



### MARKET AT A GLANCE



**OCCUPANCY RATE** **96.0%**  
Down **30 bps** since 3Q19



**EFFECTIVE RENT** **\$1,208**  
Up **3.4%** since 3Q19



**RENT PAYMENT TRACKER (Oct. 1-6)** **86.5%**  
Up **90 bps** since Sept. 1-6

### OCCUPANCY AND RENT TRENDS

## PHOENIX APARTMENT MARKET THRIVES AS ECONOMY REBOUNDS

While most major markets faced net negative absorption amid the coronavirus pandemic during the third quarter, leasing activity has yet to shift negative in the resilient Phoenix apartment market. Underpinning apartment demand were a rebound in hiring, continued robust population growth, and limited single-family home construction. Apartment developers worked to meet the demand as more 2,400 market-rate units came online over the last three months. The new supply was met by pent-up demand as the sharpest rise in occupancy was among Class A units over the last three months. Even with the increase, occupancy was highest among Class C product. Overall, apartment occupancy elevated 50 basis points from mid-2020 to an average of 96.0% in the third quarter. With the increase, occupancy was 110 basis points higher than the five-year average. With healthy occupancy, operators kept upward pressure on rent. At an average of \$1,208 in the quarter, monthly effective rent advanced 2.4%. Even with the increase, most renters continued to meet their housing costs. Through October 6, 86.5% of apartment household made full or partial rent payments, up 90 basis points from the same time one month prior.



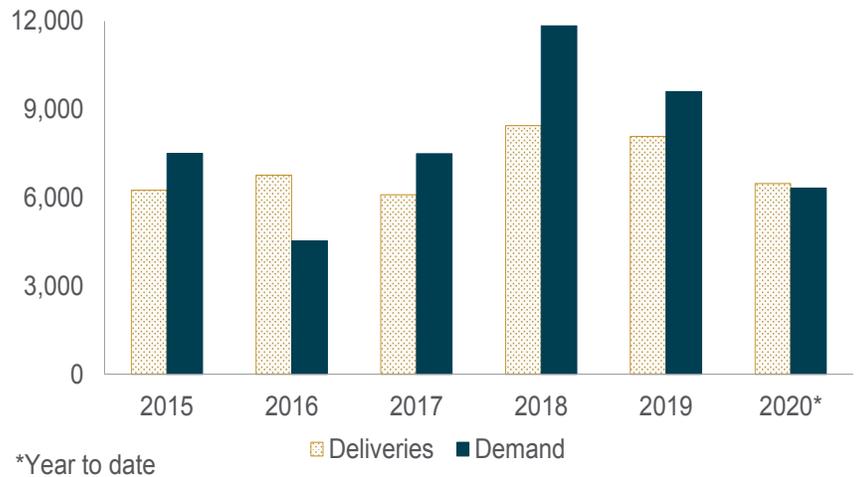
**DELIVERIES AND DEMAND**



**DELIVERIES** 6,483  
Units YTD



**NET ABSORPTION** 6,329  
Units YTD



**ECONOMIC TRENDS**

2019 4.0% ..... **UNEMPLOYMENT\*** ..... 2020 5.6%  
**160 BPS CHANGE**

2019 2.2m ..... **EMPLOYMENT\*** ..... 2020 2.1m  
**-3.2% CHANGE**

2019 94.6k ..... **EXISTING SFH SALES\*\*** ..... 2020 96.1k  
**1.6% CHANGE**

2019 5.0m ..... **POPULATION\*\*** ..... 2020 5.1m  
**1.7% CHANGE**

2019 1.70% ..... **10-YEAR TREASURY\*\*** ..... 2020 0.68%  
**-100 BPS CHANGE**

\*August; \*\*September



# PHOENIX

MULTIFAMILY REPORT

## SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	3Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	3Q20	Q-o-Q Change	Y-o-Y Change	3Q20	Annual	3Q20	Annual
Avondale/Goodyear/West Glendale	97.1%	110	40	\$1,259	4.0%	7.5%	797	1,428	652	1,404
Central Phoenix	93.5%	-20	-190	\$1,406	-0.6%	-4.1%	170	229	199	439
Chandler	96.7%	90	30	\$1,374	4.0%	3.0%	532	786	340	750
Deer Valley	94.9%	10	-120	\$1,305	1.4%	2.4%	227	757	219	1,004
East Mesa	97.4%	120	0	\$1,256	3.3%	4.3%	307	410	159	426
East Phoenix	95.9%	10	-70	\$1,133	0.7%	1.5%	72	154	50	290
Far West Phoenix	96.9%	50	130	\$983	2.4%	8.9%	55	155	0	0
Gilbert	96.8%	120	-30	\$1,337	5.1%	3.3%	277	540	148	589
North Central Phoenix	94.4%	40	-150	\$1,197	-0.2%	-0.3%	238	552	159	957
North Glendale	95.7%	40	50	\$1,212	4.4%	5.7%	27	38	0	0
North Scottsdale	94.0%	-20	-240	\$1,457	1.2%	-0.5%	89	-63	128	344
North Tempe/University	94.0%	-60	-210	\$1,336	1.2%	-0.8%	104	937	222	1,355
Northeast Phoenix	96.3%	40	0	\$1,121	2.0%	5.5%	78	-6	0	0
Northwest Mesa	97.3%	30	20	\$1,063	3.0%	5.5%	36	26	0	0
Northwest Phoenix	96.9%	80	70	\$974	2.5%	5.7%	211	241	0	68
Peoria/Sun City/Surprise	96.6%	210	20	\$1,257	4.3%	5.4%	442	421	111	398
Pinal County	97.9%	40	20	\$1,009	6.6%	20.7%	17	9	0	0
South Glendale	96.4%	40	-10	\$934	2.6%	5.4%	62	-21	0	0
South Phoenix	96.5%	60	-10	\$1,293	3.2%	5.2%	134	222	57	244
South Scottsdale	96.0%	40	-20	\$1,519	0.7%	-0.3%	69	-92	0	30
South Tempe	96.3%	80	-40	\$1,268	3.5%	1.3%	133	-61	0	0
Southwest Mesa	97.1%	30	20	\$1,103	2.7%	5.8%	49	35	0	0
West Phoenix	95.3%	40	20	\$875	2.5%	8.1%	66	39	0	0
<b>TOTALS</b>	<b>96.0%</b>	<b>50</b>	<b>-30</b>	<b>\$1,208</b>	<b>2.4%</b>	<b>3.4%</b>	<b>4,193</b>	<b>6,733</b>	<b>2,444</b>	<b>8,298</b>

# BERKADIA<sup>®</sup>

## CORPORATE HEADQUARTERS

521 Fifth Avenue  
20th Floor  
New York, NY 10175  
(646) 600-7800 | Fax: (646) 600-7838  
[www.Berkadia.com](http://www.Berkadia.com)

a Berkshire Hathaway and Jefferies Financial Group company

© 2020 Berkadia Proprietary Holding LLC  
Berkadia<sup>®</sup> is a trademark of Berkadia Proprietary Holding LLC.  
Axiometrics<sup>®</sup> is a trademark of Axiometrics Inc.

Commercial mortgage loan origination and servicing businesses are conducted exclusively by Berkadia Commercial Mortgage LLC and Berkadia Commercial Mortgage Inc. This website is not intended to solicit commercial mortgage loan brokerage business in Nevada. Investment sales and real estate brokerage businesses are conducted exclusively by Berkadia Real Estate Advisors LLC and Berkadia Real Estate Advisors Inc. For state licensing details for the above entities, visit: [www.berkadia.com/legal/licensing.aspx](http://www.berkadia.com/legal/licensing.aspx)

The information contained in this flyer has been obtained from sources we believe to be reliable; however, we have not conducted any investigation regarding these matters and make no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. While we do not doubt its accuracy, we have not verified it and neither we, nor the Owner, make any guarantee, warranty or representation of any kind or nature about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example and do not necessarily represent past, current or future performance of the property. You and your advisors should conduct a careful and independent investigation of the property to determine to your satisfaction the suitability of the property and the quality of its tenancy for your records.