



# Multi-Family Market Report

## Phoenix - AZ

PREPARED BY



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**MULTI-FAMILY MARKET REPORT**

Market Key Statistics	<b>1</b>
Vacancy	<b>2</b>
Rent	<b>5</b>
Construction	<b>9</b>
Under Construction Properties	<b>11</b>
Sales	<b>13</b>
Sales Past 12 Months	<b>15</b>
Economy	<b>17</b>
Market Submarkets	<b>22</b>
Supply & Demand Trends	<b>25</b>
Vacancy & Rent	<b>27</b>
Sale Trends	<b>29</b>
Deliveries & Under Construction	<b>31</b>

12 Mo. Delivered Units

**12,020**

12 Mo. Absorption Units

**3,751**

Vacancy Rate

**7.2%**

12 Mo. Asking Rent Growth

**8.8%**

Demand, rents, and supply have climbed to unprecedented levels in the Phoenix apartment market. Fundamentals are supported by some of the country's strongest employment and household growth along with low levels of single-family inventory. While these trends remain intact, the market's outperformance in the past two years was likely bolstered by federal and state aid coupled with eviction moratoriums.

A record-high 3,800 units were absorbed in the past year versus 12,000 delivered units, also a record high. With supply outpacing demand, the vacancy rate is now at 7.2%. Landlords will need to brace for a wave of deliveries over the next few quarters. The construction pipeline is robust and limited to top-tier rentals, whereas demand for affordable units has surged.

Despite robust population growth over the past several

years, single-family development has not kept pace, and pricing has soared. Phoenix has been a top market for home price appreciation for the past few years. Low inventory and unwavering price escalation will continue to force some would-be homeowners into the renter pool.

Investors are bullish on Phoenix, and competition for multifamily assets has increased, especially among out-of-state buyers. About \$17.8 billion worth of apartments have traded in Phoenix in the past 12 months. Sales volume in 2021 hit an all-time annual high and ranked second in the U.S. behind Atlanta. Pricing has surged, and average cap rates in Phoenix have compressed to 3.9%. Despite the contraction, Phoenix still offers a 50- to 80-basis-point spread over California rates, which is driving yield-motivated investors to the market.

### KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	152,614	8.8%	\$1,897	\$1,880	426	56	22,099
3 Star	140,421	6.2%	\$1,456	\$1,448	51	0	7,002
1 & 2 Star	58,988	5.6%	\$1,064	\$1,058	1	0	812
<b>Market</b>	<b>352,023</b>	<b>7.2%</b>	<b>\$1,603</b>	<b>\$1,591</b>	<b>478</b>	<b>56</b>	<b>29,913</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	2.2%	8.5%	9.0%	12.7%	2009 Q4	5.0%	2021 Q3
Absorption Units	3,751	5,164	7,692	16,236	2021 Q2	(3,262)	2007 Q4
Delivered Units	12,020	5,654	10,859	12,469	2022 Q1	250	2011 Q3
Demolished Units	6	184	205	699	2016 Q2	0	2018 Q2
Asking Rent Growth (YOY)	8.8%	3.2%	3.5%	21.8%	2021 Q3	-7.3%	2009 Q4
Effective Rent Growth (YOY)	8.6%	3.2%	3.4%	22.7%	2021 Q3	-7.1%	2009 Q4
Sales Volume	\$17.8B	\$3.7B	N/A	\$18.2B	2022 Q2	\$338.3M	2009 Q1

Phoenix multifamily vacancies are at 7.2% even as the market receives a record level of new supply. Robust demand for housing, barriers to homeownership keeping potential buyers in the rental pool, and unprecedented monetary and fiscal stimulus have contributed to the market's impressive performance.

Vacancies are higher in supply-heavy urban areas of Phoenix, including Downtown Phoenix, Scottsdale, and Tempe. During the onset of the pandemic, there was an urban exodus and renters moved to the more affordable suburbs. As a result, areas in the West and East Valleys outperformed submarkets such as Downtown Phoenix, Camelback, and Old Town Scottsdale, but that trend has started to fade.

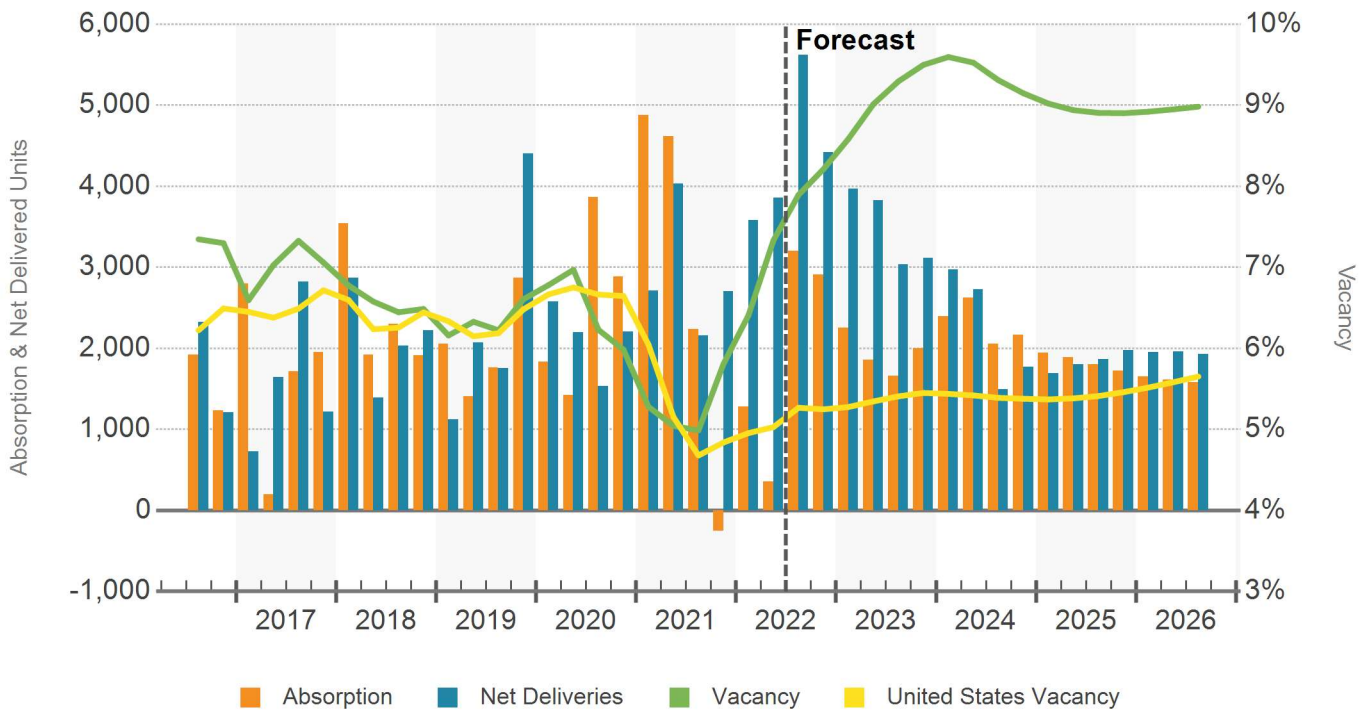
The outlook is favorable. Over the past five years, a healthy balance between supply and demand has kept marketwide vacancies in the mid-6% to low-7% range. Search activity for Phoenix rentals on apartments.com suggests demand remains strong. Additionally, low single-family home inventory and rapid price appreciation have forced more people into the renter

pool, which has kept apartment vacancies low.

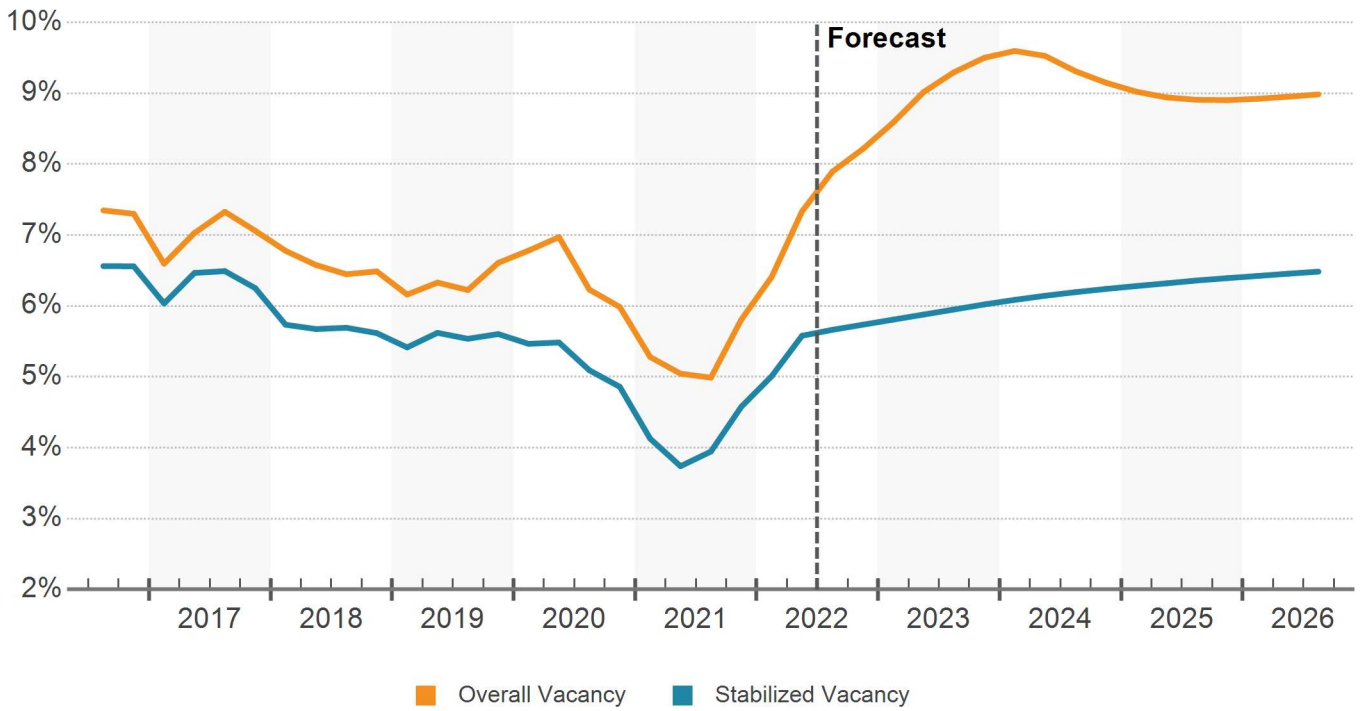
Limited single-family construction has introduced a new product in the market that competes with traditional apartments. Developers have ramped up production of single-family build-to-rent communities, a hybrid between apartments and single-family homes. Rentals in these 100- to 230-unit communities can range from 600 SF to 1,200 SF and typically attract renters by choice who will pay a 20% premium over traditional apartments. NexMetro and Christopher Todd Communities have collectively built thousands of single-family rentals in the metro and are the most active in the West Valley.

Any substantial increase in single-family construction coupled with low mortgage rates could be potential headwinds for the multifamily market. Despite rising home prices, homeownership is achievable for much of the population. Historically low mortgage interest rates have enticed many higher-income renters into homeownership, but the lack of for-sale inventory is keeping many in the renter pool for now.

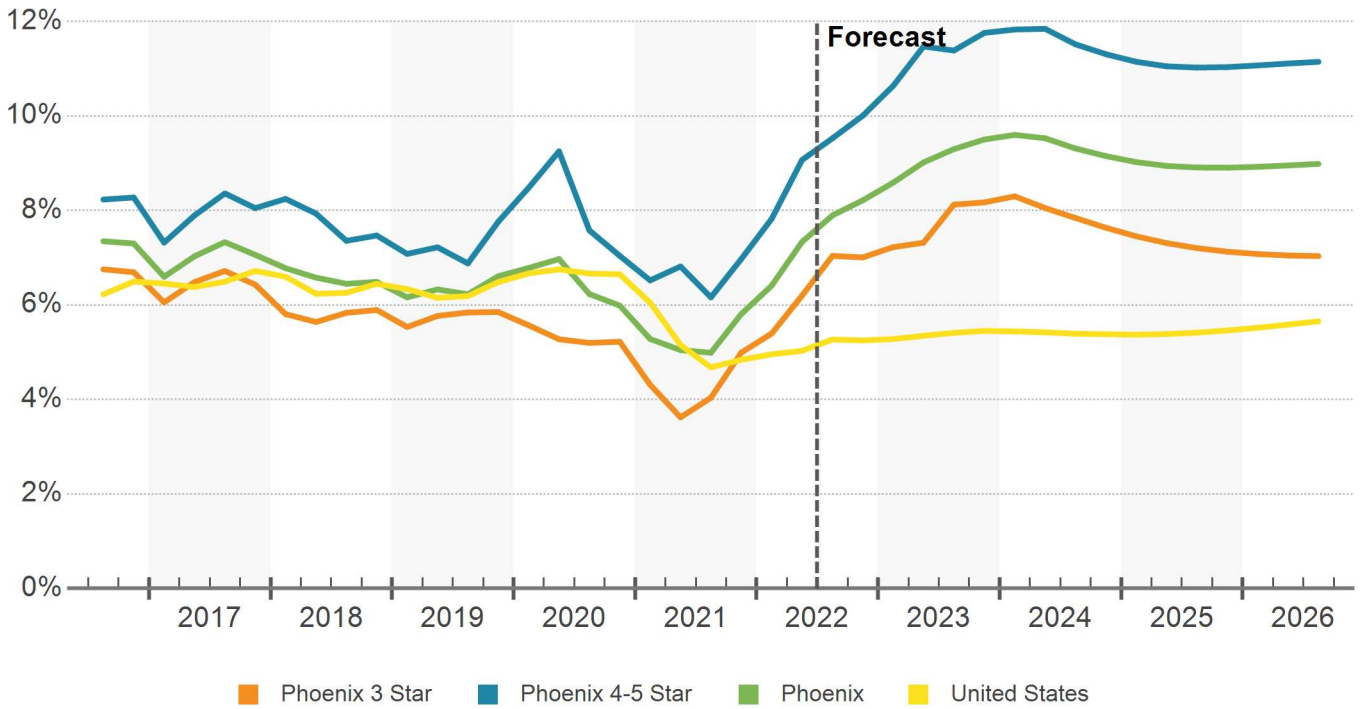
### ABSORPTION, NET DELIVERIES & VACANCY



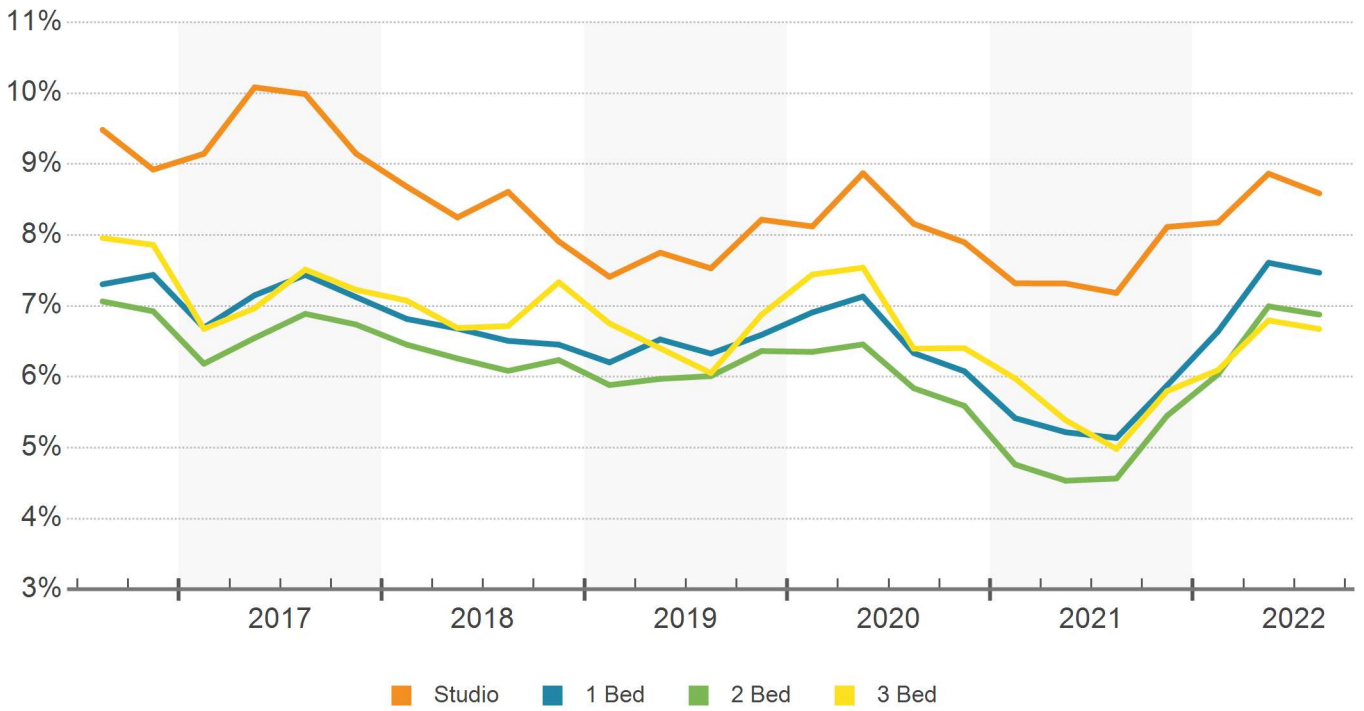
## OVERALL & STABILIZED VACANCY



## VACANCY RATE



## VACANCY BY BEDROOM



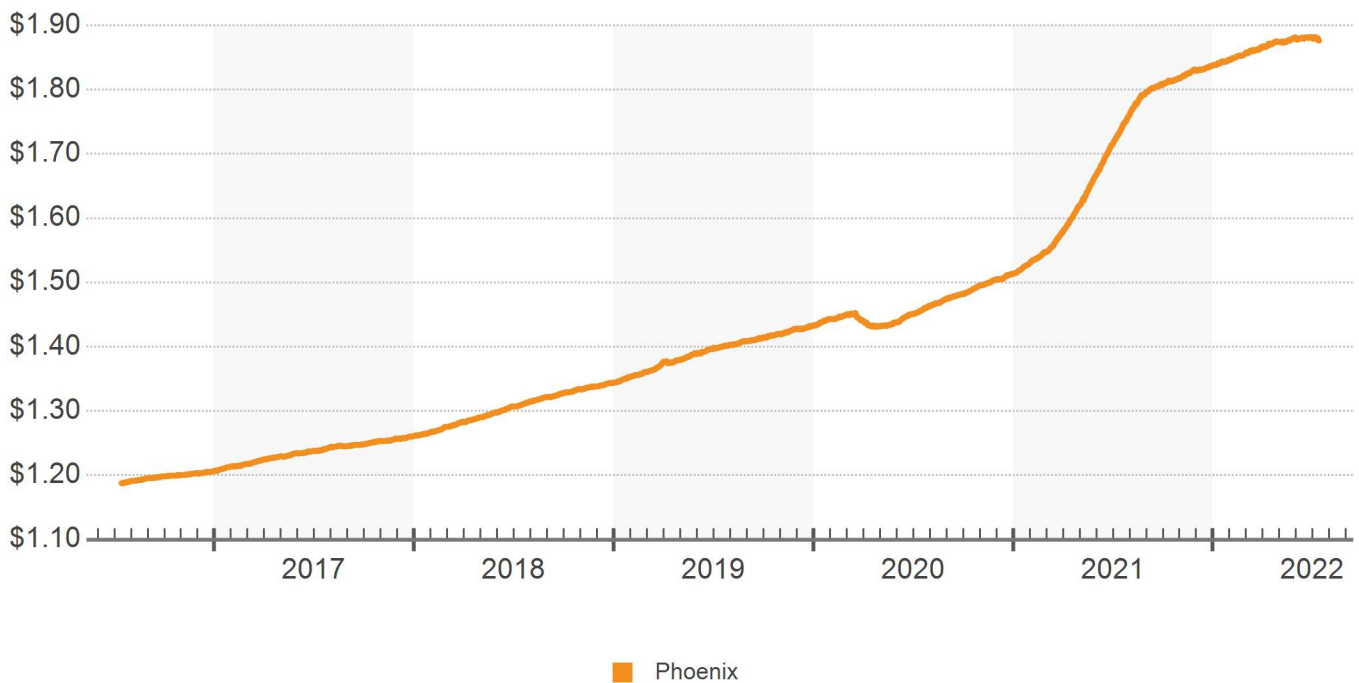
After last year's blistering rent growth, base effects are playing a role in more moderate gains. Rents are up 8.8% annually, a noticeable deceleration, but Phoenix still remains one of the top markets in the country in this category. Rent gains have consistently outperformed the U.S. average over the past five years, but Phoenix still maintains its place as an affordable market in the Western region. Phoenix rents are below the national average and account for about 25% of the metro's median household income.

While rents in all of Phoenix's submarkets are growing, some areas have outperformed. Rents in the suburbs returned to January 2020 levels six months before urban neighborhoods reached the same milestone. Deer Valley and East Valley submarkets have topped all other areas

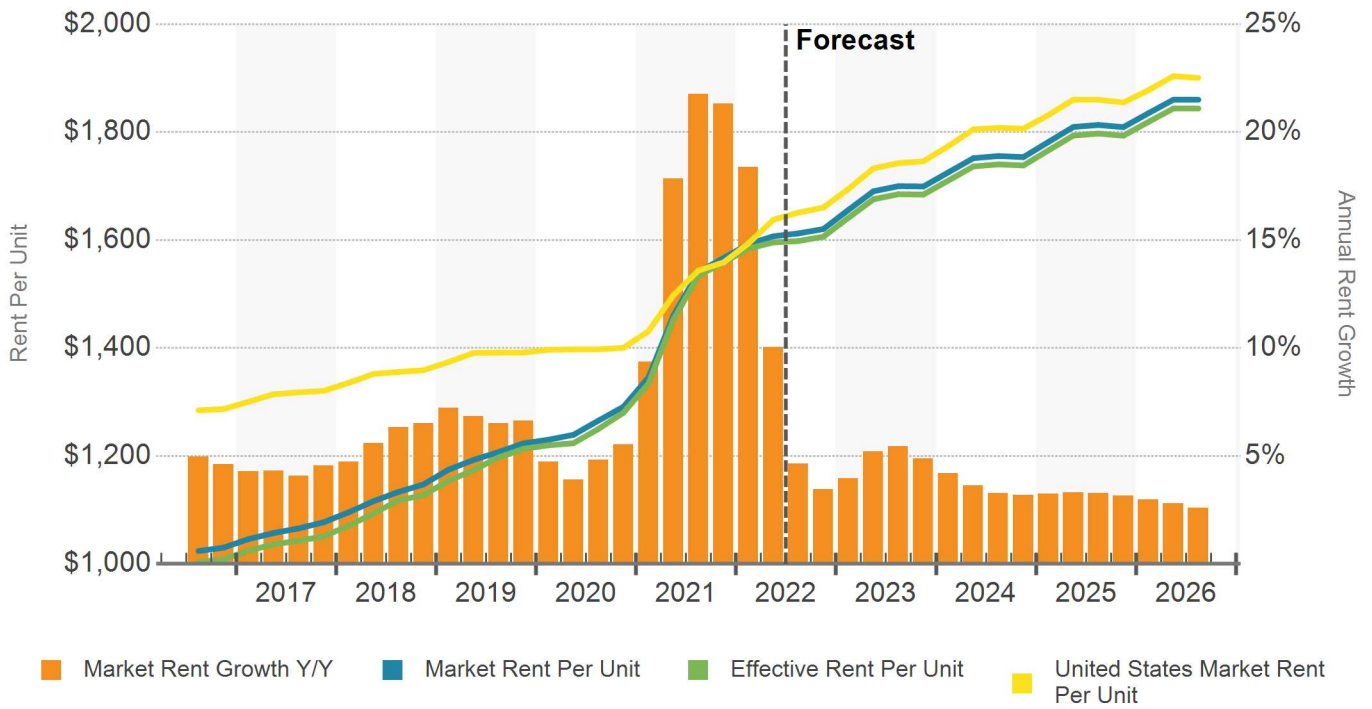
for rent growth. Rent gains have also been impressive in the affordable West Valley, where residential development has not kept pace with household growth.

Across the market, landlords are relying less on concessions to attract renters to their properties than they did earlier in the pandemic. Less than 10% of communities are offering concessions, which is down from more than 25% about one year ago. Concessions of two to four weeks are typical at newly built properties, but the incentives vary widely based on location. Renters are more likely to find some deals in new communities in Downtown Phoenix and North Scottsdale. Concessions are rare in the suburbs, where leasing trends are healthy and vacancies are low.

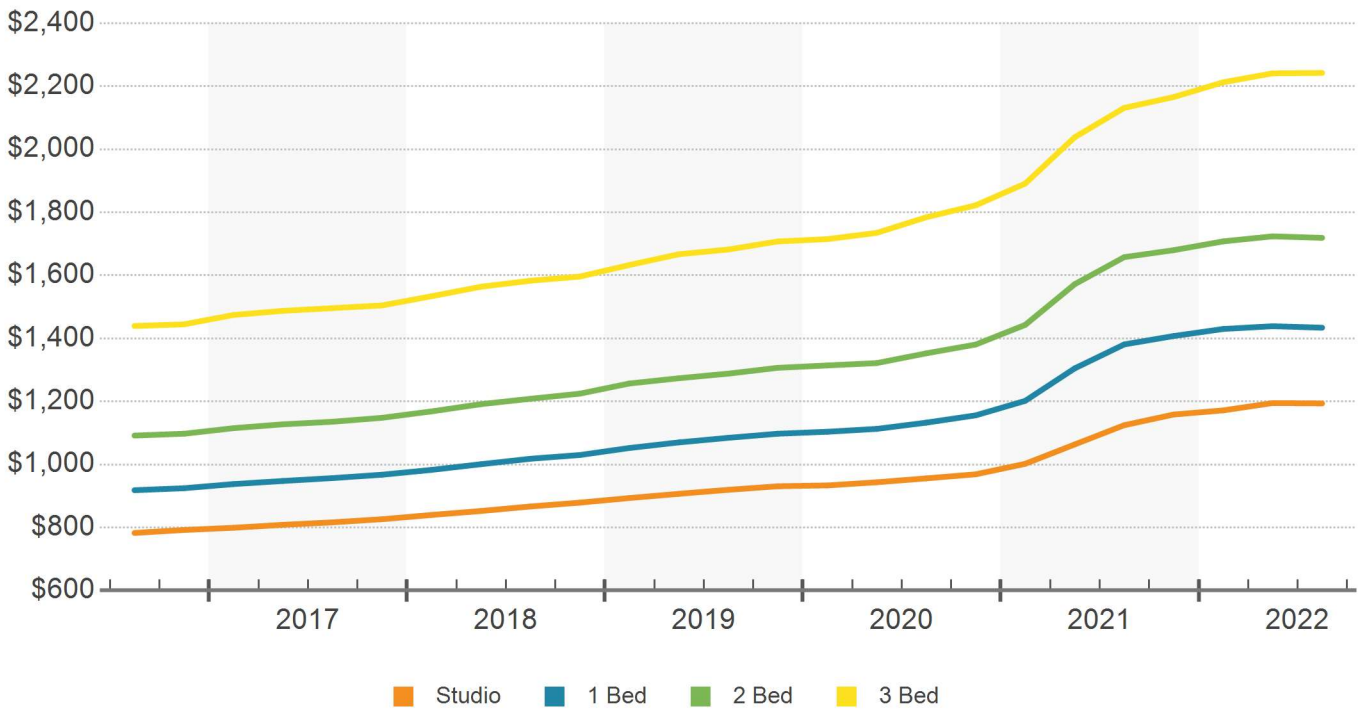
### DAILY ASKING RENT PER SF



### MARKET RENT PER UNIT & RENT GROWTH



### MARKET RENT PER UNIT BY BEDROOM





### 4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
<b>Phoenix</b>	\$0.37	\$0.79	\$0.57	\$0.64	\$1.03	\$0.97	\$0.20	\$0.77	\$0.09	\$0.44	\$0.86	<b>\$6.73</b>
Camelback	\$0.41	\$0.99	\$1.22	\$1.07	\$2.62	\$1.43	\$0.18	\$0.47	\$0.07	\$0.44	\$0.64	<b>\$9.54</b>
Chandler	\$0.45	\$1.01	\$0.61	\$0.42	\$0.64	\$0.70	\$0.19	\$0.63	\$0.11	\$0.28	\$1.21	<b>\$6.25</b>
Deer Valley	\$0.28	\$0.81	\$0.60	\$0.67	\$0.99	\$0.87	\$0.23	\$0.69	\$0.06	\$0.62	\$0.59	<b>\$6.41</b>
Downtown Phoenix	\$0.37	\$0.77	\$0.75	\$0.84	\$1.56	\$1.31	\$0.19	\$0.59	\$0.08	\$0.40	\$0.62	<b>\$7.48</b>
East Valley	\$0.30	\$0.78	\$0.65	\$0.56	\$0.82	\$0.84	\$0.22	\$0.56	\$0.18	\$0.74	\$1.05	<b>\$6.70</b>
Gilbert	\$0.39	\$1.17	\$0.65	\$0.57	\$0.82	\$0.94	\$0.20	\$0.70	\$0.14	\$0.47	\$1.06	<b>\$7.11</b>
North Phoenix	\$0.33	\$0.68	\$0.52	\$0.71	\$1.11	\$1.08	\$0.19	\$0.66	\$0.12	\$0.29	\$0.82	<b>\$6.51</b>
North Scottsdale	\$0.37	\$0.60	\$0.30	\$0.63	\$1.01	\$1.15	\$0.16	\$0.88	\$0.07	\$0.44	\$0.86	<b>\$6.47</b>
North West Valley	\$0.29	\$0.84	\$0.65	\$0.64	\$0.95	\$0.74	\$0.20	\$0.68	\$0.04	\$0.60	\$0.58	<b>\$6.21</b>
Old Town Scottsdale	\$0.37	\$0.47	\$0.30	\$0.23	\$0.64	\$1.75	\$0.14	\$0.88	\$0.07	\$0.44	\$0.86	<b>\$6.15</b>
South Phoenix	\$0.39	\$0.62	\$0.36	\$0.62	\$0.90	\$0.62	\$0.23	\$0.94	\$0.03	\$0.37	\$0.71	<b>\$5.79</b>
South West Valley	\$0.35	\$0.75	\$0.49	\$0.78	\$1.14	\$0.68	\$0.24	\$1.06	\$0.03	\$0.37	\$0.55	<b>\$6.44</b>
Southeast Valley	\$0.36	\$0.75	\$0.57	\$0.65	\$1.01	\$0.99	\$0.22	\$0.70	\$0.10	\$0.44	\$0.86	<b>\$6.65</b>
Tempe	\$0.39	\$0.90	\$0.58	\$0.50	\$0.74	\$1.01	\$0.21	\$0.78	\$0.15	\$0.51	\$1.20	<b>\$6.97</b>
West Maricopa Cou...	\$0.42	\$0.76	\$0.41	\$0.99	\$1.43	\$0.67	\$0.28	\$1.42	\$0.03	\$0.18	\$0.48	<b>\$7.07</b>

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

### 3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
<b>Phoenix</b>	\$0.33	\$0.73	\$0.49	\$0.45	\$0.66	\$0.76	\$0.17	\$0.59	\$0.07	\$0.13	\$0.53	<b>\$4.91</b>
Camelback	\$0.39	\$0.79	\$1.16	\$0.65	\$0.87	\$1.31	\$0.17	\$0.46	\$0.05	\$0.06	\$0.61	<b>\$6.52</b>
Chandler	\$0.41	\$0.95	\$0.60	\$0.39	\$0.58	\$0.73	\$0.19	\$0.66	\$0.12	\$0.17	\$0.76	<b>\$5.56</b>
Deer Valley	\$0.27	\$0.75	\$0.48	\$0.31	\$0.55	\$0.60	\$0.18	\$0.63	\$0.05	\$0.14	\$0.52	<b>\$4.48</b>
Downtown Phoenix	\$0.35	\$0.68	\$0.68	\$0.68	\$1	\$0.98	\$0.17	\$0.52	\$0.06	\$0.09	\$0.59	<b>\$5.80</b>
East Valley	\$0.25	\$0.72	\$0.59	\$0.40	\$0.57	\$0.77	\$0.18	\$0.51	\$0.09	\$0.11	\$0.45	<b>\$4.64</b>
Gilbert	\$0.37	\$1.10	\$0.64	\$0.46	\$0.68	\$0.81	\$0.19	\$0.68	\$0.12	\$0.21	\$0.73	<b>\$5.99</b>
North Phoenix	\$0.32	\$0.66	\$0.54	\$0.58	\$0.80	\$0.73	\$0.15	\$0.55	\$0.05	\$0.11	\$0.67	<b>\$5.16</b>
North Scottsdale	\$0.35	\$0.56	\$0.31	\$0.50	\$0.67	\$0.68	\$0.14	\$0.68	\$0.06	\$0.23	\$0.51	<b>\$4.69</b>
North West Valley	\$0.28	\$0.80	\$0.51	\$0.36	\$0.60	\$0.53	\$0.17	\$0.52	\$0.03	\$0.20	\$0.53	<b>\$4.53</b>
Old Town Scottsdale	\$0.33	\$0.44	\$0.28	\$0.22	\$0.63	\$0.67	\$0.13	\$0.65	\$0.06	\$0.21	\$0.48	<b>\$4.10</b>
South Phoenix	\$0.37	\$0.53	\$0.32	\$0.51	\$0.74	\$0.57	\$0.17	\$0.42	\$0.02	\$0.06	\$0.71	<b>\$4.42</b>
South West Valley	\$0.29	\$0.71	\$0.45	\$0.39	\$0.62	\$0.53	\$0.18	\$0.50	\$0.03	\$0.14	\$0.55	<b>\$4.39</b>
Southeast Valley	\$0.35	\$0.72	\$0.55	\$0.52	\$0.77	\$0.82	\$0.18	\$0.62	\$0.08	\$0.17	\$0.62	<b>\$5.40</b>
Tempe	\$0.38	\$0.87	\$0.28	\$0.43	\$0.61	\$0.93	\$0.20	\$0.75	\$0.09	\$0.11	\$0.47	<b>\$5.12</b>
West Maricopa Cou...	\$0.35	\$0.72	\$0.40	\$0.49	\$0.71	\$0.68	\$0.17	\$0.60	\$0.04	\$0.08	\$0.48	<b>\$4.72</b>

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

### 1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
<b>Phoenix</b>	\$0.29	\$0.57	\$0.48	\$0.42	\$0.64	\$0.69	\$0.15	\$0.48	\$0.06	\$0.09	\$0.49	<b>\$4.36</b>
Camelback	\$0.34	\$0.62	\$0.96	\$0.52	\$0.80	\$0.71	\$0.15	\$0.40	\$0.05	\$0.06	\$0.56	<b>\$5.17</b>
Chandler	\$0.32	\$0.50	\$0.61	\$0.36	\$0.55	\$0.70	\$0.17	\$0.51	\$0.08	\$0.09	\$0.54	<b>\$4.43</b>
Deer Valley	\$0.27	\$0.79	\$0.53	\$0.38	\$0.63	\$0.55	\$0.16	\$0.56	\$0.04	\$0.25	\$0.54	<b>\$4.70</b>
Downtown Phoenix	\$0.33	\$0.63	\$0.60	\$0.65	\$0.95	\$0.72	\$0.15	\$0.46	\$0.05	\$0.06	\$0.58	<b>\$5.18</b>
East Valley	\$0.24	\$0.66	\$0.56	\$0.37	\$0.53	\$0.70	\$0.17	\$0.46	\$0.08	\$0.09	\$0.42	<b>\$4.28</b>
Gilbert	\$0.33	\$0.55	\$0.60	\$0.44	\$0.64	\$0.72	\$0.16	\$0.49	\$0.07	\$0.09	\$0.54	<b>\$4.63</b>
North Phoenix	\$0.26	\$0.59	\$0.55	\$0.48	\$0.72	\$0.62	\$0.13	\$0.44	\$0.04	\$0.07	\$0.64	<b>\$4.54</b>
North Scottsdale	\$0.25	\$0.35	\$0.32	\$0.43	\$0.63	\$0.73	\$0.13	\$0.52	\$0.06	\$0.16	\$0.58	<b>\$4.16</b>
North West Valley	\$0.27	\$0.75	\$0.44	\$0.29	\$0.49	\$0.48	\$0.12	\$0.44	\$0.03	\$0.09	\$0.50	<b>\$3.90</b>
Old Town Scottsdale	\$0.20	\$0.28	\$0.27	\$0.21	\$0.47	\$0.60	\$0.11	\$0.43	\$0.05	\$0.09	\$0.45	<b>\$3.16</b>
South Phoenix	\$0.36	\$0.53	\$0.29	\$0.49	\$0.71	\$0.56	\$0.15	\$0.38	\$0.02	\$0.05	\$0.69	<b>\$4.23</b>
South West Valley	\$0.27	\$0.72	\$0.45	\$0.35	\$0.56	\$0.51	\$0.13	\$0.48	\$0.03	\$0.14	\$0.50	<b>\$4.14</b>
Southeast Valley	\$0.31	\$0.61	\$0.52	\$0.47	\$0.67	\$0.74	\$0.15	\$0.53	\$0.06	\$0.09	\$0.53	<b>\$4.68</b>
Tempe	\$0.33	\$0.46	\$0.23	\$0.34	\$0.59	\$0.91	\$0.17	\$0.54	\$0.07	\$0.06	\$0.42	<b>\$4.12</b>
West Maricopa Cou...	\$0.32	\$0.61	\$0.38	\$0.47	\$0.67	\$0.65	\$0.15	\$0.53	\$0.04	\$0.08	\$0.45	<b>\$4.35</b>

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Phoenix is one of the most aggressively built multifamily markets in the country. Completions exceeded 8,000 units for a fourth consecutive year in 2021, and the supply waves will continue. Deliveries are expected to reach a peak in 2022. About 30,000 units are underway, and once completed, the market's inventory will expand by about 8.5%.

Nearly one-quarter of the metro's construction total is in Downtown Phoenix. The revitalization of Downtown Phoenix has made the submarket a top destination for Millennials and multifamily development over the past few years. The new developments are concentrated near Roosevelt Row Art District. In 21Q2, Hubbard Street Group broke ground on another luxury high-rise: the Skye on 6th. The 26-story apartment complex will consist of 309 units, ranging from studio to two-bedroom units. Within a one-mile radius of the apartment complex, there are 14 other luxury apartment buildings, totaling 3,300 units, under construction.

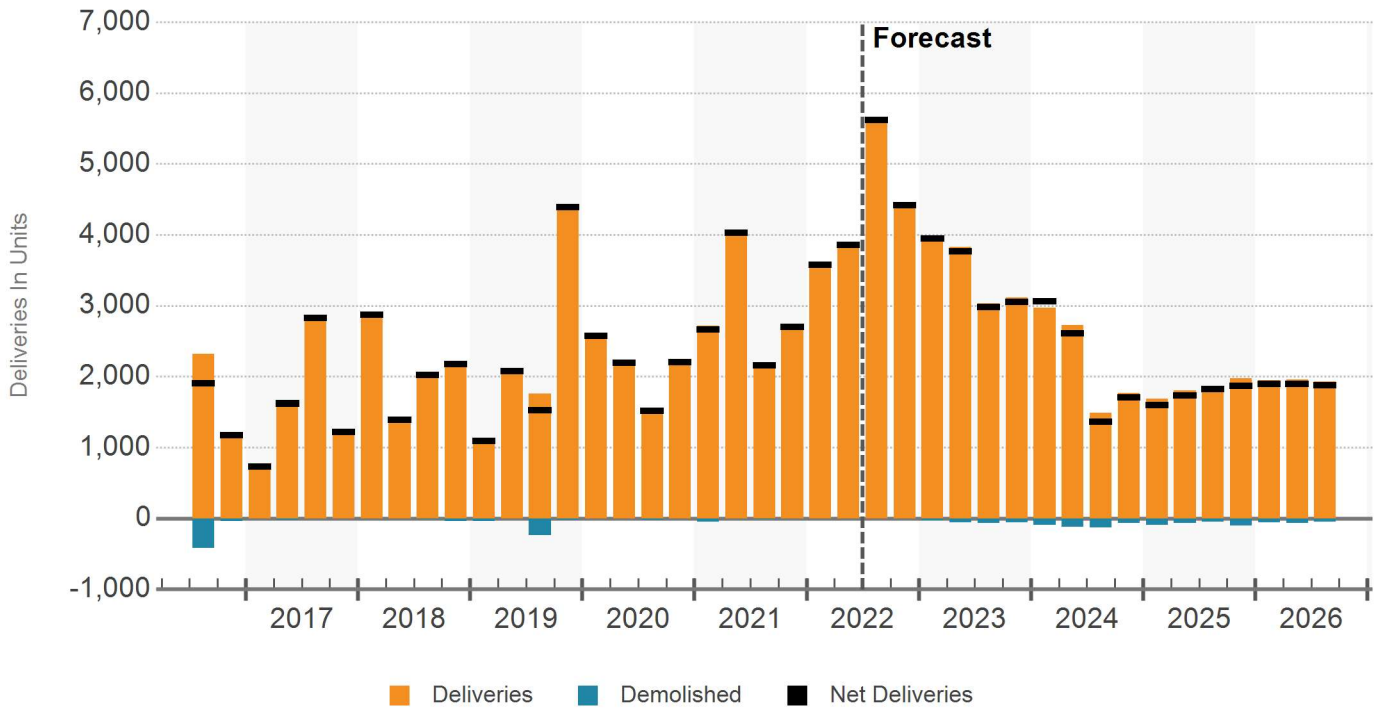
Aside from downtown's explosive growth, submarkets in the metro's Southeast region continue to receive high levels of new supply. Developers seek to capitalize on the area's concentration of affluent renters and employment growth, stimulated by several corporate expansions and relocations. About 25% of the units underway in the market are in Gilbert, Tempe, and Chandler. In 21Q4, StreetLights Residential broke ground

on The Alyssa near Tempe Town Lake. The 335-unit building is the developer's fifth luxury complex in greater Phoenix and its second building in Tempe.

Multifamily builders have returned to the West Valley and are attempting to keep up with the area's robust population growth. Single-family build-to-rent communities accounted for more than half of 2021's multifamily deliveries in the submarket. Single-family rentals have the interior layout and backyard that a residential home provides, but they still perform like a multifamily rental and appear in CoStar analytics as such. Early this year, NexMetro began construction on two single-family rentals totaling 375 units: the Avilla Magnolia near South Mountain and Avilla Canyon in North Phoenix. Both communities are slated to deliver in late 2022.

Roughly 90% of units underway are 4 & 5 Star units that command high rents, mainly due to developers' need to counteract the rising costs of developing land, entitling property, and construction. The unmet demand for affordable housing could present severe consequences since the dwindling supply of lower-tier rentals has put consistent upward pressure on rents. The lack of affordable supply has become a mounting concern, especially since the pandemic has had an outsized impact on lower-income renters.

## DELIVERIES & DEMOLITIONS



# Under Construction Properties

Phoenix Multi-Family

Properties

Units

Percent of Inventory

Avg. No. Units

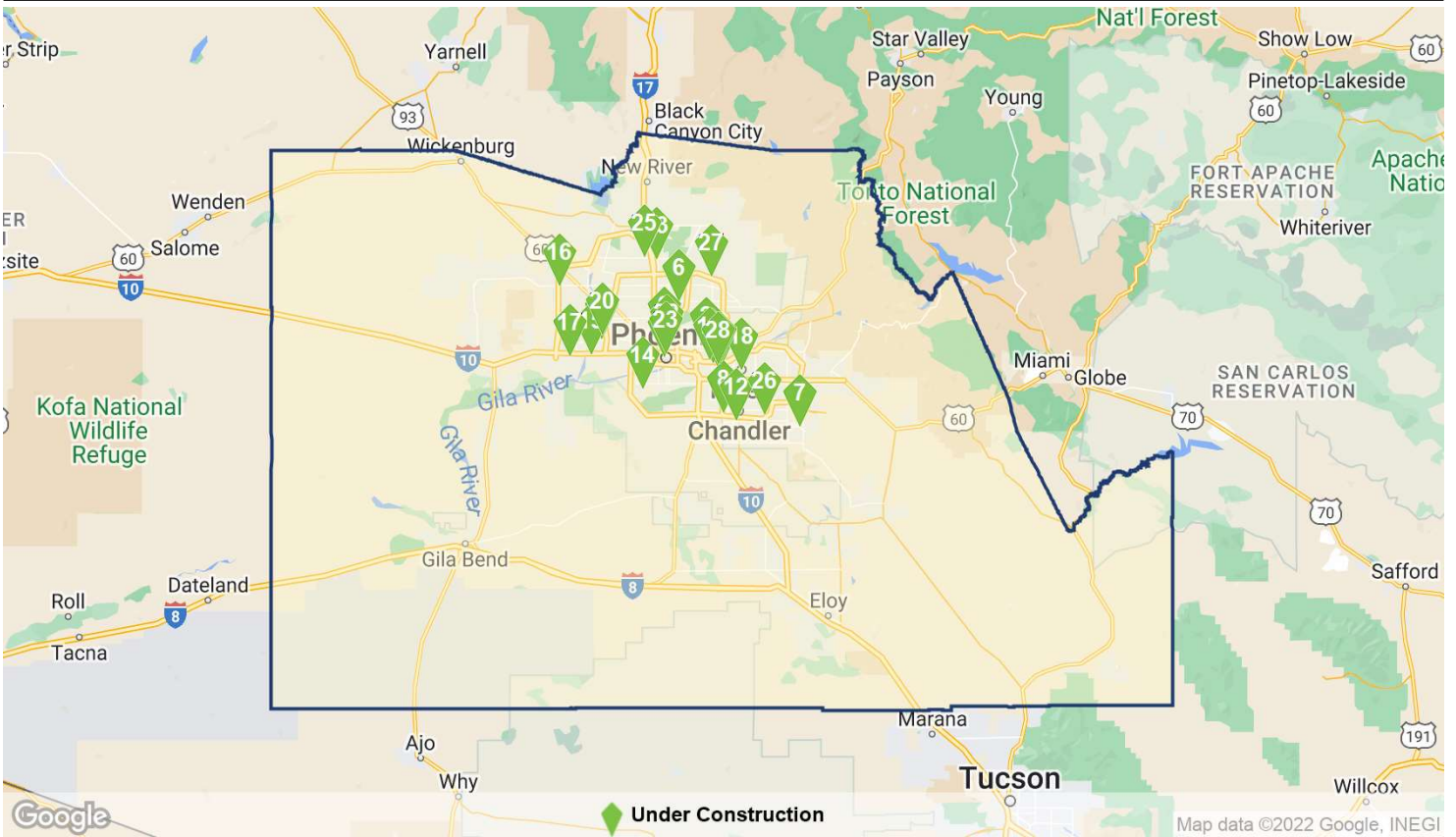
128

29,913

8.5%

234

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 <b>Phoenix Central Station</b> 300 N Central Ave	★★★★☆	797	33	Apr 2022	Aug 2024	Medistar Healthcare Connections City of Phoenix
2 <b>Scottsdale Entrada</b> 6400 E McDowell Rd	★★★★★	735	4	Mar 2020	Dec 2022	Banyan Residential Banyan Residential
3 <b>Culdesac Tempe</b> 2025 E Apache Blvd	★★★★☆	698	5	Mar 2022	Nov 2023	DMB Development LLC Tempe Voter Registration
4 <b>Milhaus North Tempe</b> 1245 E Curry Rd	★★★★☆	651	4	Apr 2021	Jun 2023	Banyan Residential Milhaus
5 <b>Pier 202</b> 1190 Vista Del Lago Dr	★★★★★	587	24	Mar 2019	Nov 2022	Springbrook Development LLC Spring Brook Development
6 <b>2625 E Cactus Rd</b>	★★★★☆	500	4	Feb 2022	Sep 2023	Treger Financial Treger Financial
7 <b>Acero Queen Creek</b> 20588 S Ellsworth Rd	★★★☆☆	476	3	Oct 2021	Dec 2022	- Otto & Luis Gaither

# Under Construction Properties

Phoenix Multi-Family

## UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8 <b>Town Chandler</b> SEC W Frye Rd & S Ellis Rd	★★★★☆	420	3	Sep 2021	Feb 2023	Related Development, LLC Related Development, LLC
9 <b>Callia</b> 4110 N Central Ave	★★★★☆	403	4	Dec 2020	Aug 2022	Toll Brothers Apartment Living Toll Brothers, Inc.
10 <b>Alta 99th</b> 9950 W Indian School Rd	★★★★☆	402	3	Apr 2022	Jan 2024	Wood Partners Wood Partners
11 <b>Camden Tempe II</b> 600 E Curry Rd	★★★★☆	397	4	Jan 2021	Aug 2022	Camden Property Trust Camden Property Trust
12 <b>Zaterra Luxury Apartments</b> 200 W Germann Rd	★★★★☆	392	3	Sep 2020	Aug 2022	P.B. Bell Companies The Garrett Companies
13 <b>Town Deer Valley</b> 24100 N 19th Ave	★★★★☆	388	3	Aug 2021	Aug 2022	Related Development, LLC Related Development, LLC
14 <b>Liv Laveen</b> 3875 W Dobbins Rd	★★★☆☆	360	3	Mar 2022	Jan 2024	Liv Communities Liv Communities
15 <b>Avari Apartments</b> 11580 W Corporate Dr	★★★★☆	354	4	Sep 2020	Aug 2022	Lervick Investments LLC Brett C. & Lorraine M. Heers
16 <b>16755 N Sarival Ave</b>	★★★★☆	339	1	Nov 2021	Dec 2022	- -
17 <b>Cabana Bullard</b> 14780 W Van Buren St	★★★★☆	336	3	Jan 2022	Dec 2022	Greenlight Communities -
18 <b>Mesa Arts District Lofts</b> 145 E Main St	★★★★☆	335	5	Oct 2021	Oct 2023	The Opus Group The Opus Group
19 <b>The Alyssa</b> 98 South River Dr	★★★★☆	335	4	Nov 2021	Jan 2023	StreetLights Residential StreetLights Residential
20 <b>Bungalows on Camelback</b> 4747 N 99th Ave	★★★★☆	334	5	Sep 2020	May 2023	Cavan Companies Cavan Companies
21 <b>Seven Oaks</b> 2320 N 7th St	★★★★☆	332	5	Sep 2021	Oct 2023	- Embrey Partners, Ltd.
22 <b>Seven Oaks</b> 2514 N 7th St	★★★★☆	332	5	Sep 2021	Dec 2023	Embrey Partners, Ltd. Embrey Partners, Ltd.
23 <b>Moontower</b> 811 N 3rd St	★★★★☆	326	21	Mar 2021	Jan 2023	Lincoln Ventures Lincoln Ventures
24 <b>Sentio Apartments</b> 3600 W Happy Valley Rd	★★★☆☆	325	2	Jun 2020	Aug 2022	Hines Hines
25 <b>Residences at Happy Val...</b> NWC Happy Valley Rd & 3...	★★★★★	325	3	Oct 2020	Nov 2022	Hines Hines
26 <b>NOVEL Val Vista</b> 1727 East Pecos Rd	★★★★☆	317	4	May 2021	Oct 2022	Crescent Communities, LLC Mid-America Apartment Commun...
27 <b>One Scottsdale</b> 7340 E Legacy Blvd	★★★☆☆	314	4	Jun 2022	Oct 2024	StreetLights Residential -
28 <b>Smith &amp; Rio</b> 1979 E Rio Salado Pky	★★★☆☆	310	5	Jul 2021	Jan 2023	High Street Residential High Street Residential

The Phoenix buyer pool expanded in the past year as a record amount of capital was deployed in the multifamily market. Robust rent gains, a moderation in supply, and one of the fastest-growing populations in the U.S. have sparked interest among large national and foreign investors. As a result, Phoenix has become one of the top markets in the nation for investment volume, ahead of core markets including New York and Los Angeles.

While local investors have historically driven most of the volume, out-of-state interest has steadily grown. In one of the largest sales in the past year, a New York-based pension fund advisor acquired the Almeria at Ocotillo apartments in Chandler for \$129 million (\$332,260/unit). The luxury apartment community consists of 389 units and was 98% occupied at the time of the sale. The seller purchased the property in 2016 for \$79.8 million.

The diversification of industry has recaptured the interest of buyers who had once written off Phoenix as a risky boom-and-bust market. Private and institutional buyers drive transaction volume. REITs, which are typically more risk-averse, have historically been inactive in the submarket, in large part due to perceived volatility and lack of core assets compared to Tier I markets.

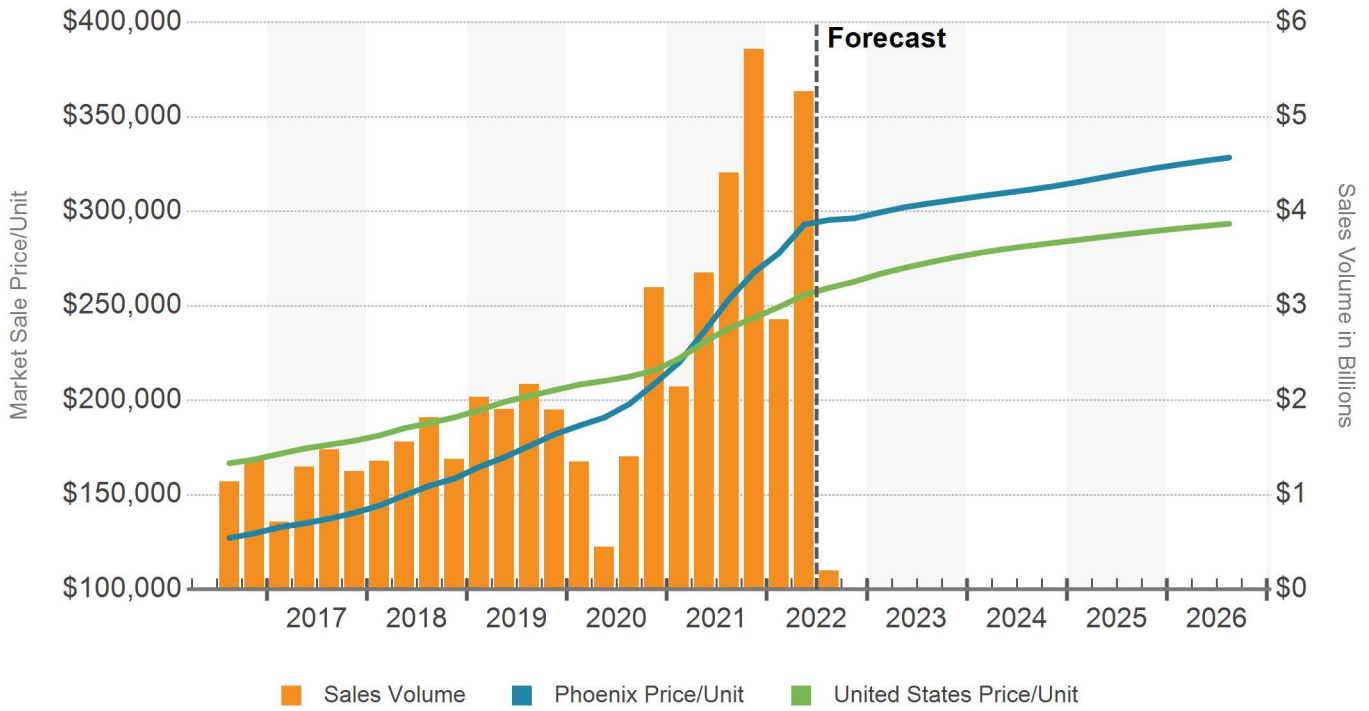
Over the past few years, price appreciation had outpaced substantial NOI growth, fueled by the highest rent growth in the country. As a result, cap rates have steadily compressed to around 5%. Despite the compression, investors still perceive Phoenix as a relative bargain; cap rates in Southern California are about 60 basis points

lower. In addition to affordability, regulatory limitations on rent growth in California, Washington, and Oregon have caused yield-motivated buyers to shift their attention to Phoenix. In the past quarter, about 30% of Phoenix transactions were sold to California buyers. Washington-, Texas-, and Colorado-based buyers have also been exceptionally active.

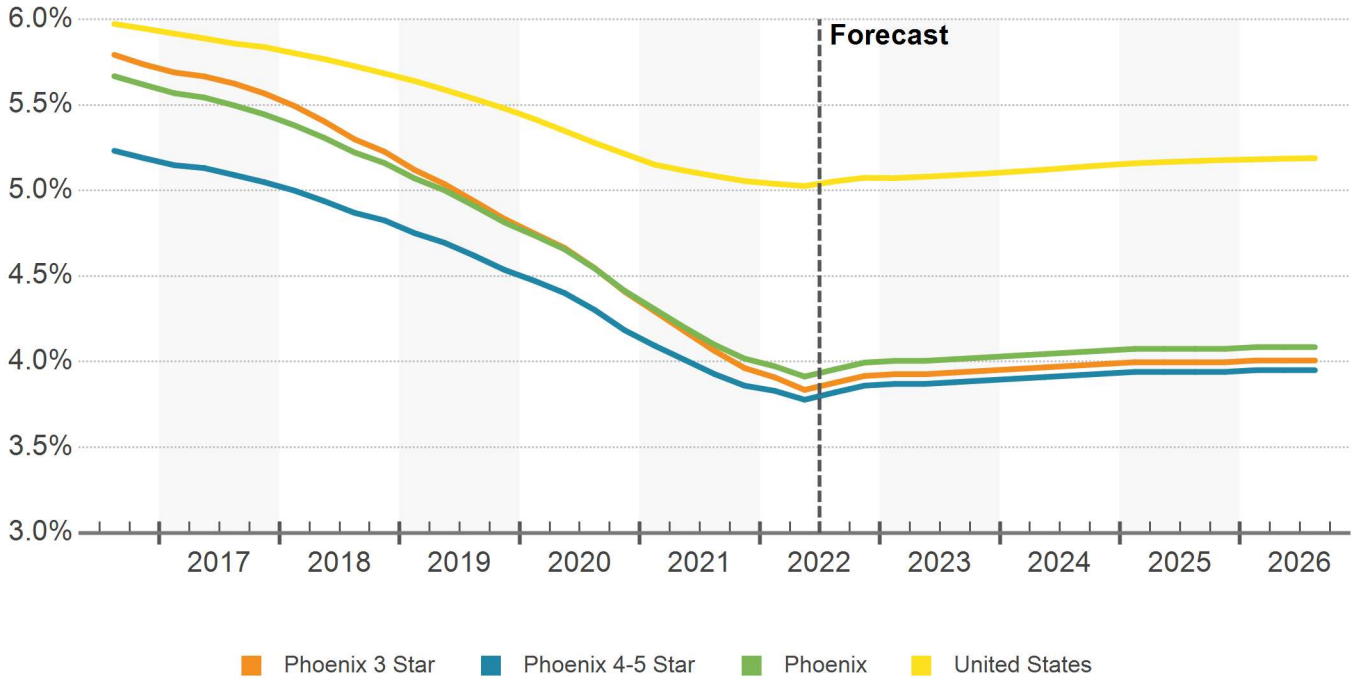
Los Angeles-based Tides Equities has been one of the most active players in the market and is the largest owner of apartments in the Valley of the Sun. The private investment company targets assets with a high value-add upside. Last June, Tides purchased the Palm Valley apartments in Goodyear for \$71.8 million (\$271,970/unit) from Capital Real Estate. The 264-unit apartment complex was constructed in 1997 and renovated in 2017. The complex was 95% occupied at the time of the sale. The buyer plans to complete \$8 million in renovations and upgrades. The asset represents the buyer's eighth apartment acquisition in the Phoenix market.

Buyers are increasingly targeting high-growth suburbs in the West Valley, North Phoenix, and East Valley. These are areas where the housing supply has not kept pace with robust population growth. In response to limited homebuilding, single-family rentals have been a popular asset type. In 21Q4, San Diego-based Logan Capital Advisors acquired NexMetro's Avilla Paseo single-family rental community in Deer Valley for \$37.2 million (\$417,980/unit). The 89-rentals were built in 2021 and were fully leased at the time of the sale.

## SALES VOLUME & MARKET SALE PRICE PER UNIT



## MARKET CAP RATE





# Sales Past 12 Months

## Phoenix Multi-Family

Sale Comparables

Avg. Price/Unit (thous.)

Average Price (mil.)

Average Vacancy at Sale

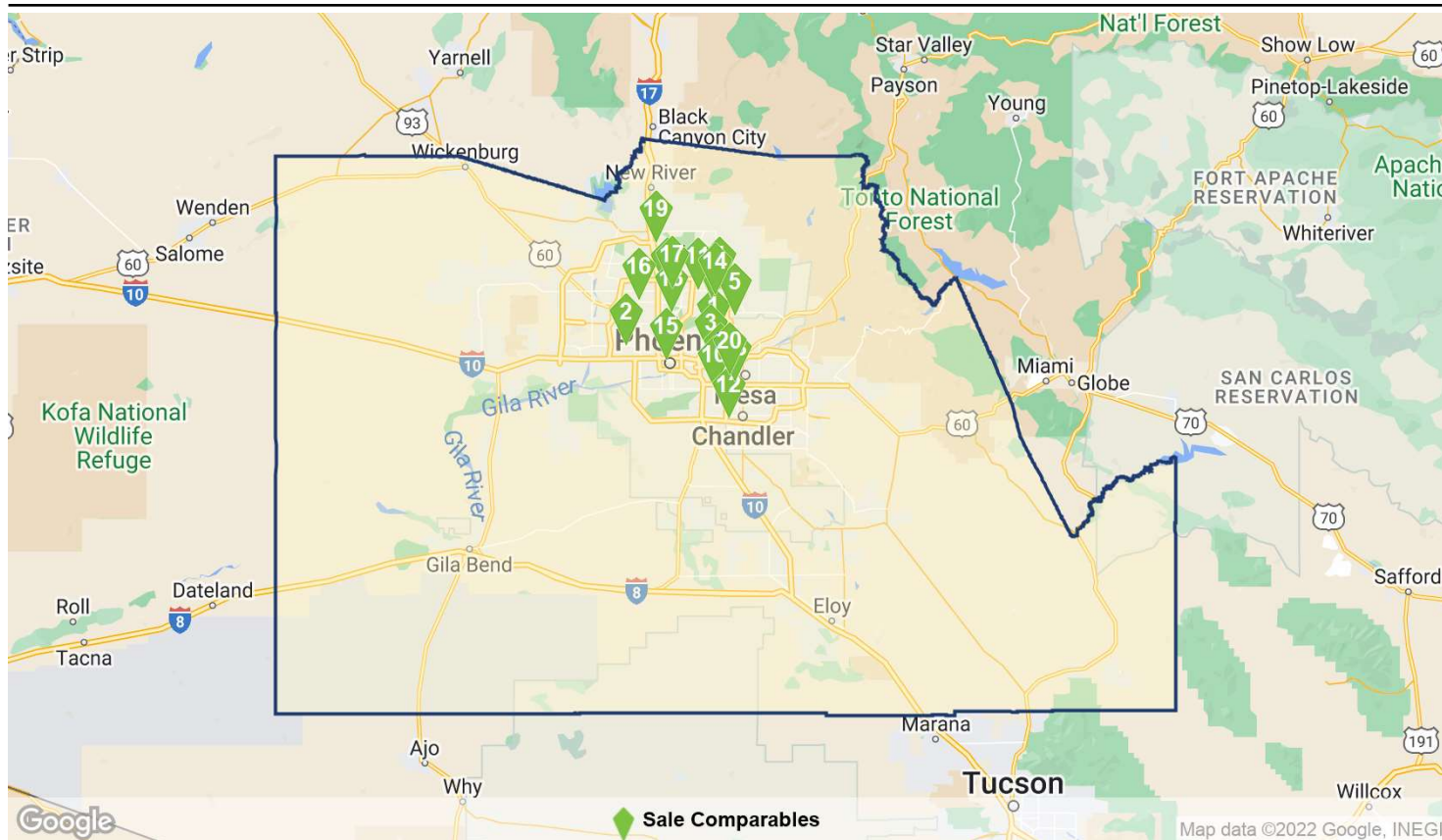
**572**

**\$300**

**\$32.2**

**5.9%**

### SALE COMPARABLE LOCATIONS



### SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$283,637	\$32,163,825	\$8,225,000	\$260,000,000
Price/Unit	\$35,941	\$300,057	\$240,625	\$841,431
Cap Rate	2.1%	4.3%	4.3%	6.9%
Vacancy Rate At Sale	0%	5.9%	3.7%	100%
Time Since Sale in Months	0.1	6.3	6.5	12.0
Property Attributes	Low	Average	Median	High
Property Size in Units	5	108	41	1,012
Number of Floors	1	1	2	34
Average Unit SF	35	790	777	2,150
Year Built	1916	1978	1979	2022
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.6	★ ★ ★ ★ ★	★ ★ ★ ★ ★

# Sales Past 12 Months

Phoenix Multi-Family

## RECENT SIGNIFICANT SALES

Property Name/Address	Property Information				Sale Information			
	Rating	Yr Built	Units	Vacancy	Sale Date	Price	Price/Unit	Price/SF
<b>1</b> <a href="#">The Moderne</a> 4848 N Goldwater Blvd	★★★★★	2014	369	7.1%	5/9/2022	\$260,000,000	\$704,607	\$684
<b>2</b> <a href="#">Tides on 71st</a> 7007 W Indian School Rd	★★★★★	1985	1012	3.6%	2/28/2022	\$255,000,000	\$251,976	\$312
<b>3</b> <a href="#">Roadrunner on McDowell</a> 6601 E McDowell Rd	★★★★★	2021	356	3.9%	2/15/2022	\$193,500,000	\$543,539	\$522
<b>4</b> <a href="#">Hideaway North Scottsdale</a> 7900 E Princess Dr	★★★★★	1987	416	3.9%	3/24/2022	\$175,000,000	\$420,673	\$331
<b>5</b> <a href="#">La Privada at Scottsdale Ran...</a> 10255 E Via Linda	★★★★★	1985	350	3.7%	4/29/2022	\$166,000,000	\$474,285	\$397
<b>6</b> <a href="#">Skye at McClintock Station</a> 1831 E Apache Blvd	★★★★★	2017	423	2.4%	10/25/2021	\$160,000,000	\$378,250	\$296
<b>7</b> <a href="#">Ascend at Kierland</a> 6633 E Greenway Pky	★★★★★	1998	364	4.1%	8/24/2021	\$159,000,000	\$436,813	\$368
<b>8</b> <a href="#">Cyprus Apartments</a> 220 W Bell Rd	★★★★★	1984	548	5.8%	9/8/2021	\$155,000,000	\$282,846	\$279
<b>9</b> <a href="#">Elite North Scottsdale</a> 6735 E Greenway Pky	★★★★★	1998	360	4.2%	8/24/2021	\$153,500,000	\$426,388	\$399
<b>10</b> <a href="#">Harper</a> 4690 S Lakeshore Dr	★★★★★	2017	367	4.9%	12/9/2021	\$153,209,000	\$417,463	\$402
<b>11</b> <a href="#">Sierra Ranch</a> 4722 E Bell Rd	★★★★★	1984	582	4.0%	12/29/2021	\$150,000,000	\$257,731	\$476
<b>12</b> <a href="#">Marquis at Chandler</a> 2222 W Frye Rd	★★★★★	2020	340	6.2%	12/23/2021	\$150,000,000	\$441,176	\$339
<b>13</b> <a href="#">Avana at the Pointe</a> 888 E Clinton St	★★★★★	1984	424	5.0%	11/8/2021	\$146,025,000	\$344,398	\$346
<b>14</b> <a href="#">Liv North Scottsdale</a> 15509 N Scottsdale Rd	★★★★★	2014	240	3.8%	5/2/2022	\$145,000,000	\$604,166	\$483
<b>15</b> <a href="#">AVE Terra</a> 555 N 5th Ave	★★★★★	2022	348	95.4%	1/6/2022	\$145,000,000	\$416,666	\$272
<b>16</b> <a href="#">Indigo Creek</a> 14221 N 51st Ave	★★★★★	1998	408	5.4%	5/19/2022	\$143,719,360	\$352,253	\$367
<b>17</b> <a href="#">Reveal</a> 17617 N 9th St	★★★★★	1985	440	7.3%	6/28/2022	\$142,250,000	\$323,295	\$354
<b>18</b> <a href="#">Rise at the District</a> 1031 S Stewart	★★★★★	1980	460	2.2%	5/27/2022	\$142,000,000	\$308,695	\$377
<b>19</b> <a href="#">Nova North Valley</a> 31113 N North Valley Pky	★★★★★	2018	385	4.7%	12/9/2021	\$141,257,000	\$366,901	\$340
<b>20</b> <a href="#">Station21</a> 2121 W Main St	★★★★★	1985	472	3.8%	11/29/2021	\$137,000,000	\$290,254	\$345

Phoenix remains one of the nation's best-performing markets for job growth. The local economy has been one of the most resilient in the U.S. during the pandemic thanks to a diversified job market. Metro Phoenix lost about 243,000 jobs in March and April of 2020. By September 2021, Phoenix fully recovered those job losses, a stark contrast to its protracted recovery from the Global Financial Crisis.

The competitive advantage and growth drivers that have historically stimulated growth in the Valley of the Sun may be stronger than ever. Affordability and job prospects are attracting people living in dense and expensive cities to Phoenix. The adoption of remote work has given more people mobility and has enticed more people in California or East Coast markets to move to Phoenix. Population growth, a diversifying economy, relative affordability, and business-friendly regulation have strengthened the Phoenix value proposition. These characteristics attract more than 220 people to Phoenix each day, on average.

An influx of residents and the market's large educational institutions and colleges are significant contributors to the local talent pool. Metro Phoenix is home to the country's largest public and private universities: Arizona State University (ASU) and Grand Canyon University (GCU). ASU enrollment surpassed 127,000 students in fall 2020, spread across five campuses and including online students. ASU's primary location in Tempe is the largest, with more than 53,000 students on campus. Beyond producing new graduates, the universities collaborate with local employers on research and classroom curricula.

Businesses are selecting Phoenix to expand because of the extensive labor pool. Numerous employers have

announced expansions and relocations since the pandemic. Amazon recently opened 11 last-mile and fulfillment sites throughout the metro and leased a 95,000-SF office in Tempe, which will generate thousands of new jobs. Zoom, the California-based video conferencing company, revealed plans to open a Phoenix research and development center. TSMC made headlines for its commitment to bring more than 1,600 jobs to the state with a \$12 billion semiconductor factory. Other companies that have added hundreds of new jobs over the past few years include Allstate, Deloitte, DoorDash, OpenDoor, Silicon Valley Bank, Choice Hotels, Mayo Clinic, Wells Fargo, Farmers Insurance, and USAA. Microsoft, Google, and Apple have invested in data centers throughout the metro. While labor is the primary driver behind the market's business attraction success, relative affordability helps tip the scale in favor of Phoenix when companies make their site selection decision.

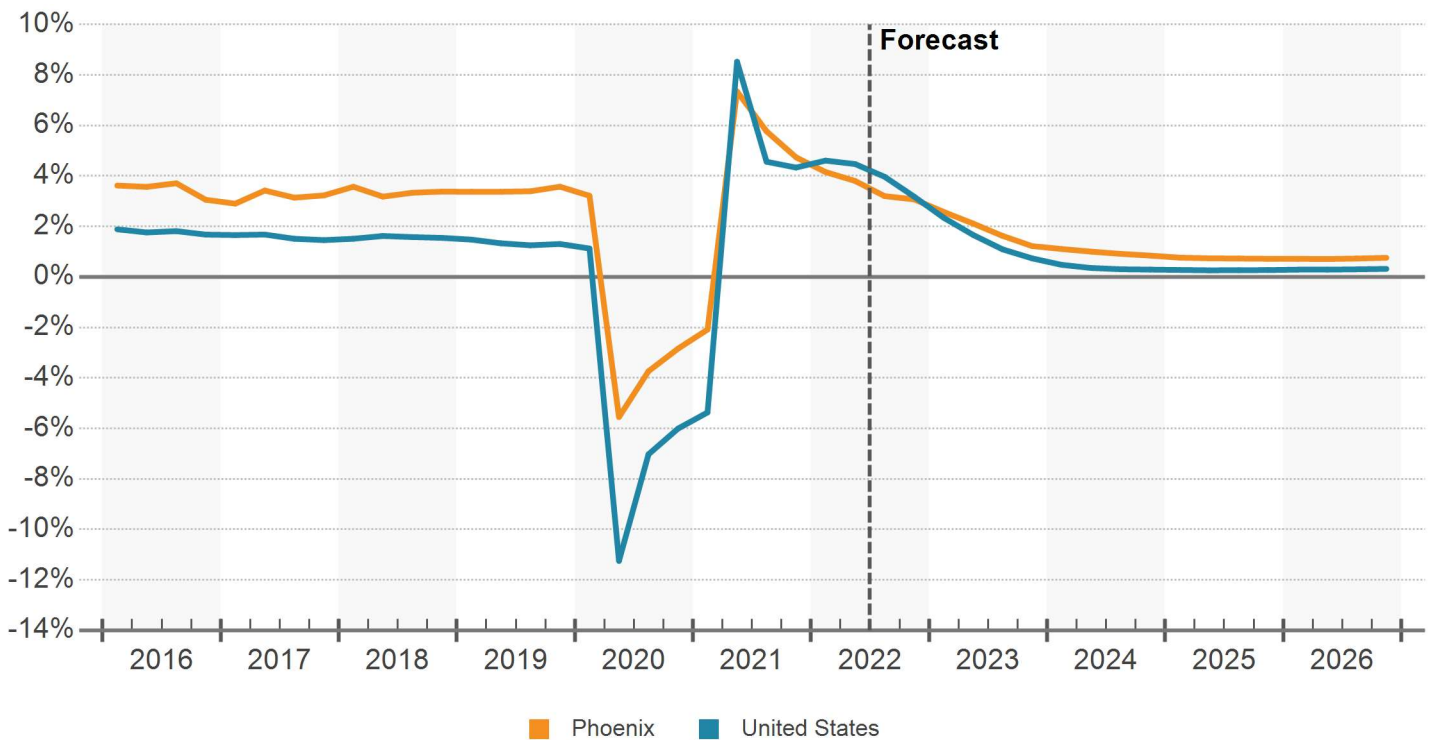
The number of companies moving to metro Phoenix is noteworthy, but the diversity of industries has helped sustain the region's long-term stability. Phoenix was synonymous with cheap labor and land that attracted call centers and back-office operators more than a decade ago. The economy depended on industries associated with household growth — construction, lending, brokerage, tile and cabinet manufacturers, etc. Because of its past reliance on housing, Phoenix was among the hardest-hit markets during the Great Recession; the market lost more than 300,000 jobs, 25% of which were in the construction industry alone. Phoenix recovered from the Great Recession about two years after the U.S. The companies that Phoenix is attracting have evolved, and the market has emerged as a bustling technology and financial hub. This diversification of industry has helped Phoenix perform best among its peers.

### PHOENIX EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	139	0.7	2.46%	3.57%	1.79%	0.64%	0.26%	0.22%
Trade, Transportation and Utilities	454	1.1	3.62%	3.47%	2.59%	1.20%	0.38%	0.20%
Retail Trade	250	1.1	2.23%	2.63%	1.91%	0.61%	0.31%	0.15%
Financial Activities	219	1.6	0.28%	2.07%	3.83%	1.39%	0.85%	0.29%
Government	238	0.7	-0.53%	1.33%	0.53%	0.16%	1.05%	0.54%
Natural Resources, Mining and Construction	148	1.2	3.54%	4.27%	4.96%	2.51%	1.75%	0.42%
Education and Health Services	356	1.0	3.59%	2.60%	3.30%	1.57%	1.76%	0.75%
Professional and Business Services	386	1.2	4.81%	4.99%	3.11%	2.11%	1.09%	0.49%
Information	44	1.0	12.55%	4.85%	3.37%	0.97%	1.20%	0.42%
Leisure and Hospitality	233	1.0	9.68%	14.80%	2.48%	1.55%	1.56%	1.53%
Other Services	71	0.8	3.69%	5.64%	1.12%	0.54%	0.52%	0.70%
<b>Total Employment</b>	<b>2,286</b>	<b>1.0</b>	<b>3.70%</b>	<b>4.39%</b>	<b>2.69%</b>	<b>1.26%</b>	<b>1.06%</b>	<b>0.56%</b>

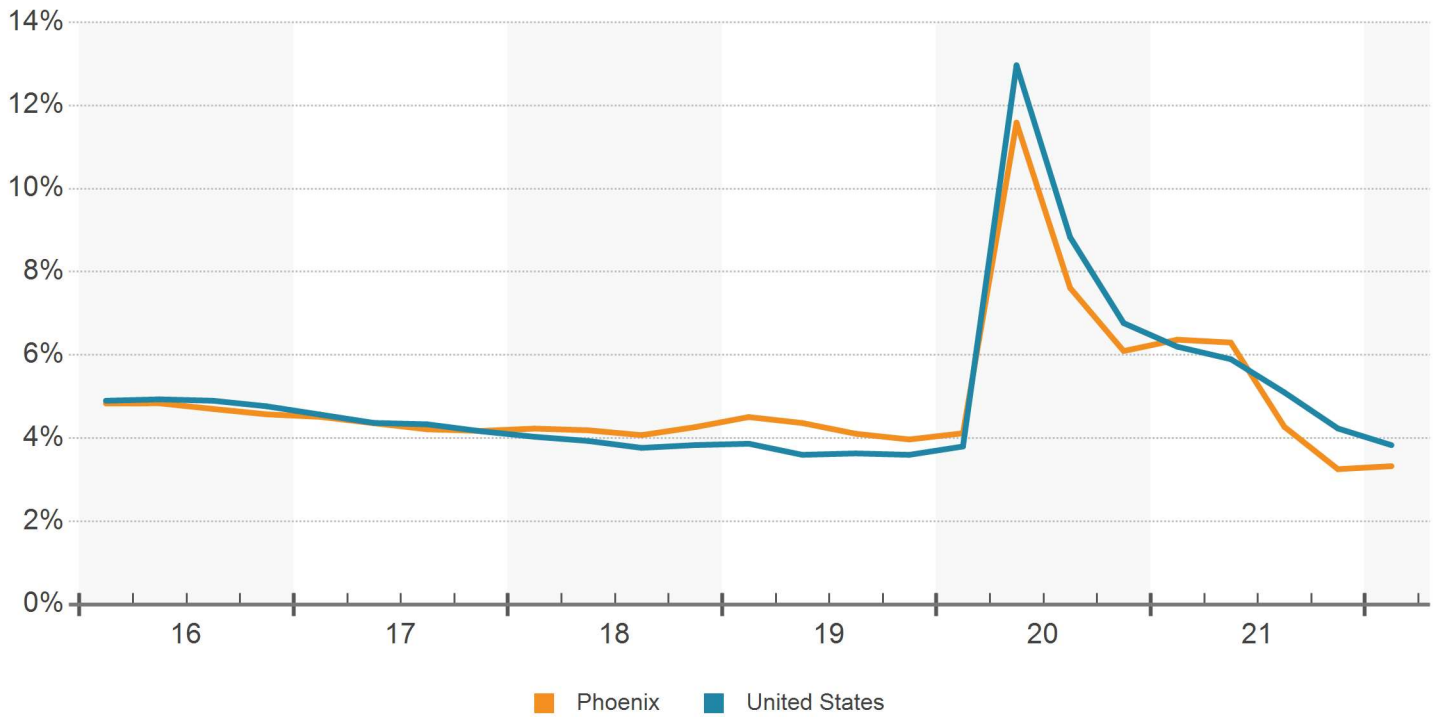
Source: Oxford Economics  
LQ = Location Quotient

### JOB GROWTH (YOY)

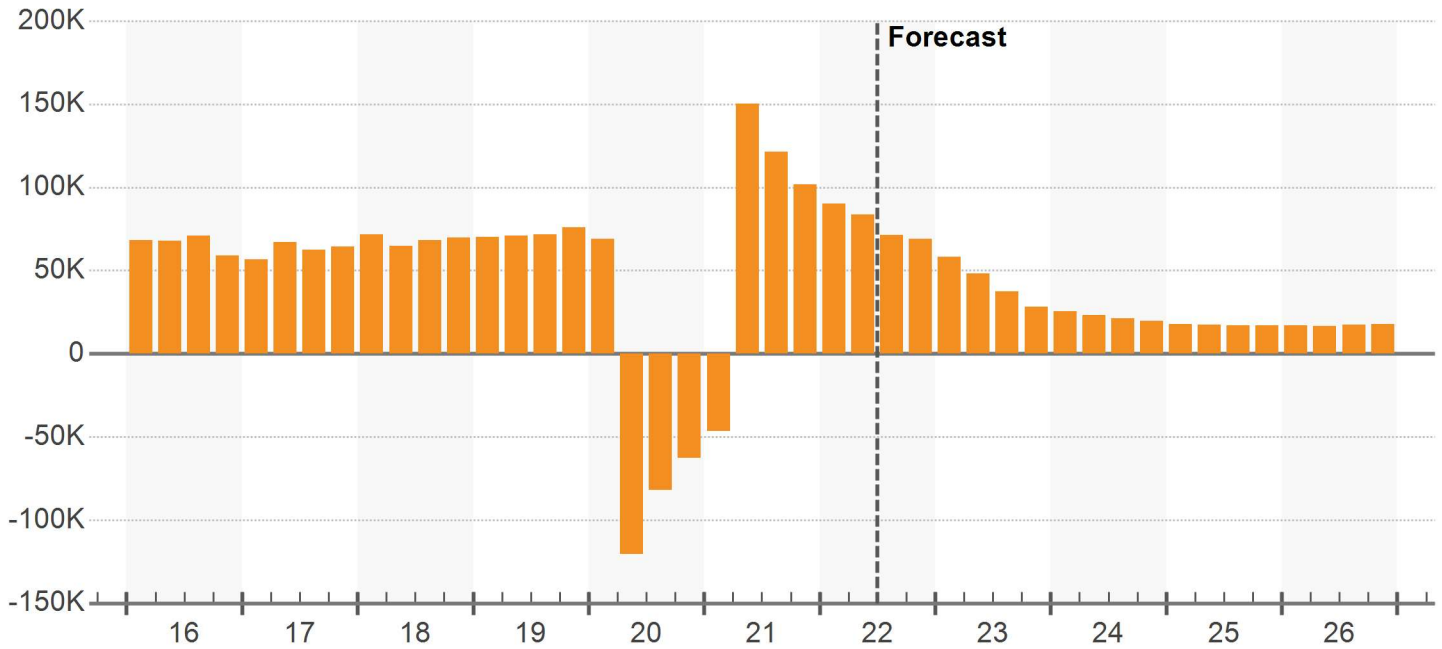


Source: Oxford Economics

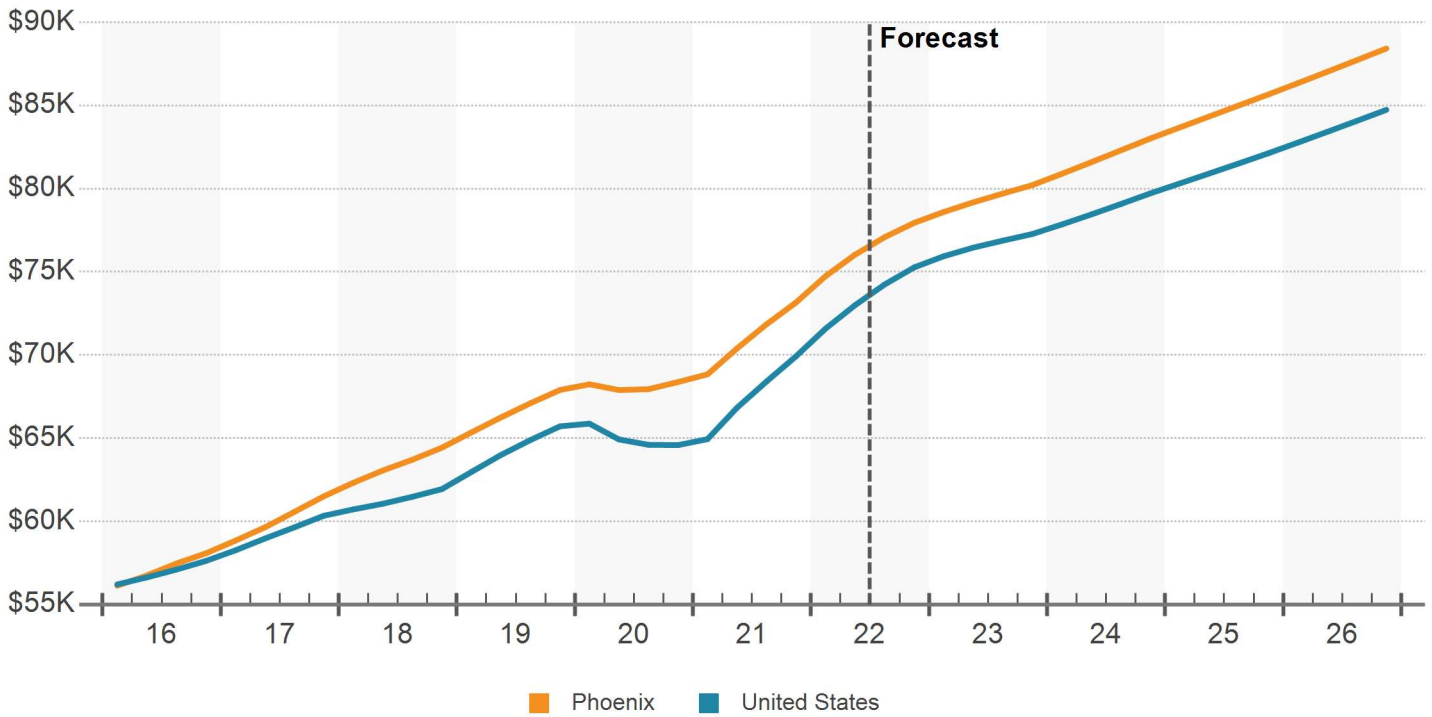
## UNEMPLOYMENT RATE (%)



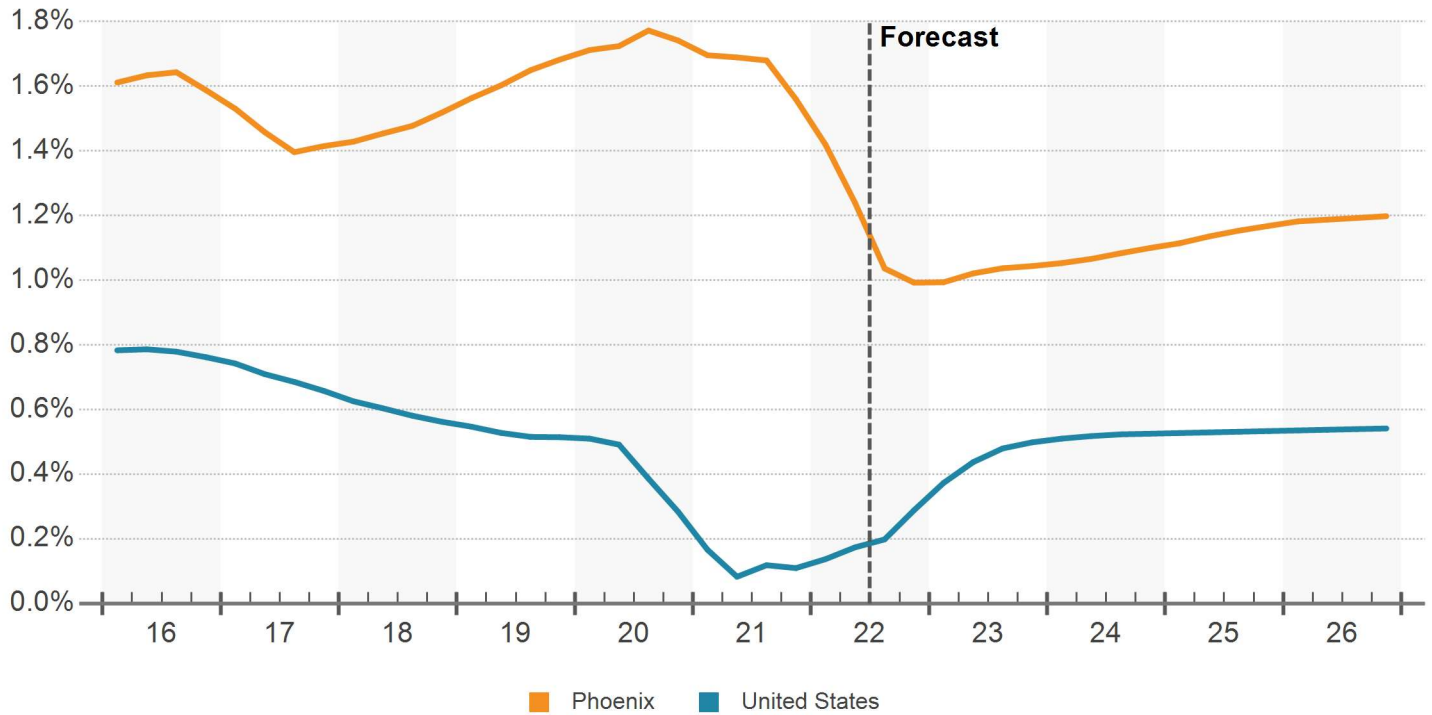
## NET EMPLOYMENT CHANGE (YOY)



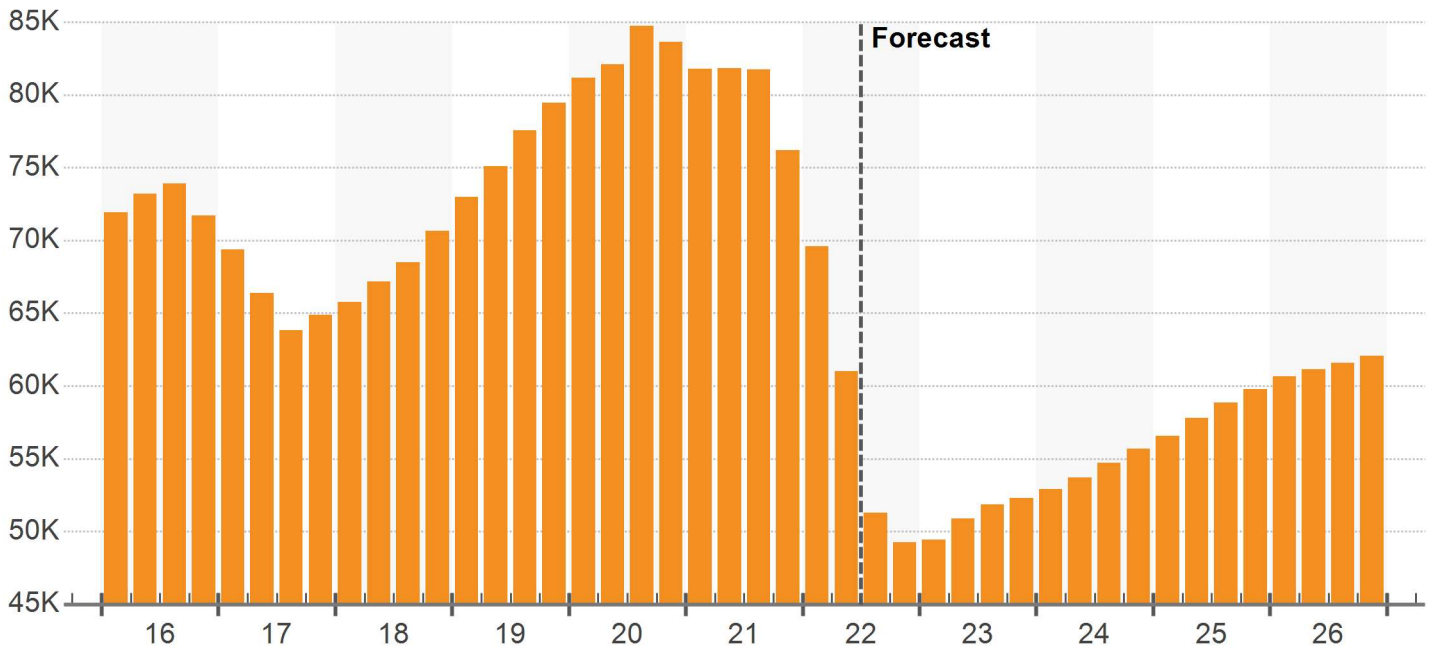
## MEDIAN HOUSEHOLD INCOME



## POPULATION GROWTH (YOY %)



### NET POPULATION CHANGE (YOY)

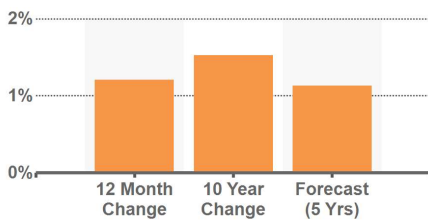


### DEMOGRAPHIC TRENDS

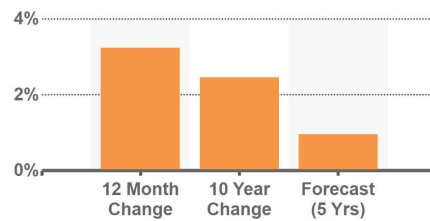
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	4,990,688	332,346,094	1.2%	0.2%	1.5%	0.6%	1.1%	0.5%
Households	1,775,276	124,075,984	1.2%	0.1%	1.4%	0.7%	1.1%	0.5%
Median Household Income	\$76,207	\$73,203	7.9%	9.1%	4.2%	3.7%	3.4%	3.3%
Labor Force	2,616,903	164,711,250	3.2%	2.3%	2.5%	0.6%	1.0%	0.5%
Unemployment	3.3%	3.8%	-2.6%	-1.9%	-0.4%	-0.4%	-	-

Source: Oxford Economics

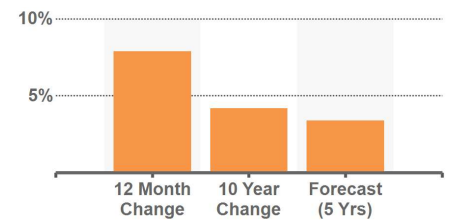
### POPULATION GROWTH



### LABOR FORCE GROWTH



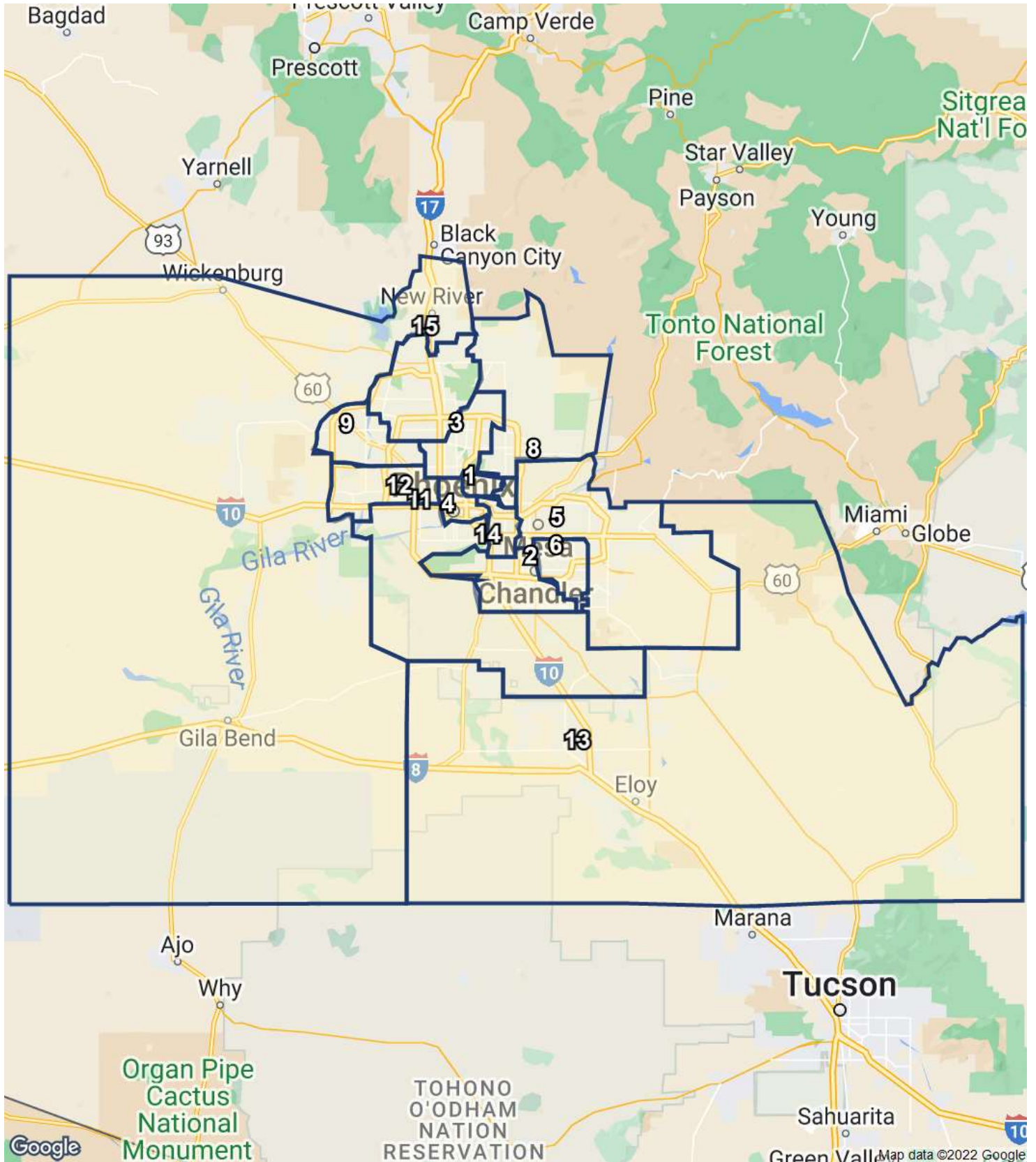
### INCOME GROWTH



Source: Oxford Economics

# Submarkets

## PHOENIX SUBMARKETS





### SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Units	% Market	Rank	Bldgs	Units	Percent	Rank	Bldgs	Units	Percent	Rank
1	Camelback	258	10,718	3.0%	12	0	0	0%	-	1	130	1.2%	15
2	Chandler	156	29,311	8.3%	7	1	42	0.1%	12	9	1,819	6.2%	6
3	Deer Valley	131	32,399	9.2%	6	3	609	1.9%	8	10	2,525	7.8%	5
4	Downtown Phoenix	852	37,531	10.7%	5	11	2,771	7.4%	1	20	5,076	13.5%	1
5	East Valley	509	43,560	12.4%	1	9	1,400	3.2%	4	15	3,385	7.8%	4
6	Gilbert	59	14,218	4.0%	9	7	1,694	11.9%	3	10	1,384	9.7%	9
7	North Phoenix	612	41,443	11.8%	4	2	98	0.2%	11	4	789	1.9%	12
8	North Scottsdale	83	17,051	4.8%	8	3	562	3.3%	9	8	1,615	9.5%	7
9	North West Valley	93	13,649	3.9%	10	4	885	6.5%	6	8	1,574	11.5%	8
10	Old Town Scottsdale	180	13,474	3.8%	11	6	1,005	7.5%	5	2	410	3.0%	13
11	South Phoenix	133	7,708	2.2%	13	2	198	2.6%	10	6	1,315	17.1%	10
12	South West Valley	342	43,271	12.3%	2	10	2,135	4.9%	2	16	3,815	8.8%	3
13	Southeast Valley	78	3,125	0.9%	14	0	0	0%	-	2	379	12.1%	14
14	Tempe	443	42,688	12.1%	3	4	625	1.5%	7	12	4,422	10.4%	2
15	West Maricopa County	36	1,877	0.5%	15	0	0	0%	-	5	1,275	67.9%	11

### SUBMARKET RENT

No.	Market	Asking Rents				Effective Rents					
		Per Unit	Per SF	Rank	Yr. Growth	Per Unit	Per SF	Rank	Yr. Growth	Concession	Rank
1	Camelback	\$1,484	\$1.93	5	9.7%	\$1,476	\$1.92	5	10.4%	0.5%	11
2	Chandler	\$1,819	\$1.89	6	8.0%	\$1,811	\$1.88	6	7.9%	0.5%	14
3	Deer Valley	\$1,606	\$1.81	10	6.6%	\$1,597	\$1.80	10	6.4%	0.6%	8
4	Downtown Phoenix	\$1,516	\$1.99	3	8.6%	\$1,497	\$1.96	3	8.1%	1.3%	1
5	East Valley	\$1,486	\$1.77	11	9.0%	\$1,478	\$1.76	11	8.8%	0.5%	12
6	Gilbert	\$1,853	\$1.89	7	9.2%	\$1,831	\$1.86	7	8.6%	1.2%	2
7	North Phoenix	\$1,401	\$1.75	13	9.4%	\$1,393	\$1.74	13	9.4%	0.6%	10
8	North Scottsdale	\$2,085	\$2.12	2	6.2%	\$2,067	\$2.10	2	6.1%	0.9%	4
9	North West Valley	\$1,508	\$1.82	8	10.1%	\$1,501	\$1.82	8	10.2%	0.4%	15
10	Old Town Scottsdale	\$1,938	\$2.16	1	6.2%	\$1,919	\$2.14	1	5.4%	1.0%	3
11	South Phoenix	\$1,558	\$1.76	12	8.2%	\$1,549	\$1.75	12	7.9%	0.6%	9
12	South West Valley	\$1,476	\$1.82	9	11.4%	\$1,464	\$1.80	9	11.0%	0.8%	6
13	Southeast Valley	\$1,283	\$1.53	15	12.3%	\$1,277	\$1.53	15	12.0%	0.5%	13
14	Tempe	\$1,657	\$1.98	4	10.3%	\$1,646	\$1.96	4	10.1%	0.7%	7
15	West Maricopa County	\$1,719	\$1.68	14	7.1%	\$1,706	\$1.67	14	6.7%	0.8%	5

### SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Camelback	779	7.3%	9	168	1.6%	8	-
2	Chandler	1,601	5.5%	3	(586)	-2.0%	15	-
3	Deer Valley	1,966	6.1%	5	191	0.6%	7	1.1
4	Downtown Phoenix	3,508	9.3%	14	1,381	3.7%	1	1.9
5	East Valley	2,857	6.6%	6	(6)	0%	11	-
6	Gilbert	1,547	10.9%	15	1,177	8.3%	2	1.0
7	North Phoenix	2,306	5.6%	4	(297)	-0.7%	13	-
8	North Scottsdale	1,523	8.9%	12	335	2.0%	5	1.7
9	North West Valley	1,265	9.3%	13	141	1.0%	9	6.3
10	Old Town Scottsdale	1,197	8.9%	11	384	2.9%	4	1.8
11	South Phoenix	419	5.4%	2	71	0.9%	10	1.0
12	South West Valley	3,091	7.1%	8	1,007	2.3%	3	2.1
13	Southeast Valley	149	4.8%	1	(40)	-1.3%	12	-
14	Tempe	2,978	7.0%	7	(398)	-0.9%	14	-
15	West Maricopa County	146	7.8%	10	223	11.9%	6	-

### OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2026	398,998	7,516	1.9%	6,397	1.6%	1.2
2025	391,482	7,018	1.8%	7,350	1.9%	1.0
2024	384,464	8,732	2.3%	9,240	2.4%	0.9
2023	375,732	13,733	3.8%	7,772	2.1%	1.8
2022	361,999	17,466	5.1%	7,750	2.1%	2.3
YTD	352,023	7,490	2.2%	2,112	0.6%	3.5
2021	344,533	11,546	3.5%	11,471	3.3%	1.0
2020	332,987	8,489	2.6%	10,001	3.0%	0.8
2019	324,498	9,067	2.9%	8,092	2.5%	1.1
2018	315,431	8,457	2.8%	9,670	3.1%	0.9
2017	306,974	6,392	2.1%	6,659	2.2%	1.0
2016	300,582	4,883	1.7%	4,850	1.6%	1.0
2015	295,699	6,439	2.2%	6,794	2.3%	0.9
2014	289,260	6,334	2.2%	6,195	2.1%	1.0
2013	282,926	2,560	0.9%	3,836	1.4%	0.7
2012	280,366	147	0.1%	3,914	1.4%	0
2011	280,219	91	0%	3,420	1.2%	0
2010	280,128	274	0.1%	5,465	2.0%	0.1

### 4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2026	192,772	7,779	4.2%	6,660	3.5%	1.2
2025	184,993	7,275	4.1%	6,970	3.8%	1.0
2024	177,718	7,529	4.4%	7,433	4.2%	1.0
2023	170,189	10,426	6.5%	6,404	3.8%	1.6
2022	159,763	13,351	9.1%	7,577	4.7%	1.8
YTD	152,614	6,202	4.2%	2,948	1.9%	2.1
2021	146,412	10,248	7.5%	9,624	6.6%	1.1
2020	136,164	7,748	6.0%	8,128	6.0%	1.0
2019	128,416	9,071	7.6%	8,020	6.2%	1.1
2018	119,345	7,975	7.2%	8,026	6.7%	1.0
2017	111,370	6,404	6.1%	6,126	5.5%	1.0
2016	104,966	5,373	5.4%	5,779	5.5%	0.9
2015	99,593	6,667	7.2%	5,059	5.1%	1.3
2014	92,926	6,476	7.5%	4,978	5.4%	1.3
2013	86,450	2,450	2.9%	2,183	2.5%	1.1
2012	84,000	761	0.9%	2,018	2.4%	0.4
2011	83,239	458	0.6%	930	1.1%	0.5
2010	82,781	615	0.7%	3,328	4.0%	0.2

### 3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2026	147,423	0	0%	137	0.1%	0
2025	147,423	0	0%	747	0.5%	0
2024	147,423	1,146	0.8%	1,843	1.3%	0.6
2023	146,277	3,517	2.5%	1,568	1.1%	2.2
2022	142,760	3,605	2.6%	553	0.4%	6.5
YTD	140,421	1,266	0.9%	(438)	-0.3%	-
2021	139,155	1,356	1.0%	1,606	1.2%	0.8
2020	137,799	759	0.6%	1,583	1.1%	0.5
2019	137,040	97	0.1%	155	0.1%	0.6
2018	136,943	528	0.4%	1,230	0.9%	0.4
2017	136,415	12	0%	371	0.3%	0
2016	136,403	(429)	-0.3%	(1,103)	-0.8%	0.4
2015	136,832	(83)	-0.1%	1,075	0.8%	-
2014	136,915	6	0%	994	0.7%	0
2013	136,909	210	0.2%	1,145	0.8%	0.2
2012	136,699	(334)	-0.2%	1,802	1.3%	-
2011	137,033	(278)	-0.2%	1,905	1.4%	-
2010	137,311	32	0%	1,687	1.2%	0

### 1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2026	58,803	(263)	-0.4%	(400)	-0.7%	0.7
2025	59,066	(257)	-0.4%	(367)	-0.6%	0.7
2024	59,323	57	0.1%	(36)	-0.1%	-
2023	59,266	(210)	-0.4%	(200)	-0.3%	1.1
2022	59,476	510	0.9%	(380)	-0.6%	-
YTD	58,988	22	0%	(398)	-0.7%	-
2021	58,966	(58)	-0.1%	241	0.4%	-
2020	59,024	(18)	0%	290	0.5%	-
2019	59,042	(101)	-0.2%	(83)	-0.1%	1.2
2018	59,143	(46)	-0.1%	414	0.7%	-
2017	59,189	(24)	0%	162	0.3%	-
2016	59,213	(61)	-0.1%	174	0.3%	-
2015	59,274	(145)	-0.2%	660	1.1%	-
2014	59,419	(148)	-0.2%	223	0.4%	-
2013	59,567	(100)	-0.2%	508	0.9%	-
2012	59,667	(280)	-0.5%	94	0.2%	-
2011	59,947	(89)	-0.1%	585	1.0%	-
2010	60,036	(373)	-0.6%	450	0.7%	-

### OVERALL VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2026	35,975	9.0%	0.1	\$1,853	\$2.17	2.4%	(0.8)	\$1,836	\$2.15
2025	34,852	8.9%	(0.2)	\$1,809	\$2.12	3.2%	0	\$1,794	\$2.10
2024	35,172	9.1%	(0.4)	\$1,754	\$2.05	3.2%	(1.7)	\$1,738	\$2.04
2023	35,691	9.5%	1.3	\$1,699	\$1.99	4.9%	1.4	\$1,685	\$1.97
2022	29,728	8.2%	2.4	\$1,621	\$1.90	3.4%	(17.9)	\$1,606	\$1.88
YTD	25,332	7.2%	1.4	\$1,603	\$1.88	8.8%	(12.5)	\$1,591	\$1.86
2021	20,007	5.8%	(0.2)	\$1,567	\$1.83	21.3%	15.8	\$1,558	\$1.82
2020	19,930	6.0%	(0.6)	\$1,291	\$1.51	5.5%	(1.1)	\$1,280	\$1.50
2019	21,440	6.6%	0.1	\$1,224	\$1.43	6.6%	0.1	\$1,213	\$1.42
2018	20,462	6.5%	(0.6)	\$1,147	\$1.34	6.5%	2.0	\$1,128	\$1.32
2017	21,671	7.1%	(0.2)	\$1,077	\$1.26	4.6%	(0.1)	\$1,051	\$1.23
2016	21,939	7.3%	(0.1)	\$1,030	\$1.21	4.6%	(1.3)	\$1,008	\$1.18
2015	21,905	7.4%	(0.3)	\$985	\$1.15	5.9%	2.3	\$967	\$1.13
2014	22,258	7.7%	(0.1)	\$930	\$1.09	3.5%	0.8	\$913	\$1.07
2013	22,123	7.8%	(0.5)	\$899	\$1.05	2.7%	0.3	\$886	\$1.04
2012	23,396	8.3%	(1.3)	\$875	\$1.02	2.5%	1.0	\$863	\$1.01
2011	27,159	9.7%	(1.2)	\$854	\$1	1.4%	(0.4)	\$846	\$0.99
2010	30,474	10.9%	(1.9)	\$842	\$0.98	1.8%	-	\$834	\$0.98

### 4 & 5 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2026	21,527	11.2%	0.1	\$2,175	\$2.29	2.1%	(0.8)	\$2,153	\$2.27
2025	20,405	11.0%	(0.3)	\$2,131	\$2.24	2.9%	(0.1)	\$2,108	\$2.22
2024	20,088	11.3%	(0.4)	\$2,070	\$2.18	3.1%	(1.7)	\$2,048	\$2.16
2023	20,004	11.8%	1.8	\$2,009	\$2.12	4.8%	1.8	\$1,987	\$2.09
2022	15,981	10.0%	3.0	\$1,917	\$2.02	3.0%	(18.4)	\$1,897	\$2
YTD	13,405	8.8%	1.8	\$1,897	\$2	8.1%	(13.3)	\$1,880	\$1.98
2021	10,207	7.0%	(0.1)	\$1,862	\$1.96	21.3%	16.5	\$1,850	\$1.95
2020	9,583	7.0%	(0.7)	\$1,534	\$1.62	4.8%	(1.1)	\$1,518	\$1.60
2019	9,965	7.8%	0.3	\$1,464	\$1.54	5.9%	0.1	\$1,448	\$1.52
2018	8,913	7.5%	(0.6)	\$1,382	\$1.45	5.8%	2.6	\$1,354	\$1.43
2017	8,962	8.0%	(0.2)	\$1,306	\$1.37	3.2%	(0.1)	\$1,269	\$1.34
2016	8,683	8.3%	(0.9)	\$1,265	\$1.33	3.4%	(1.3)	\$1,234	\$1.30
2015	9,087	9.1%	1.1	\$1,224	\$1.29	4.6%	1.6	\$1,200	\$1.26
2014	7,478	8.0%	1.1	\$1,170	\$1.23	3.0%	0.9	\$1,148	\$1.21
2013	5,981	6.9%	0.1	\$1,136	\$1.20	2.1%	(0.2)	\$1,118	\$1.18
2012	5,713	6.8%	(1.6)	\$1,112	\$1.17	2.3%	1.0	\$1,099	\$1.16
2011	6,969	8.4%	(0.6)	\$1,088	\$1.14	1.2%	(0.7)	\$1,078	\$1.13
2010	7,430	9.0%	(3.4)	\$1,075	\$1.13	1.9%	-	\$1,065	\$1.12

### 3 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2026	10,369	7.0%	(0.1)	\$1,693	\$2.12	2.7%	(0.7)	\$1,681	\$2.10
2025	10,505	7.1%	(0.5)	\$1,649	\$2.06	3.4%	0.1	\$1,637	\$2.05
2024	11,252	7.6%	(0.5)	\$1,594	\$1.99	3.4%	(1.6)	\$1,583	\$1.98
2023	11,949	8.2%	1.2	\$1,542	\$1.93	5.0%	1.3	\$1,531	\$1.91
2022	10,000	7.0%	2.0	\$1,469	\$1.84	3.7%	(20.3)	\$1,459	\$1.82
YTD	8,651	6.2%	1.2	\$1,456	\$1.82	10.1%	(13.9)	\$1,448	\$1.81
2021	6,944	5.0%	(0.2)	\$1,417	\$1.77	24.0%	17.4	\$1,411	\$1.76
2020	7,193	5.2%	(0.6)	\$1,143	\$1.43	6.6%	(1.4)	\$1,136	\$1.42
2019	8,014	5.8%	0	\$1,072	\$1.34	8.0%	0.2	\$1,066	\$1.33
2018	8,070	5.9%	(0.5)	\$993	\$1.24	7.8%	1.3	\$978	\$1.22
2017	8,768	6.4%	(0.3)	\$921	\$1.15	6.4%	0.2	\$902	\$1.13
2016	9,128	6.7%	0.5	\$866	\$1.08	6.2%	(1.9)	\$850	\$1.06
2015	8,453	6.2%	(0.8)	\$815	\$1.02	8.1%	3.8	\$802	\$1
2014	9,611	7.0%	(0.7)	\$754	\$0.94	4.3%	0.4	\$739	\$0.92
2013	10,599	7.7%	(0.7)	\$723	\$0.90	3.8%	0.8	\$713	\$0.89
2012	11,531	8.4%	(1.5)	\$696	\$0.87	3.1%	0.9	\$686	\$0.86
2011	13,666	10.0%	(1.6)	\$675	\$0.84	2.1%	0.1	\$670	\$0.84
2010	15,849	11.5%	(1.2)	\$661	\$0.83	2.1%	-	\$656	\$0.82

### 1 & 2 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2026	4,080	6.9%	0.3	\$1,254	\$1.80	2.7%	(0.7)	\$1,247	\$1.79
2025	3,942	6.7%	0.2	\$1,221	\$1.75	3.5%	0	\$1,214	\$1.74
2024	3,832	6.5%	0.2	\$1,180	\$1.69	3.4%	(1.6)	\$1,173	\$1.68
2023	3,738	6.3%	0	\$1,141	\$1.64	5.1%	(0.3)	\$1,134	\$1.63
2022	3,746	6.3%	1.5	\$1,086	\$1.56	5.4%	(6.0)	\$1,080	\$1.55
YTD	3,276	5.6%	0.7	\$1,064	\$1.53	8.4%	(3.0)	\$1,058	\$1.52
2021	2,856	4.8%	(0.5)	\$1,031	\$1.48	11.4%	5.8	\$1,026	\$1.47
2020	3,154	5.3%	(0.5)	\$925	\$1.32	5.6%	(0.1)	\$920	\$1.32
2019	3,461	5.9%	0	\$876	\$1.25	5.7%	(0.2)	\$871	\$1.25
2018	3,479	5.9%	(0.8)	\$828	\$1.18	5.9%	0.4	\$819	\$1.17
2017	3,940	6.7%	(0.3)	\$782	\$1.12	5.5%	(0.9)	\$772	\$1.10
2016	4,128	7.0%	(0.4)	\$741	\$1.06	6.4%	0.7	\$730	\$1.04
2015	4,365	7.4%	(1.3)	\$697	\$0.99	5.7%	1.8	\$685	\$0.98
2014	5,169	8.7%	(0.6)	\$659	\$0.94	4.0%	1.2	\$649	\$0.92
2013	5,543	9.3%	(1.0)	\$634	\$0.90	2.7%	1.1	\$628	\$0.90
2012	6,151	10.3%	(0.6)	\$617	\$0.88	1.7%	1.3	\$609	\$0.87
2011	6,524	10.9%	(1.1)	\$607	\$0.86	0.4%	0.2	\$602	\$0.86
2010	7,196	12.0%	(1.3)	\$605	\$0.86	0.2%	-	\$599	\$0.85

### OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$330,069	456	4.1%
2025	-	-	-	-	-	-	\$322,758	446	4.1%
2024	-	-	-	-	-	-	\$313,345	433	4.1%
2023	-	-	-	-	-	-	\$306,078	423	4.0%
2022	-	-	-	-	-	-	\$296,335	409	4.0%
YTD	274	\$8.3B	7.4%	\$31,528,017	\$326,050	4.3%	\$295,925	409	3.9%
2021	570	\$15.6B	17.9%	\$27,796,340	\$254,265	4.7%	\$267,804	370	4.0%
2020	411	\$6.4B	10.7%	\$16,369,936	\$181,284	5.7%	\$208,727	288	4.4%
2019	513	\$8B	15.5%	\$17,711,017	\$162,572	5.7%	\$181,989	251	4.8%
2018	500	\$6.1B	13.4%	\$14,085,442	\$147,133	5.8%	\$158,659	219	5.2%
2017	438	\$4.7B	13.8%	\$11,950,847	\$115,666	6.1%	\$140,500	194	5.4%
2016	462	\$5.1B	15.8%	\$11,685,931	\$109,129	6.3%	\$129,712	179	5.6%
2015	425	\$3.5B	12.5%	\$8,764,443	\$95,070	6.8%	\$120,004	166	5.8%
2014	366	\$2.6B	12.6%	\$7,648,220	\$76,534	7.0%	\$108,651	150	6.0%
2013	350	\$2.5B	12.7%	\$7,631,735	\$77,524	7.3%	\$98,647	136	6.3%
2012	329	\$2.5B	13.4%	\$8,029,054	\$70,040	7.8%	\$96,362	133	6.3%
2011	265	\$1.4B	9.5%	\$5,622,441	\$55,486	7.8%	\$92,873	128	6.3%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### 4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$416,270	427	4.0%
2025	-	-	-	-	-	-	\$407,861	418	3.9%
2024	-	-	-	-	-	-	\$396,606	407	3.9%
2023	-	-	-	-	-	-	\$387,818	398	3.9%
2022	-	-	-	-	-	-	\$375,755	386	3.9%
YTD	38	\$3.5B	5.4%	\$93,423,284	\$429,987	3.5%	\$374,830	385	3.8%
2021	90	\$7.2B	15.3%	\$80,402,357	\$323,869	4.4%	\$342,118	351	3.9%
2020	60	\$3.4B	10.6%	\$56,716,135	\$235,304	4.8%	\$271,679	279	4.2%
2019	81	\$4.7B	17.0%	\$57,813,446	\$214,999	5.1%	\$239,016	245	4.5%
2018	60	\$3.4B	14.4%	\$56,495,933	\$197,125	5.0%	\$210,678	216	4.8%
2017	57	\$2.5B	14.5%	\$45,000,036	\$156,726	5.2%	\$188,856	194	5.0%
2016	56	\$2.6B	16.2%	\$46,662,169	\$153,404	5.2%	\$175,237	180	5.2%
2015	43	\$1.8B	12.0%	\$42,069,772	\$150,007	5.5%	\$162,906	167	5.3%
2014	35	\$1.3B	12.1%	\$39,325,411	\$125,178	5.5%	\$147,928	152	5.5%
2013	39	\$1.2B	11.5%	\$30,806,788	\$120,677	5.5%	\$134,437	138	5.8%
2012	50	\$1.2B	16.4%	\$29,693,034	\$99,977	5.6%	\$131,087	134	5.8%
2011	24	\$664.5M	8.2%	\$28,890,870	\$103,102	5.7%	\$125,828	129	5.8%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## 3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$279,906	504	4.0%
2025	-	-	-	-	-	-	\$272,991	491	4.0%
2024	-	-	-	-	-	-	\$264,485	476	4.0%
2023	-	-	-	-	-	-	\$258,095	465	3.9%
2022	-	-	-	-	-	-	\$249,714	450	3.9%
YTD	73	\$3.4B	8.5%	\$47,625,935	\$292,433	3.8%	\$249,731	450	3.8%
2021	181	\$6.4B	20.1%	\$35,697,503	\$229,492	4.3%	\$223,205	402	4.0%
2020	119	\$2.3B	11.4%	\$19,860,134	\$150,216	5.5%	\$169,263	305	4.4%
2019	138	\$2.6B	14.8%	\$19,365,328	\$130,091	5.4%	\$145,463	262	4.8%
2018	103	\$2.2B	13.3%	\$21,610,630	\$118,753	5.6%	\$124,471	224	5.2%
2017	120	\$1.8B	14.1%	\$15,496,386	\$96,789	5.8%	\$107,784	194	5.6%
2016	129	\$2B	16.2%	\$16,043,851	\$92,348	6.1%	\$99,120	178	5.7%
2015	98	\$1.3B	12.9%	\$13,662,344	\$75,081	6.4%	\$91,207	164	5.9%
2014	94	\$1.1B	13.3%	\$12,049,719	\$63,423	6.4%	\$82,316	148	6.2%
2013	100	\$1.1B	14.5%	\$11,957,014	\$65,347	6.5%	\$74,509	134	6.5%
2012	98	\$1.1B	12.8%	\$10,915,660	\$61,198	7.2%	\$73,000	131	6.5%
2011	79	\$613.6M	10.0%	\$8,522,805	\$47,084	7.6%	\$70,895	128	6.5%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## 1 &amp; 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$202,651	497	4.7%
2025	-	-	-	-	-	-	\$197,564	484	4.7%
2024	-	-	-	-	-	-	\$191,275	469	4.6%
2023	-	-	-	-	-	-	\$186,282	457	4.6%
2022	-	-	-	-	-	-	\$179,935	441	4.6%
YTD	163	\$1.4B	10.2%	\$9,275,276	\$249,465	4.6%	\$179,273	440	4.5%
2021	299	\$2B	19.0%	\$6,711,577	\$176,620	5.0%	\$160,632	394	4.6%
2020	232	\$654.2M	9.2%	\$3,071,272	\$124,725	5.9%	\$122,096	299	5.1%
2019	294	\$706.5M	13.7%	\$2,993,717	\$96,453	6.0%	\$105,424	258	5.6%
2018	337	\$562.3M	11.6%	\$2,052,054	\$91,365	6.1%	\$90,964	223	6.0%
2017	261	\$457.9M	12.1%	\$2,017,163	\$68,465	6.6%	\$79,872	196	6.3%
2016	277	\$491.2M	13.9%	\$1,911,126	\$61,249	6.8%	\$72,123	177	6.6%
2015	284	\$378.5M	12.5%	\$1,472,924	\$53,489	7.3%	\$65,650	161	6.8%
2014	237	\$256.4M	11.7%	\$1,170,558	\$38,006	7.5%	\$58,823	144	7.1%
2013	211	\$247.5M	10.4%	\$1,219,160	\$40,639	8.1%	\$53,592	131	7.5%
2012	181	\$220.3M	10.6%	\$1,251,926	\$35,136	8.8%	\$52,503	129	7.5%
2011	162	\$133.1M	10.1%	\$853,210	\$22,347	8.6%	\$50,775	124	7.5%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.



## DELIVERIES &amp; UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Units	Vacancy	Bldgs	Units	Bldgs	Units	Bldgs	Units
2026	-	399,000	9.0%	-	7,755	-	7,517	-	-
2025	-	391,483	8.9%	-	7,325	-	7,018	-	-
2024	-	384,465	9.1%	-	8,956	-	8,732	-	-
2023	-	375,733	9.5%	-	13,943	-	13,734	-	-
2022	-	361,999	8.2%	-	17,466	-	17,466	-	-
YTD	3,965	352,023	7.2%	40	7,490	40	7,490	128	29,913
2021	3,925	344,533	5.8%	59	11,604	57	11,546	143	30,950
2020	3,868	332,987	6.0%	53	8,507	52	8,489	106	22,807
2019	3,816	324,498	6.6%	48	9,360	44	9,067	82	15,007
2018	3,772	315,431	6.5%	49	8,509	47	8,457	73	13,533
2017	3,725	306,974	7.1%	28	6,416	26	6,392	76	14,986
2016	3,699	300,582	7.3%	30	5,461	24	4,883	50	10,038
2015	3,675	295,699	7.4%	28	7,033	21	6,439	37	6,714
2014	3,654	289,260	7.7%	23	6,482	17	6,334	34	8,634
2013	3,637	282,926	7.8%	12	2,667	7	2,560	28	7,642
2012	3,630	280,366	8.3%	6	775	(2)	147	16	4,381
2011	3,632	280,219	9.7%	3	466	(3)	91	8	1,854
2010	3,635	280,128	10.9%	6	647	(1)	274	4	740