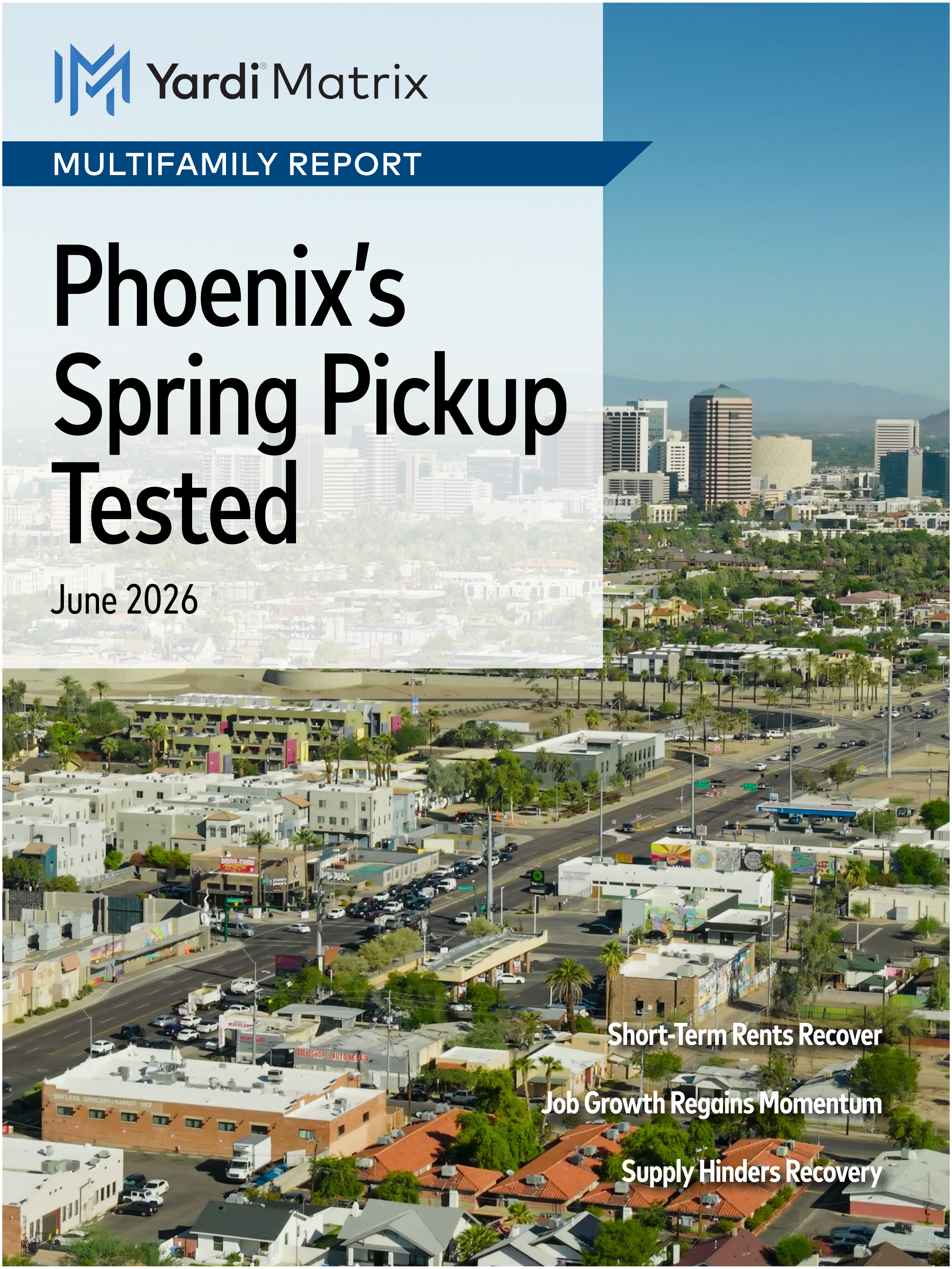
Yardi Matrix

MULTIFAMILY REPORT

Phoenix's Spring Pickup Tested

June 2026



Short-Term Rents Recover

Job Growth Regains Momentum

Supply Hinders Recovery

PHOENIX MULTIFAMILY

Yardi Matrix

Spring Rent Gains, Overall Recovery Pending

Phoenix's spring rent gains signaled some stabilization, but the metro's annual performance remained under pressure from elevated supply. Average advertised asking rents rose 0.2%, on a trailing three-month basis through April, to $1,528, matching the U.S. gain to $1,758 and marking the metro's first increase since May 2024. Still, rents were down 2.7% year-over-year, far steeper than the 0.2% U.S. decline, while the occupancy rate in stabilized properties slid 20 basis points, to 93.0% in March.

Employment growth rose 1.1% in 2025, ahead of the 0.6% U.S. rate. Unemployment stood at 4.2% in February, below Arizona's 4.6% and the 4.4% U.S. average, according to data from the Bureau of Labor Statistics. Phoenix added 21,700 net jobs in 2025, with gains in six sectors and losses across four, led by education and health services and professional and business services, which accounted for 68% of jobs added. The steepest drops were in government and trade, transportation and utilities. Major demand drivers include Halo Vista, the $7 billion district under construction near TSMC, and BNSF's $3.2 billion Logistics Park Phoenix.

Deliveries remained elevated, with 4,281 units or 1.1% of stock, added through April, while 25,756 units were underway. Investment volume totaled $671 million through April, while the average price per unit rose 5.9% year-to-date to $269,676, above the $193,181 U.S. average.

Market Analysis | June 2026

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Recent Phoenix Transactions

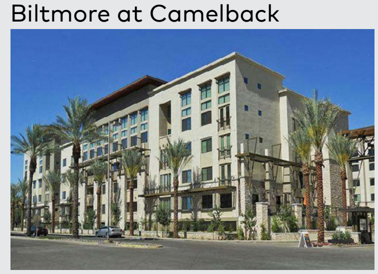
Cortland Biltmore

City: Phoenix
Buyer: Moreno Cos.
Purchase Price: $125 MM
Price per Unit: $494,071

Avant at Fashion Center

City: Chandler, Ariz.
Buyer: Stockdale Capital Partners
Purchase Price: $109 MM
Price per Unit: $325,373

Biltmore at Camelback



City: Phoenix
Buyer: Goodman Real Estate
Purchase Price: $97 MM
Price per Unit: $360,556

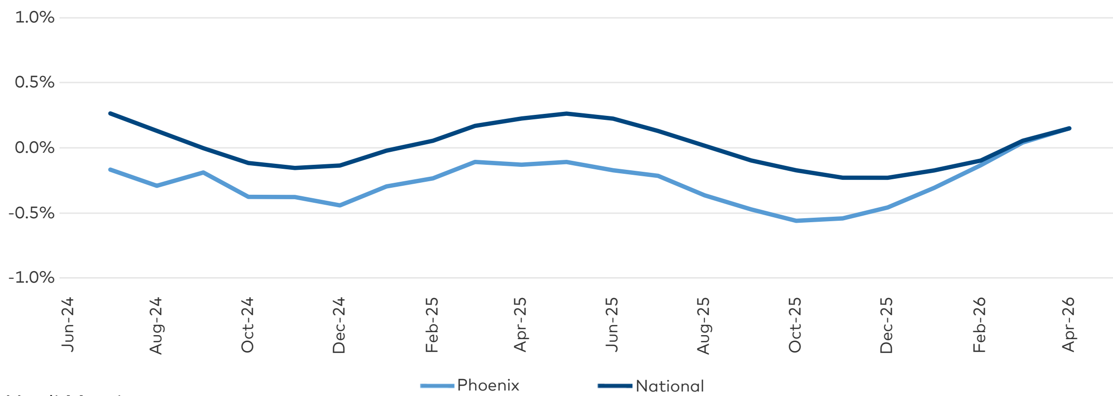
The Residences at Stadium Village

City: Surprise, Ariz.
Buyer: AEW Capital Management
Purchase Price: $88 MM
Price per Unit: $229,607

RENT TRENDS

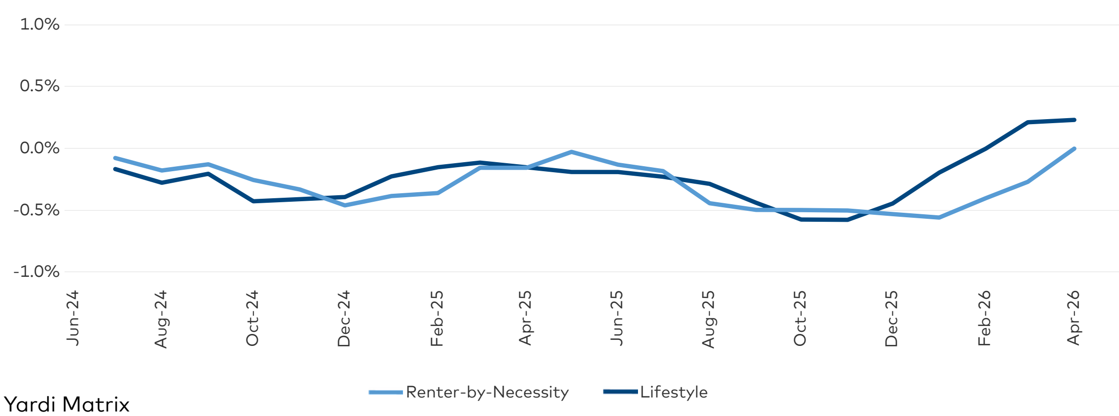
- Phoenix advertised asking rents rose 0.2%, on a trailing three-month (T3) basis through April, to $1,528, matching the U.S. gain to $1,758 and marking the metro's first positive reading since May 2024. Year-over-year, however, Phoenix rents fell 2.7%, far steeper than the 0.2% national decline, as elevated supply kept the metro among the weakest performers in Yardi Matrix's top 30.
- Renter-by-Necessity advertised asking rents were unchanged on a T3 basis through April, at $1,241, signaling that the segment's late-2025 slide has begun to level off. Lifestyle rents rose 0.2% to $1,725, leading the spring improvement, though growth was modest against a pipeline that includes one of the highest completion volumes among major metros.
- The occupancy rate in stabilized properties fell 20 basis points year-over-year, to 93.0% in March, driven by a 70-basis-point drop in Lifestyle to 91.8%, while RBN remained flat at 93.9%.
- Hot spots for year-over-year advertised asking rent growth among Phoenix's submarkets included Queen Creek (2.6% to $1,744), Phoenix–East Camelback Village (1.8% to $1,536) and Mesa–Airport (0.9% to $1,736). The top three priciest submarkets saw rents decline: Phoenix–Paradise Valley Village (-0.4% to $2,028), Scottsdale–North (-1.0% to $1,991) and Phoenix–Downtown (-2.1% to $1,937).
- Advertised asking rents for the SFR sector fell 4.7% year-over-year, to $1,982 in April, and occupancy slid 0.6%, to 93.2% as of March.

Phoenix vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Phoenix Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- Phoenix's employment grew 1.1% in 2025, outperforming the 0.6% U.S. rate. Momentum improved in the second half of last year, with the metro resuming its place ahead of the U.S. average in September and widening the gap through December.
- The area's unemployment rate stood at 4.2% in February, up 60 basis points year-over-year, but still below Arizona (4.6%) and the U.S. (4.4%) averages, according to BLS data.
- Phoenix added 21,700 net jobs in 2025, with gains in six sectors outweighing a combined 14,500 jobs lost across four sectors. Education and health services (13,300 jobs) and professional and business services (11,200) drove the expansion, while the main drag came from government (-7,900) and trade, transportation and utilities (-5,100).
- Notable projects include Halo Vista, a $7 billion, 2,300-acre master-planned district under construction next to TSMC's north Phoenix campus. The initial phase includes site preparation and infrastructure, with the full plan calling for nearly 30 million square feet of industrial, manufacturing, office, retail, residential and educational uses. BNSF's $3.2 billion Logistics Park Phoenix is also under construction in northwest Maricopa County, with a 350-acre intermodal facility anchoring the 4,320-acre rail-served logistics hub.

Phoenix Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
65	Education and Health Services	433,9	17,3%
60	Professional and Business Services	399,2	15,9%
15	Mining, Logging and Construction	185,7	7,4%
70	Leisure and Hospitality	269,1	10,7%
55	Financial Activities	213,1	8,5%
80	Other Services	81	3,2%
50	Information	39,5	1,6%
30	Manufacturing	148,6	5,9%
40	Trade, Transportation and Utilities	484	19,3%
90	Government	253,2	10,1%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Phoenix's population increased 4.1% from 2022 to July 2025, outpacing the 2.3% U.S. average but trailing faster-growing Sun Belt metros such as Raleigh and Austin (each at 7.7%), Houston (6.7%) and Charlotte (6.5%), according to Census Vintage 2025 estimates.

Phoenix vs. National Population

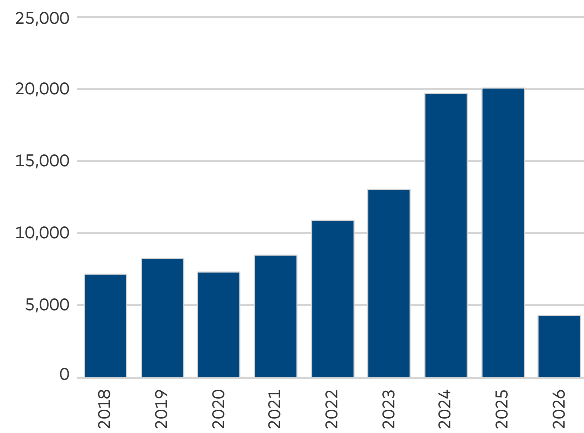
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Phoenix Metro	4,761,603	4,860,338	4,787,811	4,864,209

Source: U.S. Census

SUPPLY

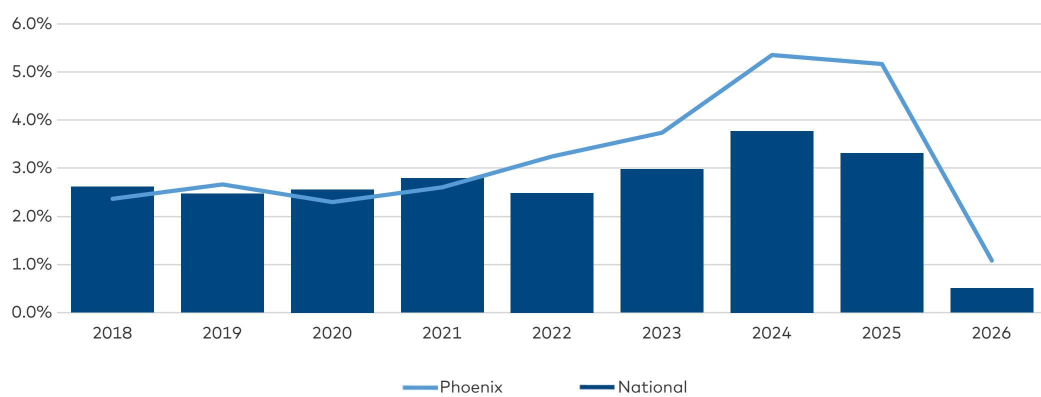
- Deliveries maintained an elevated pace in 2026, with 4,281 units added to Phoenix's inventory through April, equal to 1.1% of its existing stock and well above the 0.5% U.S. average. More than three-quarters of the new supply were units in Lifestyle projects, while fully affordable and RBN accounted for a respective 13.1% and 1.5% of the total. Development accelerated over the past four years across the market, with more than 63,000 units delivered, of which 39,817 were completed in the past two years combined.
- The construction pipeline included 25,756 units underway as of April, along with another 100,000 in the planning and permitting phases. Developers remained focused on the upscale segment, as 83.3% of units underway were in Lifestyle projects, followed by 15.1% in fully affordable and 1.6% in RBN assets.
- Developers broke ground on 4,222 units across 17 properties in 2026 through April, slightly below the 4,922 units across 22 properties that started construction during the same interval in 2025.
- The top 10 submarkets for total number of units underway in April accounted for 60% of the pipeline. Phoenix–Paradise Valley Village led activity with 2,295 units under construction, followed by Phoenix–Happy Valley (2,106) and Maricopa–West (1,860).
- LG Development Group delivered the largest project in 2026 through April, named Sol Modern and located in an Opportunity Zone in downtown Phoenix. The mixed-use asset includes 747 Lifestyle units and 28,760 square feet of retail space, and was built with aid from a $190 million construction loan originated by Bank OZK.

Phoenix Completions (as of April 2026)



Source: Yardi Matrix

Phoenix vs. National Completions as a Percentage of Total Stock (as of April 2026)

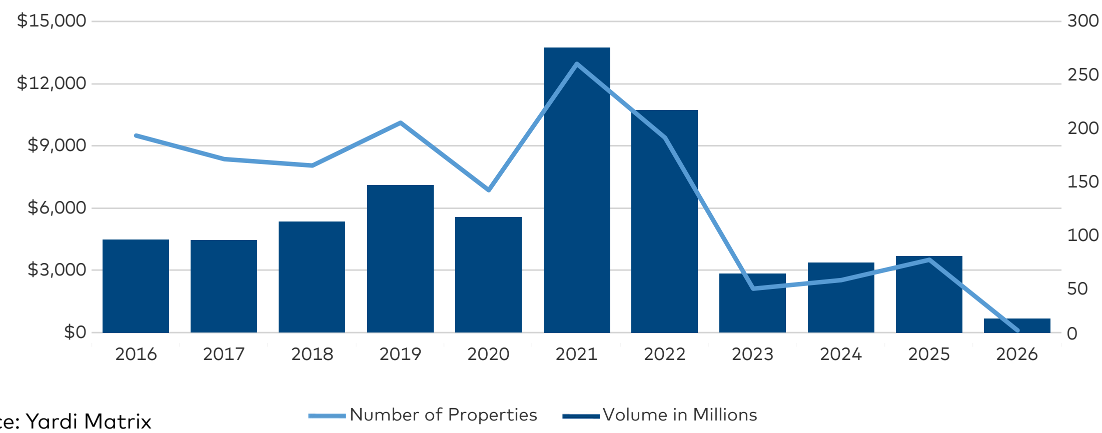


Source: Yardi Matrix

TRANSACTIONS

- Investors traded $671 million in multifamily assets in 2026 through April, 31.5% less than the total recorded during the same period last year. The ongoing real estate valuation reset exerted pressure on investments, resulting in more measured decisions. Following the decade's two outlier years, 2021 and 2022, when $13.7 billion and $10.7 billion in assets traded, investors slowed down significantly. The average annual volume of the past three years was $3.3 billion, below the $7.4 billion recorded between 2016 and 2022.
- Phoenix's average price per unit increased 5.9% year-to-date, to $269,676 in April, boosted by the sales composition, with upscale Lifestyle assets comprising 75%.
- Two assets traded above the $100 million mark in 2026 through April: Cortland Biltmore, a 253-unit Lifestyle property acquired by Moreno Cos. for $125 million from Cortland; and Avant at Fashion Center, a 355-unit Lifestyle property bought by Stockdale Capital Partners for $109 million from Starlight Investments.

Phoenix Sales Volume and Number of Properties Sold (as of April 2026)



Source: Yardi Matrix

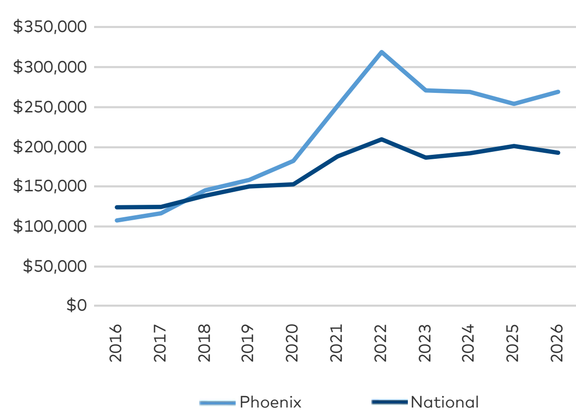
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Chandler	690
Phoenix–Paradise Valley Village	332
Glendale–South	286
Gilbert	246
Mesa–West	235
Phoenix–East Camelback Village	231
Scottsdale–North	174

Source: Yardi Matrix

[1] From May 2025 to April 2026

Phoenix vs. National Sales Price per Unit



Source: Yardi Matrix

LISTICLE

MHN MULTI-HOUSING NEWS

data by Yardi Matrix

Top 10 Markets for Multifamily Transactions

By Vicentiu Fusea

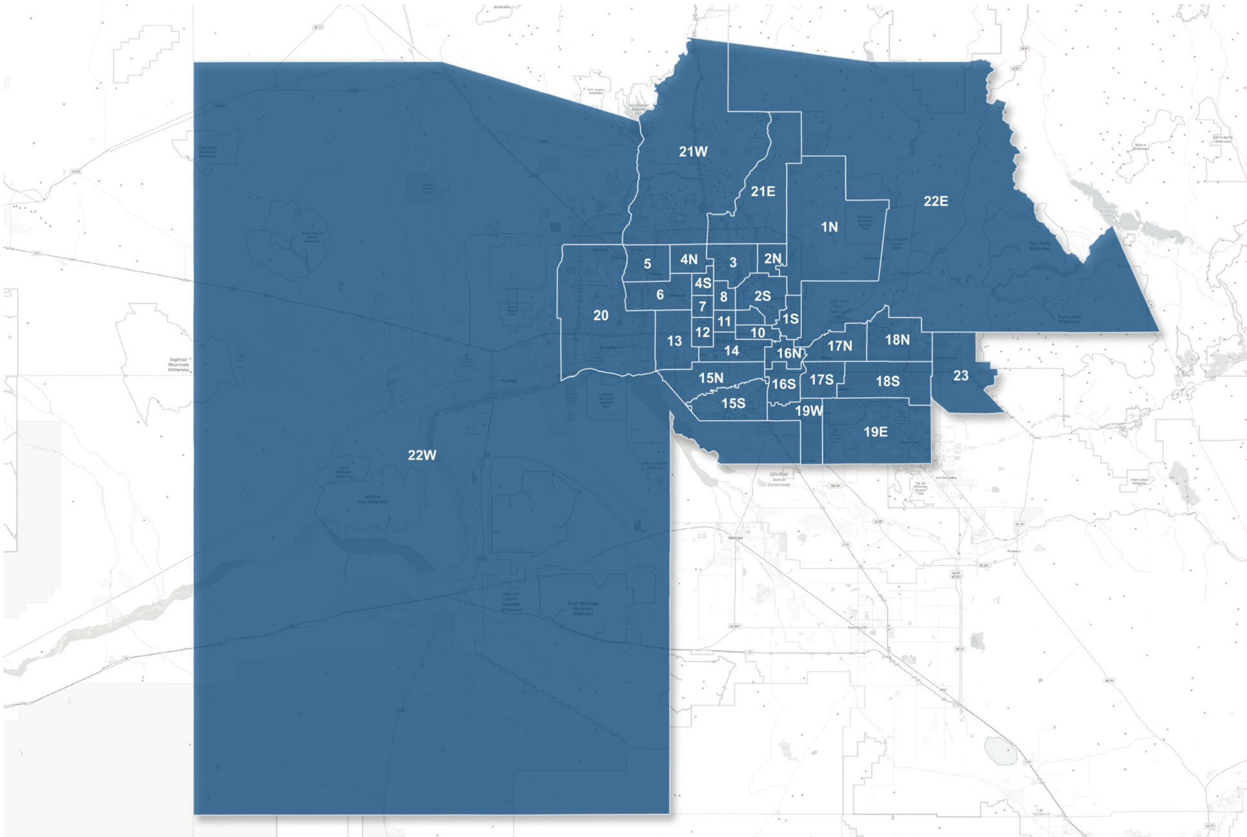
In 2025, emerging self storage markets saw stronger performance, driven by in-migration, affordability and stable economic anchors. National street rates rose 0.3 percent year-over-year in December, reversing the prior year's decline. With 54.2 million square feet under construction and more supply expected through 2027, the top 10 markets—many in Florida—were ranked by rent growth, pipelines and demographic momentum.

Rank	Market	Sales Volume H1 2025 (Millions)	Sales Volume H1 2024 (Millions)	Properties Traded H1 2025
1	Phoenix	$1,853	$1,789	31
2	Seattle	$1,776	$602.0	23
3	Atlanta	$1,657	$1,491	44
4	Dallas	$1,608	$1,219	91
5	Chicago	$1,362	$785.3	39
6	Denver	$1,170	25	19
7	Los Angeles	$970.7	$932.7	24
8	Houston	$960.0	$1,004	63
9	Portland, Ore.	$644.8	$295.2	23
10	Kansas City, Mo.	$304.8	$135.1	22

PHOENIX

Phoenix ranked third for multifamily investment in 2025, with sales rising more than 19 percent year-over-year to $4.4 billion. Activity also increased, as 87 communities totaling 17,798 units traded. The average price per unit climbed to $244,853, more than 60 percent above the national average, with lifestyle assets leading sales.

PHOENIX SUBMARKETS



Area No.	Submarket
1N	North Scottsdale
1S	South Scottsdale
2N	North Paradise Valley
2S	South Paradise Valley
3	Sunnyslope
4N	North Black Canyon
4S	Metrocenter
5	Sun City–Youngtown–Peoria
6	Glendale
7	Northwest Phoenix
8	Christown
9	East Camelback
10	Central East Phoenix
11	Uptown
12	Central West Phoenix
13	Maryvale
14	Sky Harbor

Area No.	Submarket
15N	South Phoenix
15S	Mountain Park
16N	North Tempe
16S	South Tempe
17N	North Mesa
17S	South Mesa
18N	East Mesa
18S	Superstition Springs
19E	Gilbert
19W	Chandler
20	Western Suburbs
21E	Union Hills
21W	Deer Valley
22E	Northeast Maricopa County
22W	Southwest Maricopa County
23	Apache Junction

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students,* who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households,* composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households,* which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

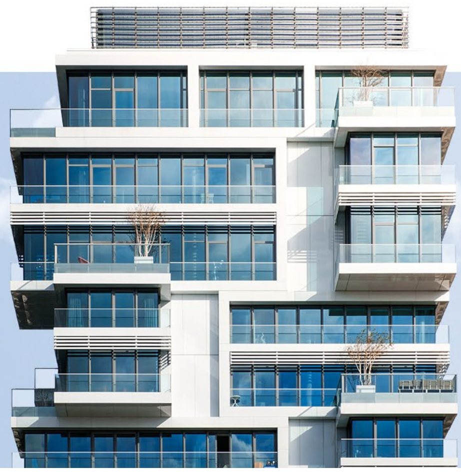
Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.

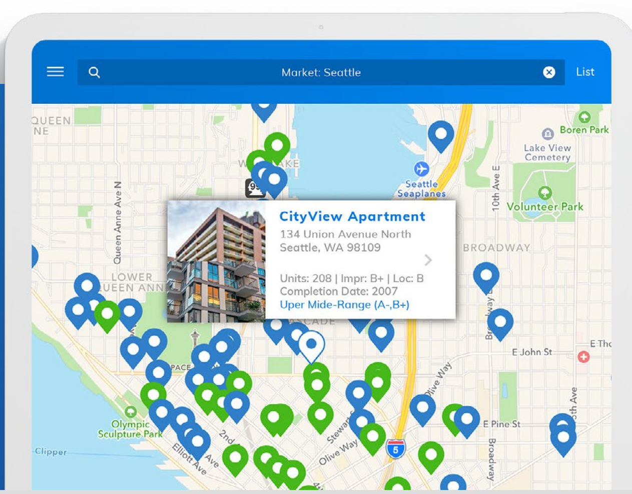
Yardi Matrix



Power your business with the industry's leading data provider

MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily provides accurate data on nearly **23.5 million units,** covering over **92% of the U.S. population.**

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