



## Editor's Insights: Is an Industrial Field of Dreams "Truth or Myth"?

Karen Schutte • published in the May 2024 issue

**D**oes the *Field of Dreams* quote, "If you build it, they will come," have truth to it? Probably not, but the truth is that if you build it, you at least increase the odds of them coming. Anytime we put thought and energy into a project, it increases the likelihood of success.

The inverse, however, has more certainty. If you ignore an idea, you decrease the odds of it materializing. So if you don't build it, they won't come.



Arizona's industrial market remains resilient and steady despite economic headwinds, uncertainty, skilled labor shortages, and supply chain disruptions. This resilience is bolstered by new challenges spurred on by product innovation to meet net-zero emissions goals.

Perhaps today's *Field of Dreams* quote should be changed to, "If you *can afford* to build it, they will come," as seems to be happening in Phoenix.

During the pandemic, industrial properties were the hottest ticket around. That led to a rush on demand and increased supply, with almost 1.2 billion square feet in the U.S. created in the last two years. But as things normalized, there's been a slowing, as might have been expected.

The housing market is also a big driver of industrial demand—furniture, appliances, and all the other durable goods that go into a home equates to demand for warehouse space. As recently reported by NAR, existing home sales have declined 4.3% nationally in March.

We thank all our contributors for their insightful opinions in this month's Trend Report.

**Max Fisher** with BRD Realty gives a compelling perspective in *Tucson's Industrial Real Estate Market Direction Determined by Inflation* and notes the resurgence of inflation bodes well for Tucson's industrial market.

**Batoun Herrington, CCIM, CPM**, of Branel Real Estate Company, breaks down the stats into national, state, and local markets in *Industrial Real Estate Resilient and Steady*.

Then, in *Industrial Market Through the Eyes of Property Management*, **Eileen Lewis** with Torch Properties has bold statements about what to expect from industrial leases.

First-time contributor **Jackson Kraft**, an industrial specialist with CBRE, discusses expectations for industrial construction in *Tucson Industrial Construction—What to Expect*.

In *Arizona's Bright Future: Harnessing Solar Power to Transform the State Economy*, community leader **Nic Dahl** with Tucson IDA and its nonprofit arm, Groundswell Capital, wants people to know that sunlight may become the beacon for Arizona's economic growth in the future.

**Mark Bauer and Carl Beardsley** with JLL report *Phoenix Prevails as the Second Largest U.S. Data Center Market*, second only to EV and microprocessor Plants, which took the lead from Data Centers.

**Rusty Martin** with Graycor's Southwest Division Leadership introduces us to Arizona's exciting, next-level innovation: the Skybridge project at the Phoenix-Mesa Gateway Airport. As explained in *Skybridge: Growing Arizona's Presence on the International Stage*, this project will complement our Port of Tucson and Inland Port Arizona in Casa Grande.

We thought our Trend readers would find a report from CommercialEdge that claims logistical-led industrial development is winding down interesting. The claim is manufacturing is poised to take center stage in the *National Industrial Development 2024 Update*.

We sincerely thank everyone who participated in this Trend Report issue. Without the involvement of these individuals and the sharing of their knowledge and time, these reports would not have been possible.

We are also grateful for the Trend Report team: **Patti van Leer, Michael Rossmann, Melissa Vucijevic, and Jack Paddock**.

We've already started work on our next **Economic Development Issue**—you won't want to miss this one, but I know I say that every issue.

We also thank you, our readers, for your continued support. As always, we appreciate your feedback and welcome your comments. Come tell us "Hi" at <https://trendreportaz.com> under the "Connect" tab.

**We hope you enjoy our Industrial Issue!**

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