

Philly's Solid Position

May 2026



Job Growth Tops Nation

Q1 Completions Tepid

T3 Rent Gains Healthy

PHILADELPHIA MULTIFAMILY



Rent, Employment Growth, See Boosts

Philadelphia's multifamily fundamentals have remained balanced, as seasonal trends yielded visible rent growth. The average advertised asking rent was up 0.3%, on a trailing three-month basis through March, to \$1,852, 20 basis points above the national rate. The market's overall occupancy in stabilized assets remained healthy, down just 10 basis points year-over-year, to 95.4%.

Employment in Philadelphia expanded 1.4% in 2025, 80 basis points above the national average. The metro added 37,400 net jobs last year. Education and health services led gains, with 30,900 positions, up 3.7% year-over-year. Meanwhile, four sectors recorded contractions, with a combined 11,000 positions lost. The metro's unemployment rate stood at 4.3% in December 2025, 10 basis points below the U.S. figure, according to preliminary data from the Bureau of Labor Statistics. An upcoming \$1 billion cell therapy manufacturing facility 23 miles from Philadelphia could add 4,500 new jobs to the market, as Johnson & Johnson is expands its footprint in Pennsylvania.

Despite only a modest 416 completed units through March, accounting for 0.1% of existing stock and 20 basis points lower than the national figure, the metro's deliveries expanded significantly in the last two years, with 17,137 completed apartments. Transaction volume remained limited through the first quarter of this year, with \$60 million in assets changing hands.

Market Analysis | May 2026

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Recent Philadelphia Transactions

Deemer's Landing



City: New Castle, Pa.
Buyer: The Michaels Organization
Purchase Price: \$37 MM
Price per Unit: \$256,087

Hillside Manor



City: Chester, Pa.
Buyer: Goldcrest Properties
Purchase Price: \$12 MM
Price per Unit: \$56,134

Bentley Manor



City: Philadelphia
Buyer: Axial Partners
Purchase Price: \$6 MM
Price per Unit: \$81,352

Spencer Place

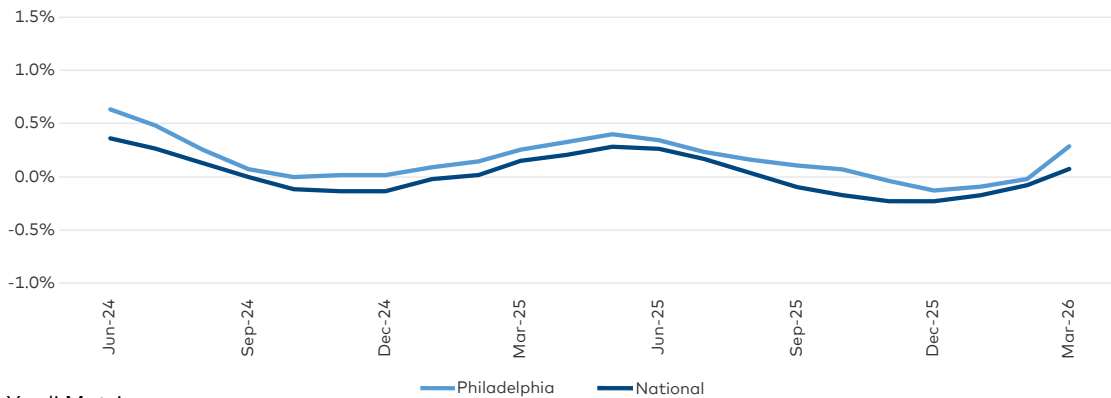


City: Philadelphia
Buyer: Axial Partners
Purchase Price: \$4 MM
Price per Unit: \$75,569

RENT TRENDS

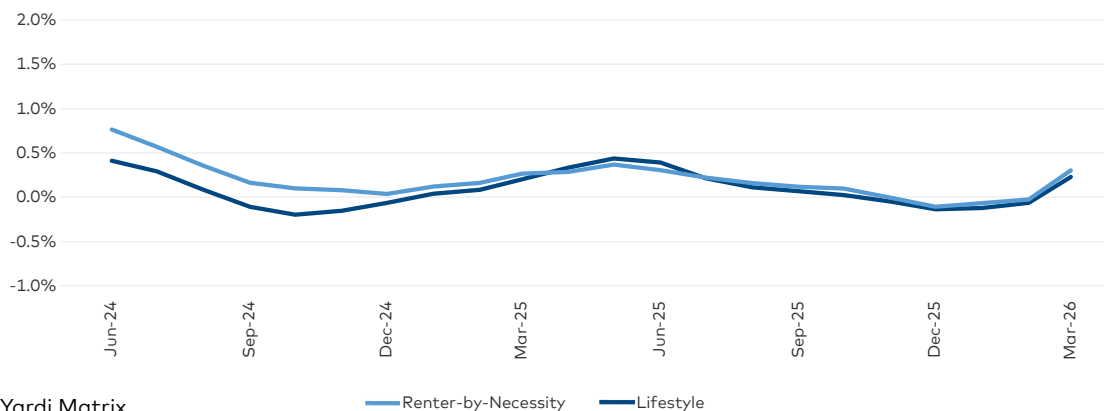
- ▶ Philadelphia's average advertised asking rent was up 0.3%, on a trailing three-month (T3) basis through March, to \$1,852, 20 basis points above the national rate, which clocked in at \$1,750.
- ▶ Rents were up 1.9% year-over-year through March, placing the metro first among Mid-Atlantic markets 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 2.9% for 2026.
- ▶ Average advertised asking rents for the working-class, Renter-by-Necessity segment were up 0.3% on a T3 basis, to \$1,639. Meanwhile, the Lifestyle figure increased 0.2%, to \$2,301. The segment reached its peak between May and June 2025, up 0.4%, followed by a gradual slowdown before entering negative territory as of December.
- ▶ The metro's average overall occupancy rate in stabilized properties stood at 95.4% as of February, down 10 basis points year-over-year. Lifestyle rates saw a 10-basis-point decrease to 94.9%, while occupancy in RBN assets was also down 10 basis points, reaching 95.7%.
- ▶ Most of Philadelphia's 80 submarkets tracked by Yardi Matrix registered net gains year-over-year through March. Center City–West remained the most expensive submarket, up 2.9% to \$2,551, followed by Conshohocken, up 5.7% to \$2,348. On the suburban side, Exton–Malvern led with a 6.6% increase to \$2,328.

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

- Employment in Philadelphia expanded 1.4% in 2025, 80 basis points above the national average. The metro added 37,400 net jobs last year. As one of Philadelphia's top employment sectors, education and health services led gains, with 30,900 positions, up 3.7% year-over-year. Professional and business services also saw a solid expansion, adding 10,700 new positions to the workforce, up 1.9% year-over-year. Four sectors recorded losses, with a combined 11,000 positions lost by mining, logging and construction, information, government, and trade, transportation and utilities.
- The metro's unemployment rate stood at 4.3% in December 2025, 10 basis points below the

national figure, according to preliminary data from the Bureau of Labor Statistics. The metro's rate was 10 basis points above the state, as Pennsylvania clocked in at 4.2%.

- As part of a larger initiative to invest \$55 billion in the U.S. by early 2029, Johnson & Johnson is planning a \$1 billion cell therapy manufacturing facility 23 miles from Philadelphia. The building is slated for delivery in 2031 and will produce cell therapy treatments for cancer, immune-mediated conditions and other diseases. The facility will employ 500 people, in addition to creating 4,000 construction jobs. J&J already operates 10 other facilities in Pennsylvania, bringing its total footprint to more than 2 million square feet.

Philadelphia Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	864.3	23.5%
60	Professional and Business Services	561.9	15.3%
55	Financial Activities	245.1	6.7%
70	Leisure and Hospitality	342.8	9.3%
80	Other Services	149.3	4.1%
30	Manufacturing	226.3	6.1%
50	Information	52.6	1.4%
15	Mining, Logging and Construction	143.4	3.9%
90	Government	433.8	11.8%
40	Trade, Transportation and Utilities	660.6	18.0%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Greater Philadelphia's population expanded by 17,672 residents in 2022, marking a 0.3% increase.
- The U.S. population expanded 0.4% during the same period.

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

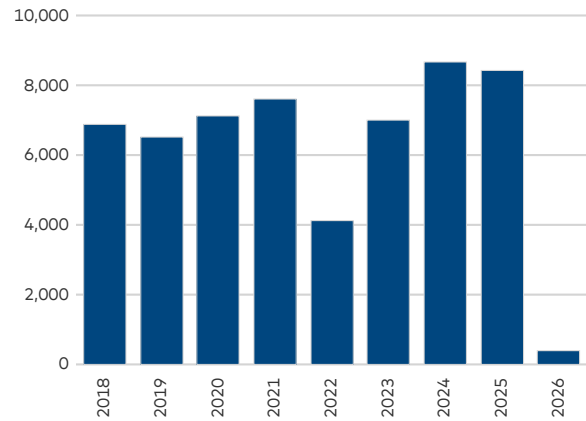
SUPPLY

- ▶ Developers added 416 units through March, accounting for 0.1% of existing stock, 20 basis points lower than the national figure. All but one property that came online were assets in the Lifestyle segment. Philadelphia's deliveries expanded significantly in the last two years, with a total of 17,137 units delivered. Yardi Matrix expects 5,585 units to come online in the metro in 2026.
- ▶ Philadelphia had 14,011 units under construction as of March, along with an additional 80,600 units in the planning and permitting stages. More than three-quarters of the units underway were in Lifestyle assets. Units in fully affordable projects comprised under 10% of the pipeline, while the remaining share was in RBN developments.
- ▶ Developers began construction on 516 units across three projects through March. This was a 73% decline compared to the total of 1,914 units across 15 projects that started construction during the same period last year.
- ▶ Developers were focused on urban submarkets, which totaled 7,678 units under construction, while suburban areas encompassed 6,333 units. North-East led activity with 2,422 units

underway in March. South (1,244 units) and Frankford/Kensington (862 units) rounded out the top three.

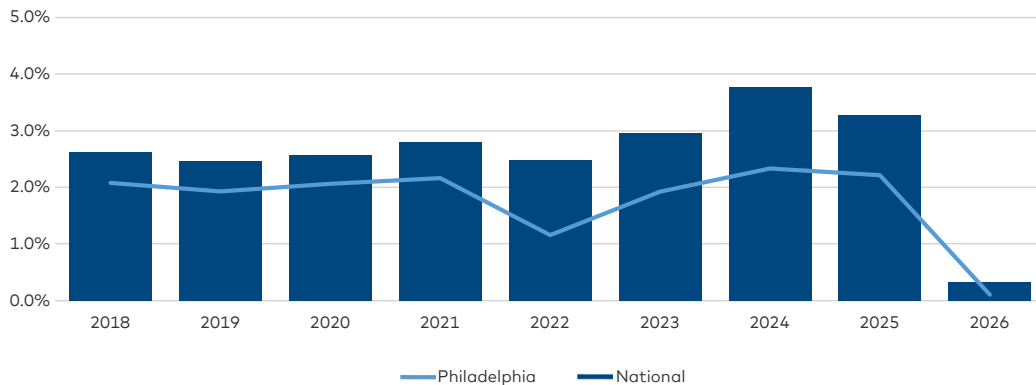
- ▶ Post Brothers Apartments' 630-unit One Thousand One in the South submarket remained the largest project underway in the metro as of March. Developers broke ground on the 15-story building in 2022, with completion slated for this quarter.

Philadelphia Completions (as of March 2026)



Source: Yardi Matrix

Philadelphia vs. National Completions as a Percentage of Total Stock (as of March 2026)



Source: Yardi Matrix

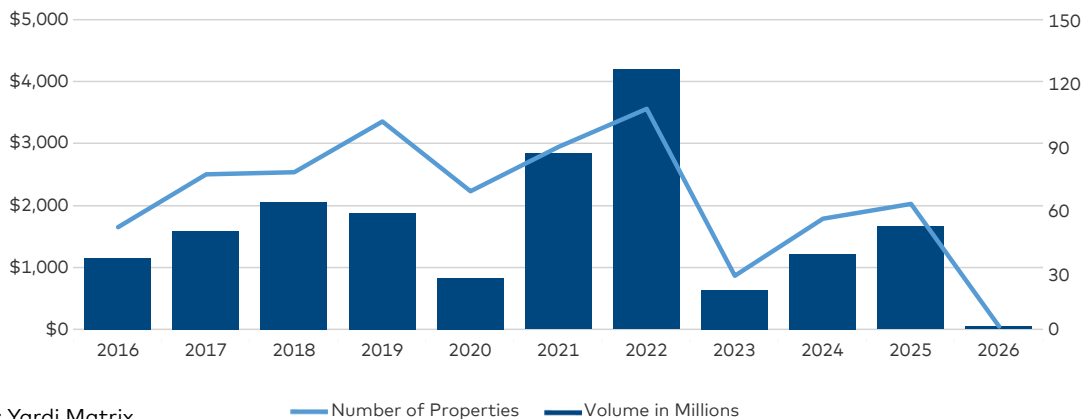
TRANSACTIONS

- ▶ Transactions in Philadelphia reached \$60 million in the first three months of 2026. Last year ended with \$1.7 billion in assets trading, a volume closer to the \$1.8 billion average recorded annually in the last decade. The metro's outlier year remains 2022, when investment activity reached a total of \$4.2 billion.
- ▶ Investors have mostly focused on RBN assets, which accounted for almost all properties traded in the metro in the first three months of this

year. The price per unit, also influenced by the smaller sample size, dropped to \$120,502, lower than the \$196,464 U.S. average. In 2025, the per unit price in the metro landed at \$199,733.

- ▶ Only three submarkets crossed the \$100 million mark for transactions over the 12-month period ending in March. Center City–West led with \$270 million, while North–West (\$201 million) and Lansdale (\$187 million) rounded out the top three.

Philadelphia Sales Volume and Number of Properties Sold (as of March 2026)



Source: Yardi Matrix

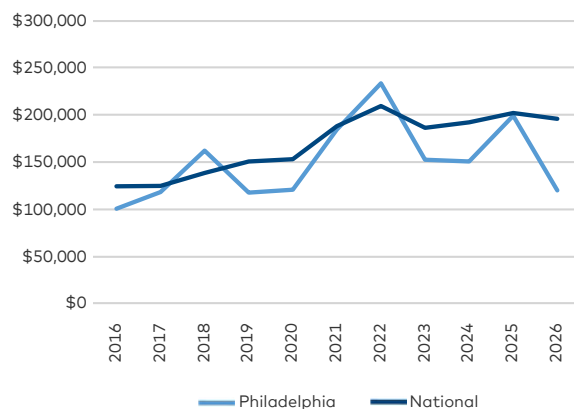
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Center City–West	270
North–West	201
Lansdale	187
Mount Laurel	95
Northwest–East	83
Conshohocken	76
Newark–North	76

Source: Yardi Matrix

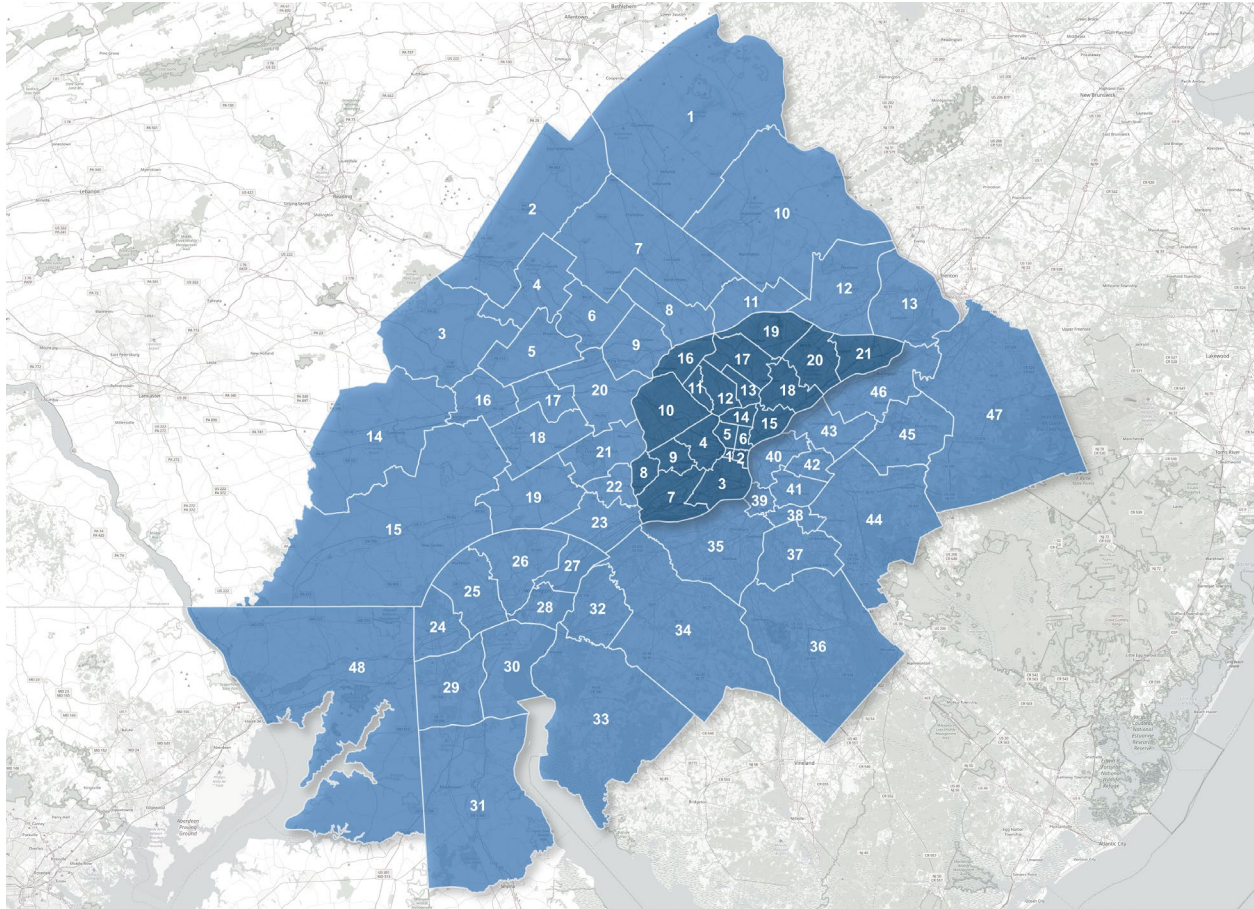
¹ From April 2025 to March 2026

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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