



MULTIFAMILY REPORT

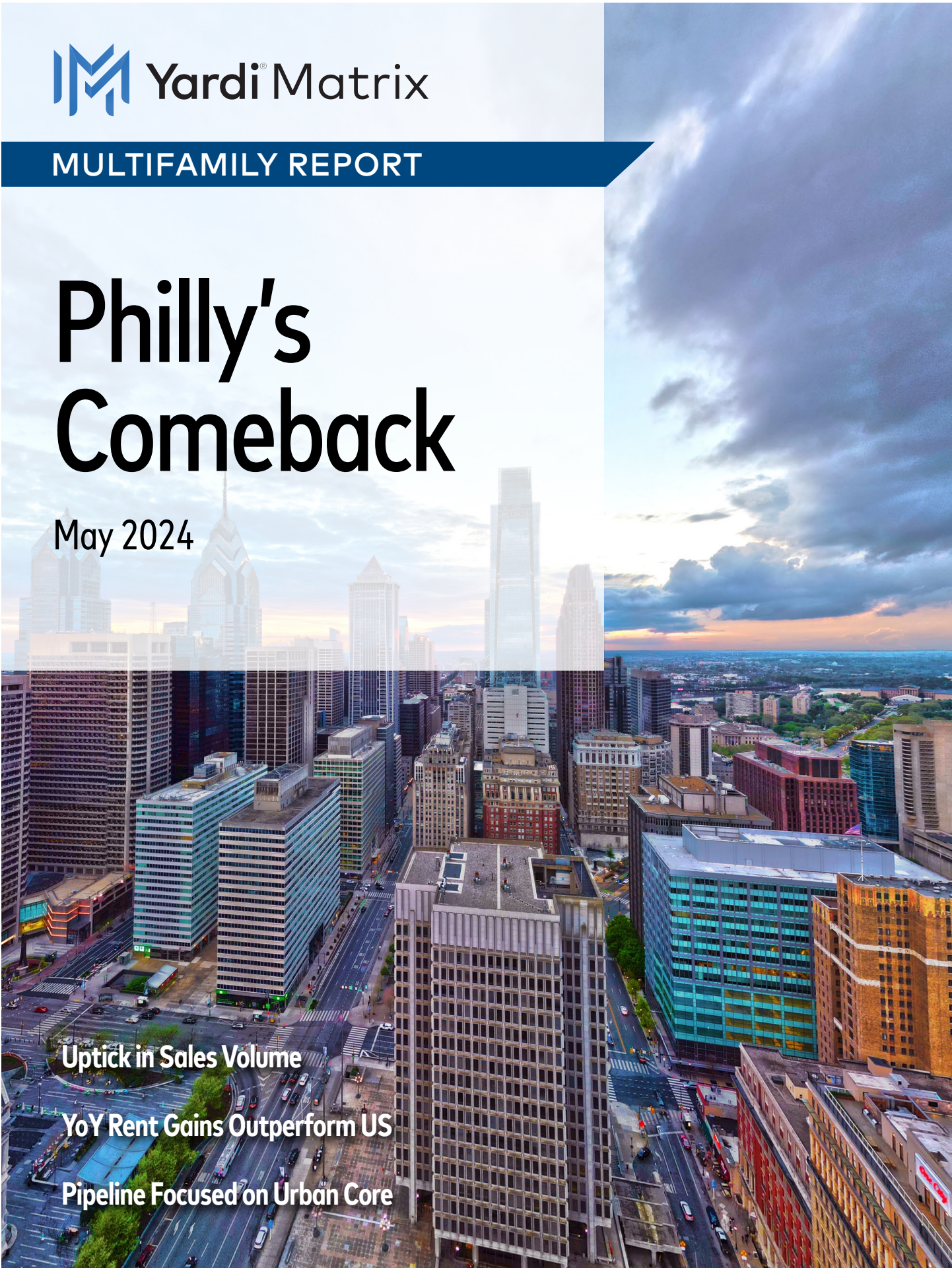
Philly's Comeback

May 2024

Uptick in Sales Volume

YoY Rent Gains Outperform US

Pipeline Focused on Urban Core



PHILADELPHIA MULTIFAMILY



Spring Kicks Off Upswing in Philly

Philadelphia's multifamily market showed signs of improvement at the end of the first quarter. After nearly six months of negative rent movement, rates were up 0.1% on a trailing three-month basis through March. Year-over-year performance also recorded a boost. Philadelphia rents increased 2.2% to \$1,729, while the national average rose 0.9% year-over-year through March, to \$1,721. Occupancy showed positive signs, as well. Despite sliding 50 basis points in the 12 months ending in February, the metro's rate still stood 100 basis points above the 94.5% U.S. average.

Greater Philadelphia's unemployment rate settled at 3.8% as of February, according to data from the Bureau of Labor Statistics. The figure stayed flat month-over-month and was 10 basis points below the national average. In 2023, the metro added 92,000 net jobs, amounting to a 2.8% expansion. Education and health services led gains, with 42,600 net positions or a 5.5% increase. The sector will also receive a boost from Cooper University Health Care's \$2 billion expansion project in Camden, N.J. Cooper will begin construction on the initial phase later this year.

Developers had more than 18,000 units under construction as of March in the metro. After almost 6,100 units came online last year, Yardi Matrix expects deliveries to maintain a steady pace, with an estimated 6,253 apartments slated to come online in 2024 and more than 7,500 next year.

Market Analysis | May 2024

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Agota Felhazi

Senior Associate Editor

Recent Philadelphia Transactions

Frazer Crossing



City: Malvern, Pa.
Buyer: Eagle Rock Properties
Purchase Price: \$77 MM
Price per Unit: \$212,712

Madison Glen Mills



City: Glen Mills, Pa.
Buyer: Equus Capital Partners
Purchase Price: \$70 MM
Price per Unit: \$288,049