



## MULTIFAMILY REPORT

# Recalibrating Phoenix

January 2025

Transactions Surpass \$3B in 2024

Stock Expansion Marks New High

Rent Performance Lags



# PHOENIX MULTIFAMILY



## High Supply Stifles Rent Growth, Occupancy Stalls

Phoenix's multifamily fundamentals were a mixed bag at the end of 2024, with lagging rent performance and strong supply growth amid steady economic expansion. The average advertised asking rent declined 0.4%, on a trailing three-month basis through November, to \$1,564, contracting for six months straight. Meanwhile, occupancy in stabilized properties stood at 93.2% as of October, unchanged year-over-year and behind the 94.7% U.S. rate.

Phoenix job growth was 2.2% as of September, significantly above the 1.4% national average. The metro gained 43,500 net jobs over 12 months. More than half of these (23,600 jobs), were added in education and health services. Three sectors lost 8,100 jobs combined, with the highest losses recorded in leisure and hospitality (-4,100 jobs). Meanwhile, the unemployment rate was at a low 3.3% in October, tighter than both the 4.1% U.S. rate and the 3.6% state average. One of the most notable projects underway in Phoenix is Intel's \$30 billion-plus investment into building two chip factories and modernizing another at the Ocotillo campus.

Deliveries peaked in 2024, with 15,703 units completed through November. Construction remained robust, with 36,842 units underway, nearly half of which broke ground in 2024. Investment totaled \$3 billion, behind only Dallas (\$3.1 billion) and Denver (\$3.4 billion). The price per unit saw a 1.1% uptick, to \$274,359, well above the \$192,050 U.S. figure.

## Market Analysis | January 2025

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### Recent Phoenix Transactions

#### Desert Club



City: Phoenix  
Buyer: Weidner Apartment Homes  
Purchase Price: \$188 MM  
Price per Unit: \$377,264

#### Velaire at Aspera



City: Glendale, Ariz.  
Buyer: IDEAL Capital Group  
Purchase Price: \$87 MM  
Price per Unit: \$304,196

#### Trovita Rio



City: Tempe, Ariz.  
Buyer: Sagard Real Estate  
Purchase Price: \$77 MM  
Price per Unit: \$370,000

#### Axis Camelback



City: Phoenix  
Buyer: Sherman Residential  
Purchase Price: \$72 MM  
Price per Unit: \$304,008