

# Greater Phoenix Greater Together



# About GPEC





# Our Mission

To attract and grow quality businesses, and advocate for Greater Phoenix's competitiveness.

# Our Values

*The GPEC Way*

- We are an inclusive, diverse family
- We are change agents
- We lead from the front
- We promote intellectual curiosity
- We remain on the edge
- We are tenacious
- We are agile and adapt to change
- We are committed to selfless service



# A Public-Private Partnership

GPEC works with 22 member communities, Maricopa and Pinal counties and more than 200 private investors to accomplish its mission, and serve as a strategic partner to companies across the world as they expand or relocate.

 **22**  
Member communities

 **200+**  
Private investors





# GPEC Services

## ► Operating Cost Comparison

- Perform annual operating cost comparisons across major markets.
- Analyze real estate, labor, utilities, taxes and incentives.

## ► Regional Labor Market Data

- Provide current wage rates, labor force and skill levels based on occupation and industry.
- Analyze labor force availability data and create custom drive time analysis.
- Connect with local employers for HR insight.

## ► Site Selection Assistance

- Aggregate a comprehensive listing of value-based assets, unique buildings and shovel-ready sites.
- Provide easy property search by size, location, price, zoning and more.

## ► Economic Impact Analysis

- Evaluate project's economic impact and community benefit.
- Prepare geospatial analysis.

## ► Connectivity To Key Resources

- Introduce your company to community college, university and key workforce assets.
- Coordinate with state and local regulatory authorities.
- Connect you to business leaders within the region.

## ► Public Relations Assistance

- Draft a press announcement and coordinate quotes from key stakeholders on behalf of the client.
- Press announcement distribution to media outlets.
- Support and coordination for ribbon cutting and grand opening events.





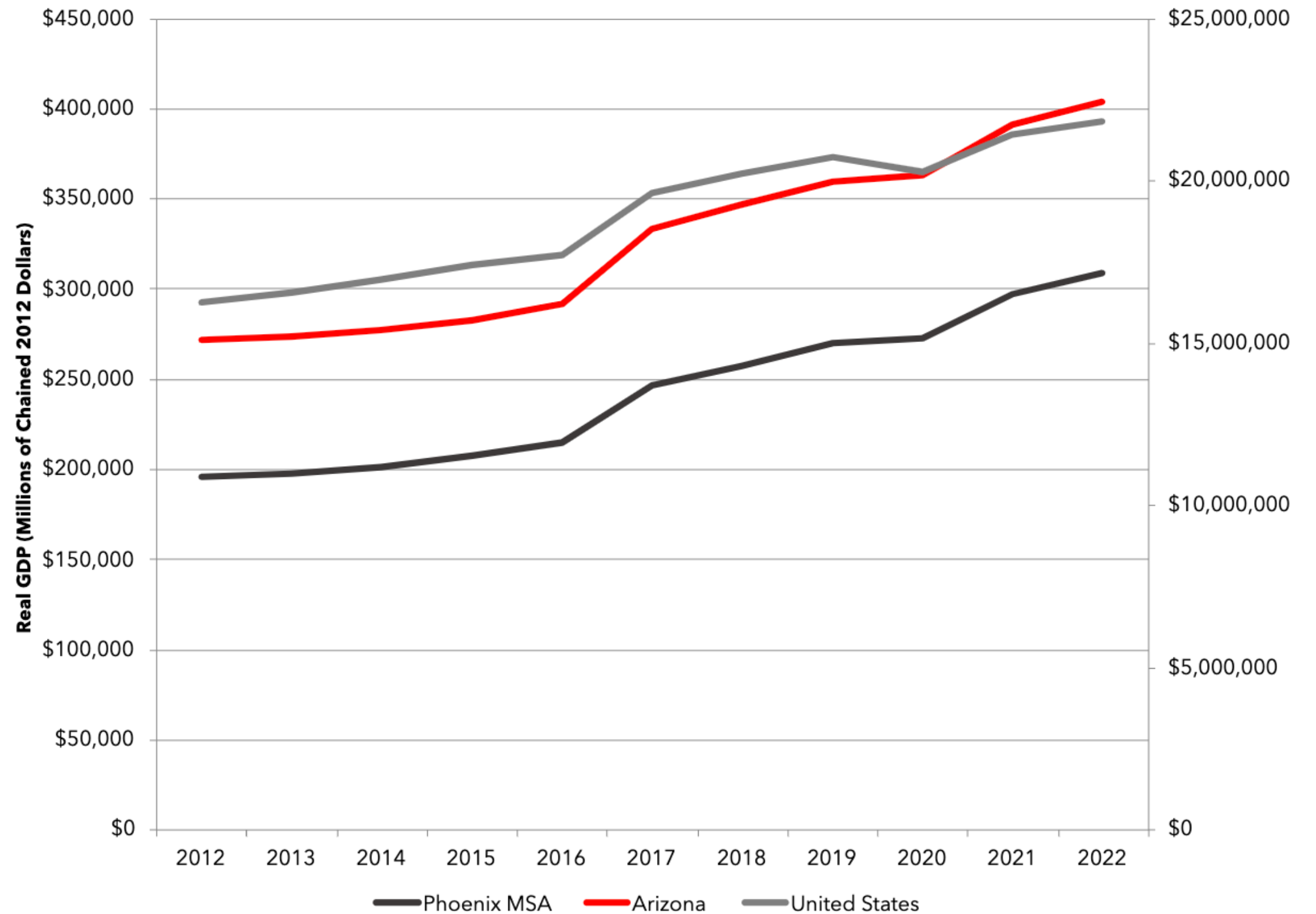
# Economic Snapshot



# National, State & Greater Phoenix Economy

## Real GDP

- Greater Phoenix real GDP in 2022 was \$308.2 billion, expanding by 4.0% over the previous year
- Arizona real GDP grew 3.2% from 2021 to 2022
- U.S. real GDP grew 1.9% from 2021 to 2022
- Most recent estimates of GDP show an annual growth rate of 4.9% in Q3 2023 nationally, a positive outlook for the economy compared to a 2.1% increase in Q2 2023.





# Wage Growth

- In Greater Phoenix and Arizona, overall real personal income grew slower than the national average from 2021 to 2022
- The percentage growth in real per capita personal income from 2021 to 2022 in Greater Phoenix was modestly lower than the national average

## Real Personal Income (millions of constant 2012 dollars)

	2021	2022	% Growth
Greater Phoenix	273,183	258,424	-5.4%
Arizona	390,082	371,495	-4.8%
United States	19,626,221	18,803,662	-4.2%

## Real Per Capita Personal Income (constant 2012 dollars)

	2021	2022	% Growth
Greater Phoenix	55,269	51,523	-6.8%
Arizona	53,694	50,480	-6.0%
United States	59,110	56,419	-4.6%

Source: Bureau of Economic Analysis, January 2024





# Greater Phoenix Employment

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

Jobs have risen by 23,100 compared to October, and by 43,900 year over year

Current total non farm payroll employment is 2,415,300 jobs; unemployment rate is 3.5%



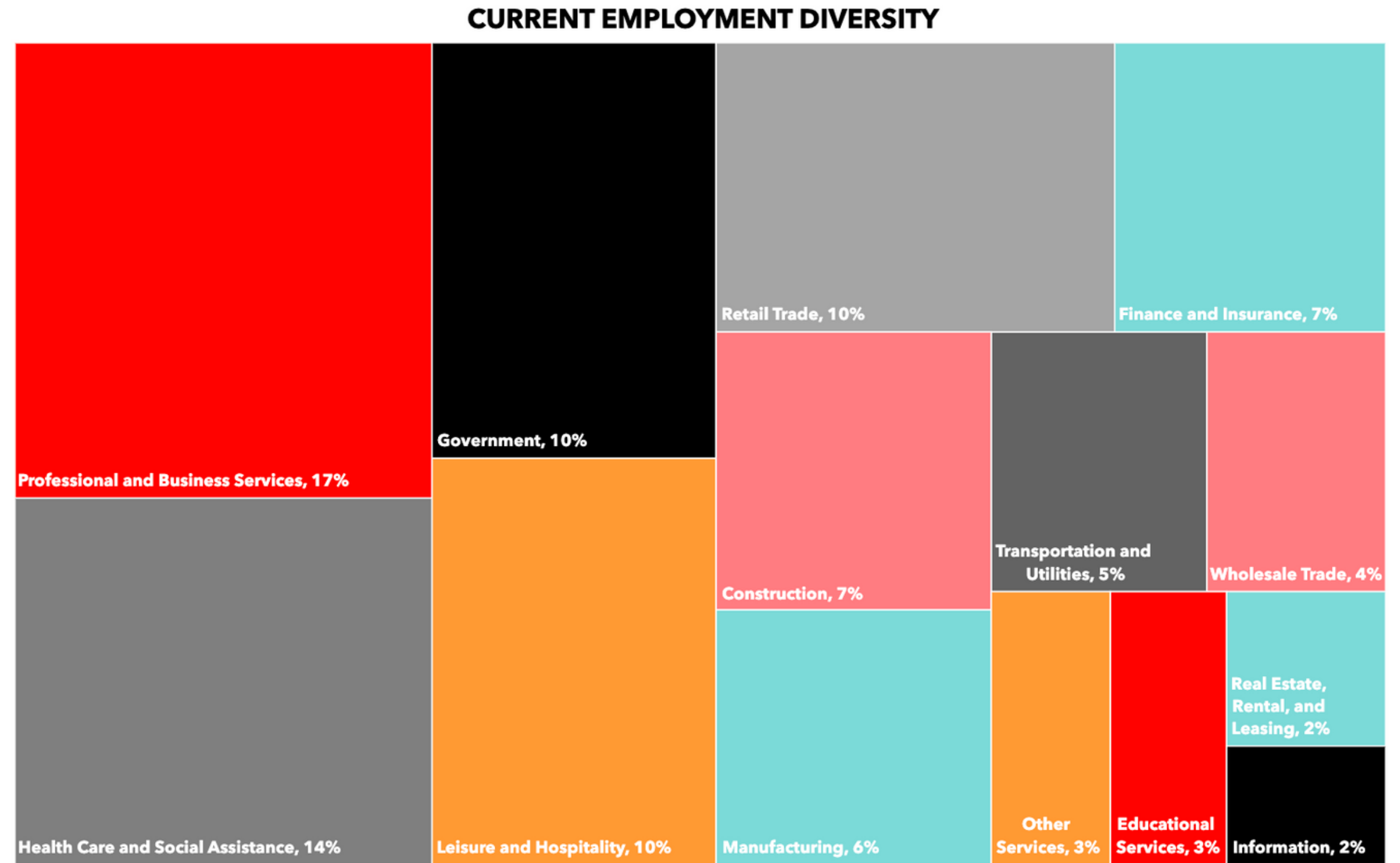
Source AZ Office of Economic Opportunity Labor Statistics, December 2023, not seasonally adjusted, preliminary numbers





# Current Makeup of Industry

- The largest industries in Greater Phoenix are professional and business services and healthcare and social assistance
- Since the 2008 recession, the most significant changes are a relative growth in healthcare and social assistance and a decline in construction and retail trade





# Drivers of Growth

- The top four occupations that had the fastest recent employment growth were:

Industrial Truck and Tractor Operators, Electricians, Restaurant Cooks, and Home Health and Personal Care Aides

- Home Health and Personal Care Aides, Laborers and Freight, Stock, and Material Movers, General and Operations Managers, and Fast Food and Counter Workers had the highest increase in the number of jobs between 2022 and 2023

## Greater Phoenix Fastest-Growing Occupations

Description	2022 Jobs	2023 Jobs	2022 - 2023 Change	2022 - 2023 % Change
Industrial Truck and Tractor Operators	10,873	11,474	601	6%
Electricians	12,811	13,517	706	6%
Cooks, Restaurant	20,273	21,373	1,100	5%
Home Health and Personal Care Aides	53,822	56,553	2,730	5%
Medical Assistants	13,971	14,627	657	5%
Software Developers	29,725	31,120	1,395	5%
Insurance Sales Agents	12,963	13,516	554	4%
Light Truck Drivers	13,876	14,435	559	4%
Construction Laborers	20,009	20,748	738	4%
Miscellaneous Assemblers and Fabricators	17,155	17,760	605	4%
Laborers and Freight, Stock, and Material Movers, Hand	57,109	59,102	1,993	3%
First-Line Supervisors of Food Preparation and Serving Workers	17,624	18,229	605	3%
Stockers and Order Fillers	44,177	45,679	1,502	3%
Accountants and Auditors	19,995	20,630	635	3%
Heavy and Tractor-Trailer Truck Drivers	29,053	29,956	903	3%
Registered Nurses	41,473	42,759	1,286	3%
Receptionists and Information Clerks	20,224	20,821	596	3%
Maintenance and Repair Workers, General	24,605	25,321	717	3%
Waiters and Waitresses	37,326	38,352	1,027	3%
Fast Food and Counter Workers	59,231	60,850	1,619	3%

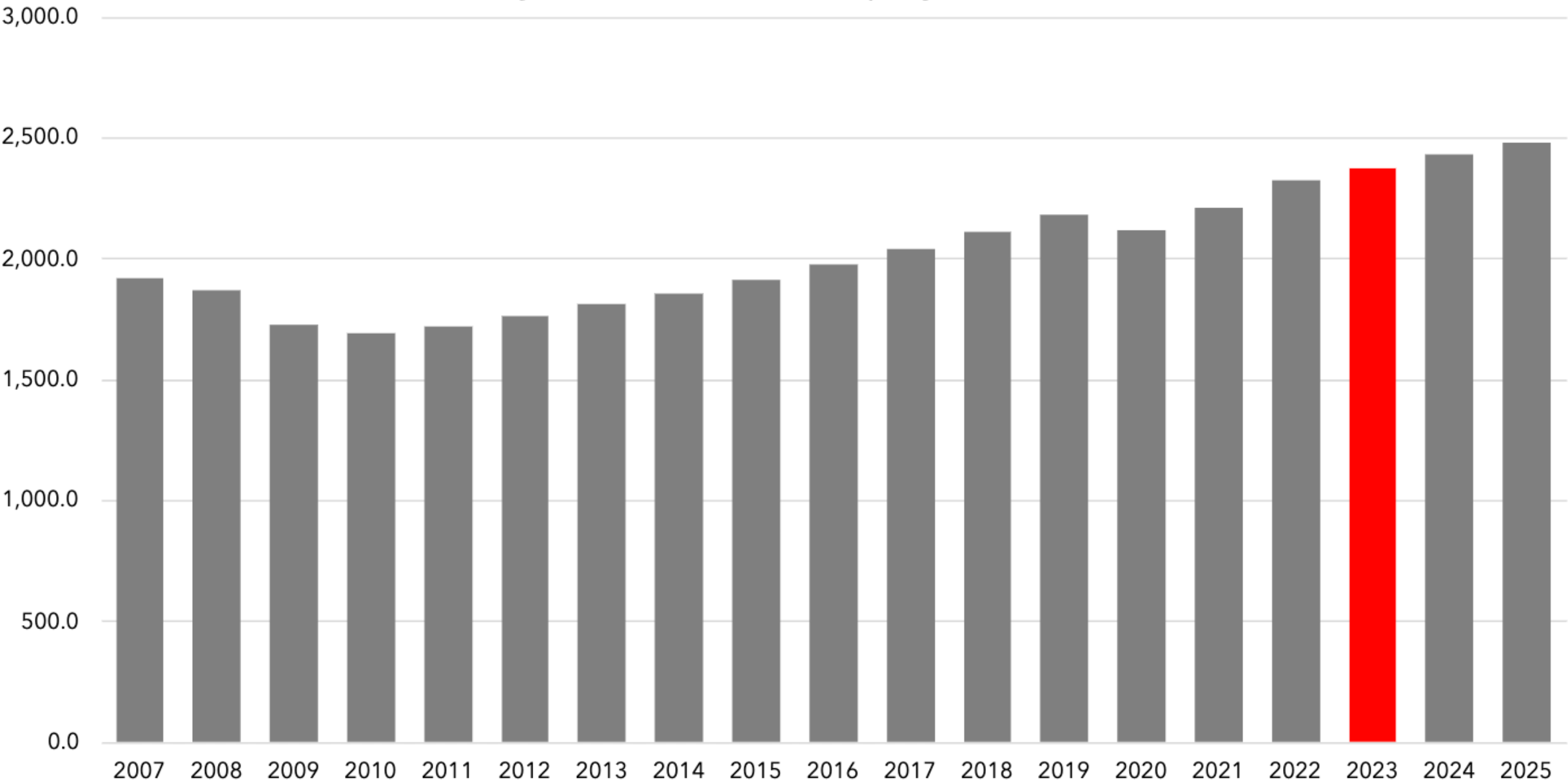
# Job Forecast

Greater Phoenix job growth is projected to be 2.27% from 2023 to 2024

Arizona job growth is projected to be 1.85% from 2023 to 2024

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

Projected Non Farm Employment Growth



Source: University of Arizona Economic and Business Research Center, December 2023

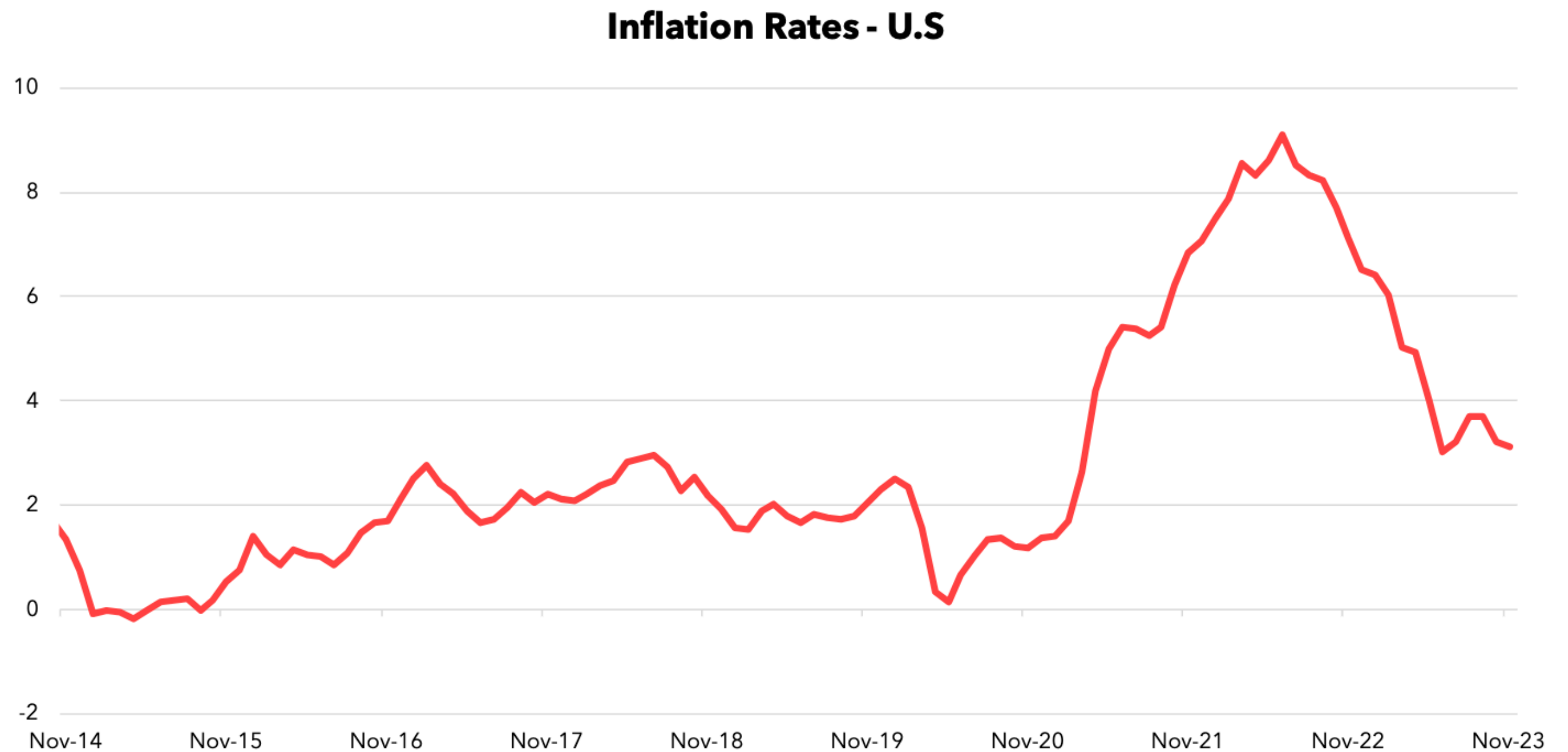




# Inflation and Prices (National)

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

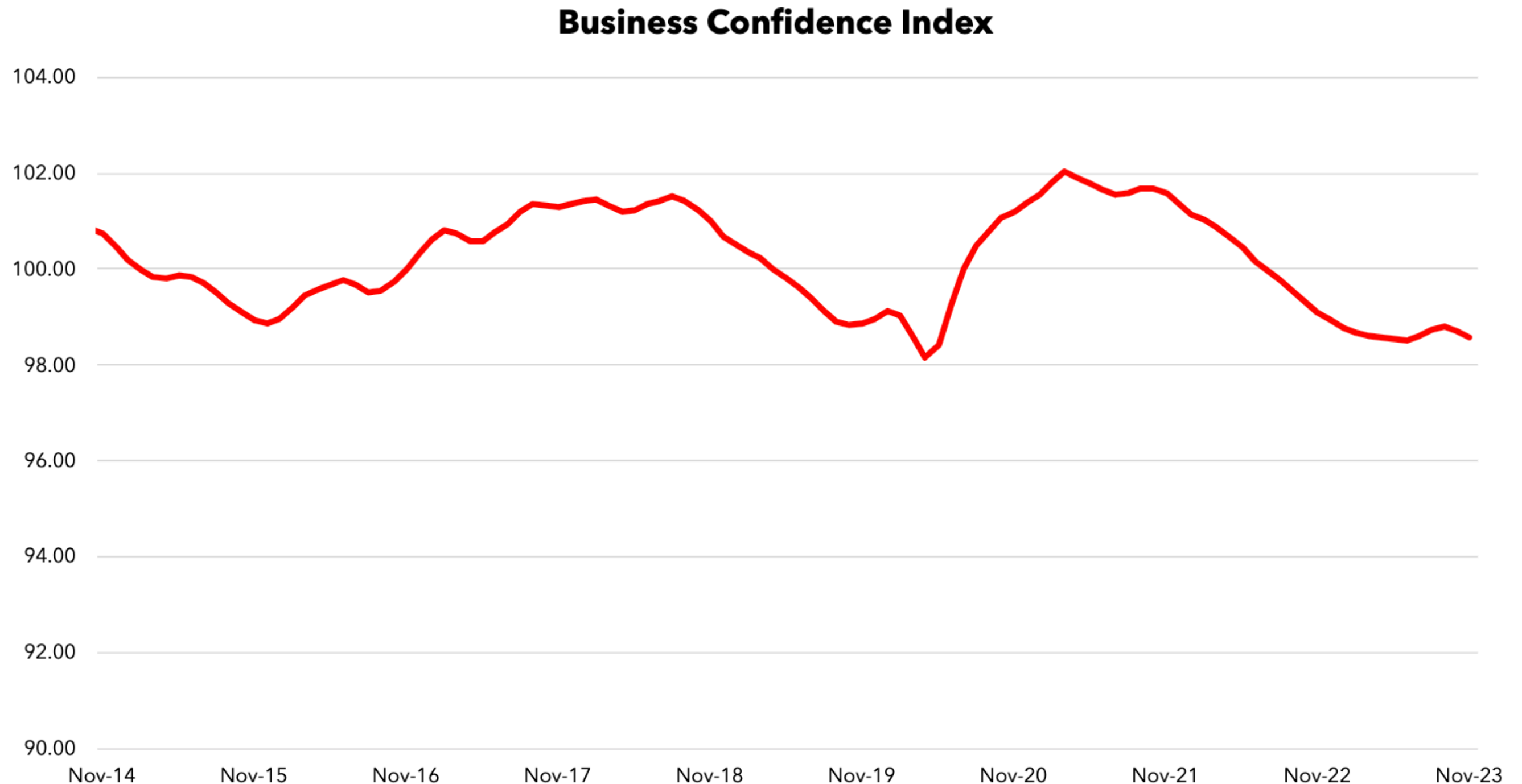
- The most recent inflation rate was 3.1%, 0.1 percentage points lower than the month of October. However, rates remain above the long-term average



# Business Confidence Index (National)

The Business Confidence Index measures how businesses perceive the economy based on surveys measuring developments in production, orders and stocks of finished goods. Numbers above 100 indicate confidence in future business performance

- The index measured at 98.57 in November, indicating ongoing pessimism towards economic activity in the future

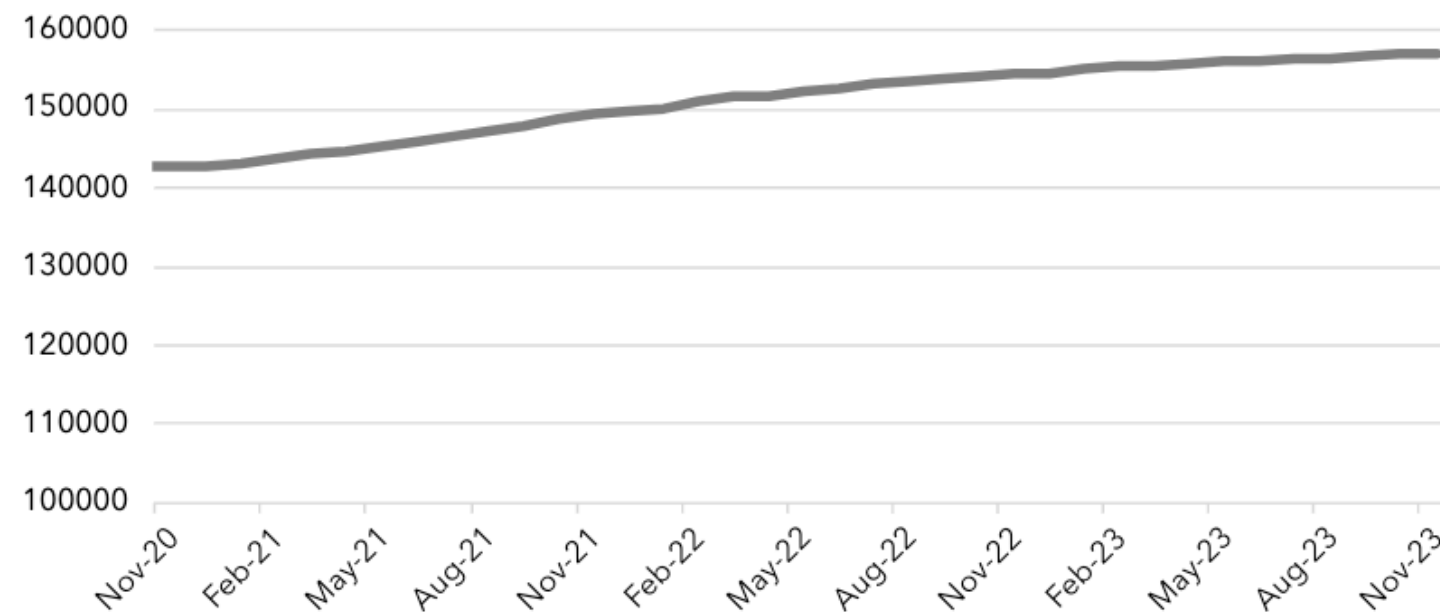




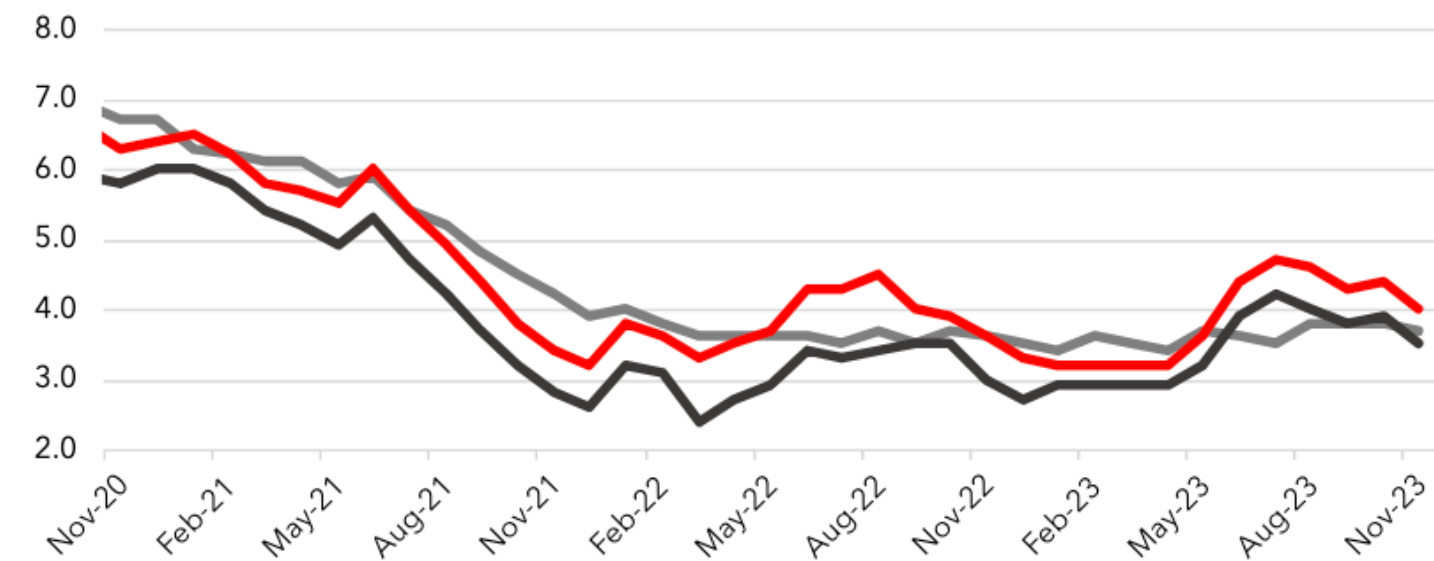
# Regional Comparisons: Labor force

Currently, Greater Phoenix has a lower unemployment rate than Arizona, but both the region and the state have a higher unemployment rate than the United States. Employment rates have a consistent trend at the metro, state and national level. Among the September separations in Arizona, 93,000 were quits and 33,000 were layoffs and discharges, compared to 86,000 quits and 43,000 layoffs and discharges in August.

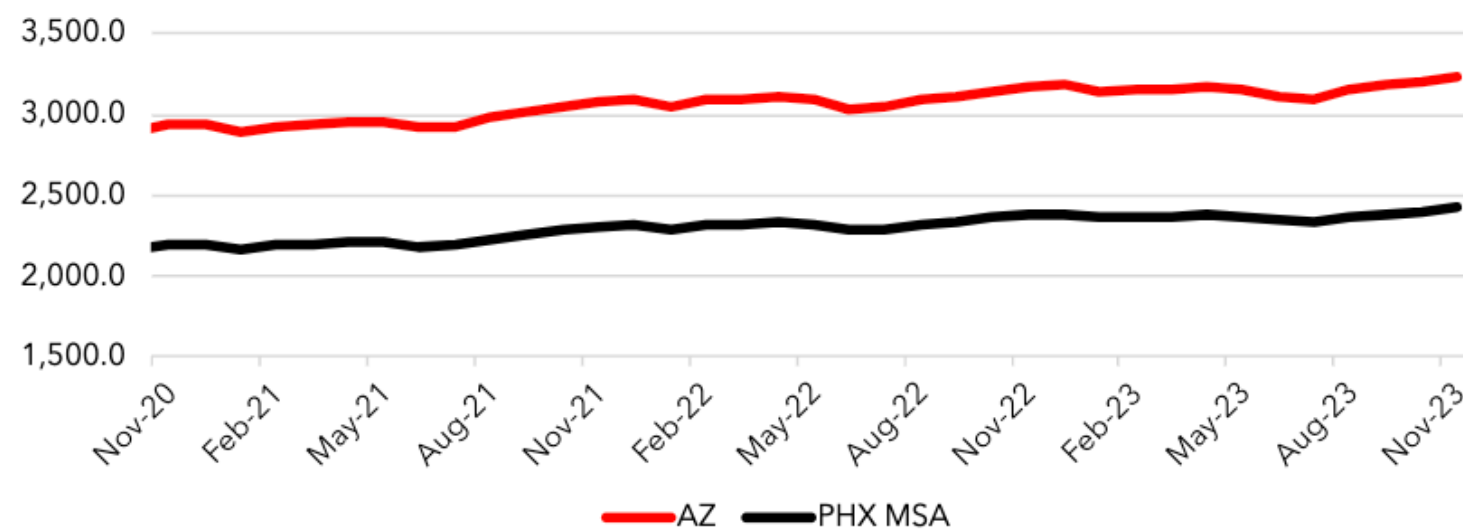
**US Nonfarm Employment (000)**



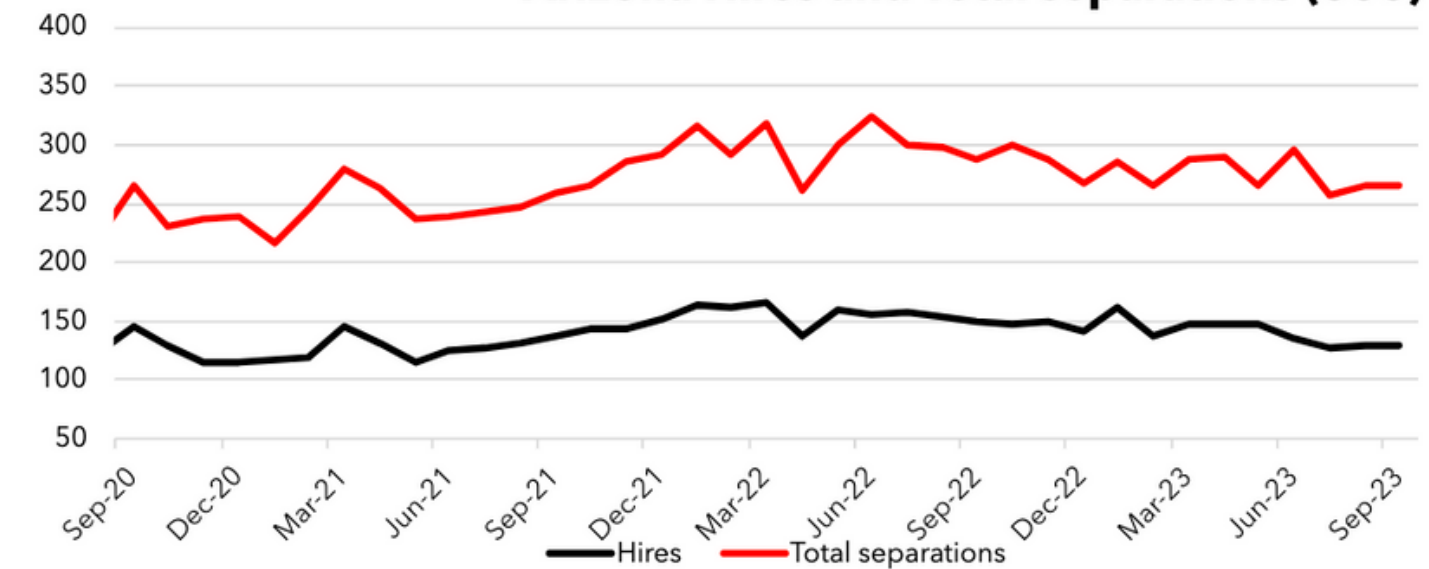
**Unemployment Rates**



**Local and State Nonfarm Employment (000)**



**Arizona Hires and Total separations (000)**



Source: AZ Office of Economic Opportunity Labor Statistics, December 2023, not seasonally adjusted, preliminary numbers . All US Data- BLS, December 2023, seasonally adjusted.  
Hires and separations, BLS, December 2023, seasonally adjusted.

# Cost of Living

The overall cost of living in Greater Phoenix is 1.7% above the national average. Despite the housing market cooling off, there has been an increase in home prices since February. The YoY change is at 0.92% for the month of October

**Cost of Living Comparison for Select Markets**

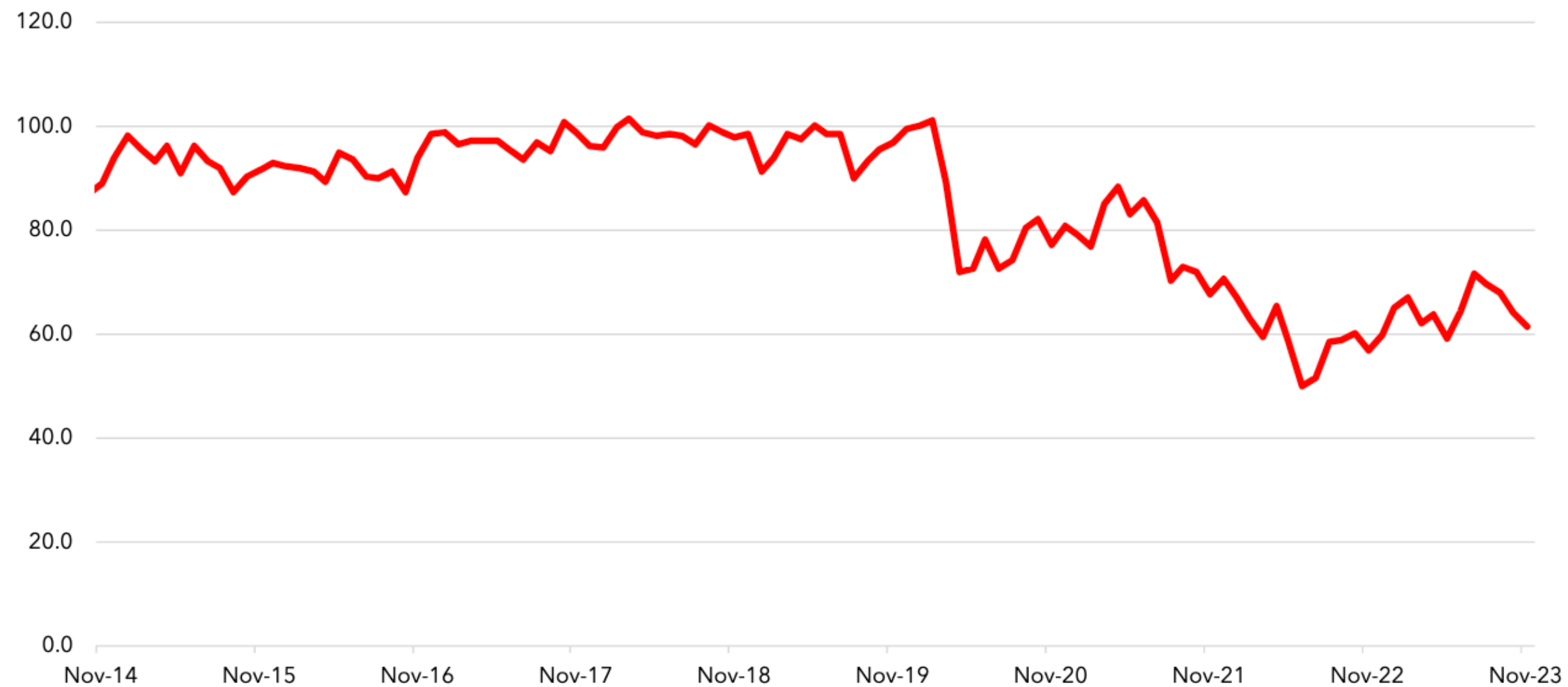
Region	100% Composite Index	15.73% Grocery items	28.10% Housing	9.06% Utilities	8.53% Transportatio n	4.83% Healthcare	33.75% Misc. Goods and Services
Albuquerque NM	93.5	96.9	82.0	98.1	92.6	95.8	100.2
Houston TX	95.3	99.5	81.6	100.0	94.3	95.5	103.6
Austin TX	97.8	97.0	104.9	99.5	91.3	95.9	93.8
<b>Phoenix AZ</b>	<b>101.7</b>	<b>104.6</b>	<b>112.0</b>	<b>98.1</b>	<b>103.9</b>	<b>93.9</b>	<b>93.2</b>
Dallas TX	102.2	98.5	98.4	110.1	87.0	108.4	108.0
Denver CO	108.8	105.2	124.3	87.9	105.0	98.1	105.6
Salt Lake City UT	109.8	100.6	124.9	96.3	116.2	98.8	105.0
Portland OR	119.3	111.6	143.3	98.0	139.8	115.4	104.0
Arlington VA	135.4	113.2	209.2	102.5	97.2	115.4	105.6
San Diego CA	141.7	117.3	214.2	104.3	126.0	103.0	112.4
Seattle WA	145.7	115.9	211.6	101.8	131.8	139.1	120.9
Los Angeles CA	147.3	113.6	229.4	111.6	127.6	105.6	115.1
Boston MA	148.0	105.9	227.1	138.5	117.6	115.3	116.7
San Francisco CA	169.5	122.4	283.1	141.3	133.4	126.1	119.7
New York (Manhattan) NY	227.8	112.7	505.0	104.9	115.4	130.1	126.0



# Consumer Sentiment (National)

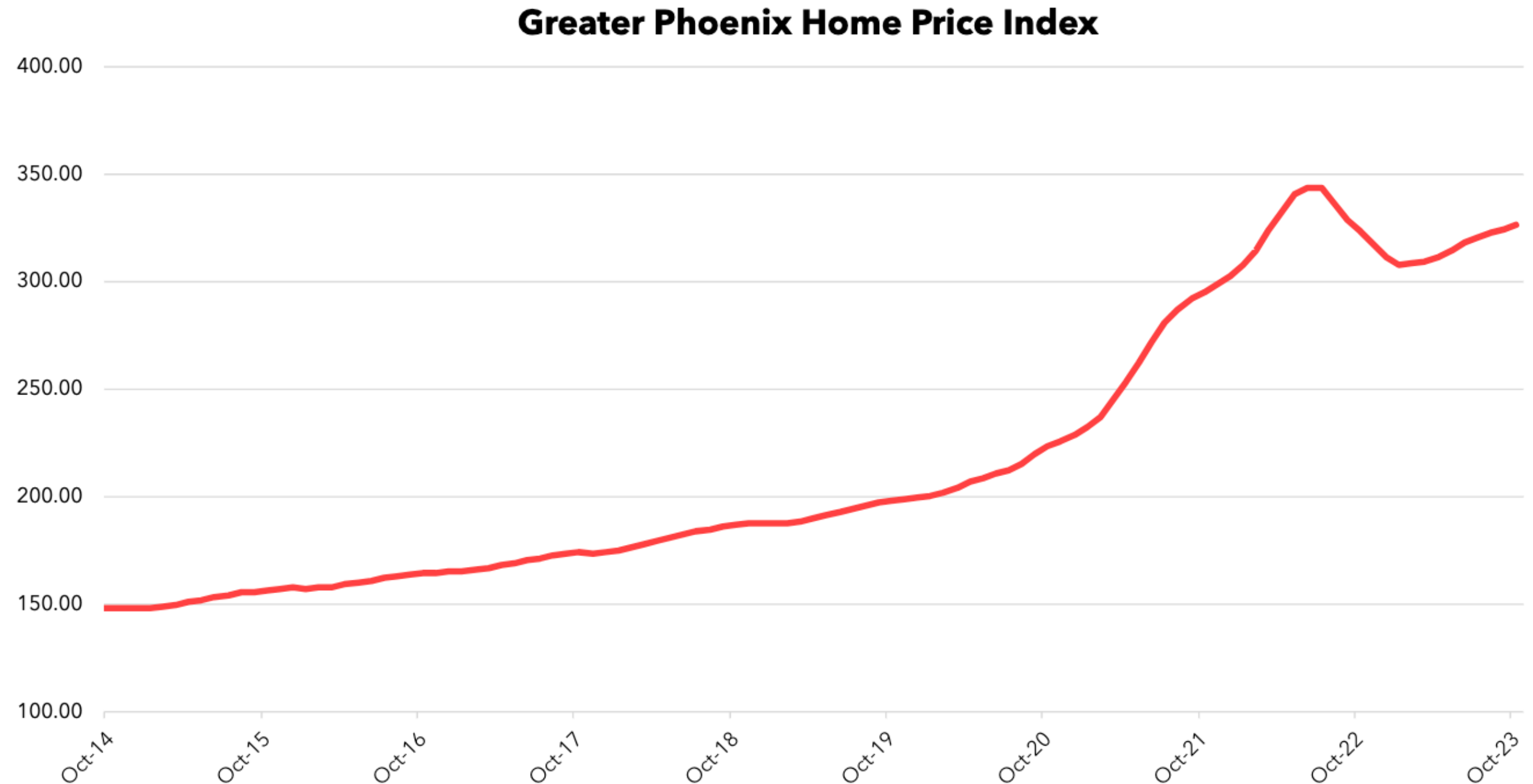
- Consumer sentiment remains at or near its lowest level in the past decade
- Index is at 61.3 for the month of November

**Consumer Sentiment**



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

Source: S&P/Case-Shiller Home Price Index, December 2023



# Housing Affordability

- This index shows the share of homes sold in the Phoenix MSA that would have been affordable to a household earning the local median income, based on the standard mortgage underwriting criteria
- 24.9% of new and existing homes that were sold between the beginning of July and end of September were affordable to households earning a median income of \$99,000



# Economic Monitor



GPEC’s tool that provides instant access to key data points and a concise picture of economic health.

## The monitor tracks:

- Several different economic indicators such as GDP, inflation rate, spending and employment rates
- Economic trends at the national and regional levels
- Changes over time periods as short as daily and monthly

## Explore the Economic Monitor

Indicator	National			Regional		
	Current	Prior Period Change	Annual Change	Current	Prior Period Change	Annual Change
Gross Domestic Product (GDP)	\$20,055 B	▲	▲	\$356,966 M	▲	▲
Real Personal Income	\$21,856 B	▲	▲	\$419,445 M	▲	▲
Yield Curve Spread	-1.66 %	▼				
Inflation Rate	6.00 %	▼	▼	8.50 %	▼	▼
Federal Funds Rate	4.57 %	▲	▲			
Industrial Production Index	102.00	▼	▲			
Business Confidence Index	98.94	▼	▼			
Real Manufacturing & Trade Industries Sales	\$1,579 B	▲	▲			
Employment	160,315 K	▲	▲	3,518 K	▲	▲
Unemployment Rate	3.60 %	▲	▼	3.30 %	=	▼
Consumer Spending	\$18,051 B	▲	▲	\$326,527 M		▲
Consumer Confidence Index	97.68	▲	▲			
Consumer Debt Levels (FED)	\$16,899 M	▲	▲			
Consumer Debt Levels (OECD)	101.19 %		▲			
Case-Shiller Home Price Index	296.12	▼	▲	307.49	▼	▲

The green arrow represents a positive change while the red arrow is a negative change.  
Visit [gpec.org/monitor/](https://gpec.org/monitor/) to explore.

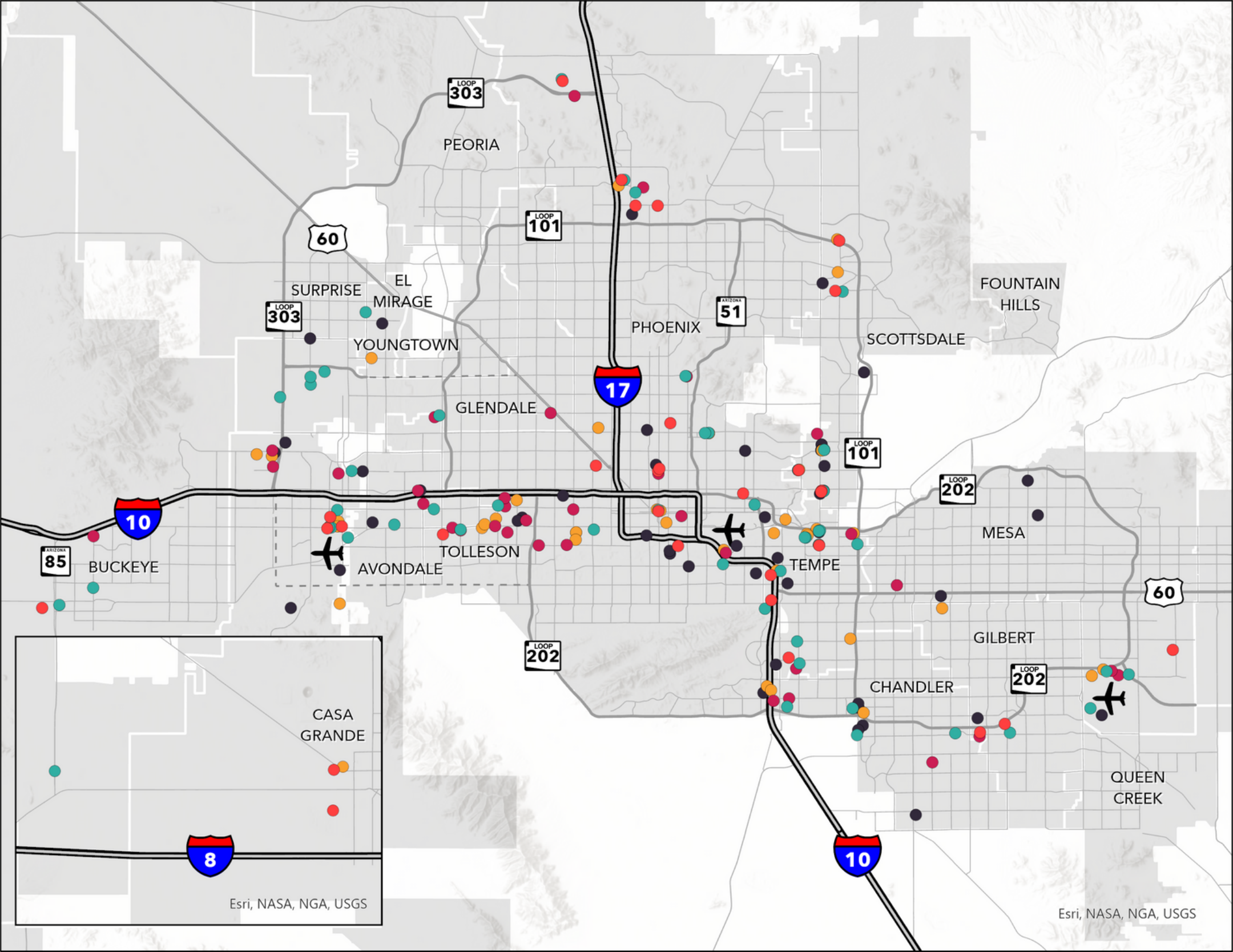




# Business Development Update



# Locates: FY19 - FY23



**Legend**

Airport

Existing Freeway

Planned Freeway Expansion

**Fiscal Years**

FY19

FY20

FY21

FY22

FY23

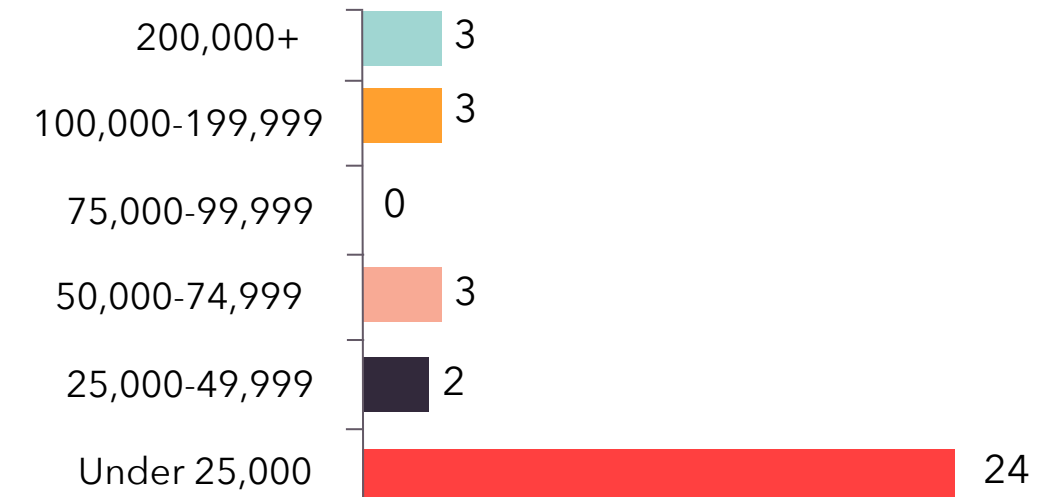


# Active Prospects by Type and Operation

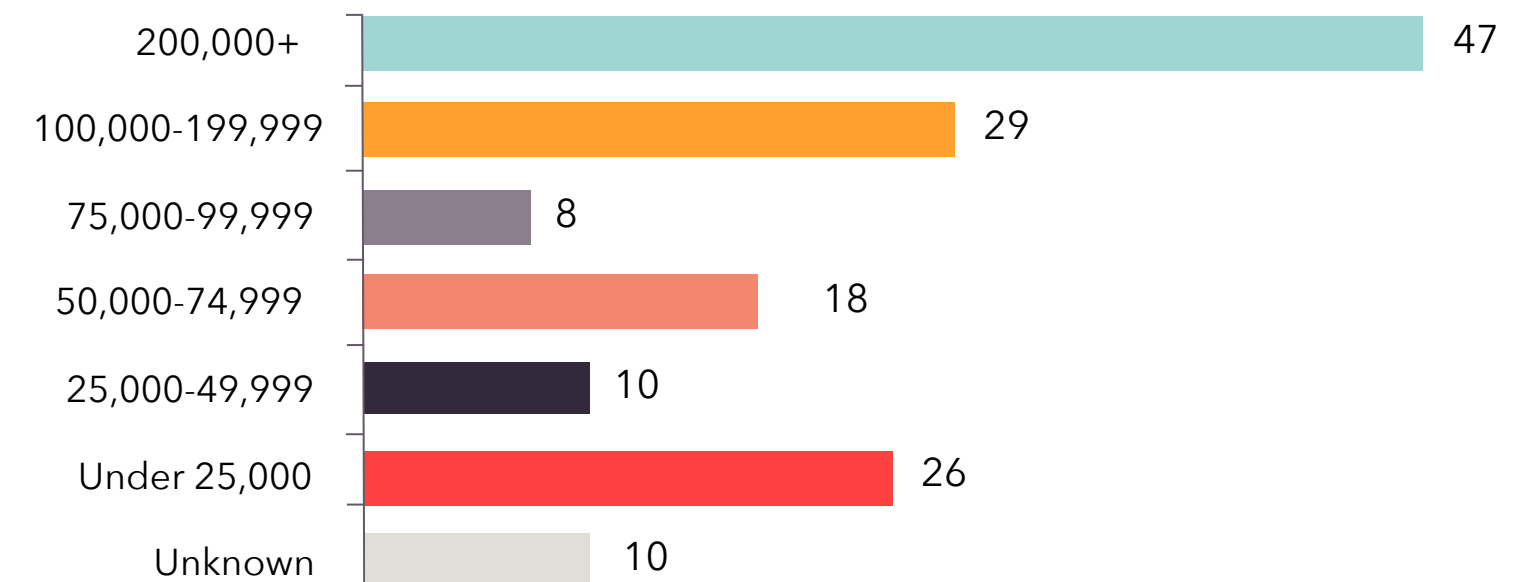
## Operation Type Highlights

- 55** Advanced/High Tech Manufacturing
- 55** Light Manufacturing
- 17** Advanced Administration/Back Office
- 16** Warehouse/Distribution
- 12** Heavy Manufacturing
- 9** R&D
- 9** Headquarters Offices
- 5** Data Centers
- 3** Health Services
- 2** Entry Level Administrative/Call Center

## Office Prospects (35)



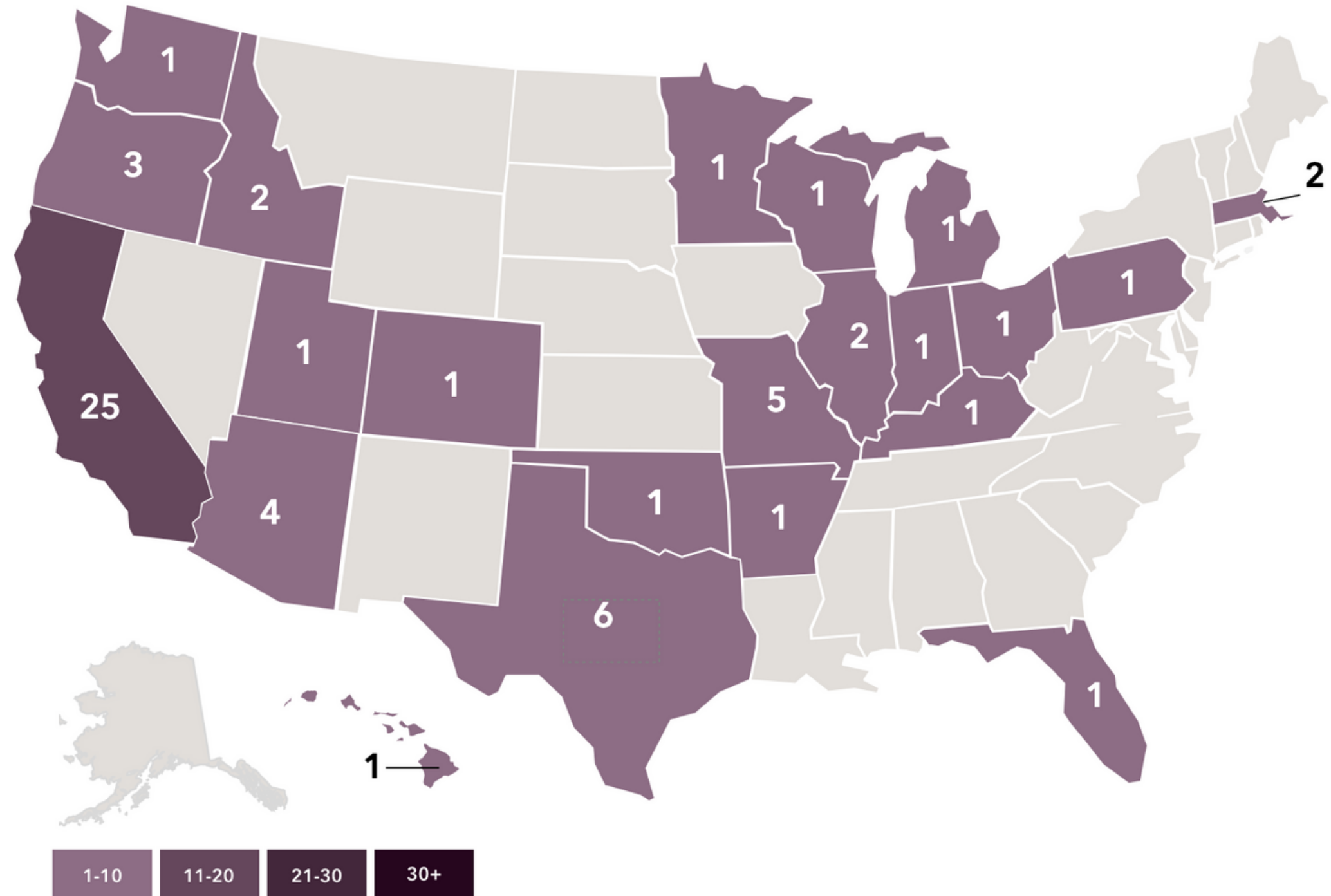
## Industrial Prospects (148)



# YTD FY24 Prospects by HQ Location

- 19% of prospects are from California
- 28% of prospects are international including from:
  - Taiwan
  - Japan
  - Germany
  - Netherlands
  - South Korea
  - South Africa
  - Peru
  - Denmark
  - Turkey

International	38
Unknown	33
<b>Grand Total</b>	<b>134</b>



# Solar

**7.5%** of new industrial deals in this FY are solar related

**17** active solar deals with a potential of 5,162 jobs, \$3.2B CapEx and 5.1M SF

**2** locates: JA Solar, Meyer Burger

➤ Typical use case is immediate need is for module assembly phase (low utility demands) followed by a larger cell production phase (high utility demands)





# Semiconductor

**14** active prospects, with a potential of 3,111 jobs, \$6.1B CapEx and 4.6M SF

**28** locates (including both TSMC deals) with 5,739 jobs, \$35B CapEx and 6.6 M SF

➤ NOFOs have been published for Commercial Fabrication Facilities and facilities for semiconductor materials and manufacturing equipment. Applications are being accepted for the first; concept plans for the second group will be accepted beginning December 1

# Aerospace & Defense

**10** Active aerospace & defense prospects; increase in demand & trend in Advanced Air Mobility

➤ There are **40,000** aerospace and defense related jobs in metro Phoenix, which is **91%** more concentrated employment in the sector than the U.S. as a whole

➤ Department of Defense has identified 14 critical technology areas vital to maintaining the United States' national security, including:

- Hypersonics
- Quantum Science
- Future Generation Wireless
- Advanced Materials
- Biotechnology
- Integrated Network Systems
- AI and Autonomy
- Advanced Computing
- Microelectronics
- Space Technology
- Human-Machine Interfaces
- Directed Energy
- Integrated Sensing and Cyber
- Renewable Energy Generation and Storage





# Looking Forward



# Greater Phoenix Greater Together