



ELEVATE  
RESIDENTIAL  
PARTNERS



# PHOENIX

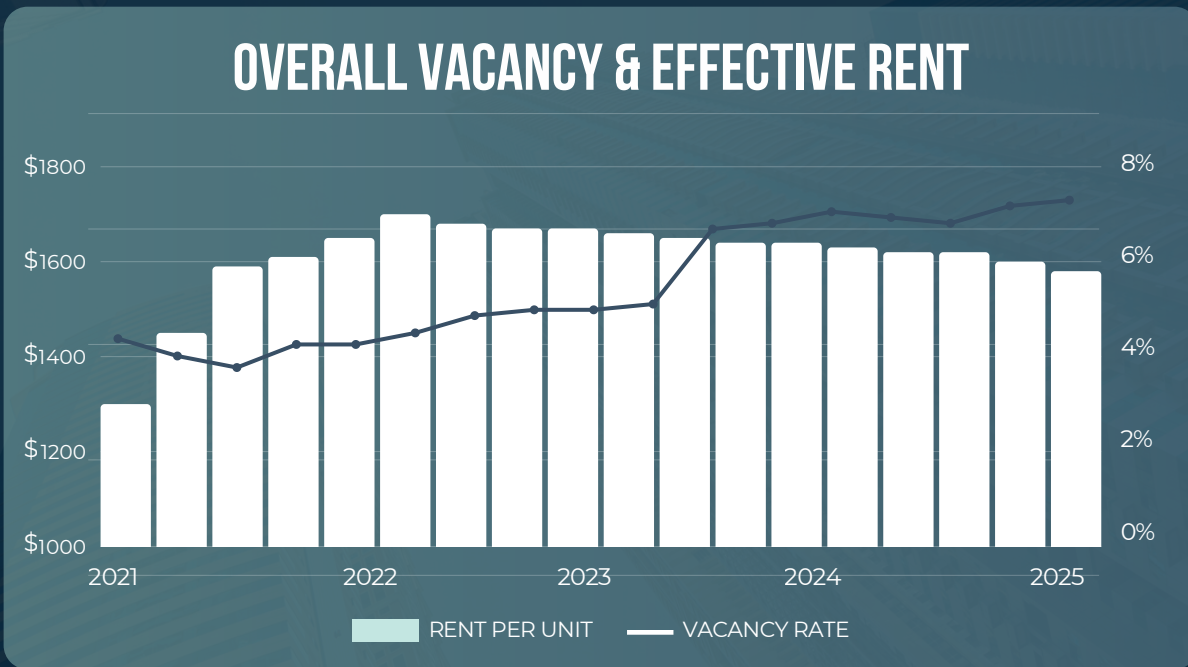
## MARKET REPORT

### 2025

# VACANCY

In 2025, vacancy has climbed to 11.9%

- Net absorption:** Over the last 12 months, Phoenix had a net absorption of approximately 18,000 units—a figure well above the pre-COVID average of ~7,200 units. This demand figure places Phoenix among the top ten demand markets in the country.
- Vacancy rate:** As of March 2025, metro Phoenix has about 6.1% vacancy (MandM)—a 120-basis-point drop year-over-year—with Class C and most submarkets improving.



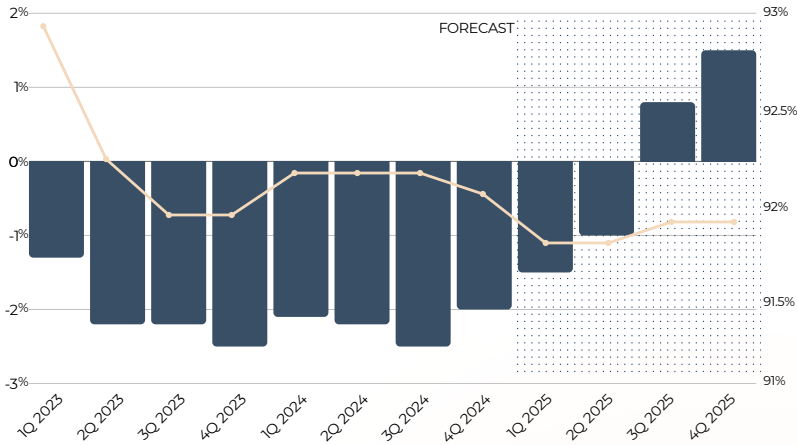
# CONSTRUCTION & PIPELINE

- Deliveries:** From March 2024 to March 2025, about 27.7k units were completed (MandM). An estimated 23k units are under development, which accounts for around 5.5% of inventory.
- Metro inventory growth:** 6.7% YoY expansion as of April 2025—the fastest in two decades. Phoenix will have the second-largest percent increase in local inventory this year of any major metro. Avondale-Goodyear-West Glendale will see about 25% of the new openings. (IPA)

# FORECAST & OUTLOOK

Average Effective Rent went up 1.5% in 2025

## ANNUAL RENT GROWTH & OCCUPANCY



- Expected vacancy decline:** Vacancy tightens to 6.2 percent this year — the lowest rate since 2021, despite three years of record-level supply. Strong net in-migration and household formation will aid leasing activity, easing upward pressure. (MandM)
- Projected rent recovery:** Rent growth expected to turn positive by end of 2025 into 2026, aligning with national trends. The annual change is forecasted to raise 1.5%.
- Sustained in-migration:** Phoenix net migration reached a new 15-year high in 2024, and in-migration is expected to continue this year. The metro is forecasted to gain 49,900 households in 2025. (Berkadia)

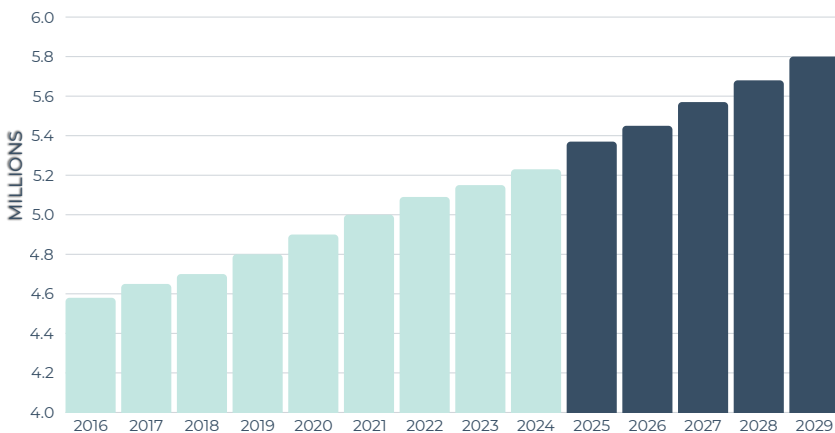




# ECONOMIC DRIVERS

## POPULATION

POPULATION IS PROJECTED TO GROW SIGNIFICANTLY THROUGH 2029



- Population:** The Phoenix MSA is currently estimated at 5.1 million and projected to hit 8.7 million by 2040.
- Employment:** Although Phoenix’s unemployment rate rose to 3.5% at the start of 2025, this rate remains well below the national average of 4.1%. Phoenix also ranks as the second-lowest rate of any major city with employment exceeding 2 million jobs. (cushman)
- Job growth:** The Arizona Office of Economic Opportunity (OEO) forecasts total state employment to grow from 3.485 million in Q2 2024 to 3.553 million in Q2 2026—an increase of 67,079 jobs, equivalent to ~1.0% annualized growth over that period.

# PHOENIX VS. NATIONAL HOUSEHOLD INCOME

+4.5% YOY

3.5% YOY

**PHOENIX**

MEDIAN HOUSEHOLD INCOME

**\$90,600**

UP 4.5%

**NATIONAL AVERAGE**

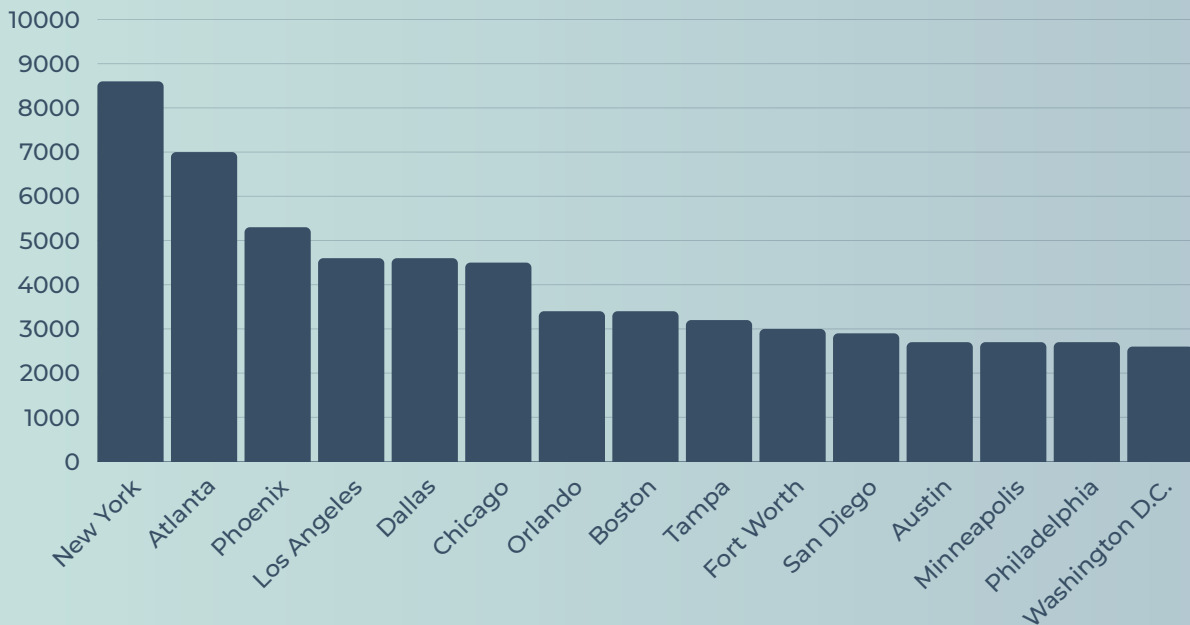
MEDIAN HOUSEHOLD INCOME

**\$81,700**

UP 3.5%

## MARKET LEADERS

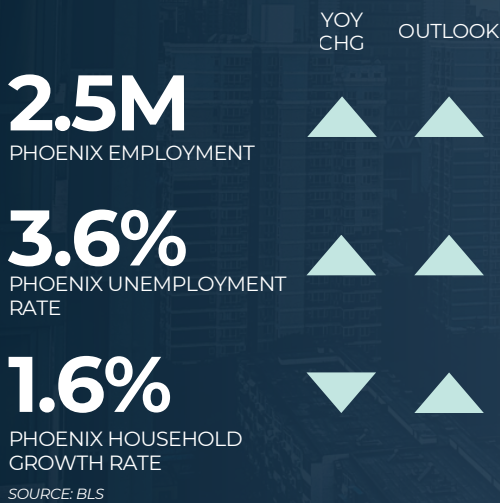
NEW YORK LED THE NATION IN NET ABSORPTION (8,600 UNITS) AND INVESTMENT VOLUME (\$10.6B OVER FOUR QUARTERS). DALLAS, PHOENIX, AND ATLANTA ALSO POSTED STRONG NET ABSORPTION, WHILE LOS ANGELES, WASHINGTON, D.C., AND SAN FRANCISCO SAW MAJOR INVESTMENT GAINS.



## MARKET FUNDAMENTALS



## ECONOMIC INDICATORS

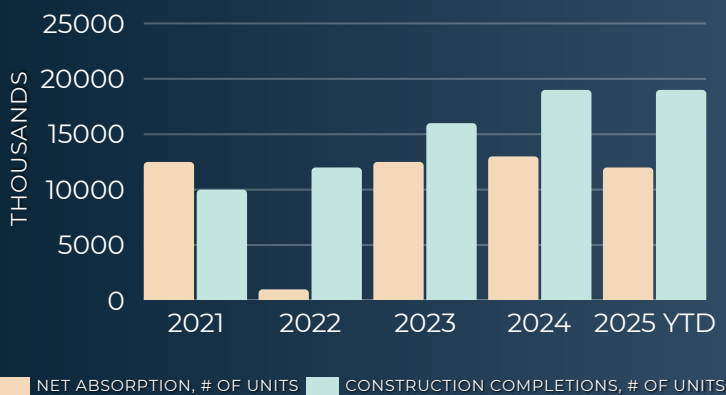


- ECONOMY: KEY INDICATORS SIGNAL CONTINUED GROWTH:** In Q3 2025, the Phoenix Metro reported an employment level of 2.5 million, with nearly 32,600 jobs added since the end of Q3 2024. While the unemployment rate bumped up from 3.3% to 3.6% over that period, it remained well-below the national average of 4.3% and ranked third-lowest among major U.S. metros with total employment of at least 2 million jobs. Strong wage growth continued to draw new entrants into the labor force, as the median household income increased by 3.2% year-over-year (YOY) to \$91,100. Population growth also outpaced the national trend, however, the 1.0% YOY increase marked a deceleration from previous quarters. Meanwhile, Phoenix's GDP growth accelerated from 1.8% in Q3 2024 to 2.7% in Q3 2025, further reinforcing the Metro's positive economic momentum.

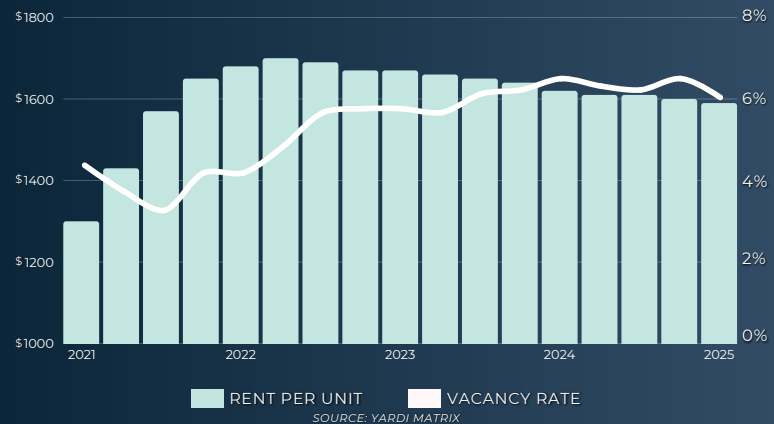
- SUPPLY & DEMAND: DEMAND SURGE DELIVERS VACANCY REDUCTION:** Multifamily net absorption across Phoenix totaled 12,128 units through the first three quarters of 2025, putting the Metro on track for its strongest year of renter demand within the post-pandemic era. This performance helped lower vacancy by 10 basis points YOY to 6.5%, even while the market experienced a recordsetting pace of deliveries. Although all 11 Phoenix submarkets posted positive year-to-date (YTD) absorption, only three — Northeast Valley (2,046 units), Chandler/Gilbert/Queen Creek (1,894 units) and Northwest Valley (1,883 units) accounted nearly half of the overall market's renter demand. Multifamily developers have delivered 18,674 units YTD through 2025, marking a 14% increase compared to the same period in 2024. Completions were concentrated in the Glendale/West Valley and Chandler/Gilbert/Queen Creek submarkets, where a combined total of 6,916 new units were added. However, moving forward, a greater share of deliveries will take place in the Northeast Valley, which leads the Metro with 6,489 units currently under construction.

- PRICING: RENT DIP PAIRED WITH REDUCED CONCESSIONS USAGE:** After posting a quarter-over-quarter (QOQ) bump in Q2, the average effective multifamily rent declined by 0.9% QOQ to \$1,600 per unit in Q3 2025. Despite this fluctuation, concessions are continuing to become less common, which is a positive sign that rents are gradually stabilizing. Only 16% of properties were offering some form of rent discount as of Q3 2025, down from 17% a year ago

## DEMAND / DELIVERIES



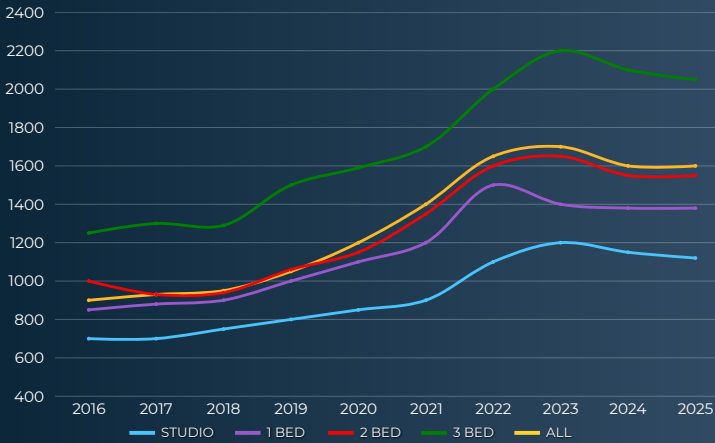
## ANNUAL RENT GROWTH & OCCUPANCY



# MARKETBEAT

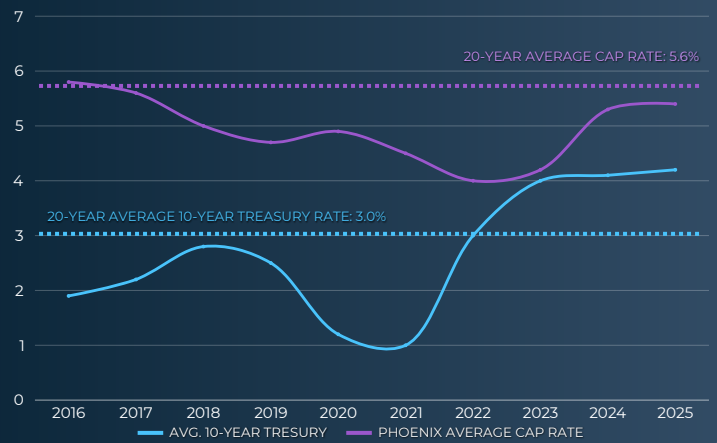
## AVERAGE RENT PER UNIT HISTORY (1)

ALL UNIT TYPES HAVE RECORDED RATE REDUCTIONS SINCE 2023. ON AVERAGE, PRICES HAVE DECREASED 3.9% IN TWO YEARS.



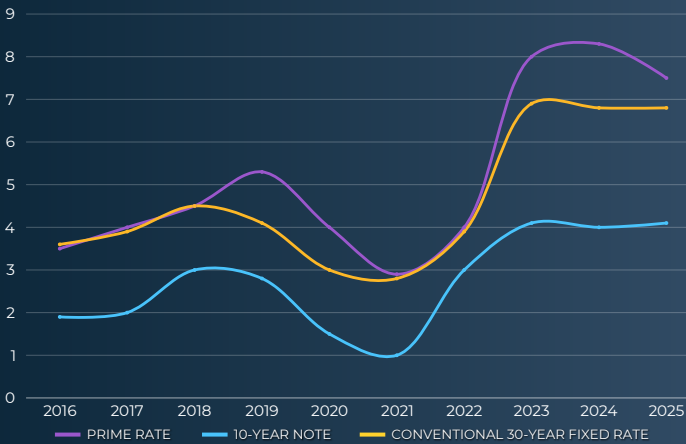
## AVERAGE CAP RATE (2)

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%.



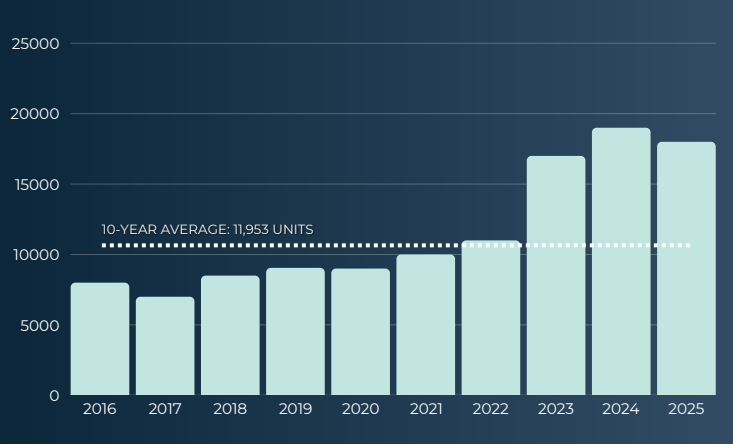
## INTEREST RATES (3)

FEDERAL FUNDS TARGET RATE FORECASTED TO EASE BY 100 BASIS POINTS THROUGHOUT 2025.



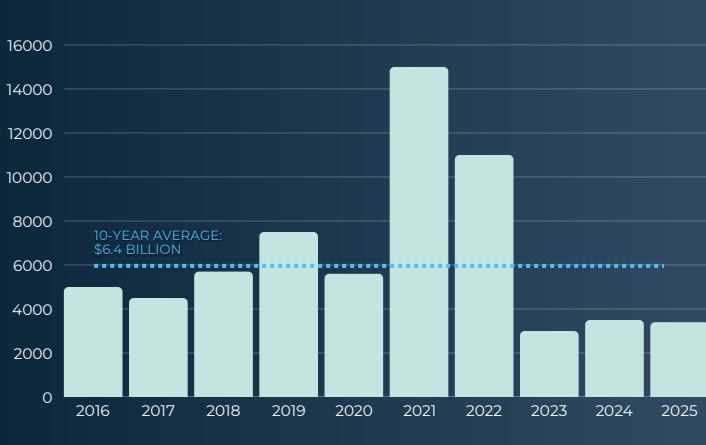
## NEW INVENTORY (4)

TOTAL NUMBER OF NEW INVENTORY UNITS COMPLETED IN Q1 2025 IS 156% OF THE 10-YEAR ANNUAL AVERAGE OF 11,953 UNITS.



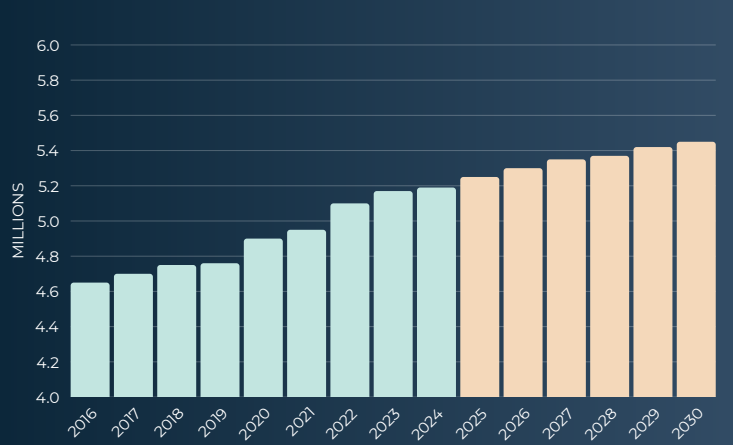
## SALES TRANSACTION VOLUME (5)

TOTAL TRANSACTION VOLUME OF 8 PROPERTIES IN Q1 2025 IS 51% OF THE 10-YEAR ANNUAL AVERAGE OF \$6.4 BILLION.



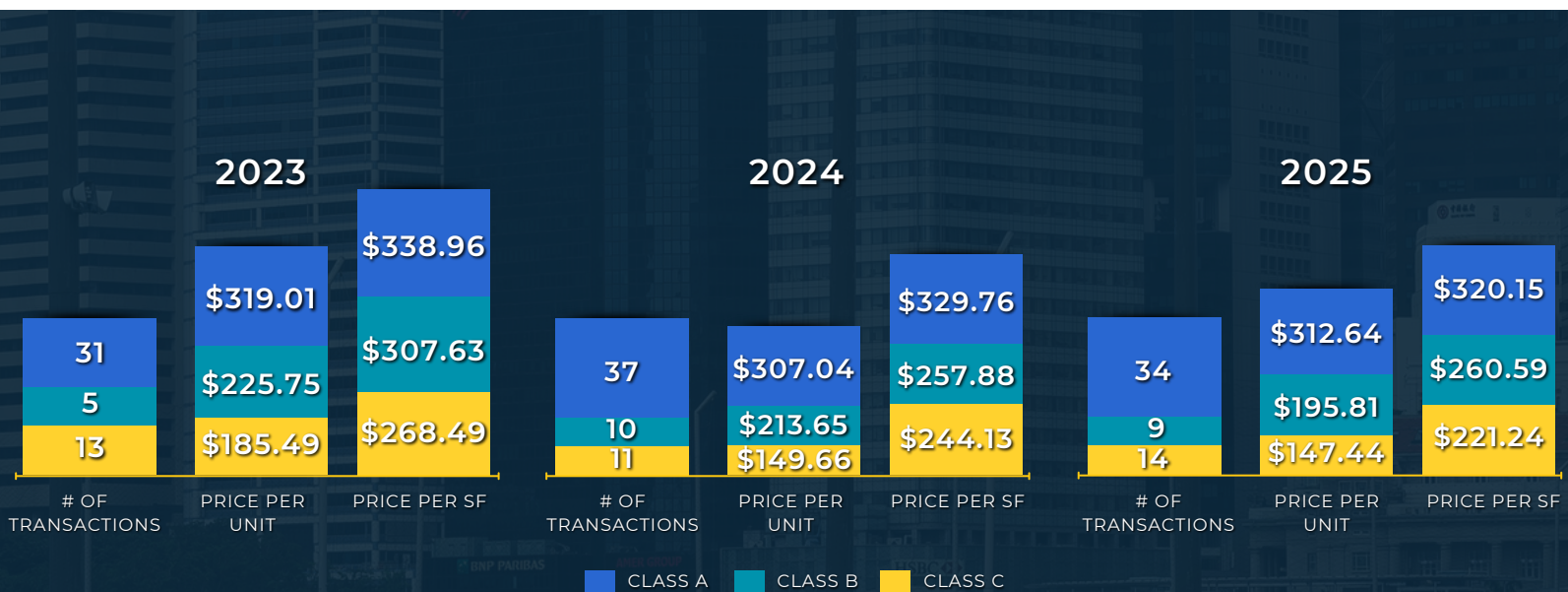
## POPULATION (6)

POPULATION IS PROJECTED TO GROW SIGNIFICANTLY THROUGH 2030.



# 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 EFFECTIVE RENT / UNIT	YOY % EFFECTIVE RENT GROWTH
AHWATUKEE	13,562	782	6.1%	906	496	5.9%	20	\$1,607	-2.1%
CENTRAL PHOENIX	35,604	1,766	5.2%	3,757	1,150	6.7%	-30	\$1,591	-0.4%
CHANDLER/QUEEN CREEK	44,229	3,288	8.0%	4,177	1,894	6.1%	80	\$1,723	-2.8%
EAST PHOENIX	19,205	-	0.0%	320	168	6.8%	-30	\$1,467	-4.2%
GLENDALE/WEST VALLEY	32,803	3,628	12.4%	4,465	1,161	7.4%	-40	\$1,477	-1.0%
MESA/GILBERT	43,610	1,519	3.6%	3,580	738	6.5%	10	\$1,474	-1.2%
NORTHEAST VALLEY	35,062	2,102	6.4%	6,498	2,046	5.6%	-40	\$1,764	-0.8%
NORTHWEST VALLEY	43,459	2,474	6.0%	1,307	1,883	7.1%	-10	\$1,484	-1.7%
SCOTTSDALE	28,399	574	2.1%	1,618	181	6.0%	70	\$1,958	-0.2%
TEMPE	38,025	482	1.3%	3,462	1,520	5.6%	-60	\$1,779	-5.7%
WEST PHOENIX	43,846	2,059	4.9%	3,112	891	7.5%	-90	\$1,353	-1.9%
MARKET	377,804	18,674	5.2%	33,199	12,128	6.5%	-10	\$1,600	-2.1%



# KEY SALE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/ BUYER	AVERAGE SF	PRICE / \$ PSF
Spire Deer Valley	Northeast Valley	Rockpoint / Goodman Real Estate Inc.	1,004	\$131.1M / \$242
IMT Desert Ridge	Northeast Valley	CWS Capital Partners / IMT Residential	911	\$126.0M / \$214
Arches at Hidden Creek	Chandler/ Queen Creek	Blackstone Inc. / Brookfield Asset Management, Inc.	854	\$95.5M / \$207
Amara Apartments	East Phoenix	Elisa Zhang / DGE Investments LLC	816	\$48.0M / \$213
Boulder Creek Apartments	East Phoenix	Pinnacle Holding Inc. / MC Companies	626	\$20.1M / \$166
North Edge Apartments	Northwest Valley	Michael Anthony Garcia / Goodegg Investments	708	\$13.3M / \$293
Venture on Colter	West Phoenix	Calmwater Capital / Neighborhood Ventures	379	\$13.0M / \$103
Venture on 52nd	East Phoenix	Blueprint Capital / Neighborhood Ventures	520	\$11.0M / \$275

# KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/ BUYER	AVERAGE SF	PRICE / \$ PSF
Zaterra Luxury Apartments	Chandler/Gilbert / Queen Creek	P.B. Bell / ARES Management	392	\$137.5M / \$350,765
Calista	Northeast Valley	Greystar / Knightvest Residential	412	\$119.0M / \$288,835
Redstone at SanTan Village	Chandler/Gilbert / Queen Creek	Blackstone Inc. / Mesirow	382	\$118.5M / \$310,209
Soltra Kierland	Northeast Valley	Leon Capital Group / Ahmad Abdelaziz	202	\$107.5 / \$532,178
The Core Scottsdale	Scottsdale	Starlight Investments / MC Companies	282	\$97.5M / \$345,745
Finisterra	Tempe	Blackstone Inc. / Kennedy-Wilson Holdings	356	\$96.0M / \$269,663
Bella Encanta	Mesa	Bela Flor / J.P. Morgan	212	\$95.8M / \$451,651
TGM Ocotillo Bay	Chandler/Gilbert / Queen Creek	Acacia Capital / TGM Associates	296	\$90.5M / \$305,743

# KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/ BUYER	AVERAGE SF	PRICE / \$ PSF
The Laurel Apartments	Chandler/Gilbert / Queen Creek	Sunroad Enterprises / Fairfield Residential	383	\$120.2M / \$313,838
The Nines at Kierland	Northeast Valley	Sunroad Enterprises / Fairfield Residential	276	\$115.8M / \$419,384
Vistara at SanTan Village	Chandler/Gilbert / Queen Creek	Olympus Property / Mesirow Financial	366	\$115.3M / \$314,891
Country Brook	Chandler/Gilbert / Queen Creek	MG Properties / Covenant Capital Group	396	\$109.5M / \$276,515
Lazo Apartments	Chandler/Gilbert / Queen Creek	Sunroad Enterprises / Fairfield Residential	346	\$100.5M / \$290,462
Slate Scottsdale	Northeast Valley	Sunroad Enterprises / Fairfield Residential	278	\$97.4M / \$350,270
Zone Apartments	Glendale/West Valley	Sunroad Enterprises / Fairfield Residential	308	\$81.8M / \$265,422
Huxley Scottsdale	Scottsdale	PGIM / Pillar Communities	192	\$76.0M / \$395,833

## SIGNIFICANT SALE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	UNITS	SALE PRICE	PRICE/UNIT	BUYER	SELLER
ARCHES AT HIDDEN CREEK	NORTH CHANDLER	432	\$95,446,000	\$220,940	BROOKFIELD ASSET MANAGEMENT, INC.	BLACKSTONE, INC
SPIRE DEER VALLEY	DEER VALLEY	388	\$131,100,000	\$337,887	GOODMAN REAL ESTATE, INC.	ROCKPOINT
MARQUIS AT DESERT RIDGE	DESERT VIEW	370	\$126,000,000	\$340,541	IMT RESIDENTIAL	CWS CAPITAL PARTNERS, LLC
AMARA APARTMENTS	BILTMORE	302	\$48,000,000	\$158,940	DGE INVESTMENTS, LLC	ELISA ZHANG
BOULDER CREEK	PAPAGO	148	\$20,100,000	\$135,811	MC COMPANIES	PINNACLE HOLDING INCORPORATED

## SIGNIFICANT UNDER CONSTRUCTION

PROPERTY	ADDRESS	SUBMARKET	UNIT	OWNER	EXPECTED DELIVERY DATE
SOL MODERN	50 E FILLMORE ST	ROOSEVELT ROW	747	BKL ARCHITECTURE, LLC	2025
SHOREHAVEN	1130 E RIO SALADO PKY	DOWNTOWN TEMPE	722	PEARLMARK REAL ESTATE, LLC	1Q26
HOME AT MARICOPA	17581 N PORTER RD	PINAL COUNTY	721	SHELTER ASSET MANAGEMENT	3Q25
PIER 202	1190 VISTA DEL LAGO DR	DOWNTOWN TEMPE	596	SPRING BROOK DEVELOPMENT	2Q26
LUMARA	25255 N 19TH AVE	DEER VALLEY	456	TOLL BROTHERS APARTMENT LIVING	2Q25

## SIGNIFICANT UNDER CONSTRUCTION

PROPERTY	ADDRESS	SUBMARKET	UNIT	OWNER	EXPECTED DELIVERY DATE
PROSE ASCEND	12905 W INDIAN SCHOOL RD	RANCHO SANTA FE	432	THE CARLYLE GROUP	FEBRUARY 2025
AVE PARADISE VALLEY	12400 N TATUM BLVD	PARADISE VALLEY NORTH	400	KORMAN COMMUNITIES	JANUARY 2025
SEVEN OAKS	2332 N 7TH ST	ENCANTO	332	EMBREY PARTNERS, LTD.	MARCH 2025
AGAVE RANCH	10060 W DESERT BLVD	WESTSIDE	324	THE EMPIRE GROUP, LLC	JANUARY 2025
CABANA ALDEA	9910 W MONTEBELLO AVE	WESTSIDE	257	GREENLIGHT COMMUNITIES	FEBRUARY 2025

### ADDRESS

### SUBMARKET

### UNIT

### OWNER

#### MARKET BREAKDOWN

#### AVERAGE RENT

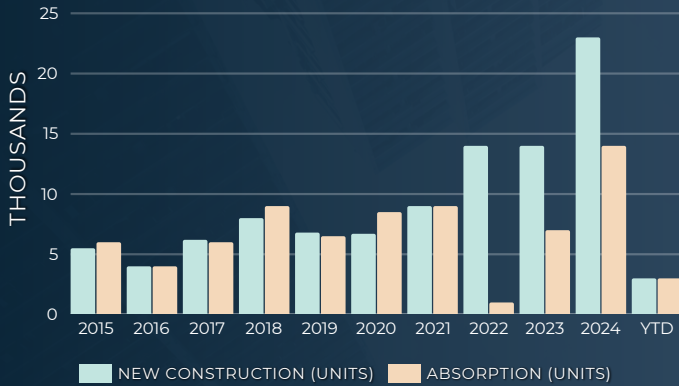
	1Q25	4Q24	1Q24	YOY CHANGE
VACANCY RATE	11.2%	11.2%	9.7%	150 BPS
AVERAGE ASKING RENTS	\$1,554	\$1,548	\$1,581	-1.71%
UNDER CONSTRUCTION	19,958	22,191	32,539	-38.66%
AVERAGE SALES PRICE/UNIT	\$223,690	\$210,296	\$259,015	-13.64%
AVERAGE CAP RATE	5.8%	5.7%	5.5%	30 BPS

UNIT SIZE	MONTHLY RENT
STUDIO	\$1,185
1 BEDROOM	\$1,407
2 BEDROOM	\$1,663
3 BEDROOM	\$2,121

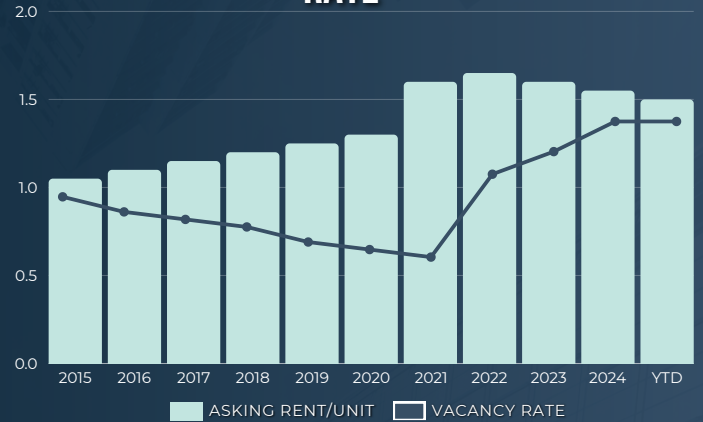
	1Q25	4Q24	1Q24	YOY CHANGE
--	------	------	------	------------

# MARKETBEAT

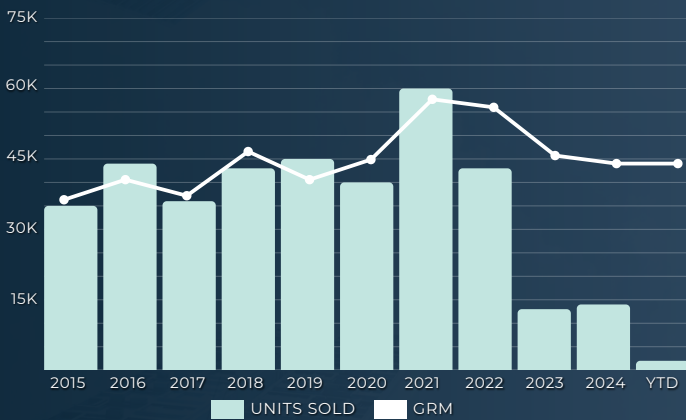
## NEW CONSTRUCTION & ABSORPTION



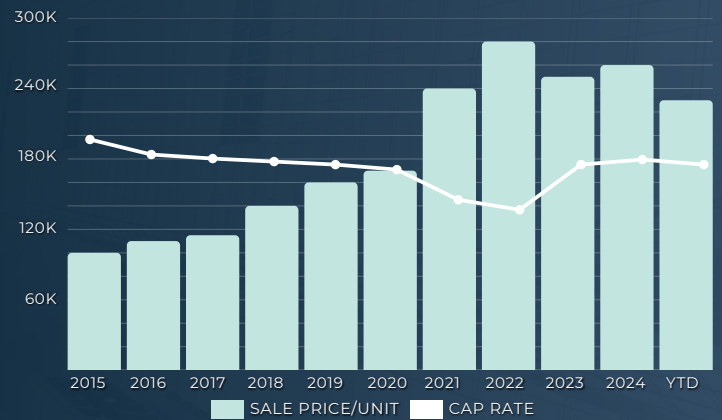
## AVERAGE ASKING RENT/UNIT & VACANCY RATE



## UNITS SOLD & GROSS RENT MULTIPLIER



## AVERAGE SALE PRICE/UNIT & CAP RATES



### COMMERCIAL BROKERAGE

**\$9B**  
AVERAGE ANNUAL TRANSACTION VOLUME

**26.2M**  
ANNUAL SALE SF

**37.7M**  
ANNUAL LEASING SF

### ASSET SERVICES

**58M SF**  
MANAGEMENT PORTFOLIO SIZE

**850+**  
ASSETS UNDER MANAGEMENT

**250+**  
CLIENTS SERVED

### VALUATION ADVISORY

**2,400+**  
AVERAGE ASSIGNMENTS

**39**  
TOTAL APPRAISERS

**24**  
WITH MAI DESIGNATIONS

# PHOENIX

#1

SKY HARBOR AIRPORT NAMED  
#1 BEST AIRPORT IN THE US

#1

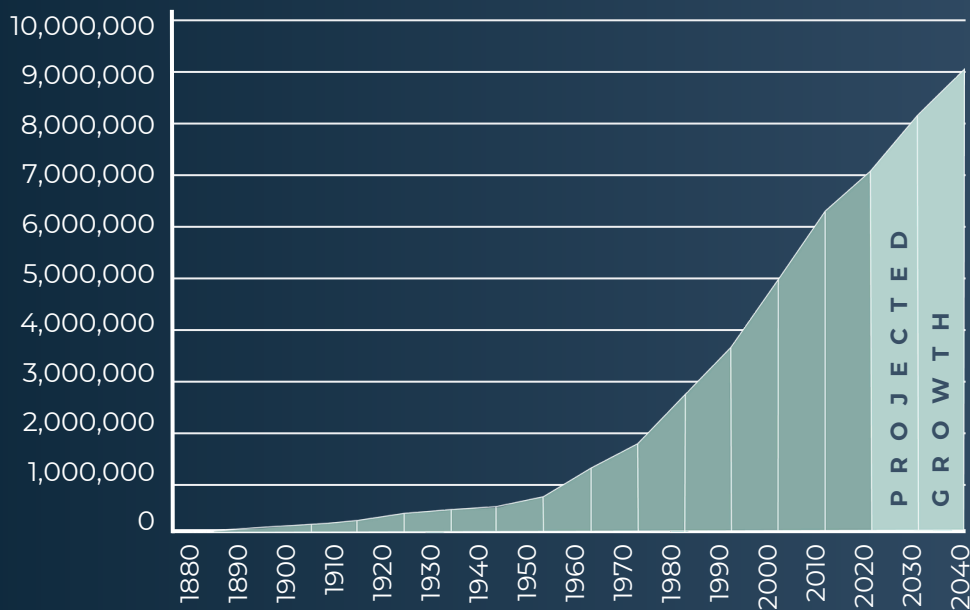
#1 CITY FOR MANUFACTURING  
JOB GROWTH IN THE US

#5

5TH LARGEST CITY IN  
THE UNITED STATES

# BOOMING

# GROWTH



PHOENIX POPULATION HAS GROWN  
**FOUR TIMES**  
THE NATIONAL AVERAGE.

**2023 POPULATION**  
**4,717,000**  
1.14% 1-YEAR GROWTH

**2040 Population Estimate**  
**8,700,000**

# TOP EMPLOYERS




**BANNER  
HEALTH**



**EMPLOYS  
55,000**




**AMAZON**



**EMPLOYS  
36,000**




**HONEYWELL**



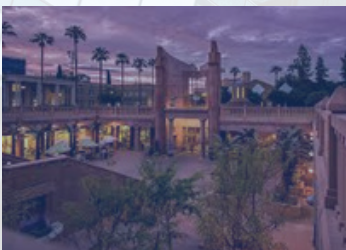
**EMPLOYS  
7,111**



**ST JOSEPH'S  
HOSPITAL**



**EMPLOYS  
5,000**



**ASU**



**Arizona State  
University**

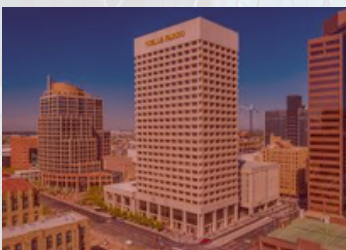
**EMPLOYS  
18,500**



**SROUTS**



**EMPLOYS  
13,526**



**WELLS FARGO**



**EMPLOYS  
15,000**



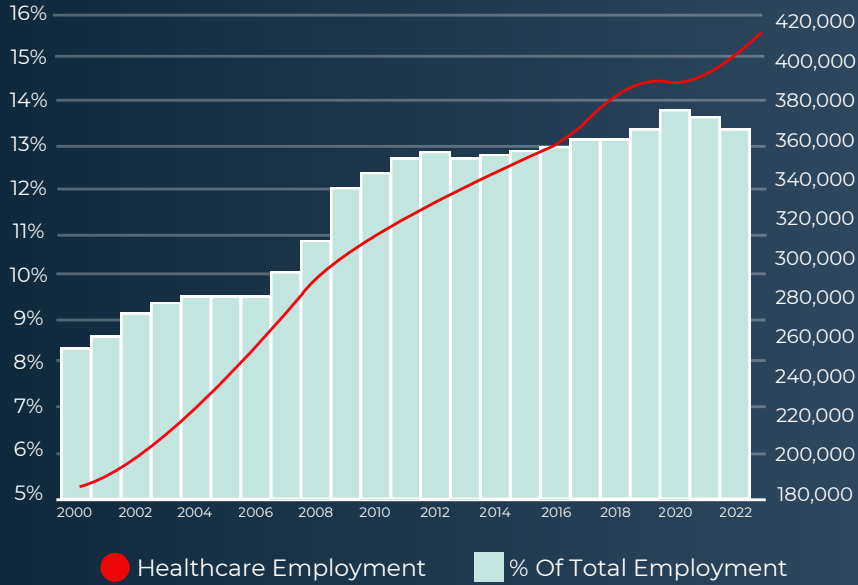
**AMERICAN  
EXPRESS**



**EMPLOYS  
7,000**

# ARIZONA'S ECONOMY & DRIVERS

## ARIZONA'S HEALTHCARE BOOM



**ECONOMIC  
IMPACT**

**\$78 BILLION**

## ARIZONA EMPLOYMENT ESTIMATES



# WHO WE ARE

Elevate Residential Partners (ERP) is a multifamily real estate-focused investment firm. The original and institutional holding company for Viking Capital, established in 2015, ERP was created to serve the unique needs of institutional partners, family offices, and advisory groups seeking access to high-performing multifamily investments.

ERP focuses on acquiring, developing, and optimizing high-quality multifamily communities in growth markets throughout the United States. The firm’s strategy is rooted in disciplined market selection, operational precision, and a long-term commitment to quality—delivering consistent value to investors and an elevated standard of living for residents.

By combining institutional rigor with community-forward thinking, ERP fosters sustainable, income-producing assets designed to outperform across market cycles.



# TRACK RECORD

30

PROPERTIES  
ACQUIRED

6,290

UNITS UNDER  
MANAGEMENT

\$1.02

BILLION  
IN ASSETS  
ACQUIRED

24%

AVERAGE LP  
AAR

10

YEARS IN  
OPERATION



PI  
MD



**VIKRAM RAYA**  
CEO / Founder



**RAVI GUPTA**  
COO / Founder