

MARKET AT A GLANCE



OCCUPANCY RATE

96.1%

Up 50 bps since 1Q19



EFFECTIVE RENT

\$1,210

Up 8.0% since 1Q19



DELIVERIES

1,788

Units YTD

MULTIFAMILY TRENDS

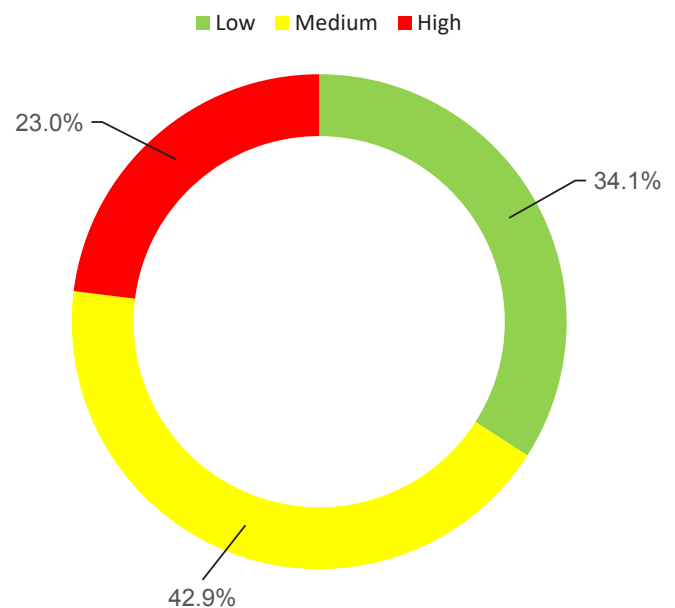
STATE PROVIDES RELIEF FOR RENTERS AMID PANDEMIC

Heading into 2020, the Phoenix economy was thriving, contributing to a rapidly growing population. Even as the workforce diversified, the leisure and hospitality and the retail trade industries remain a driving force in the market. In March, Governor Doug Ducey issued a stay-at-home order, which immediately impacted these high-risk sectors. Many big annual events were canceled, including Major League Baseball's Cactus League that has a more than \$644 million economic impact on the state. Restaurants and fast-food establishments have closed dining spaces, and many retailers are temporarily closing stores. Since the outbreak, more than 350,000 Arizonians filed unemployment claims. These job losses present a possible drop in occupancy for Class C properties, which house many of the service workers. In response to this possibility, Gov. Ducey issued an executive order delaying the enforcement of evictions for renters who are quarantining due to COVID-19 or are facing economic hardship as a result of the pandemic until July. To help renters to continue to make payment, Ducey established \$5 million in new funding as part of a Rental Eviction Prevention Assistance Program for the Arizona Department of Housing (ADH). While the program launched in March, additional funding for the program may be added as the ADH assesses program utilization along with need. With the stay-at-home order expiring April 30, Ducey is working with industry leaders to develop a recovery plan.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing and hunting	0.4%	1.1%
Finance and insurance	7.9%	4.7%
Health care and social assistance	14.9%	16.0%
Information	2.0%	2.2%
Transportation and warehousing	4.3%	4.4%
Utilities	0.4%	0.4%
Wholesale trade	4.1%	4.7%
Total	34.1%	33.4%
MEDIUM		
Administrative and waste services	11.0%	7.4%
Educational services	3.0%	2.3%
Manufacturing	7.0%	10.1%
Mining, quarrying, and oil and gas extraction	0.2%	0.5%
Other services, except public administration	2.9%	3.6%
Professional and technical services	6.6%	7.5%
Retail trade	12.2%	12.2%
Total	42.9%	43.6%
HIGH		
Accommodation and food services	10.2%	11.1%
Arts, entertainment, and recreation	1.9%	1.9%
Construction	7.1%	6.1%
Management of companies and enterprises	1.4%	1.9%
Real estate and rental and leasing	2.3%	1.8%
Unclassified	0.0%	0.1%
Total	23.0%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



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