

Phoenix Ranks as Fourth-Fastest Growing Market in the Nation

Article originally posted on CoStar (<https://product.costar.com/home/news/736839722>) on June 22, 2023

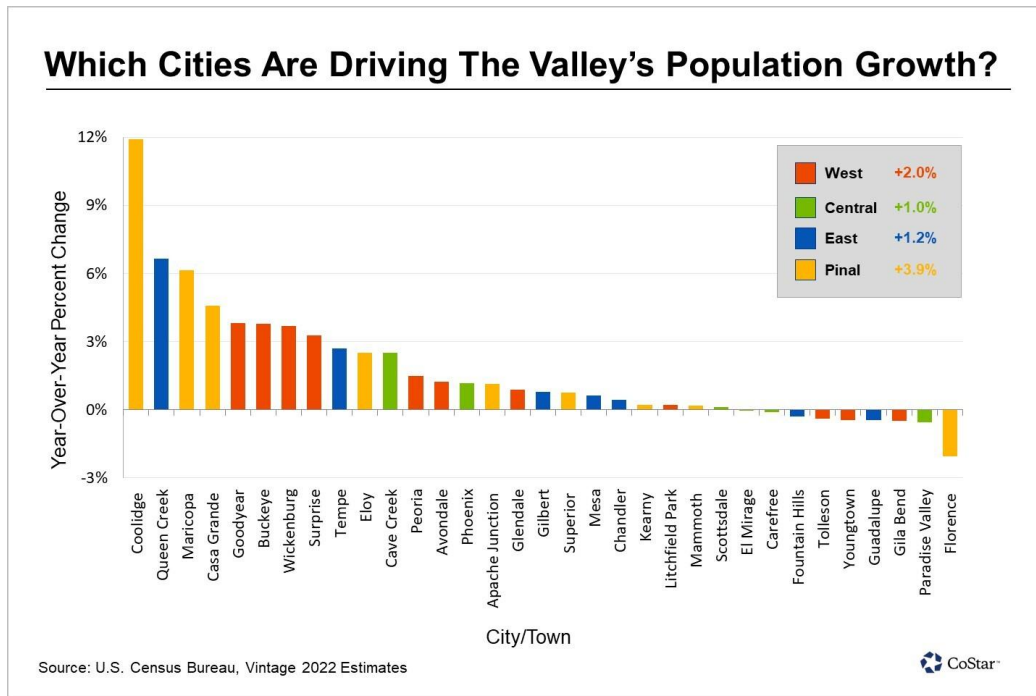


Phoenix's robust demographic profile is one of its greatest advantages, and the market's status as one of the fastest-growing population centers in the country remained intact in 2022. According to the latest data from the U.S. Census Bureau, the Phoenix metropolitan area expanded by 72,800 people last year, the fourth-largest increase in the country.

Over the past few years, there has been a significant influx of individuals and businesses relocating to Phoenix attracted by its relative affordability, job prospects, quality of life and a less-restrictive regulatory climate. These factors have kept Phoenix in the top five in the population-

growth ranking over the past three years, supporting underlying space demand for nearly all types of commercial real estate.

Likewise, markets in the Sun Belt markets of Texas, Florida, Georgia and the Carolinas have also seen a population boom for similar reasons, solidifying the ongoing trend of migration to the South.



On a percentage basis, the rapidly growing suburban areas in the West Valley and Pinal County have been the engine powering Phoenix's population surge. These areas offer lower housing costs and have been a magnet for advanced manufacturing operations, spurring new industrial development and employment opportunity.

For example, in Casa Grande, a small community about halfway between Phoenix and Tucson, Arizona, the average multifamily rent is about \$1,300 per month, a more than 15% discount compared to the overall market. The area has also been one of the primary beneficiaries of the residual effects from Taiwan Semiconductor Manufacturing Company's \$40 billion investment to build a microchip manufacturing facility in North Phoenix. Several suppliers including Chang Chun and LCY Electronic Material have plans to build factories for inputs used in the new chipmaking facility.

Other employment-generating projects include Nikola Corp.'s electric vehicle manufacturing facility in Coolidge, LG Energy Solution's battery plant in Queen Creek and Kore Power's battery-making operation in Buckeye.




Moving forward, Phoenix's demographic trends are expected to remain healthy. The fundamental forces attracting people to the Valley are still in place and are expected to continue to support demand for a variety of commercial real estate sectors.

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