



September 30, 2025

VIA PROCESS SERVER AND CERTIFIED MAIL

State of Arizona
c/o Administrative Division Office of the Attorney General
2005 N. Central Ave.
Phoenix, AZ 85004

Arizona Department of Water Resources
1110 W. Washington St.
Suite 310
Phoenix, AZ 85007

Re: Written Demand Pursuant to A.R.S. § 12-1134(E)

To whom it may concern:

The Goldwater Institute’s Scharf-Norton Center for Constitutional Litigation represents Buckeye Tartesso LLC and Buckeye Tartesso II LLC (together, the “BT Entities”), which seek to secure an assured water supply for their property known as the Tartesso master planned community (“Tartesso”). Pursuant to A.R.S. § 12-1134(E), the BT Entities submit this written demand for just compensation for the diminution in their property values as a result of land use laws enacted by the Arizona Department of Water Resources (“ADWR”).

Background

Under the Assured Water Supply (“AWS”) program, a developer of subdivided residential real estate located within an Active Management Area (“AMA”) must demonstrate an AWS before it can subdivide and sell lots. § 45-576(A). If a property is located within an AMA but outside the service area of a designated provider, a developer must obtain a Certificate of Assured Water Supply (“CAWS”) to satisfy the AWS requirement. Obtaining a CAWS is a prerequisite for the platting of subdivision lots, *see* §§ 9-463.01(I), 11-822(A), and the issuance of a Public Subdivision Report, which is a requirement for selling lots, *see* § 32-2183(G).

Prior to satisfying all of the requirements to obtain a CAWS, a developer may apply for an Analysis of Assured Water Supply (“Analysis”) to reserve a water supply for its development. A.A.C. R12-15-703(A), (F)(1). ADWR shall issue an Analysis if an applicant demonstrates physical availability of groundwater to serve its proposed use (as described below), *see* R12-15-703(E)(1), and the issued Analysis can later be used to satisfy the physical availability requirement when the Analysis holder later applies for a CAWS, *see* R12-15-703(F)(2).

To obtain a CAWS or an Analysis, the applicant must demonstrate that “sufficient groundwater... will be continuously available to satisfy the water needs of the *proposed use* for at least one hundred years.” § 45-576(M).¹ One element of this showing is a demonstration that the water supply will be “physically available” for 100 years. R12-15-716(B). For decades, an applicant has been able to demonstrate a 100-year supply of groundwater for their proposed use by submitting a hydrologic study for ADWR’s review. ADWR rules require that the hydrologic study must “accurately describe[] the hydrology of the *affected area*” and demonstrate that the groundwater to serve the development will be “physically available for the *proposed use*.” *Id.* The water will be physically available if it will be “*withdrawn* from depths that do not exceed” 1,000 feet below land surface. *Id.* Traditionally, physical availability has been shown through a hydrologic study focused exclusively on the depth-to-water in 100 years at the location(s) where the water would be withdrawn to support the proposed use. There was no assessment of depth-to-water at other locations within the Phoenix AMA. Likewise, the applicant’s hydrologic study did not assess whether any other well within the Phoenix AMA would be able to fully satisfy its predicted demand for 100 years.

After the BT Entities obtained their property, ADWR released a groundwater model for the Phoenix AMA (the “Phoenix AMA Model”) and enacted two new rules: the AMA-Wide Unmet Demand Rule and the AMA-Wide Depth-to-Water Rule (together, the “Rules”). First, under the AMA-Wide Unmet Demand Rule, if modeling predicts that, in the next 100 years, a single well may not be able to fully satisfy its predicted demand *in any location* within the Phoenix AMA Model domain, then ADWR concludes that there is no physically available groundwater *anywhere* within the Phoenix AMA Model domain. Second, under the AMA-Wide Depth-to-Water Rule, if modeling predicts that, in the next 100 years, depth-to-water will exceed 1,000 feet *in any location* within the Phoenix AMA Model domain, then ADWR concludes there is no physically available groundwater *anywhere* within the Phoenix AMA Model domain. On the basis of the Rules, ADWR has refused to issue any new CAWS in the Phoenix AMA.

The BT Entities are the owners of the Tartesso development in the City of Buckeye,² located in the Phoenix AMA. These lands include over 12,835 net acres³, including regions known as Tartesso West, Units 2, 3, 4, and 5; Tartesso East, Villages 1, 5, and 6-9; Buckeye Spectrum;

¹ Emphasis included in references to statutory provisions or regulations is added.

² These properties are located in Sections 1, 3-4, & 10-11, Township 1 North, Range 4 West; Sections 6-8, 17-20, 24-26, 29-31, & 35-36, Township 2 North, Range 4 West; and Sections 11-14, 24-25, & 35, Township 2 North, Range 5 West, Maricopa County.

³ The 12,835 net acres include only those lands for which no CAWS have been secured. An additional 1,175.04 acres of land located in Elianto West and Mirielle have Certificates but have also diminished in value as a result of ADWR’s enactment of the Rules, as these subdivisions are now cut off from the path of development.

Elianto West; and Mirielle.⁴ The BT Entities obtained these lands with the intent to obtain a CAWS and to subdivide and sell lots within the Tartesso property. As such, they obtained two Analyses related to these properties: Tartesso Master-Planned Community (ADWR No. 42-401120.0003) and Tartesso and Tartesso West (ADWR No. 42-400937.0003). Buckeye Tartesso LLC later applied for a CAWS for Tartesso West, Units 3A, 3B, and 4E.

As a result of the Rules enacted after the BT Entities' acquisition of the Tartesso property, the BT Entities have been unable to obtain CAWS for their property, and, as a result, are prohibited from subdividing and selling lots on its property. This has resulted in a significant diminution in value to the BT Entities' private property, for which the BT Entities now demand just compensation.

Applicable Law

The Private Property Rights Protection Act, also known as Proposition 207 ("Prop. 207"), provides for a special action relating to a diminution in property value: "If the existing rights to use, divide, sell or possess private real property are reduced by the enactment or applicability of any land use law enacted after the date the property is transferred to the owner and such action reduces the fair market value of the property the owner is entitled to just compensation from this state or the political subdivision of this state that enacted the land use law." § 12-1134(A).

Here, the BT Entities' existing rights to "use, divide, [and] sell" their private real property have been diminished by ADWR's enactment of the Rules after the BT Entities acquired the property because the Rules have prevented BT Entities from obtaining the necessary CAW to subdivide and sell lots within the Tartesso property. *See* § 12-1134(A). Both of the Rules – the AMA-Wide Unmet Demand Rule and the AMA-Wide Depth-to-Water Rule – are "land use laws" as defined in Prop. 207, as they are unquestionably "rule[s]... enacted by this state... that regulate[] the use or division of land or any interest in land..." § 12-1136(3). Please be advised that, under § 12-1134(C), the State bears the burden of proving the applicability of any exemption from Prop. 207.

Written Demand

The BT Entities thus make this written demand for just compensation. Based on the facts described above, the BT Entities contend that \$320,875,000 is a reasonable approximation of the "reduction in fair market value of the property" resulting from ADWR's enactment of the Rules, as of the date of enactment. § 12-1136(2). This figure was derived using the report attached herewith: *Market Analysis & Forecasts for Tartesso Master Plan Parcels*, prepared by Elliott D.

⁴ Buckeye Tartesso LLC owns the Tartesso West and Tartesso East properties (10,960.418 net acres). Buckeye Tartesso II LLC owns the Elianto West and Mirielle properties (1,874.925 net acres).

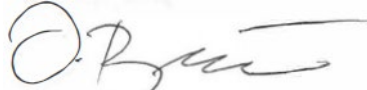
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Pollack & Company. It incorporates a number of conservative assumptions, and the BT Entities expect that actual, proven damages would be significantly higher. This demand is an offer of settlement, in the nature of a compromise, and the BT Entities reserve the right to seek additional or different damages if litigation is necessary. Additionally, the BT Entities will seek award of their “costs, expenses, and reasonable attorney fees.” § 12-1135(D).

Pursuant to § 12-1134(E), if the Rules continue to apply to the BT Entities’ property more than 90 days after the date of this letter, the BT Entities will have a cause of action for just compensation, unless the State of Arizona and the BT Entities reach an agreement on the amount to be paid or the State “amends, repeals or issues... a binding waiver of enforcement” of the Rules on the BT Entities’ property. *See also* § 12-1134(H) (noting this remedy is in addition to “any other remedy that is provided” by law).

Thank you in advance for your consideration of this matter.

Sincerely,



Jon Riches
Vice President of Litigation
Scharf-Norton Center for
Constitutional Litigation at the
Goldwater Institute

Enclosure

Market Analysis & Forecasts for Tartesso Master Plan Parcels Buckeye, Arizona



Prepared for:

Fennemore Craig

September 2025

Prepared by:



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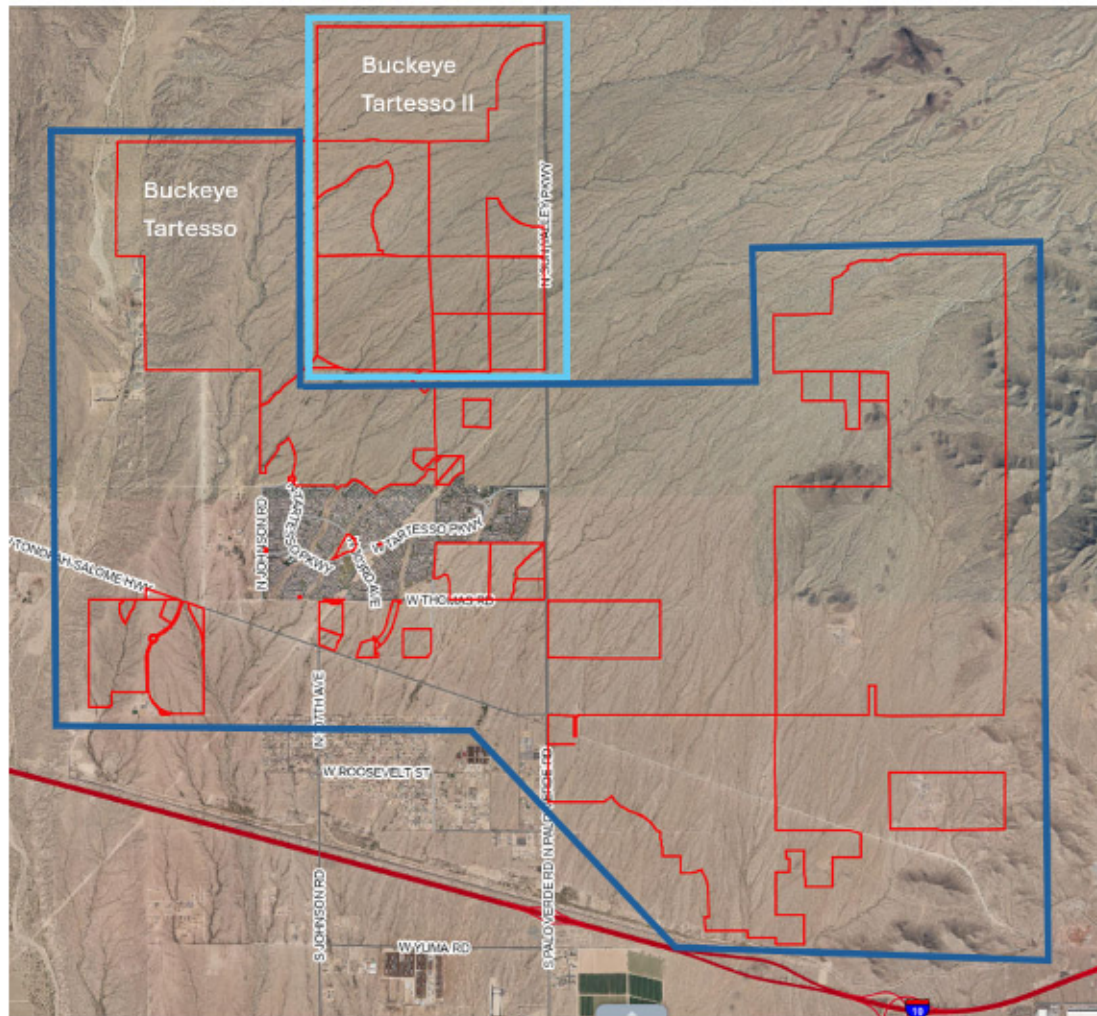


Executive Summary

Purpose of Report

Elliott D. Pollack and Company was retained to assess the potential market for residential, commercial, and industrial development assuming no development restrictions stemming from ADWR’s refusal to issue Certificates of Assured Water Supply (CAWS). The subject sites contain numerous parcels totaling over 12,835 acres known as the Tartesso master plan, located in the City of Buckeye north of the I-10 freeway along the Sun Valley Parkway corridor. This report includes an analysis of the regional population, demographic characteristics, and real estate development trends within the Primary Market Area surrounding the proposed development. Also provided in this report is a determination of the capacity of the Primary Market Area to support new development and forecasts based on the existing and future population. The areas include the following:

- 1) Buckeye Tartesso: Including regions known as Tartesso West Units 2, 3, 4, and 5 as well as Tartesso East Villages 1, 5, 6-9, and Buckeye Spectrum (10,960 acres).
- 2) Buckeye Tartesso II: Including regions known as Elianto West and Mirielle (1,875 acres).



Primary Market Area Definition (PMA)

The Primary Market Area (PMA) is a geographic area from which demand for a particular real estate product will arise. It is also the area containing similar and, therefore, directly competitive real estate projects. Based on analysis of the geographic features of the area, and the experience of this firm in conducting market studies, it is the professional opinion of this firm that the Primary Market Area (PMA) is comprised of the City of Buckeye.

Site Location and Character

The area surrounding the subject sites is primarily vacant land and single family homes. The site is in close proximity to Sun Valley Parkway, a major arterial, with direct access to the I-10 freeway and State Route 85. The closest retail amenities are located along I-10 approximately 11 to 15 miles away. Major employers are also generally found to the south and east of the subject sites along I-10.

Home building is active in the region with several active subdivisions north of Tartesso along Sun Valley Parkway including Teravalis and Sun City Festival as well as to the east within Buckeye including Verrado, Arroyo Secco, Village at Sundance, Desert Moon Estates, and many others. Apartments are also being developed in Buckeye, currently concentrated in the eastern part of the city.

Tartesso Background

Tartesso was one of the most successful master planned communities in the City of Buckeye. By 2020, prior to the initial phases of Tartesso reaching build out, the master plan accounted for 25% of all new single family permits within Buckeye. That same year, RCLCO Real Estate Advisors ranked Tartesso the 12th top-selling master planned community in the country (the highest ranking among master planned communities in Arizona).

New Home Permits by Year City of Buckeye				
Year	City of Buckeye	% Chg	Tartesso	% of Buckeye
2016	1,505		83	5.5%
2017	2,163	44%	250	11.6%
2018	2,143	-1%	458	21.4%
2019	2,349	10%	567	24.1%
2020	2,837	21%	708	25.0%
2021	2,257	-20%	256	11.3%

Source: RL Brown

Population & Demographics

Greater Phoenix has maintained a strong population and employment growth trajectory, reporting an average of nearly 85,000 new residents per year over the past five years. The State of Arizona's official population projections anticipate an equivalent amount of annual growth (1.5% per year) for the next ten years and continuous steady growth for decades. According to the Maricopa Association of Governments, residential unit demand from 2020 through 2060 in Greater Phoenix will total nearly 1.2 million additional homes.

The City of Buckeye has continued to see residential development occur on parcels that previously received a CAWS, though the city's capture of Greater Phoenix growth has diminished since the refusal by ADWR to issue CAWS. This has shown that the city has been impacted by restricting certain areas from developing, including Tartesso, but also that there is still demand for growth within the city.



Housing Market

Permitting

Residential permit activity in Buckeye expanded rapidly from 2017 through 2020 posting peak activity (2,837 single family permits and 261 apartment deliveries) during the height of the COVID-19 pandemic. Single family permit activity started to slow in 2021 and continued through 2023 with 1,616 single family permits but recovered 12% in 2024 with 1,815 permits. The decline in single family permits across Greater Phoenix has largely been due to the rise in mortgage interest rates. However, the City of Buckeye has experienced consistent declines in market capture, very likely due in part to the development restrictions imposed by ADWR.

Rental development in Buckeye has made up some of the difference in the decline of single family permit activity, with sustained apartment deliveries starting in 2020 and extending through 2025 totaling 3,123 units.

Single Family Homes

The City of Buckeye has had a very active new home market. Since 2018, over 15,900 new home permits have been issued and 15,800 homes sold. The median sales price has increased from \$242,640 in 2018 to \$420,000 through the first eight months of 2025.

New Home Market						
Year	No. Permits	No. Sold	Median Sales Price	Average		
				Sales Price	Sq. Ft.	Price Per Sq. Ft.
2018	2,143	2,200	\$242,640	\$268,347	2,020	\$141.02
2019	2,349	2,314	\$260,990	\$288,344	2,045	\$141.02
2020	2,837	2,672	\$282,860	\$314,748	2,014	\$156.26
2021	2,257	2,292	\$333,839	\$365,584	2,115	\$172.86
2022	1,765	1,774	\$419,638	\$454,435	1,939	\$234.37
2023	1,616	1,714	\$407,510	\$497,584	1,832	\$271.58
2024	1,815	1,694	\$418,000	\$502,464	1,988	\$252.80
2025 YTD	1,198	1,129	\$420,000	\$497,804	1,935	\$257.22

Source: RL Brown

Active Subdivision		
Year	No. Permits	No. Sold
2018	272	266
2019	389	322
2020	486	432
2021	1,000	494
2022	1,186	828
2023	1,302	1,258
2024	1,710	1,601
2025 YTD	1,195	1,129
Total	7,540	6,330
Available Lots 6,181		
Spec 238		

Source: RL Brown

There are 66 active subdivisions across the city, including several subdivisions north of Tartesso along Sun Valley Parkway such as Teravalis and Sun City Festival. There are also numerous active subdivisions to the east within Buckeye including Verrado, Arroyo Secco, Village at Sundance, Desert Moon Estates, and many others. There are an estimated 6,181 available lots with 238 speculative units built. Since 2018, within the 66 subdivisions approximately 7,540 permits have been issued, and 6,330 homes have been sold.



Multifamily Housing Market

There are currently 14 apartment or rental communities consisting of at least 50 units in the primary market area totaling 2,111 total units. Approximately 456 of the units were built prior to 2010 with an additional 122 units in the following decade. There have been 9 additional communities with 1,533 units that have been built since 2020.

Including newly opened communities still in lease-up, total vacancy is 26.9% compared to 10.5% across the metro. The stabilized vacancy is 5.5% compared to 7.1% in Greater Phoenix. This is considered fully occupied.

PMA Apartment Market Compared to Maricopa County							
Q2 2025							
Area	Complexes	Units	Monthly Rent	Average SF	Rent per SF	Vacancy Rate	
PMA							
All Complexes	14	2,111	\$1,700	1,223	\$1.39	26.9%	
All Complexes Excluding Projects in Lease Up	9	1,227	\$1,630	1,311	\$1.24	5.5%	
Maricopa County							
All Complexes	1,917	404,320	\$1,545	861	\$1.79	10.5%	
All Complexes Excluding Projects in Lease Up	1,794	375,702	\$1,518	855	\$1.78	7.1%	

Source:RealData

There were 31 projects identified in the City of Buckeye in the pipeline totaling 8,813 total units at various stages of development. Of note, three communities (Hancock on Rooks, Copper Falls III Parcel 9 and Greenlight Verrado) total 2,681 units that account for over 30% of the identified pipeline. The following table illustrates the details of the identified pipeline of multi-family units including project status, units, and address.



Pipeline Projects			
Name	Address	Total Units	Status
Market Rate			
Under Construction			
Arroyo Verde I	20177 W Thomas Road	80	Under Construction
Bungalows at Sundance	24485 W Yuma Road	333	Under Construction
FirstStreet at Skyline	SEC McDowell Rd & Dean Rd Alignment	222	Under Construction
Lanai Living I	450 N Apache Road	222	Under Construction
Sub-Total		857	
Planned			
Avilla Marigold	SWC Thomas Road & Jackrabbit Trail	214	Final Plan Approval
Buckeye Village Centre	301 E Centre Avenue	78	Final Plan Approval
Lanai Living II	450 N Apache Road	222	Final Plan Approval
Sundance @ Buckeye	SEC Yuma Road & Apache Road	294	Final Plan Approval
Arroyo Verde II	20177 W Thomas Road	114	Preliminary Plan Approval
Arroyo Verde III	20177 W Thomas Road	75	Preliminary Plan Approval
Arroyo Verde IV	20177 W Thomas Road	131	Preliminary Plan Approval
Buckeye Commons	25201 W MC 85 Highway	408	Preliminary Plan Approval
Ironwood at Blue Horizons-Apts	SWC Jackrabbit Tr & Blue Horizon Pkwy N	150	Preliminary Plan Approval
Ironwood at Blue Horizons-Villas	SWC Jackrabbit Tr & Blue Horizon Pkwy N	88	Preliminary Plan Approval
Prestige Homes in Buckeye	SWC Yuma Road & Dean Road	136	Preliminary Plan Approval
Prose Verrado	SEC Roosevelt St & Verrado Way	394	Preliminary Plan Approval
Springs at Sundance	SEC Watson Road & I-10	204	Preliminary Plan Approval
Sundance Station Apts	700 S Watson Road	272	Preliminary Plan Approval
Sundance Station BTR	700 S Watson Rd	154	Preliminary Plan Approval
Village at Cielo Azul	NEC Indian School Rd & Jackrabbit Trail	335	Preliminary Plan Approval
Villettas on Miller BTR	NWC Miller Rd & Hazen Rd	178	Preliminary Plan Approval
Copper Falls III Parcel 9	25111 W Broadway Road	900	Development/Design Review Approval Pending
Hancock on Rooks	3316 S Rooks Road	847	Development/Design Review Approval Pending
Nirvana at Miller	NEC Broadway Rd & Miller Rd	305	Development/Design Review Approval Pending
Greenlight Verrado	NEC Verrado Way & Van Buren Street	934	Zoning Approval Received
MC-85 & Rooks	25260 W US Highway 85	342	Zoning Approval Received
West Fillmore HighStreet	20555 W Roosevelt Street	510	Zoning Approval Received
Miller Heights BTR	N/I-10 & Miller Road	163	Rezoning Requested
Miller Heights SFR	N/I-10 & Miller Road	88	Rezoning Requested
Villettas on Miller APT	NWC Miller Road & Hazen Road	220	Pre-Application Screen
Sub-Total		7,756	
Planned - Affordable			
BTR at Yuma & Apache *	SEC Yuma Rd & Apache Rd	200	Development/Design Review Approval Pending
Sub-Total		200	
		857	Market Rate - Under Construction
		808	Market Rate - Final Plan Approval
		2639	Market Rate - Preliminary Plan Approval
		2052	Market Rate - Development/Design Review Approval Pending
		1786	Market Rate - Zoning Approval Received
		251	Market Rate - Rezoning Requested
		220	Market Rate - Pre-Application Screen
		200	Affordable - Development/Design Review Approval Pending
Total		8,813	31 Projects

*Affordable
Source: RealData

Commercial Market

The Greater Phoenix retail market continues to show persistent tightness with only 4.9% vacancy across the metro. Strong demographics continued income growth, and low unemployment, coupled with a modest construction pipeline, have been identified as the source for continued tenant demand and low availability.

In the years following the onset of the pandemic, historically low space availability restrained retailers' ability to grow store fleets in Phoenix as users found limited quality expansion



options. Off-price retailers, dollar stores, and experiential tenants have helped backfill big box sites, contributing to a pick-up in net absorption in the first half of the year.

Approximately 1.3 million square feet of retail space was delivered over the past 12 months, down from an average of 2.1 million square feet from 2015 to 2019. Though the construction pipeline has grown to 2.2 million square feet, less than a third is available for lease, and supply-side pressure remains limited.

The bulk of supply additions can be found in rapidly growing suburbs on the outskirts of the metro, like Buckeye, Surprise, and Queen Creek. These areas contain strong population growth and ample developable land, as well as a more limited existing retail offering.

Sub-Market Outlook

The City of Buckeye contains 2.3 million square feet of retail development and there is only 1.3% vacancy throughout the city. There has been 125,000 square feet absorbed over the last 12 months and over 1.0 million square feet is under construction including Buckeye Commons (411,441 SF) anchored by Costco and Home Depot and Verrado Marketplace (520,000 SF) anchored by Target, Harkins Theatres, and Safeway. Total retail inventory will increase by over 44% once these projects are delivered.

There is currently no commercial development within the Tartesso parcels. With 3,371 homes already built and occupied within the first phases, and now with residential development restricted, Tartesso has not reached a critical mass of households to induce any significant retail development, such as a grocery store anchored neighborhood center. Additional residential development must occur before retailers will be able to justify a nearby location.

The median household income of Buckeye residents is currently \$106,504. Utilizing current average apartment rents in Buckeye, renter households have an estimated average household income of \$72,720. These household incomes and the U.S. Consumer Expenditure Survey were utilized to model retail demand going forward. Using a weighted average of \$94,341 per household, our retail demand model indicates that each new household will create demand for approximately 56 square feet of retail (a combination of grocery stores, other local serving retail, restaurants and bars, and regional serving retail).

With a minimum neighborhood center size of 150,000 square feet assumed, retail development does not occur exactly at the pace of new residential development. Rather, incremental development of commercial centers is spurred once a critical mass of new residents is sufficient to support the development. Tartesso requires additional residents to reach this threshold.

Industrial Market

The Greater Phoenix industrial real estate market is experiencing significant transition, driven by a historic wave of recent construction completions. In 2024, an unprecedented 37.2 million square feet (SF) of industrial space was delivered to the market, well above the pre-pandemic average of 8 million SF per year. Absorption kept pace through 2021 and most of 2022 but the



oversupply over the last two years has pushed the overall vacancy rate to 12.4%, up from 4.2% in mid-2022, with further increases likely through 2026. Despite the surge in supply, demand remains resilient—net absorption totaled 13.7 million square feet in the last 12 months, the third-highest nationwide—thanks to ongoing expansion from logistics, construction, and retail-related users.

Demand is currently not keeping pace with new deliveries, particularly with large facilities. Vacancy among buildings over 100,000 SF has reached over 16%, while smaller spaces (under 50,000 SF) are more insulated, with vacancy in the high-4% range.

Construction remains robust, with 24.1 million square feet still underway, number two in the nation - 50% of it speculative. The pipeline is concentrated in both the West Valley and the Phoenix-Mesa Gateway area. Developers increasingly targeted larger buildings, creating oversupply in the big-box segment. While construction starts are now slowing, the backlog will continue to weigh on vacancy and rent performance in the near term.

Greater Phoenix's economic fundamentals remain favorable, driven by strong population growth and a business-friendly regulatory and tax environment. Significant investments from companies like TSMC and Amazon highlight the market's continued long-term appeal as a logistics and advanced manufacturing hub, despite short-term imbalances between supply and demand.

Sub-Market Outlook

Tartesso's industrial property, known as Buckeye Spectrum, is located just north of I-10 and Sun Valley Parkway, within CoStar's Goodyear submarket. The Goodyear submarket, totaling 41.5 million square feet, has emerged as a major industrial hub, with 3.1 million square feet (SF) delivered in the past year (25.1 million SF delivered in the past five years), and 2.0 million SF of net absorption. Despite robust demand driven by logistics tenants such as Kenco and CEVA Logistics, the volume of speculative construction has pushed vacancy to 21.6%. While the development pipeline has thinned to 3.6 million SF under construction, down from 6 million SF from 2020 to 2022, near-term vacancy is expected to remain elevated. However, Goodyear's strategic location near California ports continues to attract logistics and manufacturing users seeking affordability and connectivity. The submarket is grappling with the effects of aggressive speculative development and faces high vacancies in the near term. Long-term fundamentals are solid, though current oversupply conditions will require time to balance.

There appear to be no issues related to the subject site's industrial parcels that would have hindered the development of industrial during the most recent construction boom other than the inability to sub-divide the property due to water policy restrictions. The site is in a highly competitive location with quick access to I-10 and proximity to California. In addition, the inability to develop additional residential homes has weakened the prospects of a growing workforce nearby which may act as a deterrent to potential industrial tenants.



Market Conclusions

The subject sites are within the region of active residential development that is now occurring in Buckeye, and initial phases of Tartesso have already successfully built out, proving there is a residential market at this location. The advantages of the subject site are the following:

- There are no major negative attributes of the areas surrounding the subject sites that would detract from the marketability of the proposed uses.
- The property is located within a short distance and quick access to Interstate 10. Major employers and employment centers in Buckeye and the West Valley are within a reasonable commute from the site.
- The market area is expected to continue to grow in population and employment for the near and long term. Additionally, there is a large base of income qualified renters and owners already in the market.

From an economic perspective, the sudden and drastic measures announcing no new certifications of assured water supply from groundwater created uncertainty and risk, an effective deterrent to potential investors in our state's economy. If the current policy holds, the Greater Phoenix MSA is at risk of not achieving previously forecasted growth in population and employment by substantially reducing the number of affordable homes that can be built. Many of the affected areas are among the most actively growing regions as well as some of the last remaining locations where homeowners can find an affordable new home.

Based on our analysis of the subject parcels, we conclude that there would be a strong market to develop residential, commercial, and industrial real estate if there were no restriction on the issuance of certificates of assured water supply. This is also supported by the fact that the next phases of the Tartesso master plan were under contract for several thousand homes by two major home builders.

There are insufficient commercial amenities within a relatively short driving distance of the existing homes within Tartesso. Commercial development has been hampered by the restrictions on continued residential development at the subject parcels. However, if residential development were to continue, a critical mass of households would be achieved and result in new commercial development activity within the subject sites.

The inability to subdivide the industrial parcels has drastically reduced development flexibility at the subject site. In addition, eliminating nearby residential construction also weakens the competitive position of the industrial site. Absent those restrictions, the subject site is in a competitive location that should be able to attract industrial development.



Residential Forecast Results

The following table summarizes the residential forecast for Buckeye Tartesso and Buckeye Tartesso II. The table also provides historical trends of single family and multifamily development. A single family unit is expressed as a completed and sold home (closing) and multifamily is expressed as units delivered.

Greater Phoenix

Overall, Greater Phoenix new single family home closings have produced within a narrow range between 21,559 and 24,365 annually over the past 6 years. Projected population inflows and single family development are expected to remain relatively constant over the next several years, averaging 22,900 homes per year. Over the long term, we expect single family development to capture a modestly smaller share of total home development as multifamily units are absorbed and become a larger share of the market. This equates to a long run average of 21,000 homes per year by 2032 and a gradual decline to 19,500 homes per year by 2051 due to moderating population growth. The metro wide total is used as a guide to determine the growth potential of the City of Buckeye as a submarket within Greater Phoenix, and Tartesso capture rates are noted.

Maricopa Association of Governments (MAG) projected annual housing unit growth of 35,912 units between 2020 and 2030. We assume the allocation is likely a range of 20,000-25,000 single family units and 11,000-16,000 multifamily units per year. MAG also projects relatively slower growth between 2030-2040 of 30,861 units per year (14% decline). While these projections have been taken into consideration for the study, it is our assessment that the population forecasted for Greater Phoenix is likely to create demand for 34,700 units per year in the following decade, with modest downward revisions in subsequent decades.

Multifamily development forecasts for Greater Phoenix are also provided. Regional housing affordability has declined substantially over the past five years and will remain a headwind for single family home development and a tailwind for multifamily development. Currently, the Greater Phoenix market is delivering more multifamily units than can be absorbed, leading to elevated vacancy rates, but demand is strong. The forecast assumes a three year period of suppressed multifamily development from 2026 through 2028 to allow for stabilized occupancy of newly delivered units, followed by a four year ramp up to a long run average of 14,000 units per year through 2039. Due to moderating population inflows in subsequent decades, multifamily development is expected to decline to a terminal rate of 12,500 units per year through the forecast horizon.

City of Buckeye

From 2018 through 2022, the City of Buckeye captured 10.0% of Greater Phoenix single family closings. MAG projected that Buckeye would capture 9.0% of residential unit growth from 2020 to 2030. Due to the continued buildout of surrounding municipalities, MAG projected that Buckeye's capture of new residential development would grow to 15.6% from 2030-2040 and 17.1% from 2040-2050. In the subsequent decade from 2050-2060, Buckeye is projected to



capture 16.8% of Greater Phoenix residential growth. In total, Buckeye is projected to add nearly 166,000 new residential units (both single family and multifamily) between 2020 and 2060.

Multifamily development has recently reached the City of Buckeye after decades of exclusively building single family homes. Over the past three years, Buckeye has captured approximately 3.3% of Greater Phoenix multifamily development. Multifamily development in Buckeye is expected to lag single family development for the foreseeable future but is expected to capture a higher share of the Greater Phoenix market over time.

The following forecast follows MAG’s total residential unit forecast for Buckeye, adjusting for development activity that has already occurred, and distributes the residential development between single family and multifamily units. It assumes that Buckeye will achieve a 9% average capture rate of single family development in the decade between 2020 and 2030 with a gradual ramp up each year beginning in 2027 to 11% by 2030 and 17% by 2041. The city is expected to maintain a 16%-17% capture rate consistently thereafter.

The multifamily forecast assumes an average capture rate of 3.8% through 2030. The expected capture rate gradually ramps up to 5.0% by 2030 and 10.0% by 2040 with a terminal capture rate of 15% of Greater Phoenix multifamily development. These capture rates result in a unit count equivalent to the MAG residential unit growth forecast for Buckeye from 2020 to 2060 (165,858 new units).

Tartesso

In the two years of sales unconstrained from build out in 2019 and 2020, Tartesso captured 24.4% of the City of Buckeye’s new single family home development. The EDPKO forecast assumes that Tartesso would have maintained a 24% capture of new single family homes in Buckeye from 2024 through buildout in 2064.

The development of multifamily communities in Buckeye has historically been sparse until 2020 when new communities started to be delivered more consistently. While apartment development is expected to continue in Buckeye, the forecast for multifamily development within Tartesso is expected to be delayed until 2034 to allow many of the rental communities already in the development pipeline to be delivered before reaching the subject parcels. Beyond 2034, Tartesso is expected to capture approximately 25% of new rental unit development within Buckeye through 2050 and capture approximately 30% of Buckeye multifamily development through build out in 2074.

The following table details the results of the housing unit forecast from 2025 through 2074. As described above, Tartesso is expected to capture 24% of the Buckeye single family home market and, after a 10 year delay, approximately 25%-30% of the city’s multifamily through build out. This equates to between 410 and 820 single family homes per year and between 210



and 560 apartments per year over the next 50 years. Total annual new housing units from 2025 through 2074 ranges from 397 to 1,310 per year.

Historical Residential Growth & Forecast Greater Phoenix, City of Buckeye & Tartesso										
Year	Greater Phoenix		City of Buckeye				Tartesso			
	SF	MF	SF	% GP	MF	% GP	SF	% Buckeye	MF	% Buckeye
Historical										
2018	20,200	9,978	2,200	10.9%	136	1.4%	315	14%	-	0%
2019	21,559	11,080	2,314	10.7%	-	0.0%	569	25%	-	0%
2020	24,365	11,182	2,672	11.0%	261	2.3%	649	24%	-	0%
2021	24,039	14,801	2,292	9.5%	123	0.8%	498	22%	-	0%
2022	23,223	20,765	1,774	7.6%	246	1.2%	151	9%	-	0%
2023	22,670	25,754	1,714	7.6%	785	3.0%	-	0%	-	0%
2024	23,426	30,531	1,694	7.2%	997	3.3%	-	0%	-	0%
Forecast										
2025 to 2029	114,300	45,655	10,862	9.5%	1,739	3.8%	3,010	24%	-	0%
2030 to 2034	108,000	64,000	13,250	12.3%	3,890	6.1%	3,190	24%	210	5%
2035 to 2039	105,000	70,000	15,750	15.0%	5,950	8.5%	3,790	24%	1,490	25%
2040 to 2044	100,000	65,000	16,900	16.9%	7,150	11.0%	4,070	24%	1,790	25%
2045 to 2049	100,000	65,000	17,000	17.0%	8,576	13.2%	4,100	24%	2,150	25%
2050 to 2054	98,000	63,000	16,660	17.0%	8,499	13.5%	4,020	24%	2,480	29%
2055 to 2059	97,500	62,500	16,575	17.0%	8,431	13.5%	4,000	24%	2,550	30%
2060 to 2064	97,500	62,500	15,795	16.2%	8,686	13.9%	3,628	23%	2,630	30%
2065 to 2069	97,500	62,500	15,600	16.0%	8,750	14.0%	-	0%	2,650	30%
2070 to 2074	97,500	62,500	15,600	16.0%	9,250	14.8%	-	0%	2,607	28%

Source: RL Brown; CoStar; Elliott D. Pollack & Company

Commercial Forecast Results

The residential forecast for Tartesso was utilized to forecast when new commercial development could occur based on demand that would be generated by Tartesso residents. For purposes of this analysis, a lower estimate of 40 square feet per household was used to account for leakage outside the study area.

Based on the residential forecast, Tartesso is forecasted to have experienced 150,000 square feet of commercial development as early as 2031 and an additional 150,000 square feet from 2035 to 2039. If residential units were allowed to continue to be developed, Tartesso would be expected to see accelerated commercial development from 2045 through 2059 due to the addition of multifamily development and Buckeye capturing a higher share of regional residential development with 300,000 to 450,000 square feet of development during those five



year increments. In total, Tartesso residents could support at least 2.1 million square feet of commercial development.

Historical Commercial Growth & Forecast Tartesso				
Year	Homes Built	Cumulative Homes	Commercial (SF)	Cumulative SF
Historical				
Pre 2017	996	996		
2017	193	1,189	-	-
2018	315	1,504	-	-
2019	569	2,073	-	-
2020	649	2,722	-	-
2021	498	3,220	-	-
2022	151	3,371	-	-
2023	-	3,371	-	-
2024	-	3,371	-	-
Forecast				
2025 to 2029	3,010	6,381	-	-
2030 to 2034	3,400	9,781	150,000	150,000
2035 to 2039	5,280	15,061	150,000	300,000
2040 to 2044	5,860	20,921	150,000	450,000
2045 to 2049	6,250	27,171	300,000	750,000
2050 to 2054	6,500	33,671	300,000	1,050,000
2055 to 2059	6,550	40,221	450,000	1,500,000
2060 to 2064	6,258	46,479	300,000	1,800,000
2065 to 2069	2,650	49,129	150,000	1,950,000
2070 to 2074	2,607	51,736	150,000	2,100,000
Source: RL Brown; CoStar; Elliott D. Pollack & Company				

Industrial Forecast Results

CoStar forecasts that Greater Phoenix will deliver over 18 million square feet of industrial and that deliveries will likely outpace absorption in both 2025 and 2026, followed increased demand over absorption from 2027 onward. At this pace, the market will likely reach stabilized occupancy by 2035. The EDPCO forecast assumes that Buckeye will likely capture 6.0% of industrial development through 2030, consistent with its five-year historical average capture rate. Buckeye’s capture rate is expected to increase in the following decade to an average of 7.5% and 9% from 2041 onward similar to the city’s capture rate in 2024). In terms of Tartesso’s Buckeye Spectrum, the property is forecasted to capture 21%-25% of Buckeye’s industrial growth through build out.



Historical Industrial Growth & Forecast Greater Phoenix, City of Buckeye & Tartesso					
Year	Greater Phoenix	City of Buckeye		Tartesso	
	Square Feet	Square Feet	% GP	Square Feet	% Buckeye
Historical					
2018	8,043,732	-	0.0%	-	0%
2019	9,287,295	-	0.0%	-	0%
2020	17,228,840	-	0.0%	-	0%
2021	14,979,079	855,243	5.7%	-	0%
2022	25,894,830	862,622	3.3%	-	0%
2023	31,807,965	2,424,969	7.6%	-	0%
2024	37,161,991	3,179,698	8.6%	-	0%
Forecast					
2025 to 2029	74,011,239	3,885,279	5.2%	833,820	21%
2030 to 2034	67,320,899	4,579,254	6.8%	1,144,810	25%
2035 to 2039	68,000,000	5,305,000	7.8%	1,326,250	25%
2040 to 2044	79,000,000	6,960,000	8.8%	1,740,000	25%
2045 to 2049	80,000,000	7,200,000	9.0%	1,800,000	25%
2050 to 2054	80,000,000	7,200,000	9.0%	1,800,000	25%
2055 to 2059	80,000,000	7,200,000	9.0%	1,800,000	25%
2060 to 2064	80,000,000	7,200,000	9.0%	1,800,000	25%
2065 to 2069	80,000,000	7,200,000	9.0%	1,800,000	25%
2070 to 2074	80,000,000	7,200,000	9.0%	1,800,000	25%
2075 to 2079	80,000,000	7,200,000	9.0%	1,800,000	25%
2080 to 2084	80,000,000	7,200,000	9.0%	1,598,333	22%
Source: CoStar; Elliott D. Pollack & Company					

Diminution of Land Value

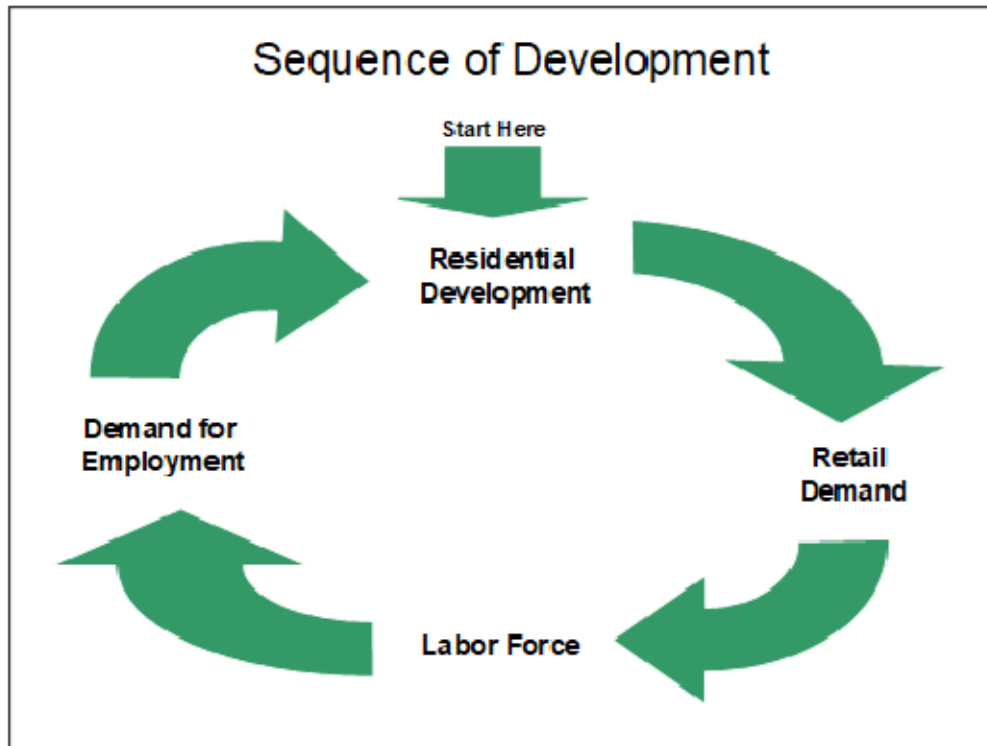
By 2030, the Maricopa Association of Governments projected that one out of every seven homes built in Greater Phoenix would be in the City of Buckeye and was forecasted to capture an even larger share of newly built homes in subsequent decades. Nearly 14% of all projected growth over the next 40 years was slated for Buckeye, equating to between 3,200 and 3,700 new homes per year (9,000 to 10,000 new residents annually). This will not materialize under current policy.

Restricting residential development has negative implications for commercial and industrial development as well. The proposed residential development at the subject sites would help to support new retail assets within Buckeye. Each new resident creates demand for additional



local and regional serving retail. Continued residential development in all forms within the market area is critical to the eventual success of additional commercial and industrial/employment development.

As the following graphic helps to illustrate, local residents are the primary source of retail demand. They also provide a local workforce for additional commercial and employment development. This residential development must come first, eventually building to a critical mass of residents to attract additional retailers and employers.



Our analysis concludes that there would have been a market for residential, commercial and industrial real estate development within the Tartesso properties in the absence of the restrictions stemming from ADWR’s refusal to issue CAWS. The lack of a market currently for any opportunities for the above development today is directly attributable to the CAWS issuance restrictions. This has severely impacted the value of the subject properties, created a loss of land transactions, and a pause in development within the Tartesso properties that have shifted elsewhere.

In our review of regional land sales, previous contracts for Tartesso land for future phases from home builders, and through interviews with regional land brokers, the estimated weighted average land value for the Tartesso properties likely would have fallen within a range of \$23,000 to \$33,000 per acre with no CAWS issuance restriction. Due to the uncertainty surrounding the ability to develop Tartesso as planned with the CAWS issuance restriction in place, the Tartesso parcels are reduced to long term speculative land investments with a likely market value in the range of \$8,000 to \$10,000 per acre.



1.0 Introduction

1.1 Introduction

Elliott D. Pollack and Company was retained to assess the potential market for residential, commercial, and industrial development assuming no development restrictions stemming from ADWR's refusal to issue Certificates of Assured Water Supply (CAWS). The subject sites contain numerous parcels totaling over 12,835 acres known as the Tartesso master plan, located in the City of Buckeye north of the I-10 freeway along the Sun Valley Parkway corridor. This report includes an analysis of the regional population, demographic characteristics, and real estate development trends within the Primary Market Area surrounding the proposed development. Also provided in this report is a determination of the capacity of the Primary Market Area to support new development and forecasts based on the existing and future population. The areas include the following:

- 1) Buckeye Tartesso: Including regions known as Tartesso West Units 2, 3, 4, and 5 as well as Tartesso East Villages 1, 5, 6-9, and Buckeye Spectrum (10,960 acres).
- 2) Buckeye Tartesso II: Including regions known as Elianto West and Mirielle (1,875 acres).

The study is comprised of the following tasks to determine demand for the proposed land uses:

- a. Identification of the target market, income, and age for subject sites.
- b. A survey of development, sales, prices, vacancy rates, and absorption rates for comparable projects.
- c. Renter and owner household growth estimates for the market area.
- d. Development pipeline.
- e. An opinion on the strength of market demand for the projects.

1.2 Limiting Conditions

This study prepared by Elliott D. Pollack & Company is subject to the following considerations and limiting conditions.

- The reported recommendation(s) represent the considered judgment of Elliott D. Pollack and Company based on the facts, analyses and methodologies described in the report.
- Except as specifically stated to the contrary, this study will not give consideration to the following matters to the extent they exist: (i) matters of a legal nature, including issues of legal title and compliance with federal, state and local laws and ordinances; and (ii) environmental and engineering issues, and the costs associated with their correction.
- This study is intended to be read and used as a whole and not in parts.

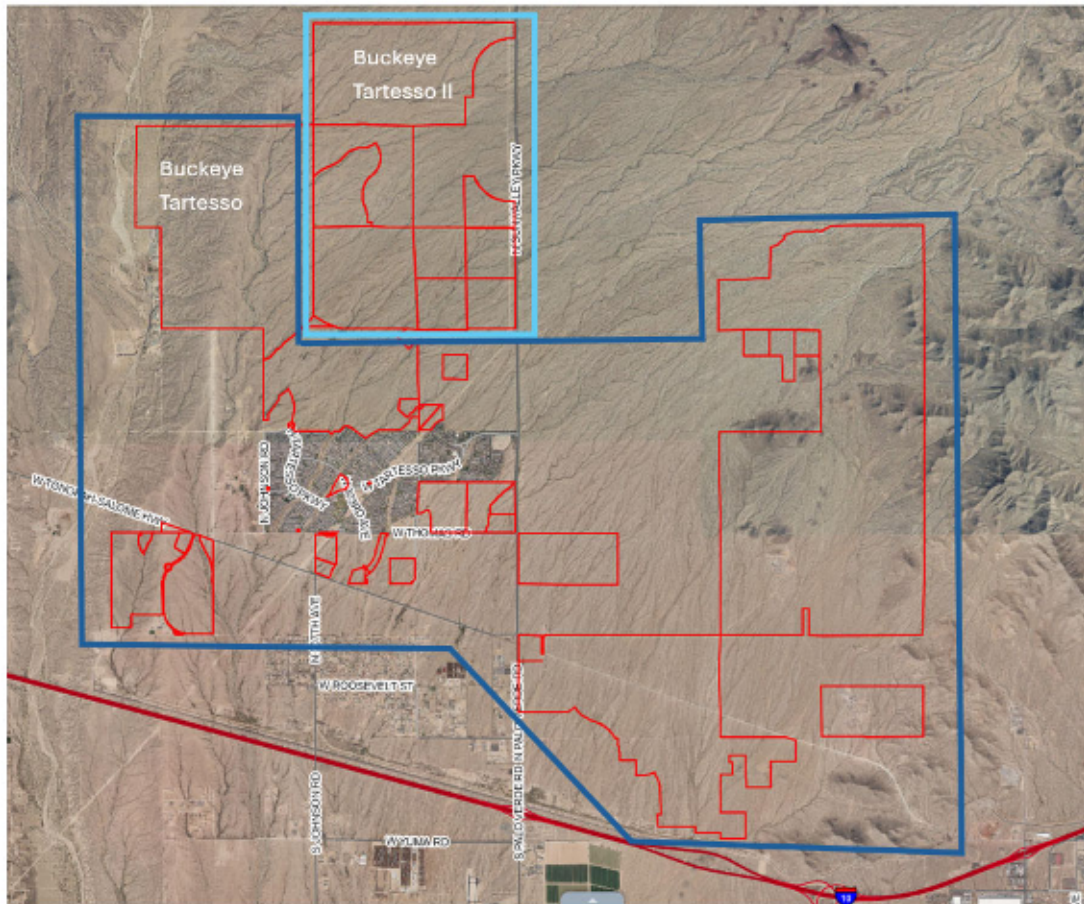


- The analysis is based on currently available information and estimates and assumptions about long-term future development trends. Such estimates and assumptions are subject to uncertainty and variation. Accordingly, we do not represent them as results that will be achieved. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results achieved may vary materially from the forecasted results. The assumptions disclosed in this market study are those that are believed to be significant to the projections of future results.

1.3 Subject Site

The area surrounding the subject sites is primarily vacant land and single family homes. The site is in close proximity to Sun Valley Parkway, a major arterial, with direct access to the I-10 freeway and State Route 85. The closest retail amenities are located along I-10 approximately 11 to 15 miles away. Major employers are also generally found to the south and east of the subject sites along I-10.

Home building is active in the region with several active subdivisions north of Tartesso along Sun Valley Parkway including Teravalis and Sun City Festival as well as to the east within Buckeye including Verrado, Arroyo Secco, Village at Sundance, Desert Moon Estates, and many others. Apartments are also being developed in Buckeye, mostly concentrated in the eastern portion of the city.



Tartesso Background

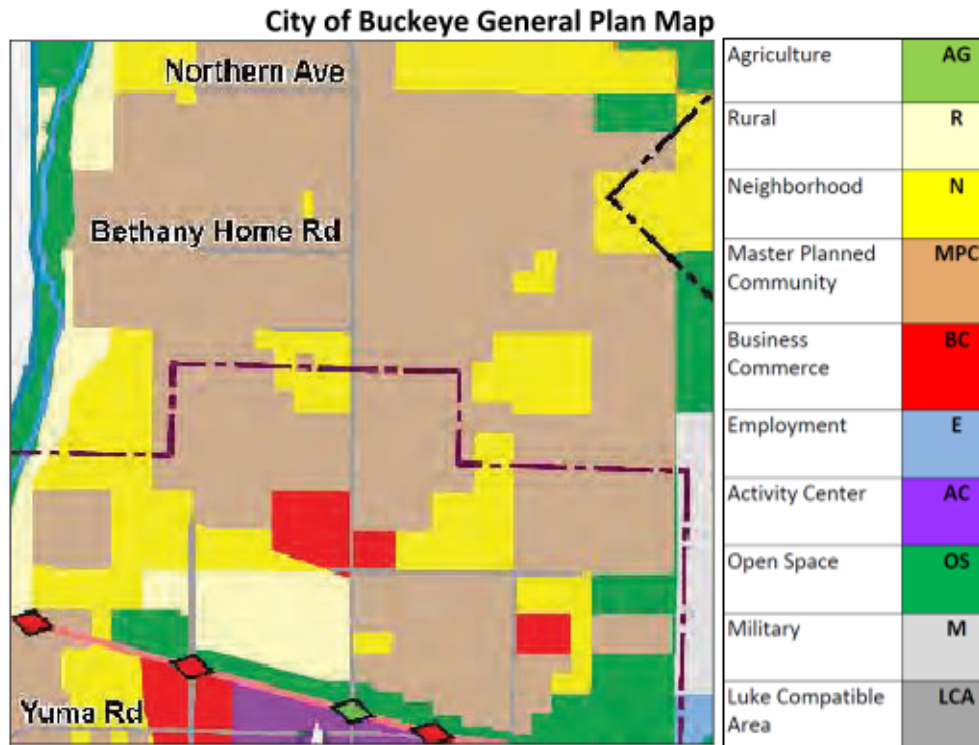
Tartesso was one of the most successful master planned communities in the City of Buckeye. By 2020, the year before the initial phases of Tartesso reached build out, the master plan accounted for 25% of all new single family permits within Buckeye. That same year, RCLCO Real Estate Advisors ranked Tartesso the 12th top-selling master planned community in the country (the highest ranking among master planned communities in Arizona).

New Home Permits by Year City of Buckeye				
Year	City of Buckeye	% Chg	Tartesso	% of Buckeye
2016	1,505		83	5.5%
2017	2,163	44%	250	11.6%
2018	2,143	-1%	458	21.4%
2019	2,349	10%	567	24.1%
2020	2,837	21%	708	25.0%
2021	2,257	-20%	256	11.3%

Source: RL Brown

General Plan

The following map illustrates the City of Buckeye’s General Plan land uses. The subject sites are principally located within the “Master Planned Community” designation. Master Planned Community denotes areas that are guided by separate development approvals. These approvals establish the land uses, densities and intensities of development, and the character of the area.



The subject properties have been master planned for a variety of residential, commercial and industrial uses. The estimated remaining build out potential within the subject parcels is approximately 29,800 low and medium density single family houses, 18,560 medium-high and high density multifamily units, up to 2.6 million square feet of commercial space, and over 18 million square feet of industrial space.



The table and map below detail the subject site’s proximity to community services. There are public parks nearby and an elementary schools within the existing community and a fire station nearby. Other community amenities are located a considerable distance of five to ten miles.

Community Services		
COMMUNITY SERVICES	NAME	TRAVEL DISTANCE* FROM SITE (IN MILES)
MAJOR HIGHWAY(S)	I-10	3.65
SCHOOLS:		
ELEMENTARY/MIDDLE/JUNIOR HIGH	Tartesso Elementary School	0.63
HIGH	John S McCain III Elementary School	7.41
	Youngker High School	7.82
SENIOR CENTER	Buckeye Senior Center	10.05
HOSPITAL	Abrazo Buckeye Emergency Center	7.93
URGENT CARE	Alliance Urgent Care	7.91
RECREATIONAL FACILITIES		
	Earl Edgar Recreational Park	10.20
	Buckeye Aquatics Center	10.19
	Pyrite Summit	4.82
	Northwest Sky Sports	4.92
PUBLIC PARK		
	Tartesso Community Park	0.50
	Tartesso Sports Park	0.84
PUBLIC LIBRARY	Buckeye Public Library	9.93
CHILD CARE CENTER	Wildflowers Childcare	5.54
FULL SERVICE GROCERY	Fry's Marketplace	7.98
MAJOR EMPLOYERS/ EMPLOYMENT CENTERS		
	Funko	6.88
	Palo Verde Generating Station	13.03
	Walmart Distribution Center	9.86
SHOPPING CENTER/MALL	Sundance Towne Center	7.81
POLICE	Buckeye Police Dept.	10.13
FIRE	Buckeye FD Station 705	1.91
OTHER:	EMCC @ West-MEC Southwest Campus	10.36
CONVENIENCE STORE	Love's Travel Stop	6.54
DISCOUNT DEPT STORE	Balls	7.70
PHARMACY	Walgreens	8.13
POST OFFICE	USPS	9.85
BANK	Wells Fargo Bank	7.80





1.4 Primary Market Area

A Primary market area is defined as “a division of a total market that reflects the preferences of a particular set of buyers and sellers.” Source: *The Dictionary of Real Estate Appraisal*, Third Addition published by the Appraisal Institute.

When conducting a market feasibility study, one of the most important steps is defining the project’s Primary trade, or market area. The first step in evaluating an appropriate market area is to analyze the characteristics of the neighborhoods immediately adjacent to the subject property. Typically the market area includes the property three to five miles from the subject site, adjusted for geographic features, socioeconomic conditions or economic circumstances.

A market area is defined as the geographic area from which demand for a particular real estate product will arise. Alternatively, it is also an area containing similar and, therefore, directly competitive real estate projects.

It is common to utilize major freeways, or roads near major freeways, as market area borders since they often define neighborhoods within which people reside, shop and recreate. People become accustomed to residing in a particular part of the metro area and often do not stray far from those areas when relocating their place of residence. Natural topographic features are also a factor that affects people’s living preferences and habits.

In our analysis of the region, the City of Buckeye is considered to be the most relevant market area.



2.0 Greater Phoenix Overview

2.1 Growth & Rankings

Greater Phoenix is a metro area comprised of Maricopa County and Pinal County. The metro historically outperforms the nation as a whole in population and employment growth whether in times of expansion or recession. From 1998 to 2006, Greater Phoenix was one of the fastest-growing metropolitan areas in the country in terms of employment, typically ranking no worse than fifth but often in first or second position. The recession of 2001 saw a small slowdown in job growth, but the region rebounded to higher rankings in subsequent years.

The Greater Phoenix and Arizona economies were seventh in the country in employment growth. Despite massive job losses across the country in 2020 due to the pandemic, Greater Phoenix outperformed most major metro areas across the country and lost fewer jobs than any other area.

Greater Phoenix Employment Growth Rank					
Metro Areas With More Than 1 Million Non-Farms Jobs					
Year	Rank	#MSA's	Year	Rank	#MSA's
2000	7	24	2013	7	28
2001	6	25	2014	15	30
2002	5	24	2015	11	31
2003	3	24	2016	7	33
2004	2	24	2017	4	33
2005	1	25	2018	4	36
2006	1	26	2019	2	36
2007	10	28	2020	2	34
2008	24	28	2021	7	35
2009	22	23	2022	16	36
2010	23	23	2023	9	36
2011	14	25	2024	8	36
2012	10	27	2025*	27	36

*YTD through July 2025

Source: BLS

Since the start of the recovery post-COVID, Greater Phoenix has recovered (110%) all non-farm jobs lost during the pandemic. Most other metros lost more jobs and have started to recover jobs at a faster rate in the second year of the recovery. Since 2019, Greater Phoenix ranks 5th in employment growth. The following table compares employment by industry in February 2020, just before the shutdown of the economy to July 2025. Most industries far surpassed the February 2020 levels; the only exception is Accommodations, which is driven



by the hotel industry, today has 91.7% of the jobs that it had in February 2020. This equates to a continuing loss in the industry of 900 jobs.

Greater Phoenix Employment Growth			
February 2020 Compared to July 2025 (1,000's)			
Industry	Feb-20 Jobs	Jul-25 Jobs	July 2025 % Of February 2020
Total Nonfarm	2,233.4	2,403.7	110.1%
Total Private	1,978.3	2,172.5	110.9%
Goods Producing	276.7	330.1	116.7%
Natural Resources and Mining	3.3	4.0	118.2%
Construction	137.2	179.1	126.2%
Manufacturing	136.2	147.0	107.0%
Service-Providing	1,956.7	2,073.6	109.2%
Trade, Transportation, and Utilities	416.2	460.2	114.3%
Wholesale Trade	83.4	98.3	126.7%
Retail Trade	235.7	243.2	105.2%
Transp., Warehousing, and Utilities	97.1	118.7	125.8%
Utilities	8.2	9.3	109.8%
Transportation and Warehousing	88.9	109.4	127.3%
Truck Transportation	18.4	17.9	103.8%
Information	41.1	38.4	100.5%
Financial Activities	204.4	210.4	103.9%
Professional and Business Services	372.8	378.7	106.3%
Private Educ. and Health Services	354.5	417.3	119.5%
Leisure and Hospitality	242.3	257.3	100.9%
Arts, Entertainment, and Recreation	37.6	44.5	99.5%
Accommodation and Food Services	204.7	212.8	101.2%
Accommodation	27.8	26.9	91.7%
Food Svcs and Drinking Places	176.9	185.9	102.7%
Other Services	70.3	80.1	110.2%
Government	255.1	231.2	104.0%

Note: Data is not seasonally adjusted

Source: BLS; AOEO

Greater Phoenix continues to be one of the leaders in population growth in the nation. Between 2010 and 2020, Greater Phoenix grew by 652,945 persons, ranking sixth in the country. In 2021, Greater Phoenix was the third fastest-growing metro area in terms of absolute population increase with more than 73,605 new residents and ranked sixth with an 80,700 population increase in 2022. Slower population growth was seen in 2023, Greater Phoenix added 67,793 people. Population growth bounced back to 84,938 in 2024. Greater Phoenix ranked 3rd and 8th from 20201 to 2024 by numeric growth and has been ranked 12th



from 2022 to 2024 in percentage growth behind several smaller metro areas such as Austin (2.54 million population) and Raleigh (1.56 million population). The only larger metros to grow at a faster rate than Greater Phoenix were Greater Houston at 2.6%, Greater Dallas at 2.2%, and Greater Miami at 1.9% in 2024. Approximately 73% of the growth of Greater Phoenix was related to in-migration.

Fastest Growing Metro Areas											
Metro Areas With More Than 1 Million Population											
By Numeric Growth											
2021			2022			2023			2024		
Rank	Metro	Net Change	Rank	Metro	Net Change	Rank	Metro	Net Change	Rank	Metro	Net Change
1	Dallas	109,017	1	Dallas	196,992	1	Dallas	194,943	1	New York	213,403
2	Houston	77,228	2	Houston	156,112	2	Houston	192,507	2	Houston	198,171
3	Phoenix	73,605	3	Miami	101,937	3	Atlanta	123,323	3	Dallas	177,922
4	Austin	58,839	4	Atlanta	92,500	4	Orlando	107,027	4	Miami	123,471
5	Tampa	42,594	5	Orlando	84,454	5	Tampa	82,945	5	Washington	90,608
6	Atlanta	39,484	6	Phoenix	80,700	6	Charlotte	80,777	6	Phoenix	84,938
7	Charlotte	38,479	7	Tampa	75,721	7	Austin	72,087	7	Orlando	75,969
8	Riverside	37,913	8	Austin	71,287	8	Phoenix	67,793	8	Atlanta	75,134
9	San Antonio	36,848	9	San Antonio	54,445	9	San Antonio	62,243	9	Chicago	70,762
10	Raleigh	34,166	10	Charlotte	54,422	10	Miami	60,929	10	Seattle	66,666
By Percent Growth											
2021			2022			2023			2024		
Rank	Metro	% Change	Rank	Metro	% Change	Rank	Metro	Net Change	Rank	Metro	Net Change
1	Austin	2.6%	1	Orlando	3.1%	1	Orlando	2.9%	1	Orlando	2.7%
2	Raleigh	2.4%	2	Austin	3.0%	2	Raleigh	2.7%	2	Houston	2.6%
3	Jacksonville	1.8%	3	Dallas	2.5%	3	Houston	2.6%	3	Raleigh	2.6%
4	Phoenix	1.5%	4	Jacksonville	2.4%	4	Austin	2.6%	4	Austin	2.3%
5	Charlotte	1.4%	5	Tampa	2.3%	5	Jacksonville	2.5%	5	Dallas	2.2%
6	San Antonio	1.4%	6	Raleigh	2.2%	6	Dallas	2.4%	6	Charlotte	2.2%
7	Dallas	1.4%	7	Nashville	2.2%	7	Charlotte	2.2%	7	Jacksonville	2.2%
8	Tampa	1.3%	8	Houston	2.2%	8	San Antonio	2.1%	8	Miami	1.9%
9	Houston	1.1%	9	San Antonio	2.1%	9	Tampa	2.1%	9	Las Vegas	1.9%
10	Oklahoma City	1.0%	10	Charlotte	2.0%	10	Miami	2.0%	10	San Antonio	1.7%
			12	Phoenix	1.6%	12	Phoenix	1.4%	12	Phoenix	1.7%

Source: U.S. Census Bureau

Greater Phoenix is also a top ten metro area for employment growth. In 2021, 97,100 jobs were created. On a percentage basis, Greater Phoenix ended 2021 with a job increase of 4.6% for the year, seventh best in the country. This high ranking is significant given Phoenix's large employment market relative to much smaller metro areas that include Nashville, Austin, and Orlando.

In 2022, Greater Phoenix performed very well. The metro added 111,900 jobs and grew at 5.0% for the year. Due to the coronavirus pandemic (a somewhat dubious distinction) large metros that suffered large losses grew at a much faster rate in 2022. Phoenix had lost fewer jobs on a percentage basis than any other large metro area and recovered much quicker in 2021.

Both 2021 and 2022 metros had two years of significant jobs gained. Employment growth has continued but the gains have slowed. In 2023, Greater Phoenix added 74,100 jobs or grew by 3.2%. Job growth continued in 2024, Greater Phoenix added 39,200 jobs or grew by 1.6%. Year-to-date, Greater Phoenix has only added 5,400 compared to a year ago. The rate of growth is currently 0.2%.



Best Performing Major Employment Centers											
In Order by Numeric Growth (1,000's)											
2022			2023			2024			2025*		
Rank	Metro Area	Net Change	Rank	Metro Area	Net Change	Rank	Metro Area	Net Change	Rank	Metro Area	Net Change
1	New York	533.8	1	New York	204.4	1	New York	148.3	1	New York	114.2
2	Los Angeles	305.2	2	Dallas	133.4	2	Dallas	58.0	2	Dallas	48.7
3	Dallas	249.0	3	Houston	127.6	3	Miami	53.4	3	Houston	42.7
4	Chicago	184.8	4	Miami	95.2	4	Houston	51.8	4	Philadelphia	39.1
5	Houston	177.7	5	Chicago	78.6	5	Los Angeles	51.0	5	Miami	37.5
6	Miami	150.7	6	Phoenix	74.1	6	Washington	51.0	6	Orlando	29.9
7	Atlanta	149.3	7	Atlanta	66.1	7	Atlanta	44.3	7	Charlotte	29.0
8	Philadelphia	142.6	8	Philadelphia	65.7	8	Phoenix	39.2	8	San Antonio	23.3
9	San Francisc	127.7	9	Orlando	60.7	9	Orlando	33.8	9	Chicago	22.6
10	Orlando	115.0	10	Washington	60.4	10	Austin	29.6	10	Seattle	20.8
11	Phoenix	111.9							27	Phoenix	5.4
2022			2023			2024			2025*		
Rank	Metro Area	% Change	Rank	Metro Area	% Change	Rank	Metro Area	% Change	Rank	Metro Area	% Change
1	Las Vegas	9.7%	1	Orlando	4.3%	1	Orlando	2.3%	1	Charlotte	2.1%
2	Orlando	8.9%	2	Austin	4.3%	2	Austin	2.2%	2	Orlando	2.0%
3	Austin	8.9%	3	Houston	3.9%	3	Las Vegas	2.0%	3	San Antonio	2.0%
4	Nashville	6.7%	4	Las Vegas	3.8%	4	Nashville	1.8%	4	Miami	1.3%
5	Dallas	6.5%	5	Nashville	3.4%	5	Miami	1.8%	5	Philadelphia	1.3%
6	San Diego	6.2%	6	Miami	3.4%	6	Baltimore	1.8%	6	Houston	1.2%
7	New York	5.9%	7	San Antoinio	3.3%	7	San Antonio	1.8%	7	Austin	1.2%
8	Houston	5.8%	8	Dallas	3.3%	8	Phoenix	1.6%	8	Columbus	1.2%
9	San Antonio	5.8%	9	Phoenix	3.2%	9	Indianapolis	1.6%	9	New York	1.2%
10	Miami	5.7%	10	Tampa	3.1%	10	Houston	1.5%	10	Dallas	1.1%
16	Phoenix	5.0%							27	Phoenix	0.2%

Note: Metros with over a million jobs

*YTD July 2025

Source: Bureau of Labor Statistics

Comparing the employment gains from 2019 to 2025, Greater Phoenix ranks 5th. Dallas is the only metro that is larger and performs better than Greater Phoenix.

Job Growth Among Major Metros (1000's)						
Metro	% Change				Net Change	
	2019	2025	Growth	Rank	Change	Rank
Austin-Round Rock	1,109.9	1,369.3	23.4%	1	259.5	7
Dallas-Fort Worth-Arlington	3,729.9	4,286.9	14.9%	2	557.0	1
Nashville-Davidson--Murfreesboro--Franklin	1,036.7	1,189.9	14.8%	3	153.2	13
Orlando-Kissimmee-Sanford	1,326.0	1,520.6	14.7%	4	194.6	8
Phoenix-Mesa-Scottsdale	2,152.7	2,446.6	13.7%	5	293.9	4
Tampa-St. Petersburg-Clearwater	1,377.1	1,559.3	13.2%	6	182.2	9
Charlotte-Concord-Gastonia	1,243.5	1,399.8	12.6%	7	156.3	12
San Antonio-New Braunfels	1,070.7	1,198.6	11.9%	8	127.8	14
Las Vegas-Henderson-Paradise	1,027.0	1,145.0	11.5%	9	117.9	15
Riverside-San Bernardino-Ontario	1,535.3	1,700.3	10.7%	10	165.0	11

Data: YTD July

Note: Metro areas with over 1,000,000 jobs

Source: Bureau of Labor Statistics

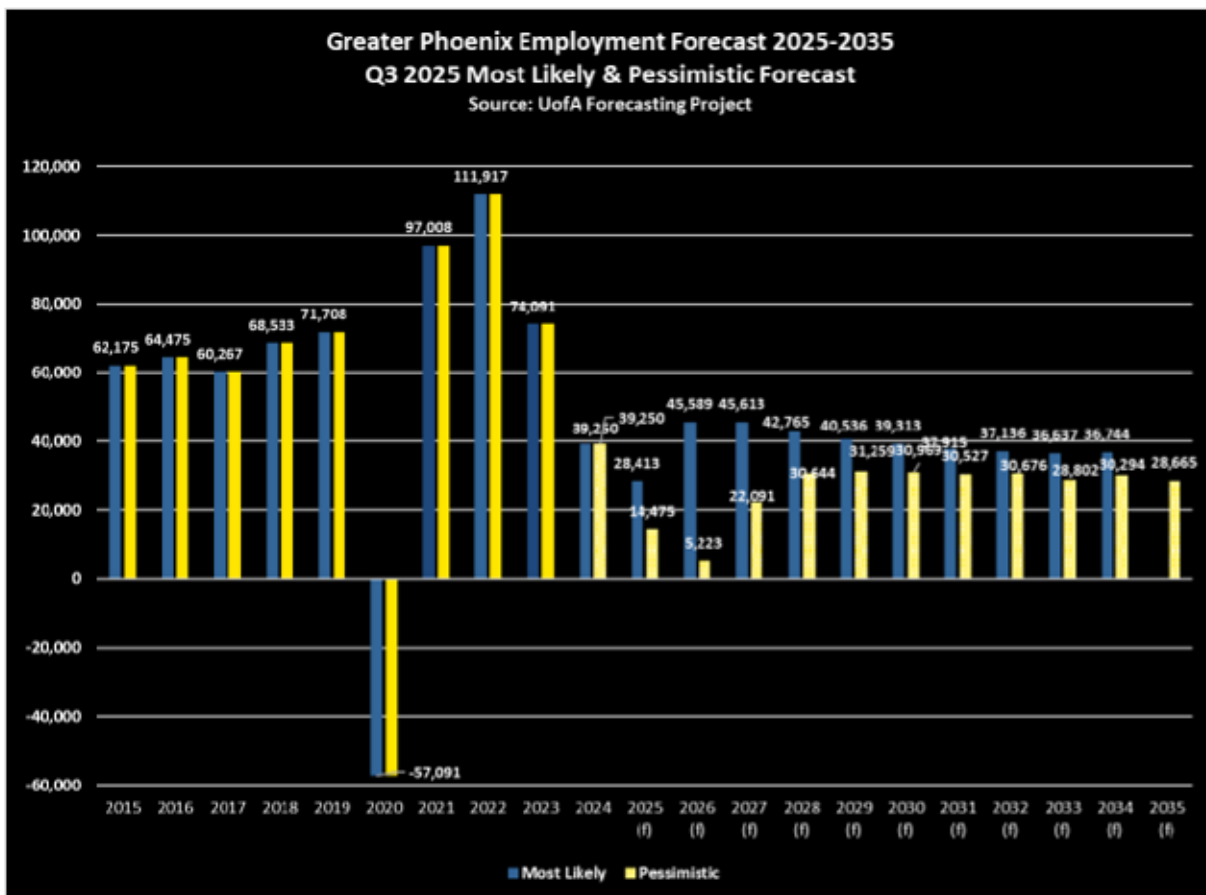


2.1 Forecasts

Prior to the pandemic, Greater Phoenix had fully recovered from the Great Recession. During the economic shutdown, Greater Phoenix lost 250,000 jobs but the metro recovered quickly regaining 480,500 jobs (192% of jobs lost) since the bottom of the job market in April 2020.

Greater Phoenix has continued to have strong employment growth, adding 97,100 and 111,900 in 2021 and 2022 (4.6% and 5.0% growth, respectively). In 2023 data shows the Phoenix metro grew by 74,100 jobs (3.2%) and created 39,200 jobs in 2024 (1.6%). In 2025, Greater Phoenix has added 5,400 jobs through July. Year-to-date employment growth equates to 0.2%.

The University of Arizona produces ten-year forecasts on a quarterly basis using an econometric model for the Arizona, Greater Phoenix, and Greater Tucson economies. The third quarter 2025 University of Arizona forecast update continues to show Greater Phoenix creating jobs, with their most-likely forecast suggesting over 28,400 jobs added in 2025 and 45,600 in 2026. In 2026, Greater Phoenix’s employment gains are forecasted to stay consistent at 45,600 new jobs.

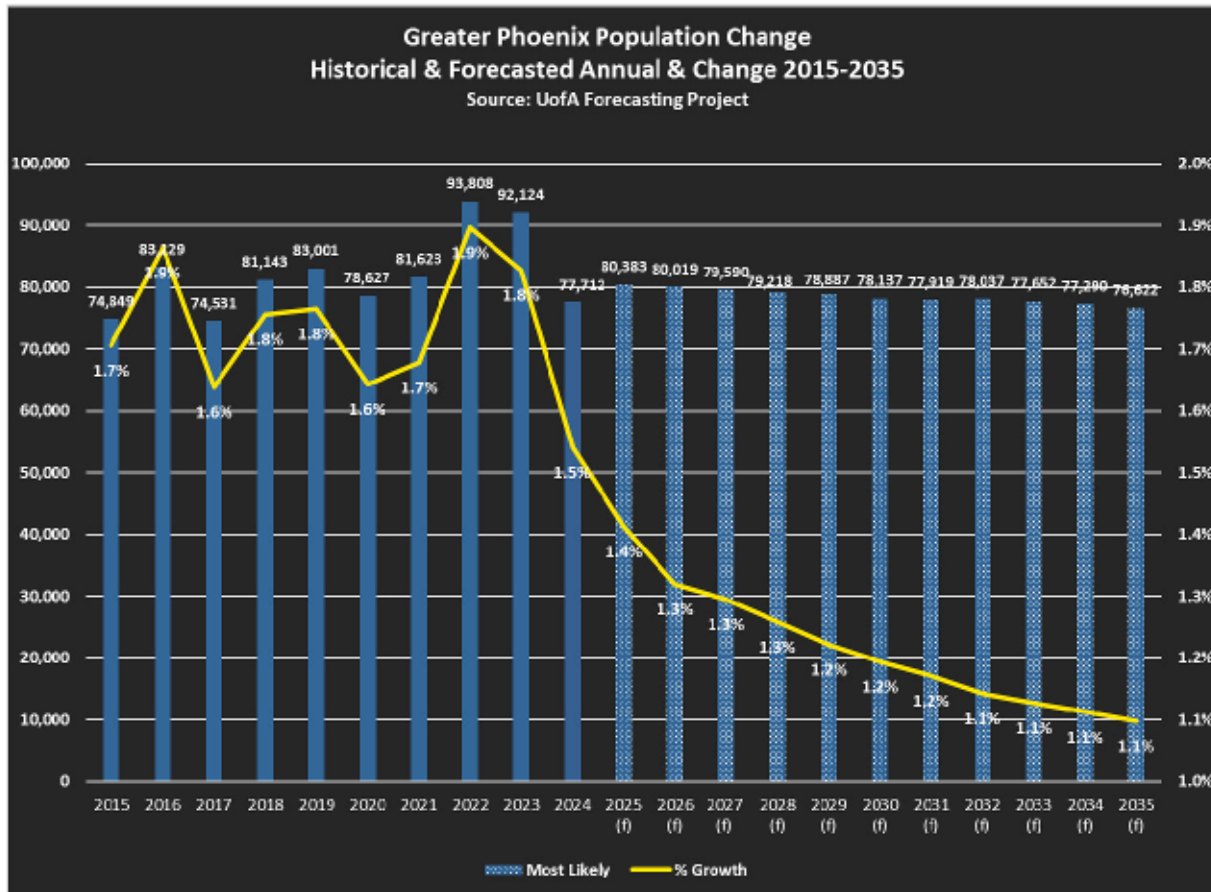


The above forecast is being proven by the most recent employment data. So far this year, most industries in the Phoenix area have gained more jobs than they lost over the past year. The



sectors that lost jobs include Construction, Manufacturing, Trade, Transportation & Utilities, Information and Professional & Business Services. The outlook for Greater Phoenix remains very positive. The trend of inflation and the Fed’s response to it will largely determine the extent of any potential downturn, barring any other unforeseen events. In any scenario, Greater Phoenix has historically fared very well in recessions. The region typically does not lose jobs and recovers more quickly compared to the U.S. as a whole.

The University of Arizona forecast for population growth expects higher growth in 2025 compared to 2024, with growth of over 80,000 residents in both 2025 and 2026. Historic recent growth has exceeded forecasted growth for the next ten years.



Prior to the pandemic, the Greater Phoenix and Arizona economies were booming. Household incomes in Arizona were rising at double the national rate. Since March 2020, Arizona and Greater Phoenix have also outperformed the national economy in terms of unemployment and job growth. Most observers believe that the local economy will continue to perform much better than the national economy and recover more quickly during downturns. There are still risks and uncertainty in terms of economic performance nationally in the short term, but even in the case of a mild recession, the economy is still expected to grow for the year. The consensus remains if a recession occurs, Greater Phoenix will make a full recovery quickly.

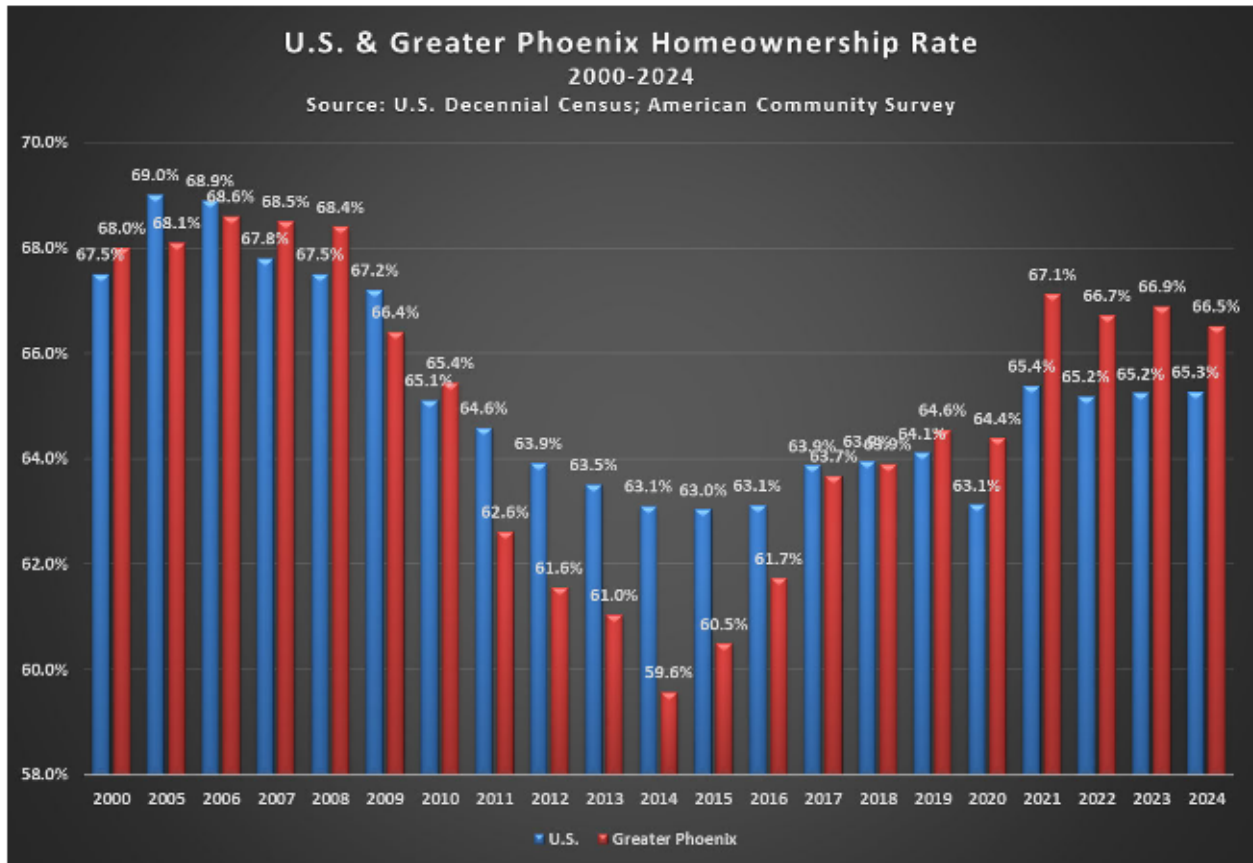


2.2 Residential Market

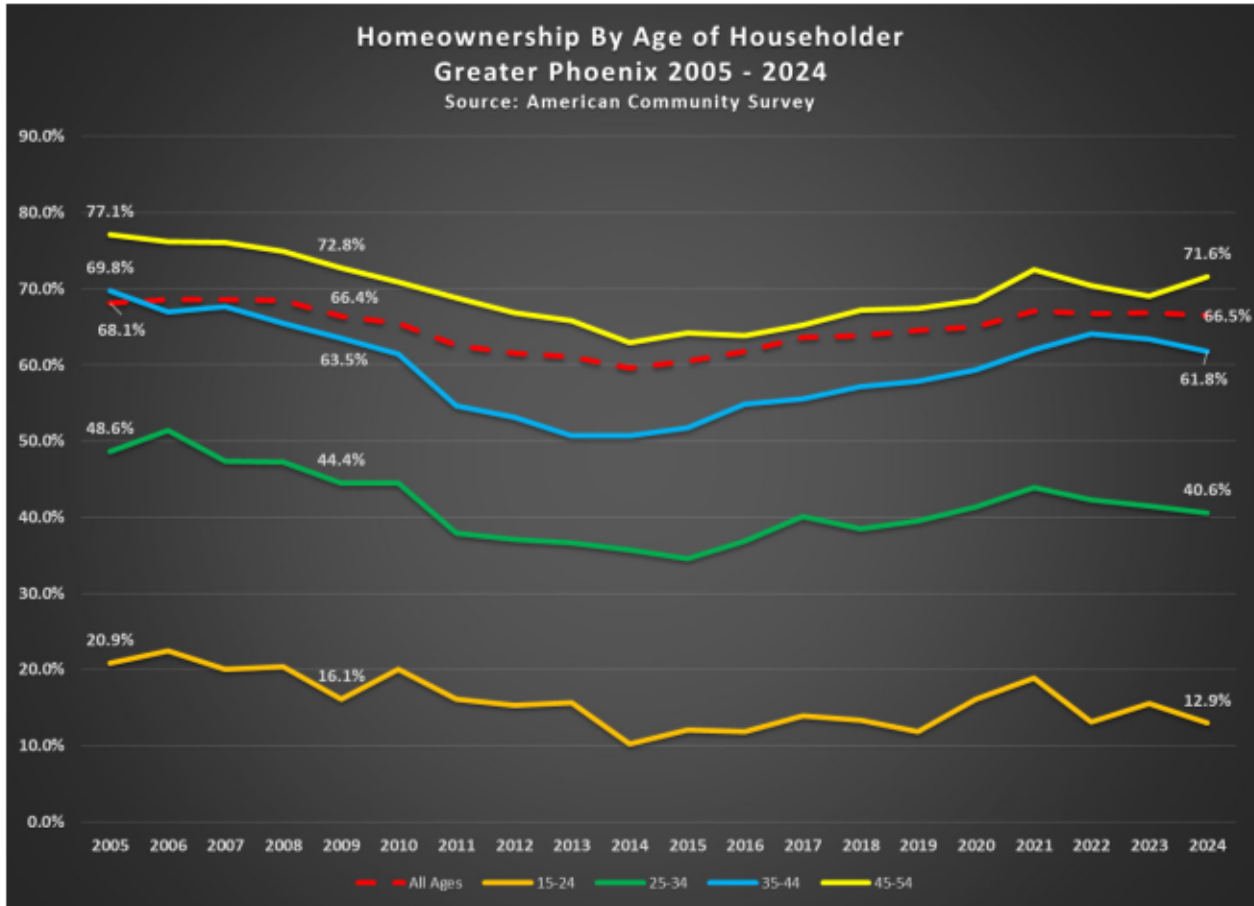
During the Great Recession, Greater Phoenix experienced a downturn that was more severe than in other metropolitan areas of the country, as a result of overbuilding in both the single-family and commercial real estate sectors. Real estate market downturns have occurred before in Greater Phoenix but not to this extent. Excess inventories have now all been absorbed and the area now faces a shortage of single-family homes.

The Greater Phoenix multifamily market also made a significant recovery since the end of the Great Recession in 2009. Following the recession, the multi-family market experienced rising vacancies and declining rents. Throughout the country, multi-family vacancies rose sharply in 2008 and 2009 but then started to decline in 2010 and 2011. Much of this decline was due to the bursting of the housing bubble and resulting housing foreclosures which forced many homeowners into the rental market.

Homeownership rates in Greater Phoenix fell to historic lows between 2006 and 2014, declining to 59.6%. Comparatively, the homeownership rate in the U.S. only declined approximately five percentage points between 2005 and 2016. Greater Phoenix has made a significant recovery with its homeownership rate and is now essentially equal to the U.S. rate. Homeownership in Greater Phoenix reached a local peak in 2021 and has moderated since to 66.5%.



One factor driving the demand for the multi-family market is the Millennial and Gen Z populations. Younger generations have delayed purchasing homes and forming families as they struggle with student debt and the psychological effects of the Great Recession. The homeownership rate for the 25- to 34-year-old age group, declined from nearly 50% in 2000 (before the housing bubble) to 35% in 2015. The homeownership rate for all age groups rose somewhat but is still below pre–Great Recession levels. As a result, the construction of multi-family units has increased significantly over the past few years to accommodate this demand for housing (data by age available through 2024).



Employment and population growth forecasted for the Greater Phoenix area will continue to create demand for new residential units. Prior to the Great Recession, Greater Phoenix historically grew in population at an average rate of 3.5% per year. Since that time, the percentage growth in population has not exceeded 2.0%. The reduction in the growth rate is partly due to the fact that Greater Phoenix has become a large metro area with over 5.1 million persons.

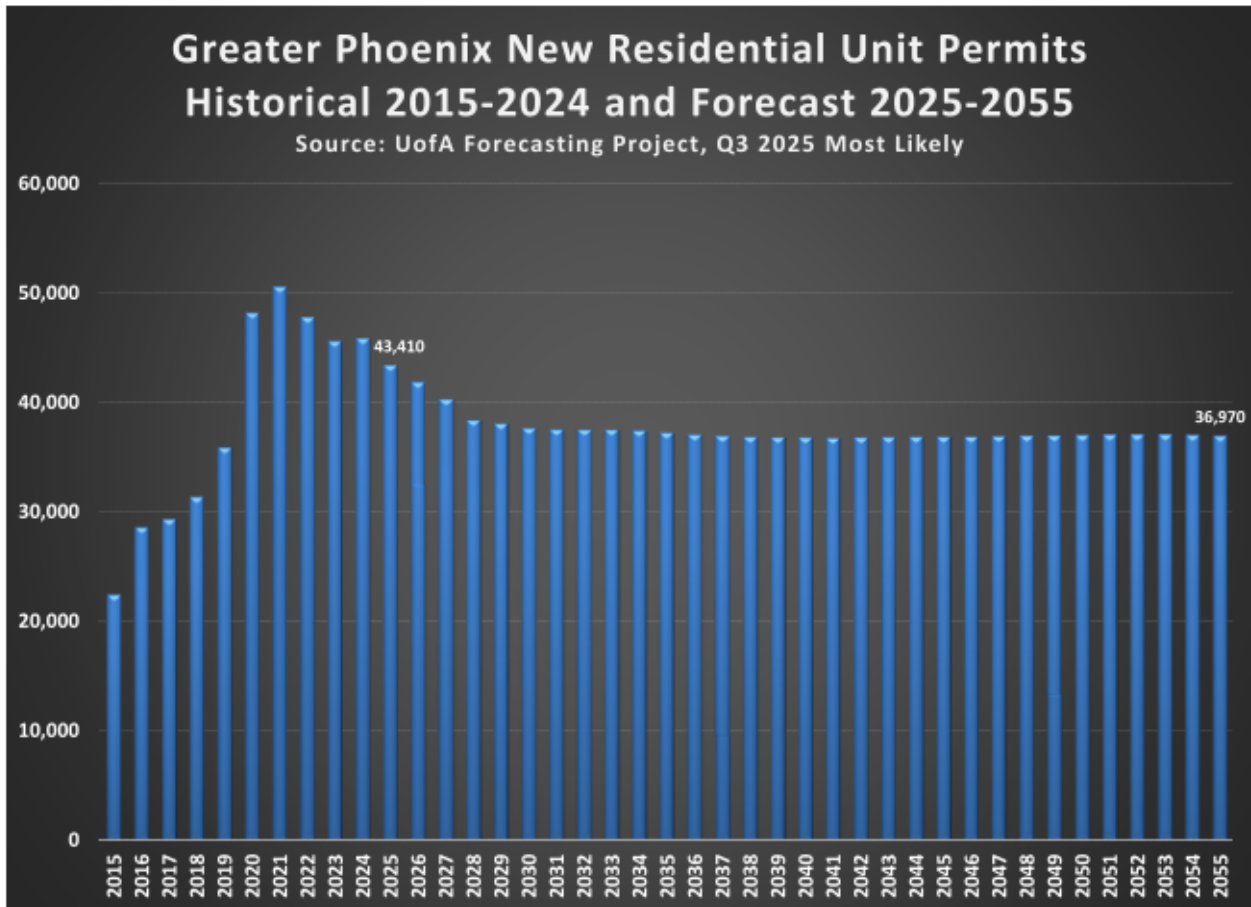
While mobility across the U.S. has decreased since the Great Recession, Greater Phoenix has attracted a significant number of new residents over the last few years. In 2024, the region was one of the leaders in population growth in the nation. According to the U.S. Census, Greater



Phoenix had the eighth-highest absolute population increase among metros with nearly 84,940 new residents. In-migration to Arizona is expected to remain strong, creating demand for both single-family and multi-family housing.

With the growth in population forecasted for Greater Phoenix, strong demand for housing will continue for the foreseeable future. Population in Greater Phoenix continued growing at a pace of 1.5% in 2024 and the University of Arizona expects the region to grow by between 77,600 and 80,400 residents per year through 2035 while the official state population projections estimate between 75,900 and 100,400 per year over the same time period.

In order to accommodate the influx of new residents to Greater Phoenix, the University of Arizona’s most likely forecast calls for between 38,100 and 43,400 residential units (both single family and multifamily units) to be built each year over the next five years, with between 37,000 and 37,700 units demanded each year thereafter through 2055.



Overall, Greater Phoenix new single family home closings have produced within a narrow range between 21,559 and 24,365 annually over the past 6 years. Projected population inflows and single family development are expected to remain relatively constant over the next several years, averaging 22,900 homes per year. Over the long term, we expect single family



development to capture a modestly smaller share of total home development as multifamily units are absorbed and become a larger share of the market. This equates to a long run average of 21,000 homes per year by 2032 and a gradual decline to 19,500 homes per year by 2051 due to moderating population growth.

Due to the dramatic rise in home prices over the last five years, it is likely that the percentage of renter households will continue to increase over time. From 2000 to 2010, an average of 4,115 apartments were absorbed annually. Apartment absorption increased to an average of 7,136 units per year from 2011-2020 with two years exceeding 10,000 units per year. In the last five years, average absorption has increased to 12,385 units per year. In 2024 alone an estimated 19,650 apartments were absorbed and in 2025 an expected 18,100 units are expected to be absorbed.

The apartment market in Greater Phoenix fell below 7% total vacancy in 2020 and the market responded by delivering an increased number of units from 2021 through the current year. The vacancy rate started to increase in 2022 and today stands at more than 10%. As a result, rents declined slightly from 2023 through 2025.

Maricopa County Apartments Trends							
2009 - 2025							
Year	Complexes	Units	Change in Inventory	Average Rent/Unit	Change in Rent/Unit	Average Rent/SF	Vacancy Rate
2009	1,231	256,231	8,443	\$717	-3.7%	\$0.89	14.5%
2010	1,244	257,672	1,441	\$716	-0.2%	\$0.89	11.8%
2011	1,251	258,896	1,224	\$715	-0.1%	\$0.89	10.1%
2012	1,259	260,469	1,573	\$740	3.4%	\$0.90	8.8%
2013	1,278	264,299	3,830	\$753	1.7%	\$0.91	7.9%
2014	1,305	270,650	6,351	\$791	5.1%	\$0.96	7.5%
2015	1,331	277,454	6,804	\$847	7.1%	\$1.02	7.3%
2016	1,374	285,472	8,018	\$904	6.6%	\$1.08	7.3%
2017	1,421	295,505	10,033	\$951	5.3%	\$1.14	7.9%
2018	1,457	303,967	8,462	\$1,037	9.0%	\$1.24	7.3%
2019	1,494	312,464	8,497	\$1,131	9.0%	\$1.34	7.0%
2020	1,549	323,480	11,016	\$1,182	4.5%	\$1.40	6.7%
2021	1,624	338,563	15,083	\$1,531	29.5%	\$1.81	6.9%
2022	1,681	352,565	14,002	\$1,574	2.8%	\$1.86	9.0%
2023	1,754	368,286	15,721	\$1,555	-1.2%	\$1.82	9.7%
2024	1,868	393,458	25,172	\$1,545	-0.6%	\$1.80	10.9%
2025 Q2	1,917	404,320	10,862	\$1,545	0.0%	\$1.81	10.5%

Source:RealData



2.3 Commercial Market

The Greater Phoenix retail market continues to show persistent tightness with only 4.7% vacancy across the metro. Strong demographics continued income growth, and low unemployment, coupled with a modest construction pipeline, have been identified as the source for continued tenant demand and low availability.

Bankruptcies by national brands, as well as the closure of some small-business tenants operating on thin profit margins, left several vacant spaces that have yet to be fully backfilled. Despite the modest increase, availability remains well below the low 8% range recorded in 2020 as well as the previous cycle's low of about 5.8% in 2006. Additionally, local market participants report that competition for space is elevated, and tenant retention is healthy.

The increase in closures has freed up capacity for other retailers to expand. In the years following the onset of the pandemic, historically low space availability restrained retailers' ability to grow store fleets in Phoenix as users found limited quality expansion options. Off-price retailers, dollar stores, and experiential tenants have helped backfill big box sites, contributing to a pick-up in net absorption in the first half of the year.

Approximately 1.3 million square feet of retail space was delivered over the past 12 months, down from an average of 2.1 million square feet from 2015 to 2019. Though the construction pipeline has grown to 2.2 million square feet, less than a third is available for lease, and supply-side pressure remains limited.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	14,418,928	4.6%	\$33.75	4.3%	163,074	30,447	522,049
Power Center	32,848,839	4.6%	\$29.03	5.3%	(152,225)	150,000	28,500
Neighborhood Center	92,296,762	5.8%	\$25.42	6.4%	(32,138)	45,600	431,256
Strip Center	14,628,327	5.3%	\$23.40	6.6%	41,327	15,900	183,368
General Retail	87,635,360	3.2%	\$25.31	3.0%	17,080	163,234	971,254
Other	2,302,469	10.9%	\$25.28	11.1%	(2,006)	0	36,670
Market	244,130,685	4.7%	\$26.25	4.9%	35,112	405,181	2,173,097
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	-0.1% (YOY)	7.9%	5.0%	12.3%	2011 Q1	4.3%	2023 Q4
Net Absorption SF	1.6M	2,688,505	1,430,179	11,407,225	2007 Q3	(2,876,178)	2009 Q4
Deliveries SF	2.4M	3,265,790	2,340,585	13,495,883	2007 Q4	632,649	2011 Q2
Market Asking Rent Growth	4.0%	1.0%	2.8%	7.2%	2023 Q4	-9.3%	2009 Q3
Sales Volume	\$2.2B	\$1.8B	N/A	\$4B	2022 Q3	\$468M	2010 Q4

Source: CoStar

The bulk of supply additions can be found in rapidly growing suburbs on the outskirts of the metro, like Buckeye, Surprise, and Queen Creek. These areas boast strong population growth and ample developable land, as well as a more limited existing retail offering.



2.4 Industrial Market

The Greater Phoenix industrial real estate market is experiencing significant transition, driven by a historic wave of recent construction completions. In 2024, an unprecedented 37.2 million square feet (SF) of industrial space was delivered to the market, well above the pre-pandemic average of 8 million SF per year. Absorption kept pace through 2021 and most of 2022 but the oversupply over the last two years has pushed the overall vacancy rate to 12.4%, up from 4.2% in mid-2022, with further increases likely through 2026. Despite the surge in supply, demand remains resilient—net absorption totaled 13.7 million square feet in the last 12 months, the third-highest nationwide—thanks to ongoing expansion from logistics, construction, and retail-related users.

Demand is currently not keeping pace with new deliveries, particularly with large facilities. Vacancy among buildings over 100,000 SF has reached over 16%, while smaller spaces (under 50,000 SF) are more insulated, with vacancy in the high-4% range.

Construction remains robust, with 24.1 million square feet still underway, number two in the nation - 50% of it speculative. The pipeline is concentrated in both the West Valley and the Phoenix-Mesa Gateway area. Developers increasingly targeted larger buildings, creating oversupply in the big-box segment. While construction starts are now slowing, the backlog will continue to weigh on vacancy and rent performance in the near term.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	369,813,281	14.6%	\$11.94	16.0%	4,266,278	3,084,529	14,688,564
Specialized Industrial	103,619,999	5.5%	\$14.15	5.9%	562,261	671,301	8,792,922
Flex	32,132,330	8.2%	\$19.17	8.9%	(145,888)	0	634,116
Market	505,565,610	12.4%	\$12.85	13.4%	4,682,651	3,755,830	24,115,602
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	1.3% (YOY)	9.2%	11.9%	16.1%	2010 Q1	4.1%	2022 Q2
Net Absorption SF	13.7M	8,436,439	14,792,463	26,766,870	2021 Q3	(6,734,563)	2009 Q3
Deliveries SF	23M	10,747,903	15,647,763	44,254,576	2024 Q2	1,045,091	2011 Q4
Market Asking Rent Growth	4.8%	3.6%	5.0%	13.2%	2022 Q2	-8.6%	2009 Q4
Sales Volume	\$5.4B	\$1.8B	N/A	\$7.9B	2022 Q2	\$338.9M	2009 Q3

Source: CoStar

Greater Phoenix's economic fundamentals remain favorable, driven by strong population growth and a business-friendly regulatory and tax environment. Significant investments from companies like TSMC and Amazon highlight the market's continued long-term appeal as a logistics and advanced manufacturing hub, despite short-term imbalances between supply and demand.



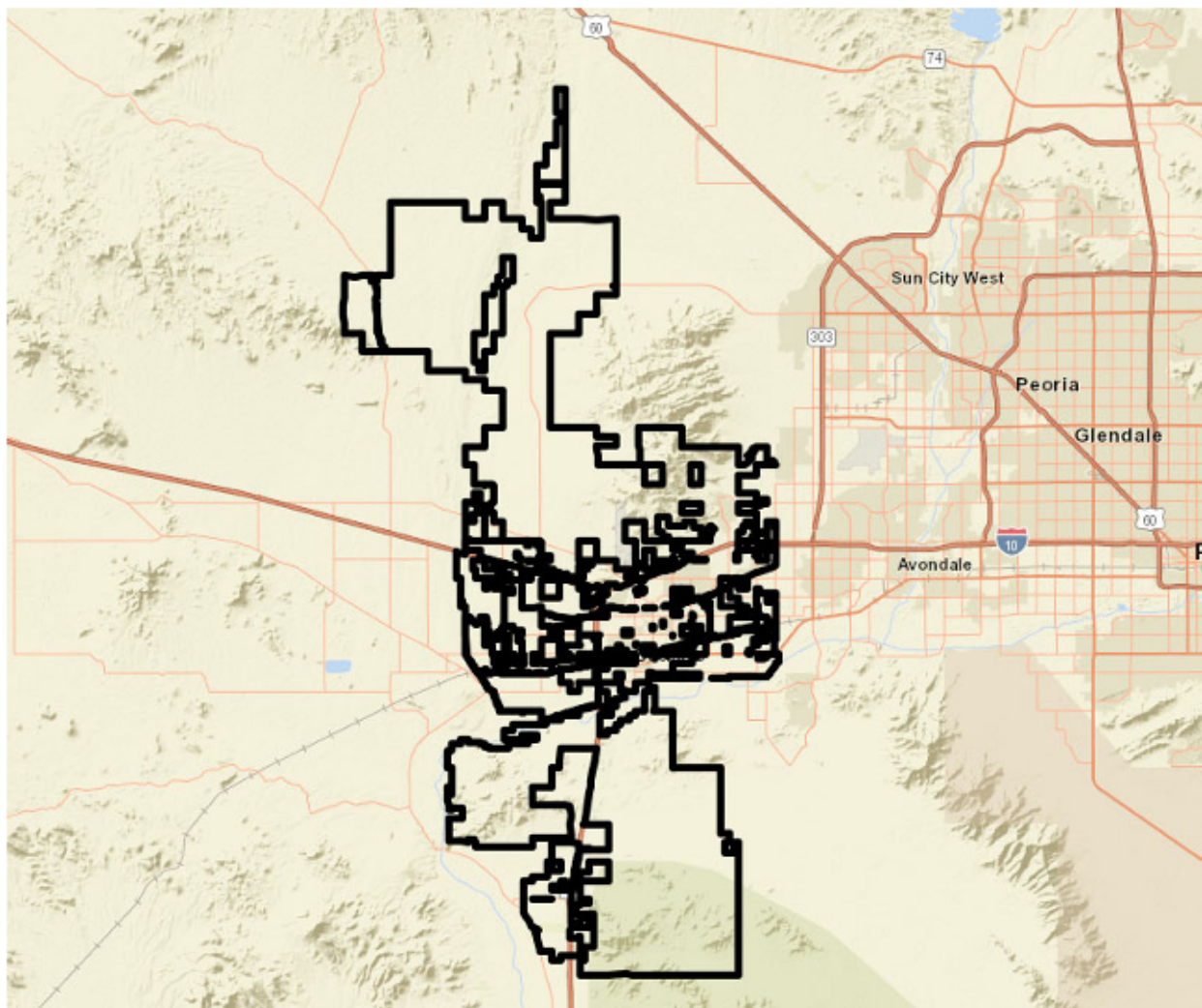
3.0 City of Buckeye Overview

3.1 Demographics

The most accurate indicator of population statistics is the decennial U.S. Census. Additional information is also available from the American Community Survey produced by the U.S. Census plus forecasts for population and household income growth from demographic vendor sources such as ESRI.

For this study, housing data from various sources are available by city or zip code. When available, the study uses city boundaries.

Primary Market Area



The following table illustrates the estimated population of the PMA (City of Buckeye) and Greater Phoenix. The PMA experienced robust growth, and the Greater Phoenix experienced modest growth from 2010 to 2020, growing by an average annual rate of 6.0% and 1.5%,



respectively. In the last five years from 2020 to 2025, the PMA has had an average growth rate of 5.4% per year compared to 1.5% growth per year in the entire metro area. There are an estimated 3.15 persons per household within the Primary Market Area.

Population Estimates				
	Market Area		Greater Phoenix	
	Population	Annual Percent Growth	Population	Annual Percent Growth
2010	51,033		4,192,887	
2020	91,729	6.0%	4,845,832	1.5%
2025	119,307	5.4%	5,215,050	1.5%

Source: Esri Business Analyst, U.S. Census Bureau, Esri forecasts for 2025 and 2030.

The median age of the population in the City of Buckeye (36.0) is lower than Greater Phoenix as a whole (38.3). Younger age groups are all well represented. An estimated 28.8% of the population within the PMA is between 25 and 44 years of age. The population 65 years and older is less represented in the market area (16.1%) compared to Greater Phoenix (18.3%).

Population by Age - 2025				
	Market Area		Greater Phoenix	
	Population	Annual Percent Growth	Population	Annual Percent Growth
Under 5 years	8,210	6.9%	293,611	5.6%
5 to 9 years	8,592	7.2%	309,434	5.9%
10 to 14 years	8,552	7.2%	327,972	6.3%
15 to 19 years	8,174	6.9%	348,103	6.7%
20 to 24 years	6,931	5.8%	358,661	6.9%
25 to 34 years	17,399	14.6%	742,373	14.2%
35 to 44 years	16,978	14.2%	681,298	13.1%
45 to 54 years	13,816	11.6%	615,261	11.8%
55 to 64 years	11,473	9.6%	585,113	11.2%
65 to 74 years	11,801	9.9%	525,083	10.1%
75 to 84 years	6,302	5.3%	330,317	6.3%
85 years and over	1,079	0.9%	97,824	1.9%
TOTAL	119,307		5,215,050	
Median Age	36.0		38.3	

Source: Esri Business Analyst, U.S. Census Bureau, Esri forecasts for 2025 and 2030.



Household incomes in the PMA are higher than Greater Phoenix. The average income in the PMA is reported to be \$130,313, which is 3.3% higher than the metro wide average. The estimated median household income for all Greater Phoenix residents is \$92,045. By comparison, in the PMA the median household income is \$106,504 (16% higher).

Household Income - 2025				
	Market Area		Greater Phoenix	
Total Households	37,854		1,959,001	
<\$15,000	1,124	3.0%	132,826	6.8%
\$15,000 - \$24,999	1,036	2.7%	79,706	4.1%
\$25,000 - \$34,999	1,062	2.8%	99,873	5.1%
\$35,000 - \$49,999	2,375	6.3%	185,457	9.5%
\$50,000 - \$74,999	5,604	14.8%	296,634	15.1%
\$75,000 - \$99,999	5,881	15.5%	251,189	12.8%
\$100,000 - \$149,999	9,686	25.6%	384,793	19.6%
\$150,000 - \$199,999	5,573	14.7%	224,711	11.5%
\$200,000+	5,510	14.6%	303,726	15.5%
Median Household Income	\$106,504		\$92,045	
Average Household Income	\$130,313		\$126,118	

Source: Esri Business Analyst, U.S. Census Bureau, Esri forecasts for 2025 and 2030.

Tenure

Approximately 67.5% of all housing units in Greater Phoenix are owner occupied with 32.5% renter occupied. In the PMA, the percentage of owners is higher at 87.2% owners with 12.8% renters. Going forward, renter households are expected to grow their market share of total residents substantially over time in the PMA.

Tenure - Occupied Housing 2025				
	Market Area		Greater Phoenix	
Total:	37,854		1,959,001	
Owner occupied	33,024	87.2%	1,321,629	67.5%
Renter Occupied	4,830	12.8%	637,372	32.5%

Source: Esri Business Analyst, U.S. Census Bureau, Esri forecasts for 2025 and 2030.



The breakdown of renter household income is provided in the following table. An estimated 81.9% of current renter households make \$50,000 or more, which is the likely starting income threshold for new market-rate rental units.

Renter Household Income - 2025				
	Market Area		Greater Phoenix	
Total Households	4,830		637,372	
Less than \$5,000	78	1.6%	28,971	4.5%
\$5,000 to \$9,999	0	0.0%	14,639	2.3%
\$10,000 to \$14,999	302	6.2%	22,170	3.5%
\$15,000 to \$19,999	56	1.2%	17,087	2.7%
\$20,000 to \$24,999	56	1.2%	21,056	3.3%
\$25,000 to \$34,999	215	4.5%	46,957	7.4%
\$35,000 to \$49,999	169	3.5%	81,901	12.8%
\$50,000 to \$74,999	1,280	26.5%	125,133	19.6%
\$75,000 to \$99,999	460	9.5%	94,987	14.9%
\$100,000 to \$149,999	1,814	37.6%	112,483	17.6%
\$150,000 or more	401	8.3%	71,989	11.3%
Median Income	\$92,431		\$67,729	
Renters with Income \$50,000	3,954	81.9%	404,593	63.5%

Source: Esri Business Analyst, U.S. Census Bureau, Esri forecasts for 2025 and 2030; ACS 1-year estimates



3.1 Employment

Within the Primary Market Area of the City of Buckeye, there are a wide variety of employment and industries. The region has a high concentration of Government (17.9%), Education (15.3%), and Transportation & Distribution Consumer Services (14.7%). The area also has a substantial number of jobs in Retail and FIRE.

Primary Market Area			
Cluster	# of Employers	# of Employees	% of Total
Business Services	35	330	2.4%
Construction	53	830	6.1%
Consumer Goods Manufacturing	1	5	0.0%
Consumer Services	140	1,990	14.7%
Education	44	2,060	15.3%
Finance, Insurance, & Real Estate (FIRE)	38	380	2.8%
Government, Social, & Advocacy Services	76	2,420	17.9%
Health Care	67	660	4.9%
High Tech Manufacturing & Development	2	20	0.1%
Hospitality, Tourism, & Recreation	34	450	3.3%
Media, Publishing, & Entertainment	4	30	0.2%
Metal Inputs & Transportation-Related Manufacturing	1	30	0.2%
Non-Metallic Manufacturing	6	190	1.4%
Resource-Dependent Activities	14	190	1.4%
Retail	72	1,770	13.1%
Telecommunications	13	120	0.9%
Transportation & Distribution	32	2,020	15.0%
Total	632	13,500	

Source: 2023 Arizona COG/MPO Employer Database.

The area has a number of major employers nearby. The following table lists the top employers in the market area. Notable employers include Walmart, State of Arizona, City of Buckeye, Litchfield Elementary School District, Buckey Elementary School District, Frys, Clayton homes, Funko and The Odyssey Preparatory Academy, among many others.

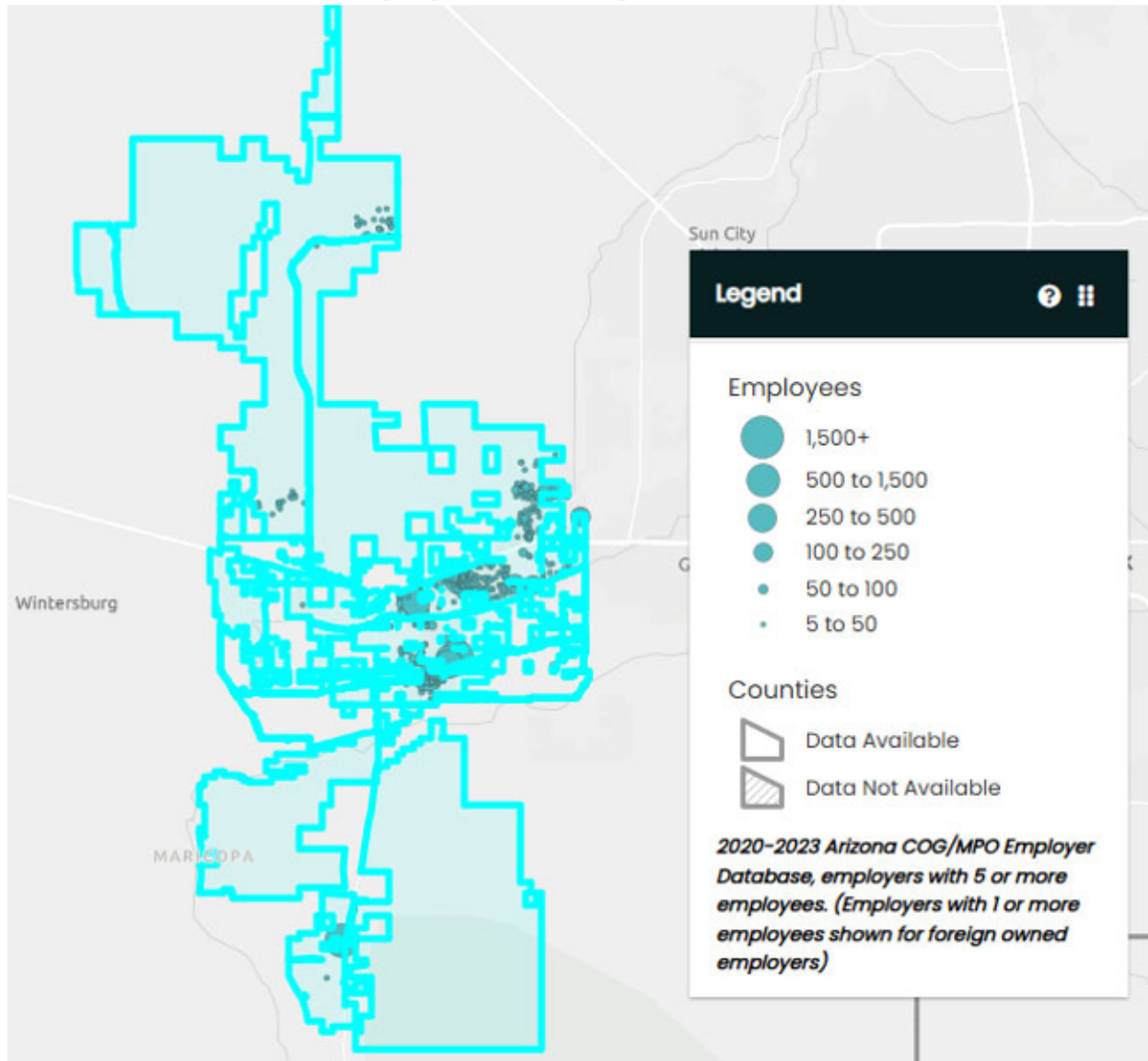


Major Employer		
Employer Name	# of Employees	Cluster
Walmart	1,590	Retail
State of Arizona	1,300	Government, Social, & Advocacy Services
City of Buckeye	740	Government, Social, & Advocacy Services
Litchfield Elementary School District 79	490	Education
Buckeye Elementary School District 33	460	Education
Frys Food Stores	420	Retail
Clayton Homes	300	Construction
Funko	300	Transportation & Distribution
The Odyssey Preparatory Academy	190	Education
Liberty Elementary School District 25	160	Education
Cardinal Glass	150	Non-Metallic Manufacturing
Five Below	150	Transportation & Distribution
Lowe's	150	Retail
Agua Fria Union High School District 216	130	Education
Marriott	120	Hospitality, Tourism, & Recreation
Cracker Barrel Old Country Store	100	Consumer Services
Jones Ford	80	Retail
Pizza Hut	80	Consumer Services
Steven R Jasinski Elementary School	80	Education
United States Postal Service	80	Transportation & Distribution
Burger King	70	Consumer Services
Goodwill	70	Retail
McDonalds	70	Consumer Services
Walgreen Co	70	Health Care
Buckeye Academy Buhd Learning Center	60	Education
Buckeye Union High School District 201	60	Education
Jack in the Box	60	Consumer Services
Aldi	50	Retail
Bashas	50	Retail
Macayos Restaurants	50	Consumer Services
Mod Pizza	50	Consumer Services
Quikrete Cos Inc	50	Construction
The Odyssey Preparatory Academy Inc	50	Education
Verrado Golf Club	50	Hospitality, Tourism, & Recreation

Source: 2023 Arizona COG/MPO Employer Database.



Employers – Primary Market Area



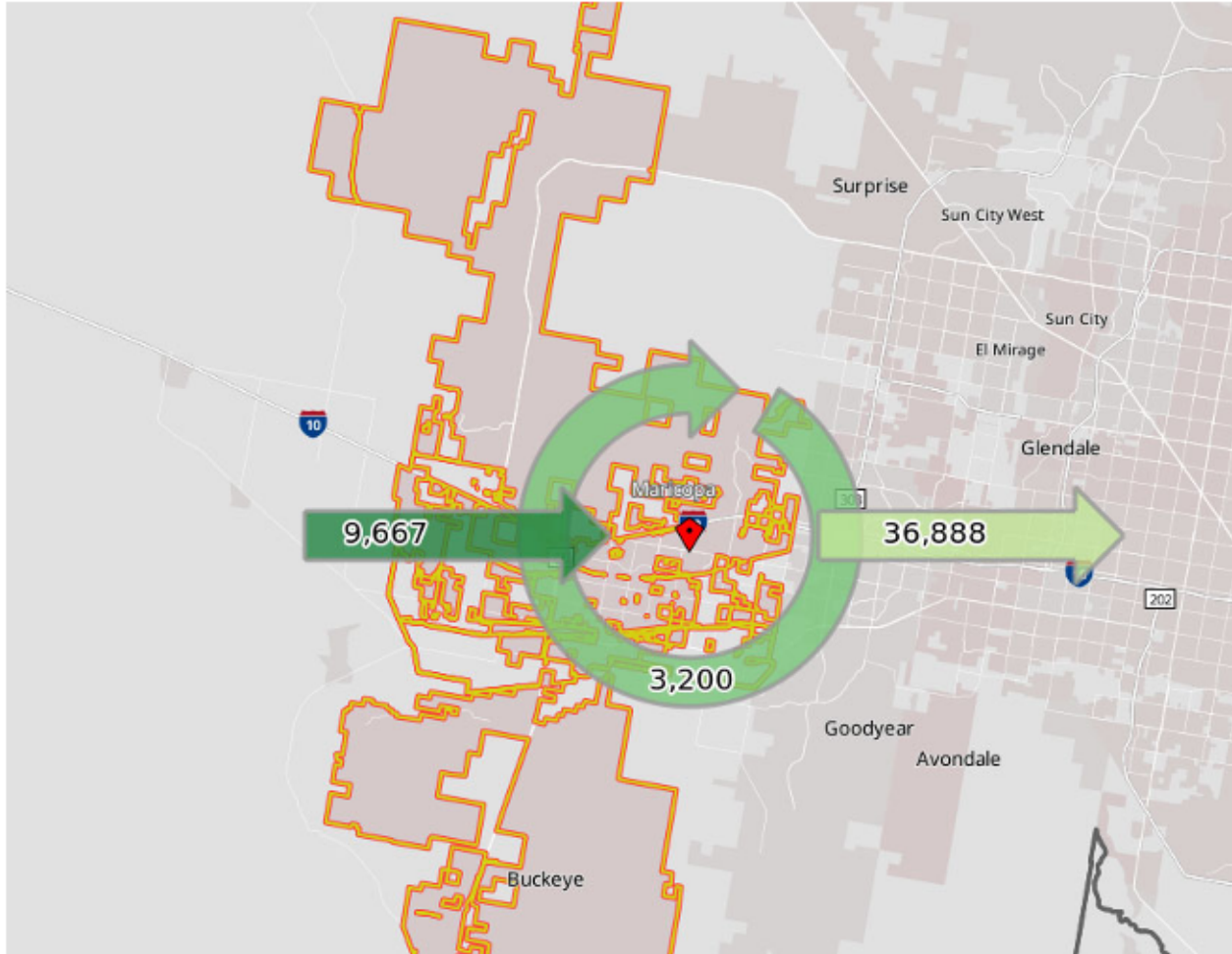
Inflow/Outflow

The relationship between each worker’s place of employment and place of residence within an area can have significant implications for new housing opportunities in that area. Obtaining housing closer to one’s place of work may be an attractive option, especially if the current commute is long or a suitable housing type does not yet exist. Alternatively, employers seeking new locations will review workforce volume and commuting for new location decisions.

The following table details the place of residence for workers in the PMA. As may be expected, a large number of workers currently live outside the PMA and a substantial percentage of residents leave the city for work. Nearly 37,000 Buckeye residents leave the city to work in



neighboring municipalities across the region and a reported 9,700 workers commute into Buckeye for work each day.



Employment Projections

Employment growth within the City of Buckeye is expected to continue for decades at a rapid pace. Over 24,200 new jobs are projected by 2030 compared to 2020. An additional 42,270 jobs are expected between 2030 and 2040. Beyond 2040, an estimated 91,200 additional jobs are expected through 2060. This represents a 600% increase in local jobs.

Employment Projections Primary Market Area					
	2020	2030	2040	2050	2060
Total Jobs	25,929	50,133	92,404	126,779	183,581
Change		24,204	42,271	34,375	56,802
Avg. Annual % Chg.		6.8%	6.3%	3.2%	3.8%

Source: MAG Socioeconomic Projections 2023



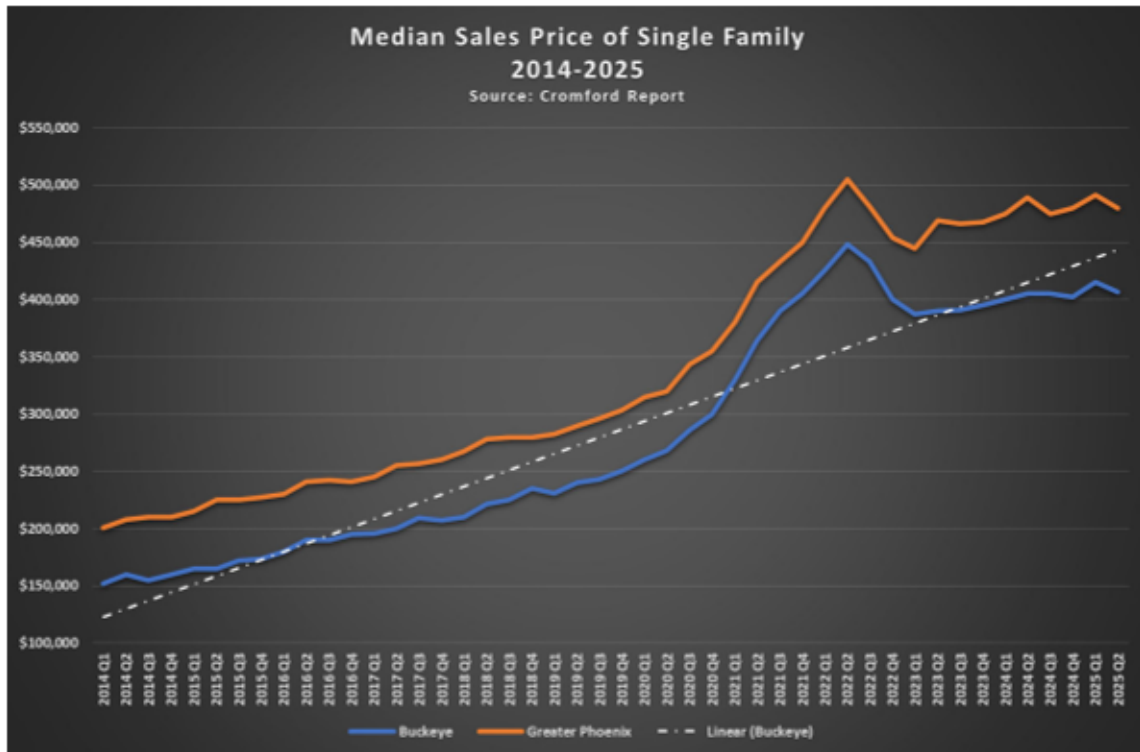
3.3 Residential Market

3.3.1 Single Family

Single family homes sales data collected for this section of the report were extracted from multiple databases. Single family units are defined in this report as a standalone building designed for one household. They also may include a private garage as part of the unit and are usually larger in size.

Several sources of information were used to evaluate the single family market within City of Buckeye including RL Brown and the Cromford Report which is based on data from the Arizona Regional Multiple Listing Service (ARMLS). Those sources collect data in different ways and there are differences in the numbers. However, the overall trends are similar and present the same story.

Since the first quarter of 2014, following the end of the Great Recession, the median price of single family resale homes in the PMA has increased by 168% from \$151,900 to \$406,990 in the second quarter of 2025. However, prices reached a high of more than \$448,500 in the second quarter of 2022 before retreating by 14% in the next three quarters to \$387,250. The increase in interest rates which started in mid-2022 has depressed sales and likely prices. Since the fourth quarter of 2022, prices have increased modestly and have remained stable for the last two years. Single family prices in the PMA are about 15.2% lower than Greater Phoenix and remain one of the most affordable submarkets in the region.



Between 2018 and the second quarter of 2022 when mortgage rates started to rise, monthly sales averaged 239 units or more than 2,900 units per year. The total number of sales slowed in the third quarter of 2022 and further declined in the fourth quarter as high interest rates took hold, forcing some buyers to reconsider purchasing a unit. In 2023, a total of 2,477 single family homes sales occurred in the PMA, well below the historic average. In 2024, sales stabilized totaling 2,508 sales. So far through 2025, 1,786 single family homes have been sold.

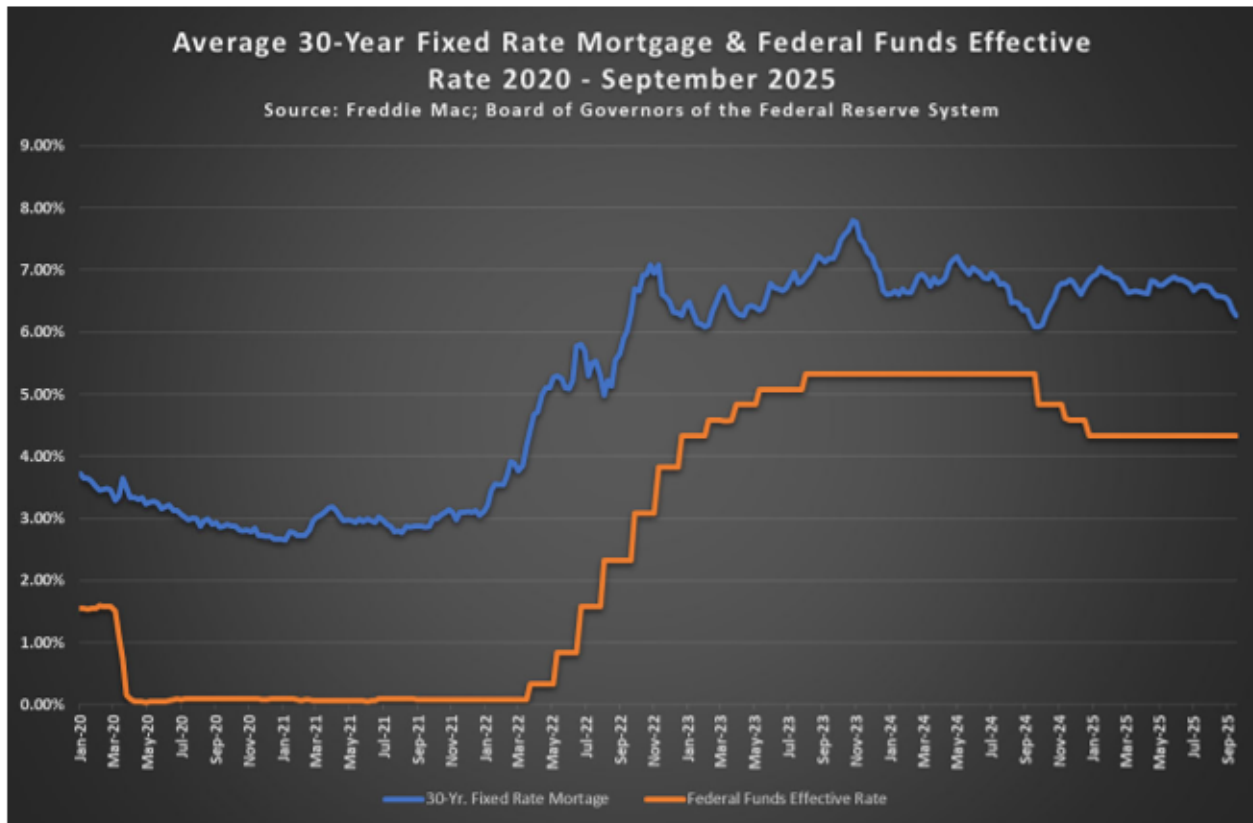


Historical Activity City of Buckeye (PMA)											
Month	Number Sold	Median Price	Average Price	Month	Number Sold	Median Price	Average Price	Month	Number Sold	Median Price	Average Price
Jan-14	89	\$151,300	\$185,612	Jan-18	174	\$208,500	\$235,775	Jan-22	194	\$415,000	\$461,529
Feb-14	94	\$153,450	\$179,537	Feb-18	167	\$216,990	\$246,049	Feb-22	216	\$419,950	\$442,828
Mar-14	134	\$159,900	\$176,684	Mar-18	300	\$209,900	\$243,778	Mar-22	300	\$435,000	\$477,873
Apr-14	146	\$161,750	\$186,789	Apr-18	263	\$219,200	\$251,491	Apr-22	276	\$446,200	\$484,862
May-14	168	\$156,000	\$191,707	May-18	279	\$220,000	\$243,727	May-22	255	\$450,000	\$498,072
Jun-14	146	\$161,950	\$188,336	Jun-18	250	\$224,900	\$249,117	Jun-22	283	\$446,000	\$489,662
Jul-14	119	\$157,500	\$168,731	Jul-18	252	\$224,495	\$249,117	Jul-22	171	\$440,000	\$477,360
Aug-14	137	\$151,409	\$187,312	Aug-18	230	\$226,945	\$246,833	Aug-22	186	\$432,850	\$494,554
Sep-14	109	\$160,000	\$183,875	Sep-18	195	\$224,785	\$246,027	Sep-22	190	\$425,000	\$458,103
Oct-14	137	\$157,578	\$178,362	Oct-18	177	\$235,000	\$253,999	Oct-22	173	\$415,000	\$449,360
Nov-14	89	\$153,500	\$172,225	Nov-18	186	\$238,000	\$262,073	Nov-22	159	\$399,815	\$423,163
Dec-14	151	\$164,000	\$189,619	Dec-18	190	\$235,000	\$251,833	Dec-22	183	\$381,000	\$422,396
Jan-15	77	\$155,000	\$185,165	Jan-19	175	\$225,500	\$240,630	Jan-23	138	\$394,950	\$432,178
Feb-15	118	\$164,600	\$190,947	Feb-19	169	\$235,000	\$264,835	Feb-23	201	\$379,990	\$419,204
Mar-15	164	\$170,500	\$204,259	Mar-19	230	\$234,250	\$264,191	Mar-23	241	\$387,990	\$426,068
Apr-15	179	\$168,350	\$190,393	Apr-19	266	\$238,500	\$266,374	Apr-23	225	\$385,000	\$435,560
May-15	183	\$159,000	\$185,295	May-19	292	\$245,450	\$273,856	May-23	278	\$395,000	\$425,907
Jun-15	185	\$168,000	\$192,645	Jun-19	272	\$235,000	\$265,046	Jun-23	247	\$391,000	\$420,474
Jul-15	181	\$162,000	\$187,821	Jul-19	254	\$242,250	\$266,707	Jul-23	216	\$399,495	\$459,940
Aug-15	172	\$172,000	\$196,164	Aug-19	272	\$248,799	\$276,191	Aug-23	252	\$390,000	\$448,987
Sep-15	143	\$177,400	\$213,413	Sep-19	236	\$240,895	\$269,603	Sep-23	182	\$389,995	\$440,271
Oct-15	137	\$170,000	\$192,676	Oct-19	216	\$251,000	\$281,999	Oct-23	151	\$400,000	\$470,347
Nov-15	114	\$174,500	\$202,827	Nov-19	193	\$245,000	\$280,620	Nov-23	165	\$390,000	\$433,069
Dec-15	151	\$175,000	\$199,325	Dec-19	224	\$255,450	\$279,926	Dec-23	181	\$390,000	\$457,002
Jan-16	122	\$175,000	\$193,701	Jan-20	178	\$250,500	\$281,809	Jan-24	155	\$389,990	\$437,137
Feb-16	122	\$179,950	\$196,833	Feb-20	219	\$259,500	\$286,478	Feb-24	193	\$409,000	\$452,224
Mar-16	184	\$181,450	\$204,641	Mar-20	300	\$263,490	\$285,234	Mar-24	239	\$405,000	\$468,835
Apr-16	173	\$186,900	\$206,422	Apr-20	247	\$265,000	\$281,824	Apr-24	232	\$409,595	\$456,076
May-16	217	\$183,670	\$210,488	May-20	200	\$259,995	\$292,318	May-24	266	\$400,000	\$448,607
Jun-16	211	\$200,000	\$225,365	Jun-20	278	\$276,000	\$295,897	Jun-24	223	\$404,990	\$454,784
Jul-16	175	\$185,000	\$210,023	Jul-20	288	\$280,000	\$308,972	Jul-24	227	\$403,995	\$458,565
Aug-16	203	\$190,000	\$208,348	Aug-20	276	\$289,020	\$315,277	Aug-24	223	\$405,990	\$460,742
Sep-16	183	\$195,000	\$215,686	Sep-20	258	\$295,000	\$317,672	Sep-24	221	\$405,000	\$463,309
Oct-16	152	\$193,500	\$215,200	Oct-20	277	\$289,990	\$315,623	Oct-24	175	\$394,990	\$445,859
Nov-16	174	\$196,450	\$218,478	Nov-20	237	\$300,000	\$323,096	Nov-24	167	\$409,990	\$462,115
Dec-16	180	\$193,995	\$211,414	Dec-20	280	\$310,500	\$355,092	Dec-24	187	\$404,990	\$475,220
Jan-17	132	\$190,495	\$210,581	Jan-21	191	\$325,000	\$365,851	Jan-25	140	\$418,320	\$489,074
Feb-17	161	\$197,900	\$218,740	Feb-21	188	\$315,000	\$357,279	Feb-25	181	\$411,990	\$477,216
Mar-17	234	\$197,950	\$221,267	Mar-21	273	\$332,000	\$374,229	Mar-25	244	\$414,490	\$467,156
Apr-17	201	\$195,000	\$220,267	Apr-21	245	\$355,000	\$393,326	Apr-25	288	\$402,000	\$467,142
May-17	234	\$205,950	\$230,393	May-21	256	\$355,000	\$400,794	May-25	249	\$409,999	\$481,765
Jun-17	237	\$200,000	\$226,463	Jun-21	279	\$375,000	\$411,264	Jun-25	239	\$400,990	\$456,370
Jul-17	209	\$205,900	\$224,753	Jul-21	247	\$380,000	\$418,264	Jul-25	231	\$409,990	\$467,727
Aug-17	183	\$209,900	\$231,407	Aug-21	251	\$390,000	\$411,280	Aug-25	214	\$399,993	\$457,053
Sep-17	194	\$209,915	\$233,470	Sep-21	257	\$400,000	\$427,525				
Oct-17	221	\$209,140	\$233,510	Oct-21	265	\$400,000	\$430,800				
Nov-17	183	\$202,000	\$223,641	Nov-21	249	\$400,000	\$433,970				
Dec-17	205	\$208,000	\$240,962	Dec-21	234	\$425,000	\$455,019				

Source: Cromford Report



The increase in the Federal Funds rate stopped in July 2023. Since then, mortgage rates have been variable but have now stabilized in the 6.25%-6.5% range. The expected continued reduction in the Federal Funds rate through the end of the year should help the housing market to stabilize over the next year or two. Traditional homebuilders are also buying down interest rates to the 5% range, which is attracting buyers to the new home market. Unfortunately, similar interest rate buydowns are not available in the resale market.



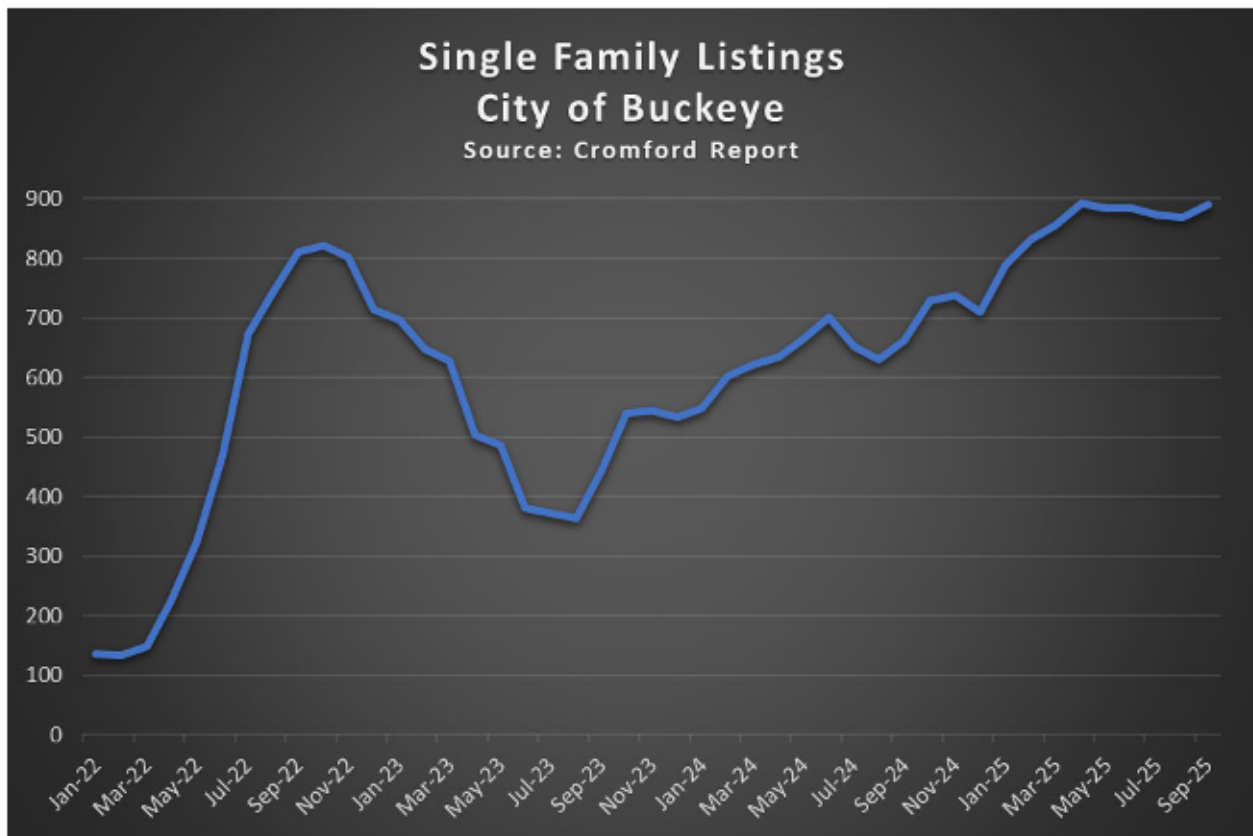
Sales Activity

The following data has been collected from the Cromford Report based on ARMLS information by city for the last 12 months with complete data. Currently, there are 890 listings in the ARMLS. The sales volume has been stable over the last 12 months. While the sales volume is down significantly from the levels seen pre-interest hike, the volume has been growing since 2023. High interest rates have had a significant impact on single family sales, and there has been an increase in the number of listings resulting in an available inventory of about four months which is normal for the market.



12 Months Single Family Sales Activity							
Month	Median Price	Average Price	Price/SF	Average Sq. Ft.	Number of Sales	Listings	Months of Supply
Sep-24	\$405,000	\$463,309	\$229.06	2,023	221	663	2.86
Oct-24	\$394,990	\$445,859	\$225.61	1,976	175	730	3.79
Nov-24	\$409,990	\$462,115	\$227.33	2,033	167	738	4.37
Dec-24	\$404,990	\$475,220	\$233.16	2,038	187	710	3.95
Jan-25	\$418,320	\$489,074	\$232.39	2,105	140	790	5.07
Feb-25	\$411,990	\$477,216	\$234.15	2,038	181	833	4.36
Mar-25	\$414,490	\$467,156	\$232.45	2,010	244	856	3.41
Apr-25	\$402,000	\$467,142	\$234.39	1,993	288	892	2.97
May-25	\$409,999	\$481,765	\$233.64	2,062	249	884	3.58
Jun-25	\$400,990	\$456,370	\$226.89	2,011	239	884	3.70
Jul-25	\$409,990	\$467,727	\$224.75	2,081	231	872	3.83
Aug-25	\$399,993	\$457,053	\$230.91	1,979	214	890	4.07

Source: Cromford Report



The median price of a single family resale home in the PMA for the most recent month was \$399,993 which is about 16% lower than the metro-wide median price of \$475,000. According

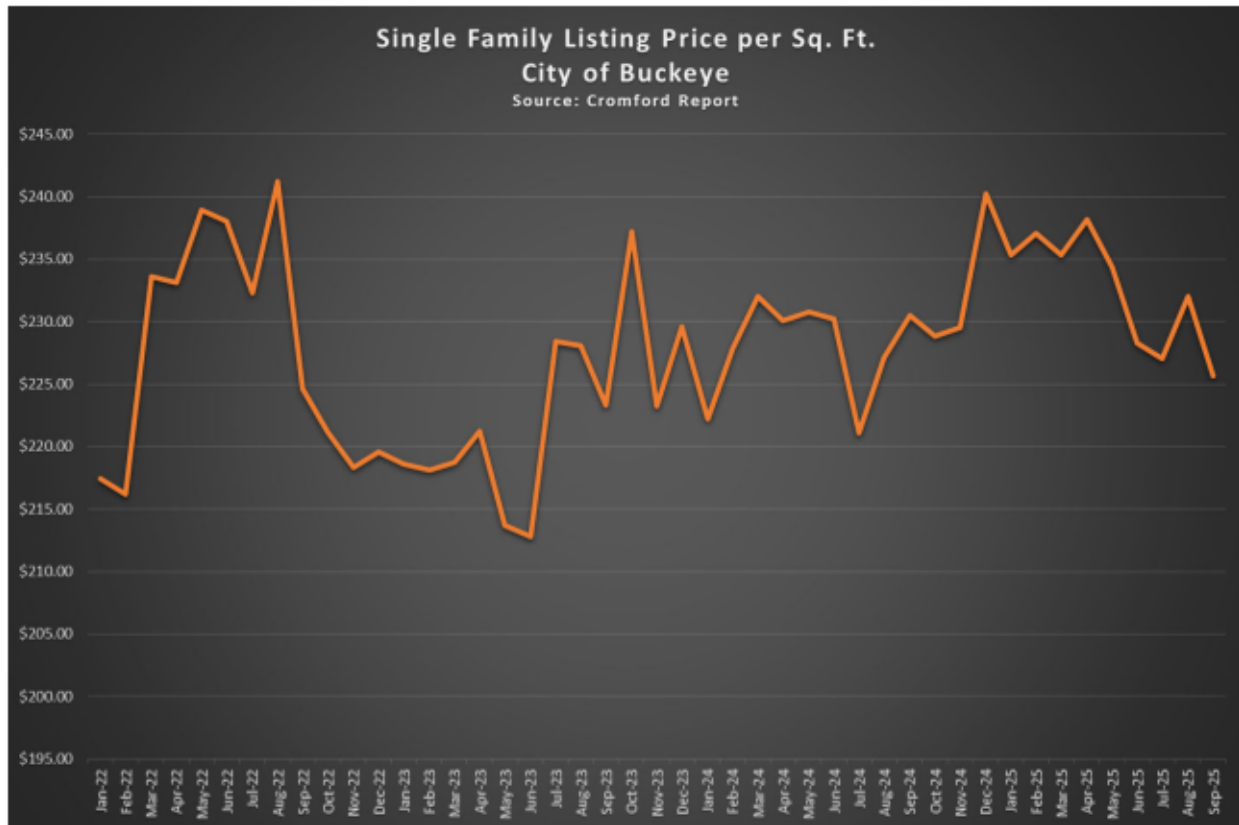


to MLS data, 2,536 single family homes were sold in Buckeye in the 12 months ending in August 2025, comprising about 4.6% of the metro market.

The following table compares single family home sales prices for the last 12 months and comparing them to the same period a year ago. Overall, sales prices in the PMA have seen limited growth at 1.5%. However, the number of sales has increased from 2,437 to 2,536 sales.

Comparison of Single Family Sales Activity											
12 month Comparison											
City of Buckeye											
Month	Number of Sales	Median Price	Average Price	Price/SF	Average Sq. Ft.	Month	Number of Sales	Median Price	Average Price	Price/SF	Average Sq. Ft.
Sep-23	182	\$389,995	\$440,271	\$220.08	2,001	Sep-24	221	\$405,000	\$463,309	\$229.06	2,023
Oct-23	151	\$400,000	\$470,347	\$233.60	2,013	Oct-24	175	\$394,990	\$445,859	\$225.61	1,976
Nov-23	165	\$390,000	\$433,069	\$220.36	1,965	Nov-24	167	\$409,990	\$462,115	\$227.33	2,033
Dec-23	181	\$390,000	\$457,002	\$223.92	2,041	Dec-24	187	\$404,990	\$475,220	\$233.16	2,038
Jan-24	155	\$389,990	\$437,137	\$221.48	1,974	Jan-25	140	\$418,320	\$489,074	\$232.39	2,105
Feb-24	193	\$409,000	\$452,224	\$223.10	2,027	Feb-25	181	\$411,990	\$477,216	\$234.15	2,038
Mar-24	239	\$405,000	\$468,835	\$229.65	2,042	Mar-25	244	\$414,490	\$467,156	\$232.45	2,010
Apr-24	232	\$409,595	\$456,076	\$229.87	1,984	Apr-25	288	\$402,000	\$467,142	\$234.39	1,993
May-24	266	\$400,000	\$448,607	\$229.16	1,958	May-25	249	\$409,999	\$481,765	\$233.64	2,062
Jun-24	223	\$404,990	\$454,784	\$227.15	2,002	Jun-25	239	\$400,990	\$456,370	\$226.89	2,011
Jul-24	227	\$403,995	\$458,565	\$219.73	2,087	Jul-25	231	\$409,990	\$467,727	\$224.75	2,081
Aug-24	223	\$405,990	\$460,742	\$224.65	2,051	Aug-25	214	\$399,993	\$457,053	\$230.91	1,979
Total	2,437	\$400,690	\$453,758	\$225.44	2,013	Total	2,536	\$406,589	\$467,158	\$230.50	2,027

Source: Cromford Report



New Home Market

The City of Buckeye has had a very active new home market. Since 2018, over 15,900 new home permits have been issued. The number of new homes sold has been very balanced at 15,800 homes sold. Median sales price has increased from \$242,640 to \$420,000, a 73% increase from 2018, but still remains an affordable market compared to many neighboring cities. Average sales price saw an even bigger jump of 86% while the size of the units has remained relatively stable.

New Home Market						
Year	No. Permits	No. Sold	Median Sales Price	Average		
				Sales Price	Sq. Ft.	Price Per Sq. Ft.
2018	2,143	2,200	\$242,640	\$268,347	2,020	\$141.02
2019	2,349	2,314	\$260,990	\$288,344	2,045	\$141.02
2020	2,837	2,672	\$282,860	\$314,748	2,014	\$156.26
2021	2,257	2,292	\$333,839	\$365,584	2,115	\$172.86
2022	1,765	1,774	\$419,638	\$454,435	1,939	\$234.37
2023	1,616	1,714	\$407,510	\$497,584	1,832	\$271.58
2024	1,815	1,694	\$418,000	\$502,464	1,988	\$252.80
2025 YTD	1,198	1,129	\$420,000	\$497,804	1,935	\$257.22

Source: RL Brown

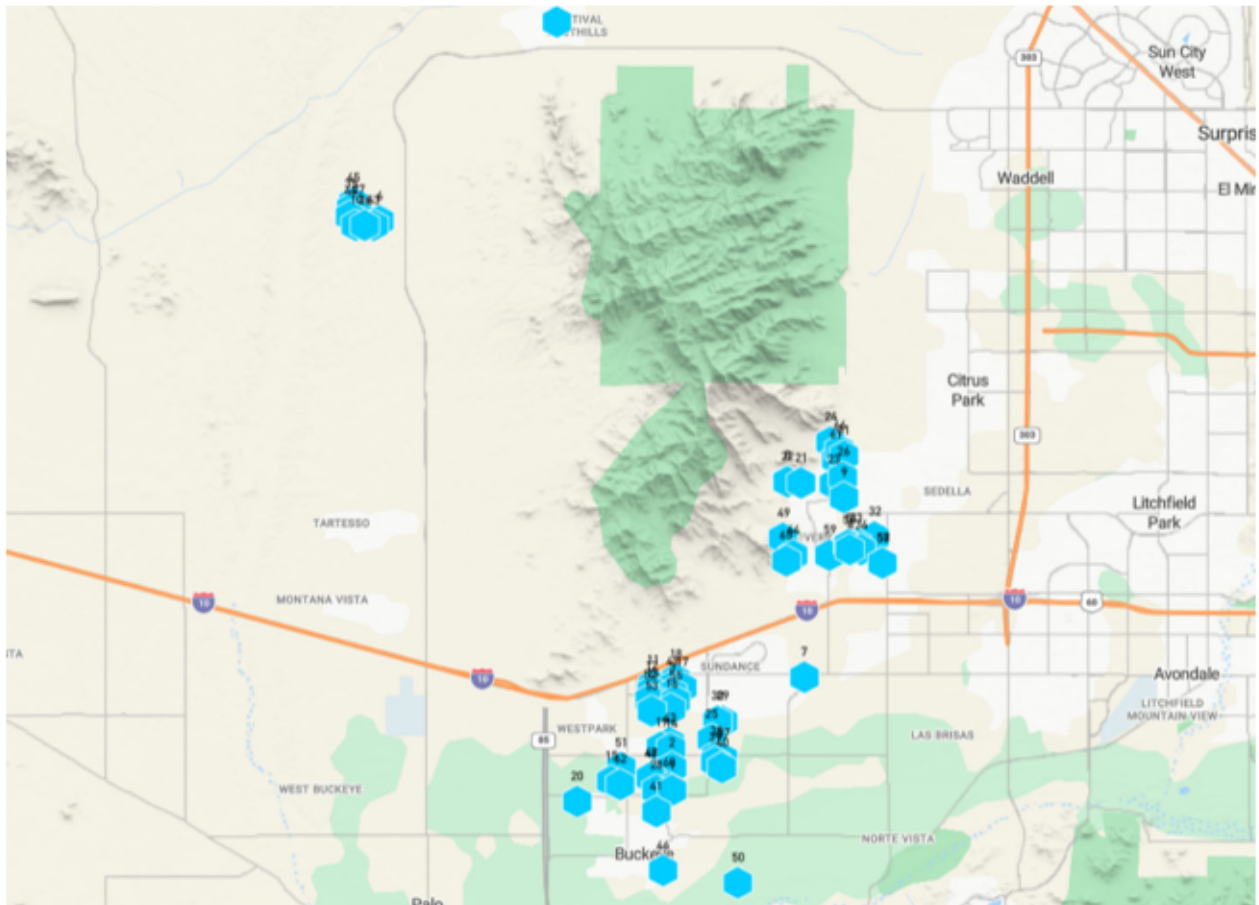
Currently there are 66 active subdivisions across the city. There are an estimated 6,181 available lots with 238 speculative units built. Since 2018, within the 66 subdivisions approximately 7,540 permits have been issued, and 6,330 homes have been sold. The locations of these subdivisions are shown below.

Active Subdivision		
Year	No. Permits	No. Sold
2018	272	266
2019	389	322
2020	486	432
2021	1,000	494
2022	1,186	828
2023	1,302	1,258
2024	1,710	1,601
2025 YTD	1,195	1,129
Total	7,540	6,330
Available Lots 6,181		
Spec 238		

Source: RL Brown



New Home Active Subdivision Location Map



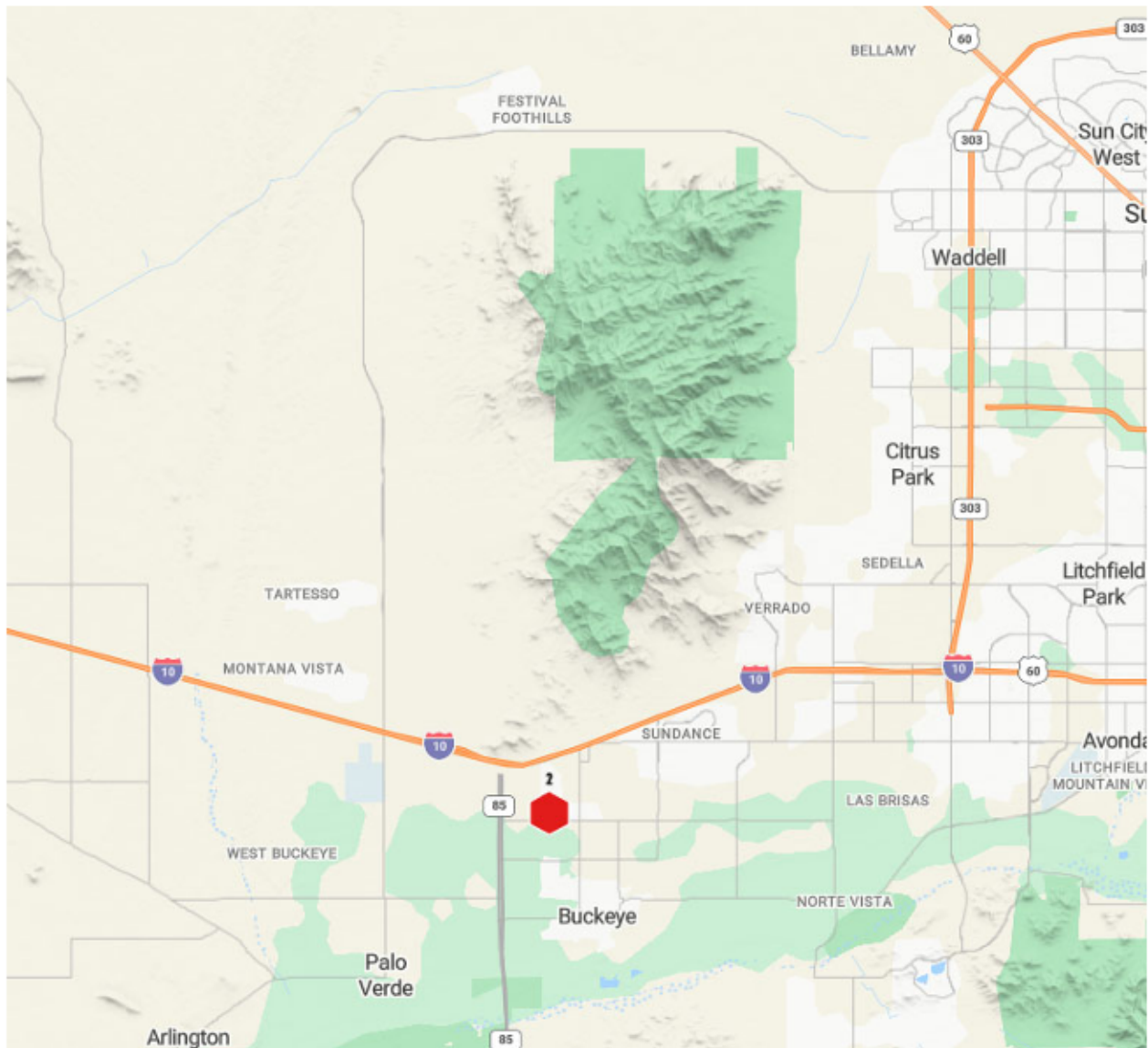
Future Subdivisions

The subdivision Hayden Estates with near 259th Ave and Broadway Rd was identified as a future subdivision within the PMA. The subdivision has two builders, Pulte Home and Castlerock Communities, and 176 lots.

Future Subdivisions			
Subdivision	Location	Builder	Lots
Hayden Estates Phase 1	259th Ave and Broadway Rd	Pulte Homes	127
		Castlerock Communities	49

Source: RL Brown





3.3.2 Multifamily

There are currently 14 apartment or rental communities consisting of at least 50 units in the primary market area totaling 2,111 total units. Approximately 456 of the units were built prior to 2010 with an additional 122 units in the following decade. There have been 9 additional communities with 1,533 units that have been built since 2020.

Including newly opened communities still in lease-up, total vacancy is 26.9% compared to 10.5% across the metro. The stabilized vacancy is 5.5% compared to 7.1% in Greater Phoenix. This is considered fully occupied.



PMA Apartment Market Compared to Maricopa County							
Q2 2025							
Area	Complexes	Units	Monthly Rent	Average SF	Rent per SF	Vacancy Rate	
PMA							
All Complexes	14	2,111	\$1,700	1,223	\$1.39	26.9%	
All Complexes Excluding Projects in Lease Up	9	1,227	\$1,630	1,311	\$1.24	5.5%	
Maricopa County							
All Complexes	1,917	404,320	\$1,545	861	\$1.79	10.5%	
All Complexes Excluding Projects in Lease Up	1,794	375,702	\$1,518	855	\$1.78	7.1%	

Source: RealData

Pipeline Projects

There were 31 projects identified in the PMA in the pipeline totaling 8,813 total units at various stages of development. Of note, three communities (Hancock on Rooks, Copper Falls III Parcel 9 and Greenlight Verrado) account for 2,681 units that account for over 30% of the identified pipeline.

Five apartment projects were identified in the development pipeline with a known unit mix. As the table illustrates, there is a range of floor plan distributions, with most projects proposing units one, two and three-bedroom units.

Proposed Apartment Pipeline Unit Mix								
Name	Address	1-Bd		2-Bd		3-Bd		Total Units
FirstStreet at Skyline	SEC McDowell Rd & Dean Rd Alignment	61	27.5%	105	47.3%	56	25.2%	222
Buckeye Commons	25201 W MC 85 Highway	126	30.9%	226	55.4%	56	13.7%	408
Prestige Homes in Buckeye	SWC Yuma Road & Dean Road	40	29.4%	56	41.2%	40	29.4%	136
Sundance Station Apts	700 S Watson Road	100	36.8%	156	57.4%	16	5.9%	272
Sundance Station BTR	700 S Watson Rd	24	15.6%	47	30.5%	70	45.5%	154

Source: RealData

The following table and map illustrate the details of the identified pipeline of multi-family units including project status, units, and address.

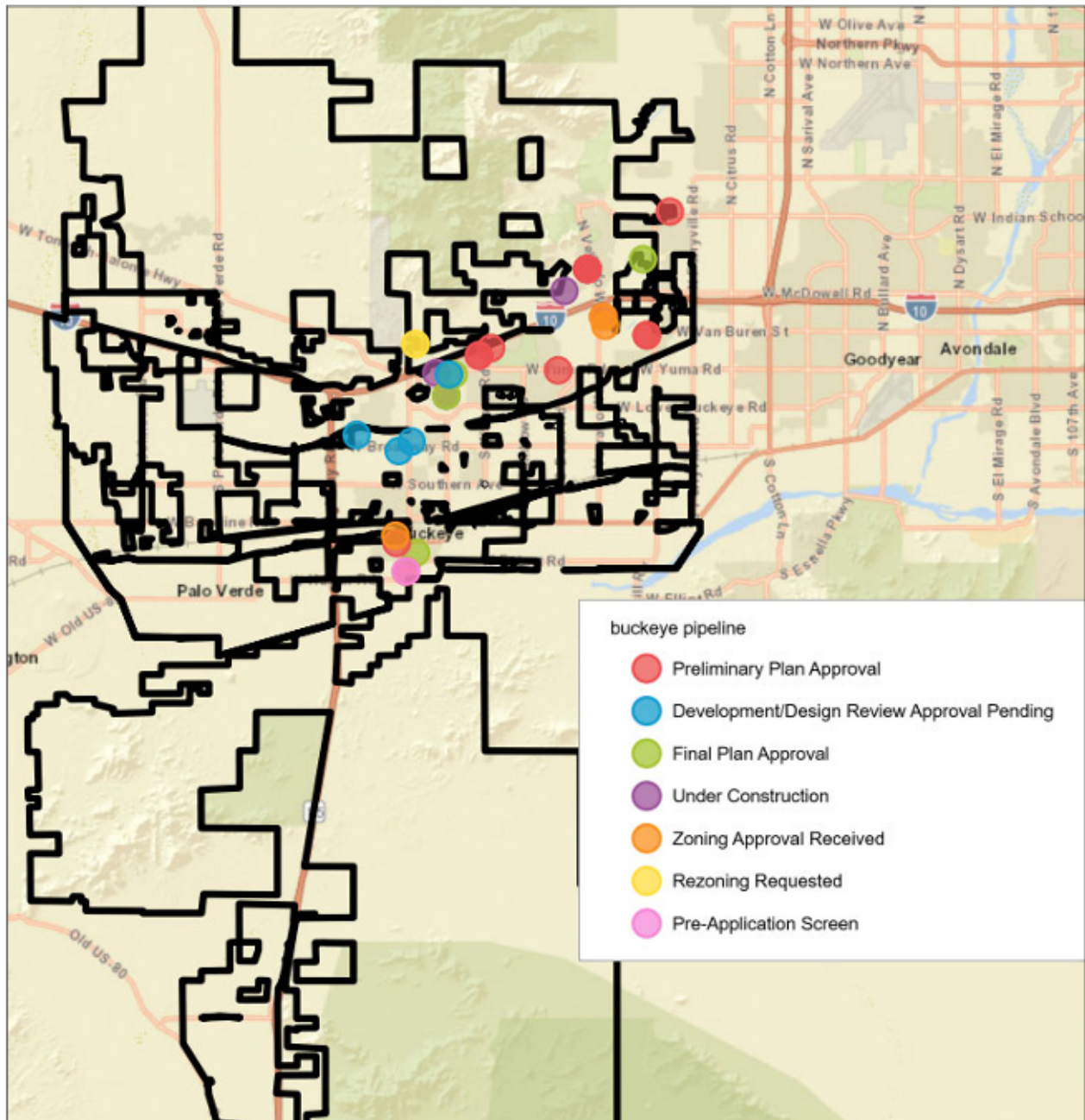


Pipeline Projects			
Name	Address	Total Units	Status
Market Rate			
Under Construction			
Arroyo Verde I	20177 W Thomas Road	80	Under Construction
Bungalows at Sundance	24485 W Yuma Road	333	Under Construction
FirstStreet at Skyline	SEC McDowell Rd & Dean Rd Alignment	222	Under Construction
Lanai Living I	450 N Apache Road	222	Under Construction
Sub-Total		857	
Planned			
Avilla Marigold	SWC Thomas Road & Jackrabbit Trail	214	Final Plan Approval
Buckeye Village Centre	301 E Centre Avenue	78	Final Plan Approval
Lanai Living II	450 N Apache Road	222	Final Plan Approval
Sundance @ Buckeye	SEC Yuma Road & Apache Road	294	Final Plan Approval
Arroyo Verde II	20177 W Thomas Road	114	Preliminary Plan Approval
Arroyo Verde III	20177 W Thomas Road	75	Preliminary Plan Approval
Arroyo Verde IV	20177 W Thomas Road	131	Preliminary Plan Approval
Buckeye Commons	25201 W MC 85 Highway	408	Preliminary Plan Approval
Ironwood at Blue Horizons-Apts	SWC Jackrabbit Tr & Blue Horizon Pkwy N	150	Preliminary Plan Approval
Ironwood at Blue Horizons-Villas	SWC Jackrabbit Tr & Blue Horizon Pkwy N	88	Preliminary Plan Approval
Prestige Homes in Buckeye	SWC Yuma Road & Dean Road	136	Preliminary Plan Approval
Prose Verrado	SEC Roosevelt St & Verrado Way	394	Preliminary Plan Approval
Springs at Sundance	SEC Watson Road & I-10	204	Preliminary Plan Approval
Sundance Station Apts	700 S Watson Road	272	Preliminary Plan Approval
Sundance Station BTR	700 S Watson Rd	154	Preliminary Plan Approval
Village at Cielo Azul	NEC Indian School Rd & Jackrabbit Trail	335	Preliminary Plan Approval
Villettas on Miller BTR	NWC Miller Rd & Hazen Rd	178	Preliminary Plan Approval
Copper Falls III Parcel 9	25111 W Broadway Road	900	Development/Design Review Approval Pending
Hancock on Rooks	3316 S Rooks Road	847	Development/Design Review Approval Pending
Nirvana at Miller	NEC Broadway Rd & Miller Rd	305	Development/Design Review Approval Pending
Greenlight Verrado	NEC Verrado Way & Van Buren Street	934	Zoning Approval Received
MC-85 & Rooks	25260 W US Highway 85	342	Zoning Approval Received
West Fillmore HighStreet	20555 W Roosevelt Street	510	Zoning Approval Received
Miller Heights BTR	N/I-10 & Miller Road	163	Rezoning Requested
Miller Heights SFR	N/I-10 & Miller Road	88	Rezoning Requested
Villettas on Miller APT	NWC Miller Road & Hazen Road	220	Pre-Application Screen
Sub-Total		7,756	
Planned - Affordable			
BTR at Yuma & Apache *	SEC Yuma Rd & Apache Rd	200	Development/Design Review Approval Pending
Sub-Total		200	
		857	Market Rate - Under Construction
		808	Market Rate - Final Plan Approval
		2639	Market Rate - Preliminary Plan Approval
		2052	Market Rate - Development/Design Review Approval Pending
		1786	Market Rate - Zoning Approval Received
		251	Market Rate - Rezoning Requested
		220	Market Rate - Pre-Application Screen
		200	Affordable - Development/Design Review Approval Pending
Total		8,813	31 Projects

*Affordable
Source: RealData



Apartment Communities Under Construction or Planned



3.4 Commercial Market

The City of Buckeye contains 2.3 million square feet of retail development and there is only 1.3% vacancy throughout the city. There has been 125,000 square feet absorbed over the last 12 months and over 1.0 million square feet are under construction including Buckeye Commons (411,441 SF) anchored by Costco and Home Depot and Verrado Marketplace (520,000 SF) anchored by Target, Harkins Theatres, and Safeway. Total retail inventory will increase by over 44% once these projects are delivered.



There is currently no commercial development within the Tartesso parcels. With 3,371 homes already built and occupied within the first phases, Tartesso has not reached a critical mass of households to induce any significant retail development, such as a grocery anchored neighborhood center. Additional residential development must occur before retailers will be able to justify a nearby location.

The median household income of Buckeye residents is currently \$106,504. Utilizing current average apartment rents in Buckeye, renter households have an estimated average household income of \$72,720. These household incomes and the U.S. Consumer Expenditure Survey were utilized to model retail demand going forward. Using a weighted average of \$94,341 per household, the retail demand model indicates that each new household will create demand for approximately 56 square feet of retail (a combination of grocery stores, other local serving retail, restaurants and bars, and regional serving retail).

New Resident Retail Spending Analysis Tartesso Trade Area		
Income & Spending Assumptions	Dollars	% of Income
Projected New Resident Median Household Income	\$94,341	
Total Retail Spending/Household (excluding vehicles)	\$24,303	25.8%
Local-Serving Retail Spending	\$11,164	11.8%
Grocery Spending/Household	\$5,915	6.3%
Non-Grocery Local-Serving Retail Spending/Household	\$5,249	5.6%
Regional-Serving Retail Spending/Household	\$9,351	9.9%
Restaurant Spending/Household	\$3,788	4.0%
New Households	1	
Supportable Local-Serving Retail Demand	Retail Demand	
Total Grocery Spending	\$5,915	
Supportable SF at \$500 Per SF in Sales	12	
Other Local-Serving Retail Spending (excluding Groceries)	\$5,249	
Supportable SF at \$300 Per SF in Sales	17	
Regional-Serving Retail	\$9,351	
Supportable SF at \$500 Per SF in Sales	19	
Restaurant Spending	\$3,788	
Supportable SF at \$500 Per SF in Sales	8	
TOTAL RETAIL SPENDING	\$24,303	
TOTAL RETAIL DEMAND (Square Feet)	56	
Sources: U.S. Consumer Expenditure Survey; AZ DOA; Elliott D. Pollack & Company		



With a minimum neighborhood center size of 150,000 square feet assumed, retail development does not occur exactly at the pace of new residential development. Rather, incremental development of commercial centers is spurred once a critical mass of new residents is sufficient to support the development. Tartesso requires additional residents to reach this threshold.

3.5 Industrial Market

Sub-Market Outlook

Tartesso’s industrial property, known as Buckeye Spectrum, is located just north of I-10 and Sun Valley Parkway, within CoStar’s Goodyear submarket. The Goodyear submarket, totaling 41.5 million square feet, has emerged as a major industrial hub, with 3.1 million square feet (SF) delivered in the past year (25.1 million SF delivered in the past five years), and 2.0 million SF of net absorption. Despite robust demand driven by logistics tenants such as Kenco and CEVA Logistics, the volume of speculative construction has pushed vacancy to 21.6%. While the development pipeline has thinned to 3.6 million SF under construction, down from 6 million SF from 2020 to 2022, near-term vacancy is expected to remain elevated. However, Goodyear’s strategic location near California ports continues to attract logistics and manufacturing users seeking affordability and connectivity. The submarket is grappling with the effects of aggressive speculative development and faces high vacancies in the near term. Long-term fundamentals are solid, though current oversupply conditions will require time to balance.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	36,100,747	24.4%	\$8.98	19.8%	83,764	553,549	1,292,200
Specialized Industrial	5,063,898	2.7%	\$9.87	1.9%	30,042	0	2,345,000
Flex	316,893	0.4%	\$16.96	0.7%	(181)	0	0
Submarket	41,481,538	21.6%	\$9.18	16.7%	113,625	553,549	3,637,200
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	1.2% (YOY)	12.3%	18.2%	24.3%	2009 Q2	1.9%	2023 Q1
Net Absorption SF	2M	1,020,713	2,559,065	6,270,383	2022 Q2	(658,787)	2006 Q1
Deliveries SF	3.1M	1,372,926	2,459,815	8,464,586	2024 Q3	0	2017 Q3
Market Asking Rent Growth	11.2%	4.1%	5.7%	13.6%	2022 Q2	-8.7%	2009 Q3
Sales Volume	\$176M	\$82.7M	N/A	\$558.4M	2022 Q2	\$0	2003 Q4

Source: CoStar

There appear to be no issues related to the subject site’s industrial parcels that would have hindered the development of industrial during the most recent construction boom other than the inability to sub-divide the property due to water policy restrictions. The site is in a highly competitive location with quick access to I-10 and proximity to California. In addition, the inability to develop additional residential homes has weakened the prospects of a growing workforce nearby which may act as a deterrent to potential industrial tenants.



4.0 Market Conclusions

The subject sites are within the region of active residential development that is now occurring in Buckeye, and initial phases of Tartesso have already successfully built out, proving there is a residential market at this location. The advantages of the subject site are the following:

- There are no major negative attributes of the areas surrounding the subject sites that would detract from the marketability of the proposed uses.
- The property is located within a short distance and quick access to Interstate 10. Major employers and employment centers in Buckeye and the West Valley are within a reasonable commute from the site.
- The market area is expected to continue to grow in population and employment for the near and long term. Additionally, there is a large base of income qualified renters and owners already in the market.

From an economic perspective, the sudden and drastic measures announcing no new certifications of assured water supply from groundwater created uncertainty and risk, an effective deterrent to potential investors in our state's economy. If the current policy holds, the Greater Phoenix MSA is at risk of not achieving previously forecasted growth in population and employment by substantially reducing the number of affordable homes that can be built. Many of the affected areas are among the most actively growing regions as well as some of the last remaining locations where homeowners could find an affordable new home.

Based on our analysis of the subject parcels, we conclude that there would be a strong market to develop residential, commercial, and industrial real estate if there were no policy restricting the issuance of certificates of assured water supply. This is also supported by the fact that the next phases of the Tartesso master plan were under contract for several thousand homes by two major home builders.

There are insufficient commercial amenities within a relatively short driving distance of the sites. Commercial development has been hampered by the restrictions on continued residential development at the subject parcels. However, if residential development were to continue, a critical mass of households would be achieved and result in new commercial development activity within the subject sites.

The inability to subdivide the industrial parcels has drastically reduced development flexibility at the subject site. In addition, eliminating nearby residential construction also weakens the competitive position of the industrial site. Absent those restrictions, the subject site is in a competitive location that should be able to attract industrial development.



5.0 Residential Forecast

The following table summarizes the residential forecast for Buckeye Tartesso and Buckeye Tartesso II. The table also provides historical trends of single family and multifamily development. A single family unit is expressed as a completed and sold home (closing) and multifamily is expressed as units delivered.

Greater Phoenix

Overall, Greater Phoenix new single family home closings have produced within a narrow range between 21,559 and 24,365 annually over the past 6 years. Projected population inflows and single family development are expected to remain relatively constant over the next several years, averaging 22,900 homes per year. Over the long term, we expect single family development to capture a modestly smaller share of total home development as multifamily units are absorbed and become a larger share of the market. This equates to a long run average of 21,000 homes per year by 2032 and a gradual decline to 19,500 homes per year by 2051 due to moderating population growth. The metro wide total is used as a guide to determine the growth potential of the City of Buckeye as a submarket within Greater Phoenix, and Tartesso capture rates are noted.

Maricopa Association of Governments (MAG) projected annual housing unit growth of 35,912 units between 2020 and 2030. We assume the allocation is likely a range of 20,000-25,000 single family units and 11,000-16,000 multifamily units per year. MAG also projects relatively slower growth between 2030-2040 of 30,861 units per year (14% decline). While these projections have been taken into consideration for the study, it is our assessment that the population forecasted for Greater Phoenix is likely to create demand for 34,700 units per year in the following decade, with modest downward revisions in subsequent decades.

Multifamily development forecasts for Greater Phoenix are also provided. Regional housing affordability has declined substantially over the past five years and will remain a headwind for single family home development and a tailwind for multifamily development. Currently, the Greater Phoenix market is delivering more multifamily units than can be absorbed, leading to elevated vacancy rates, but demand is strong. The forecast assumes a three year period of suppressed multifamily development from 2026 through 2028 to allow for stabilized occupancy of newly delivered units, followed by a four year ramp up to a long run average of 14,000 units per year through 2039. Due to moderating population inflows in subsequent decades, multifamily development is expected to decline to a terminal rate of 12,500 units per year through the forecast horizon.

City of Buckeye

From 2018 through 2022, the City of Buckeye captured 10.0% of Greater Phoenix single family closings. MAG projected that Buckeye would capture 9.0% of residential unit growth from 2020 to 2030. Due to the continued buildout of surrounding municipalities, MAG projected that Buckeye's capture of new residential development would grow to 15.6% from 2030-2040 and



17.1% from 2040-2050. In the subsequent decade from 2050-2060, Buckeye is projected to capture 16.8% of Greater Phoenix residential growth. In total, Buckeye is projected to add nearly 166,000 new residential units (both single family and multifamily) between 2020 and 2060.

Multifamily development has recently reached the City of Buckeye after decades of exclusively building single family homes. Over the past three years, Buckeye has captured approximately 3.3% of Greater Phoenix multifamily development. Multifamily development in Buckeye is expected to lag single family development for the foreseeable future but is expected to capture a higher share of the Greater Phoenix market over time.

The following forecast follows MAG’s total residential unit forecast for Buckeye, adjusting for development activity that has already occurred, and distributes the residential development between single family and multifamily units. It assumes that Buckeye will achieve a 9% average capture rate of single family development in the decade between 2020 and 2030 with a gradual ramp up each year beginning in 2027 to 11% by 2030 and 17% by 2041. The city is expected to maintain a 16%-17% capture rate consistently thereafter.

The multifamily forecast assumes an average capture rate of 3.8% through 2030. The expected capture rate gradually ramps up to 5.0% by 2030 and 10.0% by 2040 with a terminal capture rate of 15% of Greater Phoenix multifamily development. These capture rates result in a unit count equivalent to the MAG residential unit growth forecast for Buckeye from 2020 to 2060 (165,858 new units).

Tartesso

In the two years of sales unconstrained from build out in 2019 and 2020, Tartesso captured 24.4% of the City of Buckeye’s new single family home development. The EDPCO forecast assumes that Tartesso would have maintained a 24% capture of new single family homes in Buckeye from 2024 through buildout in 2064.

The development of multifamily communities in Buckeye has historically been sparse until 2020 when new communities started to be delivered more consistently. While apartment development is expected to continue in Buckeye, the forecast for multifamily development within Tartesso is expected to be delayed until 2034 to allow many of the rental communities already in the development pipeline to be delivered before reaching the subject sites. Beyond 2034, Tartesso is expected to capture approximately 25% of new rental unit development within Buckeye through 2050 and capture approximately 30% of Buckeye multifamily development through build out in 2074.

The following table details the results of the housing unit forecast from 2025 through 2074. As described above, Tartesso is expected to capture 24% of the Buckeye single family home market and, after a 10 year delay, approximately 25%-30% of the city’s multifamily through build out. This equates to between 410 and 820 single family homes per year and between 210



and 560 apartments per year over the next 50 years. Total annual new housing units from 2025 through 2074 ranges from 397 to 1,310 per year.

Historical Residential Growth & Forecast Greater Phoenix, City of Buckeye & Tartesso										
Year	Greater Phoenix		City of Buckeye				Tartesso			
	SF	MF	SF	% GP	MF	% GP	SF	% Buckeye	MF	% Buckeye
Historical										
2018	20,200	9,978	2,200	10.9%	136	1.4%	315	14%	-	0%
2019	21,559	11,080	2,314	10.7%	-	0.0%	569	25%	-	0%
2020	24,365	11,182	2,672	11.0%	261	2.3%	649	24%	-	0%
2021	24,039	14,801	2,292	9.5%	123	0.8%	498	22%	-	0%
2022	23,223	20,765	1,774	7.6%	246	1.2%	151	9%	-	0%
2023	22,670	25,754	1,714	7.6%	785	3.0%	-	0%	-	0%
2024	23,426	30,531	1,694	7.2%	997	3.3%	-	0%	-	0%
Forecast										
2025 to 2029	114,300	45,655	10,862	9.5%	1,739	3.8%	3,010	24%	-	0%
2030 to 2034	108,000	64,000	13,250	12.3%	3,890	6.1%	3,190	24%	210	5%
2035 to 2039	105,000	70,000	15,750	15.0%	5,950	8.5%	3,790	24%	1,490	25%
2040 to 2044	100,000	65,000	16,900	16.9%	7,150	11.0%	4,070	24%	1,790	25%
2045 to 2049	100,000	65,000	17,000	17.0%	8,576	13.2%	4,100	24%	2,150	25%
2050 to 2054	98,000	63,000	16,660	17.0%	8,499	13.5%	4,020	24%	2,480	29%
2055 to 2059	97,500	62,500	16,575	17.0%	8,431	13.5%	4,000	24%	2,550	30%
2060 to 2064	97,500	62,500	15,795	16.2%	8,686	13.9%	3,628	23%	2,630	30%
2065 to 2069	97,500	62,500	15,600	16.0%	8,750	14.0%	-	0%	2,650	30%
2070 to 2074	97,500	62,500	15,600	16.0%	9,250	14.8%	-	0%	2,607	28%
Source: RL Brown; CoStar; Elliott D. Pollack & Company										



6.0 Commercial Forecast

The residential forecast for Tartesso was utilized to forecast when new commercial development could occur based on demand that would be generated by Tartesso residents. For purposes of this analysis, a lower estimate of 40 square feet per household was used to account for leakage outside the study area.

Based on the residential forecast, Tartesso is forecasted to have experienced 150,000 square feet of commercial development as early as 2031 and an additional 150,000 square feet from 2035 to 2039. If residential units were allowed to continue to be developed, Tartesso would be expected to see accelerated commercial development from 2045 through 2059 due to the addition of multifamily development and Buckeye capturing a higher share of regional residential development with 300,000 to 450,000 square feet of development during those five year increments. In total, Tartesso residents could support at least 2.1 million square feet of commercial development.

Historical Commercial Growth & Forecast				
Tartesso				
Year	Homes Built	Cumulative Homes	Commercial (SF)	Cumulative SF
Historical				
Pre 2017	996	996		
2017	193	1,189	-	-
2018	315	1,504	-	-
2019	569	2,073	-	-
2020	649	2,722	-	-
2021	498	3,220	-	-
2022	151	3,371	-	-
2023	-	3,371	-	-
2024	-	3,371	-	-
Forecast				
2025 to 2029	3,010	6,381	-	-
2030 to 2034	3,400	9,781	150,000	150,000
2035 to 2039	5,280	15,061	150,000	300,000
2040 to 2044	5,860	20,921	150,000	450,000
2045 to 2049	6,250	27,171	300,000	750,000
2050 to 2054	6,500	33,671	300,000	1,050,000
2055 to 2059	6,550	40,221	450,000	1,500,000
2060 to 2064	6,258	46,479	300,000	1,800,000
2065 to 2069	2,650	49,129	150,000	1,950,000
2070 to 2074	2,607	51,736	150,000	2,100,000
Source: RL Brown; CoStar; Elliott D. Pollack & Company				



7.0 Industrial Forecast

CoStar forecasts that Greater Phoenix will deliver over 18 million square feet of industrial and that deliveries will likely outpace absorption in both 2025 and 2026, followed increased demand over absorption from 2027 onward. At this pace, the market will likely reach stabilized occupancy by 2035.

The EDPCO forecast assumes that Buckeye will likely capture 6.0% of industrial development through 2030, consistent with its five-year historical average capture rate. Buckeye’s capture rate is expected to increase in the following decade to an average of 7.5% and 9% from 2041 onward (similar to its 2024 capture rate). In terms of Tartesso’s Buckeye Spectrum, the property is forecasted to capture 21%-25% of Buckeye’s industrial growth through build out.

Historical Industrial Growth & Forecast Greater Phoenix, City of Buckeye & Tartesso					
Year	Greater Phoenix	City of Buckeye		Tartesso	
	Square Feet	Square Feet	% GP	Square Feet	% Buckeye
Historical					
2018	8,043,732	-	0.0%	-	0%
2019	9,287,295	-	0.0%	-	0%
2020	17,228,840	-	0.0%	-	0%
2021	14,979,079	855,243	5.7%	-	0%
2022	25,894,830	862,622	3.3%	-	0%
2023	31,807,965	2,424,969	7.6%	-	0%
2024	37,161,991	3,179,698	8.6%	-	0%
Forecast					
2025 to 2029	74,011,239	3,885,279	5.2%	833,820	21%
2030 to 2034	67,320,899	4,579,254	6.8%	1,144,810	25%
2035 to 2039	68,000,000	5,305,000	7.8%	1,326,250	25%
2040 to 2044	79,000,000	6,960,000	8.8%	1,740,000	25%
2045 to 2049	80,000,000	7,200,000	9.0%	1,800,000	25%
2050 to 2054	80,000,000	7,200,000	9.0%	1,800,000	25%
2055 to 2059	80,000,000	7,200,000	9.0%	1,800,000	25%
2060 to 2064	80,000,000	7,200,000	9.0%	1,800,000	25%
2065 to 2069	80,000,000	7,200,000	9.0%	1,800,000	25%
2070 to 2074	80,000,000	7,200,000	9.0%	1,800,000	25%
2075 to 2079	80,000,000	7,200,000	9.0%	1,800,000	25%
2080 to 2084	80,000,000	7,200,000	9.0%	1,598,333	22%

Source: CoStar; Elliott D. Pollack & Company

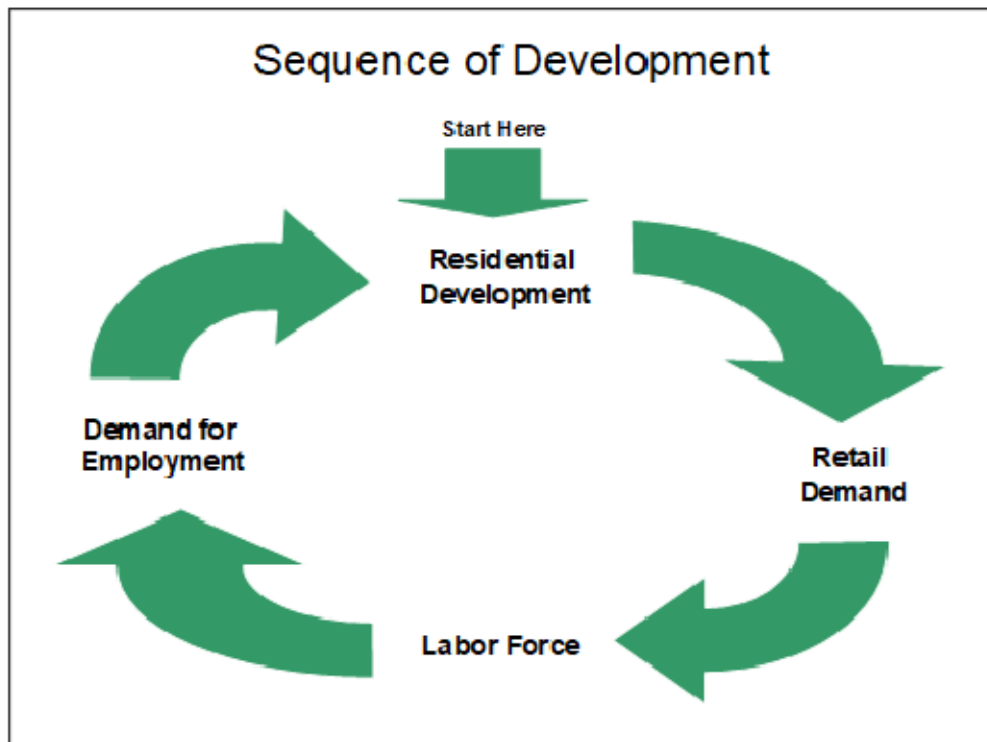


8.0 Diminution of Value

By 2030, the Maricopa Association of Governments projected that one out of every seven homes built in Greater Phoenix would be in the City of Buckeye and was forecasted to capture an even larger share of newly built homes in subsequent decades. Nearly 14% of all projected growth over the next 40 years was slated for Buckeye, equating to between 3,200 and 3,700 new homes per year (9,000 to 10,000 new residents annually). This will not materialize under current policy.

Restricting residential development has negative implications for commercial and industrial development as well. The proposed residential development at the subject sites would help to support new retail assets within Buckeye. Each new resident creates demand for additional local and regional serving retail. Continued residential development in all forms within the market area is critical to the eventual success of additional commercial and industrial/employment development.

As the following graphic helps to illustrate, local residents are the primary source of retail demand. They also provide a local workforce for additional commercial and employment development. This residential development must come first, eventually building to a critical mass of residents to attract additional retailers and employers.



Our analysis concludes that there would have been a market for residential, commercial and industrial real estate development within the Tartesso properties in the absence of the



restrictions stemming from ADWR's refusal to issue CAWS. In contrast, the lack of a market for any opportunities for the above development today is directly attributable to the CAWS restrictions. This has severely impacted the value of the subject properties, created a loss of land transactions, and a pause in development within the Tartesso properties that have shifted elsewhere.

In our review of regional land sales, previous contracts for Tartesso land for future phases from home builders, and through interviews with regional land brokers, the estimated weighted average land value for the Tartesso properties likely would have fallen within a range of \$23,000 to \$33,000 per acre with no CAWS restrictions. Due to the uncertainty surrounding the ability to develop Tartesso as planned with the CAWS restriction in place, the Tartesso parcels are reduced to long term speculative land investments with a likely market value in the range of \$8,000 to \$10,000 per acre.

