



MULTIFAMILY REPORT

Phoenix: Lower Peaks In 2025

September 2025

Supply Strong, New Starts Moderate

Employment Growth Trails US

Asking Rents Slide

PHOENIX MULTIFAMILY



Growth Challenges Across Fundamentals

Robust supply growth continued to challenge Phoenix's multifamily market, marking the third-weakest rent performance among the top 30 metros tracked by Yardi Matrix. Average advertised asking rents fell 2.7% year-over-year, to \$1,553 in July. On a trailing three-month basis through July, rates in the metro were down 0.2%. Phoenix's occupancy rate in stabilized properties slid 20 basis points year-over-year, to 93.1% in June.

Employment growth was 0.2% year-over-year through May, slower than the 0.8% U.S. rate. Phoenix's workforce grew by 14,300 net jobs. Gains were recorded in only four sectors, led by education and health services (20,300 jobs) and government (4,800). Six sectors lost 13,100 jobs combined, with the largest losses in transportation and utilities (-4,200). Meanwhile, the metro's unemployment rate stood at 4.0% in June, 10 basis points below the U.S. and state figures. The metro had several projects underway that will sustain its economic development, including Mayo Clinic's \$1.9 billion expansion at its Phoenix campus and Amkor Technology Inc.'s \$2 billion chip packaging and test facility.

Developers delivered 9,850 units in 2025 through July and, while new construction moderated, the pipeline remained high, with 32,840 units underway. Investment activity remained slow, reaching \$2.1 billion in 2025 through July, while the price per unit fell 1.1% year-to-date, to \$267,475.

Market Analysis | September 2025

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x14006

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Anca Gagiuc

Senior Associate Editor

Recent Phoenix Transactions

Zaterra



City: Chandler, Ariz.
Buyer: Ares Management
Purchase Price: \$138 MM
Price per Unit: \$350,765

Calista



City: Scottsdale, Ariz.
Buyer: Knightvest Capital
Purchase Price: \$119 MM
Price per Unit: \$288,835

Redstone at SanTan Village



City: Gilbert, Ariz.
Buyer: Mesirow Financial
Purchase Price: \$119 MM
Price per Unit: \$310,209

The Core Scottsdale



City: Scottsdale
Buyer: MC Cos.
Purchase Price: \$98 MM
Price per Unit: \$345,745