

Tower 16 Capital Purchases BTR in Phoenix

By Richard Berger

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Phoenix Finance & Investment News Single-Family Rental More

This transaction marks the company’s ninth acquisition in the Phoenix market and 12th in the state.

Tower 16 Capital Partners has expanded its build-to-rent portfolio by acquiring Yardly McDowell, a 167-unit multifamily property in the West Valley of Phoenix. The Class A community changed hands for \$46.5 million. This transaction marks the company’s 12th acquisition in Arizona and ninth in the Phoenix market.



Yardly McDowell, a 167-unit, BTR property located in the West Valley of Phoenix, Ariz. Image courtesy of Tower 16 Capital Partners

“From a demand perspective, Phoenix continues to attract new job opportunities from corporate investment, expansion and relocation from more expensive markets, and because of this, we believe Phoenix is poised for strong rent growth over the next five years,” Tower 16 Co-Founder Tyler Pruett told *Multi-Housing News*.

The BTR community is located at 91st Avenue and McDowell Road near the Interstate 10 Freeway and Loop 101 intersection, providing access to major employment areas in Phoenix. Its low-density site plan includes single-story units and private fenced-in yards.

Completed in 2023, Yardly McDowell features one- and two-bedroom apartments averaging 860 square feet. The gated community has a swimming pool, a fitness center and several large public lawns.

Tower 16 will oversee the community’s management and construction with Cushman & Wakefield providing third-party management services. Northmarq’s Jesse Hudson and Trevor Koskovich represented the seller in deal. Northmarq also helped secure debt financing for the buyer, led by Bryan Mumshaw and Bryan Liu.

In March of last year, Tower 16 Capital Partners [acquired The Deco at Victorian Square](#), a 209-unit community in Sparks, Nev., from Silverwing Development for \$43 million. The purchase marked Tower 16’s first Reno market purchase, as well as its reentry into Nevada.

Phoenix BTR continues to grow

Tower 16 Capital continues to look west for its acquisitions in the BTR and multifamily space. It has acquired nearly 7,400 units in Southern California, Las Vegas, Phoenix, Tucson, Ariz., Reno, Nev., Albuquerque, N.M., and Denver.

“The BTR product continues to cater to a broad range of renter demographics, creating a stickier tenant base than the traditional multifamily product,” Pruett said.

Branden Lombardi, president of BB Living, told *MHN* that the BTR market in Phoenix is an interesting point in time.

“With a lot of supply delivered over the past few years, in addition to conventional multifamily, there has been pressure on leasing volume and rents, but things have held up relatively well,” Lombardi said. “Transactions have been few and far between, but there is optimism that more stabilized communities will transact in the coming year. New development will likely be slowed due to the current capital markets environment, but we’re optimistic that BTR will remain an integral part of the housing market moving forward.”

Northmarq, Tower 16 Capital Partners

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