# MARKETBEAT PHOENIX
## MULTIFAMILY Q3 2026



CUSHMAN & WAKEFIELD

### MARKET FUNDAMENTALS

| | YOY Chg | Outlook |
|---|---|---|
| **10.8%** Vacancy Rate | ▼ | ▼ |
| **18.1K** Net Absorption, units | ▲ | ▲ |
| **$1,590** Asking Rent, Per Unit *(Overall, All Property Classes)* | ▼ | ▬ |

### ECONOMIC INDICATORS

| | YOY Chg | Outlook |
|---|---|---|
| **2.5M** Phoenix Employment | ▲ | ▲ |
| **4.4%** Phoenix Unemployment Rate | ▲ | ▼ |
| **1.5%** Phoenix Household Growth Rate | ▼ | ▲ |

*Source: BLS, Moody's Analytics*
*2026Q3 data are based on latest available data*

### ECONOMY: PHOENIX ECONOMY CONTINUES TO EXPAND

In Q3 2026, the Phoenix Metro reported an employment level of 2.5 million, after adding 24,000 jobs over the last year. While the unemployment rate ticked up from3.9% to 4.4% during that timeframe—and exceeded the national average of 4.2%—the increase was largely attributed to expanded labor force participation, rather than job losses. A key driver of this trend has been the Metro's strong wage growth, with the median household income rising by 4.6% year-over-year (YOY) to $98,500. Phoenix's population also grew at four times the rate of the national average, however, the 0.8% YOY increase marked a slowdown from previous quarters. Annual GDP growth, meanwhile, accelerated up from 2.4% in Q3 2025 to 2.7% in Q3 2026, underscoring the Metro's positive economic momentum.

### SUPPLY & DEMAND: VACANCY PLUMMETS AMID RECORD DEMAND

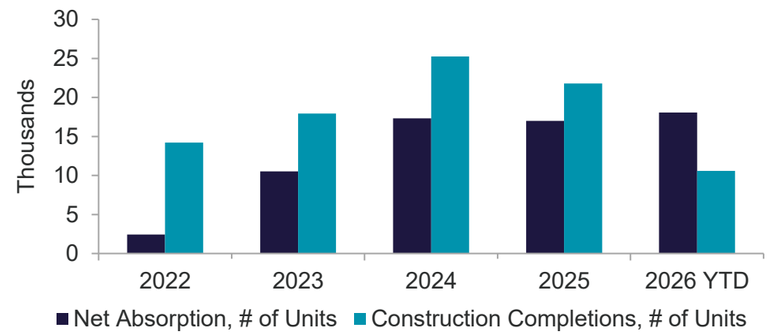
Net absorption across the Phoenix Metro reached 18,071 units year-to-date (YTD) through Q3 2026, already eclipsing the record annual total of 17,303 units set in 2024. This robust level of absorption, paired with a meaningful slowdown in new deliveries, enabled vacancy to decrease by 200 basis points (bps) YOY to a three-year low of 10.8%. All 15 multifamily submarkets recorded positive absorption for a third consecutive quarter, with Downtown (760 units), Deer Valley (752 units) and South West Valley (665 units) leading the overall market in Q3.

Developers completed a six-year low of 2,008 units in Q3 2026. The slowdown in deliveries is likely to continue, with the active pipeline declining to 16,013 units, the lowest level since year-end 2019. During Q3, nine out of 15 submarkets observed no new openings, while just one—East Valley—accounted for 42% (835 units) of the Metro's total. The East Valley is also the most active submarket for ongoing construction, with 3,838 units, or 24% of the market-wide pipeline.

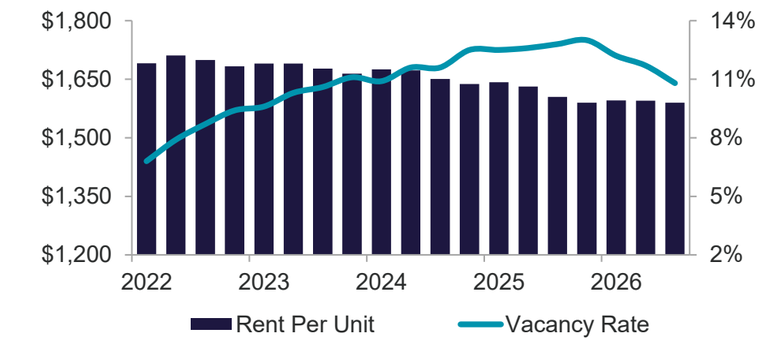
### PRICING: LANDLORDS ADJUST ASKING RENTS TO AID OCCUPANCY

Rent trends from Q3 2026 suggested that landlords are generally continuing to temper marketed rates to unlock greater levels of renter demand, with the average level decreasing by 0.9% YOY to $1,590 per unit. This dynamic has been widespread, with 10 out of 15 multifamily submarkets posting YOY declines, ranging from 0.5% in the East Valley to 4.3% in Pinal County. Submarkets that observed YOY increases through Q3 include North Scottsdale (1.9%), Chandler (0.9%), Camelback (0.8%), Gilbert (0.4%) and Old Town Scottsdale (0.2%).

### DEMAND / DELIVERIES




### OVERALL VACANCY & ASKING RENT



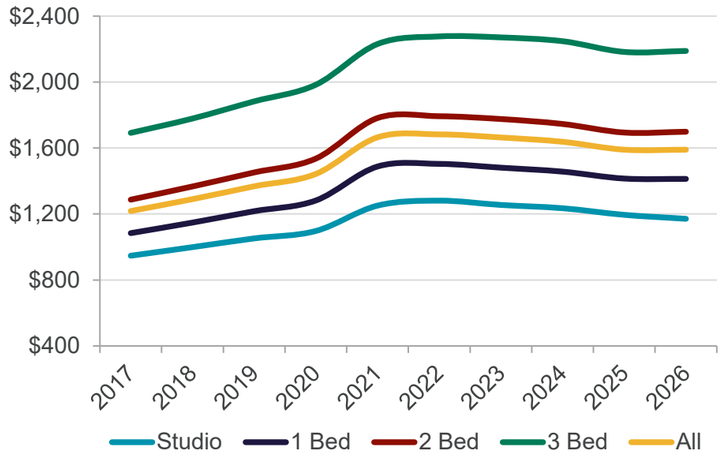

*Source: Cushman & Wakefield, CoStar*


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# PHOENIX
## MULTIFAMILY Q3 2026

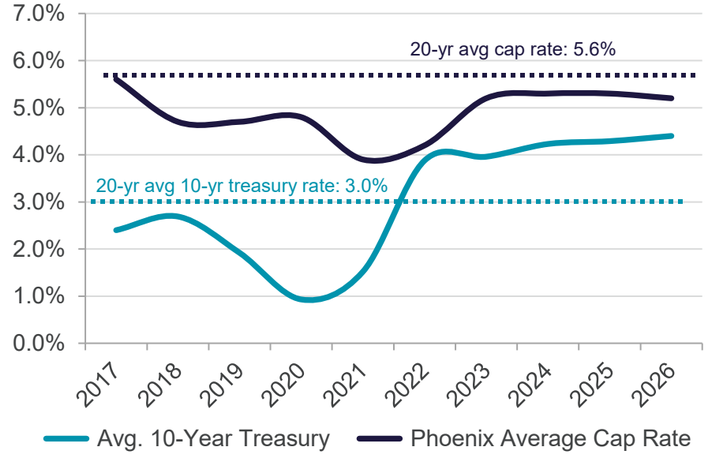
### AVERAGE ASKING RENT PER UNIT HISTORY (1)

ALL UNIT TYPES HAVE RECORDED RATE REDUCTIONS SINCE 2024. ON AVERAGE, PRICES HAVE DECREASED 2.9% IN TWO YEARS.



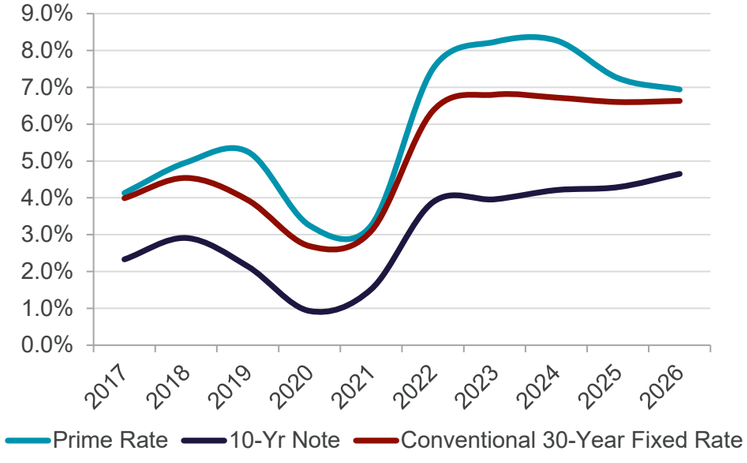

### AVERAGE CAP RATE (2)

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%



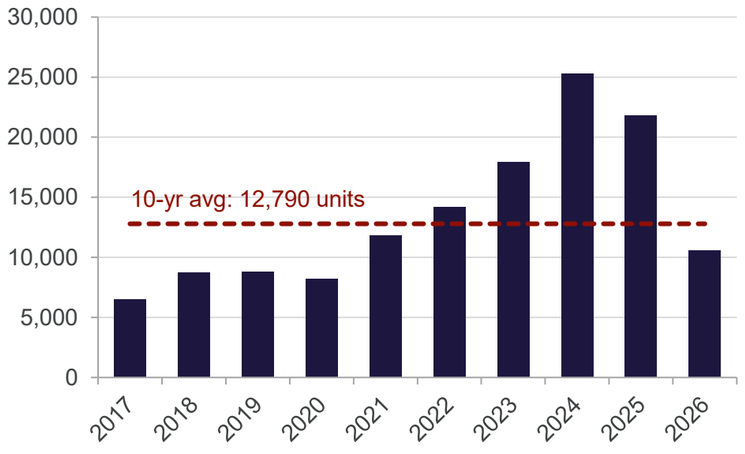

### INTEREST RATES (3)

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



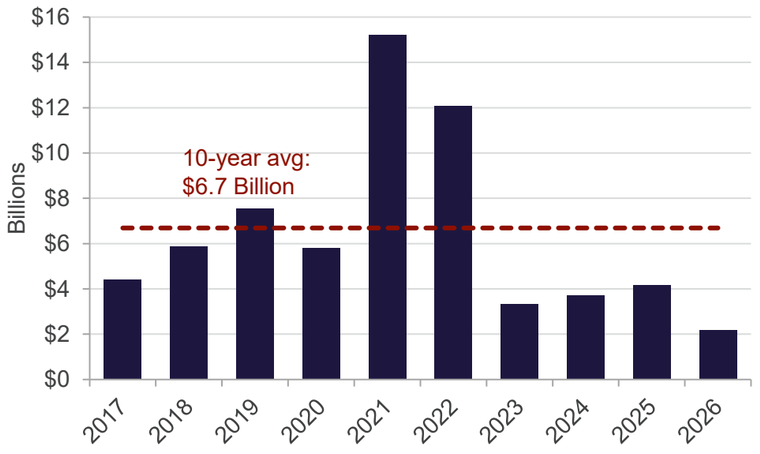

### NEW INVENTORY (4)

TOTAL NUMBER OF NEW INVENTORY UNITS COMPLETED YTD IN 2026 IS 83% OF THE 10-YEAR ANNUAL AVERAGE OF 12,790 UNITS



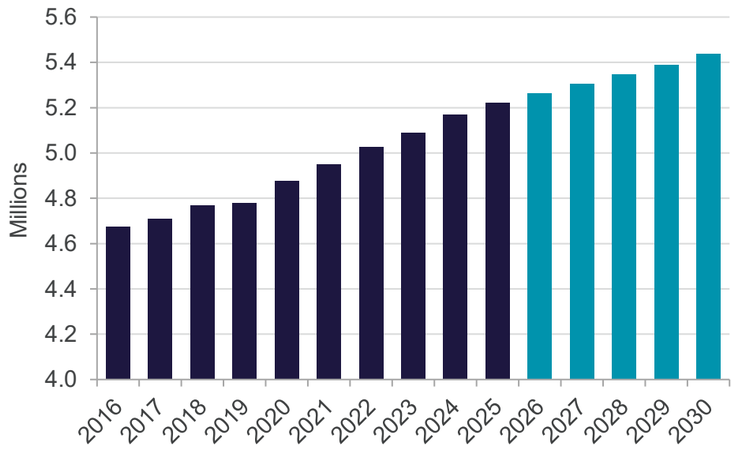

### SALES TRANSACTION VOLUME (5)

TOTAL TRANSACTION VOLUME OF 36 PROPERTIES YTD IN 2026 IS 33% OF THE 10-YEAR ANNUAL AVERAGE OF $6.7 BILLION




### POPULATION (6)

POPULATION IS PROJECTED TO GROW SIGNIFICANTLY THROUGH 2030

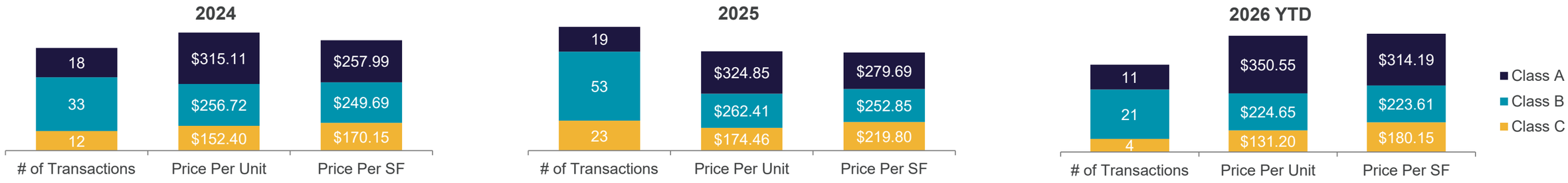



(1) CoStar, Cushman & Wakefield
(2) RCA, Federal Reserve Board, Cushman & Wakefield
(3) Federal Reserve Board, Wells Fargo
(4) CoStar
(5) CoStar
(6) Moody's & U.S. Census Bureau


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## 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 | 18,329 | 231 | 1.3% | 1,120 | 803 | 8.5% | -380 | $1,775 | 0.4% |
| Camelback | 7,905 | - | - | 341 | 32 | 8.5% | -70 | $1,565 | 0.8% |
| Downtown Phoenix | 37,024 | 1,044 | 2.9% | 977 | 2,017 | 12.8% | -280 | $1,592 | -2.4% |
| Chandler | 31,684 | 697 | 2.2% | 1,313 | 922 | 7.2% | -90 | $1,709 | 0.9% |
| Deer Valley | 38,937 | 974 | 2.6% | 1,813 | 2,183 | 10.9% | -30 | $1,512 | -1.2% |
| North Phoenix | 40,772 | 348 | 0.9% | 1,934 | 1,319 | 8.8% | -180 | $1,455 | -0.6% |
| Old Town Scottsdale | 12,568 | - | - | 190 | 171 | 6.2% | -160 | $1,907 | 0.2% |
| Pinal County | 5,602 | 204 | 3.8% | 711 | 598 | 25.5% | -870 | $1,473 | -4.3% |
| North Scottsdale | 19,426 | 261 | 1.4% | 928 | 560 | 8.3% | -370 | $2,238 | 1.9% |
| South West Valley | 54,698 | 1,671 | 3.2% | 434 | 2,986 | 12.9% | -330 | $1,405 | -2.0% |
| South Phoenix | 12,923 | 525 | 4.2% | 633 | 969 | 11.6% | -530 | $1,630 | -1.2% |
| Tempe | 45,005 | 1,559 | 3.6% | 812 | 1,203 | 9.9% | 90 | $1,605 | -2.0% |
| West Maricopa County | 8,415 | 595 | 7.6% | 861 | 1,330 | 18.1% | -1,280 | $1,764 | -2.8% |
| East Valley | 49,324 | 2,482 | 5.3% | 3,838 | 2,453 | 11.9% | -40 | $1,507 | -0.5% |
| North West Valley | 18,828 | - | - | 108 | 525 | 10.4% | -360 | $1,449 | -2.4% |
| **MARKET** | **401,440** | **10,591** | **2.7%** | **16,013** | **18,071** | **10.8%** | **-200** | **$1,590** | **-0.9%** |




## KEY SALE TRANSACTIONS Q3 2026

| PROPERTY | SUBMARKET | SELLER/BUYER | Units | PRICE / $ PER UNIT |
|---|---|---|---|---|
| Cadia Crossing | Gilbert | LivCor / GSL Properties | 256 | $80.0M / $312,500 |
| Pavilions on Central | Downtown Phoenix | Security Properties / Knightvest | 254 | $73.7M / $289,961 |
| Ascend at Black Canyon | Deer Valley | D.R. Horton / Millburn & Company | 260 | $58.7M / $225,769 |
| Parc Roundtree Ranch | North West Valley | Bridge Investment Group / Greystar | 275 | $58.0M / $210,909 |
| The Remy | East Valley | Geringer Capital / ColRich | 267 | $52.4M / $196,255 |

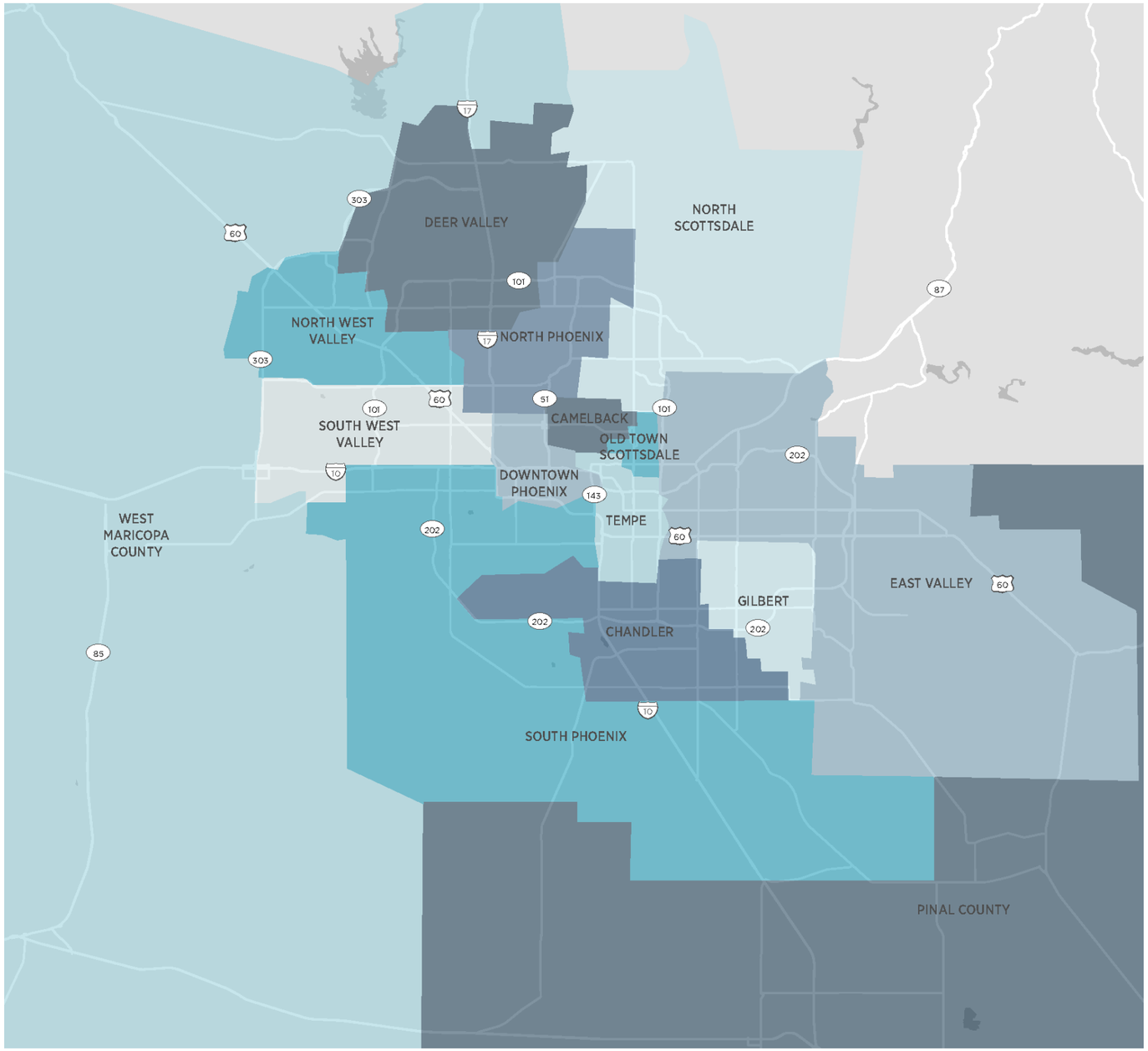
*Source: CoStar*



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# PHOENIX
## MULTIFAMILY Q3 2026

### MULTIFAMILY SUBMARKETS




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