



**BARNETT REALTY**  
COMMERCIAL | RESIDENTIAL

# Arizona Commercial Real Estate Market Report

## March 2025

### 1. Market Overview

March saw a slight cooling in the commercial real estate market, with increased inventory levels providing more options for tenants.

### 2. Key Metrics (March 2025 Data)

- **Retail vacancy rate:** 4.1% (up 0.2% from February).
- **Average lease price:** \$27.10/sq ft/year (down 0.5% MoM).
- **Average Days on Market:** 32 days in Scottsdale and Buckeye.

### 3. Emerging Areas

- **Queen Creek:** Continued residential growth is prompting new retail developments.
- **Buckeye:** Commercial interest remains high due to ongoing infrastructure enhancements.
- **Scottsdale:** Luxury retail spaces are in demand, driven by tourism and high-income demographics.

### 4. Short-Term Rental Insights

STR occupancy rates in key markets averaged 72% in March, with a notable increase in bookings for spring events.

### 5. Opportunities for 2025

Emerging neighborhoods in Mesa are attracting attention for mixed-use developments.