PHOENIX, AZ

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)	EFFECTIVE RENT (Q4 2024)	RENT SHARE OF WALLET (Q4 2024)
93.0%	$1,641	21.4%
UP 30 BPS YOY	UP 2.4% YOY	DOWN 10 BPS YOY

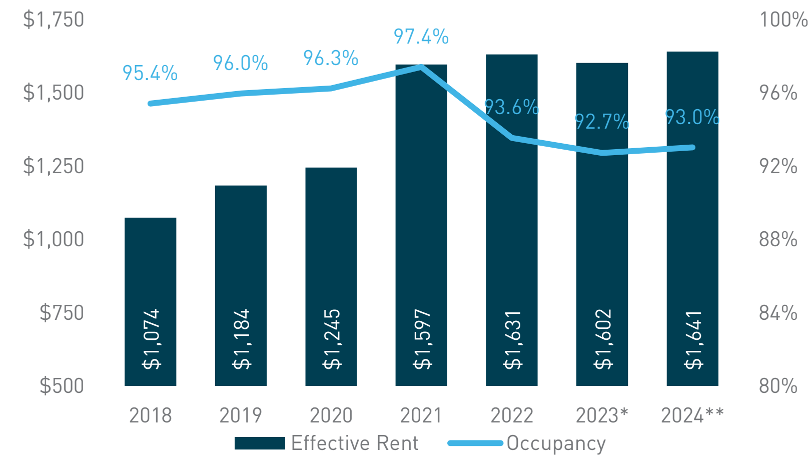
Rent and Occupancy to Increase Alongside Absorption and Deliveries

With strong recent population and employment growth, a rise in supply and demand will land the Phoenix apartment market second in the nation this year. Projections show builders completing 33,362 units as renters occupy 32,254 net units. Submarkets with the higher rates of inventory change should expect annual rent reductions, but only four should post reduced occupancy. Greater Phoenix's average effective rent is projected to increase 2.4% to $1,641 per month in the fourth quarter of 2024 as occupancy elevates 30 basis points to 93.0%. The primary factor in the apartment market's jump among national rankings in 2024 is steady population growth, at an estimated 1.5% this year, 20 basis points above the annual average growth during the past five years. As in 2023, population expansion this year will stem from births, rather than in-migration to the Phoenix Metro, as more millennials begin to bear children. This is in conjunction with a projected 2.2% growth in households over the same period. As interest rates remain high relative to the pre-pandemic average, real estate experts expect the price of single-family homes to rise incrementally as well, maintaining the barrier to homeownership that persisted through 2023. Renters gravitate to Metro Phoenix for its economic growth, which is forecast to outpace the nation this year. Private education and healthcare employers will lead growth, as Phoenix Children Hospital opens an Abrazo Arrowhead Campus and Banner Health opens their new hospital in Buckeye.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

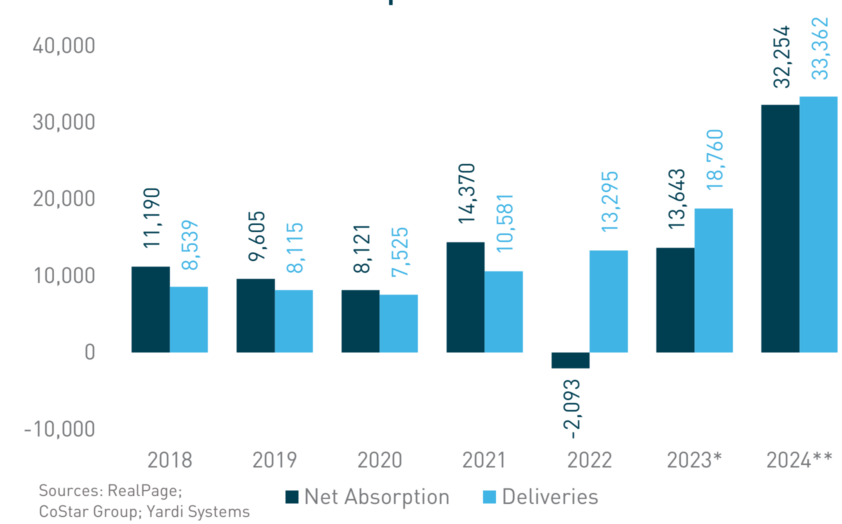


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



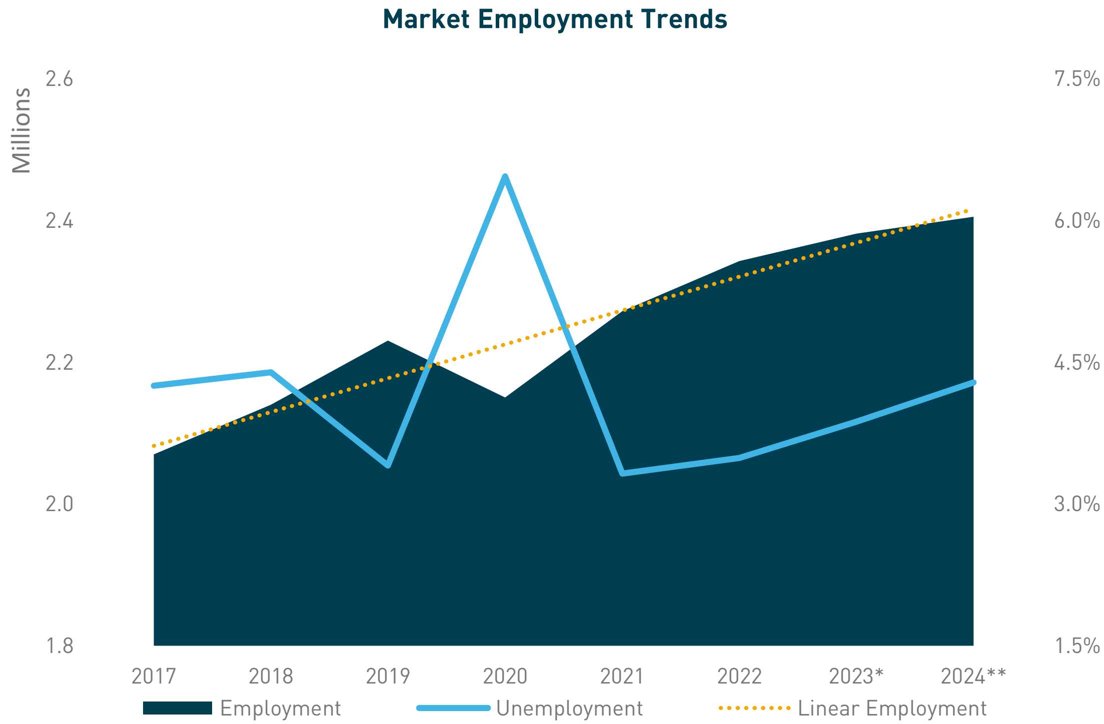
Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

PHOENIX, AZ

BERKADIA

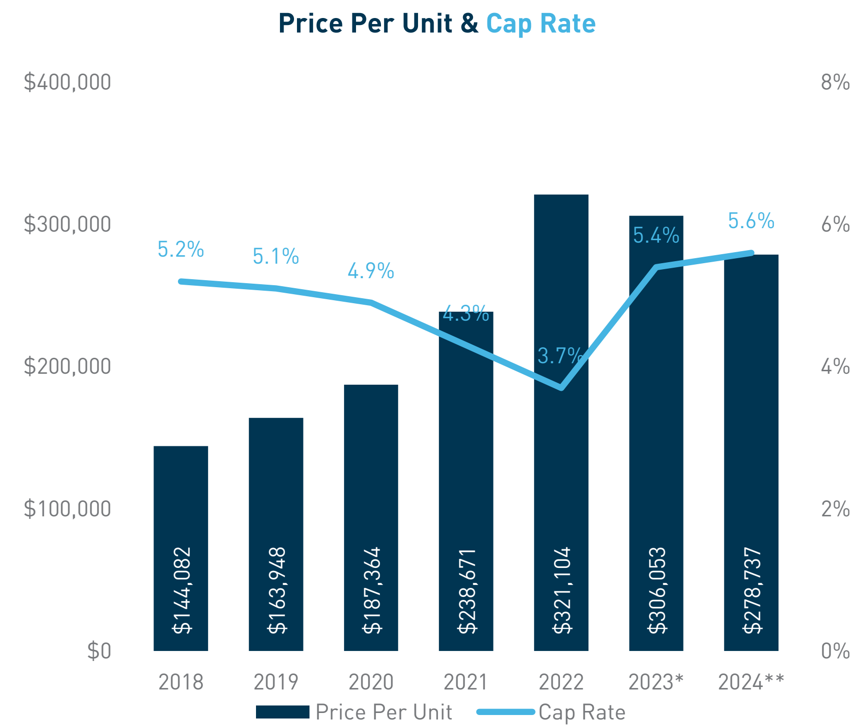
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
2,405,400	4.3%	$92,011	$278,737	5.6%
UP 1.0% YOY	UP 40 BPS YOY	UP 2.9% YOY	DOWN 8.9% YOY	UP 20 BPS YOY