

DAILY
INDEPENDENT

RENTS

Renters may catch break with more units on horizon



<https://www.yourvalley.net/stories/renters-may-catch-break-with-more-units-on-horizon,476177>

THE ASSOCIATED PRESS/CHRIS CARLSON

File - Workers build a home on Sept. 19, 2023, in Marshall, N.C. In Phoenix, peak deliveries for apartments should help residents “have some real power to get a good deal” on new apartments this year.

Posted Friday, February 2, 2024 4:16 pm



By Brent Ruffner ([/browse.html?byline=Brent%20Ruffner](#))

Mail (bruffner@inusa.org) | X: [@AzNewsmedia](https://twitter.com/aznewsmedia) (<https://twitter.com/aznewsmedia>)

Relief for renters may be on the horizon as 30,000 multifamily units are expected to be completed during the next six quarters in metro Phoenix, said Tom Brophy, a housing analyst at Colliers.

Last year, the Valley saw the second-highest year for apartment demand “damn-near all-time,” Brophy said.

“Put it this way, (it shocked) me,” Brophy said.

The peak deliveries for apartments should help residents “have some real power to get a good deal” on new apartments this year, Brophy said. Renters can expect incentives such as a month free rent or free or discounted internet.

During the next six quarters, the Valley is expected to see the largest number of new multifamily units arrive on the market since the 1980s, according to Brophy.

A break in rent prices may just be what Valley residents need as rates have grown during the past decade and particularly after the pandemic. The current average rent price in Phoenix is \$1,534 for a roughly 800-square-foot apartment, according to website RentCafe.com.

Most rents in the region, about 49%, lay between \$1,000 and \$1,500 per month, according to RentCafe. Another 36% are between \$1,500 and \$2,000 per month, and 11% are above \$2,000 per month. Only 5% of rental units in the Phoenix area are less than \$1,000 per month.

The situation is the same over much of the Valley, with average rents in Mesa, Chandler, Tempe, Peoria, Gilbert, Avondale, Surprise and Goodyear all above \$1,500. Tempe and Scottsdale have the highest monthly rental rates, according to RentCafe, at \$1,912 and \$2,045, respectively.

Despite what has been somewhat jarring for Valley residents as rents have climbed, those in the region still are typically below national rates, where the average rent is \$1,702 for an 897-square-foot apartment, according to RentCafe.

One builder, Greenlight Communities, plans to complete 1,000 units during the next calendar year, the analyst said.

Eight new communities are listed on the company’s website as apartments almost ready to be leased. The company has communities in Phoenix, Peoria, Glendale and Surprise.

Streamliner 67th, a community at 6755 W. McDowell Road in Phoenix, is expected to be ready for leasing in March while Glendale’s Cabana Aldea should be lease-ready in November, its website stated.

The builder has communities in Goodyear and Mesa currently leasing units, the website stated.

“At Greenlight Communities, our steady progress and ongoing financial support are a testament to our strong reputation in the market,” said Dan Richards, partner at Greenlight Communities. “We continue to build and innovate by addressing a unique niche — affordable rental housing for Arizona’s workforce.”

Many multifamily complexes have focused on higher-end renters, Greenlight has maintained looking for a more balanced approach to building, Richards said.

“While others chase the luxury market, we proudly focus on creating attainable homes for the median earner,” he said. “Our emphasis on building more efficient units provides a lower-cost option for those who prefer independent living. We’re not just constructing rental homes — we’re catering to the missing middle, ensuring that everyone has access to quality housing. Our success lies in our commitment to meeting the distinct needs of our community.”

The good news is it probably hasn’t been this good for renters in a long time, Brophy said.

“(Renters have) the best bargaining ability in 15 years,” Brophy said. “Use your bargaining power wisely.”

High mortgage rates have pushed some who were in the market to buy a house to pause after learning rates a few points higher can push payments up by a few hundred dollars per month.

According to Freddie Mac, the current mortgage rate is 6.69% for a 30-year fixed-rate mortgage, on average as of Jan. 25.

By comparison, The U.S. weekly average mortgage rate was 7.29% on a 30-year fixed mortgage as of Nov. 22, the Freddie Mac website stated.

“The 30-year fixed-rate has remained within a very narrow range over the last month, settling in at 6.69% this week,” the Freddie Mac website stated. “Given this stabilization in rates, potential homebuyers with affordability concerns have jumped off the fence back into the market.

Despite persistent inventory challenges, we anticipate a busier spring homebuying season than 2023, with home prices continuing to increase at a steady pace.”

In the third quarter of 2025, new apartment deliveries are expected to taper off with banks not approving enough construction loans, according to Brophy.

“(Multifamily construction) is going to drop like a rock,” Brophy said.

Then, only about 8,000 to 10,000 units will be constructed per year in the Valley — a lower output than demand of about 15,000 per year is needed, Brophy said.



Brent Ruffner
Lead News Reporter | Daily Independent

BRuffner@iniusa.org (mailto:BRuffner@newszap.com)

Journalism has fascinated Brent Ruffner since junior high school.

Since 2001, his stories have been published in newspapers from the Albuquerque to the Arizona and he has always had a knack for making sure his facts are right and his words are to the point.

Growing up, Brent watched as sports reporters covered his beloved Phoenix Suns, a team he followed since Charles Barkley first arrived in Phoenix via trade in 1992. Sports reporting was a dream back then.

But after gaining some writing experience, Brent found a love for news instead of covering different types of sports. In 2008, he moved to New Mexico and covered crime, schools and city beats all while holding elected officials accountable.

He covered stories that ranged from a DEA drug bust gone bad to an award-winning story on school lunches.

In Arizona, Brent was a freelance writer who covered everything from the importance of citrus in the state to Esteban owning a store in downtown Prescott.

Brent is a 2007 graduate of the Walter Cronkite School of Journalism and Mass Communication at Arizona State University.