



MULTIFAMILY REPORT

# Phoenix Delivers

September 2023

Development Heading for Record

Rents in Recovery Mode

Investment Still Muted



# PHOENIX MULTIFAMILY



## Strong Supply Hits Rents, Occupancy

Phoenix rents stabilized on a trailing three-month basis through July, after 10 months of negative values, still under the pressure of consistent completions. The average rate was down year-over-year, at -3.5% as of July, marking the second-slowest rate of growth among major U.S. metros. Meanwhile, national growth decelerated to 1.6%, reaching \$1,729. Phoenix occupancy slid 60 basis points in the 12 months ending in June, to 93.9%.

Unemployment stood at 3.9% in June, slightly higher than both the Arizona (3.5%) and U.S. (3.6%) averages. Employment grew by 2.4%, or 37,500 jobs. Education and health services (19,700 jobs) led the way, while trade, transportation and utilities continued to shed positions, down by 3,300 jobs. Information, financial activities and other services also experienced losses. Meanwhile, construction expanded, as Phoenix held the country's largest industrial pipeline as of June (58.8 million square feet).

Developers delivered 5,892 units this year through July and had an additional 37,606 units underway. Yardi Matrix expects 18,571 units to come online across Phoenix during 2023, for a decade high and the country's second-largest expected delivery volume after Austin (24,145 units). Meanwhile, investment activity slowed, with \$1.3 billion trading year-to-date through July, for a price per unit that was 34% higher than the national average.

## Market Analysis | September 2023

### Contacts

#### Jeff Adler

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

#### Ron Brock, Jr.

Industry Principal, Matrix  
[JR.Brock@Yardi.com](mailto:JR.Brock@Yardi.com)  
(480) 663-1149 x2404

#### Doug Ressler

Media Contact  
[Doug.Ressler@Yardi.com](mailto:Doug.Ressler@Yardi.com)  
(480) 695-3365

#### Author

#### Anda Rosu

Associate Editor

### Recent Phoenix Transactions

#### The Aston Scottsdale



City: Scottsdale, Ariz.  
Buyer: The Connor Group  
Purchase Price: \$142 MM  
Price per Unit: \$428,788

#### Soltra at SanTan Village



City: Gilbert, Ariz.  
Buyer: Premiere Residential  
Purchase Price: \$140 MM  
Price per Unit: \$ 368,421

#### The Griffin



City: Scottsdale, Ariz.  
Buyer: Eaton Vance Management  
Purchase Price: \$128 MM  
Price per Unit: \$461,300

#### Phoenix Manor



City: Phoenix  
Buyer: Reliant Group  
Purchase Price: \$50 MM  
Price per Unit: \$111,111