



MULTIFAMILY REPORT

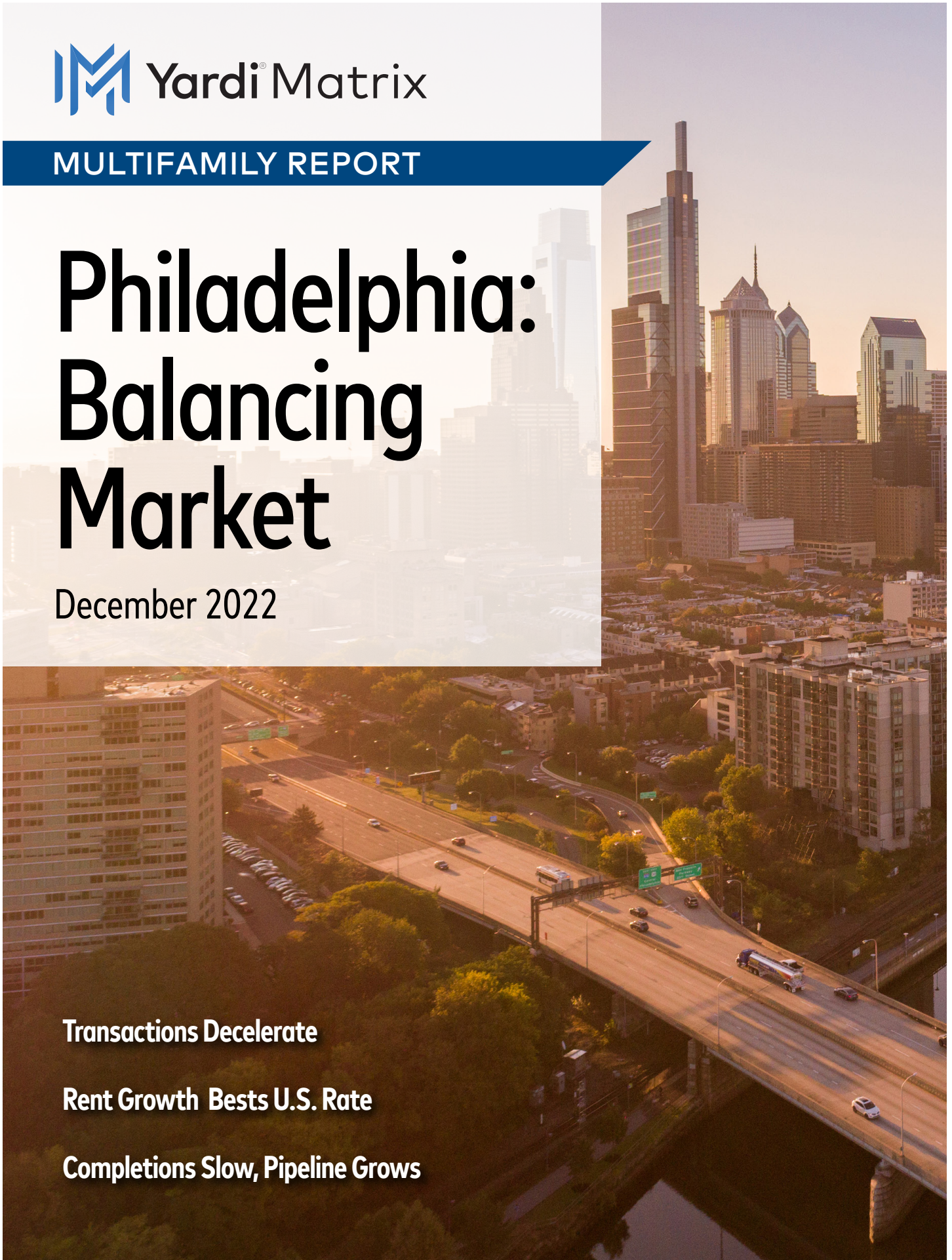
# Philadelphia: Balancing Market

December 2022

**Transactions Decelerate**

**Rent Growth Bests U.S. Rate**

**Completions Slow, Pipeline Grows**





# PHILADELPHIA MULTIFAMILY



## Reroute in Progress

In lockstep with nationwide trends, Philadelphia's multifamily market continued to slow down, while still displaying relatively healthy fundamentals. Amid slower absorption, rents were still up 30 basis points on a trailing three-month basis through October. That brought year-over-year rate growth to 7.6%, not far from the 8.2% U.S. figure. Meanwhile, the occupancy rate dropped 60 basis points in 12 months, to 96.3% as of September.

Metro Philadelphia added 122,800 positions in the 12 months ending in August, marking a 4.1% expansion. Gains were broad, with four sectors adding more than 20,000 positions each. The unemployment rate dropped to 3.4% as of September, according to preliminary Bureau of Labor Statistics data, outperforming both Pennsylvania and the nation. The market has, in fact, recovered nearly all jobs lost in the early stages of the pandemic, reaching just 25,000 positions short of the figure recorded in early 2020.

More than \$2.5 billion in multifamily assets traded in 2022 through October, already surpassing 2021's total and marking a new decade high. Nonetheless, deals slowed down significantly in the third quarter, and this trend may continue if recent signs of capital availability persist. Meanwhile, completions slowed down to 2,473 units year-to-date, while the total pipeline actually grew.

## Market Analysis | December 2022

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### Recent Philadelphia Transactions

#### Racquet Club



City: Levittown, Pa.  
Buyer: Rushmore Management  
Purchase Price: \$397 MM  
Price per Unit: \$696,997

#### Chestnut Hill Village



City: Philadelphia  
Buyer: Premier Properties  
Purchase Price: \$167 MM  
Price per Unit: \$203,410

#### Briggs & Union



City: Mount Laurel Township, N.J.  
Buyer: Brookfield Properties  
Purchase Price: \$158 MM  
Price per Unit: \$322,449

#### Pennbrook Station



City: Lansdale, Pa.  
Buyer: New York Life Real Estate Investors  
Purchase Price: \$107 MM  
Price per Unit: \$309,610