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Developer emphasizes affordability with "Streamliner" communities



Jeremy Duda



The Streamliner 16th construction site at 16th and Polk streets in Phoenix. Photo: Jeremy Duda/Axios

Affordable housing is getting harder to come by in the Valley these days, but one company is looking to alleviate that trend with a spate of attainable apartment complexes throughout the Phoenix area.

Driving the news: Scottsdale-based development company Greenlight Communities has four of its "Streamliner" apartment complexes in the works.

- The first, to be completed will be at 67th Avenue and McDowell, is expected to open next March.
- Streamliner 16th, at 16th Street north of Van Buren Street, is slated for completion a month later.
- Greenlight also has projects planned near 87th and Peoria avenues, and 99th Avenue near State Farm Stadium.

Between the lines: Dan Richards, a partner at Greenlight, told Axios Phoenix that Streamliner communities are geared toward the "missing middle" of renters who can't afford luxury apartments and aren't receiving government assistance.

- Streamliner is largely aimed at people with income in the \$35,000-\$60,000 range, a category Richards said includes many teachers, service workers, first responders and retirees.
- "About six years ago we started just seeing a void in the market. There was a lot of luxury apartments being built in Tempe, Phoenix, Scottsdale, a lot of high-end product throughout the Valley. But no one was building apartments for the missing middle."
- Greenlight also has a series of apartments known as Cabana, pre-existing complexes the company renovates which are slightly more expensive than Streamliner.

By the numbers: Rent at Streamliner 16th will be \$1,000 a month for a studio apartment, \$1,200 for a one-bedroom and about \$1,350 for a two-bedroom, Richards said.

- Cabana rents tend to be about \$150-\$200 more.
- The luxury apartments they compete with are about \$2,000 for a one-bedroom place, Richards said, meaning Greenlight runs around \$500-\$700 less monthly.

Of note: The average apartment in Phoenix last year cost about \$1,600 a month, with prices climbing higher in some Valley cities.

Between the lines: Greenlight is able to keep Streamliner rents cheaper for several reasons, Richards told us.

- They buy "underutilized" land that may be a block or so off a main street.
- They have in-house general contracting and civil engineering, which he said allows them "to really dig into the front end of it and respond to any city conditions" like drainage and grading.
- Their apartments are smaller than average — 600 square feet at Streamliner and 650 at Cabana for a one-bedroom, compared to about 800 for their competitors — but the space is designed efficiently.

Meanwhile, the average apartment in Phoenix is 863 square feet.

What's next: Richards said Greenlight is looking at other Streamliner locations in the Phoenix and Tucson areas.

- "The location and cost of location drives a lot of that," he said.