



MULTIFAMILY REPORT

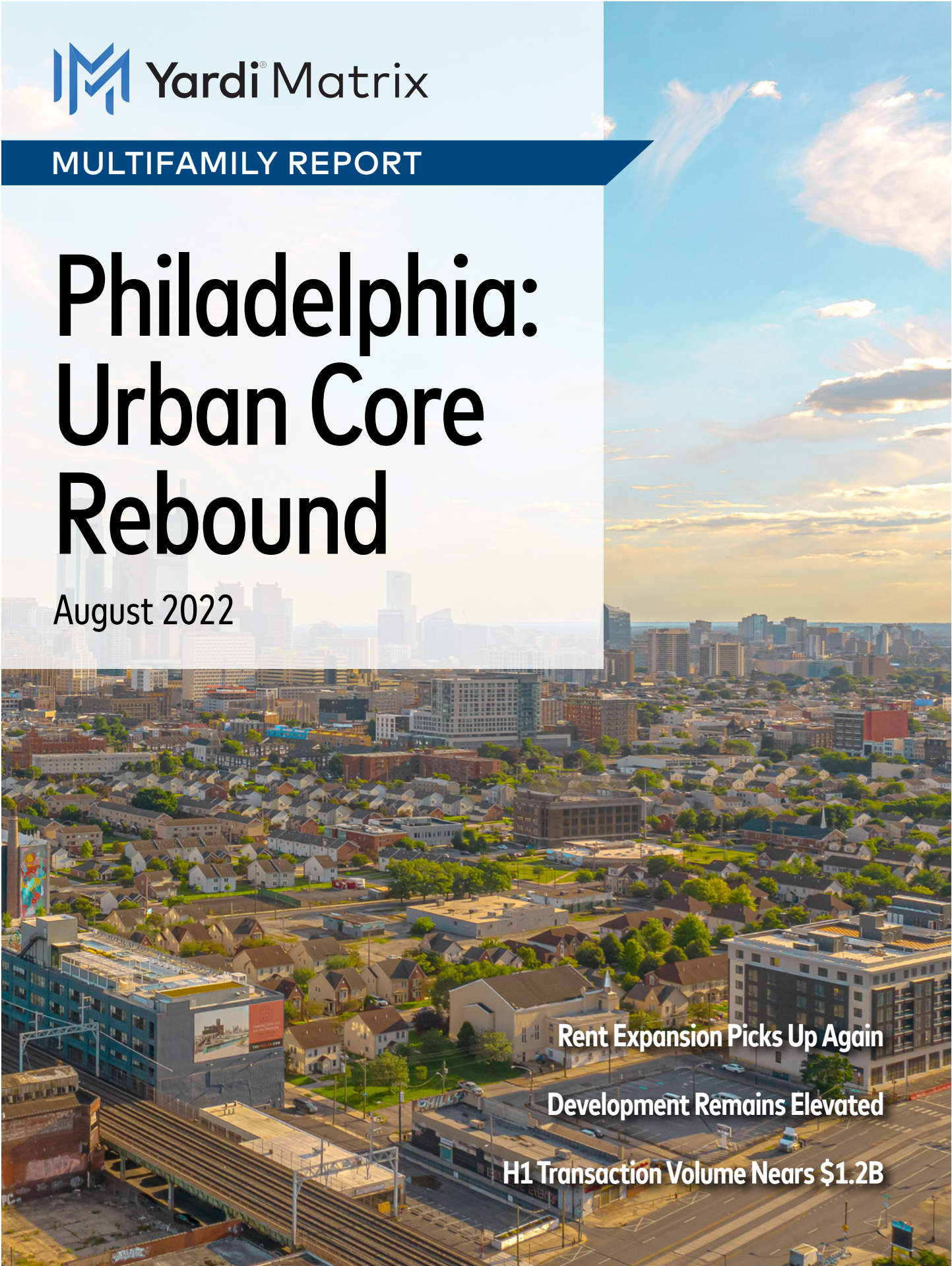
Philadelphia: Urban Core Rebound

August 2022

Rent Expansion Picks Up Again

Development Remains Elevated

H1 Transaction Volume Nears \$1.2B



PHILADELPHIA MULTIFAMILY



Demand Keeps Up With Robust Supply

Halfway through 2022, Philadelphia's multifamily market maintained its vigor despite rising uncertainty regarding the economy. Strong demand kept up with substantial deliveries and the occupancy rate in stabilized properties remained flat at 96.7% in May, with core submarkets beginning to regain popularity among renters. Meanwhile, the average rent rose 11.4% year-over-year through June, to \$1,695, still trailing the \$1,706 U.S. figure.

Philadelphia's employment market expanded 4.3%, or 113,800 jobs, in the 12 months ending in May, 40 basis points behind the U.S. rate. Leisure and hospitality (38,100 jobs), trade, transportation and utilities (21,400 jobs) and professional and business services (20,100 jobs) led growth, and all sectors continued to gain positions. Even though the metro has been slow to recover jobs lost during the peak of the health crisis, the unemployment rate improved to pre-pandemic levels, hovering in the lower half of the 4.0% band since the start of the year, but lagging behind the 3.6% U.S. rate.

Developers delivered 1,763 units during the first half of the year and had 14,891 units under construction. Meanwhile, transaction volume rose to nearly \$1.2 billion through June, well above the figure recorded during the same interval last year. Still, most of the deals occurred during the first quarter, and further moderation is anticipated. Per-unit prices rose 35.2% in 2022 compared to 2021.

Market Analysis | August 2022

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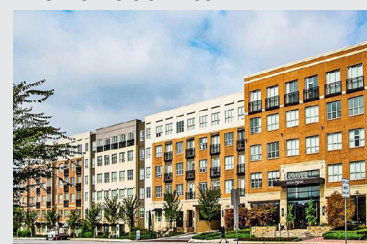
Recent Philadelphia Transactions

Parkview Towers



City: Collingswood, N.J.
Buyer: Premier Properties
Purchase Price: \$179 MM
Price per Unit: \$173,891

The Point at Exton



City: Exton, Pa.
Buyer: Pantzer Properties
Purchase Price: \$82 MM
Price per Unit: \$240,933

Lavana Falls



City: Levittown, Pa.
Buyer: Silverstone Properties
Purchase Price: \$57 MM
Price per Unit: \$229,753

Burlington Pointe



City: Burlington, N.J.
Buyer: Cue Residential
Purchase Price: \$45 MM
Price per Unit: \$215,873