

FOR THE EXCLUSIVE USE OF BISKIND@TBBGINVESTMENTS.COM

From the Phoenix Business Journal:

<https://www.bizjournals.com/phoenix/news/2025/12/22/hines-sunstone-two-tree-buy-vacant-land.html>

SUBSCRIBER CONTENT:

CRANE WATCH

Residential Real Estate

Developers snap up Arizona land as multifamily supply expected to dwindle by 2027

Traditional apartment construction down 29% this year in Phoenix metro compared to 2024



While multifamily developers are paying top dollar for vacant land, a partnership between Titan Development and TBBG snagged this 7.8-acre parcel in South Phoenix for \$3.8 million two years ago.

EXTREME AERIAL PRODUCTIONS



By [Angela Gonzales](#) – Senior Reporter, Phoenix Business Journal
Dec 22, 2025

Listen to this article 6 min

Story Highlights

- Developers are purchasing Phoenix-area land anticipating multifamily housing shortages by 2027
- Phoenix leads the nation with nearly 29,000 build-to-rent units currently
- Construction starts have slowed 29% from last year's levels

Developers are closing on vacant land to prepare for a shortage of multifamily housing units as existing supply dwindles over the next couple of years.

On Dec. 17, an entity related to Houston-based Hines paid \$16.6 million in cash for 14.6 acres in Peoria, according to Tempe-based real estate database Vizzda LLC, while Los Angeles-based Sunstone Two Tree closed on 21 acres in Buckeye, paying \$8.85 million.

Houston, Texas-based Hines plans to break ground in early 2026 to build a 336-unit traditional garden style apartment community within The Trailhead master plan at 83rd Avenue and Happy Valley Road that will begin leasing units in 2027.

The developer received a \$67.9 million construction mortgage with First National Bank of Omaha, according to Vizzda.



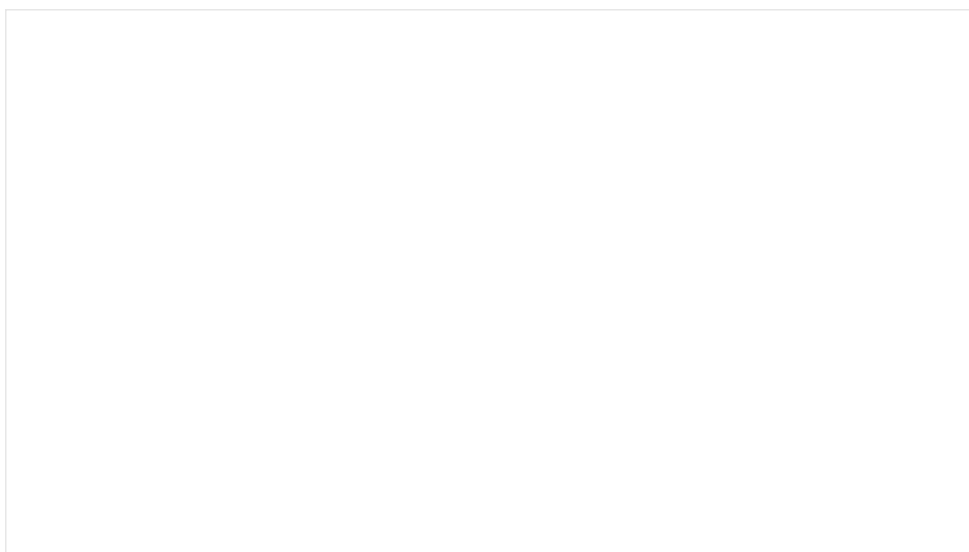
Hines plans to build luxury apartments on land it just purchased in Peoria.

HINES

Sunstone plans to start construction in January on a 238-unit build-to-rent community at Jackrabbit Trail and Blue Horizons Parkway in Buckeye on its recently purchased 21-acre parcel.

Meanwhile, a partnership between Phoenix-based TBBG Investments and Albuquerque, New Mexico-based Titan Development broke ground Dec. 9 on a 7.8-acre parcel at 35th and Southern avenues in Phoenix they've been holding for two years – in preparation for the existing supply to dwindle.

The partnership was able to secure that parcel for \$3.8 million, where they are building 132 two-story townhomes with attached garages.



Titan Development and TBBG are partnering on a 132-unit townhome build-to-rent product at 3449 W. Southern Ave., Phoenix.

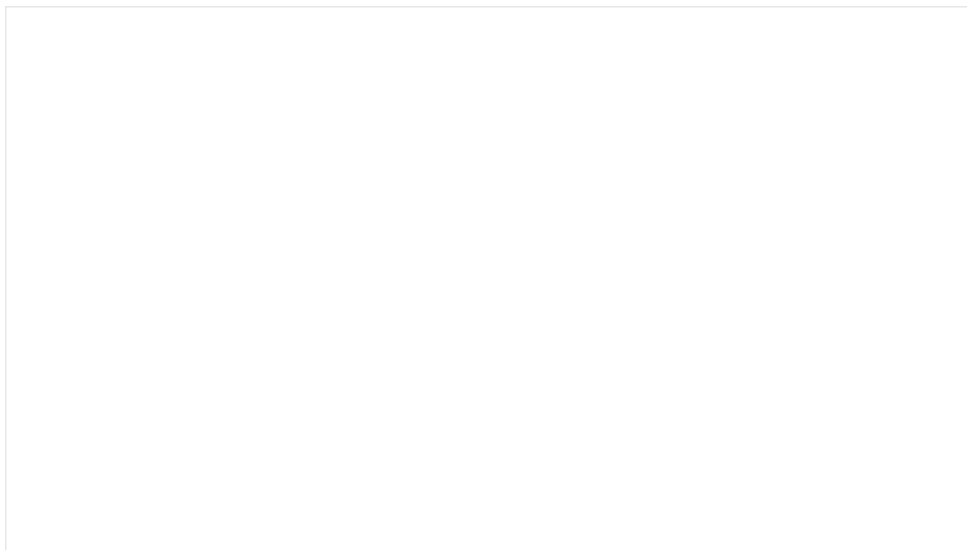
TITAN DEVELOPMENT

The peak of the supply wave for all types of multifamily product, including apartments and build-to-rent units, likely is in the rear-view mirror, said Connor Devereux, director of market analytics at CoStar Group/Homes.com.

"A slowdown in construction starts over the past 18 months has contributed to a thinning multifamily pipeline and a more manageable delivery schedule in 2026 and 2027," Devereux said.

Phoenix leads the nation in build-to-rent stock, with nearly 29,000 units of existing BTR and townhome inventory, according to CoStar. Another 3,800 units are currently underway, the most of any market in the United States.

Meanwhile, 27,300 traditional apartment units are under construction in the metro, which is down 29% from this time last year and 35% lower than the peak at the end of 2023, according to Northmarq.



A rendering of a 238-unit build-to-rent community that Los Angeles-based on a 20.86-acre parcel in Buckeye.

SUNSTONE TWO TREE

Construction activity for BTR ramped up in the years following the onset of the pandemic, along with construction for traditional multifamily, Devereux said.

More than 6,000 BTR and townhome units were built in 2023 and 2024 each, compared to about 1,000 to 2,000 units per year from 2018 to 2021, he said. About 4,500 BTR and townhome units were delivered thus far in 2025.

Conditions in the housing market – both for sale and for rent – have cooled, yet new projects continue to deliver and break ground, said Peter O'Neil, national director of research at Northmarq.

Rents for BTR properties are averaging under \$2,000 a month, while traditional apartment rents are closer to \$1,500 a month, O'Neil said.

Northmarq expert: Home ownership still cost prohibitive for renters

Meanwhile, home ownership is still cost prohibitive for most renters, he said.

"When we ran our latest rent vs. own comparison, we found that an average monthly mortgage on a median-priced single-family home was about \$1,150 per month higher than the current rent on a build-to-rent unit," O'Neil said.

"So right now, build-to-rent is meeting a need, more privacy and more space than a traditional apartment unit at a lower cost than owning," he said.

Since [entering the Phoenix market in 2021](#), Sunstone Two Tree has developed five communities here. The company is investing \$250 million to develop four BTR projects across the metro, said Scott Maddux, CEO of Sunstone Two Tree.

Sunstone Two Tree opened a Scottsdale office in July, where it employs about a dozen people.

"Despite demand being really good, our general view now is it is a great time to start projects that will deliver two years in the future when deliveries have basically stopped and supply has worked its way through the system and has been absorbed," Maddux said.

While Albuquerque, New Mexico-based Titan has built self-storage units in the metro over the past five years, this will be its first BTR project, said Josh Rogers, partner at Titan Development.

"TBBG deserves all the credit," Rogers said. "They brought the project to Titan's attention. They needed a partner. We bought the land two years ago and sat on it when there was a high supply in the market. We're catching the tail end of the supply and delivering in a much calmer market."

The first units are expected to be delivered in the first quarter of 2027 and the entire project is expected to be completed later in 2027, he said.

Andrew Biskind, co-founder at TGGB Investments, said he's been happy to see absorption levels in the Phoenix market as supply continues to dry up in Phoenix.

"We think there will be further demand for new development," he said. "New apartments, especially these new BTR townhomes like 35th & Southern are just going to be a really critical housing solution in Phoenix moving forward."

These land buys come on the heels of San Antonio, Texas-based [Embrey paid \\$7.6 million for 7-acre parcel](#) with plans to build a \$100 million, 340-unit apartment community in Phoenix and Mesa-based [Kinella Capital paying \\$36 million for One Camelback](#) with plans to finish the conversion of that office tower into luxury apartments.

By the end of 2025, O'Neil expects the number of units under construction to drop closer to 20,000 to 22,000 units, which will create a drop-off in deliveries by 2027-2028, creating a less competitive landscape for developers and owners.