

Yardi® Matrix

Philadelphia Gains Momentum

Multifamily Report Winter 2018

Supply Influx Slows
Rent Growth

Baby Boomers, Millennials
Drive Demand

Transaction Volume Tops
\$1B in 2017

PHILADELPHIA MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2018

Contacts

Paul Fiorilla

Associate Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Author

Adriana Pop

Senior Associate Editor

Mixed-Use Developments Pick Up Steam

Multifamily demand continues to be strong in Philadelphia, sustained by an influx of degree-holding Millennials drawn to the metro's expanding job market, as well as a growing population of Baby Boomers opting to rent within the city core while downsizing. Despite the recent spate of deliveries, occupancy remained high, reflecting the market's capacity to rapidly absorb new product.

Job gains were highest in professional and business services and leisure and hospitality, a trend fueled by new businesses, the organic growth of existing firms and large-scale projects, such as Schuylkill Yards—a \$3.5 billion innovation community that Brandywine Realty Trust is developing on land owned by Drexel University. The project's initial phase will bring entrepreneurial workspaces; corporate offices; educational and research facilities; and residential, retail and hotel space. Meanwhile, the soon-to-be-completed \$1.5 billion Comcast Center—Philadelphia's tallest building—is expected to become a catalyst for the local technology sector. The 60-story tower will host technologists, engineers and software architects, along with a media center and startup incubator.

As more institutional investors have entered the market, competition has spiked, pushing 2017 sales volume above the \$1 billion mark. Development is also likely to ramp up in the foreseeable future, with new deliveries concentrated in Center City. This uptick in supply should keep rent growth moderate in the coming months.

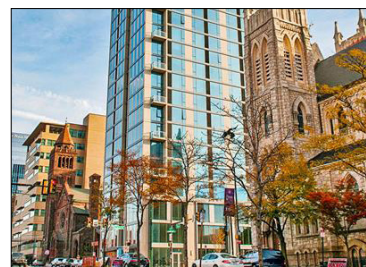
Recent Philadelphia Transactions

The Grand at Neshaminy



City: Bensalem, Pa.
Buyer: AJH Management
Purchase Price: \$165 MM
Price per Unit: \$154,229

3737 Chestnut



City: Philadelphia
Buyer: Korman Residential Properties
Purchase Price: \$118 MM
Price per Unit: \$427,536

Exton Crossing



City: Exton, Pa.
Buyer: Harbor Group International
Purchase Price: \$96 MM
Price per Unit: \$236,379

Village Square



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

To Subscribe

Hollie Zepke

Audience Development Specialist
Hollie.Zepke@Yardi.com
(800) 866-1124 x5389