



## Editor's Insights: *TREND report* Meets Young Leadership at Chaotic Mid-Year Point

Karen Schutte • published in the August 2022 issue

**W**e've cast a wide net for trends in this mid-year issue. Our standard way of doing things is being turned upside down, including looking for real estate trends. [Tucson just set a record sales price for multifamily on July 5th.](#)

The ability to adapt and innovate is more important now than ever in the new normal.

With all the chaos, our mid-year issue of Trend report, wanted to highlight some young leadership in our community.

Content contributors such as **Zach Yentzer**, Executive Director of Tucson Young Professionals with almost 1,000 members; **John Winchester**, Director of Government & Community Engagement at ASU; **Liz Pocock**, CEO of Startup Tucson; **Dre Thompson**, CEO of Tucson Industrial Development Authority; and **Rob Elias**, President/CEO of Tucson Hispanic Chamber of Commerce, inspire hope and optimism with their work multiplying community leaders.

Members of the Millennial generation (born between 1984–2002), are hungry to change the world. In the next fifteen years, 45 percent of the workforce in the U.S. will be disappearing, mostly Baby Boomers. These vacancies must be filled by young, trained leaders; and to this end, **Jim Marian** updates us on his work with the MRED program at UA, and **Ethan Orr**, Director of UA's Agriculture, Natural Resources, Economic and Community Development Programs, reminds us of the great youth leadership development programs UA offers across the state.

**Sam Credio, PE**, Director of DTM at the City of Tucson, lays out what to expect from his \$280 million for road improvements, calling it a "historic investment in our community." Prop 411 promised to bring road improvements to every neighborhood street in the City within the next ten years, and we're confident if anyone can, Sam can.

The mid-year economic outlooks from **Ryan Severino**, Chief Economist at JLL; **Danny Court**, Senior Economist at Elliott D Pollack & Company; and **George Hammond**, Director of the Economic & Business Center of Eller College of Management at UA help explain some of the market conditions to watch.

Housing permits discussed by **Jim Daniel** of RL Brown remind us that Tucson and the state of Arizona don't generally follow national trends and fare much better than most other areas, amid the economic and population expansion we are experiencing.

We are delighted to welcome a newcomer to Tucson in this issue. **David Krumwiede**, Senior Executive Vice President of Lincoln Property Company, which recently closed on 77 acres of land to pave the way for I-10 International, a one million square foot, Class A industrial project, in a Trend report exclusive, explains "Why Tucson?" for this \$260-million "creative industrial" vision.

In conclusion, **Jessa Turner**, Director of Communications, Tech Parks Arizona, walks us through what's happening at the Tech Park.

Commercial Sales Activity for Pima County shows a 104% increase in sales volume over last month and a 50% increase YOY in volume, with July expected to be much the same.

Demand for Tucson's multifamily market continued its stable performance and elevated rent growth in Q2 with healthy sales volume. Many investors are relying on continued rental growth in Tucson, as the value-add market remains strong. Our next Trend report for September will be on Multifamily, so expect more details then. See [PICOR's Q2 2022 Marketbeat](#).

Tucson's industrial market became increasingly active in Q2, with 164,423 SF of positive net absorption, a threefold increase from Q1. See [CBRE's Tucson Industrial Q2 2022](#).

Tucson retail is recovering, with more fitness gyms, nail salons and restaurants coming to strip centers and is expected to hold up to [CBRE's National Q2 2022 Figures](#).

Tucson's office market is another story and saw a downturn in net absorption Q2, reaching the largest net negative absorption as well as highest increase in vacancy for the past four years. Some form of working from home appears to be a permanent feature of our new normal. See [CBRE's Tucson Office Figures Q2 2022](#).

It's an eclectic issue, which matches an eclectic first half of the year. Thanks to our Trend report team: Patti van Leer, Michael Rossmann, Melissa Vucijevic, and Jack Paddock for their help.

And thank you to our readers for your continued support. As always, we appreciate your feedback and welcome any comments.



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