



# City of Chandler, Arizona

## Housing Needs Assessment 2023 Update

This report serves as an update to previous housing assessments for Chandler in 2018, 2021, and 2022. The analysis incorporates the latest available housing data from authoritative sources, including the U.S. Census Bureau, Department of Housing and Urban Development (HUD), CoStar, and the Arizona Regional Multiple Listing Service.

### Understanding Housing Affordability

Housing affordability reflects the relationship between a household's income and housing costs. According to HUD standards, housing is considered affordable when a household spends no more than 30 percent of its gross (pre-tax) income on housing expenses, including property taxes and insurance. Households spending more than 30 percent of their income on housing are classified as "cost burdened." This report uses the 30 percent threshold as the primary metric for evaluating Chandler's housing affordability landscape.

**TABLE 1: Distribution of Chandler Households by Housing Tenure and Percentage of Income Spent on Housing, 2010, 2019, and 2022**

	2010	2019	2022	Shift 2010-22 (Percentage Points)
<b>OWNERS:</b>				
Less than 20 percent	44.1%	63.6%	62.6%	+18.5
20 to 29 percent	28.5%	19.0%	19.7%	(8.8)
<b>30 percent or more</b>	<b>27.8%</b>	<b>17.4%</b>	<b>17.3%</b>	<b>(10.5)</b>
<b>RENTERS</b>				
Less than 20 percent	25.7%	28.6%	19.4%	(6.3)
20 to 29 percent	28.8%	26.2%	32.1%	+3.3
<b>30 percent or more</b>	<b>41.7%</b>	<b>45.2%</b>	<b>44.1%</b>	<b>+2.4</b>
Sources: U.S. Census Bureau; Gruen Gruen + Associates.				

### Understanding the Housing Affordability Gap

This section examines how well Chandler's current housing stock aligns with residents' income levels through an "affordability gap" analysis. This approach compares the number of households at each income level with the number of housing units available at corresponding affordable price

points. Our analysis uses 2022 American Community Survey (ACS) data to identify mismatches between housing supply and residents' ability to pay.

Table 2 presents the maximum housing prices that households can afford at different income levels, based on the standard affordability threshold.

**TABLE 2: Affordable Housing Prices and Monthly Rents by Household Income Bracket**

Household Income (and % of AMI <sup>1</sup> )	Maximum For-Sale Housing Price <sup>2</sup>	Maximum Monthly Gross Rent <sup>3</sup>
Less than \$35,000 (<35% AMI)	Below \$112,000	Below \$875
\$35,000 to \$49,999 (35% to 51% AMI)	\$112,000 to \$159,999	\$875 to \$1,249
\$50,000 to \$74,999 (51% to 76% AMI)	\$160,000 to \$239,999	\$1,250 to \$1,874
\$75,000 to \$99,999 (76% to 101% AMI)	\$240,000 to \$319,999	\$1,875 to \$2,499
\$100,000 to \$149,999 (101% to 152% AMI)	\$320,000 to \$479,999	\$2,500 to \$3,749
\$150,000 and Above (≥ 152% AMI)	\$480,000 and Above	\$3,750 and Above
<sup>1</sup> Income bracket expressed in percent of Area Median Income (AMI) for a four-person household. AMI for a family of four persons is currently at \$99,000 for the Phoenix-Mesa-Scottsdale MSA. <sup>2</sup> Assumes a 3.5 percent down payment (FHA minimum) with a 30-year fixed rate mortgage at an annual interest rate of 7.12 percent. Permanent mortgage insurance is included at 0.55 percent of the loan (current FHA rates) and taxes and home insurance assumed to approximate 1.1 percent of the purchase price. <sup>3</sup> Assumes monthly gross rents equal 30 percent of income.		
Source: Gruen Gruen + Associates		

### Housing Supply vs. Income Levels

Table 3 compares Chandler's housing stock (both owned and rented) against household income levels, showing what residents could theoretically afford rather than their actual housing choices.

Chandler faces significant challenges in providing affordable housing, particularly at lower price points. The recent surge in interest rates has dramatically reduced purchasing power across all income brackets. For instance, a household that could previously afford a \$400,000 home at 3.5% interest can now only purchase a \$290,000 home at today's 7.12% rate.

The affordability analysis reveals several key gaps:

At the lowest price tier (under \$112,000), approximately 6,400 owner-occupied households need housing, but virtually no homes are available at this price point.

In the \$112,000-\$160,000 range, about 3,800 households earn enough to afford these homes, but only 800 such units exist, creating a deficit of 3,000 units.

At the higher end of the market (above \$480,000), supply and demand are more closely matched, with approximately 26,100 households able to afford such homes and about 25,700 units available in this price range.

**TABLE 3: Comparison of Existing City of Chandler Housing Inventory to Households by Price/Rent Afforded (2022 ACS Estimates)**

	Supply of Existing Units #	Households Able to Afford Units <sup>1</sup> #	Existing Surplus (Deficit) of Units #
<i>Home Value:</i>			
Below \$112,000	2,215	6,361	(4,146)
\$112,000 to \$159,999	824	3,794	(2,970)
\$160,000 to \$239,999	3,704	8,583	(4,879)
\$240,000 to \$319,999	10,814	8,541	2,273
\$320,000 to \$479,999	24,199	15,112	9,087
\$480,000 and Above	25,706	26,119	(413)
<i>Monthly Gross Rent:</i>			
Below \$875 <sup>2</sup>	2,780	7,736	(4,956)
\$875 to \$1,249	4,282	3,494	788
\$1,250 to \$1,874	17,824	7,732	10,092
\$1,875 to \$2,499	9,329	7,606	1,723
\$2,500 to \$3,749	2,443	6,414	(3,971)
\$3,750 and Above	300	5,220	(4,920)
<sup>1</sup> Based on 2022 household estimate and a 30 percent-of-income cost burden threshold. Note that households in higher-income categories can also afford housing priced in pricing brackets that would be affordable to lower-income households. <sup>2</sup> Includes units with "no cash rent".			
Sources: U.S. Census Bureau, 2022 American Community Survey; Gruen Gruen + Associates.			

### **Projected Workforce Housing Need in Comparison To Future Housing Development Capacity**

In 2018, Gruen Gruen + Associates conducted a comprehensive Housing Needs Assessment for Chandler that examined the relationship between projected job growth and future housing demand. Their study presented the following findings

Table 4 summarizes a comparison between residential build-out capacity, as estimated by the City of Chandler, to the workforce housing need projection.

**TABLE 4: Comparison of Workforce Housing Need to Residential Development Capacity**

	Single-Family # Units	Multi-Family # Units	Total # Units
Potential 10-Year Workforce Housing Need	14,004	4,966	18,970
Remaining Development Capacity <sup>1</sup>	4,820	13,580	18,400
Surplus (or Shortfall) of Units	(9,184)	8,614	(570)
<sup>1</sup> Estimates of capacity as of October 2018, provided by City planning staff. Does not include senior housing/assisted living units.			
Sources: City of Chandler; Gruen Gruen + Associates.			

The workforce housing need projection indicates that Chandler will potentially reach full build-out of land currently designated/planned for single-family residential uses within the next 10 years. Land remaining for such uses is essentially a five-year supply if 30,000 jobs are to be added over the next decade in Chandler. Given a projected need for an additional 14,000 units and capacity of less than 5,000 units, a shortfall of nearly 9,200 single-family units may arise.

In contrast, the City of Chandler is estimated to possess significantly more capacity for multi-family development than workforce housing need over the next 10 years. A total of about 5,000 multi-family units are projected to be required over the next 10 years to accommodate future workforce housing needs, while the remaining build-out capacity for multi-family uses is reported at 13,600 units – a surplus of approximately 8,600 units.

The results of the analysis indicate that the growth in the employment base will cause single-family housing prices to rise given the constrained zoned single-family land capacity. This suggests an increasing share of households may have to expend more than 30 percent of their household income on ownership housing. The ample capacity to accommodate additional multi-family development suggests pressure for price increases for workforce households occupying multi-family product will be less intense.

The City of Chandler has analyzed additional data for job growth from 2020 – 2060. Based on this analysis, it is projected that approximately 16,000 jobs will be added in the next five years.

### Updated Analysis and Recent Trends

As of August 1, 2024, the City of Chandler has reached 93.78% build-out. **Attachment A** provides a breakdown of existing acres by type, along with the estimated acreage at Build-Out. This information includes the total amount of residentially zoned land with detail on land zoned as single-family and multi-family. Build out acreages are based on designated land uses in the General Plan, specific area plan and adopted zoning.

Utilizing the SB1162 Data Collection Form for ADOH, **Attachment B**, detailed information is provided regarding the number and type of housing development applications received last year, along with the approval status of these submittals. With this data, a threshold percentage requirement for multifamily zoned housing has been calculated. It has been determined that the City of Chandler’s current yield does meet the demand for the current deficiency and the projected need through 2029.

**Future Forecasts**

Table 5 provides information on the total population growth projected for the next five years and beyond to 2037.

**TABLE 5: Chandler Projected Population Growth**

Fiscal Year End	Population Count	Percent of Population Increase
July 1, 2022	282,873	n/a
July 1, 2023	285,096	0.8%
July 1, 2024	288,088	1.0%
July 1, 2025	289,879	0.6%
July 1, 2026	291,551	0.6%
July 1, 2027	292,899	0.5%
July 1, 2028	294,056	0.4%
July 1, 2029	294,883	0.3%
July 1, 2030	295,570	0.2%
July 1, 2031	296,063	0.2%
July 1, 2032	296,533	0.2%
July 1, 2033	296,929	0.1%
July 1, 2034	297,325	0.1%
July 1, 2035	297,607	0.1%
July 1, 2036	297,877	0.1%
July 1, 2037	298,082	0.1%

*Contact David De la Torre, 480-782-3059, Planning, with questions.*

The City of Chandler is a thriving community known for its strong economy, excellent schools, and high quality of life. As the city continues to grow and evolve, it faces increasing challenges in providing diverse, affordable, and adequate housing options for its residents. To address these challenges and plan for future housing needs, the City of Chandler has contracted with a consultant to develop a Comprehensive Housing Plan.

Importantly, this Comprehensive Housing Plan will be a key component of Chandler's broader planning efforts. The anticipated submission date for the final plan is June 2025. The city's General Plan will directly reference and incorporate elements of this housing plan, ensuring that housing

strategies are fully integrated into the city's long-term vision and development goals. The General Plan update is in process with the final plan being completed on or before April 1, 2026.

Key issues to be addressed in the Comprehensive Housing Plan include:

1. Ensuring a diverse housing stock that meets the needs of all residents, from young professionals to growing families and seniors
2. Addressing the affordability gap for low and moderate-income households
3. Balancing new development with neighborhood preservation and community character
4. Aligning housing strategies with economic development goals and workforce needs
5. Incorporating sustainability and resilience in housing development
6. Ensuring equitable access to housing opportunities across all segments of the population

The Comprehensive Housing Plan will serve as a roadmap for the next 10-15 years, guiding policy decisions, resource allocation, and development practices related to housing in Chandler. It will be developed through a collaborative process involving extensive data analysis, community engagement, and stakeholder input. The plan will also take into consideration area plans such as the Airport Area Plan and the Downtown Area Plan, which is currently being updated.

## Attachment A

### City of Chandler, Arizona (August 1, 2024)

	Existing Acres	Build-out Acres	Landuse Percentages
Low-Med Density Residential	17,134	17,405	47.9%
High Density Residential	2,102	2,271	6.3%
Commercial/Mixed	2,227	2,382	6.6%
Employment/Office	4,345	5,785	15.9%
Open Space	5,213	5,408	14.9%
Public/Institutional	2,962	3,053	8.4%
Vacant/Agriculture	2,254	0	0
<b>Total:</b>	<b>36,237</b>	<b>36,304</b>	<b>100.0%</b>

### Current City Build-out 93.78%

#### Notes:

1. Acres do not include right-of-way (public streets) and railroads. Total acreage may not add up due to rounding.
2. Open space includes active and passive recreational areas. Active recreational areas include parks and golf courses. Passive recreational areas include retention basins, lakes and other commonly owned areas located throughout residential and non-residential developments.
3. Public/Institutional includes the Chandler Municipal Airport, City offices, other city facilities such as water treatment facilities, waste transfer facility, as well as churches, schools and other public/institutional uses.
4. The data in the table represents Chandler's municipal planning area, which includes county islands; pockets of land that have not been annexed by the City of Chandler and remain under Maricopa County's jurisdiction.
5. The data in the table has been extracted from the City's land use database that is regularly maintained in GIS. Build out acreages are based on designated land uses in the General Plan, specific area plans and adopted zoning. As such land use data is subject to change with Council approved rezoning and amendments to these plans. Although great effort has been made to provide the most accurate data, the City does not guarantee the accuracy of the data provided.



Attachment B

Data needs for SB1162 (ARS 9-469, Subsection B, Paragraphs 1-5)

Time Period Covered: July 1, 2023 to June 30, 2024 (unless otherwise noted)

Submitting Jurisdiction: Chandler				
Metric	Details	July 1, 2023 to June 30, 2024	Additional if available Approved and not completed prior to July 1, 2023 (total pipeline)	Notes
Number of Housing Units in New Projects Submitted	Proposed submitted (initial units based on zoning)	948	1593	
	Net new submitted (pre-plat/final plat)	948	1593	
Number of Housing Units <i>(may be overlapping data with previous section)</i>	Entitled	1178		
	Platted	634		
	Building Permits Issued	222		
	Certificate of Occupancy	811		

Metric	Details	July 1, 2023 to June 30, 2024		Additional if available Approved and not completed prior to July 1, 2023 (total pipeline)
		Single Family	Multi Family	
Housing Development Applications	Number of projects received	1	3	
	Number of total units (SF and MF) received	87	861	By unit type if available
	Number of units approved (SF and MF)	143	1035	By unit type if available
	Number of Units disapproved (SF and MF) by denial of project	0	396	By unit type if available
	Number of Units (SF and MF) otherwise not approved	32	819	By unit type if available

Residential zoned land use	Acres of Single-family and Multi-family Zoned land use	26.73	28.62
	Acres of undeveloped Single-family and Multi-family land use	125	17
	Single-family units yield range (using density in zoning)	5	
	Multi-family units yield range (using density in zoning)	57	
	Multifamily units as percentage of total residential units (calc in cell)	92%	



<b>Threshold Requirement</b>	Current deficiency of housing need	1160
	Projected housing needs for next 5 years (2029)	7588
	Sum of housing yield from current density (calc in cell)	62
	Does the current yield meet demand for deficiency and projected 2029 need?	YES/NO
	<b>If NO then please add details below:</b>	
	<i>Additional Multifamily zoned land needed to meet demand</i>	
	<i>Additional Single-family zoned land needed to meet demand</i>	
	<i>Multifamily zoned land as percentage of total residential land needed to meet demand for deficiency and projected 2029 need</i>	

<b>Housing Needs Progress (Year 1: Baseline)</b>	Total Housing Units in Pipeline (permitted, entitled and platted)	1593
	Additional yield from available undeveloped residential zoning	8804

**Comments:**  
 Use this space for any clarifying information or details you would like to provide.

**Data needs for SB1162 (ARS 9-469, Subsection B, Paragraph 6)**

**Submitting Jurisdiction: City of Chandler**

<b>Strategy</b>	<b>Status*</b>	<b>Comments:**</b>
Offering Financial Incentives for Affordable Housing	In Use	
Offering Regulatory Incentives for Affordable Housing	Not In Use	
Offering Financial Incentives for Workforce Housing	In Use	
Offering Regulatory Incentives for Workforce Housing	Not In Use	
Using GPLET to aid the construction of Housing (General)	In Use	
Using GPLET to aid the construction of Housing (Workforce)	Not In Use	
Using GPLET to aid the construction of Housing (Affordable)	Not In Use	
Offering Financial Incentives for Adaptive Reuse	Not Applicable	
Offering Regulatory Incentives for Adaptive Reuse	In Use	
Waiving or Reducing Permit Fees (General)	Not In Use	
Waiving or Reducing Permit Fees (Affordable)	Not In Use	
Waiving or Reducing Permit Fees (Workforce)	Not In Use	
Self Certification	In Use	
Administrative Approval of Plats and Amended Plats	In Use	
Administrative Approval of Site Plans	In Use	
At-Risk Grading Program	In Use	
Concurrent Regulatory Processes	In Use	
Expedited Approval Timeframes (General)	In Use	
Expedited Approval Timeframes (Affordable)	In Use	
Expedited Approval Timeframes (Workforce)	In Use	
Adopting an Accessory Dwelling Unit policy beyond state requirements	In Use	
Adopting an Adaptive Reuse policy beyond state requirements	In Use	
Adopting middle housing policies beyond state requirements	Not In Use	
Offering Incentive to Convert Short-Term Rentals to Long-Term	Not In Use	