

Yardi® Matrix

Building Up Philadelphia

Multifamily Report Fall 2018

Suburbs Lead Rent Growth

Construction Picks Up in Norristown

Property Values Reach Post-Recession High

PHILADELPHIA MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2018

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Mega-Developments Abound

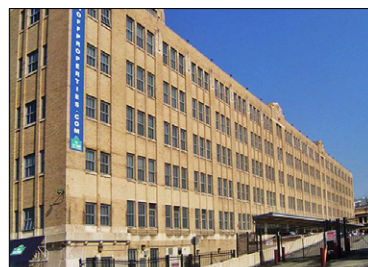
Multifamily demand remains strong in Philadelphia, bolstered by job growth and household formation. Despite a supply surge in recent years, occupancy in stabilized properties declined just 30 basis points year-over-year, to 95.6% as of July.

Employment gains were led by education and health services (18,700 jobs). Growth is set to continue, boosted by projects such as the \$1.5 billion Penn Medicine Pavilion, which will expand the University of Pennsylvania Hospital by 1.5 million square feet. Professional and business services gained 12,000 jobs. A series of mega-projects is expected to meet the rising demand for office space, including the \$1.5 billion, 60-story Comcast Technology Center. Earlier this year, construction began on Schuylkill Yards, a \$3.5 billion development that aims to create a hub for technology and life-sciences companies. Located on the west side of Philly's main Amtrak station, the project site is one of the three that the city pitched for Amazon HQ2, alongside uCity Square and the Navy Yard.

Investors competed for both urban and suburban assets, with \$810 million in communities changing hands this year through July. Development has also been significant, with the delivery of 3,575 units this year through August. Overall, we expect Philadelphia rents to grow 2.4% in 2018.

Recent Philadelphia Transactions

The Left Bank



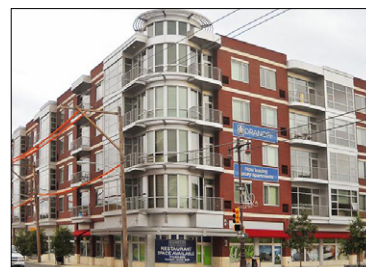
City: Philadelphia

Buyer: AIMCO

Purchase Price: \$109 MM

Price per Unit: \$385,044

777 South Broad



City: Philadelphia

Buyer: AIMCO

Purchase Price: \$63 MM

Price per Unit: \$428,749

The Wynnewood



City: Wynnewood, Pa.

Buyer: New York Life Real Estate

Purchase Price: \$49 MM

Price per Unit: \$218,889

Stonington Farm



City: Doylestown, Pa.

Buyer: Chelsea Management

Purchase Price: \$44 MM

Price per Unit: \$221,939