

YARDI **M**ATRIX
Data provided by **Pierce**-Eislen

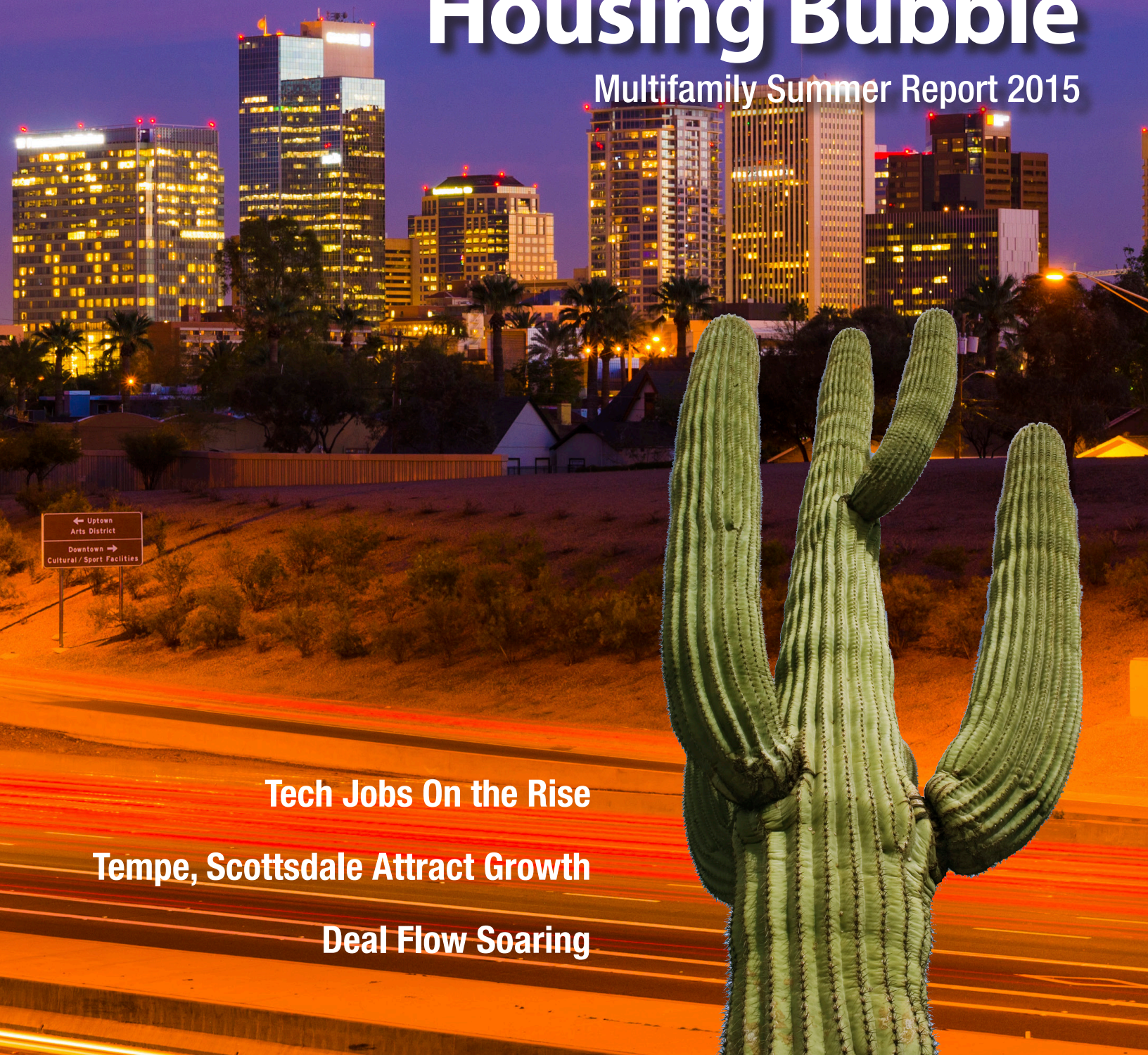
Phoenix Rises After Housing Bubble

Multifamily Summer Report 2015

Tech Jobs On the Rise

Tempe, Scottsdale Attract Growth

Deal Flow Soaring



PHOENIX MULTIFAMILY

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Market Analysis

Summer, 2015

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Silicon Desert: Phoenix Growing Tech Jobs

Phoenix has come a long way since the recession on the way to becoming one of the West's top-performing markets. The metro is in a good position to continue to keep adding jobs and residents at a faster pace than the nation as a whole. Because it was so affected by the housing bust, the metro was slower to recover from the last downturn, which leads some analysts to conclude that the recent positive growth is set to intensify rather than moderate.

Phoenix benefits from its strong business climate and educational institutions and attractiveness as a place to live and work. The metro's low rental rates combined with a young educated workforce -- thanks to centrally located Arizona State University -- is helping it to attract start-up businesses. Technology firms are moving in, helping the area to rival hubs such as San Francisco in terms of tech-related job growth.

The result is a spate of apartment developments attractive to Millennials that is focused near Downtown Scottsdale and Downtown Tempe, which are close to offices and have amenities such as restaurants and parks nearby. Downtown Tempe, the home of ASU, is the main hub for Phoenix's tech startups. The metro's favorable fundamentals have made it a target of investors, pushing transaction volume above \$2 billion per year. Although renter demand is robust, the competition from low-cost single-family housing should limit rent growth to 5% in 2015.

Recent Phoenix Transactions

Ventana Palms



City: Phoenix, AZ
Buyer: OpenPath Investments
Purchase Price: \$9 MM
Price per Unit: \$53,450

Waterfront



City: Phoenix, AZ
Buyer: Pratik Jogani
Purchase Price: \$10 MM
Price per Unit: \$34,722

Elevate at Desert Ridge



City: Phoenix, AZ
Buyer: The Ergas Group
Purchase Price: \$52 MM
Price per Unit: \$152,046

Oakridge



City: Phoenix, AZ
Buyer: Janet LePage
Purchase Price: \$17 MM
Price per Unit: \$60,284