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From the Phoenix Business Journal:

<https://www.bizjournals.com/phoenix/news/2020/01/08/scottsdale-developer-investing-325m-to-build.html>

Scottsdale developer investing \$325M to build workforce housing in metro Phoenix

Jan 8, 2020, 3:55pm MST

Scottsdale-based Greenlight Communities LLC is investing \$325 million to build apartment communities in a move that company officials say will help address housing affordability in metro Phoenix.

The company has four projects under construction and is in escrow to buy land to build another six around the Valley — an effort that will deliver 2,500 units during the next two years.

Housing affordability is a national and local problem, said [Patricia Watts](#), co-founder and partner of Greenlight Communities. In Phoenix, two out of every four renters are rent burdened, which means renters can afford to pay their monthly rent but have little or no money left over, she said.

One in four are severely rent burdened in Phoenix, she said, which means renters have to decide whether they can buy food or pay their rent.

That's why Watts and her partners [Rob Lyles](#) and [Dan Richards](#) are focusing on building what they call "attainable housing," which is essentially the same thing as workforce housing, targeting the multitude of middle-class workers having a difficult time making ends meet as rents and home prices soar.

"There is still a big need for attainable rental housing both in the Valley and across the U.S.," Watts said.

Before embarking on this effort, Watts, Lyles and Richards focused on buying and renovating older apartment communities — adding bold splashes of color — since 2010. They branded them under the Cabana name, breathing new life into deteriorating properties.

"Everybody copied us," Watts said. "We were the most copied brand. All these apartments with colors all came from our ideas in 2010. We really changed the landscape."

Previously operating as Deco Communities and Starlight Communities, the three business partners have sold the entire portfolio and are embarking on new construction using the Cabana brand under the Greenlight Communities banner.

"The Cabana brand resonated with our target demographics," Watts said.

Greenlight isn't the only company focusing on the so-called "attainable" housing around the Valley. Phoenix-based Urban Communities LLC and Canada-based Western Wealth Management have also embarked on new projects within the past year, buying underperforming multifamily properties in the Valley to be transformed into workforce housing.



DAVID BLAKEMAN

In metro Phoenix, some newly opened multifamily projects downtown have rents averaging \$1,650 a month. The average apartment rent in the Valley was \$1,185 in the fourth quarter, according to a report from Apartment Insights.

"Our rents average \$1,100 a month, which is \$500 less than other new product in the area," she said. "Now it's accessible to so many renters that are being priced out of the rental market."

The company hired Phoenix-based Works Bureau as architect.

"We try to always use local consultants," Watts said. "We just think the people that know the market here can provide the most efficient work for us so we use a Phoenix-based architect."

Greenlight will build all its own projects.

"One of the reasons we can build these properties as inexpensively as we do is we are our own general contractor," Watts said.

Projects will be financed through debt and equity, Watts said. Construction loans will be provided by various banks.

"No government financing or government programs are used," she said.

The six projects in escrow are scattered throughout the Valley, with two in Goodyear, and the others in Glendale, north Phoenix, Tempe and Chandler, she said.

Here's a closer look at what Greenlight has under construction or is set to break ground on soon:

Cabana 12th

Address: 4225 N. 12th St., Phoenix

Units: 252

Development cost: \$32M

Opening: March 2020

Cabana Washington

Address: 5300 E. Washington St., Phoenix

Units: 226

Development cost: \$30M

Opening: March 2020

Cabana Hayden

Address: 2240 N. Hayden Road, Scottsdale

Units: 89

Development cost: \$15M

Breaking ground: January 2020

Cabana Power

Address: 6151 S. Power Road, Gilbert

Units: 241

Development cost: \$38M

Breaking ground: April 2020

Angela Gonzales

Senior Reporter

Phoenix Business Journal

