MARKETBEAT
PHOENIX
MULTIFAMILY Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.6% Vacancy Rate	▼	▼
12.7K Net Absorption, units	▲	▲
$1,592 Asking Rent, Per Unit	▼	—

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.5M Phoenix Employment	▲	▲
4.0% Phoenix Unemployment Rate*	▲	▼
1.2% Phoenix Household Growth Rate*	▼	▲

Source: BLS, Moody's Analytics
2026Q2 data are based on latest available data

ECONOMY: OUTPUT ACCELERATES AMID SUSTAINED JOB GROWTH

In Q2 2026, the Phoenix Metro reported an employment level of 2.5 million, after adding 20,500 jobs over the last year. While the unemployment rate ticked up from 3.8% to 4.0% during that timeframe, it remained below the national average of 4.2% and ranked third-lowest among major U.S. metros with total employment of at least 2 million jobs. Continued wage growth encouraged new entrants into the labor force, with the median household income increasing by 3.8% year-over-year (YOY) to $97,400. Population growth also more-than doubled the national average, however, the 0.8% YOY increase marked a deceleration from previous quarters. Annual GDP growth, meanwhile, accelerated up from 2.0% in Q2 2025 to 3.5% in Q2 2026, underscoring the Metro's positive economic momentum.

SUPPLY & DEMAND: DEMAND SURGES, PUSHING DOWN VACANCY

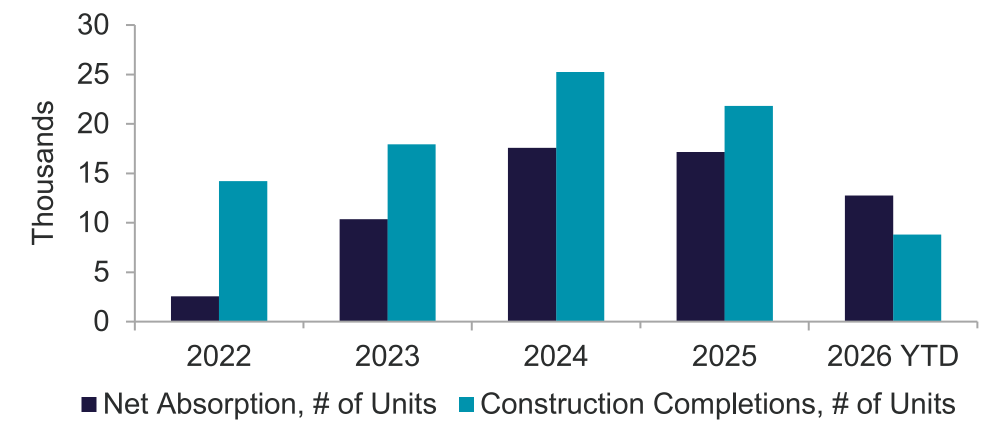
Over the first half of 2026, net absorption in Phoenix reached 12,741 units, the market's strongest six-month span since at least 2000. This record level of absorption, coupled with a slower pace of deliveries compared to recent periods, helped compress vacancy by 100 basis points (bps) YOY to 11.6%. Demand was widespread, with all 15 submarkets posting positive first-half absorption for the first time since 2021. Five submarkets exceeded the 1,000-unit mark, including the South West Valley (2,181 units), East Valley (1,690 units), Deer Valley (1,481), Downtown Phoenix (1,202 units) and North Phoenix (1,074 units).

Developers delivered 4,724 units in Q2 2026, an uptick from Q1, but still 14% lower than the trailing three-year average. Completions have been relatively dispersed across several submarkets, with four (East Valley, South West Valley, Tempe and Downtown Phoenix) noting over 1,000-unit delivery slates year-to-date. However, active construction is much more concentrated, with the East Valley accounting for 4,673 units, or 27% of the Metro's construction pipeline.

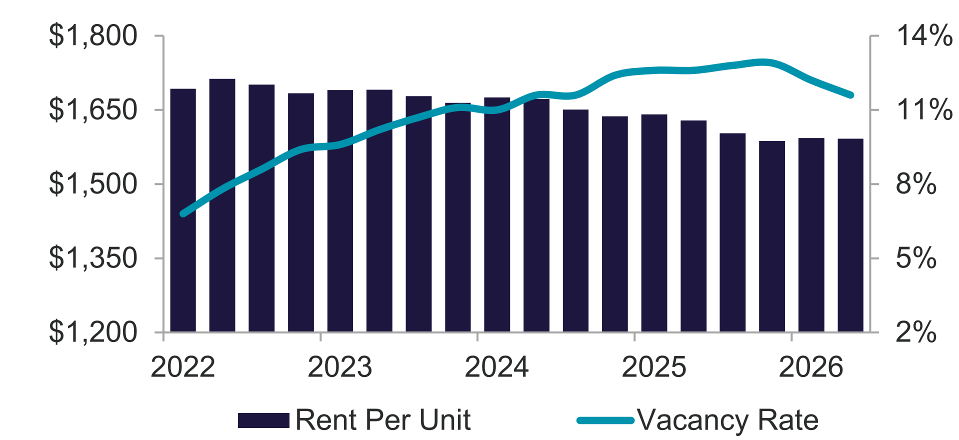
PRICING: RENT TRENDS SHOW SIGNS OF STABILIZING

The first quarter of 2026 gave indication that rental rates are nearing stabilization, with the average asking rent remaining flat at $1,592 per month. While this figure remains 2.3% lower than in Q2 2025, the combination of declining vacancy, slower supply growth, and robust absorption should mitigate the potential for further declines. Likely aiding on the demand side, the average apartment concession reached 8.4% of yearly effective rent in Q2, nearly an all-time high.

DEMAND / DELIVERIES



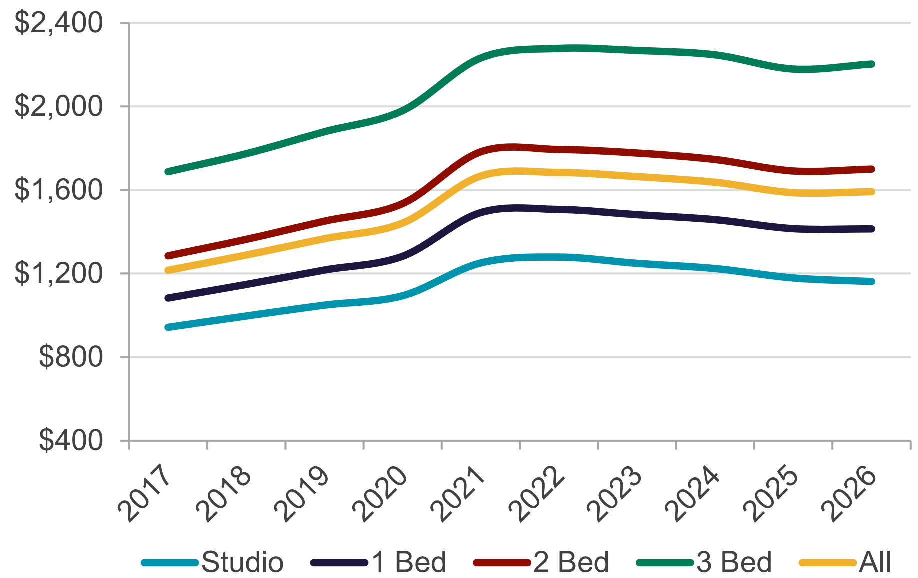
OVERALL VACANCY & ASKING RENT RENT



Source: Cushman & Wakefield, CoStar

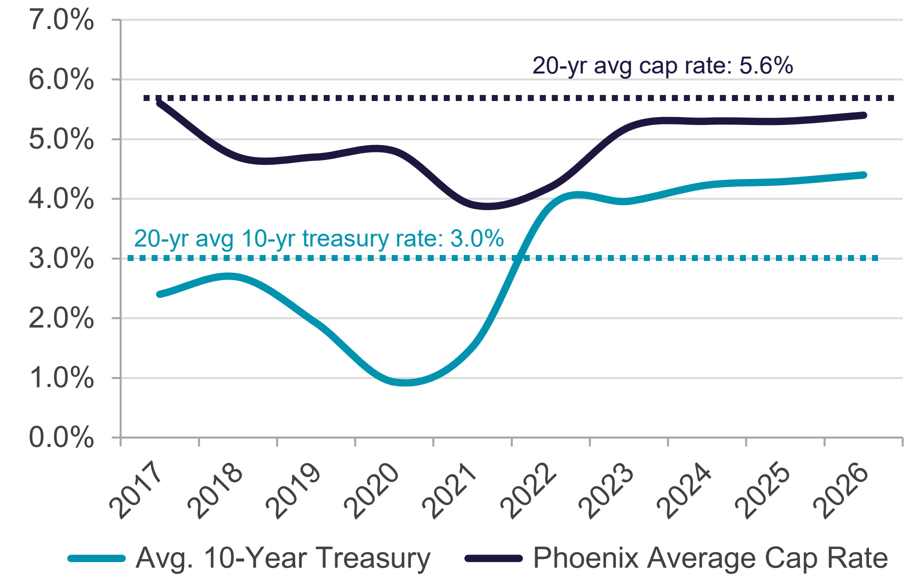
AVERAGE ASKING RENT PER UNIT HISTORY (1)

ALL UNIT TYPES HAVE RECORDED RATE REDUCTIONS SINCE 2024. ON AVERAGE, PRICES HAVE DECREASED 2.7% IN TWO YEARS.



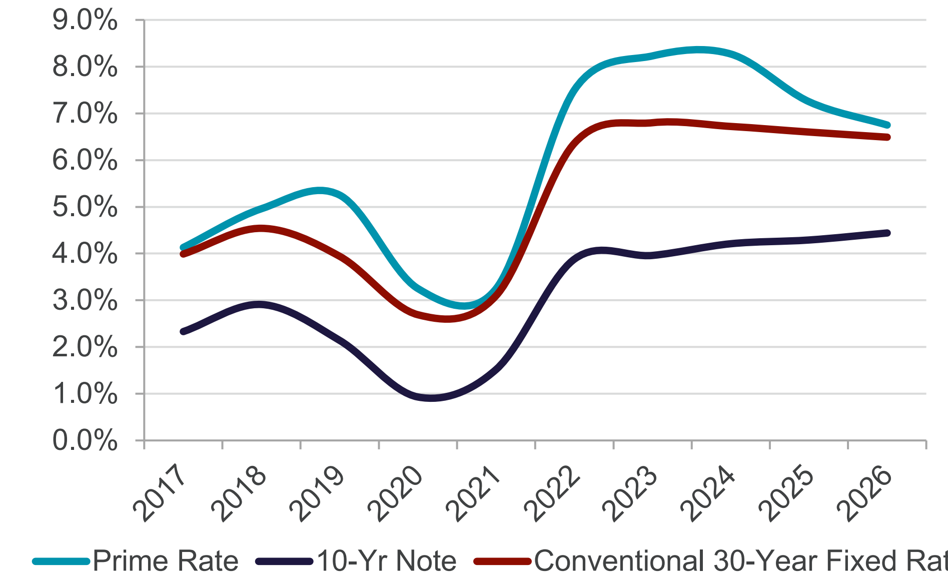
AVERAGE CAP RATE (2)

THE 10-YEAR U.S. TREASURY RATE IS ABOVE THE HISTORICAL AVERAGE OF 3.0% AND THE METRO PHOENIX CAP RATE IS BELOW THE HISTORICAL AVERAGE OF 5.6%



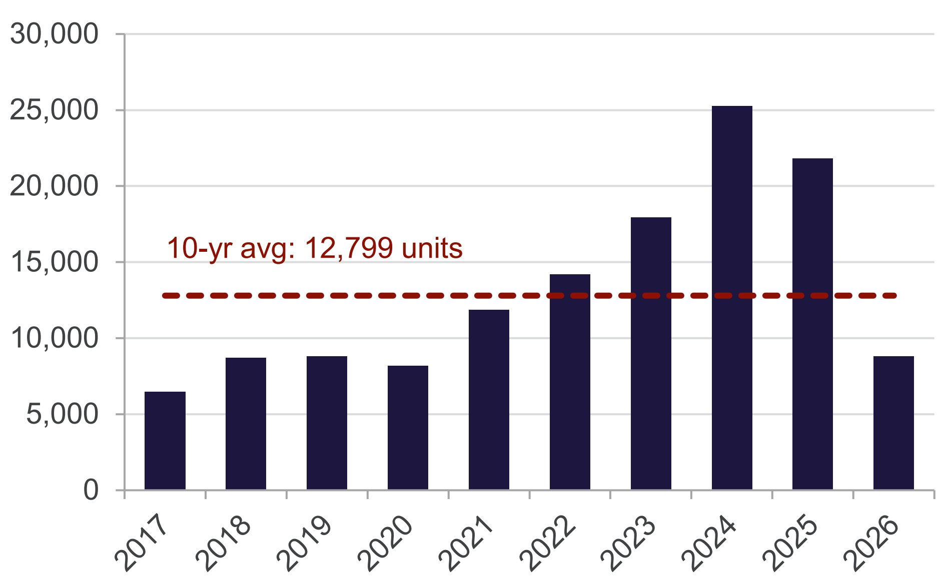
INTEREST RATES (3)

FEDERAL FUNDS TARGET RATE FORECASTED TO EASE BY 20 BASIS POINTS THROUGHOUT THE REMAINDER OF 2026



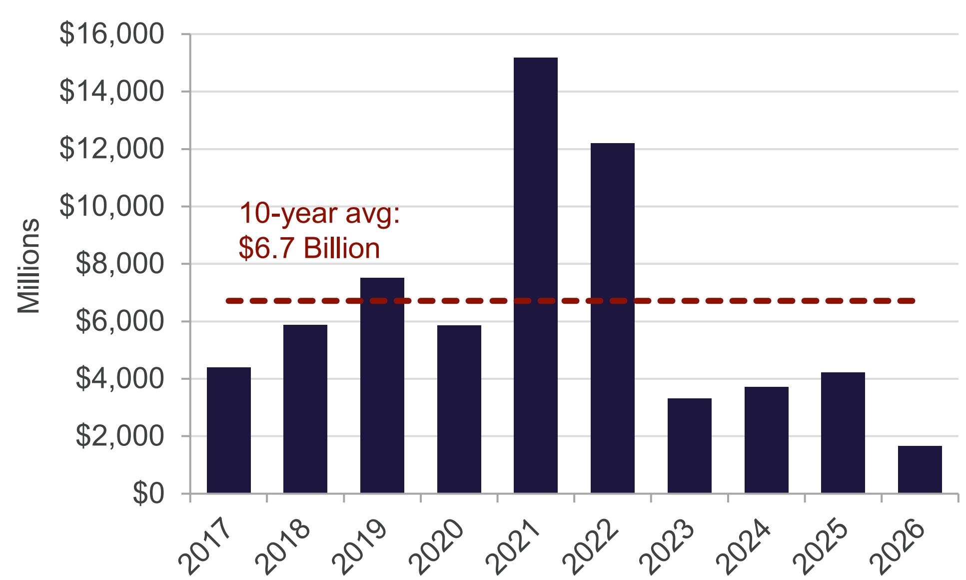
NEW INVENTORY (4)

TOTAL NUMBER OF NEW INVENTORY UNITS COMPLETED YTD IN 2026 IS 69% OF THE 10-YEAR ANNUAL AVERAGE OF 12,799 UNITS



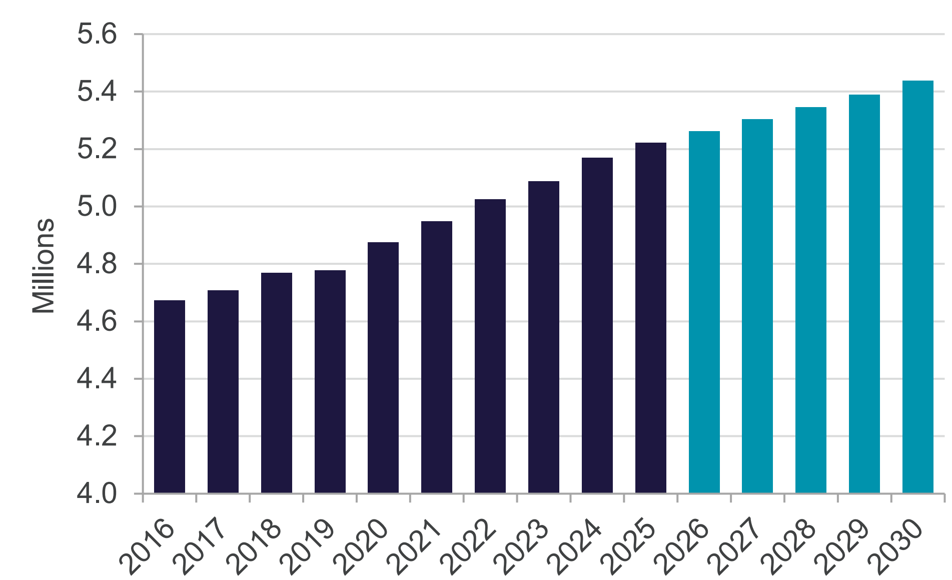
SALES TRANSACTION VOLUME (5)

TOTAL TRANSACTION VOLUME OF 24 PROPERTIES IN YTD IN 26 IS 25% OF THE 10-YEAR ANNUAL AVERAGE OF $6.7 BILLION



POPULATION (6)

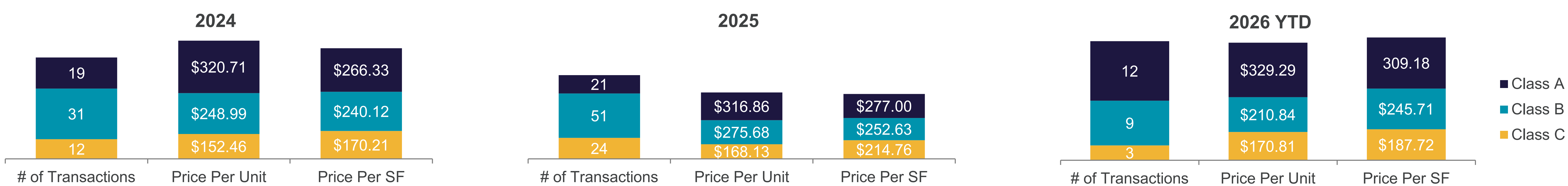
POPULATION IS PROJECTED TO GROW SIGNIFICANTLY THROUGH 2030



(1) CoStar, Cushman & Wakefield
(2) RCA, Federal Reserve Board, Cushman & Wakefield
(3) Federal Reserve Board, Wells Fargo
(4) CoStar
(5) CoStar
(6) Moody's & U.S. Census Bureau

MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG ASKING RENT / UNIT	YOY % ASKING RENT GROWTH
Gilbert	18,098	-	-	1,351	553	8.5%	-320	$1,775	-0.7%
Camelback	7,905	-	-	341	19	8.4%	-20	$1,571	-0.4%
Downtown Phoenix	37,024	1,044	2.9%	977	1,202	15.0%	300	$1,607	-2.9%
Chandler	31,584	597	1.9%	1,413	560	7.9%	-100	$1,712	-0.6%
Deer Valley	39,077	974	2.6%	1,401	1,481	12.9%	190	$1,510	-3.0%
North Phoenix	40,557	348	0.9%	1,604	1,074	9.4%	-180	$1,438	-3.3%
Old Town Scottsdale	12,723	-	-	190	140	6.4%	-180	$1,911	-0.6%
Pinal County	5,758	456	8.6%	885	672	27.6%	-440	$1,487	-4.3%
North Scottsdale	19,580	-	-	694	367	7.8%	-210	$2,220	0.8%
South West Valley	54,815	1,351	2.5%	944	2,181	13.6%	-310	$1,413	-3.5%
South Phoenix	12,923	525	4.2%	633	728	13.4%	-180	$1,626	-3.2%
Tempe	44,934	1,270	2.9%	1,481	816	10.1%	40	$1,606	-2.9%
West Maricopa County	8,418	595	7.6%	436	864	23.2%	-1,290	$1,760	-3.7%
East Valley	48,615	1,647	3.5%	4,673	1,690	11.8%	10	$1,506	-2.3%
North West Valley	18,828	-	-	108	394	11.3%	-440	$1,460	-3.1%
MARKET	**400,839**	**8,807**	**2.2%**	**17,131**	**12,741**	**11.6%**	**-100**	**$1,592**	**-2.3%**

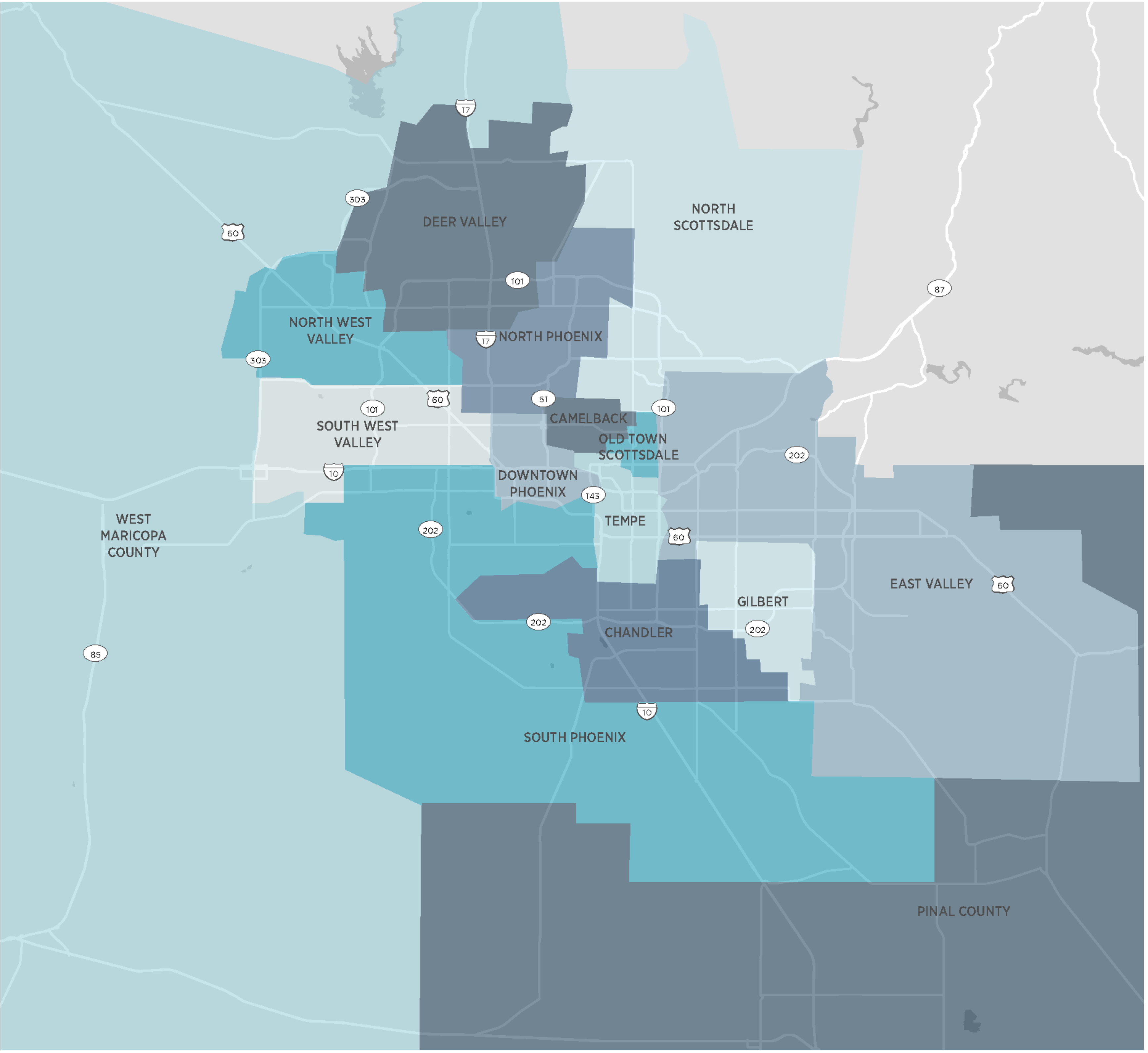


KEY SALE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SELLER/BUYER	Units	PRICE / $ PER UNIT
Arrowhead Summit Apartment Homes	Deer Valley	Cortland / NALS Apartment Homes	412	$101.4M / $246,000
Longbow Luxury Apartments	East Valley	D.R. Horton / Millburn & Company	339	$95.3M / $280,973
Merrick on Camelback	South West Valley	Cavan Companies / Golden Horizon Enterprises	334	$112.5M / $336,826
Camden Gilbert	Gilbert	PGIM, Inc. / Camden Property Trust	320	$124.5M / $389,063
The Residences Kierland	North Scottsdale	Quarterra / MacNaughton	290	$142.5M / $491,379

Source: CoStar

MULTIFAMILY SUBMARKETS



JOSH CRAFT
Senior Research Analyst
Tel: +1 602 468 8506
joshua.craft@cushwake.com

JEFF COOLEDGE
Senior Research Manager
Tel: +1 602 224 4448
jeffrey.cooledge@cushwake.com

ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of $10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.