# Who's Buying **Phoenix CRE?**

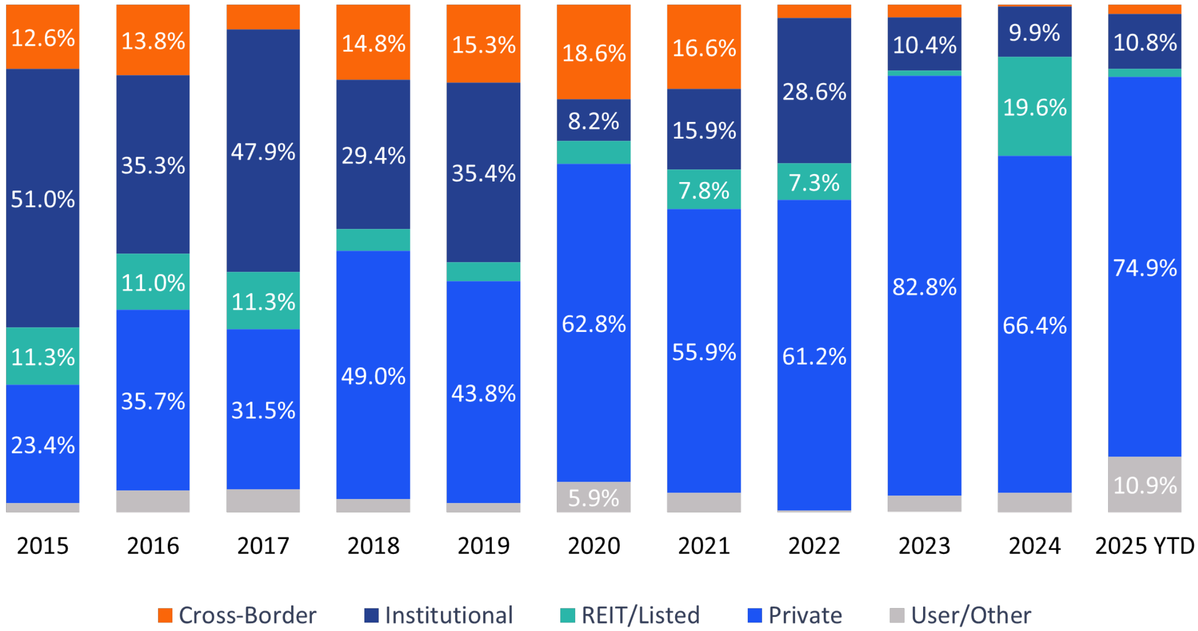
## Private Capital Takes Office, Institutions Anchor Industrial

**Nicole Shih**
Research Analyst
Colliers Arizona

Phoenix's buyer mix is shifting: private investors now dominate office as institutions pull back, while industrial remains institutionally anchored with rising private activity.

### OFFICE

OFFICE BUYER PROFILE




Source: Real Capital Analytics
Note: Percentages shown represent transaction volume.

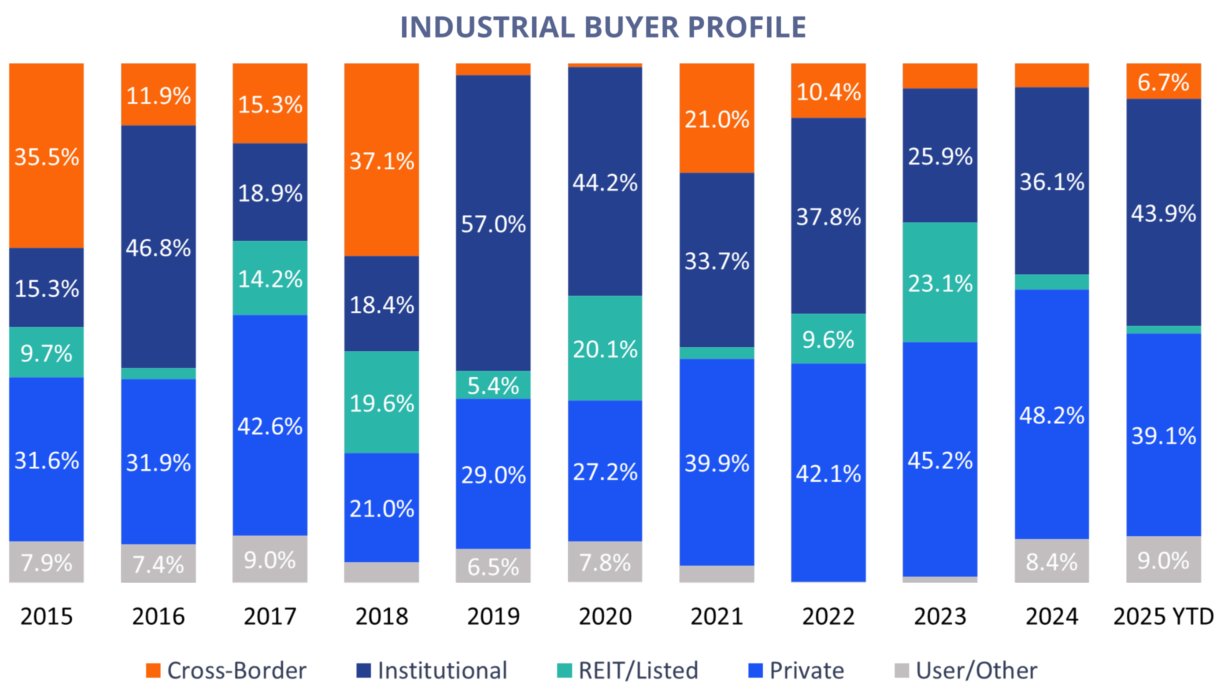
Phoenix office (10,000+ SF) has shifted from an institutionally dominated market (2015–2017) to one where private buyers now account for roughly two-thirds to four-fifths of sales volume (2020–2025). Annual activity remains steady at 100 to180 sales, with liquidity now coming more from smaller private deals.

In 2019, private buyers held 43.8% of the buyer mix while institutions were 35.4%. Through 2015 to 2018, institutions often had the largest share; but since 2020, private buyers have largely driven acquisitions. By 2024, private buyers reached 66.4%, institutions fell below 10%, and listed real estate investment trusts held 19.6%. In 2025 YTD, private buyers climbed further to around 75%.

Cross-border investors have largely stepped aside since 2022, pointing to a more domestically driven market. Meanwhile, the owner-user category has grown to 10.9% in 2025 YTD (the highest in a decade), signaling stronger owner-user demand for larger buildings.

The sharp retreat of institutional capital reflects persistent vacancy, rising borrowing costs, hybrid-work uncertainty, and pricing risk, which have pushed many large funds toward industrial or other asset classes instead of office.

## INDUSTRIAL




Source: Real Capital Analytics
Note: Percentages shown represent transaction volume.

In the industrial market, institutions continue to dominate big-box properties over 25,000 square feet, highlighting Phoenix's role as a national logistics hub, even as private buyers step up.

In 2024, private buyers recorded their largest share ever at 48.2%, while institutions accounted for 36.1%, leaving the market roughly balanced. In 2025 YTD, institutions remain at around 44% while private buyers hold 39%, confirming that institutions are still major players.

Back in 2019, institutions controlled 57% of industrial transactions; over the past five years, private buyers have steadily closed the gap. Overall, the industrial buyer profile is more diversified and balanced than office.

The reasons are clear. Strong demand drivers—supply chain re-shoring, manufacturing, e-commerce, population growth, and manufacturing-related job gains—keep vacancy relatively tight, making logistics assets less risky. Industrial deals also tend to be larger and involve specialized buildouts, aligning with institutional capital's preference for scale and long-term stability.

Phoenix industrial transactions doubled in 2021 to 344 deals, up from 158 in 2020, as pandemic-fueled e-commerce demand sparked a wave of big leases from Amazon, Walmart, Home Depot, HelloFresh, UPS, and Williams-Sonoma. Those commitments quickly stabilized new projects along the Loop 303 and I-10 corridors, turning them into prime assets that developers flipped to long-term institutional buyers.

At the same time, interest rates were at historic lows, making financing cheap and attracting aggressive investor competition. Capital rotated heavily out of struggling office and retail into industrial, and Phoenix—with its population growth, lower business costs, and proximity to West Coast markets—was a top national target. By 2022, higher borrowing costs and new supply brought deal activity back to normal levels at about 150 to 160 transactions.

At the same time, Phoenix's role as a regional logistics hub, bolstered by TSMC's construction activity near the Loop 303 and ongoing development along the I-10 in the West Valley, continues to drive new construction and steady absorption.

Yet with borrowing costs elevated, many institutions are more selective, focusing on the newest, largest, and most stable logistics assets. This leaves space for private capital to pursue mid-market or repositioning opportunities, which explains their record-high share in 2024 and continued presence in 2025.