



BARNETT REALTY
COMMERCIAL | RESIDENTIAL

Arizona Commercial Real Estate Market Report

February 2025

1. Market Overview

Phoenix's commercial real estate market remained robust in February, with continued demand across retail, industrial, and office sectors. The city's pro-business environment and population growth continue to attract investors. [Orion Investment Real Estate+1Colliers+1](#)

2. Key Metrics (February 2025 Data)

- **Retail vacancy rate:** 3.9% (up 0.1% from January).
- **Average lease price:** \$27.25/sq ft/year (up 0.9% MoM).
- **Average Days on Market:** 30 days in Scottsdale and Buckeye. [Rocket - Help Everyone Home](#)

3. Emerging Areas

- **Queen Creek:** Commercial developments are expanding to meet the needs of the growing population.
- **Buckeye:** Infrastructure projects are enhancing accessibility, boosting commercial interest.
- **Scottsdale:** High tourism continues to drive demand for retail and hospitality spaces.

4. Short-Term Rental Insights

Occupancy rates in Scottsdale and Sedona averaged 74% in February, supporting adjacent retail and dining establishments.

5. Opportunities for 2025

Investors are eyeing opportunities in San Tan Valley, with new retail centers under development.