City of Chandler

Multi-family Development

City Council Micro-Retreat
May 24, 2018
Overview

- The General Plan guides urban residential developments to certain areas
- Amount of multi-family growth right now (approx. 2,700 units) is not atypical
- The type of multi-family development being built has changed
- Demand for multi-family units will continue to increase
City of Chandler
Multi-family Development
How Much is Being Built?
Multi-Family Development Status
May 2018

- Under Construction: 2,691 units
- Proposed or Approved: 784 units
- Year Approved or Proposed if not yet Approved: 16

Loop 202
101

I-10
Residential Permits Completed
Annually 1992-2017
City of Chandler

Multi-family Development

What is Being Built?
Liv Avenida Apartments
City of Chandler

What does the General Plan say?

Multi-family Development
Growth Areas

1. Downtown
2. N. Arizona Ave.
3. Chandler Airpark
4. S. Price Rd. Corridor
5. Medical/Regional Retail
6. I-10/Loop 202
General Plan Policies

High density residential
12-18 du/ac can be considered
  • Adjacent to arterials and freeways
  • Downtown
  • Regional commercial
  • Along high capacity transit corridors
  • Adjacent to employment
General Plan Policies (cont’d)

Urban residential
18+ du/ac can be considered
• Downtown
• Regional commercial
• Along high capacity corridors
• Infill District – when replacing underutilized commercial
**General Plan Policies (cont’d)**

**Mixed-Use Developments**

A mix of residential, commercial, and/or office can be considered at

- Major arterial intersections
- Along freeways
- Regional commercial areas
- Downtown
- Along high capacity transit corridors

Densities will be determined by infrastructure capacity, neighborhood compatibility, and design quality
General Plan Policies (cont’d)

- 1.2.1.g: Continue to redevelop downtown with higher densities, mixed-use, and transit oriented developments
- 1.2.2.a: Redevelop North Arizona Avenue with higher densities and mixed-uses
- 1.3.c: Continue to support the redevelopment of underutilized commercial properties to residential and/or offices and higher densities through the Infill Incentive Plan
General Plan Policies (cont’d)

Growth Areas:

• North Chandler has a strong employment focus... high density residential uses may be appropriate to supplement its industrial base (p. 61)

• Medical/Retail growth area... is also prime for high-density residential development because of its amenities (p. 61)
Densities Higher than 18 du/acre may be considered in:

- Downtown
- Regional Commercial
- High Capacity Transit Corridors
- Infill Incentive District (replacing older commercial)
Southeast Chandler Area Plan

Maximum density allowed is 3.5 du/acre, except along Arizona Ave where a “compatible mix of higher density housing” may be considered.
Single Family vs Multi-Family Housing Units

Source: U.S. Census Bureau American Community Survey 2012-2016

Percentages do not include mobile homes, RVs, boats, or vans
Single Family vs Multi-Family
Existing, Under Construction, or Zoned - May 2018

West Chandler
70% 🏡 11,671 SF Units
30% 🏢 5,066 MF Units

South Chandler
83% 🏡 34,561 SF Units
17% 🏢 7,201 MF Units

Northeast Chandler
67% 🏡 35,593 SF Units
33% 🏢 16,423 MF Units
Single Family vs Multi-Family
Projected at City Build-Out

West Chandler
- 70% House
  - 11,809 SF Units
- 30% Apartment
  - 5,090 MF Units

South Chandler
- 83% House
  - 38,140 SF Units
- 17% Apartment
  - 8,057 MF Units

Northeast Chandler
- 58% House
  - 35,811 SF Units
- 42% Apartment
  - 26,250 MF Units
Chandler’s Single Family vs Multi-Family
Projected at City Build-out

![Bar chart showing percentages of single family and multi-family properties in various cities at city build-out.]

- **Chandler**
  - Single Family: 69%
  - Multi-Family: 31%

- **Scottsdale**
  - Single Family: 69%
  - Multi-Family: 31%

- **Mesa**
  - Single Family: 69%
  - Multi-Family: 31%

- **Glendale**
  - Single Family: 68%
  - Multi-Family: 32%

- **Phoenix**
  - Single Family: 67%
  - Multi-Family: 33%

- **Tempe**
  - Single Family: 51%
  - Multi-Family: 49%
City of Chandler

Multi-family Development

Why are Apartments Being Built?
Increase in demand:
  • Seniors (downsizing)
  • Millennials
    (lifestyle preferences)

Declining ownership rates
  • Stringent mortgage qualifications
  • Increase in home values
Changes in National Housing Market Demand

Source: Arthur C. Nelson, Ph.D., University of Arizona
## Chandler’s Median Age

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2010</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chandler</td>
<td>31.2</td>
<td>34.1</td>
<td>36.3</td>
</tr>
<tr>
<td>U.S.</td>
<td>35.3</td>
<td>37.2</td>
<td>37.6</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau
## Increase in Seniors

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2010</th>
<th>2015</th>
<th>Decrease in ≤ 9 age group</th>
<th>Increase in 50+ age group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 5 years</td>
<td>7.6</td>
<td>6.2</td>
<td>1.8%</td>
<td>4.9%</td>
</tr>
<tr>
<td>5 to 9 years</td>
<td>7.9</td>
<td>7.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 to 14 years</td>
<td>7.6</td>
<td>7.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 to 19 years</td>
<td>7.1</td>
<td>6.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 to 24 years</td>
<td>6.2</td>
<td>5.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25 to 29 years</td>
<td>7.3</td>
<td>6.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 to 34 years</td>
<td>7.7</td>
<td>7.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>35 to 39 years</td>
<td>8.5</td>
<td>7.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40 to 44 years</td>
<td>8.1</td>
<td>8.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 to 49 years</td>
<td>7.9</td>
<td>7.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50 to 54 years</td>
<td>6.7</td>
<td>7.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>55 to 59 years</td>
<td>5.3</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60 to 64 years</td>
<td>4.4</td>
<td>5.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>65 to 69 years</td>
<td>2.8</td>
<td>4.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>70 to 74 years</td>
<td>1.9</td>
<td>2.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>75 to 79 years</td>
<td>1.3</td>
<td>1.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>80 to 84 years</td>
<td>0.9</td>
<td>1.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>85 years and older</td>
<td>0.8</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau
## Net Change in Households by Type 2010 - 2040

<table>
<thead>
<tr>
<th>Household Growth by Type, 2010-2040</th>
<th>Nation</th>
<th>Arizona</th>
<th>Tucson</th>
<th>Phoenix Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>HHs with Children Growth</td>
<td>6,754</td>
<td>337</td>
<td>38</td>
<td>265</td>
</tr>
<tr>
<td>2+ Person HHs Without Children</td>
<td>12,834</td>
<td>575</td>
<td>87</td>
<td>401</td>
</tr>
<tr>
<td>Single-Person HHs Growth</td>
<td>15,638</td>
<td>489</td>
<td>85</td>
<td>325</td>
</tr>
<tr>
<td>HHs with Children Share of Growth</td>
<td>19%</td>
<td>24%</td>
<td>18%</td>
<td>27%</td>
</tr>
<tr>
<td>2+ Person HHs W/o Children Share</td>
<td>36%</td>
<td>41%</td>
<td>42%</td>
<td>40%</td>
</tr>
<tr>
<td>Single-Person HHs Share of Growth</td>
<td>44%</td>
<td>35%</td>
<td>41%</td>
<td>33%</td>
</tr>
</tbody>
</table>

(Figures in thousands) 

Source: Arthur C. Nelson, Ph.D., University of Arizona
New Housing Market Realities

• No more sub-prime mortgages
• 20% down-payments are the new normal
• More stringent qualification standards
• Increasing home values

Meaning
• Smaller homes
• Smaller lots
• More attached units
• More renters

Source: Arthur C. Nelson, Ph.D., University of Arizona
National Home Ownership Rates
1965 - 2015

Source: Adapted from Census by Arthur C. Nelson, Ph.D., University of Arizona
### Chandler Owner/Renter Change

<table>
<thead>
<tr>
<th></th>
<th>Census 2010</th>
<th>Special Census 2015</th>
<th>Dr. Nelson’s Prediction for Phoenix Area 2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td>66.3%</td>
<td>62.7%</td>
<td>61.8%</td>
</tr>
<tr>
<td>Renter</td>
<td>33.7%</td>
<td>37.3%</td>
<td>38.2%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau and Dr. Arthur C. Nelson, University of Arizona
Summary

- The General Plan guides urban residential developments to certain areas: Downtown, N. Az Ave, regional commercial, High Capacity transit Corridors, and infill district.
- Amount of multi-family growth right now (approx. 2,700 units) is not atypical (permits completed are less than previous cycles).
- The type of multi-family development being built has changed.
- Demand for multi-family units will continue to increase:
  - 1/3 of population growth will be 65+.
  - 3/4 of HH growth will be without children.
  - 1/3 of HH growth will be single persons.
  - More difficult to qualify for a home.

Source: Arthur C. Nelson, Ph.D., University of Arizona