



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.

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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