



MULTIFAMILY REPORT

# Philly Maintains Momentum

August 2025

**Job Growth Picks Up**

**T3 Rents Outperform Nation**

**Construction Starts Dwindle YoY**

# PHILADELPHIA MULTIFAMILY



## Rents Maintain Positive Performance

Philadelphia's average advertised asking rents were up 0.3%, on a trailing three-month basis through June, to \$1,838. This was 10 basis points above the national figure, which clocked in at \$1,749. The metro's year-over-year rents were up 2.0%, making Philadelphia the best-performing metro in the Mid-Atlantic region.

Employment growth picked up, at 1.1% year-over-year through April and 30 basis points above the U.S. rate. Over the 12-month period ending in April, Philadelphia added 45,400 net jobs. Education and health services led gains, with 30,900 positions added to the workforce. The unemployment rate stood at 4.8% as of May, 60 basis points above the national rate, according to preliminary data from the Bureau of Labor Statistics. Amazon's new data center project in Falls Township could potentially add 1,250 jobs to the market, as the e-commerce giant is planning to build a campus on a portion of the 1,800-acre Keystone Trade Center. The project is part of Amazon's \$20 billion planned investment throughout Pennsylvania.

Developers completed 2,123 units across the metro in the first six months of this year, 80 basis points below the national figure and representing 0.6% of existing stock. The metro registered \$457 million in multifamily transactions, on the heels of the \$1.1 billion in total volume recorded in 2024.

## Market Analysis | August 2025

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### Recent Philadelphia Transactions

#### 2116 Chestnut



City: Philadelphia  
Buyer: Cantor Fitzgerald  
Purchase Price: \$138 MM  
Price per Unit: \$430,685

#### The Gables



City: Mount Laurel, Pa.  
Buyer: Harbor Group International  
Purchase Price: \$82 MM  
Price per Unit: \$248,485

#### 1600 Callowhill Lofts



City: Philadelphia  
Buyer: Turio Residential Co.  
Purchase Price: \$25 MM  
Price per Unit: \$255,208

#### The Palmer

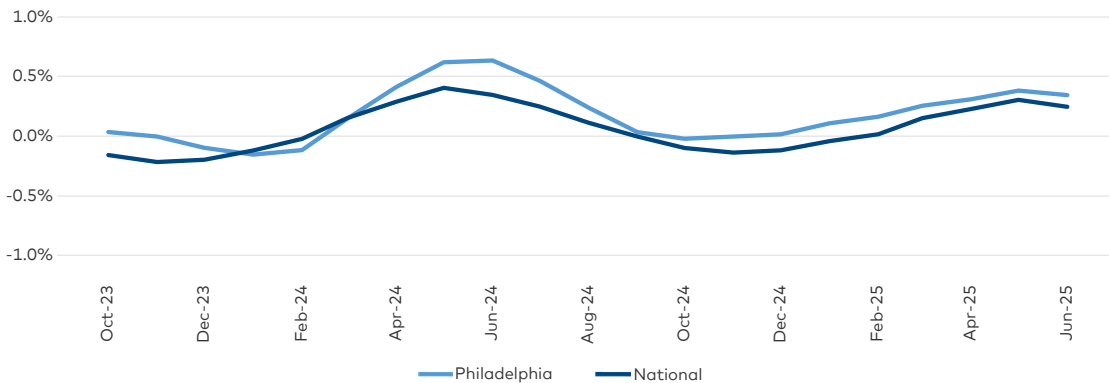


City: Wynnewood, Pa.  
Buyer: Chevron Realty  
Management  
Purchase Price: \$21 MM  
Price per Unit: \$188,636

## RENT TRENDS

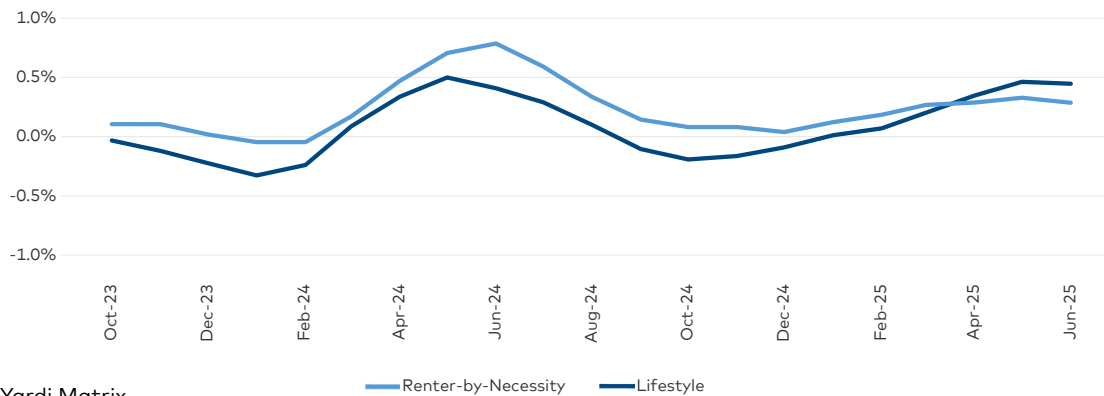
- ▶ Philadelphia's average advertised asking rents were up 0.3% on a trailing three-month (T3) basis through June, to \$1,838, 10 basis points above the national rate, which clocked in at \$1,749. Performance improved at the start of this year, after four months of stagnation. Rents were up 2.0% year-over-year through June, placing the metro first among Mid-Atlantic markets and 10th among the top 30 tracked by Yardi Matrix. The latest forecast predicts that metro Philadelphia's year-over-year figure will reach 2.7% for 2025.
- ▶ Advertised asking rents for the working-class, Renter-by-Necessity segment were up 0.3% on a T3 basis, to \$1,620. The Lifestyle figure was up 0.5%, to \$2,315. Both quality segments regained momentum after four months of flat performance during the fall of 2024.
- ▶ The metro's average overall occupancy rate in stabilized properties stood at 95.5% as of May, registering a 10-basis-point downtick year-over-year. The Lifestyle segment's figure was also down 10 basis points, to 94.9%. Meanwhile, occupancy for RBN properties stood at 95.8%, unchanged since last year. The national average occupancy rate stood at 94.6%.
- ▶ Most of Philadelphia's 80 submarkets tracked by Yardi Matrix registered net gains for advertised asking rents year-over-year through June. City Center–West saw a 3.9% increase and remained the most expensive submarket in urban Philadelphia, with the average rent at \$2,586. Exton–Malvern was the most expensive among suburban areas (up 0.7% to \$2,200), followed by Marlton (up 2.2% to \$2,149).

### Philadelphia vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

### Philadelphia Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

## ECONOMIC SNAPSHOT

- ▶ Philadelphia's employment growth was 1.1% year-over-year through April, 30 basis points above the national figure. After trailing the national average for most of last year, the metro outpaced the U.S. in February 2025. The rate ticked up another 20 basis points since then.
- ▶ Over the 12-month period ending in April, the metro gained 45,400 net jobs, but performance was spotty across sectors. Education and health services led growth, with 30,900 positions added to the workforce, followed by government (7,500) and other services (5,600). Five other sectors lost a combined 8,700 jobs, with mining, logging and construction accounting for the largest loss—3,700 positions.
- ▶ Philadelphia's unemployment rate stood at 4.8% as of May, 60 basis points above the U.S. figure, according to preliminary data from the Bureau of Labor Statistics. Pennsylvania's rate stood at 3.9%.
- ▶ Amazon plans to develop a new data center in Falls Township and will invest some \$20 billion throughout Pennsylvania to expand cloud computing infrastructure and advance AI innovation. The e-commerce company will build a campus on the portion of the 1,800-acre Keystone Trade Center that's currently being redeveloped by NorthPoint Development. Amazon expects to create 1,250 new jobs with this project.

### Philadelphia Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	846.6	23.3%
90	Government	437.5	12.0%
80	Other Services	149.3	4.1%
40	Trade, Transportation and Utilities	634.7	17.5%
60	Professional and Business Services	554.3	15.3%
30	Manufacturing	225.6	6.2%
70	Leisure and Hospitality	349	9.6%
50	Information	53.3	1.5%
55	Financial Activities	239	6.6%
15	Mining, Logging and Construction	143.7	4.0%

Sources: Yardi Matrix, Bureau of Labor Statistics

### Population

- ▶ Philadelphia's population expanded 0.3% between 2021 and 2022, when it gained 17,672 new residents. During the same period, U.S. population saw a 0.4% increase.
- ▶ In the last decade ending in 2022, the metro gained more than a quarter-million residents.

### Philadelphia vs. National Population

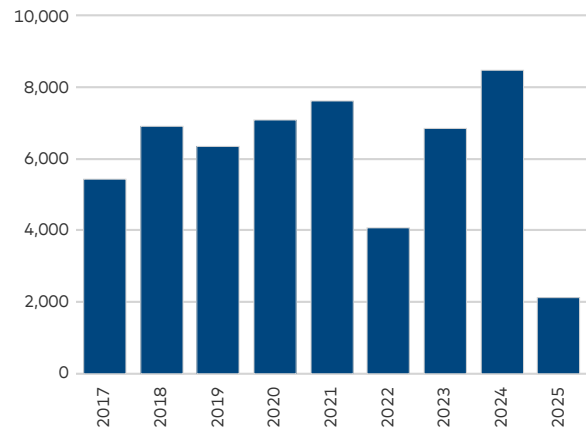
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Philadelphia Metro	6,079,130	6,092,403	6,215,222	6,232,894

Source: U.S. Census

## SUPPLY

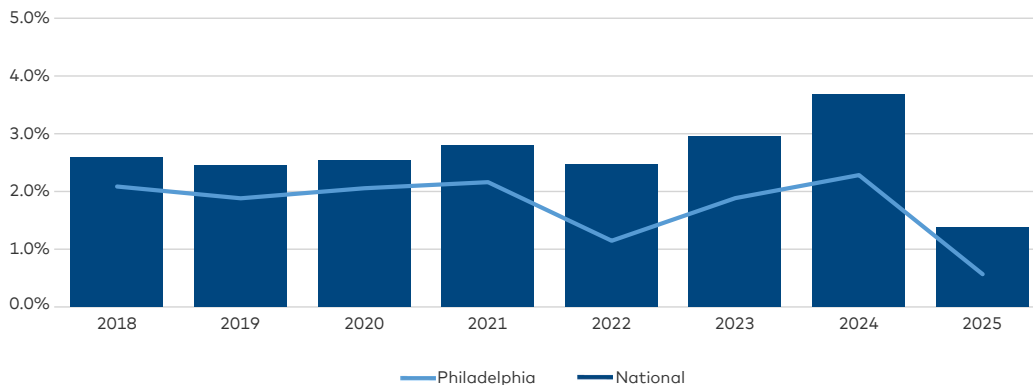
- ▶ Philadelphia added 2,123 units during the first six months of 2025, representing 0.6% of existing stock. The rate was 80 basis points below the national figure. Between 2017 and 2024, developers completed an average of 6,588 units annually, with last year marking the largest number of deliveries, at 8,470. A slowdown is in the cards for Philadelphia, as Yardi Matrix expects roughly 6,300 units to come online in 2025.
- ▶ Developers had 15,930 units under construction as of June and another 80,000 in the planning and permitting stages. More than 82% of all units underway were in Lifestyle assets, while the rest were equally split between fully affordable and Renter-by-Necessity projects.
- ▶ Tougher lending conditions continued to challenge developers' ability to take projects off the ground. Work began on 1,139 units across 10 projects this year through June, a considerable decline from the 3,092 units across 16 properties that started construction during the same period last year.
- ▶ Developers were focused on urban submarkets, which had a total of 9,632 units under construction, while suburban areas encompassed 6,298 units.
- ▶ North-East led activity with 3,335 units underway in June. South (1,491 units), Frankford/Kensington (1,414), Center City-West (1,237) and Burlington (640) rounded out the top five.
- ▶ Post Brothers Apartments' One Thousand One was the largest project underway as of June. Slated for delivery in October, the 630-unit development is currently 70% preleased. Bank OZK provided a line of credit.

**Philadelphia Completions** (as of June 2025)



Source: Yardi Matrix

**Philadelphia vs. National Completions as a Percentage of Total Stock** (as of June 2025)

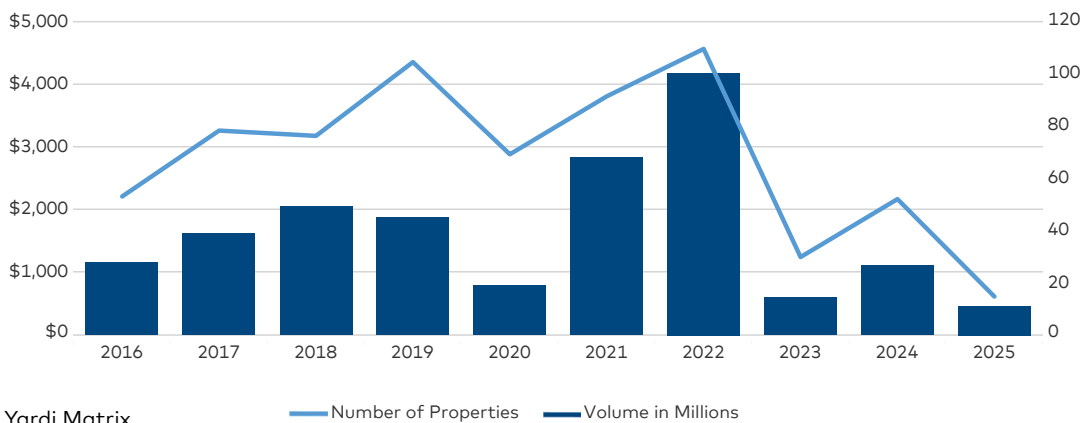


Source: Yardi Matrix

## TRANSACTIONS

- ▶ Philadelphia registered \$457 million in multi-family transactions in the first six months of this year, down 27.9% compared to 2024's first half. Last year ended with \$1.1 billion in assets changing hands, a stark difference compared to the 2023's modest \$593 million total.
- ▶ Investor interest was tilted toward value-add plays, as nine of the total 15 assets that traded in the first half of the year were RBN properties. Due to the smaller sample size, the average per-unit price rose by more than \$100,000 from last year's figure, to \$256,678 in June. The national average stood at \$212,317.
- ▶ Two submarkets in urban Philadelphia each crossed the \$100 million mark for transactions over the 12-month period ending in June. Center City–West led with \$138 million, all from a single transaction. Cantor Fitzgerald acquired the 321-unit 2116 Chestnut at roughly \$430,685 per unit.

### Philadelphia Sales Volume and Number of Properties Sold (as of June 2025)



Source: Yardi Matrix

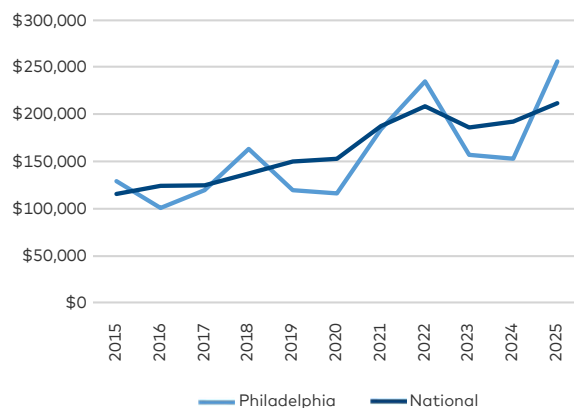
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
Center City–West	138
Conshohocken	109
Northwest–East	100
West	89
Mount Laurel	82
Lansdale	73
Phoenixville	56

Source: Yardi Matrix

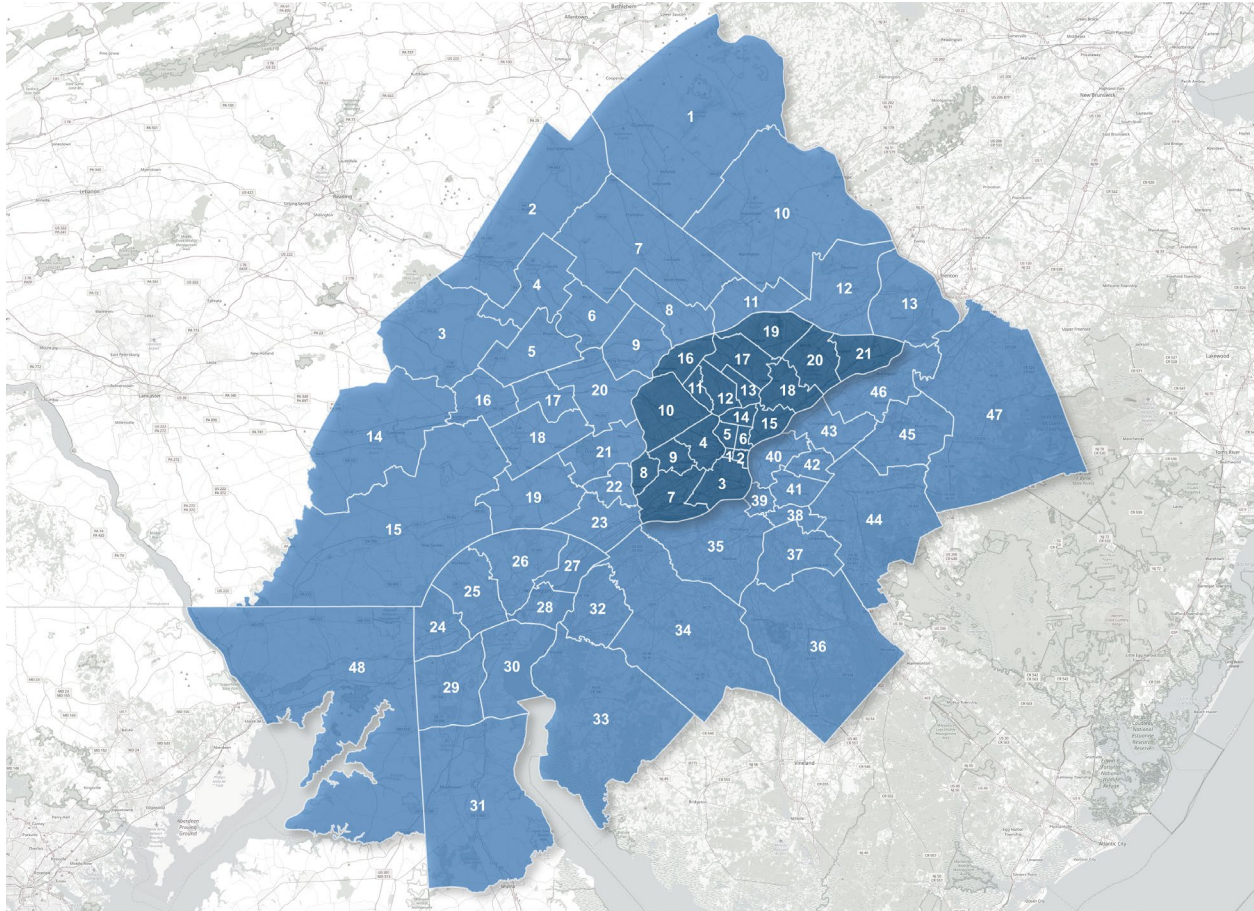
<sup>1</sup> From July 2024 to June 2025

### Philadelphia vs. National Sales Price per Unit



Source: Yardi Matrix

# PHILADELPHIA SUBMARKETS



Area No.	Submarket
1	Perkasie
2	Pottstown
3	Glenmoore
4	Royersford
5	Phoenixville
6	Audubon
7	Lansdale
8	Ambler
9	Norristown
10	Doylestown
11	Hatboro-Warminster
12	Feasterville-Langhorne
13	Fairless Hills-Morrisville
14	Coatesville
15	Oxford-Kennett Square
16	Exton-Downingtown
17	Malvern
18	West Chester
19	Concordville
20	Berwyn
21	Broomall
22	Media
23	Chester
24	Newark

Area No.	Submarket
25	Stanton-Pike Creek
26	Wilmington-West
27	Claymont-Wilmington North
28	Wilmington-Central
29	Bear
30	New Castle
31	Middletown
32	Carneys Point
33	Pennsville-Salem
34	Bridgeport-Woodstown
35	Woodbury
36	Glassboro-Williamstown
37	Lindenwold
38	Runnemede-Voorhees
39	Gloucester City
40	Camden-Pennsauken Township
41	Haddonfield
42	Cherry Hill
43	Cinnaminson
44	Marlton-Medford
45	Mount Holly
46	Willingboro
47	Bordentown-Browns Mills
48	Cecil County

Area No.	Submarket
1	Center City-West
2	Center City-East
3	South
4	West
5	North-West
6	North-East
7	Southwest
8	Springfield
9	Upper Darby-Drexel Hill
10	Ardmore
11	Northwest-West
12	Northwest-East
13	Oak Lane
14	Upper North
15	Frankford/Kensington
16	Conshohocken
17	Abington
18	Lower Northeast
19	Willow Grove
20	Far Northeast
21	Bensalem

## DEFINITIONS

**Lifestyle households (renters by choice)** have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

**Renter-by-Necessity households** span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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