PHILADELPHIA, PA

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)	EFFECTIVE RENT (Q4 2024)	RENT SHARE OF WALLET (Q4 2024)
95.5%	$1,854	24.2%
DOWN 10 BPS YOY	UP 3.0% YOY	UNCHANGED YOY

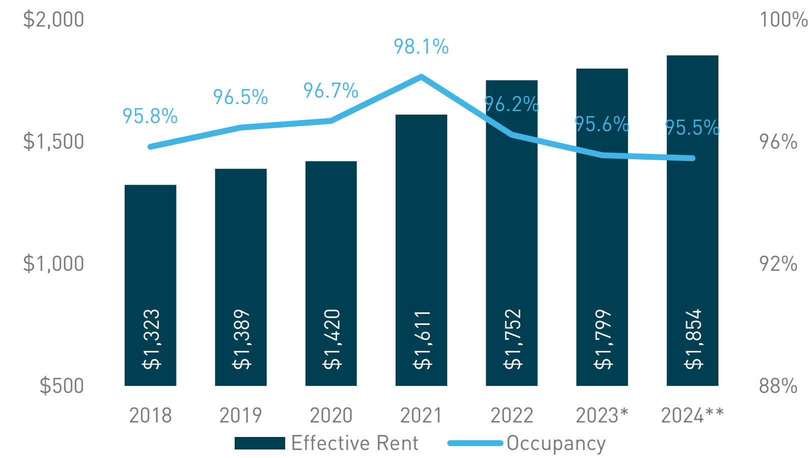
Abundant Renters and Building Bonanza Keep Philadelphia's Center City Hot

Philadelphia is projected to continue as a relocation destination for individuals seeking a more affordable cost of living in the Northeast. Since 2019, Greater Philadelphia recorded consistent urban in-migration from high-cost, large metros, according to the Federal Reserve Bank of Cleveland. This continued last year as monthly effective rent averaged $1,799 in the fourth quarter of 2023 to keep the cost of renting in Greater Philadelphia lower than the national average, as well as New York, Boston, and Washington, D.C. The trend is projected to continue as the average monthly effective rent is forecast to advance 3% this year to $1,854 in the fourth quarter, keeping rent below the national average and the other major Northeast markets. Beyond the lower cost of living, a healthy employment environment will attract new residents and create new households in the metro. The labor force is projected to grow 0.3% this year, driven by private education and healthcare hiring. Home to the University of Pennsylvania and Virtua Health, the sector is a pillar of the local economy and industry employers are forecast to add a metro-leading 3,500 workers by year-end. These private education and healthcare jobs will help elevate the metro's median household income 3% over the next year, underpinning apartment operators' confidence to raise rent. Another factor supporting the rise in rent will be occupancy remaining nearly unchanged amid 3.1% annual inventory growth. At a projected 95.5% in the fourth quarter of 2024, the occupancy rate will only be down 10 basis points year over year.

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 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

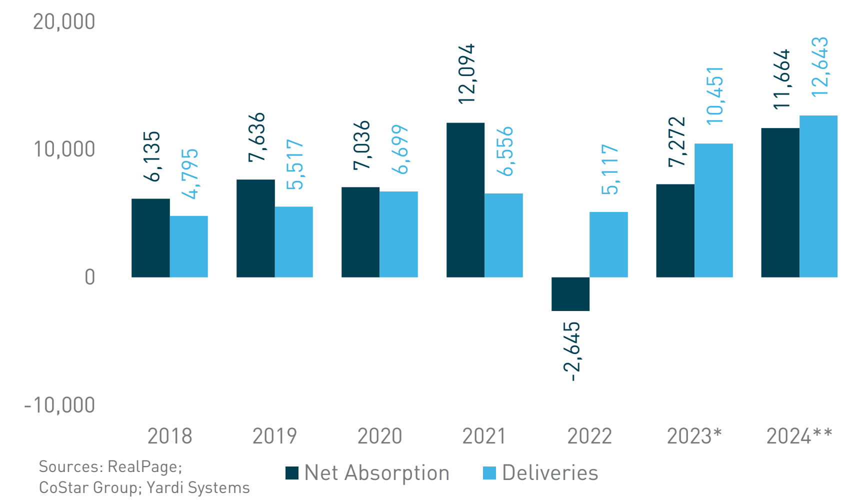


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



Sources: RealPage; CoStar Group; Yardi Systems

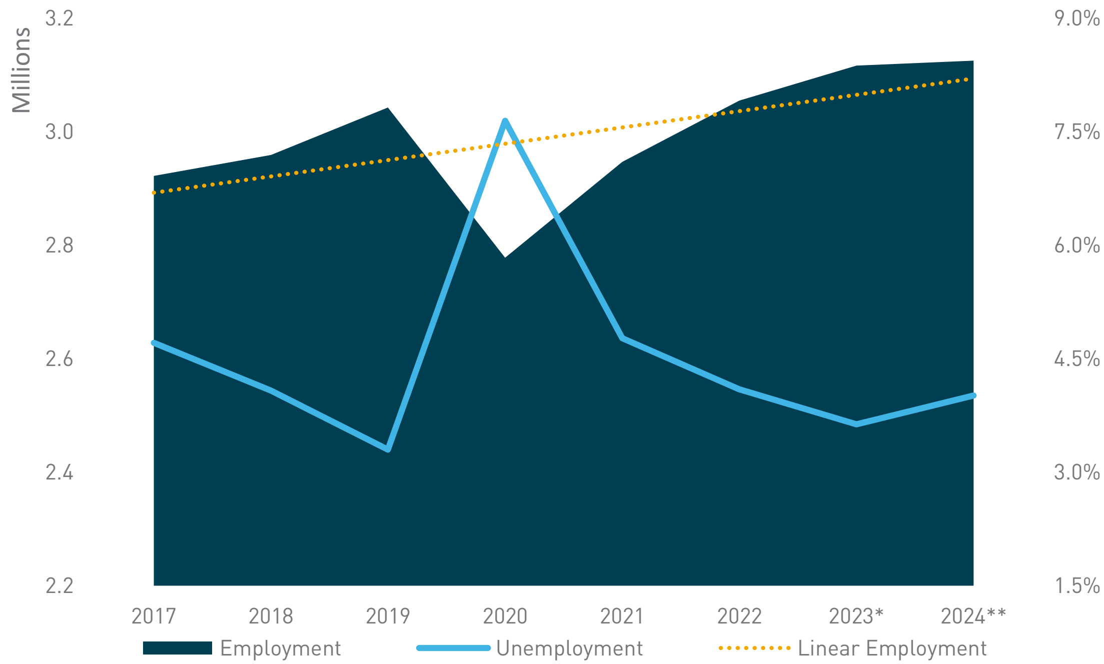
*Projected **Forecast

PHILADELPHIA, PA

BERKADIA

EMPLOYMENT TRENDS

Market Employment Trends

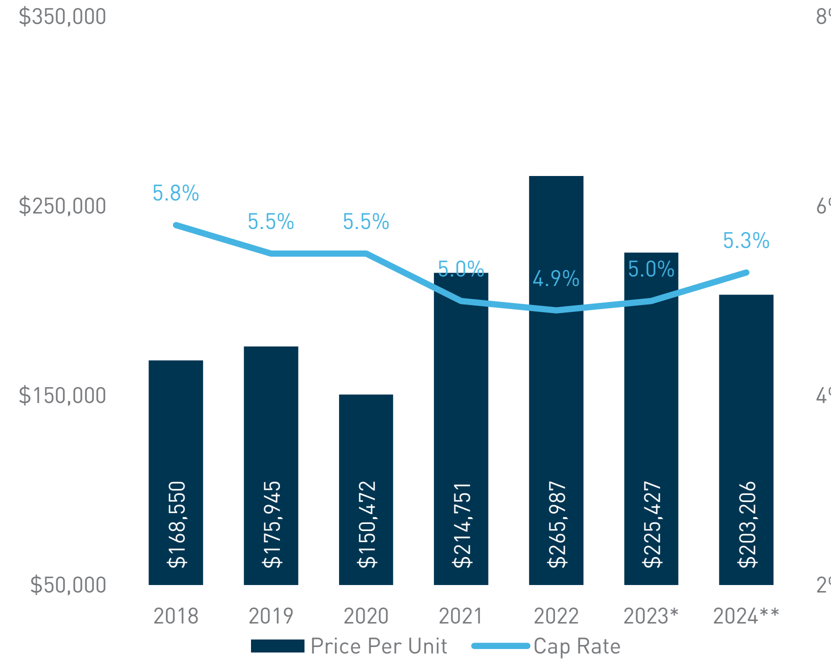


Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS

Price Per Unit & Cap Rate



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)
3,125,600	4.0%	$92,093
UP 0.3% YOY	UP 40 BPS YOY	UP 3.0% YOY

PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
$203,206	5.3%
DOWN 9.9% YOY	UP 30 BPS YOY