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Where are the apartments for average renters in metro Phoenix? One developer has multiple projects



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Arizona Republic

Published 6:02 a.m. MT May 25, 2023

One Valley developer is ramping up construction of apartments that are affordable without government subsidies, as housing for people earning Phoenix’s median income remains elusive.

“About 90% of what’s being built only serves less than 20% of the rental population,” said Robert Lyles, co-founder and senior partner of Scottsdale-based Greenlight Communities.

Across the Valley, many apartment complexes planned and under construction are high-end, luxury buildings, leaving them out of reach for average Valley residents. Lyles said Greenlight provides housing for “essential workers,” with rents hovering around \$1,000 per month. In a presentation to the Peoria City Council, representatives from Greenlight showed a breakdown of occupations of those who rent in one of their complexes in the West Valley. Many were employed in health care, service industry, retail, construction and education.

According to research from real estate firm Northmarq, the average rent in the Valley in the first quarter of 2023 was \$1,614, a slight decrease from the average at the end of 2022. Housing is generally considered affordable if a resident spends one-third or less of their gross monthly income on it. According to the U.S. Census Bureau, the median household income in 2021 in Arizona was \$65,913.

Greenlight's two apartment brands, called Streamliner and Cabana, were designed for efficient construction and easy replication, with pared-down offerings to keep costs low. The company also owns its own general contracting and civil engineering divisions, so it can save by not contracting out those portions.

Lyles said finding sites that are suitable for apartment development isn't easy, especially ones that will not fetch the higher rents that a luxury building will. Most of the available land in the Valley planned for housing is slated for single-family, owner-occupied houses, leaving very little planned for apartments.

Across cities' general plans around the Valley, roughly 5% of land planned for residential uses is for apartments, affordable housing advocates have said. Any other sites not already zoned for apartments must be rezoned, which can take a long time and have high costs, and can make developing workforce-level housing more difficult.

Projects underway across metro Phoenix

The company recently received approval for two more projects, one in Peoria and one in Surprise, and broke ground in April on a project east of downtown in Phoenix.

In Peoria, the council approved a rezoning for Streamliner Peoria, a 190-unit apartment complex at 87th and Peoria avenues. The development also leaves room for future commercial development on the northeast corner of the site.

In Surprise, the council approved a final plat for Cabana on Bell, a 210-unit apartment complex south of Bell Road on Reems Road.

Streamliner 16th, Greenlight's project at 16th and Polk streets, officially began construction in late April and is expected to begin leasing in March 2024, with move-ins beginning that April. The 208-unit complex will include studios as well as one- and two-bedroom units.

The company also has one building in Mesa that will begin leasing this summer, one in west Phoenix that will start leasing next March and two developments in Glendale that will begin leasing around October 2024. Outside of Maricopa County Greenlight also has two projects underway in Tucson.

"Because of our rent levels, we lease up really quickly," Lyles said.

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