

## MARKET AT A GLANCE



### OCCUPANCY RATE

96.0%

Up 120 bps since 1Q19



### EFFECTIVE RENT

\$844

Up 5.9% since 1Q19



### DELIVERIES

99

Units YTD

## MULTIFAMILY TRENDS

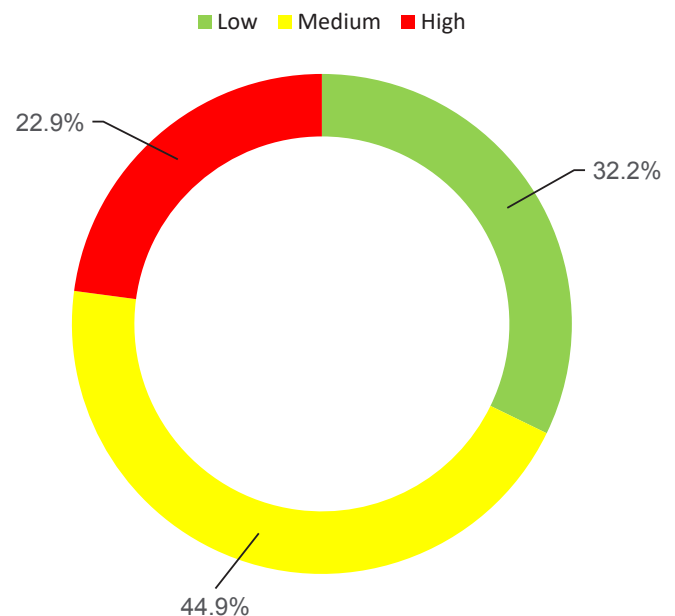
### CORONAVIRUS EXPECTED TO DELAY INFLUX OF NEW APARTMENTS IN TUCSON

With apartment fundamentals in the Tucson metropolitan area improving in recent years, developers ramped up activity recently. At the end of the first quarter of 2020, construction was underway on eight communities representing more than 1,700 market-rate units. How the Tucson apartment market responds to the coronavirus pandemic will depend if builders adjust the timeline for the influx of new units. In the near term, fewer additions means less competition for renters, especially for operators of new communities. Nationwide, apartment operators are experiencing a decrease in new leases, though a rise in lease renewals. This trend is expected to be reflected in Tucson as Governor Doug Ducey issued a stay-at-home order in March that remains in effect at least through the end of April. The order also led to restaurants and fast-food establishments to close their dining spaces. These job losses hit the Tucson market hard as more than 1 out of every 10 local jobs are in the accommodation and food services industry. Losses weren't limited to service industries. Raytheon Missile Systems and the University of Arizona, the largest employers in the metro, furloughed most of their employees. The state has stepped up to help those affected by establishing \$5 million in new funding as part of a Rental Eviction Prevention Assistance Program. Additional funding for the program may be added as the Arizona Department of Housing assesses program utilization along with need.

## INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
<b>LOW</b>		
Agriculture, forestry, fishing and hunting	0.2%	1.1%
Finance and insurance	3.3%	4.7%
Health care and social assistance	20.3%	16.0%
Information	1.7%	2.2%
Transportation and warehousing	3.8%	4.4%
Utilities	0.7%	0.4%
Wholesale trade	2.3%	4.7%
<b>Total</b>	<b>32.2%</b>	<b>33.4%</b>
<b>MEDIUM</b>		
Administrative and waste services	9.9%	7.4%
Educational services	2.0%	2.3%
Manufacturing	9.1%	10.1%
Mining, quarrying, and oil and gas extraction	0.6%	0.5%
Other services, except public administration	3.8%	3.6%
Professional and technical services	5.8%	7.5%
Retail trade	13.6%	12.2%
<b>Total</b>	<b>44.9%</b>	<b>43.6%</b>
<b>HIGH</b>		
Accommodation and food services	12.9%	11.1%
Arts, entertainment, and recreation	1.6%	1.9%
Construction	5.9%	6.1%
Management of companies and enterprises	0.5%	1.9%
Real estate and rental and leasing	2.0%	1.8%
Unclassified	0.0%	0.1%
<b>Total</b>	<b>22.9%</b>	<b>23.0%</b>

## 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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