

# PHILADELPHIA, PA

## 2022 MARKET AT A GLANCE

### Occupancy Rate

97.0%



DOWN 20 BPS YOY

### Effective Rent

\$1,638



UP 6.1% YOY

### Rent Share of Wallet

25.0%



UP 60 BPS YOY

## New Apartments Filling Housing Gap with Historic Deliveries in 2022

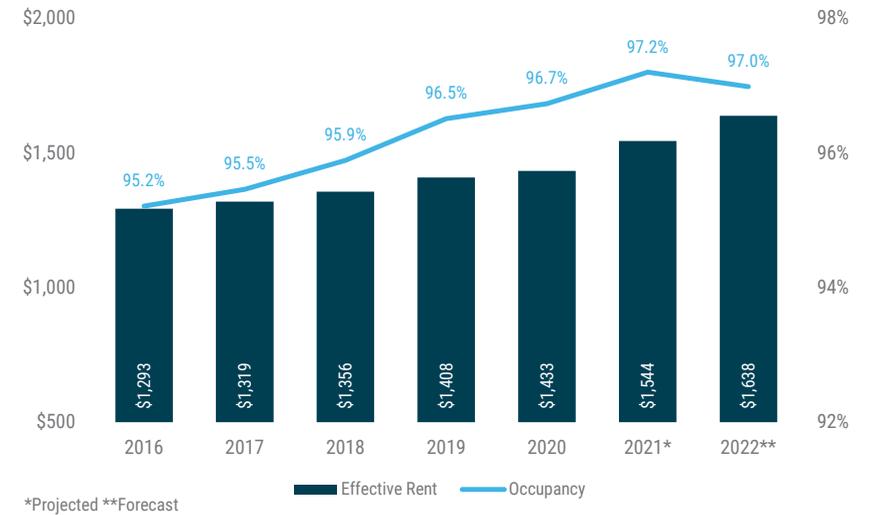
With limited available homes for sale, Greater Philadelphia residents are choosing to rent as apartment occupancy is expected to remain high in 2022. While single-family home sales are forecast to rise year over year, annual transactions are predicted to fall well short of the historic peak as the trend of limited new listings is projected again this year. Apartment developers are working to meet housing demand for residents who can afford to buy, though lack preferred options. Construction is scheduled to complete on approximately 8,200 units over the next four quarters, the highest annual deliveries in more than two decades. The apartments additions, combined with another year of positive net migration, will facilitate leasing activity to exceed the preceding five-year average. Continued hiring will raise the income of the metro's population and attract new residents. For the second-consecutive year, the workforce is projected to expand with the highest job creation in the education and health services sector, the metro's economic pillar. Notwithstanding healthy apartment demand, the supply side pressure will contribute to a dip in the average occupancy rate to 97.0% by year-end. Even with the decrease, occupancy would be higher than the preceding five-year average of 96.2%. Sustained apartment demand amid strong inventory growth will underpin operators' confidence to continue raising rent. After advancing 7.7% in 2021, effective rent is forecast to increase 6.1% over the next four quarters.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

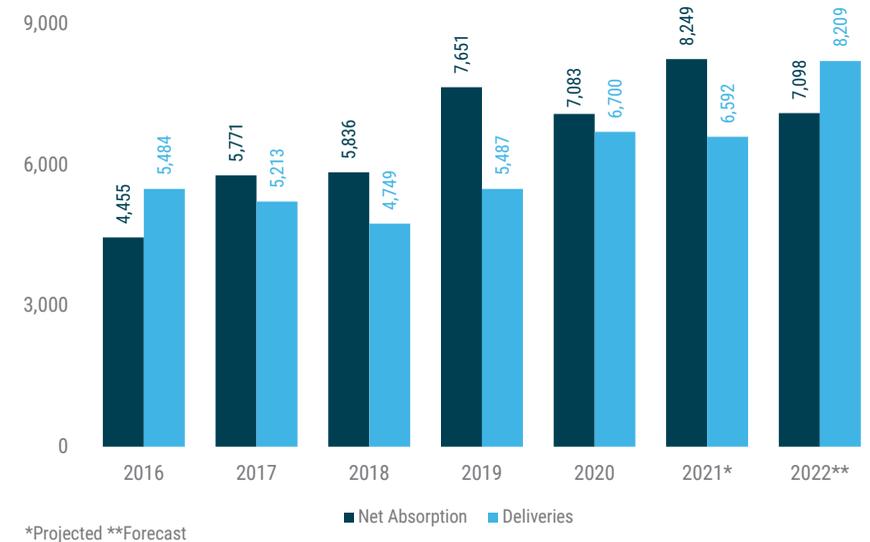
2022 FORECAST

## APARTMENT TRENDS

### Effective Rent & Occupancy

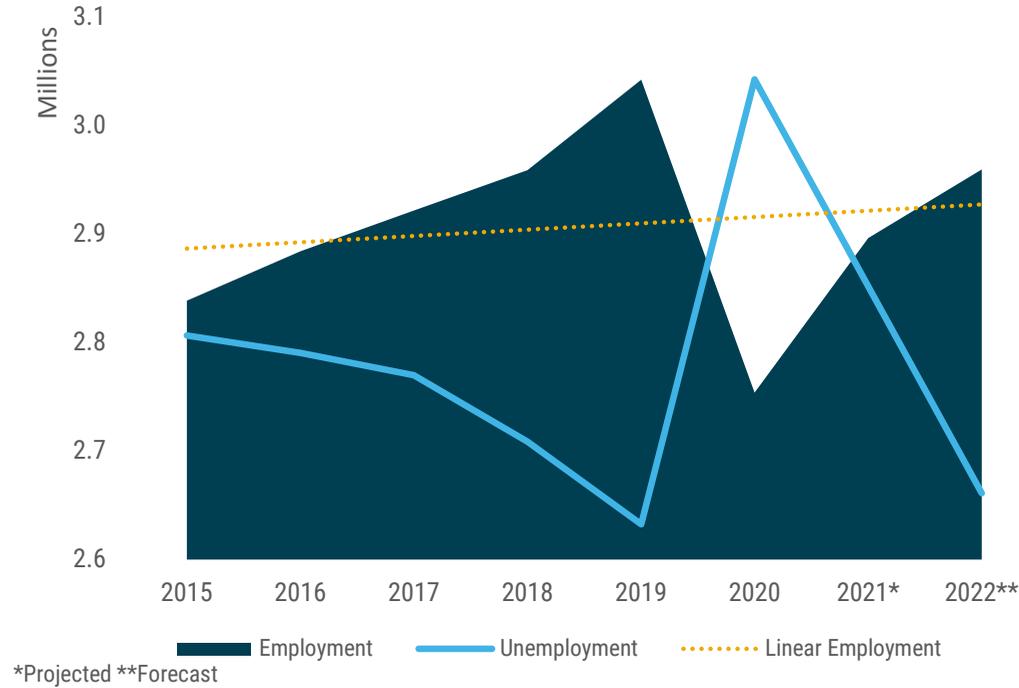


### Absorption & Deliveries



## EMPLOYMENT TRENDS

### Market Employment Trends



## SALES TRENDS

### Price Per Unit & Cap Rate



### Employment

2,959,900



UP 2.2% YOY

### Unemployment

3.6%



DOWN 190 BPS YOY

### Median Household Income

\$78,588



UP 3.3% YOY

### Price Per Unit

\$189,172



UP 7.3% YOY

### Cap Rate

5.4%



UNCHANGED YOY