

Market Intelligence Phoenix, AZ Multifamily Investment Market Report

August 2026

Mid-2026 Outlook

Longview Commercial's bi-annual, institutional-grade market intelligence publication — designed to give accredited investors, whether new to private real estate funds or experienced in direct asset ownership, a clear, unvarnished view of the markets we target for deployment.

Each edition focuses on a single metropolitan market, assessed across the dimensions that matter most: demographic momentum, employment health, supply/demand dynamics, capital flows, and submarket selectivity. Our goal is not simply to share data, but to translate that data into investment context relevant to a diversified multifamily portfolio.

Phoenix, Arizona serves as our inaugural edition and a foundational market in the Longview portfolio strategy. As one of the nation's most dynamic Sunbelt metros, Phoenix exemplifies both the opportunity and the nuance that sophisticated multifamily investing demands. The following pages present our mid-2026 assessment.

“Phoenix multifamily presents a buy-earlier-in-the-cycle opportunity: stabilized properties impacted by the recent supply surge, and select value-add renovations in key employment hubs like Deer Valley, may be well positioned as the region's steady population and income growth reassert themselves.”

How to Read This Report

This publication is organized into nine substantive sections following this overview. Readers new to multifamily investing will find grounding context in the market fundamentals and demographic sections. More experienced capital allocators will find granular submarket data, risk analysis, and our forward outlook of greatest value.

New to Private Multifamily

Start with the market fundamentals and demographic sections for grounding context before moving into submarket-level detail.

Experienced Capital Allocators

Submarket data, competitive landscape, forward outlook, and our risk matrix carry the greatest weight for your review.

Data Sources

Marcus & Millichap, Yardi Matrix, Northmarq, Cushman & Wakefield, U.S. Census Bureau, Phoenix Regional Commission, and institutional research, as of mid-2026.

Where sources conflict, we present the range rather than a single point estimate. Market conditions evolve; investors should conduct independent due diligence and consult offering documents.

Our Philosophy

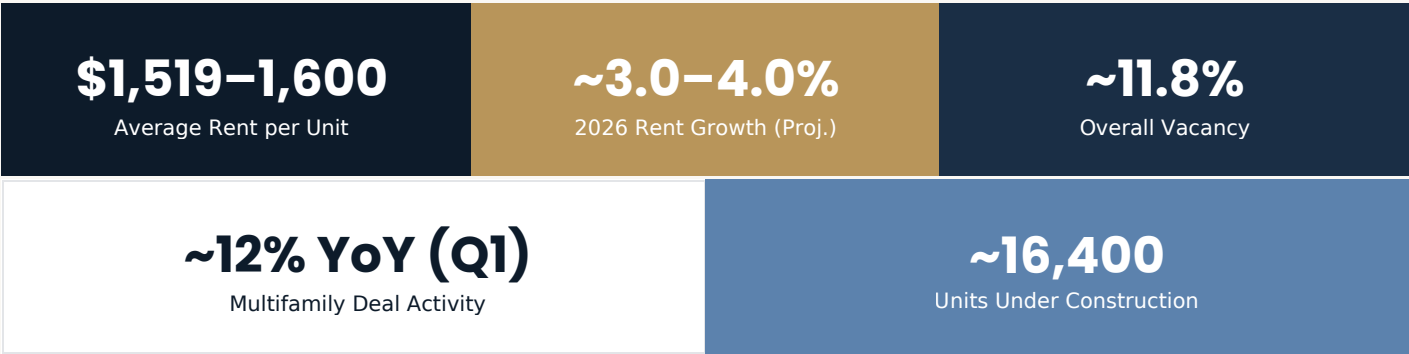
Built as a portfolio. Not a single bet. Longview constructs diversified, multi-market, multi-operator multifamily portfolios for accredited investors, grounded in disciplined capital allocation and long-term value creation rather than single-asset speculation.

A Note on This Report

This is market research, not an offer. It does not describe the terms of, or constitute a solicitation for, any specific Longview Commercial fund or offering. See disclosures on the final page.

This Is What Phoenix Looks Like

Longview Commercial focuses on building diversified institutional-quality multifamily portfolios for accredited and sophisticated investors. This report provides an independent assessment of the Phoenix multifamily sector as of mid-2026, emphasizing metrics that indicate market health, investment potential, and forward outlook.



Sources: Yardi Matrix, Marcus & Millichap, Northmarq, U.S. Census Bureau. Data as of Q1–Q2 2026.

Signs of Stabilization Amid Supply Normalization

Phoenix's multifamily market continues to navigate an elevated supply cycle but shows clear signs of stabilization and early recovery in 2026. Overall vacancy remains elevated compared to national averages and peer Sunbelt markets, though it improved modestly year-over-year.

Strong absorption, a sharp pullback in new construction, and a projected roughly 50% drop in completions for 2026 are positioning the market for reduced competitive pressure on existing assets.

Indicators point to gradual improvement rather than ongoing decline:

- Supply wave is peaking and contracting rapidly.
- Absorption remains resilient — often the strongest in years in recent quarters.
- Class A assets and select submarkets (East Valley, North Phoenix-Scottsdale) are outperforming.
- Low local inflation is helping incomes catch up to rents.

The market is bifurcated: higher-end segments are gaining momentum as new supply eases, while value segments in certain areas face ongoing pressure. This creates selective opportunities for discerning, patient investors.

General Metro Phoenix Metrics

Economy & Demographics



Metro Phoenix (Phoenix-Mesa-Chandler MSA) population stands at approximately 4.83–4.89 million (2025–2026 estimates), with annual growth around 1.1–1.5%. Long-term forecasts remain positive, supported by domestic migration, though rates are moderating from post-pandemic peaks.

Employment & Labor Force

Job growth was slow in 2025 (approximately 0.3%) and is projected to accelerate modestly to roughly 0.7% in 2026. Unemployment hovers around 4.2%. The labor force benefits from in-migration, with expansion in key sectors.

Job Diversity & Industry

Diversified economy with strengths in healthcare, professional and white-collar services, manufacturing, logistics, technology/semiconductors, and hospitality/tourism. Steady job creation in healthcare and higher-wage sectors supports affluent renter segments.

Fortune 500 Headquarters

Phoenix metro hosts several Fortune 500 companies, including Freeport-McMoRan, Avnet, Republic Services, PetSmart, and Insight Enterprises — roughly 5–10 major headquarters or significant corporate presences depending on ranking methodology. The region ranks solidly among U.S. metros for corporate headquarters.

Demographics & Renter Population

Growing, relatively young and diverse population attracted by affordability relative to coastal markets, climate, and job opportunities. Strong renter demand from in-migration and household formation.

Crime & Livability Trends

Positive trajectory. Homicides and overall violent crime declined in 2025 compared to prior years, with Phoenix PD data showing notable drops heading into 2026. Broader Arizona trends also reflect improvement in violent and property crime; a precise multi-year percentage decline was not available in our sourcing for this edition.

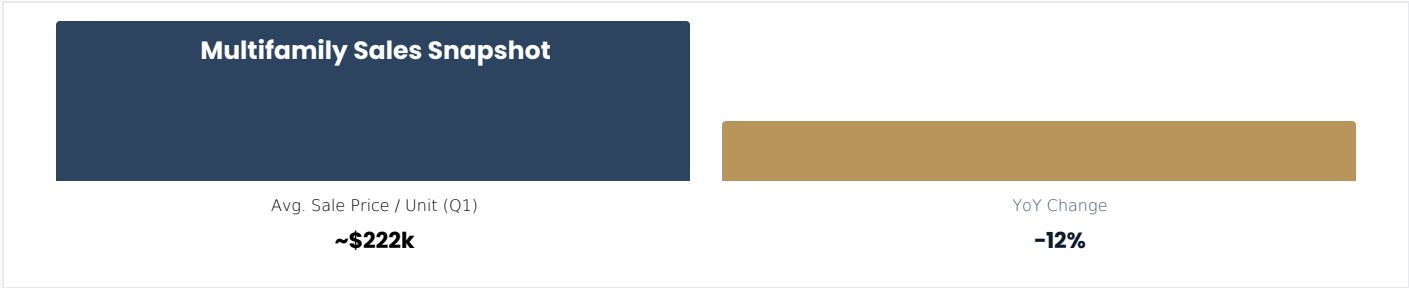
Overall, Phoenix retains strong structural appeal as a Sunbelt growth market, with demographic and economic fundamentals supporting long-term multifamily demand despite near-term cyclical pressures.

Multifamily Metrics vs. National Benchmarks

- **Average Rent per Unit:** Asking rents around \$1,535 per unit (down approximately 3% year-over-year in recent data); effective rents in the \$1,519–\$1,600 range across various reports. Below national averages, reflecting recent supply pressure.
- **Rent Escalation:** Negative or flat in recent periods (approximately –3% to –4% year-over-year in some trailing metrics). Outlook improves as supply eases, with potential for Class A recovery and a return toward historical norms over time.

Rent, Occupancy & Transaction Detail

- Occupancy:** Overall vacancy approximately 11.8% (improved 10 bps year-over-year). Stabilized properties show higher occupancy — approximately 93.4% in some readings. Elevated versus the roughly 8% national vacancy benchmark, largely a function of recent deliveries, though trending in the right direction.
- Multifamily Deals (Volume & Value):** Active, but with softer pricing. Average price per unit approximately \$222,000 (down roughly 12% year-over-year in one Q1 reading). Cap rates around 6.0% (modest compression). Transaction activity supported by investor interest in recovery plays.
- Permits & New Supply Pipeline:** Significant easing. Units under construction approximately 16,400 (down 30% year-over-year). Q1 deliveries approximately 2,978 units (down 28% year-over-year). 2026 completions projected to fall by nearly 50% — pipeline contraction is a major positive catalyst.



Phoenix exhibits higher vacancy and softer near-term rent performance than the national average, reflecting a more pronounced recent supply surge. However, the rapid pullback in construction and resilient absorption position it for relative catch-up in 2026–2027.

Current & Future Trends

CURRENT (2026)	5-YEAR OUTLOOK (~2031)	10-YEAR OUTLOOK
The market is adjusting to prior oversupply but benefiting from slowing deliveries and strong absorption — thousands of units quarterly in recent reports.	Supply normalization accelerates recovery. With completions dropping sharply, vacancy should trend downward — particularly in stronger submarkets — enabling rent growth resumption, especially for Class A assets.	Long-term tailwinds remain intact. Continued, moderating, population and employment growth, migration appeal, and economic diversification position Phoenix as a sustained growth market.
Performance is split by corridors lead with vacancy compression and better Class A fundamentals, supported by affluent demographics and healthcare/white-collar job growth.	Resilient demographic demand and moderating economic headwinds support gradual tightening.	Multifamily demand should strengthen as the market rebalances, supporting attractive long-term performance for well-positioned assets.
West Valley and central areas lag, with greater pressure on Class B/C properties amid softer hiring in manufacturing, logistics, and hospitality. Low local inflation (under renter affordability).	Investor focus likely shifts toward quality stabilized and value-add opportunities in outperforming corridors.	—

Market Projection — Five Years From Now (~2031)

- Vacancy declining from current elevated levels toward more normalized ranges.
- Positive rent growth returning, led by Class A and prime submarkets.
- Increased transaction activity and potential pricing recovery as fundamentals improve.
- Stronger institutional interest in selective submarkets and asset classes.

Important Statistics Snapshot

Phoenix Multifamily Market	
Recent asking-rent trend, year-over- year	-3.0%
Q1absorption,upsignificantly year- over-year	4,496+ units
Overallvacancy (-10 bps year-over- year)	~11.8%
Average sale price per unit (recent Q1 data)	~\$222,000
Rentescalationrangeas supply eases	~3.0-4.0%
Cap rates, generally	~6.0%

Phoenix Economy Statistics	
Metropopulation (2025 est.), strong long-term growth trajectory	~4.83-4.89M
Unemployment Rate	~4.1%
Job Growth: Strong; ~1.0% (recent YoY); strong industrial-led outlook	~1.9% projected for 2026
Homicide & violent crime trend, 2025-2026(no precise multi-year % in current sourcing)	Improving
Key Notes/Drivers: Semiconductors/advanced manufacturing resurgence, tech, tourism/leisure, healthcare, and logistics. One of the stronger industrial growth stories in the Sunbelt.	

Main Companies & Market Players

Local & Regional: Mark-Taylor Residential represents the strongest local development and ownership presence in the Phoenix market.

National Platforms: Alliance Residential (Scottsdale/Phoenix presence), Weidner Investment Services, Greystar, and Western Wealth Capital, among others active in development and ownership.

Investors: A mix of institutional capital, private equity, and REITs targeting recovery opportunities. Longview Commercial structures diversified portfolios to give investors access to institutional-quality multifamily exposure without single-asset risk.

Opportunities

- **Supply Contraction:** Sharp drop in deliveries reduces competition and supports stabilization/recovery.
- **Submarket & Class Selectivity:** East Valley and North corridors, plus Class A assets, offer outperformance potential.
- **Demographic Tailwinds:** Sustained in-migration, population growth, and job creation in key sectors underpin long-term demand.
- **Value-Add Potential:** Opportunities in pressured segments as fundamentals improve.
- **Affordability & Migration Appeal:** Relative cost advantages continue attracting residents from higher-cost regions.

Submarket Intelligence

Phoenix is bifurcated by design right now — performance is splitting sharply by submarket and asset class. Longview's near-term focus favors corridors already showing Class A strength.

SUBMARKET	PROFILE & THEME	LONGVIEW VIEW
East Valley & North Phoenix-Scottsdale	Leading corridors with vacancy compression and stronger Class A fundamentals, supported by affluent demographics and healthcare/white-collar job growth.	FAVORABLE
Deer Valley	Referenced as a key employment hub for value-add and stabilized-asset opportunities amid past supply surges, per current market commentary.	EXPLORATORY
West Valley & Central Areas	Greater pressure on Class B/C properties amid softer hiring in manufacturing, logistics, and hospitality; requires careful, asset-level selection.	CAUTIOUS

Data Note

Submarket views reflect qualitative positioning drawn from broker and proprietary market research as of mid-2026. Granular submarket-level rent and occupancy data were not available at point-estimate resolution for this edition and are flagged rather than estimated.

Risks

- **Elevated Vacancy & Rent Pressure:** Current oversupply environment keeps overall metrics softer than peers; full absorption will take time.
- **Submarket Bifurcation:** West Valley and value segments may lag, requiring careful asset selection.
- **Economic Moderation:** Slow job growth, hiring volatility, and potential immigration headwinds could temper near-term demand.
- **Macro Factors:** Interest rates, broader economy, or affordability challenges could impact recovery pace.
- **Climate & Livability:** Extreme heat and water considerations are long-term factors for the region's appeal.
- **Competition:** Other Sunbelt markets may compete for capital and residents.

In a Nutshell

Phoenix multifamily in 2026 is in a transitional recovery phase following a significant supply surge. While vacancy remains elevated and rents pressured in the near term, the rapid easing of new construction, resilient absorption, and improving submarket dynamics signal building momentum. Long-term demographic and economic strengths position the market for gradual strengthening. Selective, high-quality exposure — particularly in stronger corridors and asset classes — offers compelling opportunities for patient institutional investors.

Longview Commercial is positioned to help accredited investors access high-quality, professionally managed multifamily exposure in this evolving market. All projections involve uncertainty; investors should conduct independent due diligence and consult offering documents.

Contact and Next Steps

To learn more about Longview Commercial fund offerings or to request placement on the investor distribution list for the Market Intelligence series:

Email: invest@longviewcommercial.com **Website:** www.longviewcommercial.com



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