



MULTIFAMILY REPORT

Phoenix: Solid Progress

June 2022

Investment Activity Remains Elevated

YoY Rent Growth Outperforms US Level

Unemployment Exceeds Pre-Pandemic Values

PHOENIX MULTIFAMILY



Robust Supply Moderates Rents, Occupancy

The Phoenix multifamily market had one of the strongest performances of 2021, sustained by a robust and diverse economy and an ideal location. Expectedly, in the first quarter of 2022, this stellar performance moderated, with rents up just 0.4% on a trailing three-month basis through April, to an average of \$1,645. Record deliveries in 2021, paired with slowed in-migration, have left a mark on the occupancy rate in stabilized properties, down 50 basis points in the 12 months ending in March, to 95.7%.

The unemployment rate stood at 2.4% in March, surpassing pre-pandemic values, according to data from the Bureau of Labor Statistics. The rate was ahead of both the state (3.3%) and the nation (3.6%). Phoenix's employment market posted a 4.7% expansion in the 12 months ending in February, on par with the U.S. rate. All sectors expanded except government, which lost 200 jobs. The metro's largest employment areas led job gains and are poised for sustained expansion; the metro ranked fifth nationally in the data center industry and first in industrial construction volume.

Developers delivered 2,772 units through April and had 38,650 units under construction. Meanwhile, transaction volume amounted to \$3 billion, for a price per unit that increased by a substantial 40.4% year-over-year, to \$295,789.

Market Analysis | June 2022

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Recent Phoenix Transactions

Tides on 71st



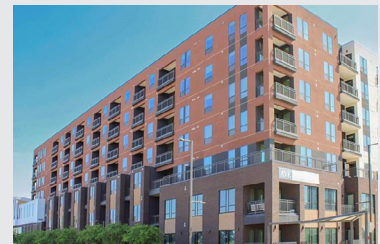
City: Phoenix
Buyer: Tides Equities
Purchase Price: \$255 MM
Price per Unit: \$251,976

Roadrunner on McDowell



City: Scottsdale, Ariz.
Buyer: KB Investment
Development
Purchase Price: \$194 MM
Price per Unit: \$543,539

AVE Terra



City: Phoenix
Buyer: RXR Realty
Purchase Price: \$145 MM
Price per Unit: \$431,547

Mountainside



City: Phoenix
Buyer: TA Realty
Purchase Price: \$136 MM
Price per Unit: \$470,486