

YARDI[®] Matrix

Philadelphia's Apartment Revival

Multifamily Report Spring 2017

Rents Rise, Trail Nation

Building Boom Targets City Core

Is Explosive Growth Sustainable?

PHILADELPHIA MULTIFAMILY

YARDI® Matrix

Market Analysis

Spring 2017

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Rentals Gain Momentum as Jobs Grow

The multifamily market in the City of Brotherly Love is expanding, sustained by steady employment and population increases. Job growth was led by the business and professional services sector, followed by health care and education. Philadelphia's renowned universities and research hospitals are thriving, while the emerging fintech corridor is getting stronger.

Mixed-use developments are gaining traction, especially in University City, which has developed a series of public-private partnerships that have become a key part of the city's transformation. A new addition to the Philly skyline is the 49-story FMC Tower, dubbed "Philadelphia's first vertical neighborhood." The amenity-laden building—which provides office, residential, hotel and restaurant space—is part of Brandywine Realty's Cira Centre South project along the western bank of the Schuylkill River. What's more, the massive \$3.5 billion Schuylkill Yards and 30th Street Station District master plans are set to transform this section of downtown Philadelphia in the coming decades.

Demand for apartments remains strong, as the city continues to be attractive to Millennials and Baby Boomers looking to downsize. Developers are ramping up construction, with more than 40,000 units in the pipeline. Though there is some uncertainty around whether there will be enough jobs to justify the deluge of new supply, we anticipate rents will rise by 3.4% in 2017.

Recent Philadelphia Transactions

Village Square



City: Bensalem, Pa.
Buyer: Berger Rental Communities
Purchase Price: \$71 MM
Price per Unit: \$102,305

The Lantern



City: Glen Mills, Pa.
Buyer: TIAA
Purchase Price: \$66 MM
Price per Unit: \$236,071

The Vista



City: Voorhees, Pa.
Buyer: David Stern
Purchase Price: \$58 MM
Price per Unit: \$128,319

Charter Court at East Falls



City: Philadelphia
Buyer: GoldOller Real Estate Investments
Purchase Price: \$56 MM
Price per Unit: \$112,000