



MULTIFAMILY REPORT

# Phoenix Takes Flight Again

Summer 2021

**Rent Growth Leads All Major Markets**

**Employment Growth Returns**

**Investment Activity Surges**

# PHOENIX MULTIFAMILY



## Demand Pushes Metro To New Highs

Phoenix's multifamily market remained among the strongest in the country, driven by a diverse economy that continued to exert magnetism even in harsh times. This has led to robust population growth putting pressure on rents, which climbed 2.3% on a trailing three-month basis through July, to \$1,453, and a whopping 18.9% on a year-over-year basis, placing Phoenix in the lead among major metros. The Lifestyle segment led rent gains, occupancy and inventory expansion.

The unemployment rate stood at 6.6% in June, trailing the 5.9% U.S. average. Still, employment has left the negative territory, as the metro added 132,900 jobs, up 0.1% in the 12 months ending in May, while the national rate was -1.9%. All but two sectors gained jobs, led by trade, transportation and utilities (40,300 jobs) and education and health care (23,700). Manufacturing has a promising future: TSMC broke ground on its multibillion-dollar factory and has plans to build six more over the next three years; KORE Power wants to build a facility that will create more than 3,000 jobs. Both projects have completions slated for 2023.

Multifamily sales totaled \$5.6 billion in 2021 through July, placing Phoenix in the top spot for investment among major metros. Meanwhile, developers delivered 5,453 units and had another 33,985 under construction.

## Market Analysis | Summer 2021

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### Recent Phoenix Transactions

#### The District at Scottsdale



City: Scottsdale, Ariz.  
Buyer: KKR  
Purchase Price: \$151 MM  
Price per Unit: \$453,313

#### The Laurel



City: Chandler, Ariz.  
Buyer: Sunroad Enterprises  
Purchase Price: \$125 MM  
Price per Unit: \$326,371

#### The Nines at Kierland



City: Scottsdale, Ariz.  
Buyer: Sunroad Enterprises  
Purchase Price: \$109 MM  
Price per Unit: \$393,116

#### Portrait at Hance Park



City: Phoenix  
Buyer: Knightvest Capital  
Purchase Price: \$100 MM  
Price per Unit: \$292,647