

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

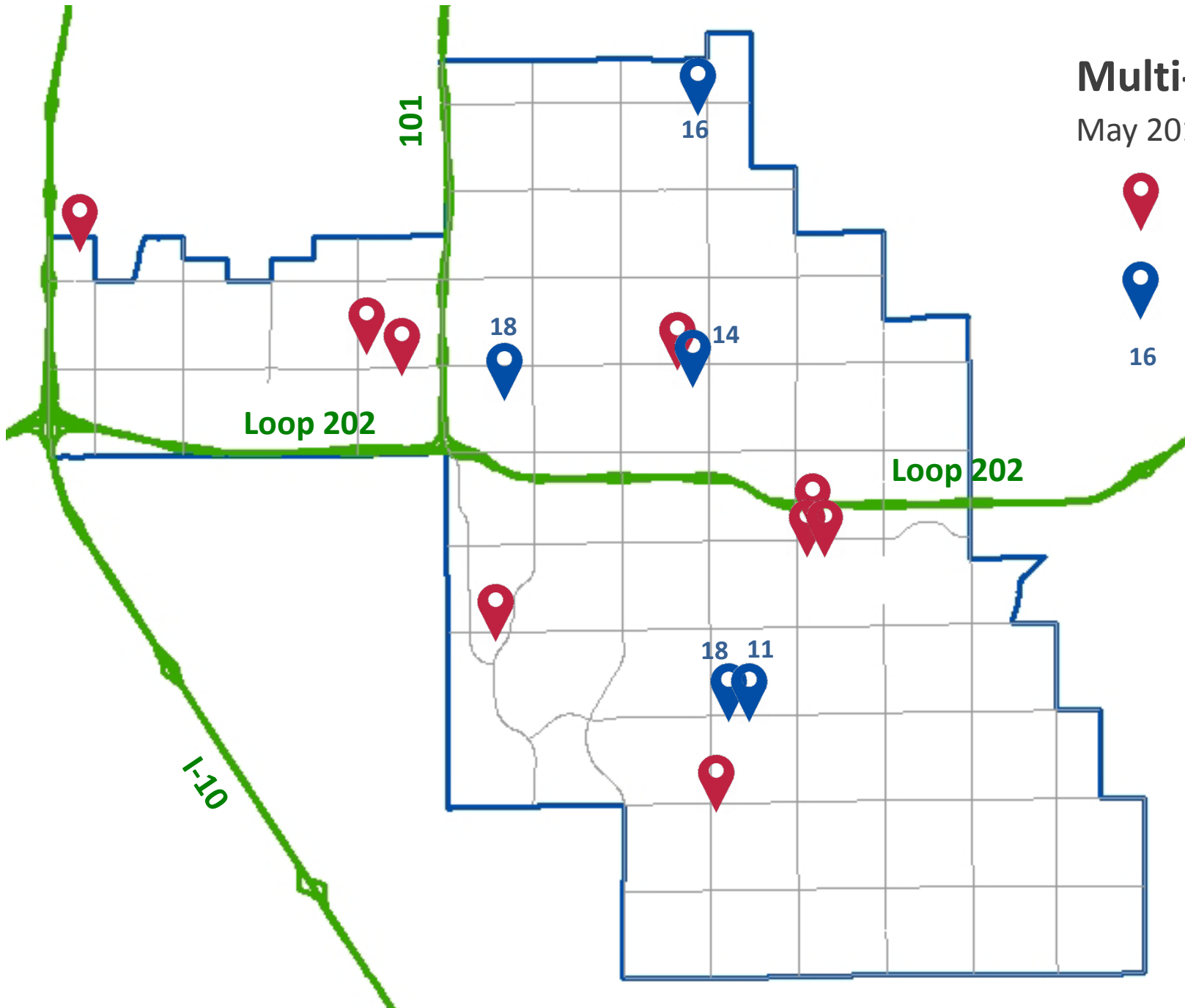
*How Much is
Being Built?*



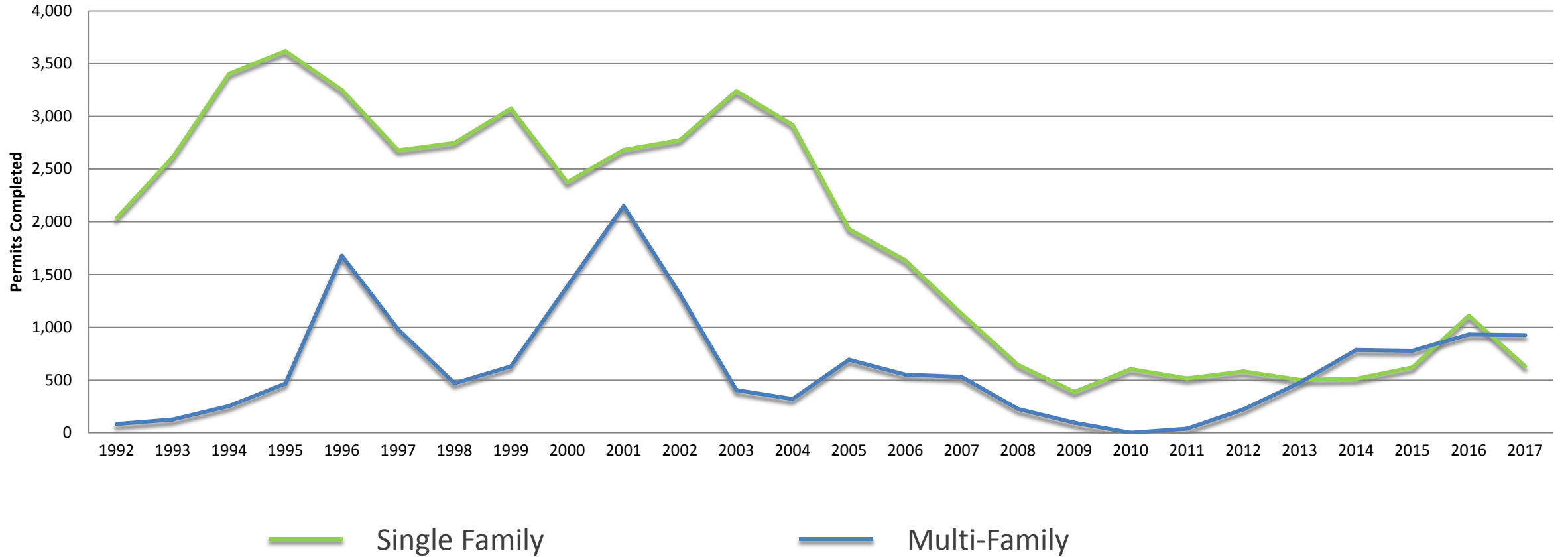
Multi-Family Development Status

May 2018

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



Residential Permits Completed Annually 1992-2017



City of Chandler

Multi-family Development

*What is Being
Built?*



Broadstone Fashion Center Apartments









Camden Chandler Apartments

Liv Avenida Apartments



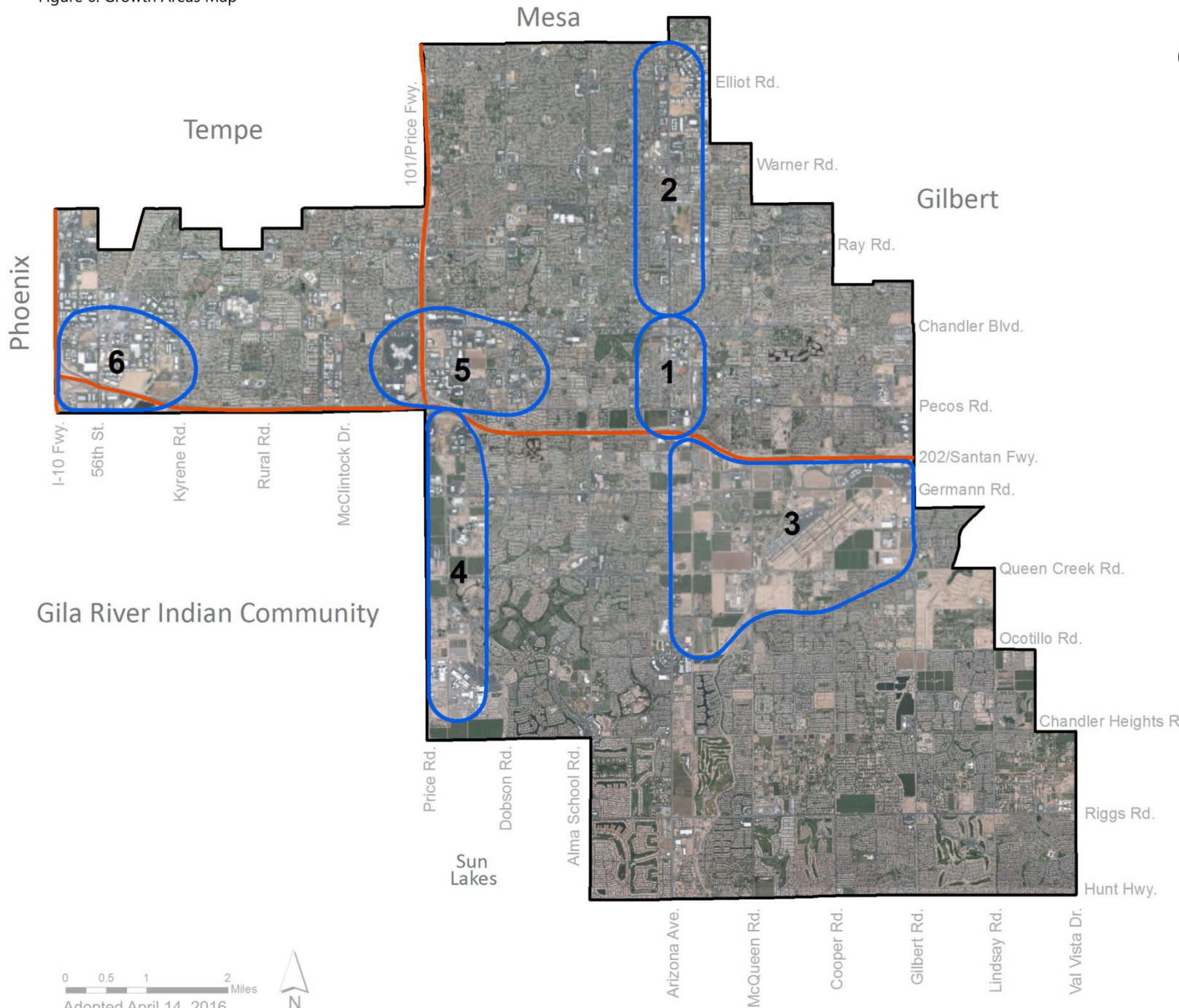


City of Chandler

Multi-family Development

*What does the
General Plan say?*

Figure 6: Growth Areas Map



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)

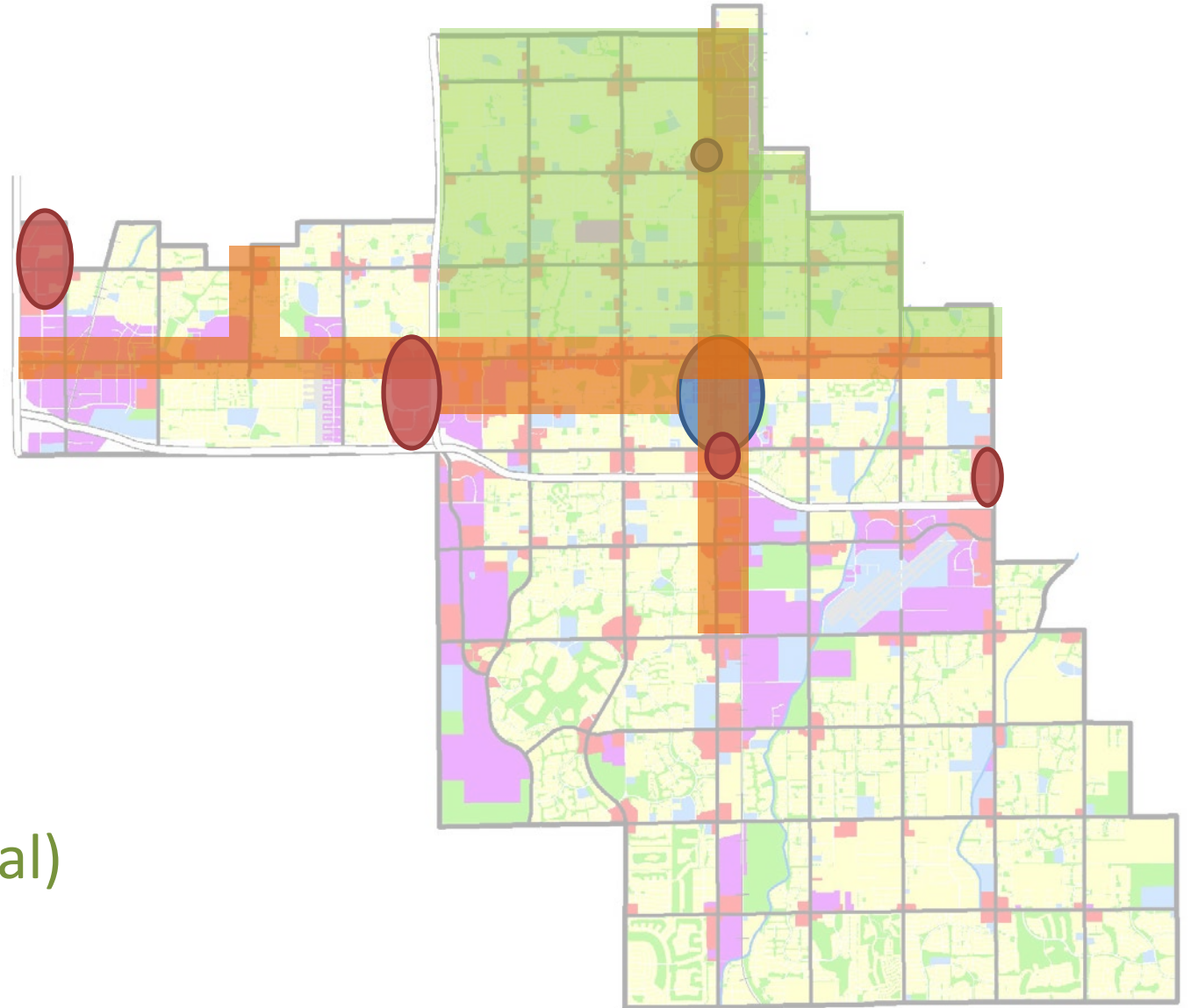
Growth Areas:

- 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)

General Plan Policies

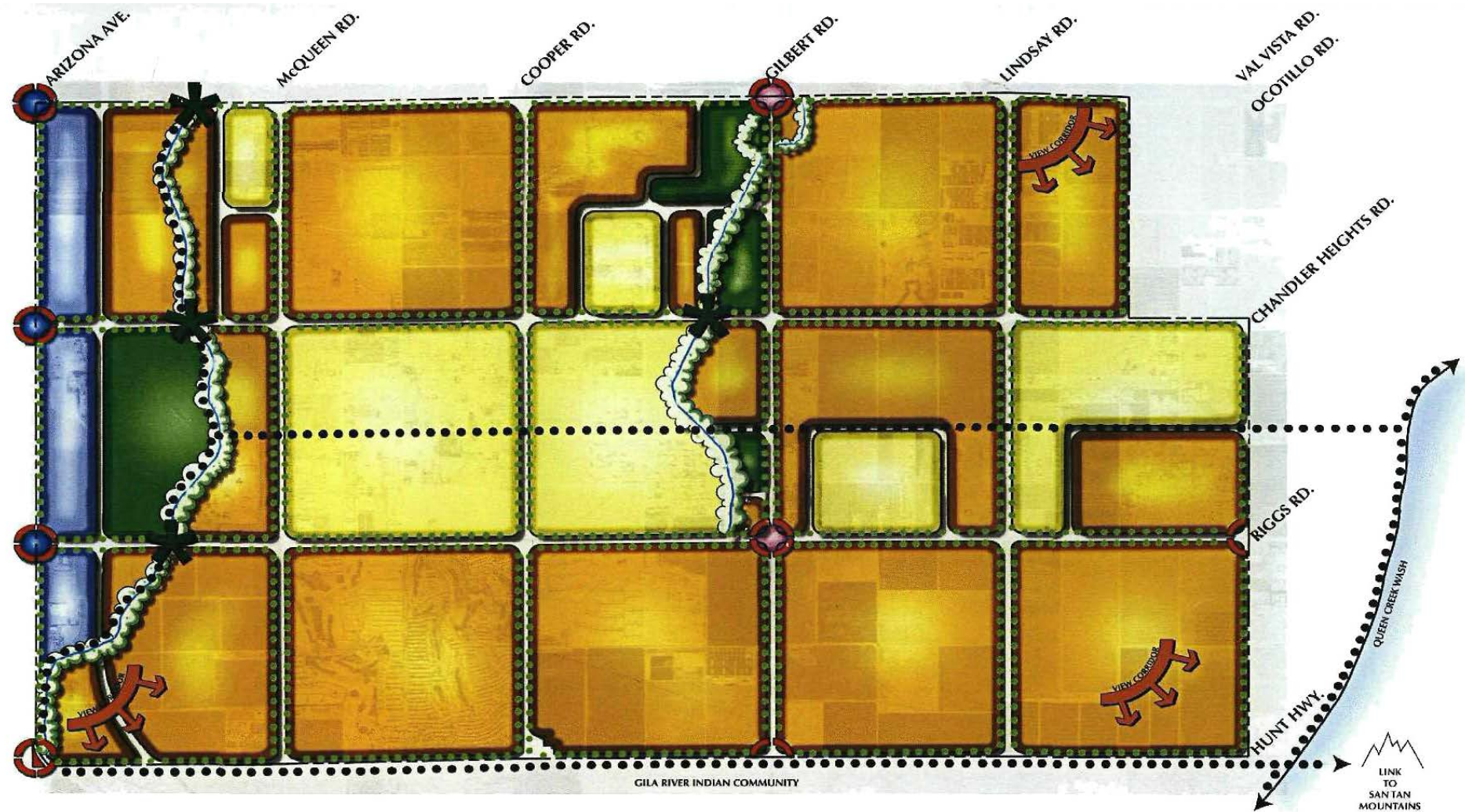
Densities Higher than 18 du/acre may be considered in:

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



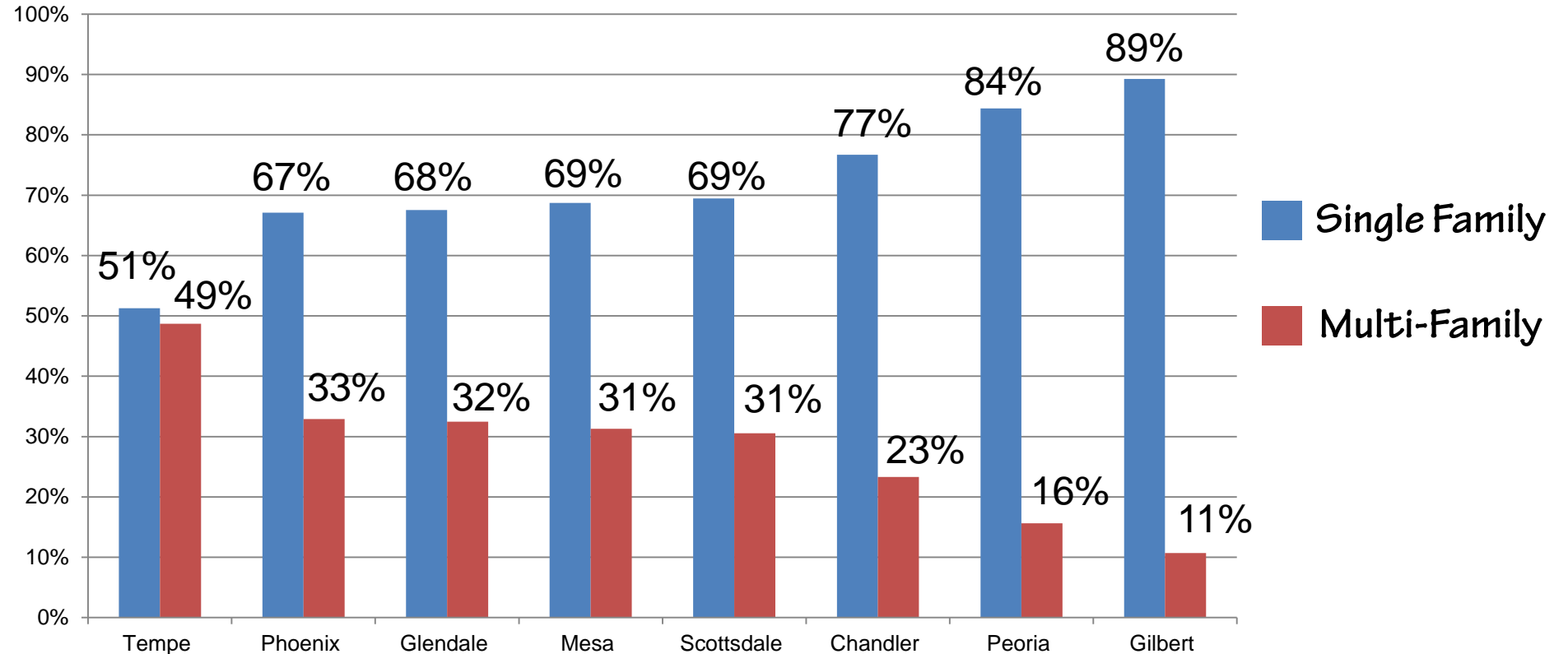
Southeast Chandler Area Plan

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

Northeast Chandler

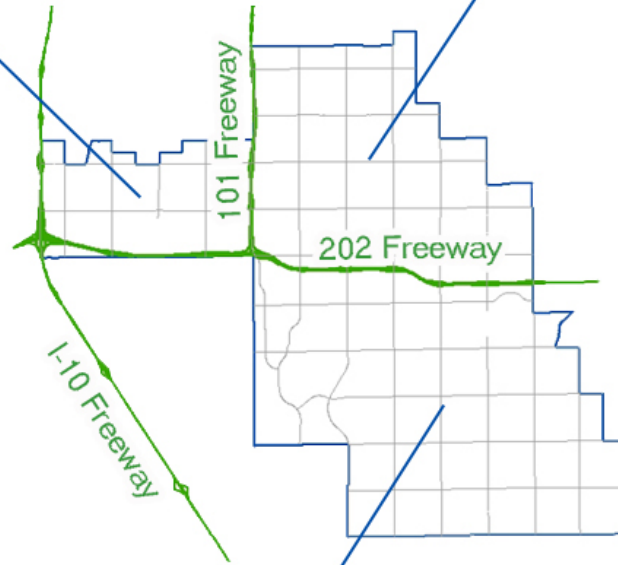
67% 
35,593 SF Units

33% 
16,423 MF Units

South Chandler

83% 
34,561 SF Units

17% 
7,201 MF Units



Single Family vs Multi-Family

Projected at City Build-Out

West Chandler

70% 
11,809 SF Units

30% 
5,090 MF Units

Northeast Chandler

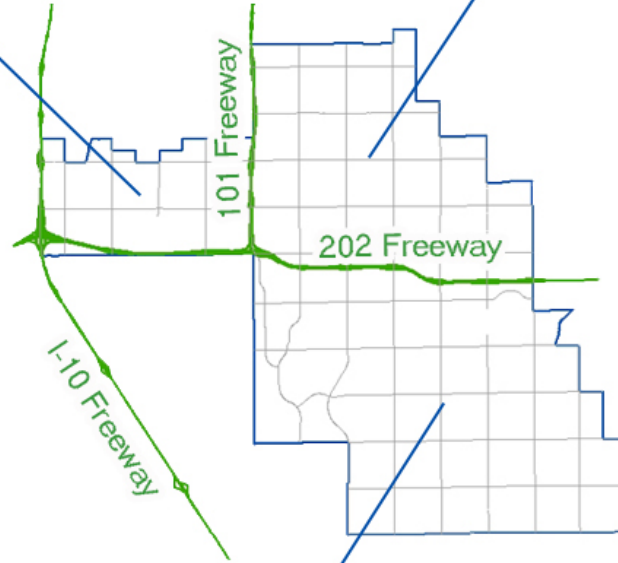
58% 
35,811 SF Units

42% 
26,250 MF Units

South Chandler

83% 
38,140 SF Units

17% 
8,057 MF Units



Chandler's Single Family vs Multi-Family Projected at City Build-out



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*Why are Apartments
Being Built?*

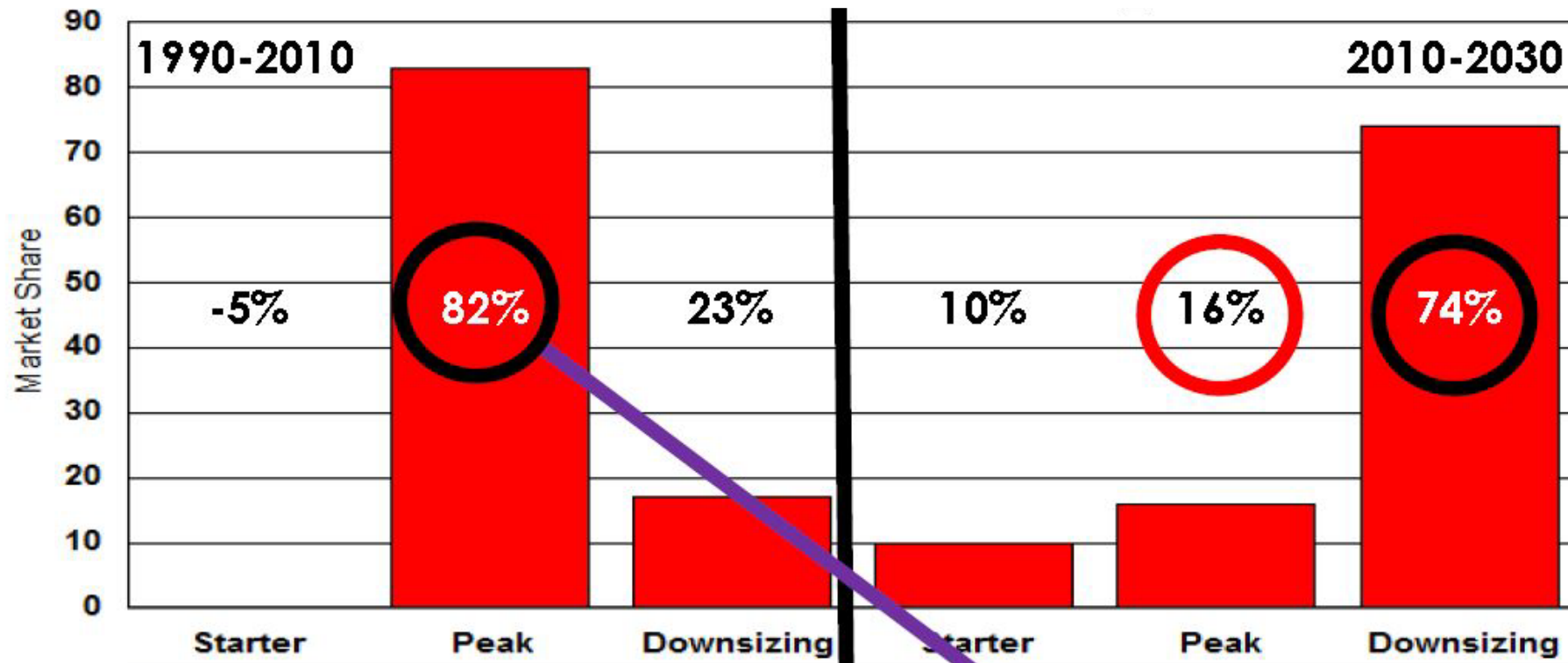
Increase in demand:

- Seniors (downsizing)
- Millennials
(lifestyle preferences)

Declining ownership rates

- Stringent mortgage qualifications
- Increase in home values

Changes in National Housing Market Demand



Distribution of Residential Units Built, United States, 1989-2009

Type	Volume (millions)	Total Share
Total New Units	24.5	85%
Detached Units	20.7	

Chandler's Median Age

	2000	2010	2015
Chandler	31.2	34.1	36.3
U.S.	35.3	37.2	37.6



Increase in Seniors

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



Source: U.S. Census Bureau

Net Change in Households by Type 2010 - 2040

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

(Figures in thousands)

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

New Housing Market Realities

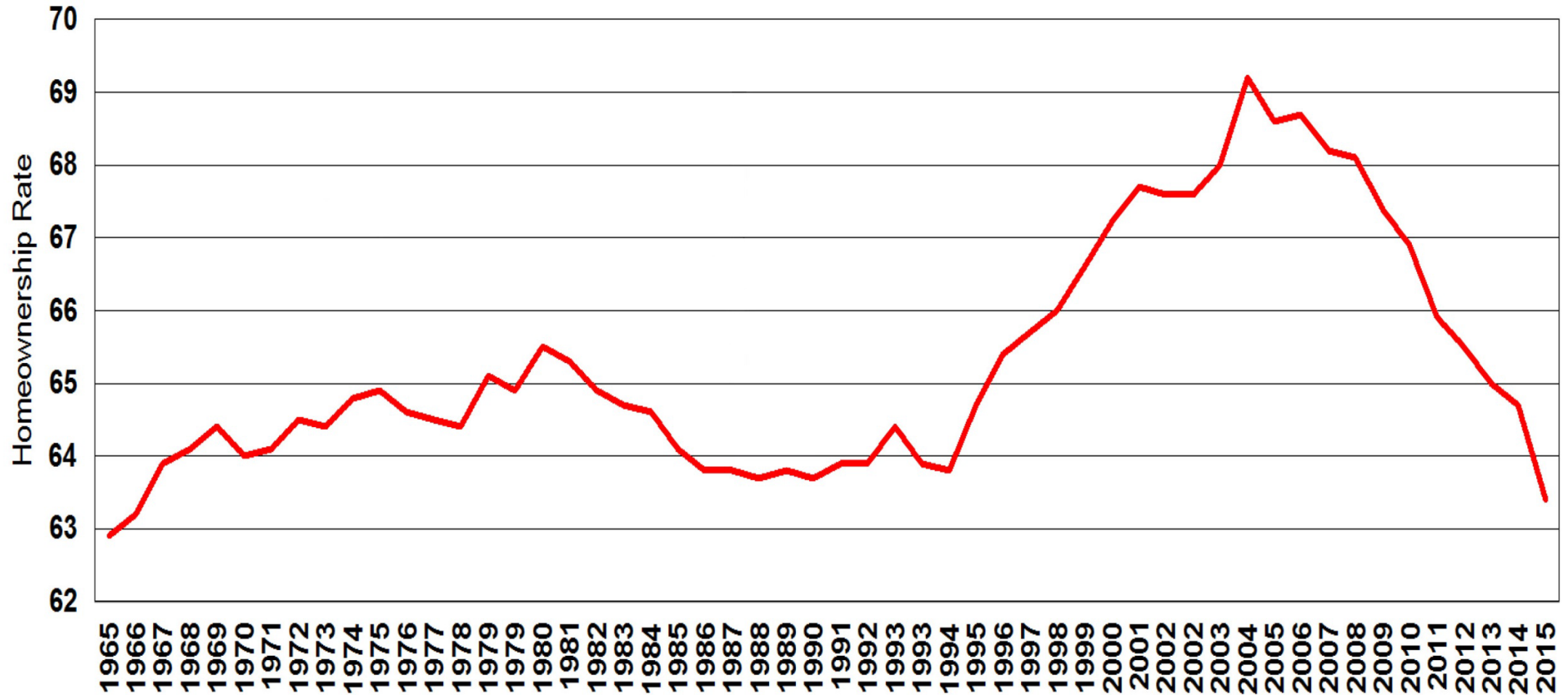
- No more sub-prime mortgages
- 20% down-payments are the new normal
- More stringent qualification standards
- Increasing home values

Meaning

- Smaller homes
- Smaller lots
- More attached units
- More renters



National Home Ownership Rates 1965 - 2015



Chandler Owner/Renter Change

	Census 2010	Special Census 2015	Dr. Nelson's Prediction for Phoenix Area 2040
Owner	66.3%	62.7%	61.8%
Renter	33.7%	37.3%	38.2%

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