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Single-family renting: Why rental home communities are on the rise around Phoenix

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Saundra Wilson
Editorial Intern
Phoenix Business Journal

With the rise in properties in the single-family home rental market, house hunters can enjoy the privacy, space and perks of suburban living without the mortgage.

Jim Belfiore, president of Arizona residential market research firm Belfiore Real Estate Consulting, says there's a market movement away from apartment renting in light of new rental communities.

For-rent single-family homes are on the rise.

Scottsdale-based Colony Starwood Homes announced an acquisition of more than 3,100 single-family rental homes this week, 137 of which are in the Phoenix area.

Belfiore said the acquisition is in line with a trend of companies and developers recognizing the demand for single-family detached rental units.

"People are still renting in heavy volumes and there is a shift from a preference toward renting apartments toward renting single-family detached homes when they're available," Belfiore said.

Christopher Todd Communities, an Arizona-based real estate development company announced plans for it's second luxury, single-family home rental community in May.

The new community, located near 99th Avenue and Lower Buckeye Road in Phoenix will consist of 50 one-bedroom houses and 104 two-bedroom houses, according to a press release.

Belfiore said he thinks communities like these may be the future of the single-family rental market.

"We're going to start to see a surge here in 2017, 2018 and 2019 based on what's in the pipeline," he said.

About 25,000 for-rent units are at various stages in the development pipeline in the Phoenix metropolitan area, Belfiore says.

Though renting is hot, Belfiore says another trend may be emerging: a rise in home purchases.

"People anticipate mortgage interest rates rising in the future and more people have improved their credit since the housing bubble," he said. "We're going to see more and more people buying."

A potential surge in home purchases is the risk of purchasing large rental portfolios, Belfiore said. If this happens, though, Belfiore says single-family rental homes can be sold separately, an option apartment complexes don't have.

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