



MULTIFAMILY REPORT

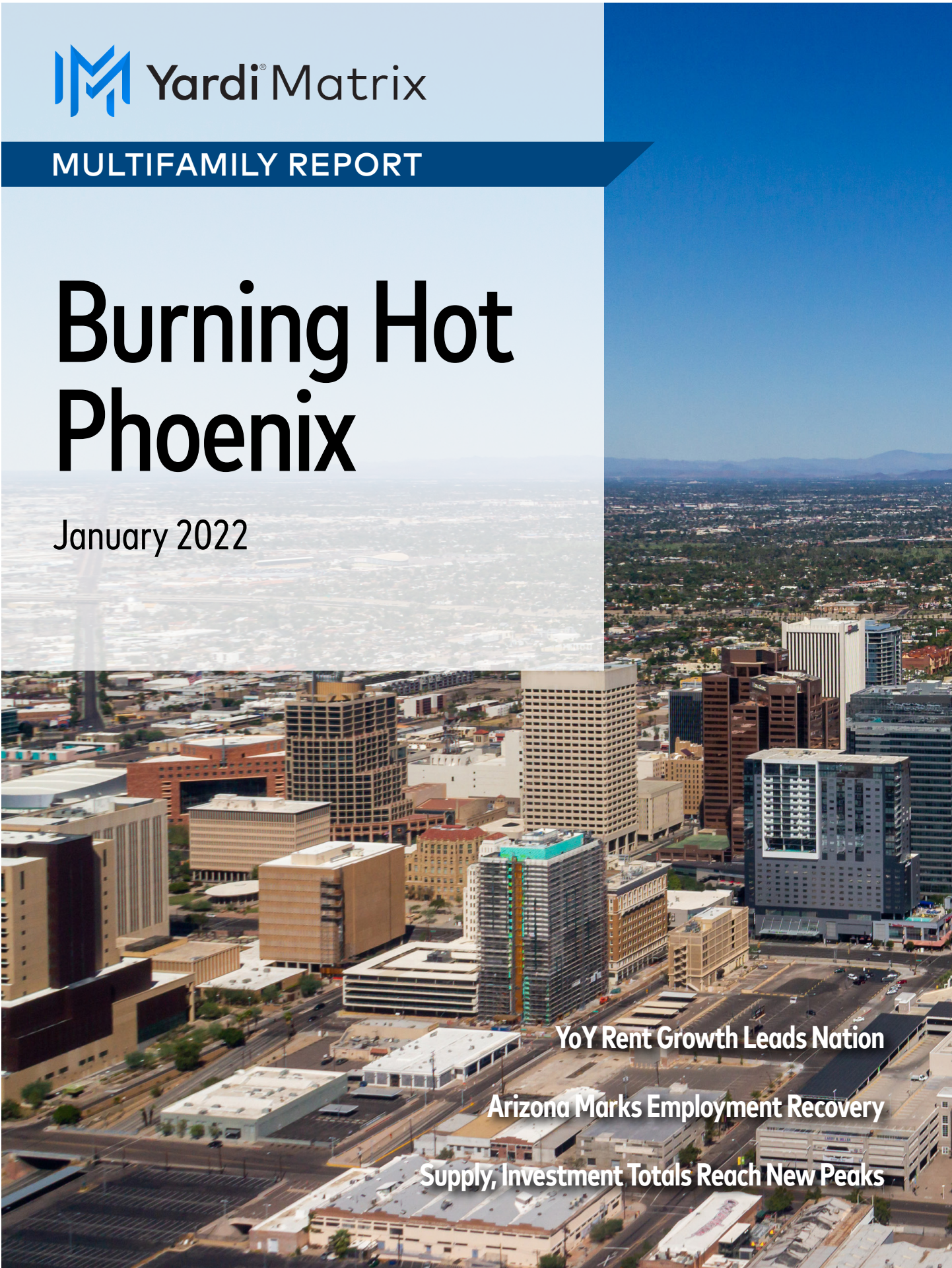
Burning Hot Phoenix

January 2022

YoY Rent Growth Leads Nation

Arizona Marks Employment Recovery

Supply, Investment Totals Reach New Peaks



PHOENIX MULTIFAMILY



Demand Boosts Fundamentals

Phoenix's multifamily market posted an exceptional performance throughout 2021, with rents, supply and sales all marking new decade highs. Rents rose 25.9% on a year-over-year basis through November, to \$1,607, surpassing the U.S. rate, which marked a 13.5% increase to \$1,590. The occupancy rate in stabilized properties stood at 96.3% in October, following a 70-basis-point year-over-year increase.

The unemployment rate dropped to 3.2% in October, outperforming the 4.6% national figure. Arizona was one of the few metros that had made a full employment recovery less than a year and a half into the pandemic, with the job market posting a 7.0% expansion in the 12 months ending in September 2021, leading the U.S. rate by 60 basis points. Phoenix added 126,500 jobs during the period, despite the financial services sector's 3.2% contraction. Leisure and hospitality led gains (34,900 jobs), followed by trade, transportation and utilities and professional and business services, which accounted for 55,500 jobs combined.

Developers delivered 9,479 units in 2021 through November—a new decade high—and had another 36,080 units under construction. Meanwhile, investment activity rose by 31% over the previous peak, totaling 10.6 billion in multifamily assets as of November, for a per-unit price that increased to \$245,253.

Market Analysis | January 2022

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Recent Phoenix Transactions

Skye at McClintock Station



City: Tempe, Ariz.
Buyer: AMC
Purchase Price: \$160 MM
Price per Unit: \$378,251

The Cyprus



City: Phoenix
Buyer: Knightvest Capital
Purchase Price: \$155 MM
Price per Unit: \$282,847

Elliot's Crossing



City: Tempe, Ariz.
Buyer: Knightvest Capital
Purchase Price: \$136 MM
Price per Unit: \$274,949

Oxford



City: Phoenix
Buyer: S2 Residential
Purchase Price: \$128 MM
Price per Unit: \$296,007