

# TUCSON, AZ

## 2022 MARKET AT A GLANCE

### Occupancy Rate

97.2%



UP 20 BPS YOY

### Effective Rent

\$1,225



UP 14.6% YOY

### Rent Share of Wallet

26.7%



UP 270 BPS YOY

## More Jobs and New Residents Strengthening Tucson Apartment Fundamentals

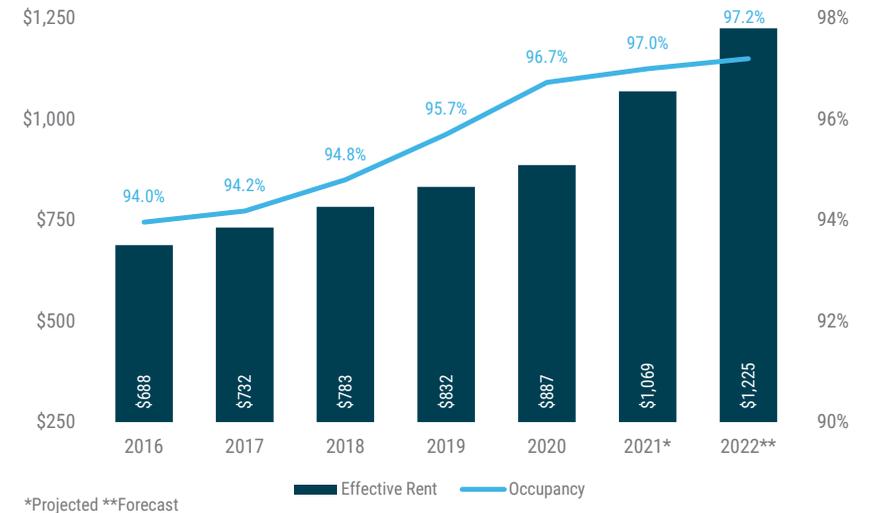
As Greater Tucson remains a popular relocation destination, immense housing demand will persist and benefit apartment operators. In the last five years, more than 50,000 residents came to Tucson than moved out, contributing to 5.7% household growth at the same time. Part of the appeal of the metropolitan area is the broad-based hiring and more affordable cost of living than the national average. As new and current residents sought additional housing, the construction in the single-family market fell short to create a gap multifamily builders worked to meet. Even so, apartment demand has consistently outpaced development. This trend is projected to continue this year as net absorption is forecast to exceed the more than 750 market-rate units scheduled to come online. These additions will be essential as net migration is expected to rise this year as payrolls approach pre-pandemic levels. While every employment sector is forecast to post gains, a significant share will be in one of the pillars of the local economy: education and health services. Part of the additions will come this year as Eurofins CellTx and Oak Street Health open in Tucson. These higher-paying jobs should contribute to annual household income rising at a rate more than double the preceding five-year average. With the rise in wages and apartment occupancy elevating amid an influx of new inventory, apartment operators will be emboldened to increase rent at an annual rate among the highest in the nation. The projected 14.6% average effective rent increase this year would be the second highest of major markets.

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.

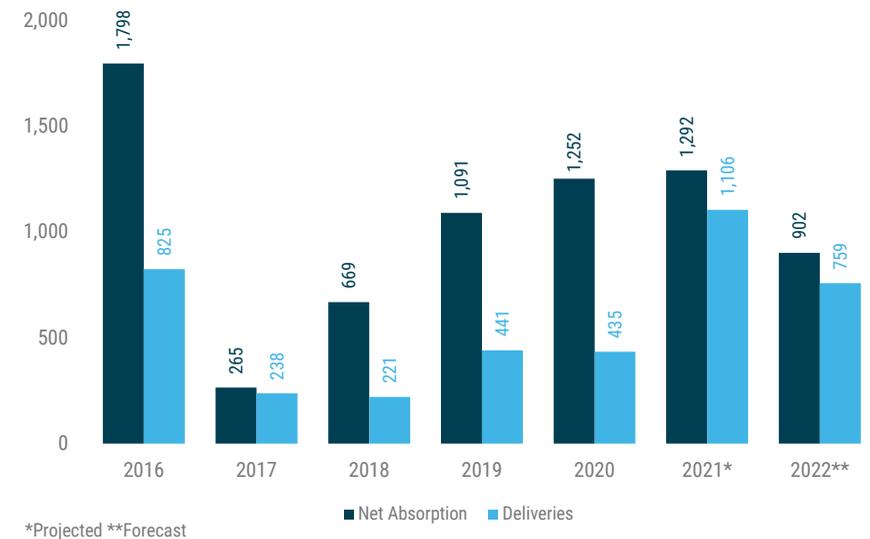
2022 FORECAST

## APARTMENT TRENDS

### Effective Rent & Occupancy

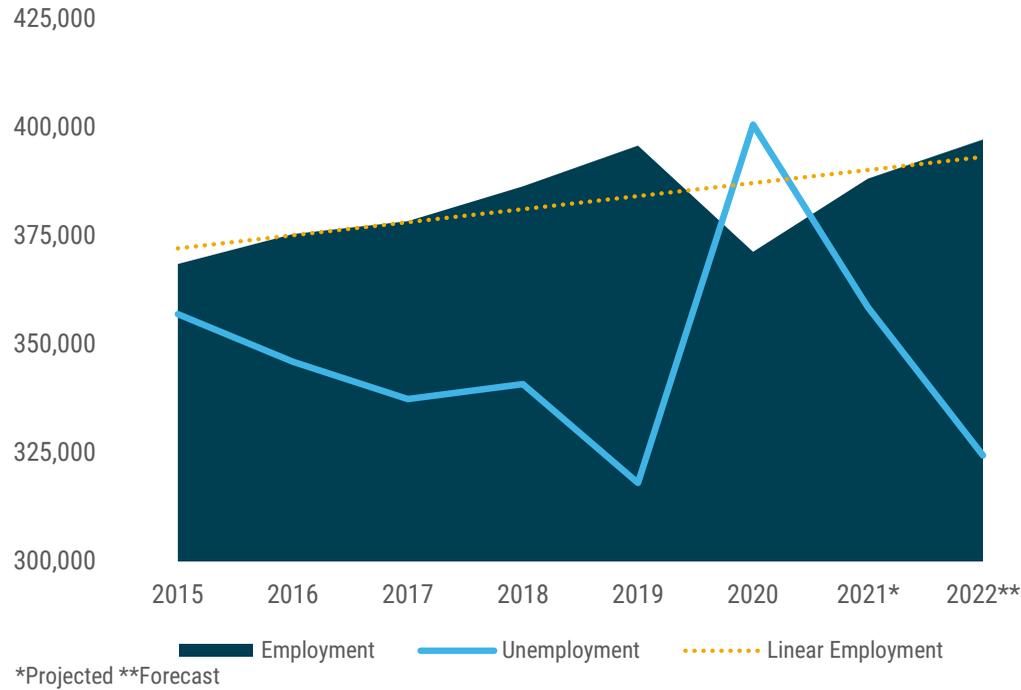


### Absorption & Deliveries



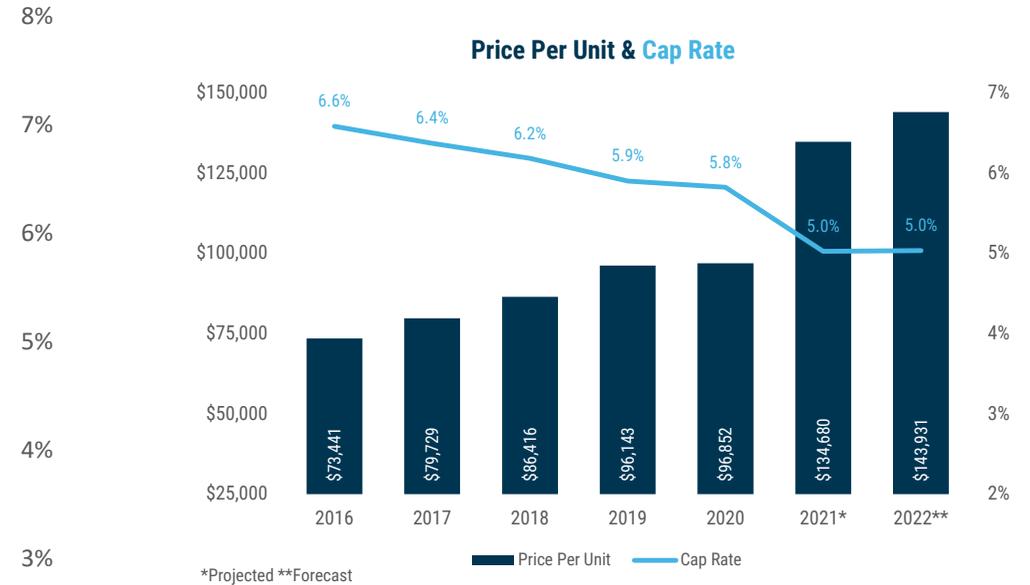
## EMPLOYMENT TRENDS

### Market Employment Trends



## SALES TRENDS

### Price Per Unit & Cap Rate



### Employment

397,300



UP 2.3% YOY

### Unemployment

4.0%



DOWN 130 BPS YOY

### Median Household Income

\$54,980



UP 3.0% YOY

### Price Per Unit

\$143,931



UP 6.9% YOY

### Cap Rate

5.0%



UNCHANGED YOY