

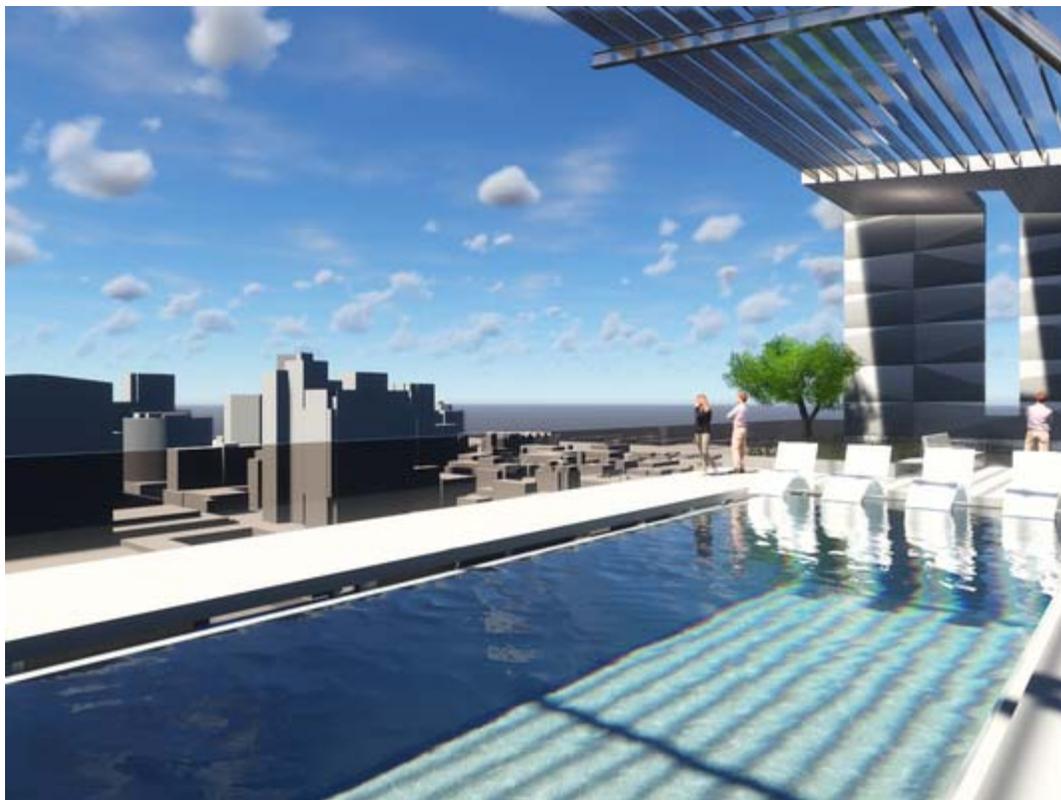
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10,000 apartments recently opened or will soon in Phoenix area. Study says it's not enough

[Catherine Reagor](#)

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(Photo: CA Residential)

STORY HIGHLIGHTS

- More than 10,000 new apartments are underway or recently opened to renters in metro Phoenix
 - "By 2030, metro Phoenix will need another 150,000 apartments," said Courtney Gilstrap LeVinus of the AMA
 - About 62,500 Valley apartments were built between 2000-10, and 45,000 are expected to be built between 2011-2020
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Metro Phoenix's apartment building boom is just beginning.

The Valley needs a lot more apartments to keep up with its expected growth, according to a new study.

Anyone who has been around [downtown Phoenix](#), Scottsdale or [Tempe](#), where thousands of apartments have recently gone up or are under construction, will probably find this hard to believe. I did.

More than 10,000 new apartments are underway or have recently opened to renters, mainly in those areas.

But national and local apartment groups say that many new rentals need to go up every year for some time to keep up with likely demand from aging Baby Boomer renters, immigrants and Millennials who are delaying a home purchase.

"By 2030, metro Phoenix will need another 150,000 apartments," Courtney Gilstrap LeVinus, the interim president of the Arizona Multi-housing Association, told me. "We are seeing significant demographic shifts that will lead to more renters."

She doesn't think developers are "overbuilding" apartments in the Valley now because of the expected jump in demand.

Boom and bust building

Metro Phoenix's robust growth has inspired a few overbuilding binges. So when the Valley's many real-estate market watchers, from analysts to homeowners, see a construction boom, we get a little concerned.

But Thomas Brophy of Phoenix-based ABI Multifamily points out a lot more rentals went up during the last building boom.

His research shows about 62,500 Valley apartments were built between 2000 and 2010 and 45,000 are expected to be built between 2011 and 2020.

Apartment construction in the Phoenix area pretty much came to halt between 2008 and 2014 due to the housing crash.

About 3,300 apartments were built in the Valley between 2011 and 2016, according to the study from the AMA and the National Apartment Association.

Location, location, location

Metro Phoenix's apartment building boom needs to spread out.

The Valley's great infill trend has drawn many more residents to central Phoenix, Old Town Scottsdale and downtown Tempe.



(Photo: Parker Leavitt/The Republic)

But not all of the new residents expected to move to the Phoenix area will want to live in those current hotspots for new Valley apartments.

Brophy cites population forecasts from the Arizona Department of Administration calling for metro Phoenix to grow to 5 million people by 2021. That's about 717,000 new households from the 2011 Census population count.

[Glendale led the nation for the biggest rent increase a few months ago](#), mostly because the city hasn't had any new apartments developed in nearly a decade. But a few new complexes are in the works in the West Valley city now.

In the southeast Valley, the apartment building boom is spreading to Chandler and could move to Gilbert by next year.

Rents are a great gauge to whether an area has too many apartments. After jumping nearly 15 percent since 2015, [rental rates are dipping in parts of the Valley with the most new apartments](#). And developers at new complexes are beginning to offer deals on longer leases.

A little overbuilding can be good news for renters when their monthly payment dips, but too much is a bad thing for home values, the real-estate market and the economy.