



MULTIFAMILY REPORT

Philly: Back On Track

May 2022

YoY Rent Growth Still in Double Digits

Transaction Activity Remains Elevated

Per-Unit Prices Surpass US Average

PHILADELPHIA MULTIFAMILY



Transactions, Deliveries Full Steam Ahead

While lacking the shiny appeal of Sun Belt cities, metro Philadelphia's multifamily market wrapped up a strong 2021 and continued to display steady fundamentals into the first quarter of this year. Despite record deliveries, the occupancy rate in stabilized properties went up 70 basis points in 12 months, reaching 96.9% as of February. Meanwhile, year-over-year rent growth hit 11.7% as of March, with the average rate at \$1,641, just one dollar shy of the U.S. figure.

Metro Philadelphia added a healthy 129,200 positions in the 12 months ending in February, with leisure and hospitality (42,700 jobs) leading growth by far, followed by professional and business services (25,000), and trade, transportation and utilities (19,700). While recovery is in full swing and all sectors registered gains, employment is still some 60,000 positions short of pre-pandemic levels, even as the unemployment rate has been hovering in the 4%-5% band since December.

Developers delivered 7,206 apartments in 2021 and 655 in the first quarter of this year, with an additional 12,796 units underway as of March. Meanwhile, almost \$250 million in communities traded in 2022 through March, above the figure registered in the same time frame last year, even as 2021 recorded a decade-high for transactions volume.

Market Analysis | May 2022

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Recent Philadelphia Transactions

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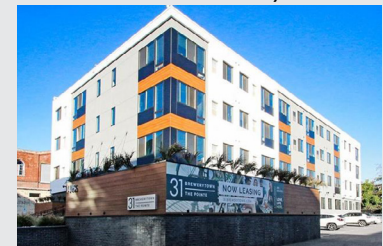
City: Philadelphia
Buyer: Fairstead
Purchase Price: \$233 MM
Price per Unit: \$386,401

The Airdrie at Paoli Station



City: Paoli, Pa.
Buyer: Sentinel Real Estate
Purchase Price: \$71 MM
Price per Unit: \$464,052

The Hub at 31 Brewerytown



City: Philadelphia
Buyer: Rushmore Management
Purchase Price: \$51 MM
Price per Unit: \$607,143

Christina Mill



City: Newark, Del.
Buyer: Exeter Property Group
Purchase Price: \$49 MM
Price per Unit: \$214,912