

**Yardi® Matrix**

# Phoenix: Finding A Second Wind?

Multifamily Report Summer 2017

**Rent Growth  
Outpaces Nation**

**Leisure, Hospitality  
Lead Job Gains**

**Property Values Hit  
Post-Recession High**

# PHOENIX MULTIFAMILY

Yardi® Matrix

## Market Analysis

Summer 2017

### Contacts

#### Paul Fiorilla

Associate Director of Research  
Paul.Fiorilla@Yardi.com  
(800) 866-1124 x5764

#### Jack Kern

Director of Research and Publications  
Jack.Kern@Yardi.com  
(800) 866-1124 x2444

### Author

#### Anca Gagiuc

Associate Editor

## Maintaining Momentum in the Desert

Outpacing the country in job creation and population growth, Phoenix is appealing to multifamily developers and investors looking for opportunities in second-tier markets. Although rent growth decelerated in the first half of 2017, rents rose by 3.4% year-over-year through July, which is still well above the 2.6% national average.

Employment growth is diversified, with leisure and hospitality, education and health services, and professional and business services occupying top positions in the number of jobs added. Companies such as Facebook, Boeing and Intel are planning expansions in the metro, while JP Morgan Chase is developing a 67-acre campus in Tempe, where it aims to locate more than 4,000 jobs.

The metro's investment activity remains strong, with nearly \$2.4 billion in multifamily properties trading in 2017 through July. As the city competes with California, Texas and the Mountain States to attract talent, jobs and companies, housing demand has exceeded supply in recent years. As a result, development is robust, with 17,000 units under construction, some 5,600 of which are slated for completion by year-end. Although the occupancy rate was just 94.9% as of July, down 60 basis points in 12 months, we expect demand to remain strong, with the average rent rising by 5.3% in 2017.

## Recent Phoenix Transactions

### Mirabella/Lux



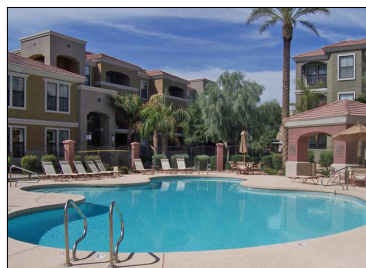
City: Avondale, Ariz.  
Buyer: Priderock Capital Partners  
Purchase Price: \$88 MM  
Price per Unit: \$122,377

### Broadstone Scottsdale Quarter



City: Scottsdale, Ariz.  
Buyer: Public Employees' Retirement System of Nevada  
Purchase Price: \$87 MM  
Price per Unit: \$316,364

### Andante



City: Phoenix  
Buyer: Security Properties  
Purchase Price: \$85 MM  
Price per Unit: \$148,003

### Almeria at Ocotillo



City: Chandler, Ariz.  
Buyer: PASSCO Real Estate  
Purchase Price: \$82 MM  
Price per Unit: \$210,765

### To Subscribe

#### Hollie Zepke

Audience Development Specialist  
Hollie.Zepke@Yardi.com  
(800) 866-1124 x5389