

Yardi® Matrix

Philadelphia Moves Forward

Multifamily Report Fall 2019

Rent Growth Outpaces Nation

Eds and Meds Lead Employment Gains

Construction Activity Targets Urban Core

PHILADELPHIA MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2019

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Slow, Steady Growth Ahead

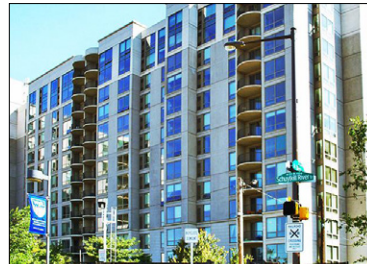
Philadelphia’s multifamily market is expanding, sustained by steady economic and population growth. Despite consistent levels of new supply in recent years, occupancy has remained in a tight band, standing at 95.8% as of July, unchanged year-over-year and above the 95.1% national average.

Education and health services led employment gains as of June (9,900 jobs). Life sciences and health-care research are growing, with several projects on tap, including a \$500 million, 1.6 million-square-foot coworking campus The Discovery Labs is creating in King of Prussia solely for health-care, life sciences and tech businesses. Penn Medicine’s \$1.5 billion patient pavilion, an extension of the nation’s oldest teaching hospital, is also underway, while Ventas and Wexford Science & Technology are building The College of Nursing and Health Professions for Drexel University in University City. Following record tourism activity last year, leisure and hospitality gained 8,700 jobs, while construction grew by 8,200 positions.

Investment and development activity has moderated in 2019 compared to last year, with \$900 million in total sales and 1,058 units coming online through August, while another 12,600 units were underway. Continued demand is expected to boost absorption, and we expect the average Philadelphia rent to advance 4.4% for the whole of 2019.

Recent Philadelphia Transactions

Edgewater



City: Philadelphia
Buyer: Federal Capital Partners
Purchase Price: \$116 MM
Price per Unit: \$405,502

Thorn Flats



City: Newark, Del.
Buyer: The Galman Group
Purchase Price: \$98 MM
Price per Unit: \$102,062

Marchwood



City: Exton, Pa.
Buyer: Morgan Properties
Purchase Price: \$82 MM
Price per Unit: \$162,698

The Point at Phoenixville



City: Phoenixville, Pa.
Buyer: Pantzer Properties
Purchase Price: \$78 MM
Price per Unit: \$222,958