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Arizona Developer Is Cracking the Attainable Housing Code

Greenlight Communities is the first developer to focus solely on attainable housing rental product.

By Kelsi Maree Borland | January 16, 2020



(<https://images.globest.com/contrib/content/uploads/sites/311/2019/01/Phoenix-skyline.jpg>) **Greenlight Communities** is the first developer to focus solely on attainable housing rental product. The developer is addressing the nationwide

housing crisis, and already has two projects underway in Scottsdale, Arizona. Greenlight has been working on attainable housing for a decade, and has now created a strategy for ground-up development.

“When the downturn came, we saw a niche in the market to buy older apartment buildings and renovating them,” **Patricia Watts**, co-founder of Greenlight Communities, tells GlobeSt.com. “We were able to buy older apartment buildings in really good locations and bring them back to life by upgrading the property. We were providing attainable rental housing, and it was housing that was affordable for people that lived in the neighborhood. It was a really successful model.”

Now, the developer is shifting from a value-add strategy to ground-up development. The firm’s first two developments are Cabana on Washington, a 226-unit, \$32 million project, and Cabana on 12th, a 252-unit projects. Both projects are scheduled for completion in April 2020. “We knew there was a market for this segment, and we wanted to see if we could build into that market segment. That had been a challenge for developers,” says Watts. “Developers were building luxury product really well, but no one was really building attainable and we knew that was where the demand was.”

To build attainable housing, which is challenging considering the construction hurdles, Greenlight does everything in-house. “We look for locations that are close to employment hubs and near public transportation,” says Watts. “We also look for land sites that can accommodate our plan, which is low density. Once we find that, we do everything in-house, from the entitlements to design to general contracting. That helps the cost savings and the efficiency.”

The segment of apartment housing has many different names. “We call it attainable to differentiate from affordable, which has the connotation of being government programmed,” says Watts. Others use workforce housing as well. Either way, the demand is increasing dramatically, particularly in markets like Arizona, which have seen a surge in population growth. “Arizona had one of the highest increases in rents last year, and there is a big disparity between how much rents are going up and how much wages are going up,” adds Watts.

As a result, there is strong demand in this market segment. “We see the demand all of the time,” explains Watts. “We see it playing out in the number of evictions in Maricopa County, and that is because of the lack of affordable housing. Two of every four renters is rent burdened. That is shocking.”

The developer is underwriting the project with 25 units leased per month, but Watts expects they will surpass those goals. “I believe that we will do much better than that.”

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