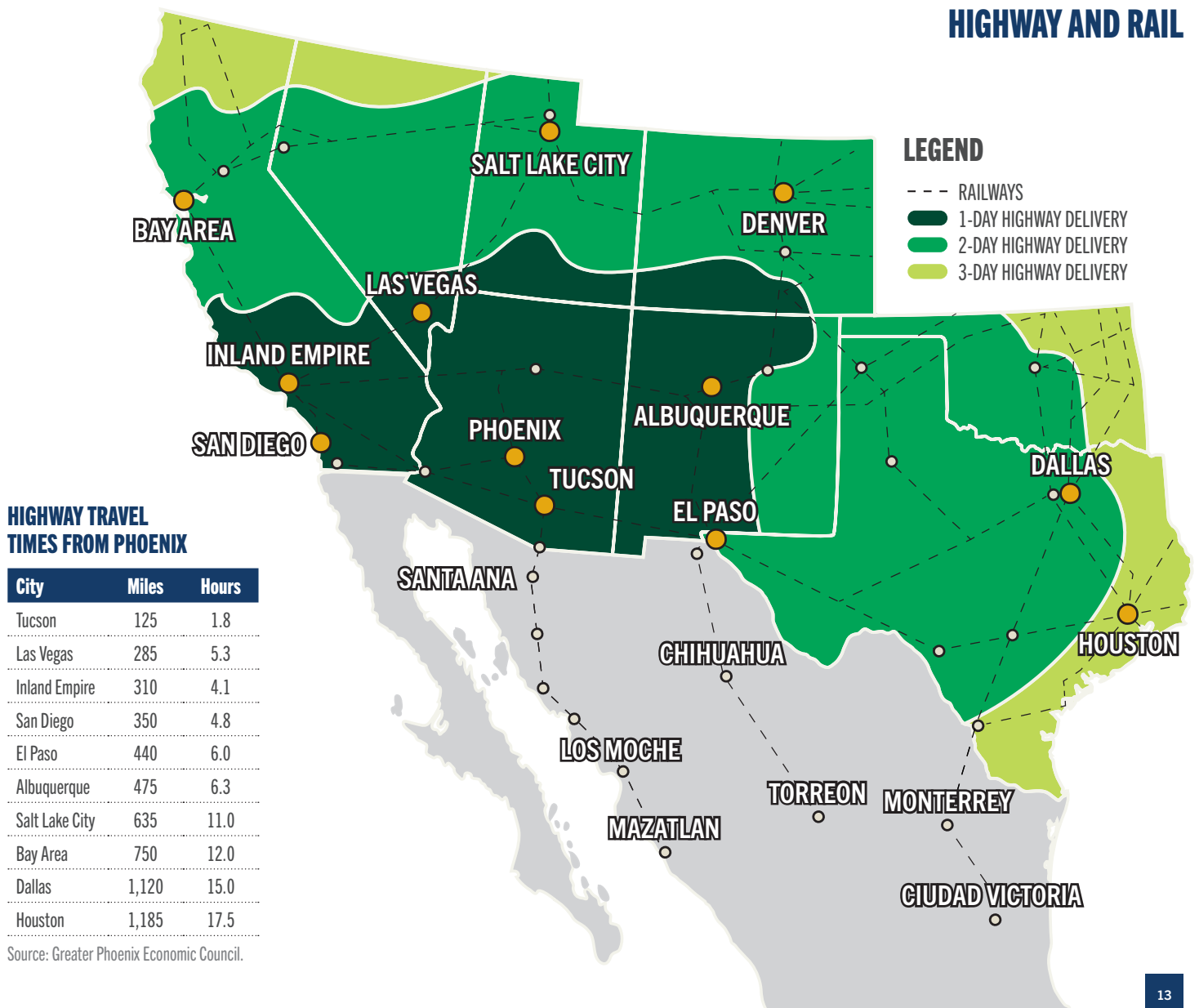
Distance	2019 Population (millions)	2024 Population (millions)
500 miles	40.2	42.1
600 miles	50.4	52.9
700 miles	64.1	67.1
800 miles	67	70.2

Source: Esri, 2019.





## HIGHWAY AND RAIL







# DEVELOPMENT

## DEVELOPMENTS IN THE WEST VALLEY



### DATA CENTERS

Over the past few years, tech companies have sought the West Valley land to build data centers. Nationally recognized companies like Microsoft, Stream, and Compass have purchased hundreds of acres of land in Goodyear. The Phoenix Metro has seen an increase in data center development, in large part to its stable climate, competitive power, strong labor pool, and tax incentives. The West Valley's proximity to the California tech market puts this region in a logistical advantage. These investments not only bring jobs to the facilities, but also specialized positions in the construction industry. Tech corridors in the West Valley provide the perfect incubator environment to connect these large capital investments to mid-size support services and IT startups.

#### Microsoft Data Centers

**110** JOBS

#### Compass Data Centers

**45** JOBS

#### Stream Data Centers

**40** JOBS



### IT STARTUPS

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

The results have produced new tech startups planting roots in the West Valley, tech funding, workforce growth, and investor awareness. The added benefit of new startups and startup talent, includes new confidence from corporations on having the workforce pipeline to support moving to the West Valley. **Currently there are 20 IT startups in the West Valley:**

- |                          |                        |                     |                           |
|--------------------------|------------------------|---------------------|---------------------------|
| ■ Leadfuze               | ■ InstantHands         | ■ Procure Networks  | ■ Software Quality Center |
| ■ RTA Fleet Management   | ■ Bravo Pay            | ■ Parts Detect      | ■ Silverton Software      |
| ■ ZINKN                  | ■ Enghouse Interactive | ■ Globe Infotech    | ■ Agate Software          |
| ■ Inception Technologies | ■ Convergent EDM       | ■ Softech Solutions | ■ Uneven LLC              |
| ■ EasyVoice              | ■ Checkpoint ID        | ■ MySoldMate        | ■ SwiftCoat               |

Source: West Valley Innovation Alliance, 2019.





GOODYEAR CIVIC SQUARE

## WEST VALLEY COMMERCIAL REAL ESTATE (2019)

### OFFICE

The West Valley's office footprint accounts for 8.3% of the metro's total inventory with 7.6 million sq. ft. of office space. Despite the availability of labor that attracts companies to the West Valley and increased infrastructure, office developers remained on the sidelines in 2019. Due to limited availability of Class A office inventory in the region, the addition of new high-quality product will attract office tenants to the area. Globe Corp. plans to develop 47 acres in Goodyear which, at full build out, will encompass a 120,000 sq. ft. building for Goodyear City Hall and a 100,000 sq. ft. speculative Class A office building.

	West Valley	PHX Metro
Total Base SF	7.6M	92.2M
Vacancy	22.2%	14.1%
Asking Rent (FSG/Annual)	\$21.86	\$27.00
Under Construction SF	0	1,954,104

### INDUSTRIAL

The industrial sector has a strong presence in the West Valley due to the large labor pool, strategic location and relative affordability compared to coastal markets. West Valley industrial space accounts for almost 40% of metro-wide inventory and an additional 9.1 million sq. ft. of space is currently underway. PV|303, a ±1,600-acre master planned business park located in Goodyear, will include ±20 million square feet of industrial, office, and retail space at build-out and is already home to several Fortune 500 companies.

	West Valley	PHX Metro
Total Base SF	124.5M	327.3M
Vacancy	6.8%	6.3%
Asking Rent (NNN/Monthly)	\$0.53	\$0.68
Under Construction SF	9,080,396	11,891,729

### RETAIL

Household growth has attracted retailers to the West Valley, particularly grocers and fitness users. The West Valley's retail base is 57.6 million sq. ft. and new supply is relatively limited with only 101,839 sq. ft. underway. Vacancy is slightly above the metro-wide average. Average rent is \$15.92 per sq. ft., which also sits below the market average. The continued increase in new households and wage growth is expected to attract new retailers to the area.

	West Valley	PHX Metro
Total Base SF	57.6M	152.2M
Vacancy	8.2%	8.0%
Asking Rent (NNN/Annual)	\$15.92	\$16.46
Under Construction SF	101,839	491,935





## FOR MORE INFORMATION ABOUT THIS REPORT, PLEASE CONTACT:

### Paul Komadina

Senior Managing Director  
CBRE  
+1 602 735 5500  
paul.komadina@cbre.com

### Jeffrey Cooledge

Research Manager  
CBRE  
+1 602 735 5586  
jeffrey.cooledge@cbre.com

### Sintra Hoffman

President and CEO  
WESTMARC  
+1 623 680 0645  
shoffman@westmarc.org



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