

**Yardi® Matrix**

# Philadelphia Moves Forward

**Multifamily Report Fall 2019**

**Rent Growth Outpaces Nation**

**Eds and Meds Lead Employment Gains**

**Construction Activity Targets Urban Core**



# PHILADELPHIA MULTIFAMILY

Yardi® Matrix

## Market Analysis

Fall 2019

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## Slow, Steady Growth Ahead

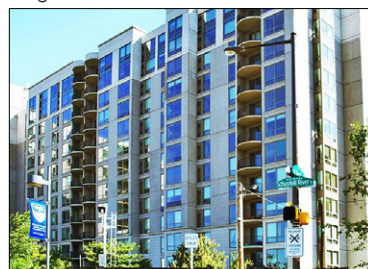
Philadelphia's multifamily market is expanding, sustained by steady economic and population growth. Despite consistent levels of new supply in recent years, occupancy has remained in a tight band, standing at 95.8% as of July, unchanged year-over-year and above the 95.1% national average.

Education and health services led employment gains as of June (9,900 jobs). Life sciences and health-care research are growing, with several projects on tap, including a \$500 million, 1.6 million-square-foot coworking campus The Discovery Labs is creating in King of Prussia solely for health-care, life sciences and tech businesses. Penn Medicine's \$1.5 billion patient pavilion, an extension of the nation's oldest teaching hospital, is also underway, while Ventas and Wexford Science & Technology are building The College of Nursing and Health Professions for Drexel University in University City. Following record tourism activity last year, leisure and hospitality gained 8,700 jobs, while construction grew by 8,200 positions.

Investment and development activity has moderated in 2019 compared to last year, with \$900 million in total sales and 1,058 units coming online through August, while another 12,600 units were underway. Continued demand is expected to boost absorption, and we expect the average Philadelphia rent to advance 4.4% for the whole of 2019.

## Recent Philadelphia Transactions

### Edgewater



City: Philadelphia

Buyer: Federal Capital Partners

Purchase Price: \$116 MM

Price per Unit: \$405,502

### Thorn Flats



City: Newark, Del.

Buyer: The Galman Group

Purchase Price: \$98 MM

Price per Unit: \$102,062

### Marchwood



City: Exton, Pa.

Buyer: Morgan Properties

Purchase Price: \$82 MM

Price per Unit: \$162,698

### The Point at Phoenixville



City: Phoenixville, Pa.

Buyer: Pantzer Properties

Purchase Price: \$78 MM

Price per Unit: \$222,958