



## MARKET AT A GLANCE



**OCCUPANCY RATE** **96.8%**  
Up **90 bps** since 1Q20



**EFFECTIVE RENT** **\$895**  
Up **7.8%** since 1Q20

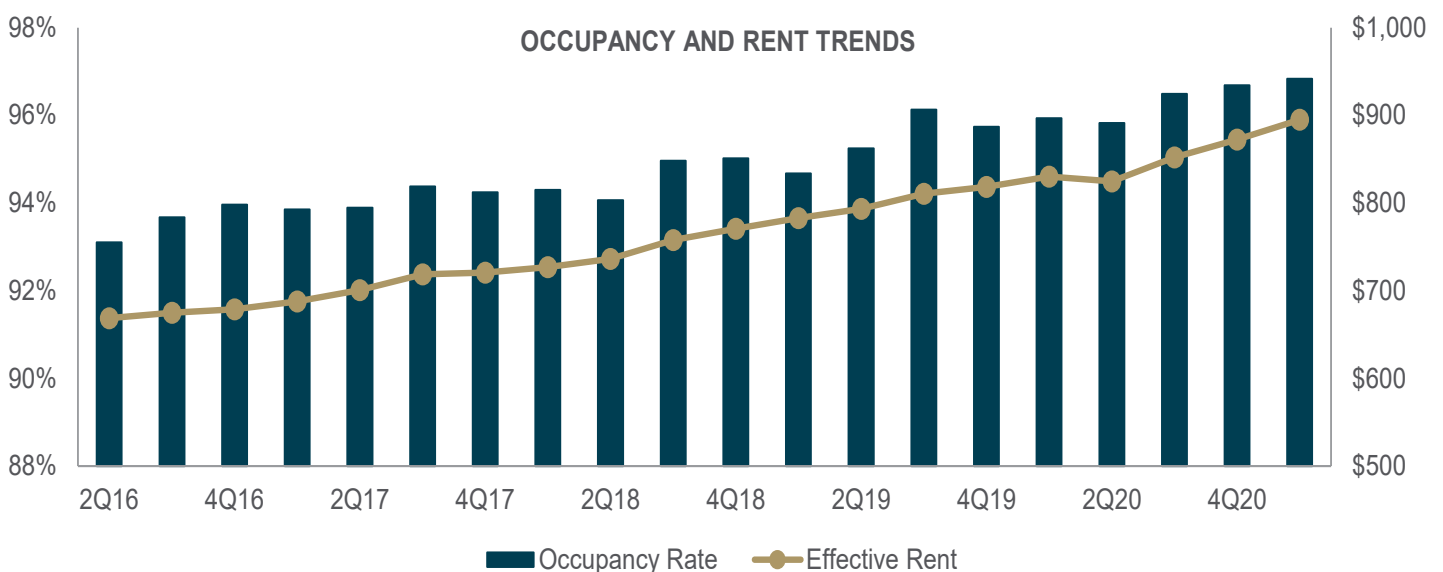


**TOTAL INVENTORY** **81,505**

## OCCUPANCY AND RENT TRENDS

### ROBUST RENT GAINS COME AS ELEVATED APARTMENT DEMAND SUSTAINS

With new leases surpassing apartment development in the Tucson metropolitan area during the last year, effective rent gains were among the highest in the country. Driving housing demand was strong net migration and robust household formation due in part to the more affordable cost of living and a rebound in hiring that included 150 customer service jobs at GEICO and 300 high-tech manufacturing jobs at COMSovereign Holding Corp. With nearly 1,180 units absorbed since the start of the second quarter of 2020, apartment leasing activity was 35% higher than the preceding five-year average. With sustained apartment demand in recent years, multifamily developers have ramped up deliveries. After 310 units came online in the previous year, nearly 460 market-rate apartment units were added to the Greater Tucson inventory over the last four quarters. With leasing activity overtaking inventory growth, the apartment occupancy rate elevated 90 basis points in the last year to an average of 96.8% in the first quarter of 2021. With occupancy 200 basis points higher than the five-year average, apartment operators advanced monthly effective rent to an average of \$895 in the first quarter of 2021, a 7.8% annual increase.



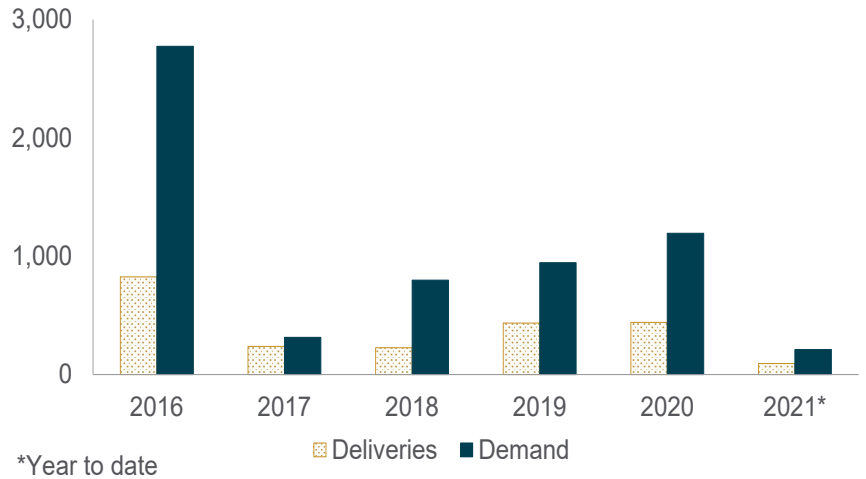
**DELIVERIES AND DEMAND**



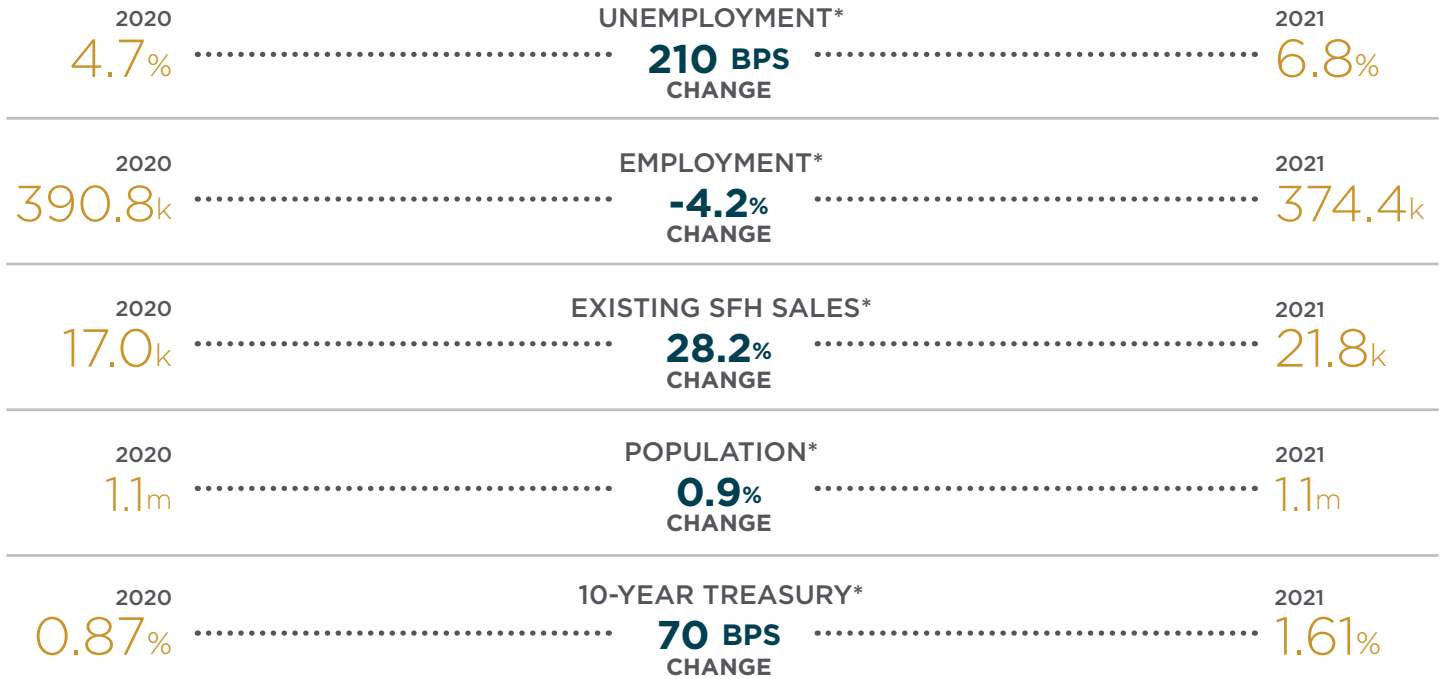
**DELIVERIES** 93  
Units YTD



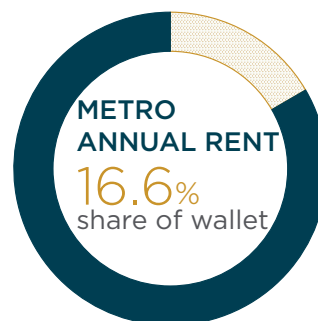
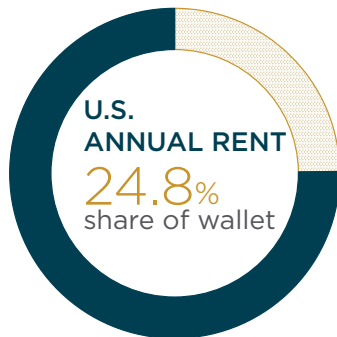
**NET ABSORPTION** 212  
Units YTD



**ECONOMIC TRENDS**



\*March



**SUBMARKET BREAKDOWN**

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	1Q21	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	1Q21	Q-o-Q Change	Y-o-Y Change	1Q21	Annual	1Q21	Annual
Airport/Drexel Heights/Sahuarita	95.7%	50	-100	\$782	0.7%	7.9%	37	-69	0	0
Casas Adobes/Oro Valley	97.4%	60	190	\$1,163	3.5%	9.7%	81	256	0	0
Catalina Foothills	97.8%	40	170	\$1,025	3.6%	9.3%	28	113	0	0
Central Tucson/University	96.6%	0	60	\$789	2.7%	7.7%	-3	183	0	100
East Central Tucson	96.7%	-10	70	\$779	2.6%	6.0%	-15	123	0	0
Southeast Tucson	97.2%	30	100	\$861	2.6%	7.7%	132	316	93	155
West Tucson	96.0%	-70	90	\$946	1.1%	5.7%	-49	258	0	204
<b>TOTALS</b>	<b>96.8%</b>	<b>10</b>	<b>90</b>	<b>\$895</b>	<b>2.6%</b>	<b>7.8%</b>	<b>212</b>	<b>1,179</b>	<b>93</b>	<b>459</b>

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