

# Opportunity Analysis for Development of Single Family Rental Units in Phoenix, Arizona

## Background & Objectives

- The client was an experienced real estate developer that was assessing the opportunity to develop single family rental product across the Phoenix metropolitan area.
- Importantly, the client wanted to better understand the future depth of demand in Phoenix's various submarkets for single family rentals, a relatively new asset class for institutional investors (but a common way for households to rent in general).

## Results

- TCG analyzed demographic, economic, and lifestyle trends locally, regionally, and nationally in order to understand the depth of demand for single family rental units. We had to employ various 'out-of-the-box' analyses in order to assess the potential for an emerging product type.
- Our team delivered an analysis of 18 submarkets, including market scale and penetration, pricing dynamics, scale of demand, and market potential opportunities. A key analysis included determining the demand for single family rentals as a distinct type of rental product versus more traditional multifamily products.
- Based on our analysis and experience in the market, we ranked each submarket by its development potential for single family rental product and delivered recommendations relative to product and positioning likely to be successful in the market.
- Our analysis was used by the client in its internal planning and assessment of the market opportunity.

## LOCATION

Phoenix, Arizona  
Metro Area

## PRODUCT

Residential (Rental)

## CLIENT

Developer, Owner