



MARKET AT A GLANCE



OCCUPANCY RATE **95.5%**
Down **70 bps** since 2Q19



EFFECTIVE RENT **\$1,180**
Up **3.3%** since 2Q19

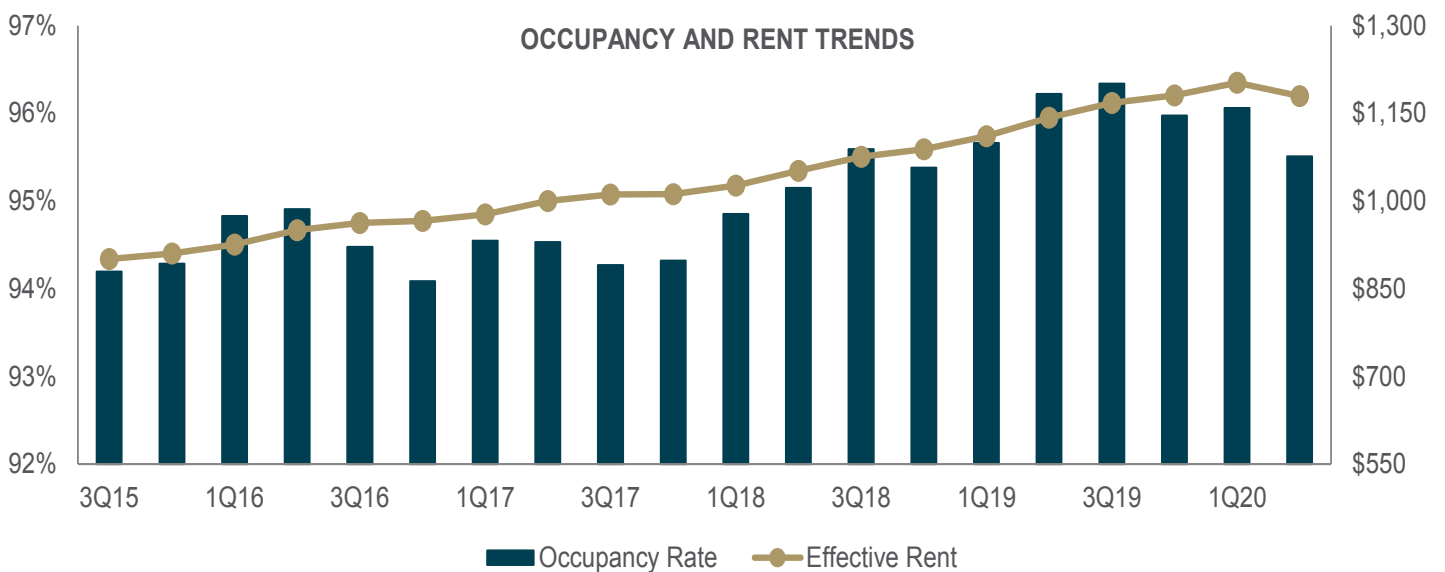


RENT PAYMENT TRACKER (July 1-13) **91.2%**
Down **80 bps** since June 1-13

OCCUPANCY AND RENT TRENDS

APARTMENT DEMAND PERSISTS AS HIRING REBOUNDS

Coming into 2020, the Phoenix market had some of the strongest employment and household growth in the country. These trends, combined with relatively low levels of single-family homebuilding, created an unmet housing demand that apartment developers worked to fulfill. Builders brought more than 2,400 units online in the second quarter. It was a part of approximately 8,000 additions in the last year. Demand typically outpaced apartment inventory growth, up until the second quarter. While net apartment absorption remained positive over the last three months, leasing activity significantly slowed. The supply-demand imbalance led to apartment occupancy lowering 60 basis points quarter over quarter to 95.5%. Contributing to the deceleration in apartment absorption were 202,600 jobs eliminated in April. The economy already showed signs of improvement as 42,400 positions were added in May. For those still unemployed, the CARES Act provided additional funds to help meeting housing costs. This led to 91.2% of metro renters making a full or partial rent payment by July 13, 360 basis points higher than the national average. Also helping renters meet housing costs was a 1.9% quarterly drop in rent to an average of \$1,180 in June.



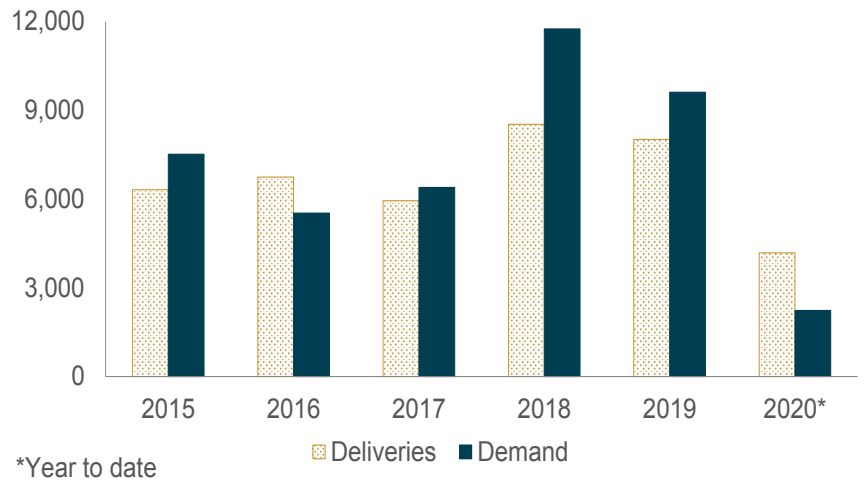
DELIVERIES AND DEMAND



DELIVERIES 4,183
Units YTD



NET ABSORPTION 2,233
Units YTD



ECONOMIC TRENDS

2019 4.2% **UNEMPLOYMENT*** 2020 8.4%
420 BPS CHANGE

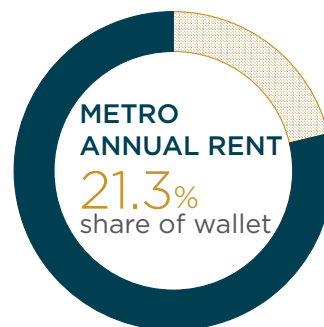
2019 2.2m **EMPLOYMENT*** 2020 2.0m
-5.5% CHANGE

2019 94.0k **EXISTING SFH SALES**** 2020 81.5k
-13.3% CHANGE

2019 5.0m **POPULATION**** 2020 5.1m
2.0% CHANGE

2019 2.07% **10-YEAR TREASURY**** 2020 0.73%
-130 BPS CHANGE

*May; **June



PHOENIX

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
Avondale/Goodyear/West Glendale	96.0%	-20	-40	\$1,215	0.0%	6.3%	380	753	434	838
Central Phoenix	93.6%	-100	-220	\$1,415	-2.0%	-2.4%	-7	312	95	548
Chandler	95.8%	-30	-20	\$1,321	-3.4%	1.5%	-72	680	0	763
Deer Valley	94.8%	-90	-120	\$1,277	-3.4%	3.1%	175	701	348	956
East Mesa	96.2%	-60	-80	\$1,217	-1.6%	3.0%	38	216	120	323
East Phoenix	95.8%	-40	-80	\$1,120	-0.6%	2.9%	51	99	120	240
Far West Phoenix	96.8%	110	70	\$969	3.8%	8.8%	130	89	0	0
Gilbert	95.4%	-80	-180	\$1,269	-3.1%	0.4%	86	252	179	459
North Central Phoenix	94.0%	-170	-140	\$1,219	-2.3%	1.3%	42	694	455	1,083
North Glendale	95.3%	-70	60	\$1,163	-2.6%	4.6%	-51	46	0	0
North Scottsdale	94.2%	-250	-110	\$1,435	-6.6%	0.5%	-313	209	99	408
North Tempe/University	94.6%	-120	-150	\$1,314	-2.6%	1.3%	270	1,081	502	1,393
Northeast Phoenix	96.0%	-90	-50	\$1,099	-1.2%	5.1%	-184	-102	0	0
Northwest Mesa	97.0%	40	30	\$1,032	-1.5%	4.2%	52	35	0	0
Northwest Phoenix	96.0%	20	-50	\$949	0.8%	4.0%	61	-54	0	68
Peoria/Sun City/Surprise	94.5%	-120	-150	\$1,205	-2.4%	4.3%	-154	228	37	480
Pinal County	97.0%	90	30	\$980	2.6%	17.3%	39	14	0	0
South Glendale	96.0%	30	-30	\$909	0.8%	5.5%	38	-50	0	0
South Phoenix	95.9%	0	-40	\$1,248	-0.6%	3.4%	31	217	32	282
South Scottsdale	95.7%	-130	-30	\$1,503	-5.2%	0.8%	-234	14	0	174
South Tempe	95.5%	-70	-50	\$1,233	-2.6%	1.0%	-119	-80	0	0
Southwest Mesa	96.8%	-20	-20	\$1,076	0.4%	4.5%	-38	-119	0	0
West Phoenix	95.1%	70	-180	\$847	-0.2%	8.1%	102	-281	0	0
TOTALS	95.5%	-60	-70	\$1,180	-1.9%	3.3%	324	4,956	2,421	8,015

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