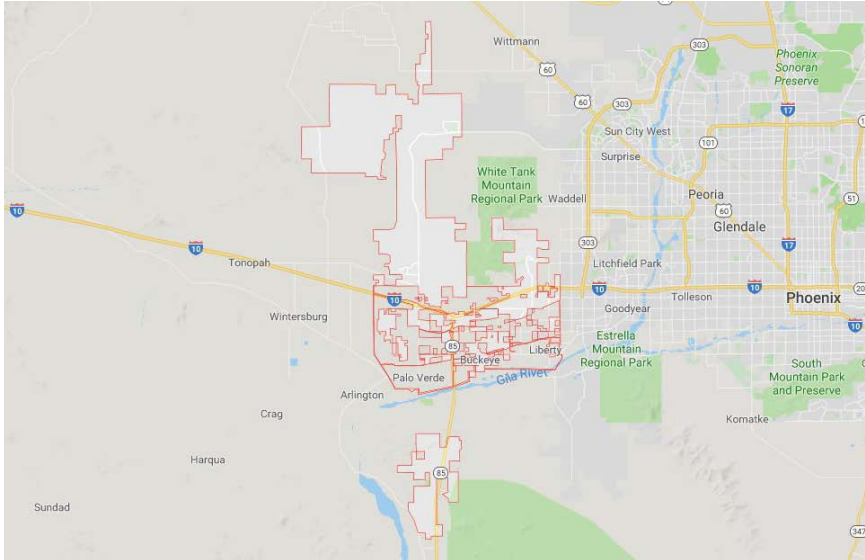


BUCKEYE | ARIZONA

ECONOMIC AND DEMOGRAPHIC OVERVIEW

JUNE 2019





INTRODUCTION

Buckeye is the western-most city in the Phoenix Metropolitan Statistical Area (MSA) and is one of the **fastest-growing cities in the nation**. Once solely an agricultural community, the rural city has grown from a population of about 4,440 in 1990 to approximately 71,500 residents today. Referred to as **“Arizona’s biggest opportunity,”** the city has a planning area of over 640 square miles, which is only 5% built out today, and could one day be home to one million residents. Plans over the next **30 years** include new retail, commercial, entertainment, health care, education, and employment centers. Buckeye is currently home to nearly 30 master-planned communities with housing construction as the city’s primary source of revenue over the past several years. Recently, the city has welcomed new retail, a manufacturing company, and grocery stores.

Buckeye benefits from offering every major mode of transportation, making it accessible from multiple points. In addition, the city is **situated on Arizona’s largest untapped groundwater aquifer**, the **Hassayampa River Basin**, and enjoys majestic views of the **White Tank Mountains**. Situated about 30 miles west of Downtown Phoenix, Buckeye residents also enjoy the cultural, economic, and entertainment venues available throughout the region.

BERKADIA

Fast-Growing City

Buckeye’s population is expected to grow 26.3% by 2024, significantly outpacing the national rate of 4.0%
- Tetrad

Safest City in Arizona

Buckeye ranked No. 1 among the **“20 Safest Cities in Arizona”**
- SafeWise

Growth Potential

With **only 5% of Buckeye’s 640 square miles built out**, the city could one day be home to one million residents
- City of Buckeye

Best Income Equality

Buckeye topped the list as the **number one city in Arizona with the best income equality**
- HomeArea.com

DEMOGRAPHICS

33.9
MEDIAN AGE
IN BUCKEYE

23% OF RESIDENTS ARE IN THE
**KEY RENTER
AGE GROUP**
BETWEEN 18 AND 35 CITYWIDE

21.5%
RENT SHARE OF WALLET
IN THE CITY



90.3k

Buckeye's **population** is forecast to grow **26.3%** over the next five years exceeding 90,300 residents, compared to 4.0% nationally



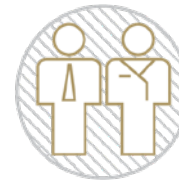
21.7k

The number of **residents in the key renter age group** is expected to grow over **33%** in the next five years to 21,654, outpacing the national rate of 30%



\$225.1k

As of April 2019, the **median home price** in Buckeye increased **6.6%** to \$225,100



11.1k

Approximately **42%** of the city's workforce are in **blue-collar positions**, compared to 37% nationally













\$67.1k

Buckeye's **median household income** is projected to reach \$67,089 by 2024, up **11.4%** from 2019

METRO EMPLOYMENT TRENDS

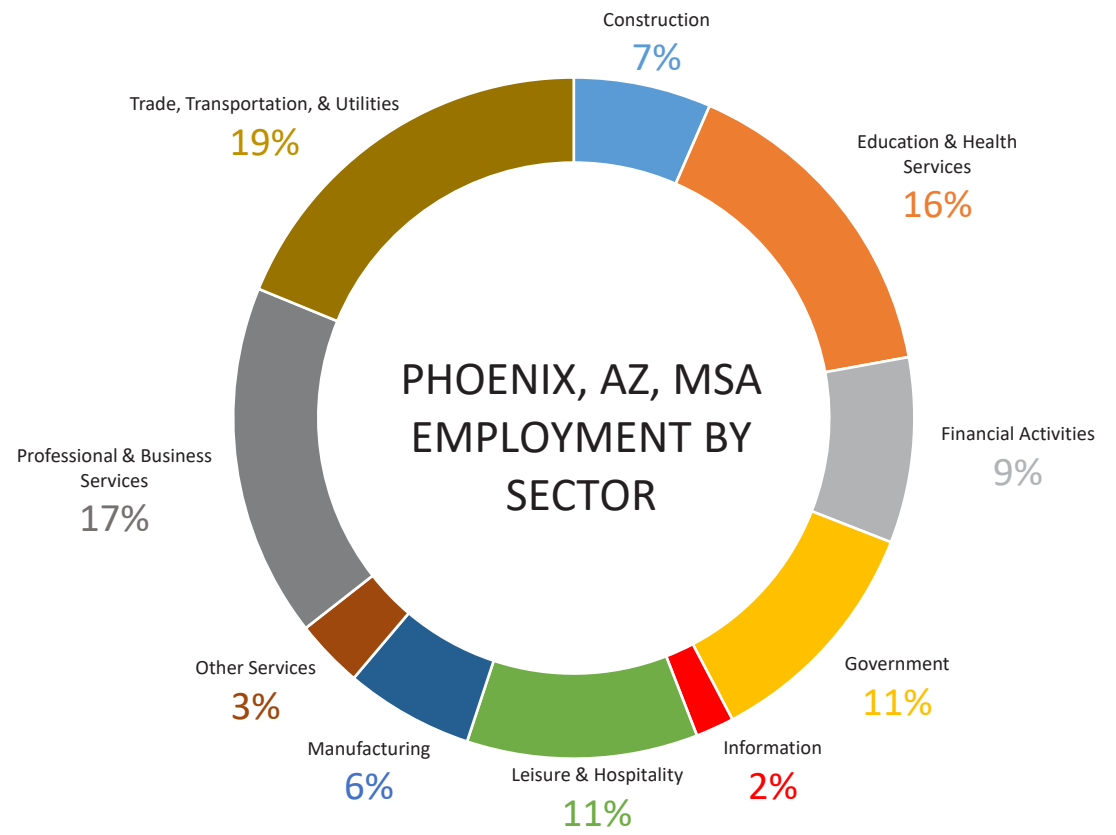
AVERAGE ANNUAL WAGE BY OCCUPATION

	Management	\$109.0 _k
	Health Practitioners & Technicians	\$85.1 _k
	Business & Financial Operations	\$68.3 _k
	Education	\$47.7 _k
	Construction & Extraction	\$46.2 _k
	Sales	\$40.3 _k
	Transportation & Material Moving	\$39.7 _k
	Office & Administrative Support	\$38.9 _k
	Production	\$38.1 _k
	Food Preparation & Service	\$27.7 _k

Source: BLS Occupational Employment Statistics Survey

The Phoenix metro area encompasses a variety of sectors with the majority comprised of high-tech, financial, and health care industries. Some of the major employers located in the metro include Mayo Clinic, Wells Fargo, Intel Corporation, and various local governments.

Metro Phoenix **added approximately 68,000 jobs** during the 12-month period ending in April 2019, **16,700 of which were in the Construction sector**.

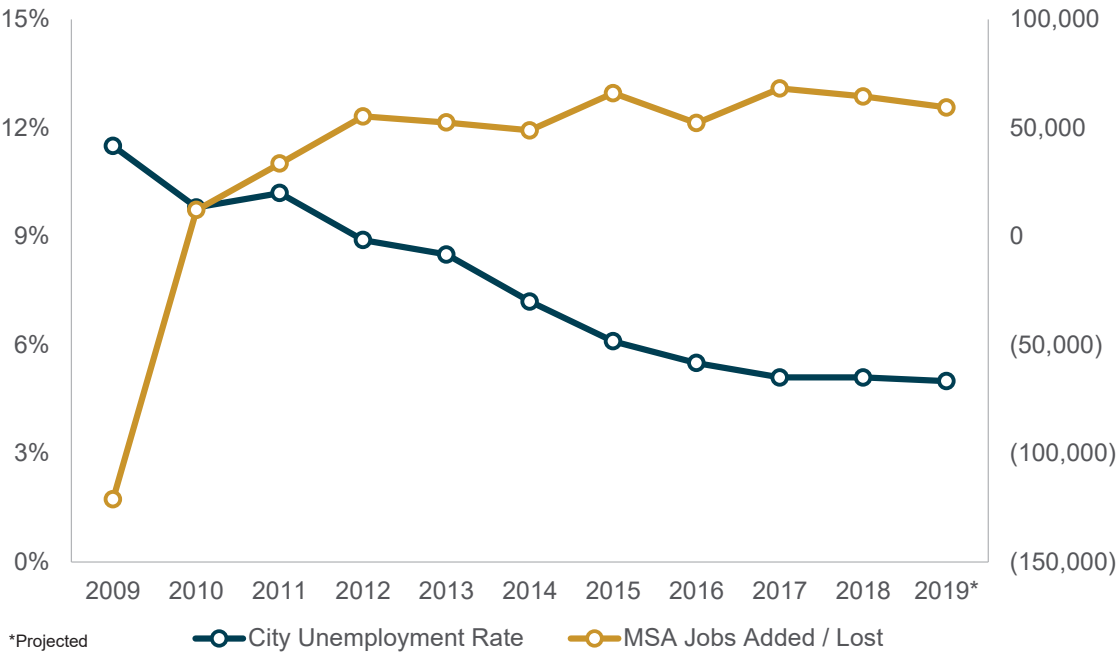


Source: BLS Current Employment Statistics Survey

EMPLOYMENT TRENDS

APRIL 2019 4.6%

the city's monthly unemployment rate was down 10 bps annually



CITY OF BUCKEYE, AZ
LARGEST EMPLOYERS

State of Arizona	1,220
Walmart	1,120
Buckeye Union High School District	500
City of Buckeye	470
Litchfield Elementary School District	470
Buckeye Elementary School District	320
Clayton Homes Inc.	300
Liberty Elementary School District	230
Agua Fria Union High School District	160
Youngker High School	150

Source: City of Buckeye CAFR, June 2018

APRIL 2019 68,000 jobs

were created metrowide, a 3.2% Y-o-Y increase



MANUFACTURING, DISTRIBUTION, AND LOGISTICS

CARDINAL IG



\$650 million+
Invested on Future
Interstate 11



1.5 million
SF Walmart / Sam's
Club Distribution Center



250,000
SF Cardinal IG Facility

Located **along the CANAMEX Corridor** with direct access to Interstate 10, State Route 85, and MC 85, Buckeye is emerging as a **center of logistics, distribution, and manufacturing**. The city is home to successful businesses such as the **Cardinal IG, Walmart / Sam's Club Distribution Center, Walmart Transportation and Logistics, Clayton Homes, and Fertizona. Future Interstate 11** is being planned to pass through Buckeye, which would develop critical north / south transportation access from Mexico to Canada directly through Buckeye and the Sun Corridor.

EDUCATION / GOVERNMENT

MARIONNEAUX ELEMENTARY SCHOOL (OPENED 8 / 2017)



3,520+
Jobs Supported



\$53,011
Average Salary at
Buckeye Union HS



350
Additional Students
per year at Buckeye ES



\$37,778
Average Salary at
Buckeye ES District

The fast-growing city of Buckeye encompasses over 640 square miles and is served by several school districts, the State of Arizona, and the City of Buckeye, which make up most of the largest city employers. **Combined, these top employers support over 3,520 of the city's nearly 26,500 jobs.** With strong public service systems in place, the **city is well-positioned for the continued population growth.** New schools are planned or underway to prepare for anticipated enrollment increases. **Buckeye Elementary School District alone is growing by 350 students per year.**

CONSTRUCTION AND DEVELOPMENT

CAPITAL IMPROVEMENT PROGRAM



\$80 million
CIP Budget FY18-19



44
CIP Projects FY18-19

The city of **Buckeye's Annual Budget for Fiscal Year 2018 / 2019** includes **44 Capital Improvement Projects (CIP) estimated at \$80 million**. The city is focused on meeting the demands of growth and smart planning for future needs as one of the fastest-growing in the country. The plan includes one of the largest projects to date, **\$37 million for the Broadway Road Water Campus**, which is scheduled to continue through fiscal year 2020 / 2021. Other high-cost projects include a new police evidence building, 27th Avenue road design and construction, new traffic signals at several intersections, and general street maintenance. In addition, the **budget includes finances for 24 new positions**.

INTERSTATE 11 FREEWAY



\$650 million+
Invested on Future
Interstate 11



280-mile
Canada to Mexico Corridor

A portion of the **planned Interstate 11 freeway will pass right through the city of Buckeye**, which will link Mexico to Canada via Arizona, Nevada, Utah, Idaho, Oregon, and Washington. **I-11 is expected to be a huge economic boon for the city**, bringing in more commercial and industrial businesses, which will create more jobs, attract more residents, and expand retail services. Since preliminary plans for the future Interstate 11 were announced in mid-2017, the city started seeing increases in the cost of land sales and the number of building permits for single-family homes. In April 2019, an **environmental impact report for the proposed 280-mile corridor was ready for public review** and will last until July 8, 2019.

CONSTRUCTION AND DEVELOPMENT

ALDI



First AZ Store

Being Built in Buckeye



600,000

SF Distribution Center
Being Built in Goodyear

Buckeye will soon welcome the **first Arizona Aldi store**, pending timing of the opening of their **new distribution center in Goodyear**. The **600,000-square-foot center** is being built on 67 acres, slated to open in 2020. Aldi's mission is to become the third-largest grocer by store count with more than 2,500 stores by 2022, behind Walmart Inc. and Kroger Co. The Buckeye store will be located at the intersection of West Yuma and South Watson Roads, adjacent to a Walmart Supercenter and Fry's Marketplace. Approximately **14 Aldi stores are in development in the state**, including locations in Phoenix, Tempe, Peoria, Glendale, Chandler, and Gilbert. A **new Burger King, Planet Fitness, Quick Quack car wash, and Home2Suites by Hilton** are also being built at that intersection.

CITY OF THE FUTURE



\$10 Billion

Investment



37,000 acres

of Buckeye Land

Jerry Colangelo, Phoenix sports mogul, purchased **37,000 acres in Buckeye in 2002**, with hope to build a master-planned community. A "city of the future" will be built on the Douglas Ranch property to **house 290,000 residents**, more than currently live in all but three Arizona cities. Plans include 100,000 residential units, 29 elementary schools, six high schools, seven acres of parks / open space, **55 million square feet of office and retail space**. The development is expected to cost **between \$8 billion and \$10 billion** over the next 25 years.

CONSTRUCTION AND DEVELOPMENT

THE PALM VALLEY 303



1,600-acre

Master-Planned
Business Park



750

Full-time Jobs Created by
December 2019

The Palm Valley 303 (PV303), a 1,600-acre, master-planned business park, is expected to be home to 20 million square feet of office, retail, and industrial space at build-out and will be **one of the largest business parks in the southwest**. Development at PV303 includes a 500,000-square-foot aluminum can manufacturing facility for **Ball Corp.** which opened in late 2018 and supports nearly 150 jobs with an annual salary of over \$60,000. Next door, the **United Parcel Service (UPS)** is constructing a 970,000-square-foot distribution hub that will support 500 permanent jobs and up to 1,000 seasonal jobs upon opening at the end of 2019. Ball Corp. and UPS join **Sub-Zero Inc.** and distribution centers for **Dick's Sporting Goods** and **REI** as PV303 tenants.

ARIZONA SMART CITY



\$80 million

Invested by Bill Gates



24,200-acre

Planned Development

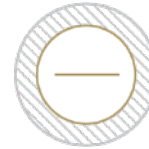
Bill Gates invested \$80 million to build an Arizona smart city in the southwest valley along Interstate 10 near Buckeye, west of the White Tank Mountains. The high-tech, planned development will be designed around high-speed networks, autonomous vehicles, high-speed digital networks, data centers, new manufacturing technologies, and autonomous logistics hubs. Belmont Partners is leading the project, **expected to be the size of Tempe with a population of over 180,000 residents**. The **24,200-acre development** will include 80,000 homes, 3,400 acres of open space, 470 acres designated for public schools, and **3,800 acres reserved for industrial, office, and retail space**. The proposed, planned city, to be named Belmont, will be built within the next decade.

RENT / OCCUPANCY



ASKING RENT \$1,080

in the first quarter of 2019, up 4.5% from one year prior



OCCUPANCY RATE 94.1%

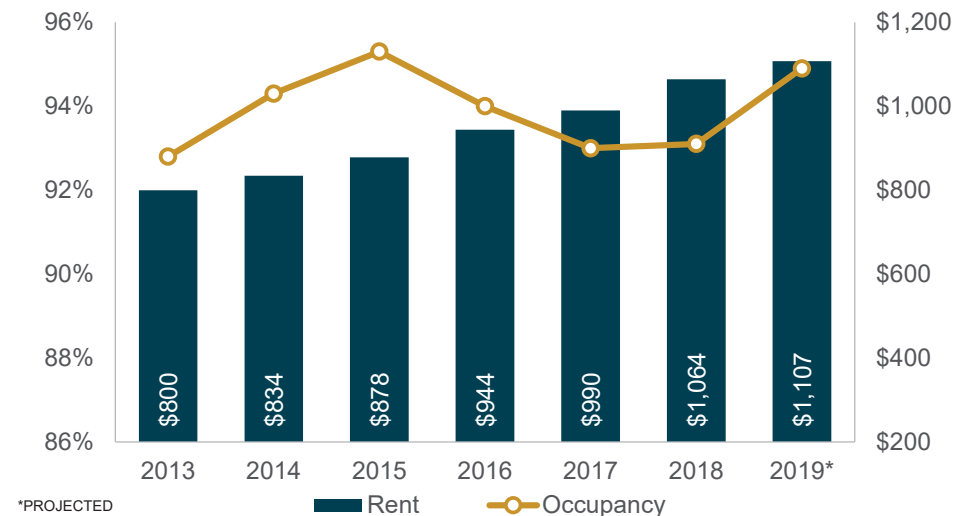
through March 2019, unchanged annually

Buckeye is part of the West Maricopa County apartment submarket, one of the metro's smallest submarkets with just over 4,000 units. Strong demand has kept pace with new development, keeping fundamentals stable. Recently, rent growth has been robust with luxury units driving rates. Residents are attracted to the area's high-end units - due to lower rents - than most of those in Metro Phoenix.

Consistent demand and minimal construction have kept **occupancy at a steady 94.1%** over the year ending March 2019. Rapid population and job growth as well as discounted luxury rental rates have spurred some development activity in the past several years. **Since 2010, both Goodyear and Buckeye have had population growths of over 25%**, creating substantial growth in the education and health care sectors. In addition, strong job growth has occurred in the logistics and manufacturing sectors, diversifying the submarket's employment base. **By year-end 2019, occupancy rates are expected to increase 80 basis points to 94.9%.**

Healthy occupancy rates have translated into robust rent growth, **outpacing the metro's rent growth rate since 2010.** In the first quarter of 2019, asking rent in the West Maricopa County submarket was \$1,080, an increase of 4.5% annually. By December 2019, asking rent is expected to reach \$1,107 per month, up 4.0% over 2018. **Since 2013, asking rent has increased 33% in this submarket.**

WEST MARICOPA COUNTY APARTMENT MARKET



EDUCATION



HIGHER EDUCATION 211,530
students metrowide



WEST-MEC SOUTHWEST 20-acre
new campus in Buckeye, AZ

The City of Buckeye is served by nine public school districts, a variety of private and charter schools, and opportunities for career-directed education through Maricopa Community College District and West-MEC.

Estrella Mountain Community College (EMCC) offers two satellite campuses in Buckeye with a variety of learning options and student services at the **EMCC Buckeye Educational Center** and **EMCC @ West-MEC Southwest Campus**. In addition, **Western Maricopa Education Center (West-MEC)** offers innovative career and technical education (CTE) programs at designated high school campuses including three in the Buckeye Union High School District. The new 20-acre West-MEC Southwest campus is expected to serve 650 students and feature 167,000 square feet of building space at full build-out. Phase three is currently under construction expected to open this year.

Buckeye residents also have access to a variety of higher-educational opportunities throughout Metro Phoenix that provide a steady flow of new workforce entrants, in addition to continuing education and training for the existing employment base. Overall, **approximately 211,530 students are enrolled in institutions of higher education in Greater Phoenix.**

PHOENIX, AZ, MSA
LARGEST HIGHER EDUCATION

Arizona State University	72,710
Grand Canyon University	20,500
Mesa Community College	20,390
Rio Salado College	18,300
Glendale Community College	17,940
Chandler-Gilbert Community College	14,730
Phoenix College	10,960
Estrella Mountain Community College	9,980
Scottsdale Community College	8,740
Paradise Valley Community College	8,120

Sources: Arizona State University; Grand Canyon University; Maricopa Community College District



LIFESTYLE AND ENTERTAINMENT



**HIKING
TRAILS** 16 miles

available at Skyline Regional Park



**BUCKEYE
LAKE** 900-acre

lake planned in the Buckeye Hills
Recreation Area

Situated near the White Tank Mountains, the city of Buckeye offers a great lifestyle with small-town charm, lots of attractions, and is a haven for outdoor enthusiasts. Residents enjoy the numerous outdoor activities at the city's parks, including the **8,700-acre Skyline Regional Park**. The park features a 133-foot-long, 14-foot-wide bridge leading to **16 miles of trails within the southern White Tank Mountains** for hiking, biking, horseback riding, picnicking, and camping. Another popular recreation destination in Buckeye is the Buckeye Hills Recreation Area, where a 900-acre Buckeye Lake is planned.

The **Buckeye Aquatics Center** is an outdoor facility with splash pads, slides, and pools. **Buckeye Town Park**, located adjacent to downtown, is home to the **Buckeye Historical and Archaeological Museum** and an Olympic-sized swimming pool complete with 35-foot-high water slide and other water features.

Master-planned communities throughout Buckeye feature golf courses with spectacular scenic views, including **The Golf Club at Buckeye** - an 18-hole course with beautiful views of the Sierra Estrella and White Tank Mountains.

Buckeye is known as **"Arizona's biggest small town,"** with unique attractions, Old West Charm, and a growing variety of restaurants and retail options, from bistros and boutiques in the historic downtown district to the popular chains of the **Watson Shopping District**. The city hosts festivals, events, a marathon, a rodeo, and is known for its famous **Buckeye Air Fair** with a spectacular air show. The city is a great town for horse lovers, offering **South Buckeye Equestrian Center**, a premier Equestrian & Events facility.



TRANSPORTATION



PHOENIX AIRPORT 44.9_m

passengers served in 2018



VALLEY METRO 66.8_m

passengers served in 2018

Buckeye enjoys a prime location along **Interstate 10**, a major east / west route both for the Phoenix MSA and the southern United States. Interstate 10 provides easy access to other key roadways serving the city including Loop 101, U.S. 60, Highway 85, and Interstate 17, making the entire Phoenix metro area accessible. The **newly opened Loop 303** now extends south through neighboring Goodyear, opening up more business opportunities. Additional major highways serving the city include State Route 85, Sun Valley Parkway, and Maricopa County (MC) 85. **Union Pacific Railroad** operates a rail line running east-west generally through the center of the city

Public transportation in Buckeye is provided by **Valley Metro**, a rural bus line connecting Phoenix-Goodyear-Gila Bend-Ajo, which served approximately **66.8 million passengers in 2018**. Valley Metro offers an express route from Avondale / Buckeye to Downtown Phoenix.

Several airports serve Buckeye including **Phoenix Sky Harbor International Airport**, **Phoenix Goodyear Airport**, and the **Buckeye Municipal Airport**.

PHOENIX SKY HARBOR INTERNATIONAL AIRPORT



BY THE NUMBERS



TOTAL POPULATION

2010	50,876
2019*	71,497
2024*	90,309
Growth Rate (2019 - 2024)	26.3%



TOTAL HOUSEHOLDS

2010	14,424
2019*	21,324
2024*	27,651
Growth Rate (2019 - 2024)	29.7%



MEDIAN INCOME

2010	\$49,304
2019*	\$60,206
2024*	\$67,089
Growth Rate (2019 - 2024)	11.4%



RENT SHARE OF WALLET

National - 2019	27.2%
Buckeye - 2019	21.5%
National - 2024*	27.6%
Buckeye - 2024*	21.5%

*Projected
Annual Rent / Median Household Income



MEDIAN AGE

2010	32.8
2019*	33.9
2024*	34.7



MEDIAN HOME PRICE

April - 2018	\$211,100
April - 2019	\$225,100
Growth Rate Y-o-Y	6.6%



EMPLOYMENT GROWTH

April - 2018	2,101,300
April - 2019	2,169,300
Growth Rate Y-o-Y	3.2%



RENT VS. OWN

Average Mortgage Payment**	\$1,205
Effective Rent	\$1,080
Difference	\$125

*Projected
**30-yr fixed; 20% down; 5.1% interest rate; 0.77% AZ property taxes;
\$1,000 annual homeowner's insurance

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