

ZOM Living Secures Phoenix Project Financing

By [Richard Berger](#)

The company plans to add 1,500 apartments across Desert Ridge, downtown Scottsdale and the Biltmore District.



ZOM Living has secured \$38 million in construction financing to begin work on the 174-unit Mezzo Desert Ridge, its second luxury residential community to break ground in Phoenix. The project is part of the company's plan to add up to 1,500 apartments across Desert Ridge, downtown Scottsdale and the Biltmore District.

"We are encouraged by the sustained population and job growth in greater Phoenix along with some major economic drivers near such as Mayo Clinic, Taiwan Semiconductor, and most recently Republic Services Headquarters," Jason Haun, senior vice president,

Southwest, ZOM Living, told *Multi-Housing News*.

Mezzo Desert Ridge is set to comprise of three- and four-story buildings. The units will be one-, two- and three-bedroom layouts ranging from 562 to 1,560 square feet. Homes will feature contemporary kitchens, walk-in closets, smart thermostats, large tile showers and plank-style flooring.

Amenities are anticipated to include a swimming pool with private cabanas, a fitness center, a pet spa and park, outdoor gas grills and fire pits, an entertainment lounge with a full kitchen and private garages with EV charging stations.

The community, located on 56th Street just north of the Loop 101 Freeway, is situated near the 1.2-million-square-foot Desert Ridge Marketplace and the currently under-construction City North project, both with a variety of dining, retail, entertainment, office, hotel and residential spaces.

Phoenix on the rise

The Phoenix multifamily market had [mixed fundamentals at the end of last year](#). Rent performance dropped with the average advertised asking rate down 0.4 percent on a trailing three-month basis through November, to \$1,564. Yet, occupancy rates stood unchanged and the market experienced strong supply growth.

Dallan Randall, vice president, multifamily group, CORFAC International, told *MHN* that it is very interesting to see groundbreaking in Phoenix.

“While the current economic climate presents headwinds—with strain from capital markets, interest rates, elevated construction costs, and some rent softening—the underlying demographic trends in the Phoenix Metro area remain a significant driver,” he said.

Randall noted that while the dynamics of demand and affordability are currently working themselves out in the market, the fundamental demand for housing in Phoenix is increasing as the region continues to become “a true primary market.”

Walter Winius III, senior managing director, Integra Realty Resources’ Phoenix office, told *MHN* that the market is currently feeling the effects of overbuilding.

“Vacancy rates are up, rents have softened, and cap rates have risen from around sub 5 percent to 6+ percent,” he explained. “That said, Phoenix remains one of the strongest economies in the country—we’ve become a sort of ‘Silicon Desert,’ with Taiwan Semiconductor Manufacturing Company (TSMC) investing \$165 billion in a multi-fab campus that’s transforming the regional economy.”