

PHILADELPHIA, PA

2023 MARKET AT A GLANCE

Occupancy Rate

96.2%



DOWN 50 BPS YOY

Effective Rent

\$1,797



UP 3.2% YOY

Rent Share of Wallet

23.8%



DOWN 20 BPS YOY

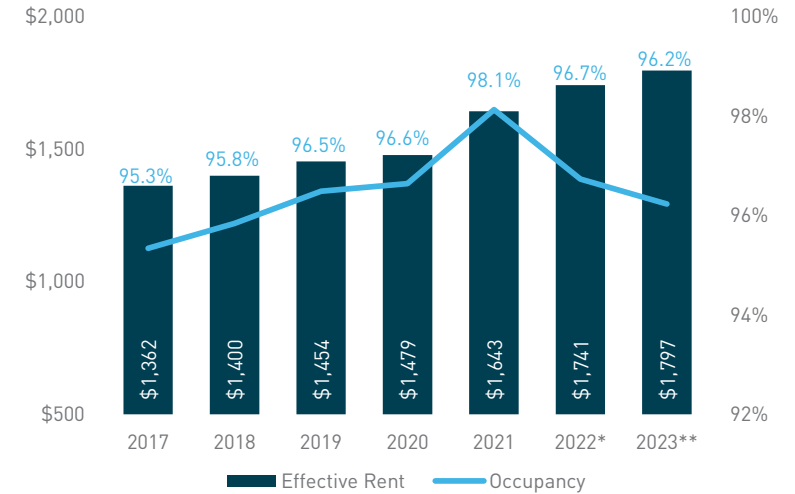
Abundant Renters and Building Bonanza Keep Philadelphia's Center City Hot

Located in the heart of Philadelphia, Center City is the second-most populous downtown district in the nation and the prime driver of the local economy. Roughly 42% of the city's jobs are in Center City. Office-using industries support roughly 40% of the 305,000-plus Center City residents who work in the neighborhood. As major employers require workers to return to Center City offices, an increase of renters is expected in Philadelphia's urban core for its variety of housing and lifestyle amenities. Over the next five years, Downtown Philly's population is forecast to rise 9.3%, compared to 2.2% metrowide. About one-third of the current supply wave, or 4,147 units, is forecast to be delivered in the Center City submarket, which will expand inventory there 9.4%. With projects like the \$6 billion Navy Yard mixed-use redevelopment and the 200,000-square-foot life sciences property, developers are creating economic opportunities as well as luxury living options for current residents and incoming jobseekers. Demand for Center City apartments will increase this year, though net absorption will be insufficient to offset the accelerated pace of deliveries. Consistent with the metro overall, submarket occupancy is likely to trend downward with expanding inventory, ending the year at 93.4%. The influx of supply will curb rent growth, decelerating 0.2% year over year compared to the 3.2% metro forecast. Despite the dip, Center City will continue to command the highest effective rent across the metro's 16 submarkets.

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 2022 are projected values. 2023 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.

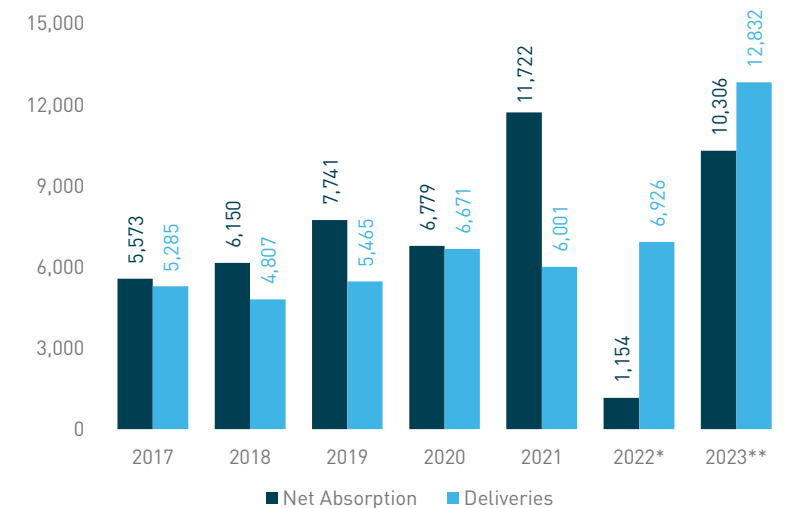
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

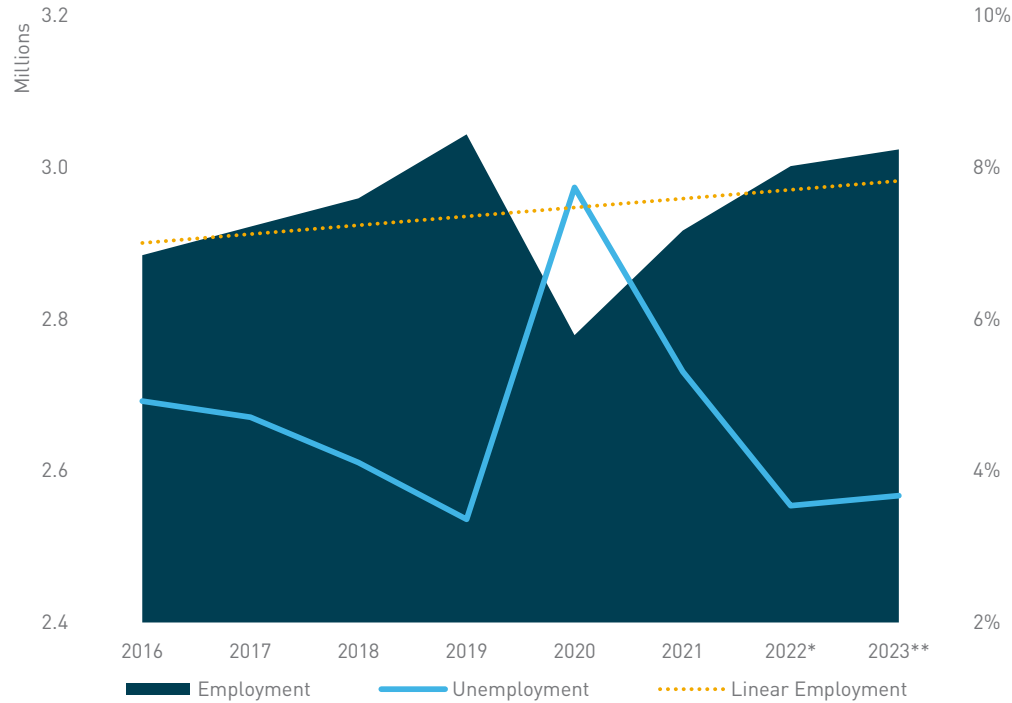
Absorption & Deliveries



*Projected **Forecast

Employment Trends

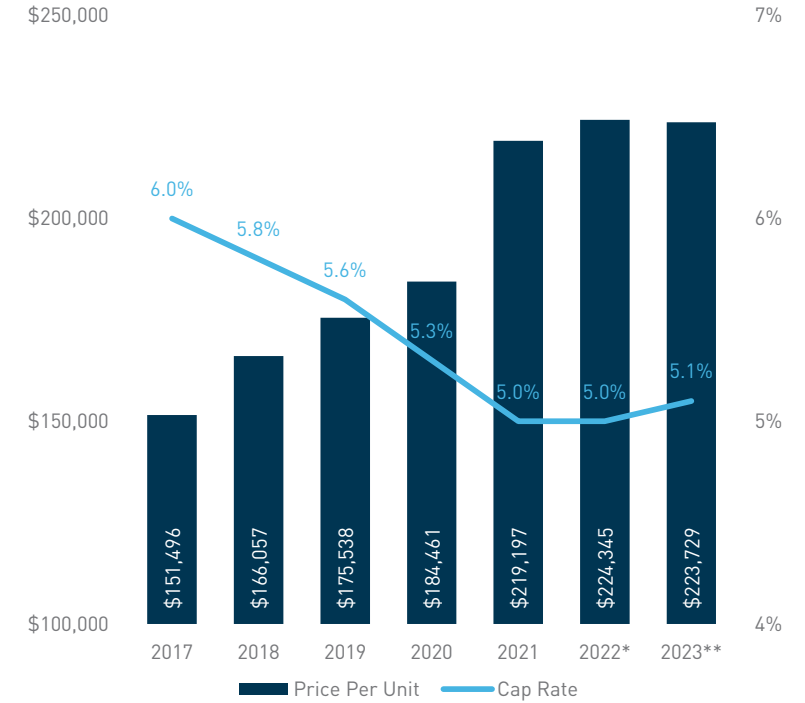
Market Employment Trends



*Projected **Forecast

Sales Trends

Price Per Unit & Cap Rate



*Projected **Forecast

<p>Employment</p> <p>3,023,400</p> <p>↑</p> <p>UP 0.7% YOY</p>	<p>Unemployment</p> <p>3.7%</p> <p>↑</p> <p>UP 20 BPS YOY</p>	<p>Median Household Income</p> <p>\$90,461</p> <p>↑</p> <p>UP 3.8% YOY</p>
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<p>Price Per Unit</p> <p>\$223,729</p> <p>↓</p> <p>DOWN 0.3% YOY</p>	<p>Cap Rate</p> <p>5.1%</p> <p>↑</p> <p>UP 10 BPS YOY</p>
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