

Greater Phoenix Greater Together

JANUARY 24, 2025

About GPEC

A Public-Private Partnership

GPEC works with 22 member communities, Maricopa and Pinal counties, and more than 220 private investors to advocate for regional competitiveness and serve as a strategic partner to companies across the world as they expand or relocate.

 **22**
Member communities

 **220+**
Private investors





ABOUT GPEC

GPEC by the Numbers

Over the last 35 years GPEC has fueled the regional economy, racking up some impressive stats along the way.

1,000+
Regional Locates

189K+
High-Quality Jobs

\$69.4B
Capital Investment

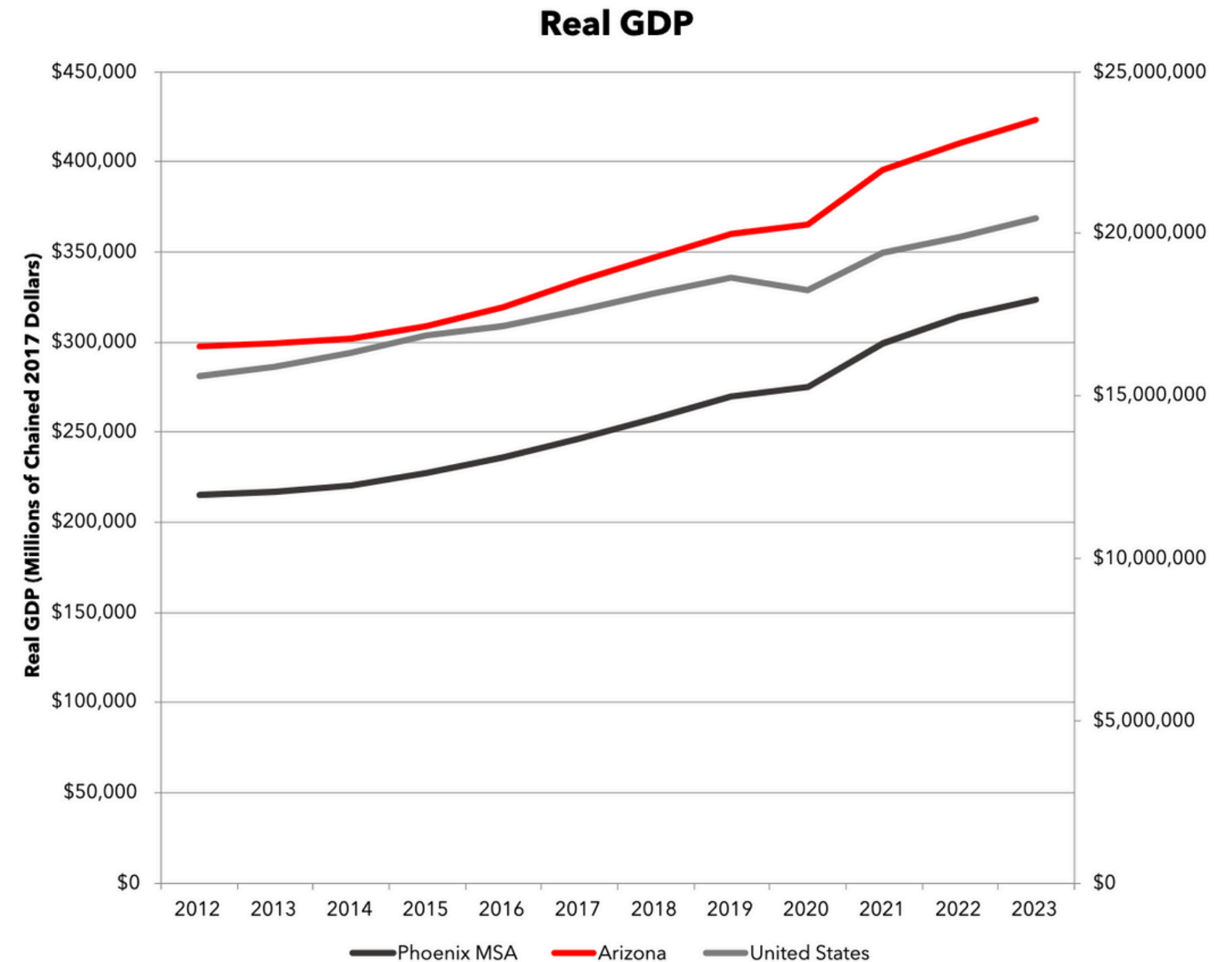




Economic Activity

National, State & Greater Phoenix Economy

- Greater Phoenix real GDP in 2023 was \$322.79 billion, expanding by 2.9% over the previous year
- Arizona real GDP grew 3.0% from 2022 to 2023
- U.S. real GDP grew 2.7% from 2022 to 2023
- Most recent estimates of GDP indicate a positive economic outlook, with a 2.3% annual growth rate in Q4 2024 nationally, a contrast to the 3.1% increase in Q3 2024.



Greater Phoenix Employment

Greater Phoenix's pre-COVID peak was in December 2019 at 2,255,700 jobs

Jobs have reduced by 1,400 compared to November, and increased by 33,500 year over year

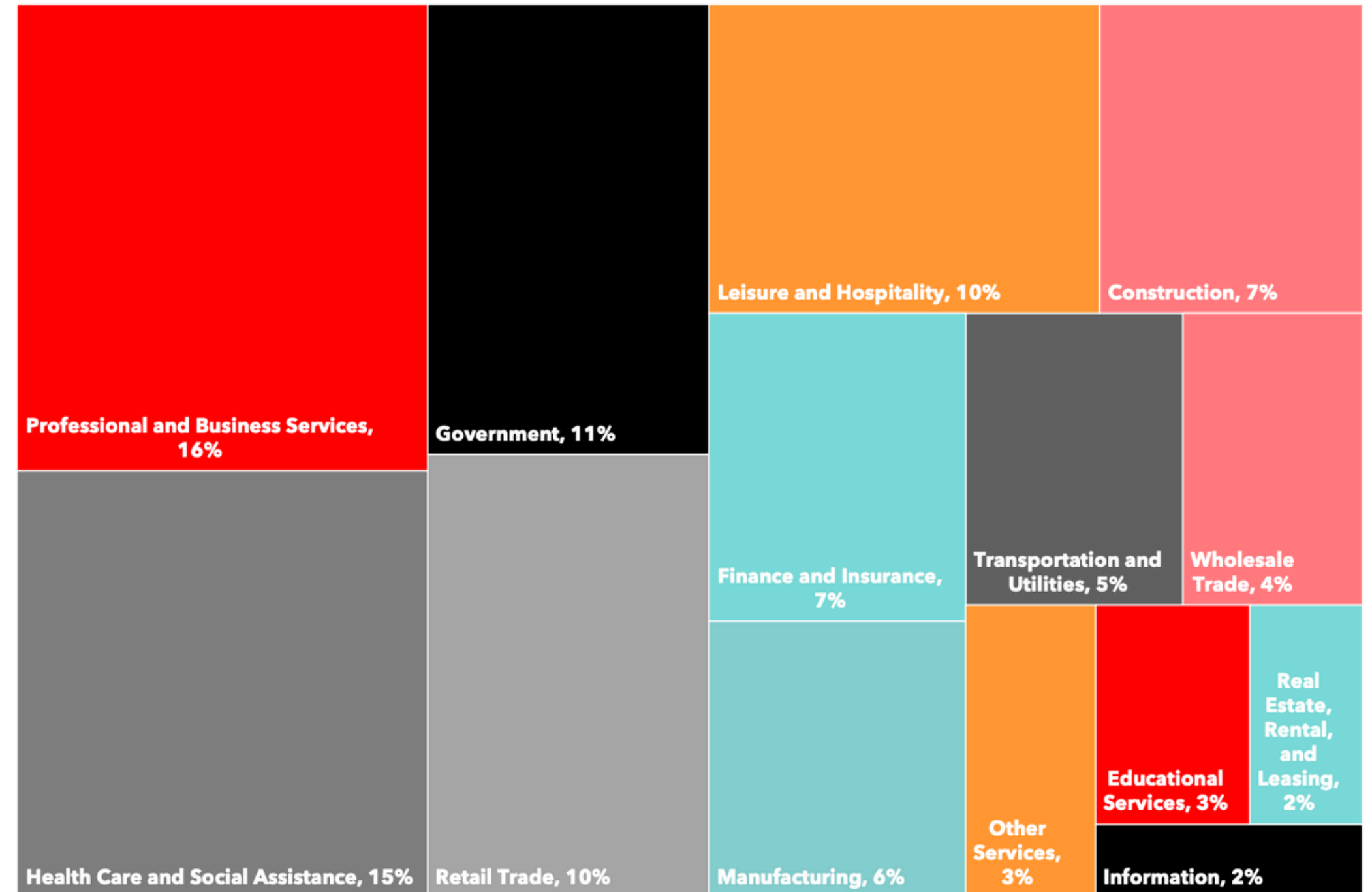
Current total nonfarm payroll employment is 2,503,400 jobs; unemployment rate is 3.1%



Current Makeup of Industry

- The largest industries in Greater Phoenix are professional and business services and healthcare and social assistance
- There has been significant growth in the healthcare and social assistance sector following the 2008 recession. Conversely, construction is experiencing very slow but gradual growth while there is a decline in retail trade as a share of total employment

CURRENT EMPLOYMENT DIVERSITY



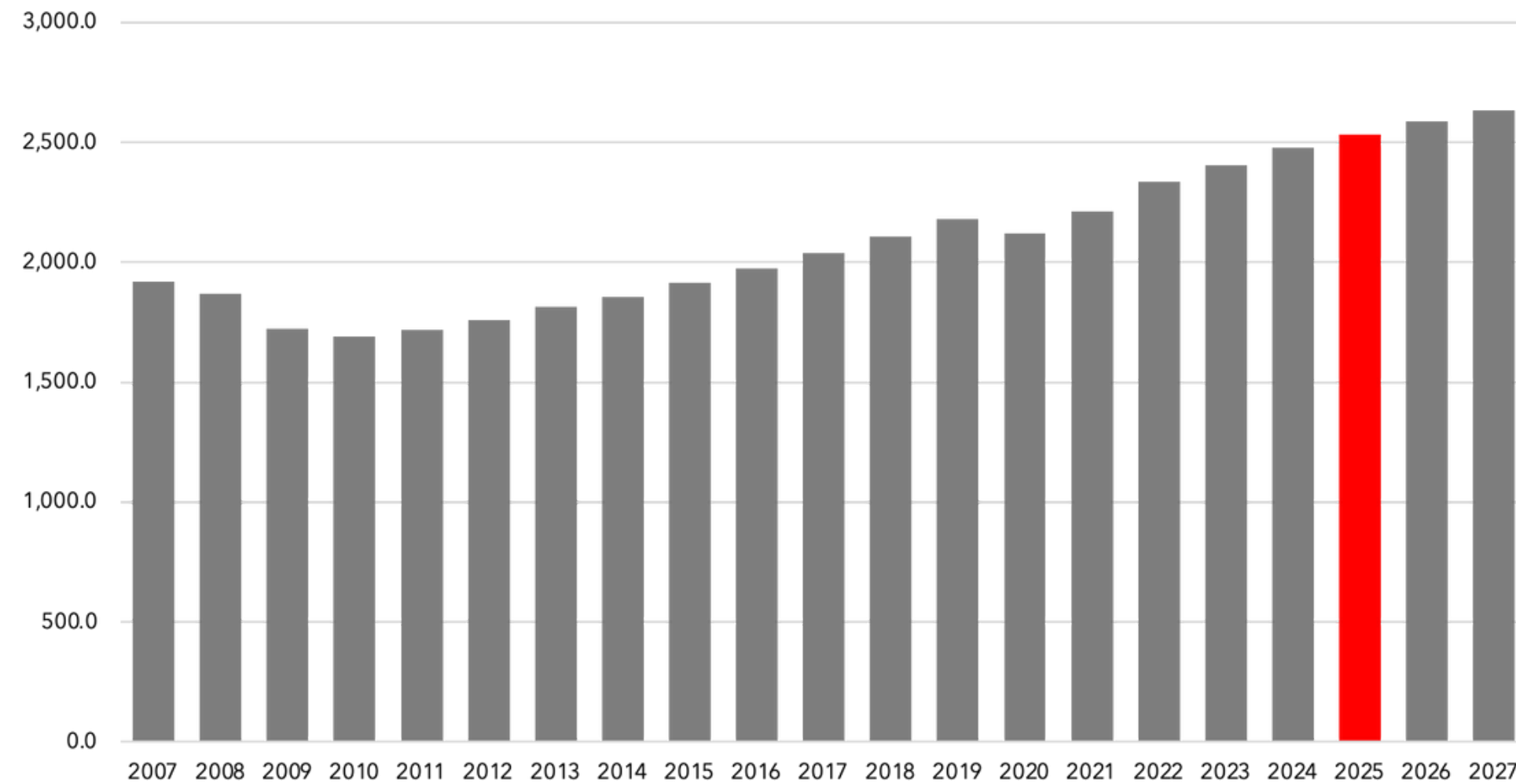
Job Forecast

Greater Phoenix job growth is projected to be 2.03% from 2025 to 2026

Arizona job growth is projected to be 1.95% from 2025 to 2026

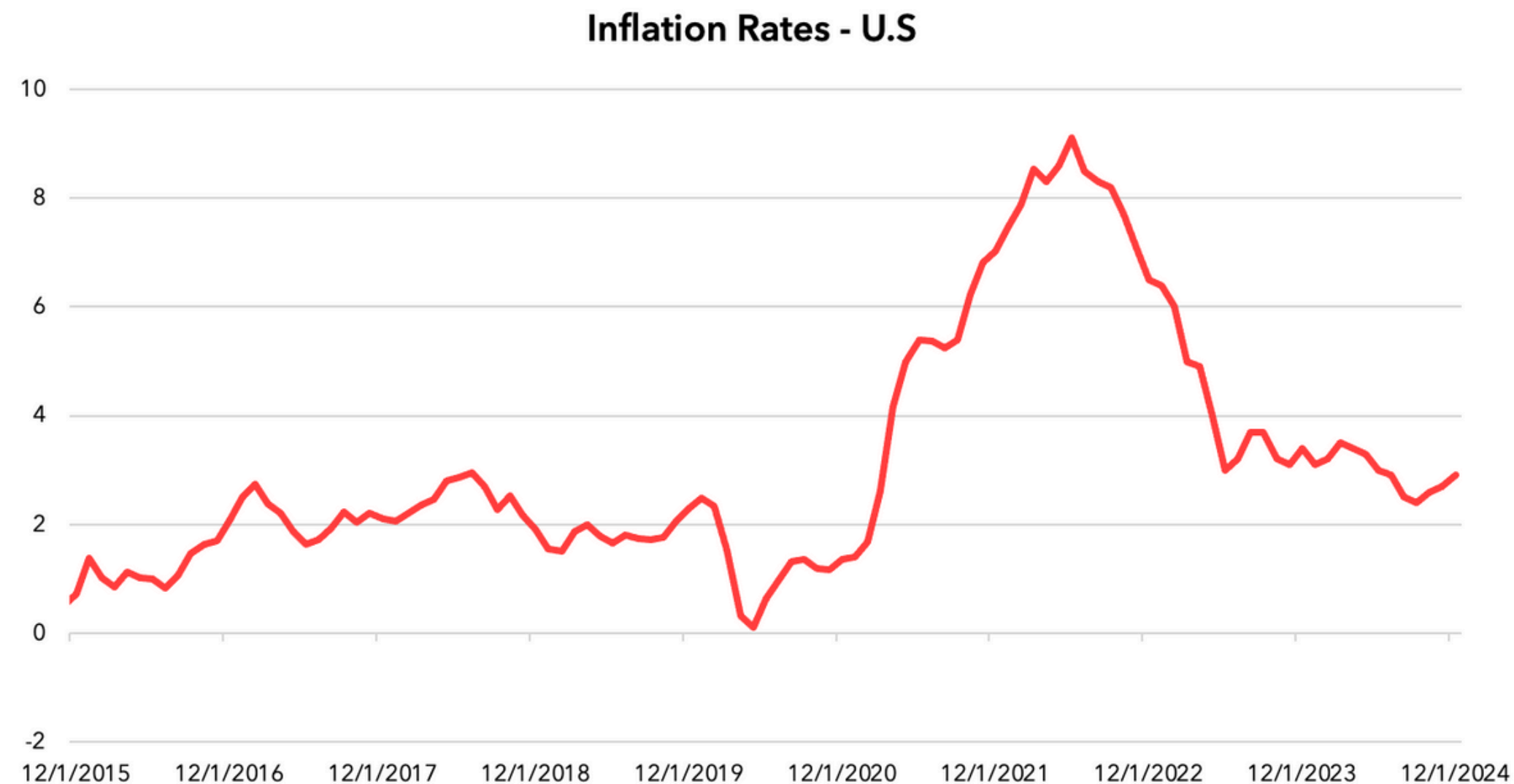
Greater Phoenix recovered all job loss caused by COVID-19 in 2021

Projected Non Farm Employment Growth



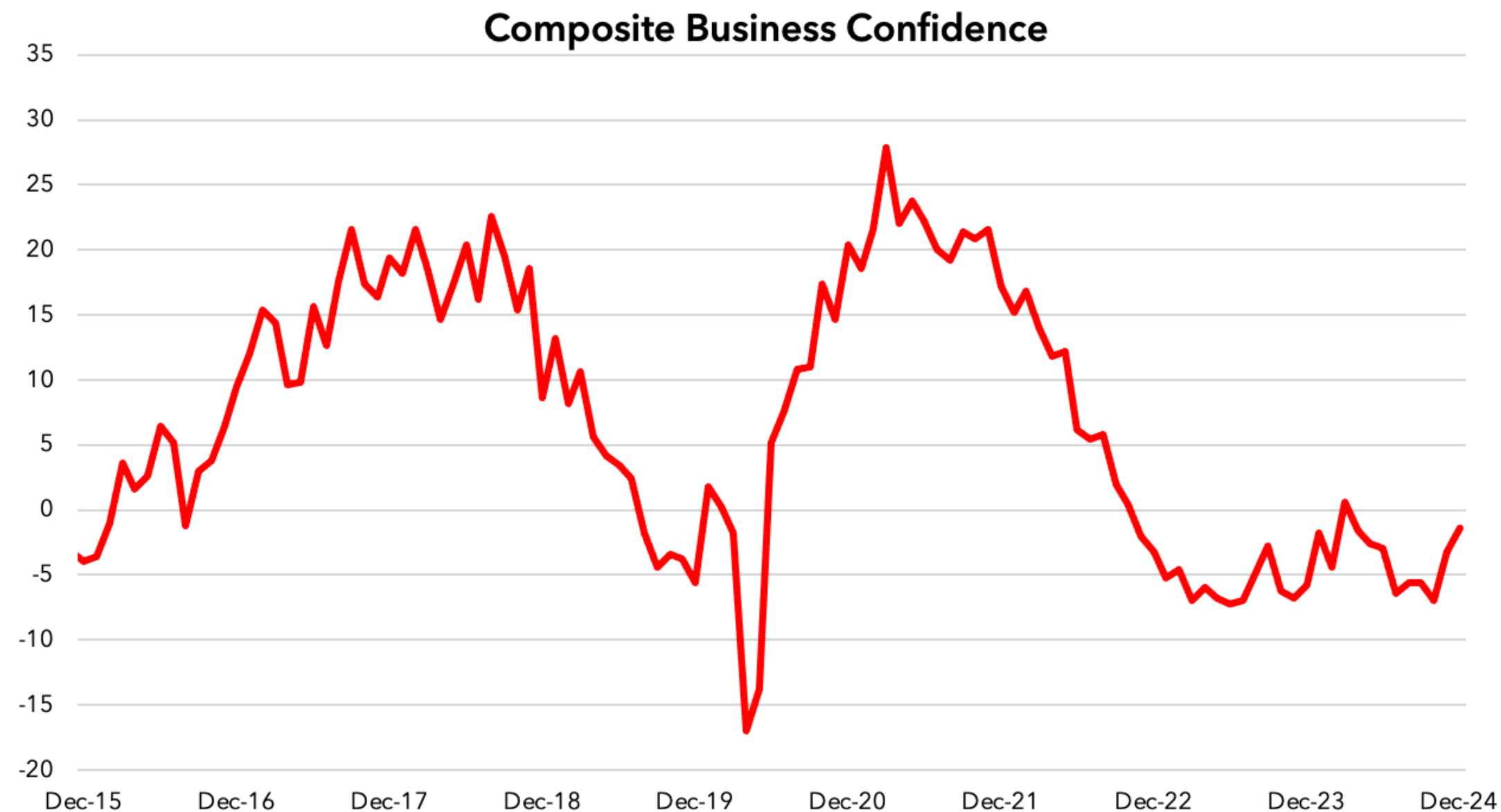
Inflation and Prices (National)

- Inflation reflects the annual percentage change in the cost to an average consumer of acquiring a standard market basket of goods and services. The inflation rate presented below is the year-over-year percentage change which is a measure of the average monthly change in the overall price for goods and services paid by urban consumers
- The most recent inflation rate was 2.9%, 0.2 percentage points higher than the month of November.



Composite Business Confidence (Manufacturing)

- The Composite Business Confidence is an indicator for business tendencies, based on surveys measuring developments in production, orders and stocks of finished goods in the manufacturing sector. The indicator is exhibited as the percentage of net balances.
- The net balances were at -1.4 in December, indicating ongoing pessimism towards economic activity in the future



The Composite Business Confidence (CBC) for the manufacturing sector has replaced the Business Confidence Index (BCI) which used to measure the overall perception of businesses on the economy. The percentage of net balances quantifies the overall sentiment or trend among respondents; A negative net balance indicates that more respondents are experiencing or expecting declines rather than improvements in the economy while a net balance of zero means that the percentage of positive and negative responses are equal, indicating a neutral outlook.

Source: OECD, January 2025

Households

Cost of Living

The overall cost of living in Greater Phoenix is 7.2% above the national average.

Cost of Living Comparison for Select Markets

Region	100% Composite Index	14.67% Grocery items	27.97% Housing	8.75% Utilities	10.75% Transportation	4.59% Healthcare	33.27% Misc. Goods and Services
Houston TX	94.7	98.3	81.2	91.0	94.6	103.0	104.3
Albuquerque NM	95.0	97.8	88.7	83.8	87.7	107.0	102.7
Austin TX	96.6	95.8	102.5	98.9	98.0	97.6	90.9
Dallas TX	100.8	98.7	90.8	120.8	90.0	107.9	107.3
Phoenix AZ	107.2	103.3	116.6	109.3	100.2	89.6	105.2
Denver CO	108.8	100.9	122.1	88.9	101.0	110.4	108.6
Salt Lake City UT	109.5	98.6	129.7	101.7	113.4	89.8	100.9
Portland OR	115.3	103.9	145.1	89.2	121.3	110.4	100.8
Arlington VA	133.8	110.5	206.1	92.6	107.0	116.3	105.3
Seattle WA	144.0	107.5	212.0	101.4	126.7	127.7	121.9
San Diego CA	146.5	111.7	213.2	149.5	136.2	104.0	114.2
Boston MA	146.9	104.5	226.0	146.1	109.5	130.1	113.6
Los Angeles CA	148.7	109.3	233.1	104.7	126.8	99.3	120.6
San Francisco CA	162.7	122.2	252.0	158.8	133.8	130.4	120.3
New York (Manhattan) NY	229.9	117.0	499.7	112.5	124.6	150.2	128.8

Source: C2ER Cost of Living Index 2024 Q3



Consumer Sentiment (National)

- Consumer sentiment remains at or near its lowest level in the past decade.
- For the month of December, the index increased slightly and is at 74 from 71.8 in November

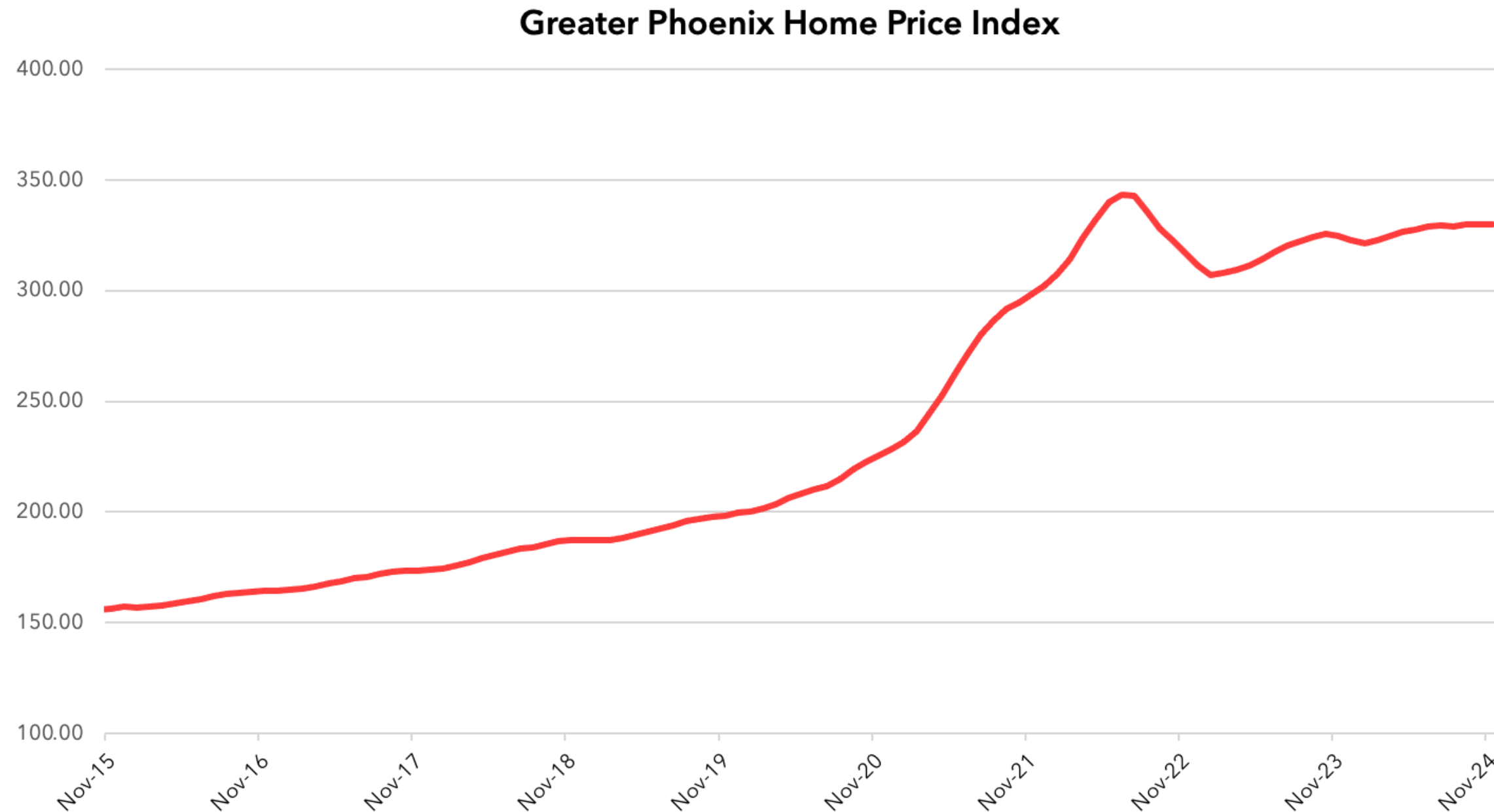
Consumer Sentiment



Housing Sector

Housing Prices

- Home prices in Greater Phoenix increased for over a decade with the month of June 2022 recording the highest index at 343.56 with an annual percentage change of 26.55%
- There has been an uptick in home prices since February 2023. The YoY change is at 1.6% for the month of November

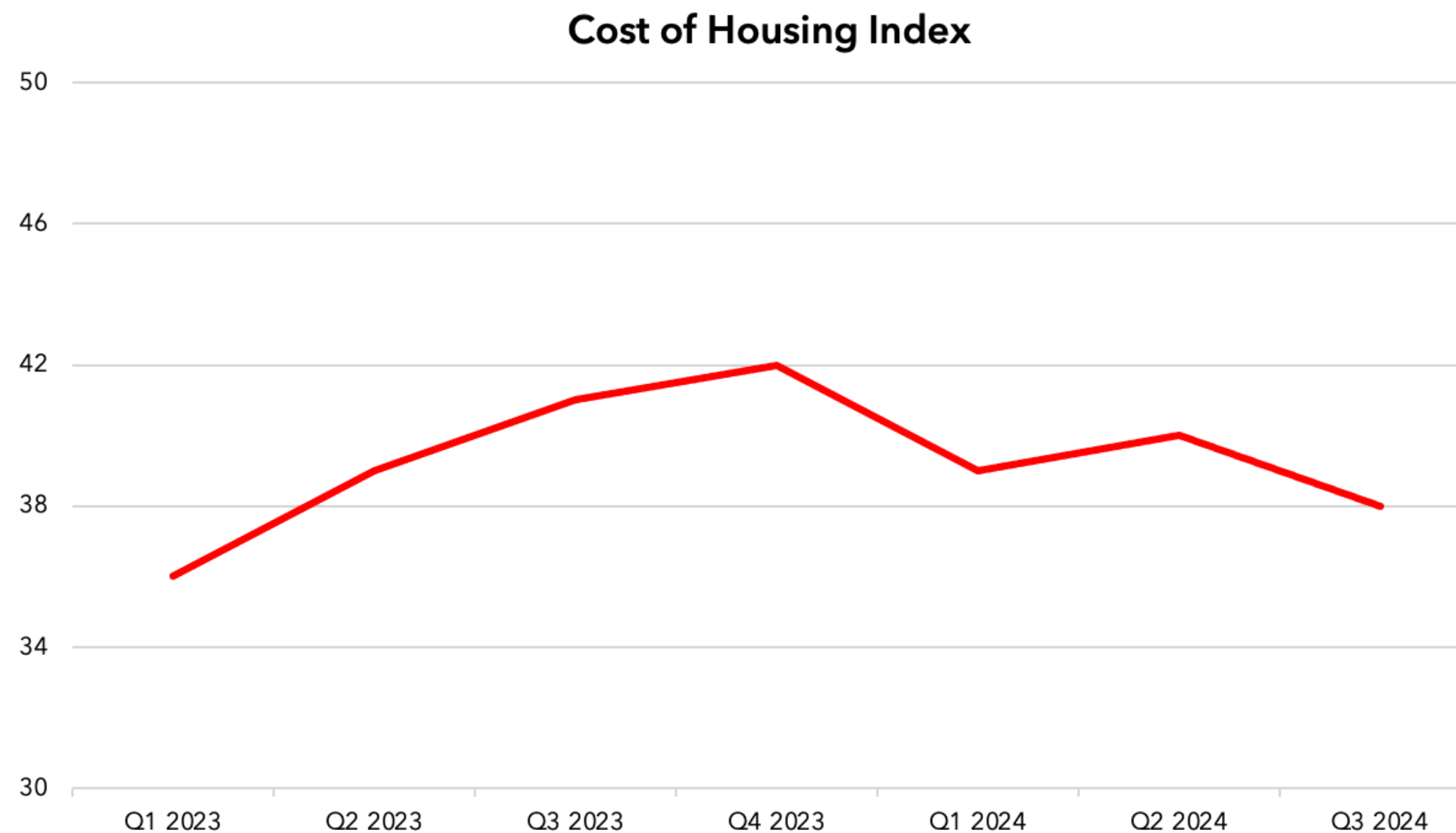


*An index value of 100 equals the home price in January 2000.

Source: S&P/Case-Shiller Home Price Index, January 2025, Not Seasonally adjusted

Housing Costs

- This index shows the portion of a typical family's income needed to make a mortgage payment on a median-priced home
- The Q3 2024 reading for the Phoenix MSA indicates that 38% of a typical median family's income of \$101,300, was needed, to make a mortgage payment on a median-priced new single-family home of \$469,500
- Nationally, 38% of a typical family's median income of \$97,800 was needed to make a mortgage payment on a median-priced new single-family home of \$420,400



The cost of Housing Index (CHI) has replaced the Housing Opportunity Index (HOI) which showed the share of homes sold that would have been affordable to a household earning the local median income, based on the standard mortgage underwriting criteria

Source: National Association of Home Builders, November 2024



Business Development Update



BUSINESS DEVELOPMENT UPDATE

FY25 Quick Overview

Prospect Stats



27
Companies Located in FY25



\$1.03B
in Capital Investment



2,271
Jobs Created in the Region

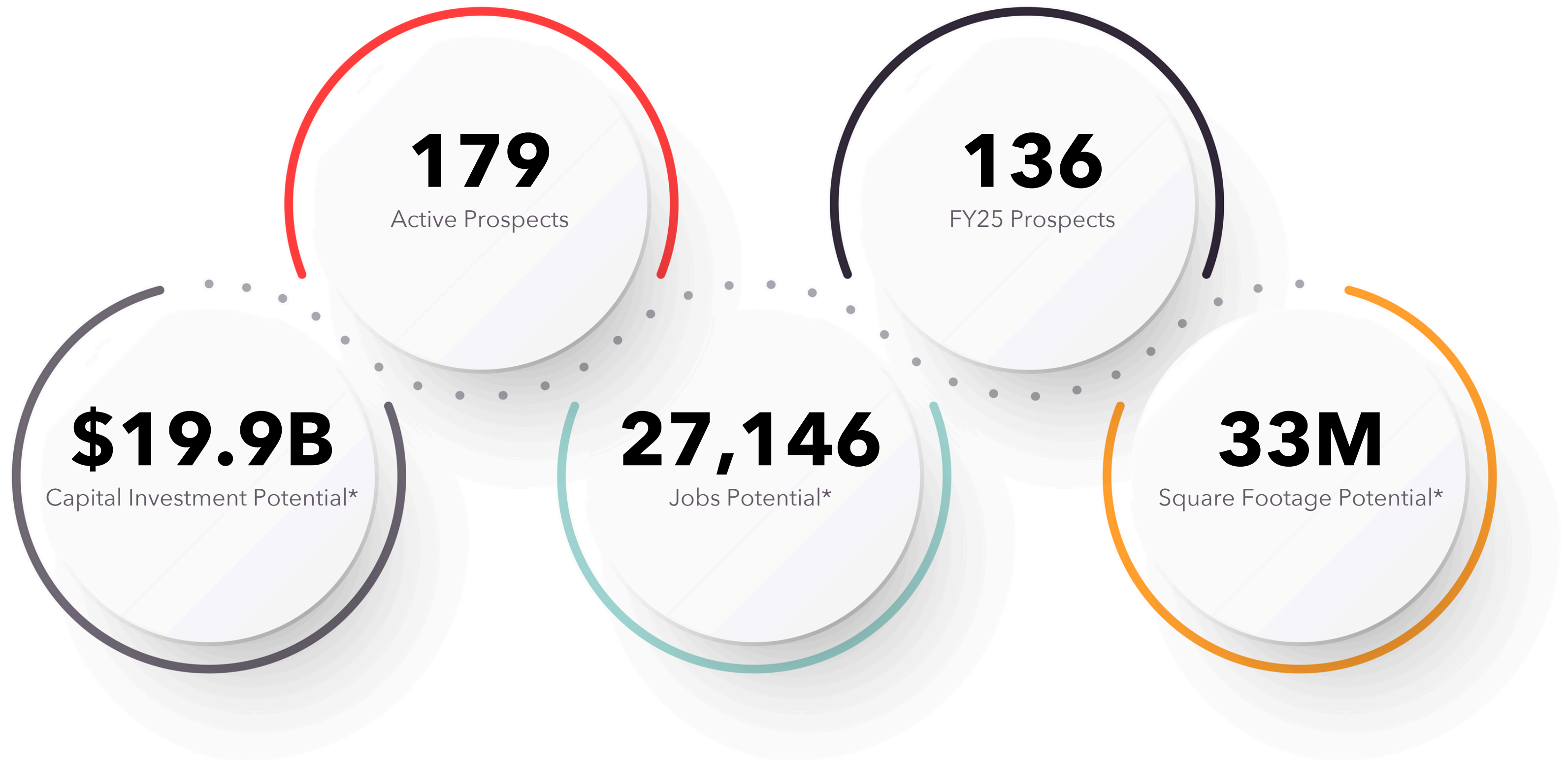


\$97,803
Avg. High-Wage Salary

Numbers as of January 31.



FY25 Year-to-Date Prospect Activity



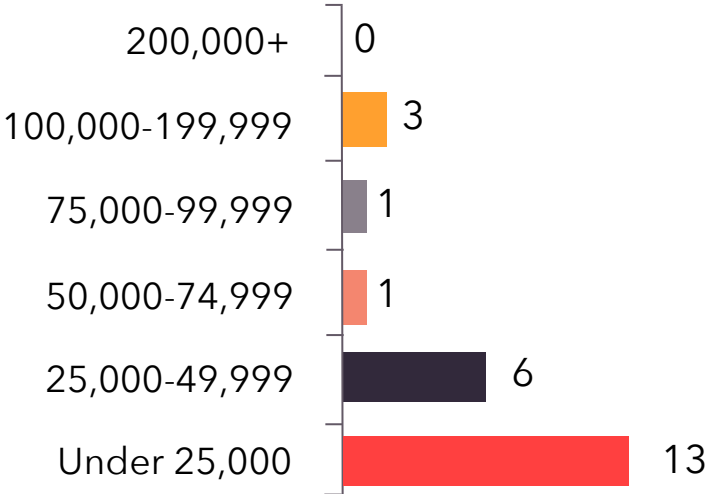
Numbers as of January 31.

FY25 Prospects by Type and Operation

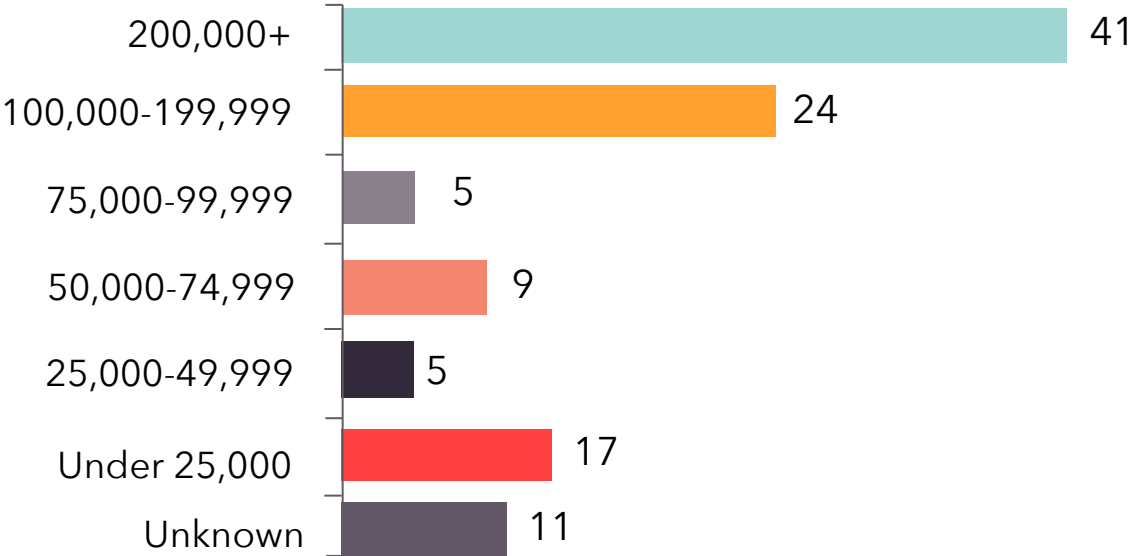
Operation Type Highlights

- 51 Light Manufacturing
- 30 Advanced/High Tech Manufacturing
- 18 Warehouse/Distribution
- 14 Advanced Administrative/Back Office
- 8 Heavy Manufacturing
- 6 Data Centers
- 6 Headquarters Office
- 2 R&D
- 1 Entry Level Administrative/Call Center

Office Prospects (24)



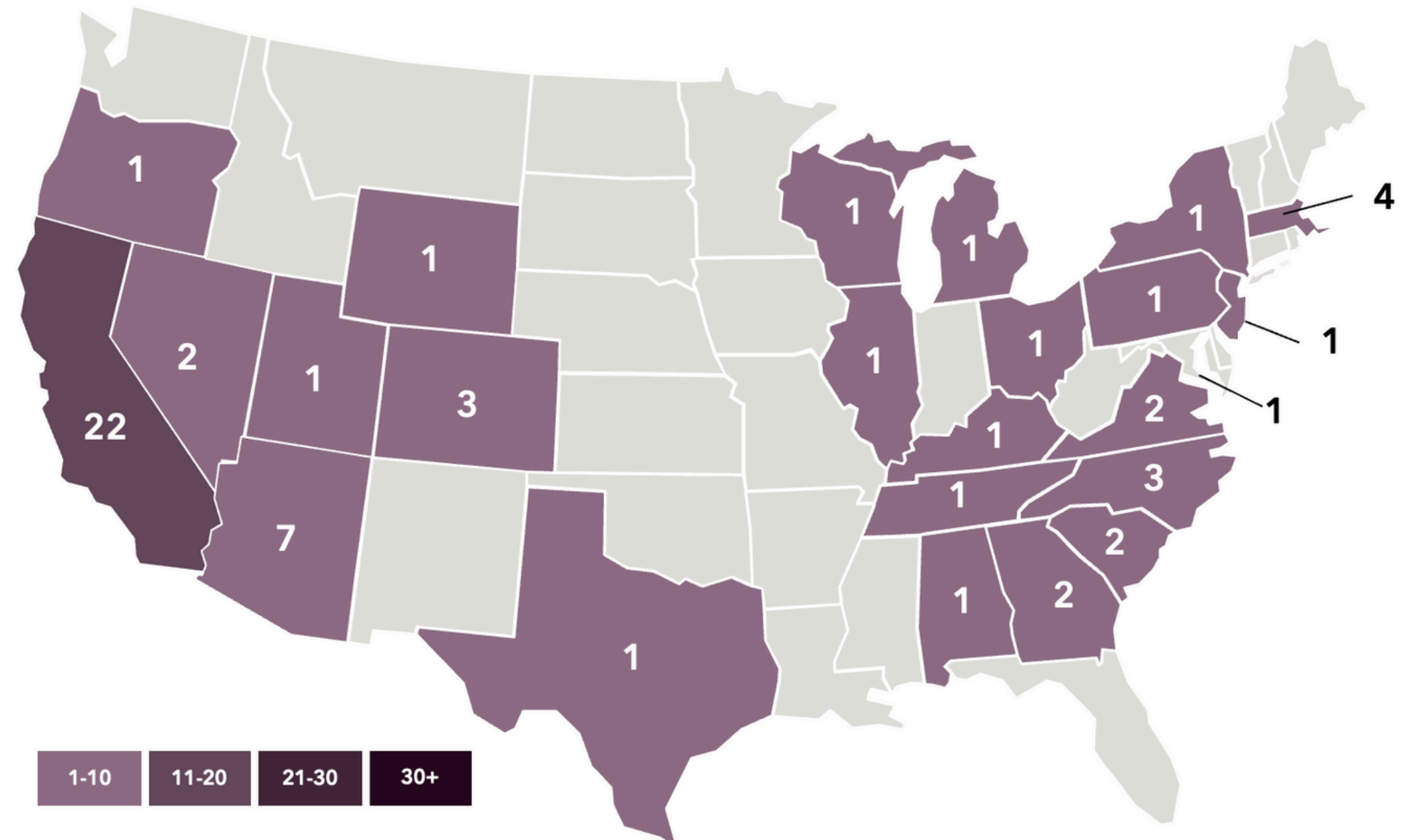
Industrial Prospects (112)



FY25 Prospects by HQ Location

- 16% of prospects are from California
- 27% of prospects are international including from:
 - Canada
 - China
 - Germany
 - Japan
 - Netherlands
 - Norway
 - South Korea
 - Taiwan
 - United Kingdom

International	37
Unknown	37
Grand Total	136





Thank you.

Thomas Maynard

Senior Vice President, Business Development

T 602.262.8625 | tmaynard@gpec.org



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