



BARNETT REALTY
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Arizona Commercial Real Estate Market Report – January 2025

1. Market Overview

Arizona's commercial real estate market remains strong heading into 2025, with continued demand for restaurant and retail spaces in high-growth areas like Queen Creek, Buckeye, and Scottsdale.

2. Key Metrics (Q4 2024 Data)

- Retail vacancy rate: 3.8% (down 0.4% from Q3 2024).
- Average lease price: \$27.00/sq ft/year (up 5% YoY).
- Average Days on Market: 28 days in Scottsdale and Buckeye.

3. Emerging Areas

- Queen Creek: Population growth of 12% over the past year has driven increased demand for commercial spaces, particularly in the restaurant sector.
- Buckeye: Infrastructure investments, including new roads and utilities, are transforming Buckeye into a commercial hotspot for investors.
- Scottsdale: Strong tourism numbers and high-income demographics make Scottsdale a prime area for short-term rental and commercial opportunities.

4. Short-Term Rental Insights

Short-term rental demand in Scottsdale and Sedona continues to boost nearby retail and dining businesses, with STR occupancy rates averaging 73% during the 2024 holiday season.

5. Opportunities for 2025

- Retail and restaurant developments in San Tan Valley offer strong ROI potential.
- Leverage lower vacancy rates in Buckeye and Queen Creek for early investments before market saturation.

Want to explore how these trends impact your investments? Schedule a consultation today to discuss opportunities tailored to your goals!