

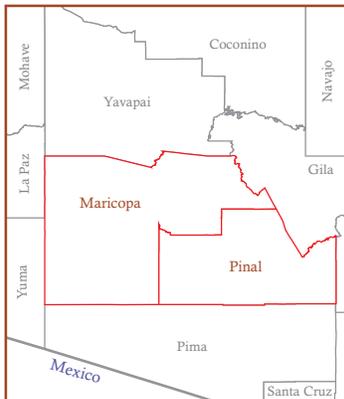


Phoenix-Mesa-Scottsdale, Arizona

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of April 1, 2010



Housing Market Area



The Phoenix-Mesa-Scottsdale, Arizona Housing Market Area (HMA) consists of Maricopa and Pinal Counties and is coterminous with the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (MSA). For this analysis, the HMA is divided into two submarkets: the city of Phoenix, which is in Maricopa County, and the Greater Mesa-Scottsdale submarket, which includes Pinal County and the remainder of Maricopa County. The city of Phoenix is the capital of Arizona and the largest city in the HMA.

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Summary

Economy

The economy in the Phoenix-Mesa-Scottsdale HMA is primarily based on the trade, professional and business services, government, and education and health services sectors. The leading employers include Bashas' Inc., US Airways, and Banner Health System. After several years of strong growth in the mid-2000s, nonfarm payrolls began to decline in 2008. During the 12 months ending March 2010, non-farm payrolls declined by 7.1 percent, or by 130,900 jobs, to 1,921,000 jobs compared with nonfarm payrolls during the previous 12 months.

Sales Market

The sales market in the HMA is soft; however, the number of home sales and the median home sales price were up in the first quarter of 2010. During the 3-year forecast period, after account-

ing for the current supply of excess vacant units that need to be absorbed, demand is estimated for 55,500 new homes (see Table 1). In addition, builders should be aware of the 149,000 other vacant units currently in the HMA, a portion of which may become available to satisfy some of this demand.

Rental Market

The rental market in the HMA is currently soft. The rental vacancy rate is estimated at 13.6 percent, up from 9 percent, as of 2000 (see Table DP-1 at the end of the report). The average monthly rent for apartments declined from \$781 to \$768 during the first quarter of 2010 compared with the average rent during the first quarter of 2009, according to Real Data, Inc. To allow for the excess vacant units to be absorbed, demand for new rental units is not expected during the 3-year forecast period.

Table 1. Housing Demand in the Phoenix-Mesa-Scottsdale HMA, 3-Year Forecast April 1, 2010 to April 1, 2013

	Phoenix-Mesa-Scottsdale HMA		Phoenix Submarket		Greater Mesa-Scottsdale Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total Demand	55,500	0	2,800	0	52,700	0
Under Construction	4,500	750	700	450	3,800	300

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of April 1, 2010. A portion of the estimated 149,000 other vacant units in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

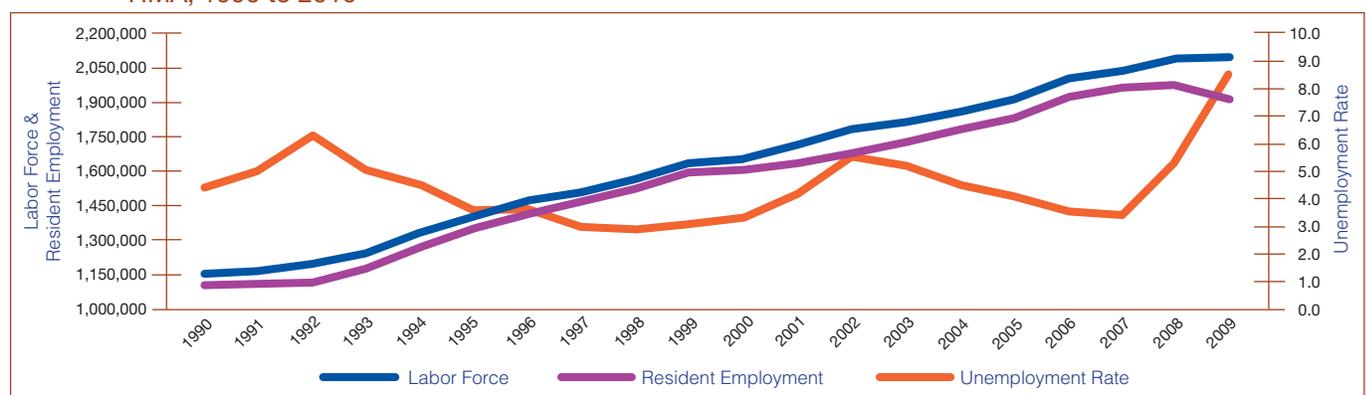
Economic Conditions

The economy in the Phoenix-Mesa-Scottsdale HMA has remained weak since 2008, after several years of strong growth in the mid-2000s. During the first 3 years of the 2000s, nonfarm payrolls grew at a modest pace in the HMA at an average of 1 percent, or 13,800 jobs, a year. Following that 3-year period, nonfarm payroll growth increased significantly to an average rate of 5 percent, or 88,100 jobs, a year from 2003 through 2006. In 2007 nonfarm payroll growth slowed to average 2 percent, or 30,700 jobs, a year as the housing market began to soften. By 2008, the economy was in a recession and nonfarm payrolls declined 3 percent, followed by a decline of 8 percent in 2009, for a total decrease of nearly 200,000 jobs. During the first quarter of 2010, the number of jobs continued to decline; however, the rate of decline has started to slow. In the 12 months ending March 2010, nonfarm payrolls decreased by 7.1 percent, or by 130,900 jobs, to 1,701,100 jobs compared with nonfarm payrolls in the previous 12 months. During the 12 months ending March 2010, the unemployment rate was 8.8 percent, up from 6.2 percent during the previous 12 months. See Figure 1 for labor force, resident employment, and unemployment trends in the HMA since 1990.

During the 12 months ending March 2010, the construction sector lost the largest number of jobs, declining by 37,900 jobs, or 30 percent, to 90,500 jobs. Since 2007, 88,300 construction jobs have been lost due to soft market conditions in residential and commercial real estate. Also during the 12 months ending March 2010, manufacturing employment declined by approximately 12 percent, or 15,100 jobs, to 111,300 jobs. The number of manufacturing jobs peaked in the late 1990s and has since declined below the 1990 level. Of the service-providing sectors, the professional and business services sector had the largest number of losses, declining by 28,800 jobs, or nearly 10 percent, to 272,100 jobs (see Table 2). Job declines among other service-providing sectors ranged from 3.3 percent in the government sector to almost 7 percent in the transportation and utilities sector.

The only sector that grew during the 12 months ending March 2010 was the education and health services sector, which was up 2.6 percent, or 5,800 jobs, to 225,800 jobs. The education and health services sector continues to grow rapidly and has been the fastest growing sector in the HMA during the past 20 years, having increased by approximately 150 percent. Most of the growth in

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Phoenix-Mesa-Scottsdale HMA, 1990 to 2010



Source: U.S. Bureau of Labor Statistics

this sector has occurred to accommodate the rapidly growing population. Figure 2 illustrates the percentage change in nonfarm employment by sector from 1990 to the current date.

The trade sector is the largest nonfarm payroll sector in the HMA, with approximately 17 percent of total employment (see Figure 3). The trade

sector has been the largest sector in the HMA going back to 1990, except in 2007, when employment in the professional and business services sector peaked. Bashas' Supermarkets is included in the trade sector and is the leading employer in the HMA, with 10,460 employees (see Table 3 for major employers).

In 2010, construction will begin on two expansion projects at Chandler Regional Medical Center that will cost \$135 million and add 200 new jobs in the education and health services sector in 2011 and 2012. Other expansions in 2010 will add jobs, including 650 jobs at the new Talking Stick Resort in Scottsdale, 450 jobs at United Services Automobile Association in north Phoenix, and 350 jobs at Conair Corporation in Glendale.

During the 3-year forecast period, nonfarm payrolls are estimated to increase by approximately 87,900 jobs. Growth is expected to be stagnant through the first quarter of 2011 and increase in the second and third years of the forecast period.

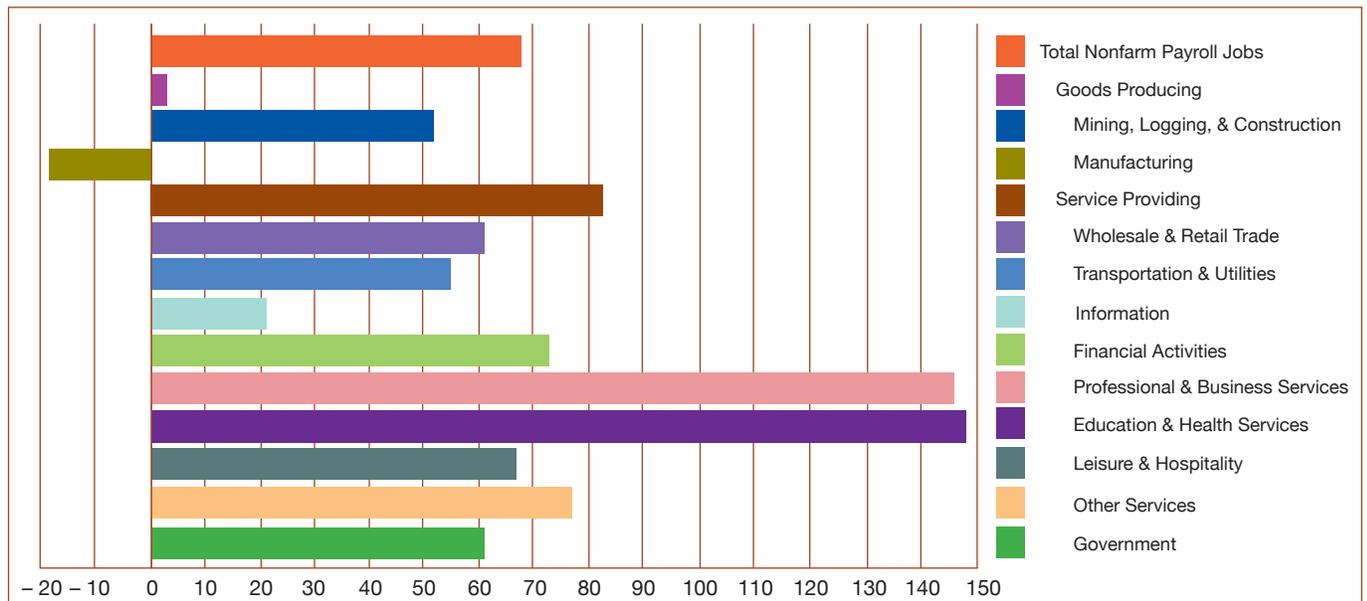
Table 2. 12-Month Average Nonfarm Payroll Jobs in the Phoenix-Mesa-Scottsdale HMA, by Sector

	12 Months Ending March 2009	12 Months Ending March 2010	Percent Change
Total Nonfarm Payroll Jobs	1,832,000	1,701,100	- 7.1
Goods Producing	258,400	204,700	- 20.8
Mining, Logging, & Construction	132,100	93,400	- 29.3
Manufacturing	126,300	111,300	- 11.9
Service Providing	1,574,000	1,496,000	- 5.0
Wholesale & Retail Trade	310,500	292,600	- 5.8
Transportation & Utilities	66,300	61,700	- 6.9
Information	30,800	28,700	- 6.8
Financial Activities	145,400	137,600	- 5.4
Professional & Business Services	300,900	272,100	- 9.6
Education & Health Services	220,000	225,800	2.6
Leisure & Hospitality	182,100	173,200	- 4.9
Other Services	72,500	67,600	- 6.8
Government	245,200	237,200	- 3.3

Notes: Based on 12-month averages through March 2009 and March 2010. Numbers may not add to totals because of rounding.

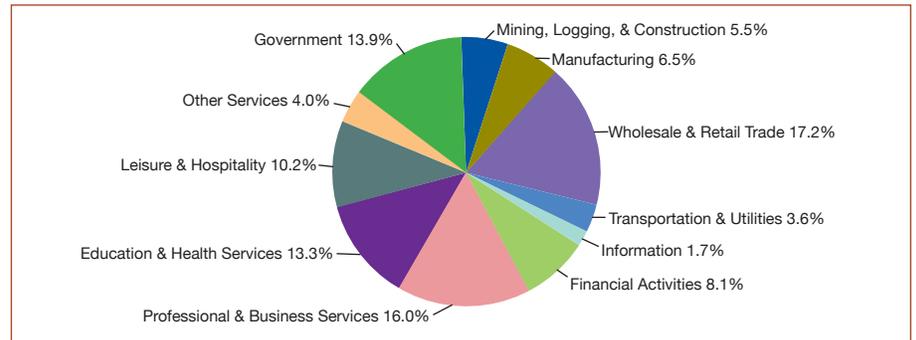
Source: U.S. Bureau of Labor Statistics

Figure 2. Sector Growth in the Phoenix-Mesa-Scottsdale HMA, Percentage Change, 1990 to Current



Note: Current is based on 12-month averages through March 2010.

Source: U.S. Bureau of Labor Statistics

Figure 3. Current Nonfarm Payroll Jobs in the Phoenix-Mesa-Scottsdale HMA, by Sector

Note: Based on 12-month averages through March 2010.

Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Phoenix-Mesa-Scottsdale HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Bashas' Supermarkets	Trade	10,460
US Airways	Transportation & Utilities	10,380
Banner Health	Education & Health Services	10,212
Intel Corporation	Manufacturing	10,000
Boeing Company	Manufacturing	4,600
American Express Company	Financial Activities	4,229
Sun Health	Education & Health Services	4,169
Safeway, Inc.	Trade	4,137
Freescale Semiconductor, Inc.	Manufacturing	2,500
Gorilla Companies LLC	Other Services	2,370

Note: Includes the leading private sector employers in Maricopa County.

Source: Phoenix Business Journal

Population and Households

Since 2000, the population of the Phoenix-Mesa-Scottsdale HMA has grown rapidly, increasing by a total of 1.1 million, or 34 percent, to more than 4.3 million. Net in-migration accounted for approximately 70 percent of this growth. During the earlier part of the decade, from 2000 to 2004, the population increased by an average of 109,000, or 3.2 percent, a year. Because employment grew at a faster pace from 2004 through 2006, more people moved to the HMA and the population increased by an average of 160,000, or 4.2 percent, a year. When the economy

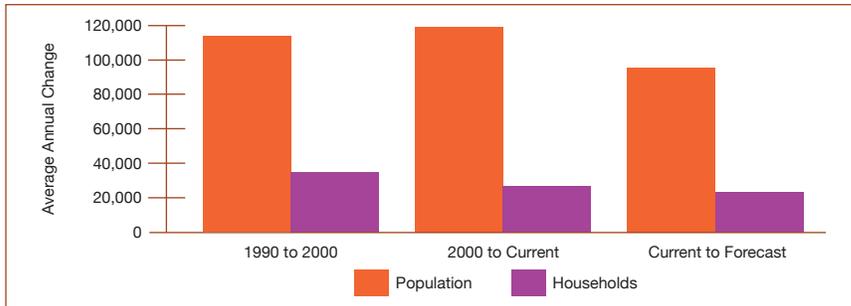
began to weaken in 2007, population growth slowed to an average of 82,800, or 2.1 percent, a year, through the current date. As of April 1, 2010, approximately 40 percent of the HMA population resides in the Phoenix submarket, with the remaining 60 percent in the Greater Mesa-Scottsdale submarket.

From 2000 to April 1, 2010, in the Phoenix submarket, the population increased by an average of 27,050, or 1.9 percent, a year, while in the Greater Mesa-Scottsdale submarket,

the population increased by an average of 82,350, or 3.6 percent, a year. In the Phoenix submarket, growth was equally divided between net natural change (resident births minus resident deaths) and net in-migration, whereas

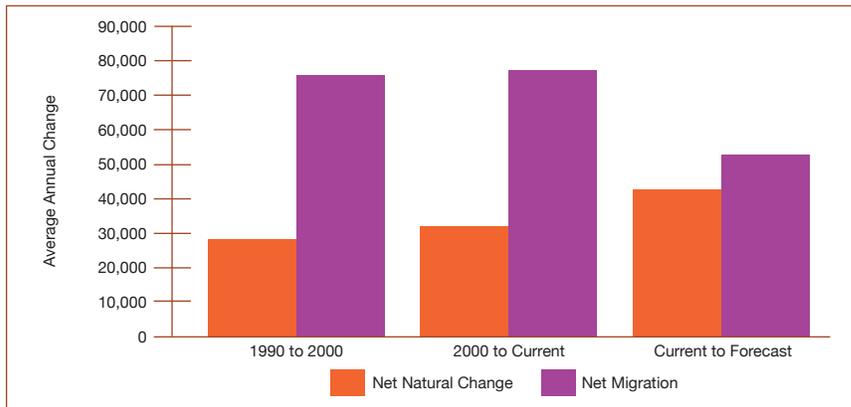
in the Greater Mesa-Scottsdale submarket, 76 percent of the population growth was attributed to net in-migration. See Figure 4 for population and household growth in the HMA from 1990 through the forecast period and Figure 5 for the components of population change in the HMA from 1990 through the forecast period.

Figure 4. Population and Household Growth in the Phoenix-Mesa-Scottsdale HMA, 1990 to Forecast



Sources: 1990 and 2000—1990 Census and 2000 Census; current and forecast—estimates by analyst

Figure 5. Components of Population Change in the Phoenix-Mesa-Scottsdale HMA, 1990 to Forecast



Sources: 1990 and 2000—1990 Census and 2000 Census; current and forecast—estimates by analyst

The number of households in the HMA increased at an average rate of 2.1 percent a year from 2000 to 2010. Toward the latter part of the decade, household growth slowed to an average of 0.4 percent a year. Most of the decline in household growth is a direct result of a slowdown in population growth; however, weak economic conditions also contributed to doubling up and a delay in younger household formation.

As the economy recovers during the forecast period, population and household growth rates are expected to increase, growing at 2.1 and 1.5 percent, respectively, for the entire HMA compared with growth rates during the past 3 years; however, growth rates will be below the 2000s average. By the end of the forecast period, the population is expected to reach 4.6 million and the number of households is expected to total 1.5 million.

Housing Market Trends

Sales Market—Phoenix Submarket

The homeownership rate in the Phoenix submarket increased from 60.7 percent in 2000 to 61.4 percent in 2008. As credit tightened and housing market conditions continued to soften during the past 2 years, the

homeownership rate declined and is currently estimated to be back down to the 2000 level (see Table DP-2 at the end of the report). Figure 6 shows the number of households by tenure in the Phoenix submarket from 1990 to the current date.

Housing Market Trends

Sales Market—Phoenix Submarket *Continued*

The sales housing market in the Phoenix submarket is currently soft. In the 12 months ending March 2010, the number of existing home sales increased by approximately 20 percent, from 28,000 to 33,900 homes compared with home sales in the previous 12 months, according to Arizona State University (ASU) Realty Studies. Home sales were down, however, in the first quarter of 2010, relative to the first quarter of 2009. The number of existing single-family homes sold declined by 6 percent from 7,900 homes sold in the first quarter of 2009 to 7,400 homes sold in the first quarter of 2010. During the same period, the median home sales price of existing single-family homes increased 14 percent to \$102,900. Foreclosure sales currently account for 45 percent of total single-family home sales compared with 6 percent in 2007, according to ASU Realty Studies.

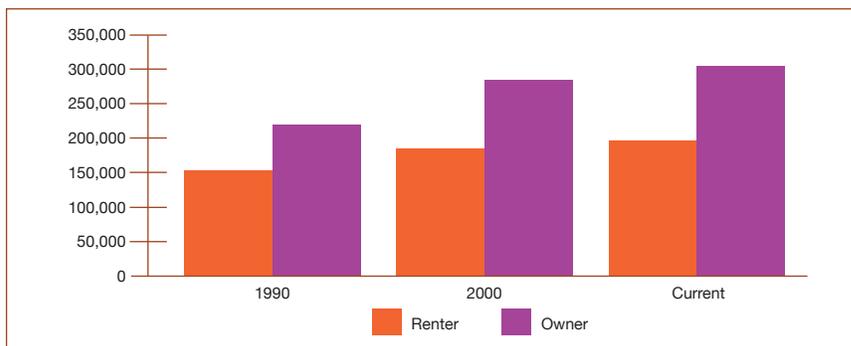
The number of existing condominiums and townhomes sold was up 67 percent, to approximately 1,600 homes, during the first quarter of 2010 compared with the number sold during the first quarter of 2009. The number of existing condominium and townhome sales is up, primarily due to the extremely low prices. The median sales price for an existing condominium or townhome during the first quarter of 2010 was \$84,500, down 21 percent from

the median price during the first quarter of 2009, and down 90 percent from the peak price in the first quarter of 2007. Condominium and townhome sales in the Phoenix submarket accounted for approximately 20 percent of total home sales during the first quarter of 2010 compared with only 10 percent in the Greater Mesa-Scottsdale submarket.

New home sales continue to decline, following a trend that began in 2006. According to ASU Realty Studies, the number of new single-family home sales declined to approximately 200 homes sold during the first quarter of 2010 compared with 275 homes sold during the first quarter of 2009. The number of new single-family home sales peaked in the first quarter of 2005 at approximately 1,425. Sales of new condominiums and townhomes are also down significantly, from 100 homes sold in the first quarter of 2009 to 35 homes sold in the first quarter of 2010. The number of new condominium and townhome sales peaked in 2007 at approximately 500.

In response to the continued decline in new home sales, home builders have kept single-family home construction, as measured by the number of permits issued, at low levels. According to preliminary data, during the 12 months ending March 2010, the number of permits issued for single-family homes declined by 125 homes, or 7 percent, to 1,600 homes compared with the number of homes permitted during the previous 12 months. The number of single-family homes permitted in 2009 totaled approximately 1,325, the lowest it's been since at least 20 years ago (see Figure 7). Single-family permit activity peaked in 2004 at a high of 12,750 homes permitted and has declined every year since that time.

Figure 6. Number of Households by Tenure in the Phoenix Submarket, 1990 to Current

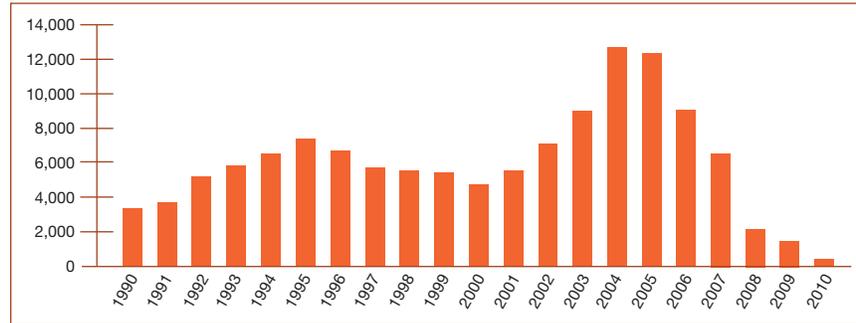


Sources: 1990 and 2000—1990 Census and 2000 Census; current—estimates by analyst

Housing Market Trends

Sales Market—Phoenix Submarket *Continued*

Figure 7. Single-Family Building Permits Issued in the Phoenix Submarket, 1990 to 2010



Notes: Includes only single-family units. Includes data through March 2010.

Source: U.S. Census Bureau, Building Permits Survey

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Phoenix Submarket, April 1, 2010 to April 1, 2013

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	124,999	280	10.0
125,000	174,999	420	15.0
175,000	224,999	700	25.0
225,000	274,999	560	20.0
275,000	349,999	280	10.0
350,000	424,999	280	10.0
425,000	499,999	140	5.0
500,000	and higher	140	5.0

Source: Estimates by analyst

During the forecast period, current and anticipated sales housing market conditions will support the estimated demand for 2,800 new sales units. A portion of this demand will be met by the 700 homes currently under construction that are expected to be completed during the first year of the forecast period (see Table 1). As

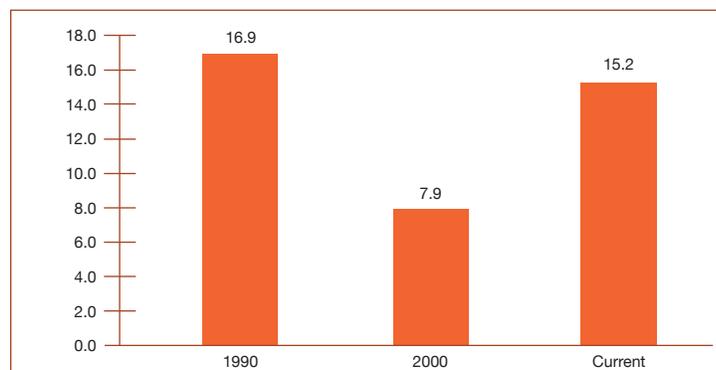
a result of the 9,600 vacant available sales units that need to be absorbed, new units should not be needed until the third year of the forecast period. Another portion of demand could be met by some of the estimated 37,500 other vacant units becoming available for sale during the forecast period. Demand for new sales units is expected to be strongest in the \$175,000-to-\$224,999 price range (see Table 4).

Rental Market—Phoenix Submarket

The rental market in the Phoenix submarket is currently soft. A high level of apartment construction in 2007 and higher inventories of single-family homes and condominiums being offered for rent have further increased already high apartment vacancy rates

and put downward pressure on rents. In addition, recent net out-migration and households doubling up have further reduced demand. The current rental vacancy rate in the submarket is estimated at 15.2 percent, nearly double the 7.9-percent rate in 2000 (see Figure 8).

Figure 8. Rental Vacancy Rates in the Phoenix Submarket, 1990 to Current



Sources: 1990 and 2000—1990 Census and 2000 Census; current—estimates by analyst

As of the first quarter of 2010, apartment vacancy rates in Phoenix ranged from 10.7 percent in Central City/Sky Harbor to 28.6 percent in West Central Phoenix, according to Real Data, Inc. Vacancy rates were highest in West Central Phoenix, partly due to the out-migration of Hispanic households that have been affected by new employer sanction laws on illegal immigrants. Central Black Canyon had the lowest average rent, at \$552 a month, during the first quarter of

Housing Market Trends

Rental Market—Phoenix Submarket *Continued*

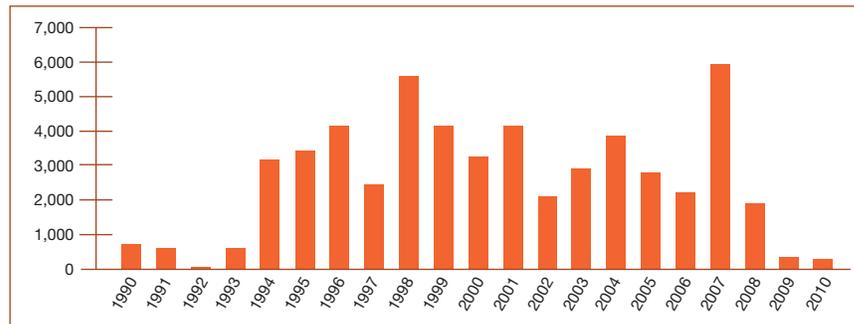
2010, down from \$592 during the previous year. The highest average rent was in the Central Phoenix/Encanto area, at \$866 a month, up slightly from \$857 in the previous year.

Multifamily construction, as measured by the number of units permitted, continues to remain low since the beginning of 2009. According to preliminary data, the number of multifamily units permitted declined from approximately 1,950 units during the 12 months ending March 2009, to 410 units during the 12 months ending March 2010.

The highest number of multifamily units permitted, going back 20 years, was in 2007. The excess vacancies, resulting from the completion of the units permitted in 2007, were a major cause of the current soft market conditions. See Figure 9 for multifamily building permit trends in the Phoenix submarket from 1990 to the current date. Although condominiums accounted for approximately 40 percent of permits issued for multifamily units in 2005, nearly all permits issued during the past 12 months for multifamily units are estimated to be for rental use.

Estimates indicate that it will take several years for the current excess supply of vacant available rental units to be absorbed into the rental market. To prevent prolonging the current soft market conditions, during the 3-year forecast period, no additional rental units should be constructed. If some of the estimated 37,500 other vacant units become available for rent during the forecast period, a recovery in the rental market could be prolonged.

Figure 9. Multifamily Building Permits Issued in the Phoenix Submarket, 1990 to 2010



Notes: Includes only single-family units. Includes data through March 2010.

Source: U.S. Census Bureau, Building Permits Survey

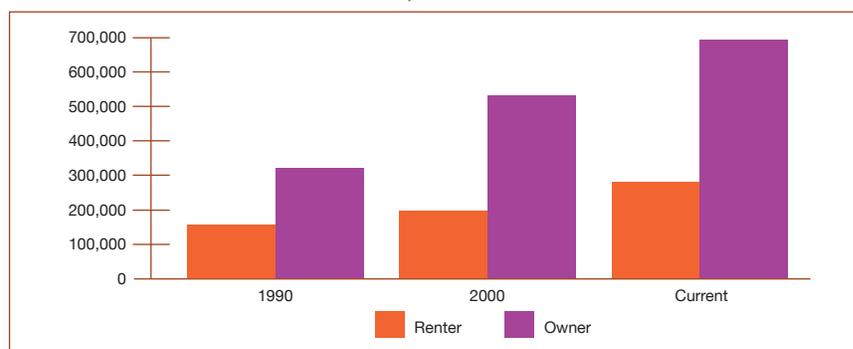
Sales Market—Greater Mesa-Scottsdale Submarket

In the Greater Mesa-Scottsdale submarket, the homeownership rate is estimated at 71 percent (see Table DP-3 at the end of this report), approximately 10 percentage points higher than in the Phoenix submarket. The large disparity

in homeownership rates is attributed to home affordability and household demographics in the Greater Mesa-Scottsdale submarket. The current percentage of homeowners is down from 72 percent in 2008 and 72.7 percent in 2000. See Figure 10 for the number of households by tenure in the Greater Mesa-Scottsdale submarket from 1990 to the current date.

The sales housing market in the Greater Mesa-Scottsdale submarket is currently soft; however, some indicators suggest the market is slowly moving to balanced conditions. Despite the soft market, existing single-family home sales during the first quarter of 2010 are up to double the number of homes sold in the first quarters

Figure 10. Number of Households by Tenure in the Greater Mesa-Scottsdale Submarket, 1990 to Current



Sources: 1990 and 2000—1990 Census and 2000 Census; current—estimates by analyst

Housing Market Trends

Sales Market—Greater Mesa-Scottsdale Submarket *Continued*

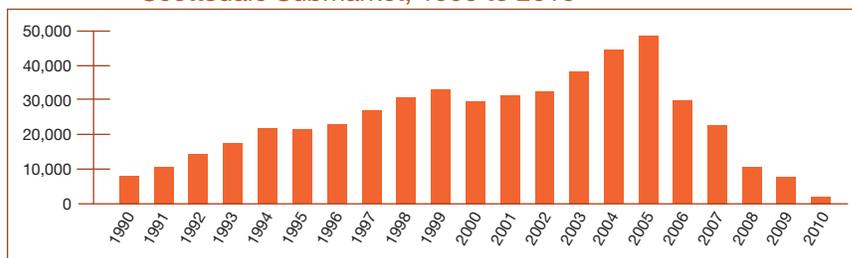
of 2007 and 2008. During the first quarter of 2010, the number of existing single-family home sales increased to approximately 22,275 homes sold, up from 19,125 home sold in the first quarter of 2009, according to data from ASU Realty Studies. Much of the rise in home sales can be attributed to low sales prices and the federal tax credit incentives for first-time homebuyers. The median home sales price of existing single-family homes in the Phoenix HMA (the most geographically comparative data available) declined 44 percent from \$262,000 during the first quarter of 2007 to \$145,600 during the first quarter of 2010. Although home sales prices have declined significantly from the peak, the median home sales price of existing single-family homes is up 4 percent from \$140,000 during the first quarter of 2009. Foreclosure sales currently account for 37 percent of the total number of single-family home sales in the Greater Mesa-Scottsdale submarket, up from 4 percent in 2007.

Although the number of existing home sales is increasing, the number of new home sales continues to decline. New single-family home sales declined from approximately 2,425 homes sold in the first quarter of 2009 to 2,325 homes sold in the first quarter of 2010, according to ASU Realty Studies. New single-family home sales peaked in the first quarter of 2006, at approximately 11,300 homes sold.

Although new home sales continued to decline in the 12 months ending March 2010, single-family home construction is up from the previous year. According to preliminary data, during the 12 months ending March 2010, the number of building permits issued for single-family homes increased by 810, or 11 percent, to 8,450 homes permitted compared with the number of homes permitted during the previous 12 months. The number of single-family homes permitted peaked at 48,550 in 2005 and has declined each year since that time (see Figure 11).

During the forecast period, current and anticipated sales housing market conditions will support an estimated demand for 52,700 new sales units. A portion of this demand will be met by the 3,800 homes currently under construction that are expected to be completed during the first year of the forecast period (see Table 1). As a result of the 20,000 vacant available sales units, no new homes are needed during the first year of the forecast period. Approximately 20,900 new homes should be supplied in the second year of the forecast period and 28,000 new homes should be supplied in the third year of the forecast period. Some of the demand could be met by a portion of the estimated 111,500 other vacant units becoming available for sale during the forecast period. Demand for homes is expected to be strongest in the \$175,000-to-\$224,999 price range (see Table 5).

Figure 11. Single-Family Building Permits Issued in the Greater Mesa-Scottsdale Submarket, 1990 to 2010



Notes: Includes only single-family units. Includes data through March 2010.

Source: U.S. Census Bureau, Building Permits Survey

Table 5. Estimated Demand for New Market-Rate Sales Housing in the Greater Mesa-Scottsdale Submarket, April 1, 2010 to April 1, 2013

Price Range (\$)		Units of Demand	Percent of Total
From	To		
90,000	124,999	5,275	10.0
125,000	174,999	7,900	15.0
175,000	224,999	13,175	25.0
225,000	274,999	10,550	20.0
275,000	349,999	5,275	10.0
350,000	424,999	5,275	10.0
425,000	499,999	2,625	5.0
500,000	and higher	2,625	5.0

Source: Estimates by analyst

Rental Market—Greater Mesa-Scottsdale Submarket

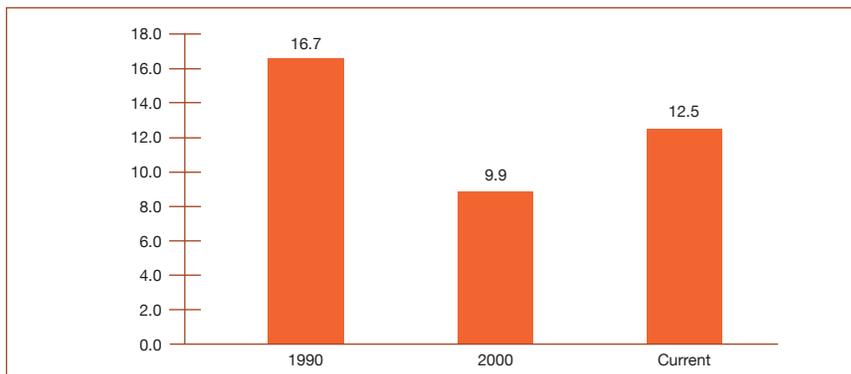
The rental market in the Greater Mesa-Scottsdale submarket is currently soft. Single-family homes and condominiums for rent have not affected the Greater Mesa-Scottsdale submarket as much as they have in the Phoenix submarket; however, they have still contributed to soft conditions in this submarket. The current rental vacancy rate is estimated at 12.5 percent, up from the 9.9-percent rate recorded in the 2000 Census (see Figure 12).

As of the first quarter of 2010, apartment vacancy rates in the Greater Mesa-Scottsdale submarket ranged greatly from 5.4 percent in North Scottsdale/Fountain Hills to 20.4 percent in Peoria/Sun City, according to Real Data, Inc. North Scottsdale/Fountain Hills has a low apartment vacancy rate, mostly due to lower construction levels. During the first quarter of 2010, the lowest average monthly rent was \$659 in Glendale, up from \$608 during the previous year. The highest average rent was \$941 a month in South Gilbert/Queen Creek, up from \$913 the previous year.

Multifamily construction, as measured by the number of units permitted, has declined substantially during the 12 months ending March 2010. According to preliminary data, the number of multifamily units permitted declined from approximately 3,125 during the 12 months ending March 2009, to 100 units permitted during the 12 months ending March 2010. Multifamily permit activity was relatively stable from 2003 to 2008, when an average 4,850 units were permitted a year. See Figure 13 for multifamily building permit trends in the Greater Mesa-Scottsdale submarket from 1990 to the current date.

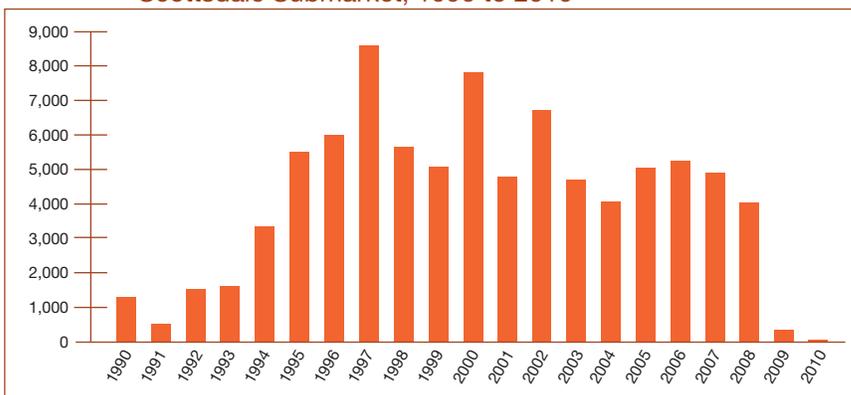
Absorption of the current excess rental supply is estimated to take several years. To prevent prolonging the current soft market conditions, during the 3-year forecast period, no additional rental units should be produced. If some of the estimated 111,500 other vacant units become available for rent during the forecast period, a recovery in the rental market could be prolonged.

Figure 12. Rental Vacancy Rates in the Greater Mesa-Scottsdale Submarket, 1990 to Current



Sources: 1990 and 2000—1990 Census and 2000 Census; current—estimates by analyst

Figure 13. Multifamily Building Permits Issued in the Greater Mesa-Scottsdale Submarket, 1990 to 2010



Notes: Includes all multifamily units in structures with two or more units. Includes data through March 2010.

Source: U.S. Census Bureau, Building Permits Survey

Data Profiles

Table DP-1. Phoenix-Mesa-Scottsdale HMA Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Resident Employment	1,111,191	1,609,059	1,920,500	3.8	1.9
Unemployment Rate (%)	4.4	3.3	8.8		
Nonfarm Employment	1,013,300	1,578,400	1,701,100	4.5	0.8
Total Population	2,238,480	3,251,876	4,346,000	3.8	2.9
Total Households	846,714	1,194,250	1,471,200	3.5	2.1
Owner Households	539,441	812,045	994,000	4.2	2.0
Percent Owner (%)	63.7	68.0	67.6		
Renter Households	307,273	382,205	477,200	2.2	2.2
Percent Renter (%)	36.3	32.0	32.4		
Total Housing Units	1,004,773	1,331,385	1,745,500	2.9	2.7
Owner Vacancy Rate (%)	3.9	2.0	4.8		
Rental Vacancy Rate (%)	16.8	9.0	13.6		
Median Family Income	NA	\$53,100	\$64,200		2.1

NA = Data not available.

Notes: Employment data represent annual averages for 1990, 2000, and the 12 months through March 2010. Median family incomes are for 1989, 1999, and 2008.

Sources: Estimates by analyst; U.S. Census Bureau; U.S. Department of Housing and Urban Development

Table DP-2. Phoenix Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Population	983,403	1,321,045	1,592,000	3.0	1.9
Total Households	369,921	465,834	495,100	2.3	0.6
Owner Households	218,698	282,670	300,600	2.6	0.6
Percent Owner (%)	59.1	60.7	60.7		
Rental Households	151,223	183,164	194,500	1.9	0.6
Percent Renter (%)	40.9	39.3	39.3		
Total Housing Units	422,036	495,832	583,300	1.6	1.6
Owner Vacancy Rate (%)	3.6	1.4	5.0		
Rental Vacancy Rate (%)	16.9	7.9	15.2		
Median Family Income	NA	NA	NA		

NA = Data not available.

Sources: Estimates by analyst; U.S. Census Bureau; U.S. Department of Housing and Urban Development

Table DP-3. Greater Mesa-Scottsdale Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Population	1,255,077	1,930,831	2,754,000	4.4	3.6
Total Households	476,793	728,416	976,100	4.3	3.0
Owner Households	320,743	529,375	693,400	5.1	2.7
Percent Owner (%)	67.3	72.7	71.0		
Rental Households	156,050	199,041	282,700	2.5	3.6
Percent Renter (%)	32.7	27.3	29.0		
Total Housing Units	582,737	835,553	1,162,200	3.7	3.4
Owner Vacancy Rate (%)	4.1	2.3	4.7		
Rental Vacancy Rate (%)	16.7	9.9	12.5		
Median Family Income	NA	NA	NA		

NA = Data not available.

Sources: Estimates by analyst; U.S. Census Bureau; U.S. Department of Housing and Urban Development

Data Definitions and Sources

1990: 4/1/1990—U.S. Decennial Census

2000: 4/1/2000—U.S. Decennial Census

Current date: 4/1/2010—Analyst's estimates

Forecast period: 4/1/2010–4/1/2013—Analyst's estimates

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In HUD's analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

For additional data pertaining to the housing market for this HMA, go to www.huduser.org/publications/pdf/CMARtables_Phoenix-Mesa-ScottsdaleAZ_10.pdf.

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This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to www.huduser.org/publications/econdev/mkt_analysis.html.