



MULTIFAMILY REPORT

Philadelphia Persists

December 2025

Job Growth Above Nation

Modest but Positive T3 Rent Gains

Transaction Activity Remains Muted

PHILADELPHIA MULTIFAMILY



Rents Slow Down, Occupancy Still Strong

Philadelphia's average advertised asking rent inched up 0.1% on a trailing three-month basis through October, to \$1,840, while the U.S. average ticked down 0.2%, to \$1,743. Year-over-year, Philadelphia rents were up 2.2%. The uptick secured Philadelphia as the best-performing metro in the Mid-Atlantic region and placed it in sixth position among the top 30 major markets tracked by Yardi Matrix. Following two years of outstanding supply growth, Philadelphia's average occupancy clocked in at 95.6% in September, above the 94.7% national rate.

Employment growth picked up, at 1.4% year-over-year through August, 60 basis points above the U.S. figure. Over the 12-month period ending in August, Philadelphia added 61,600 net jobs. Education and health services led gains, with 38,800 positions added. The area's unemployment rate stood at 5.1%, 80 basis points above the U.S. average, according to preliminary data from the Bureau of Labor Statistics. An upcoming 1.4 million square-foot warehouse in the Bellwether District could potentially add new jobs to the market, as the project has now received zoning approval.

Developers completed 6,065 units, or 1.6% of existing stock, across the metro in the first 10 months of this year, 100 basis points below the U.S. figure. Investors slowed down, as Philadelphia registered \$760 million in multifamily transactions, down 17.4% year-over-year.

Market Analysis | December 2025

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x14006

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Madalina Pojoga
Associate Editor

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Recent Philadelphia Transactions

Fox Ridge



City: Limerick, Pa.
Buyer: AION Partners
Purchase Price: \$30 MM
Price per Unit: \$161,669

North Crossing



City: Willow Grove, Pa.
Buyer: Friedman Realty Group
Purchase Price: \$28 MM
Price per Unit: \$190,345

Top of the Hill



City: Feasterville Trevose, Pa.
Buyer: Relative Properties
Purchase Price: \$21 MM
Price per Unit: \$69,236

Neumann North Senior

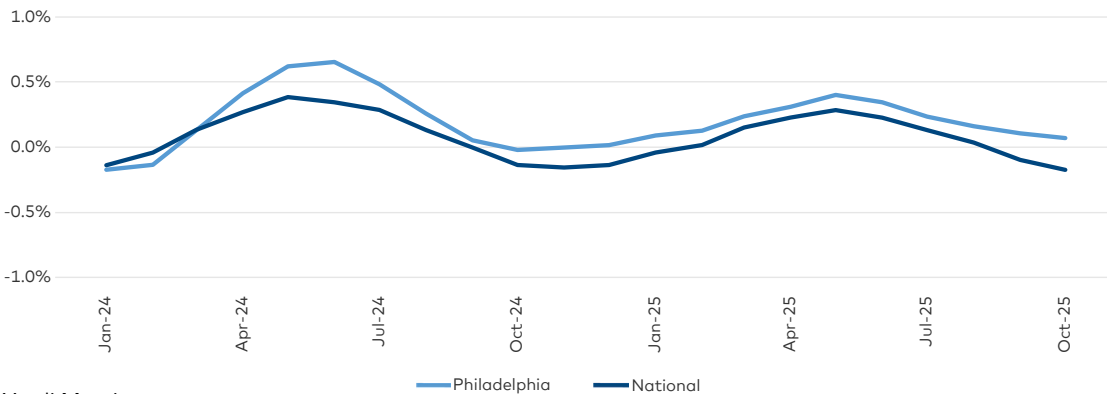


City: Philadelphia
Buyer: Pennrose Properties
Purchase Price: \$6 MM
Price per Unit: \$82,611

RENT TRENDS

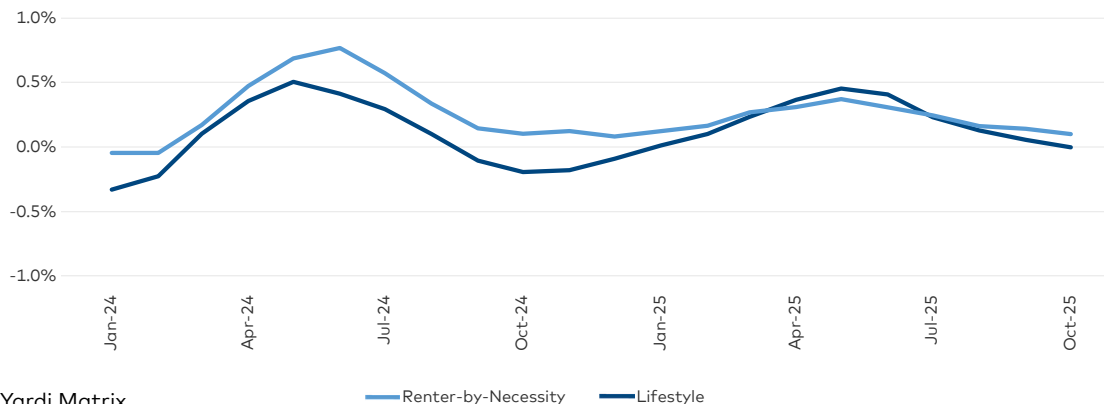
- ▶ Philadelphia's average advertised asking rent was up a modest 0.1%, on a trailing three-month (T3) basis through October, to \$1,840, 30 basis points above the national rate, which clocked in at \$1,743.
- ▶ Rents were up 2.2% year-over-year through October, placing the metro first among Mid-Atlantic markets and sixth among the top 30 markets tracked by Yardi Matrix. The latest forecast predicts that metro Philadelphia's year-over-year figure will reach 2.4% for 2025.
- ▶ Advertised asking rents for the working-class, Renter-by-Necessity segment were up 0.1%, on a T3 basis, to \$1,628. Meanwhile, the Lifestyle figure remained flat, at \$2,295. The segment reached its highest rate peak in May 2025, up 0.5%, followed by a gradual slowdown in growth.
- ▶ The metro's average overall occupancy rate in stabilized properties stood at 95.6% as of September, staying flat year-over-year. The national average was up 10 basis points, to 94.7%. Philadelphia's Lifestyle rates saw a 20-basis-point decrease, to 95.0%, while occupancy in RBN assets improved 10 basis points to 95.9%.
- ▶ Most of Philadelphia's 80 submarkets tracked by Yardi Matrix registered net gains year-over-year through October. Center City-West remained the most expensive submarket, up 3.3% to \$2,585, followed by Conshohocken, up 4.2% to \$2,308. On the suburban side, Exton-Malvern led with a 4.1% rent increase, to \$2,298.

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 1.4% year-over-year through August, 60 basis points above the national figure. After a short decline that began in August 2024, when rates were down 10 basis points month-over-month, the metro started to gradually recover and outpaced the U.S. in February 2025.
- Over the 12-month period ending in August, the metro gained 61,600 net jobs, with all but three sectors expanding. Education and health services led with 38,800 positions gained, followed by professional and business services (17,300) and trade, transportation and utilities (4,800). The largest losses were in mining, logging and construction (-2,100) and information (-1,300).
- Metro Philadelphia's unemployment stood at 5.1% in August, 80 basis points higher than the national figure and 110 basis points above Pennsylvania's rate, according to preliminary data from the BLS.
- A new facility at the Bellwether District has received zoning approval. The 1.4 million-square-foot building will be used for industrial and wholesale, distribution and storage. If the lease is finalized, it will be occupied by DrinkPak. The Bellwether District is under HRP Group ownership, which plans to spend \$4 billion to transform the former oil refinery site into 14 million square feet of industrial space over the next 15 to 20 years.

Philadelphia Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	837.8	23.0%
60	Professional and Business Services	560	15.4%
40	Trade, Transportation and Utilities	638.8	17.5%
80	Other Services	150.2	4.1%
90	Government	401.4	11.0%
70	Leisure and Hospitality	384.5	10.5%
30	Manufacturing	227.6	6.2%
55	Financial Activities	242.9	6.7%
50	Information	53.6	1.5%
15	Mining, Logging and Construction	148.7	4.1%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Greater Philadelphia gained 17,672 new residents in 2022, marking a 0.3% increase and settling 10 basis points below the U.S. figure.
- In the last decade ending in 2022, the metro added more than a quarter-million residents to its population.

Philadelphia vs. National Population

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

Source: U.S. Census

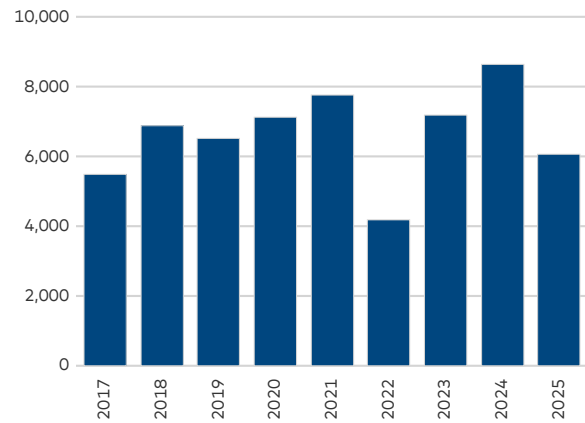
SUPPLY

- ▶ Philadelphia added 6,065 units during the first 10 months of 2025, representing 1.6% of existing stock—100 basis points below the national average. Of the 32 properties that came online in this period, 23 were Lifestyle assets. Between 2017 and 2024, developers completed an average of 6,728 units annually. Last year represented the peak of this activity, with 8,646 units coming online.
- ▶ Developers had 14,394 units under construction as of October, along with an additional 80,000 in the planning and permitting stages. More than three-quarters of all units underway were in Lifestyle assets. Units in fully affordable projects comprised just under 10% of the pipeline, while the remaining share were in RBN developments.
- ▶ A total of 3,661 units across 26 projects broke ground this year through October, down from the 4,848 units across 29 projects that started construction during the same period last year. In line with nationwide trends, activity is winding down, moving closer to historic averages.
- ▶ Developers were focused on urban submarkets, which had a total of 8,229 units under construction, while suburban areas encompassed 6,165 units. North-East led

activity with 2,660 units underway in October. Frankford/Kensington (1,579 units) and South (1,244 units) rounded out the top three.

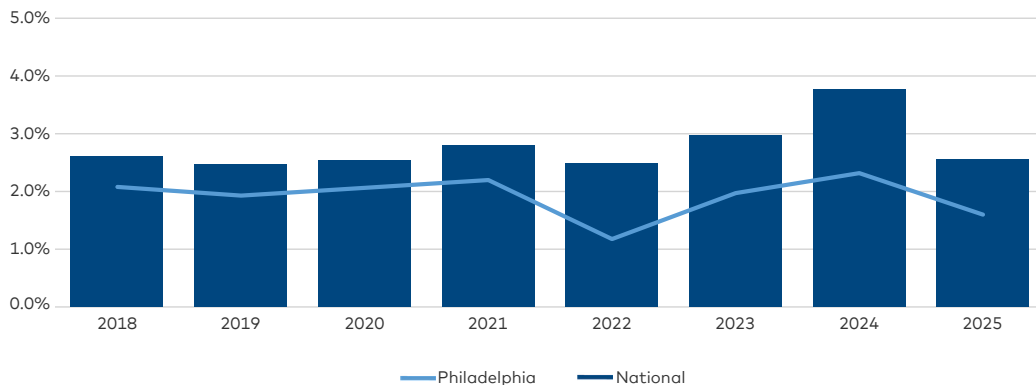
- ▶ Post Brothers Apartments' 630-unit One Thousand One in the South submarket remained the largest project underway as of October. Developers broke ground on the 15-story building in 2022, with completion slated for December 2025.

Philadelphia Completions (as of October 2025)



Source: Yardi Matrix

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

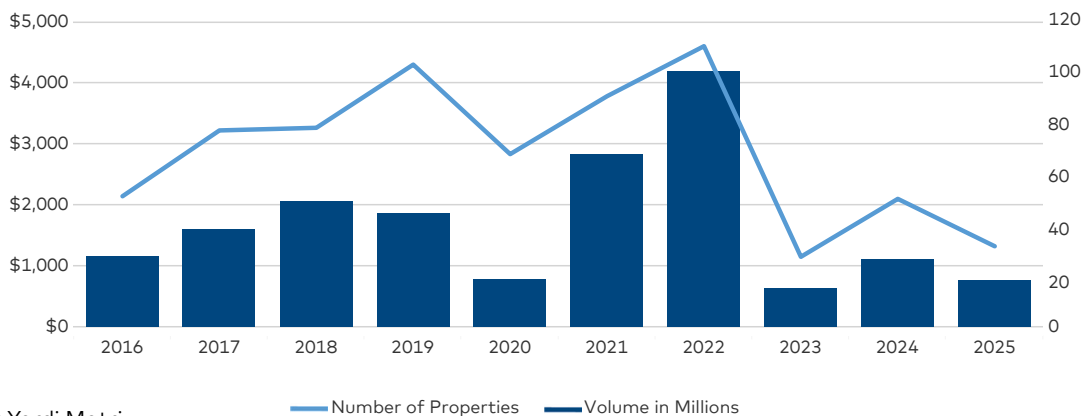


Source: Yardi Matrix

TRANSACTIONS

- ▶ Philadelphia investors traded \$760 million in multifamily assets in the first 10 months of 2025, down 17.4% year-over-year. In line with nationwide trends, activity slowed down as investors wait for better economic circumstances. Excluding outlier years 2021 and 2022, investment volume across the metro averaged \$1.4 billion annually.
- ▶ Investment interest was heavily tilted toward value-add plays, as 22 of the total 34 properties that traded in the first 10 months of 2025 were RBN assets. The average per-unit price in the metro clocked in at \$199,366, up 28.6% from 2024's figure and slightly below the \$207,418 U.S. average.
- ▶ Only one submarket crossed the \$100 million mark for transactions over the 12-month period ending in October. Center City–West led with \$146 million, while Delaware (\$97 million) and West (\$96 million) rounded out the top three.

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



Source: Yardi Matrix

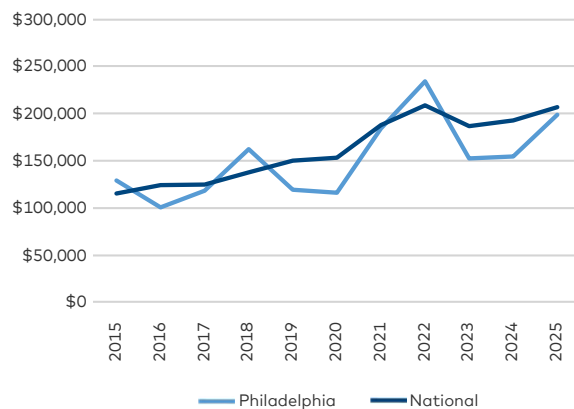
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Center City–West	146
Delaware	97
West	96
Lansdale	95
Mount Laurel	82
Northwest–East	76
Phoenixville	56

Source: Yardi Matrix

¹ From November 2024 to October 2025

Philadelphia vs. National Sales Price per Unit



Source: Yardi Matrix



Finding Value in Volatile Markets, the CRC Way

By Olivia Bunescu

Continental Realty Corp., a Baltimore-based firm with 60+ years in real estate and more than 10,000 apartments across 14 states, is refining its strategy as market conditions shift. MHN spoke with Executive Vice President & Head of Multifamily Operations Dana Caudell, to learn how CRC is navigating changing cycles, pursuing value-add opportunities and balancing growth with stability.

Which lessons from past cycles do you find most valuable in responding to volatility and changing renter dynamics?

We have learned that discipline, data and relationships sustain performance through volatility. The most relevant lesson from past cycles is the importance of maintaining a long-term view while staying agile in the short term. Markets change, but fundamentals such as sound underwriting, strong operations and the resident experience remain constant.

How would you describe the multifamily landscape across the markets where you operate?

Population and job growth continue to outpace national averages, supported by migration to the Southeast driven by affordability, employment opportunities and overall quality of life. At the same time, elevated construction costs and tighter financing conditions have limited new supply, creating a favorable balance between demand and



available inventory.

With so much competition in multifamily, how do you set your communities apart to keep occupancy and retention high?

We typically prioritize low-density layouts with direct-entry units, connected garages and walkable designs. Post-pandemic, residents prefer more connectivity than ever while maintaining privacy within their homes.

You recently acquired The Lofts at Reynolds Village in Asheville. What attracted you to that deal, and how do you plan to bring both sides of the asset to life?

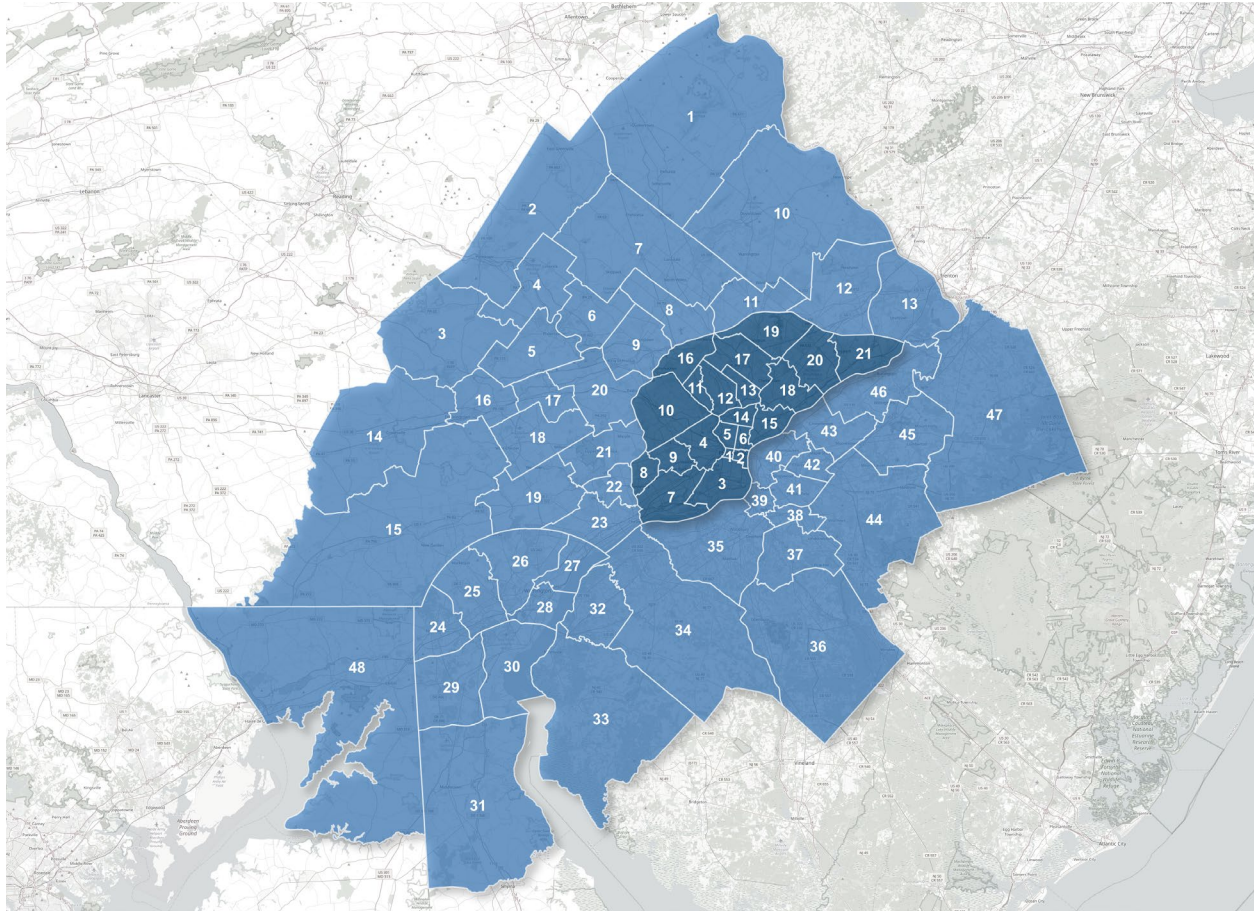
Our decision was driven by the asset's irreplaceable A-plus location within a vibrant submarket and strong consumer demand. We intend to integrate the complementary residential and retail components by curating resident and commercial-use events while marketing the retail as an extended amenity for residents.

Looking ahead, what do you see as the most significant challenges and the greatest opportunities shaping the multifamily sector over the next few years?

We expect the sector to continue navigating a complex mix of challenges and opportunities. Elevated interest rates and tighter capital markets will remain key forces influencing investment decisions and pricing. These conditions reinforce the importance of disciplined underwriting, operational efficiency and data-informed decision-making.

(Read the complete interview on multihousingnews.com.)

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.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.



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- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily
provides accurate data on
nearly **23 million** units, covering
over **92%** of the U.S. population.



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