



MULTIFAMILY REPORT

Philadelphia Keeps Moving Forward

Fall 2020

Urban Submarkets Lead Development

Demand Drives RBN Rent Growth

Unemployment Figures Improve

PHILADELPHIA MULTIFAMILY



Multifamily Sector Withstands Hardship

While the effects of the health crisis continued to shape the metro's economy going into the fourth quarter, Philadelphia's multifamily fundamentals remained largely resilient. Rents were up 0.4% to \$1,424 on a trailing three-month basis as of October, slightly below the \$1,464 U.S. average, which remained flat during the same time frame.

As of September, unemployment totals stood at 7.9% for the metro area, down 320 basis points from August and on par with the September national rate. According to a report from the Center City District, some 101,000 Philadelphia residents became unemployed between March and April. About 47,000 jobs had returned by September, when the number of Philadelphians receiving unemployment benefits slid to 64,000 from more than 100,000 over the summer.

Philadelphia had 12,154 multifamily units under construction as of October, 95% of which target are aimed at high-income renters. The bulk of the pipeline (56%) is expected to come online over the next two years. A total of \$319 million in assets traded in 2020 through October, a steep 79% decline compared to the same period last year. The drop in deal volume is the combined outcome of economic volatility and five consecutive years of robust sales and development activity.

Market Analysis | Fall 2020

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Recent Philadelphia Transactions

SOLO on Chestnut



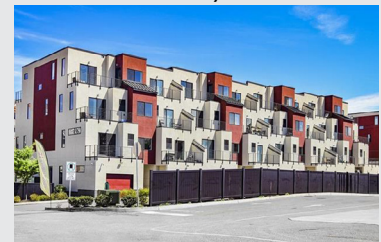
City: Philadelphia
Buyer: XIX Cos.
Purchase Price: \$36 MM
Price per Unit: \$255,319

Valley View



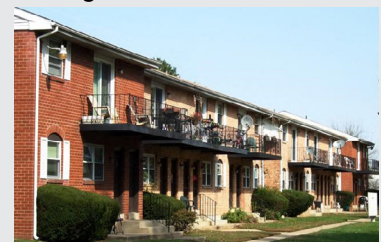
City: Pottstown, Pa.
Buyer: SEL Capital
Purchase Price: \$13 MM
Price per Unit: \$70,046

The Flats Brewerytown



City: Philadelphia
Buyer: The Streamwood Co.
Purchase Price: \$13 MM
Price per Unit: \$73,099

Burlington Pointe



City: Burlington, N.J.
Buyer: Premier Properties
Purchase Price: \$10 MM
Price per Unit: \$47,287