

PHOENIX, AZ

2022 MARKET AT A GLANCE

Occupancy Rate

97.0%



DOWN 40 BPS YOY

Effective Rent

\$1,783



UP 15.6% YOY

Rent Share of Wallet

31.9%



UP 340 BPS YOY

National Leading Rent Growth Expected as Apartment Demand Peaks

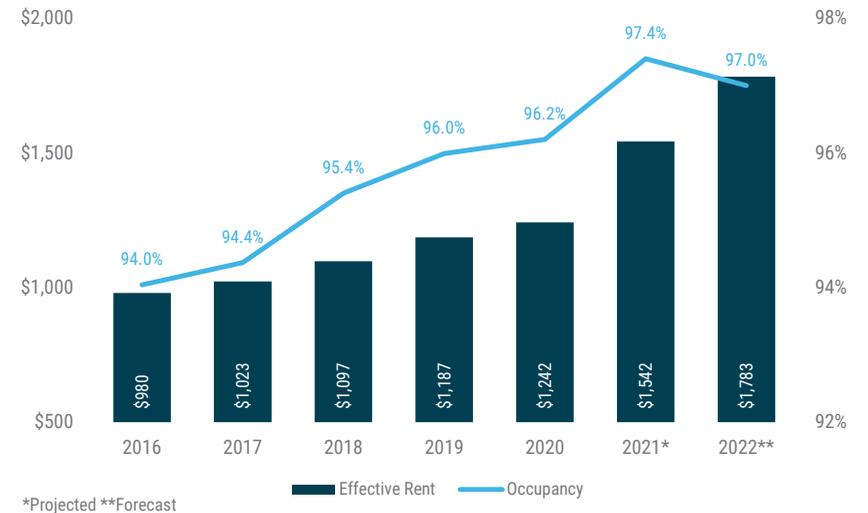
Phoenix was one of the hottest apartment markets in the nation during 2021, a trend projected to continue this year. A main reason for the prediction is the rapidly expanding employment. Last year, the workforce grew 7.1%. Robust hiring is forecast to extend through this year as Phoenix employers expand headcounts 3.3%. Job gains are predicted to be broad based as the metro grows as an advanced manufacturing hub and a technology hot spot. More employment opportunities in the Valley combined with a lower cost of living compared to other large metros will continue to attract new residents. The additional residents have created housing demand the single-family market has not been able to keep up with due to limited existing homes available for purchase and constrained home starts. As a result, apartment leasing activity is anticipated to reach a historic high this year, especially around growing employment hubs in the Avondale/Goodyear/West Glendale and the Central Phoenix submarkets. Also facilitating leasing activity in these areas will be more than 6,000 combined units scheduled to come online this year. These additions are part of 21,800 units set to complete metrowide by year-end. Even with historic high deliveries, the Greater Phoenix apartment occupancy is forecast to end this year at 97.0%, 130 basis points higher than the preceding five-year average. Healthy apartment occupancy will give apartment operators confidence to keep raising rent at the fastest clip in the nation. After advancing 24.1% in 2021, effective rent is forecast to increase 15.6% this year.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

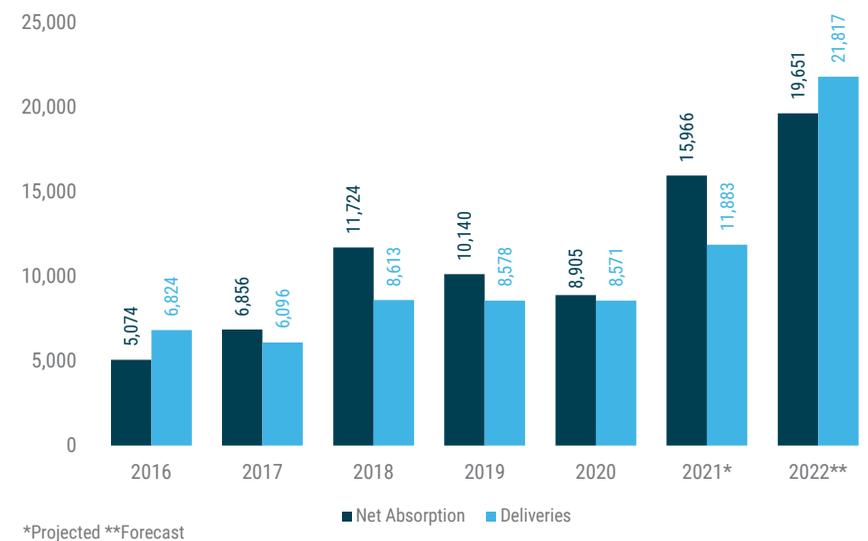
2022 FORECAST

APARTMENT TRENDS

Effective Rent & Occupancy

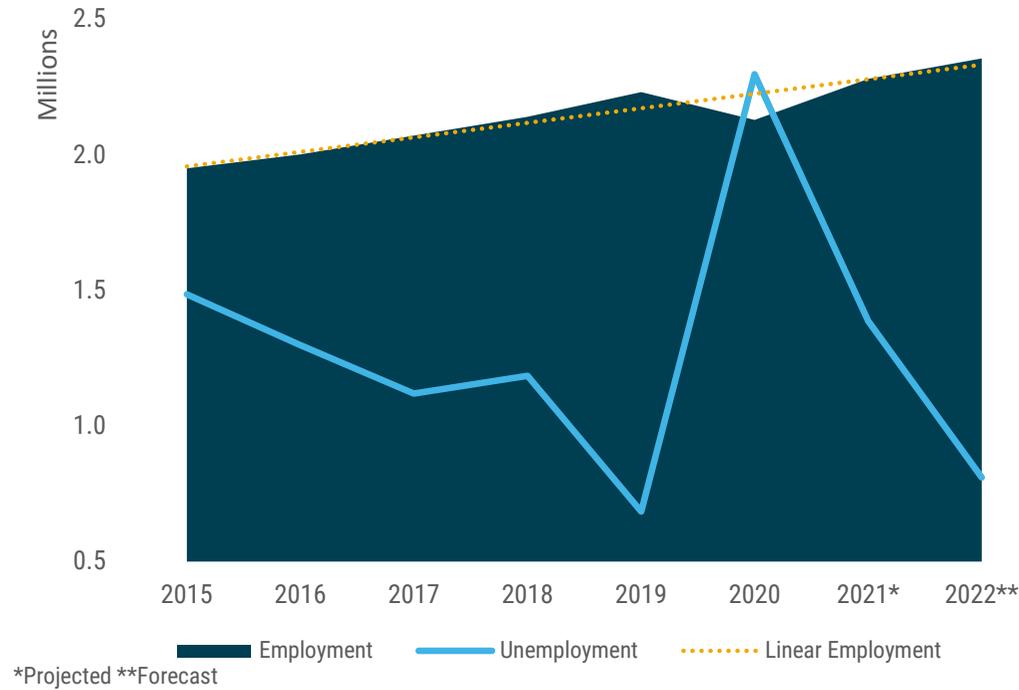


Absorption & Deliveries



EMPLOYMENT TRENDS

Market Employment Trends



SALES TRENDS

Price Per Unit & Cap Rate



Employment

2,356,300



UP 3.3% YOY

Unemployment

3.6%



DOWN 120 BPS YOY

Median Household Income

\$66,988



UP 3.1% YOY

Price Per Unit

\$242,955



UP 6.7% YOY

Cap Rate

4.6%



UP 10 BPS YOY