



MULTIFAMILY REPORT

Philadelphia Plots Return

Fall 2021

Rents Exceed US Average

Employment Market on the Mend

Investment Already Surpassing 2020

PHILADELPHIA MULTIFAMILY



Demand Drives Philadelphia's Recovery

Philadelphia maintained solid momentum in terms of recovering from a difficult 2020. Rents rose 1.2% on a trailing three-month (T3) basis to \$1,589 as of October. This rate of increase was recorded for both market-rate and upscale rental assets.

The unemployment rate in Philadelphia dropped to 5.7% in September, after three months of increases. While the number is the lowest since the onset of the health crisis, Philadelphia is still behind the 4.8 % national average. The metro added 119,700 positions in the 12 months ending in August for a 5.3% rate of job growth across all sectors. The metro's biggest sector—education and health services—added 18,000 jobs. Philadelphia is cementing its position as a national life science cluster, as the metro received \$1.2 billion in NIH Funding in the first nine months of 2021.

The first 10 months of 2021 saw a slowdown in construction activity, as only 3,670 units were completed. This is a substantial decrease from the decade high recorded last year, when developers completed 6,390 units. The metro had 15,436 units under construction and another 66,000 were in the planning and permitting stages. Investor appetite increased significantly through October, as some \$898 million in assets traded, already surpassing last year's total of \$736 million.

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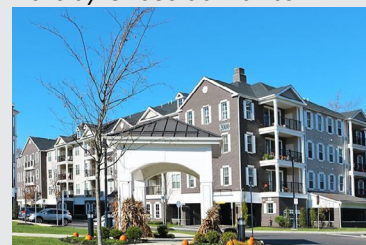
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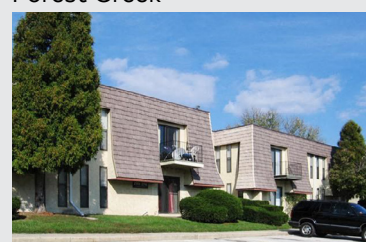
Recent Philadelphia Transactions

Barclay Chase at Marlton



City: Marlton
Buyer: Merion Realty Partners
Purchase Price: \$91 MM
Price per Unit: \$335,977

Forest Creek



City: West Deptford, N.J.
Buyer: Harbor Group International
Purchase Price: \$88 MM
Price per Unit: \$252,066

The Royal Athena



City: Bala Cynwyd
Buyer: Harbor Group International
Purchase Price: \$60 MM
Price per Unit: \$216,363