PHILADELPHIA, PA

2025 MARKET AT A GLANCE

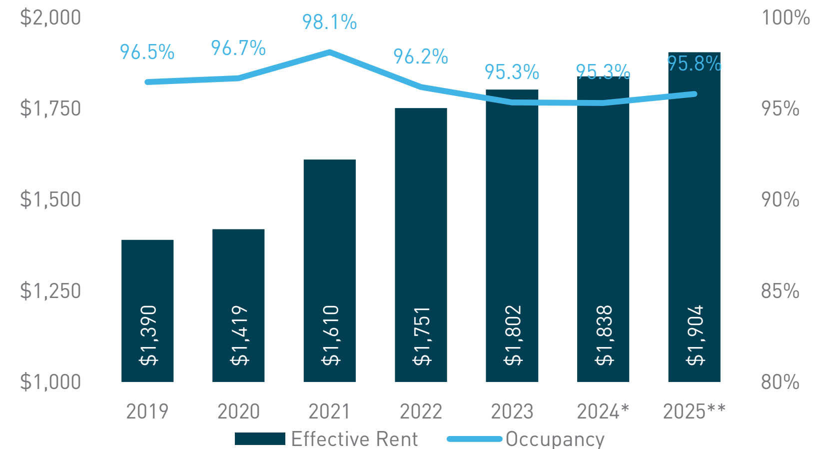
OCCUPANCY RATE (Q4 2025)	EFFECTIVE RENT (Q4 2025)	RENT SHARE OF WALLET (Q4 2025)
95.8%	$1,904	24.4%
UP 50 BPS YOY	UP 3.6% YOY	UP 10 BPS YOY

Job Opportunities, Inward Migration Fuel Surge in Apartment Demand

The affordable cost of living in Philadelphia compared to other Northeast markets and its thriving economy have attracted thousands of new residents. The metro area is expected to see a net in-migration of 27,400 people, contributing to a projected population increase of 40,550 over the next five years. Many of these newcomers are likely moving for job opportunities, as local employers are anticipated to add 21,300 workers over the next 12 months. The new residents to the region will boost leasing, with 11,610 net units absorbed, a 25% increase over last year's total. Renters are increasingly attracted to the Center City Philadelphia submarket, one of the city's fastest-growing areas. According to U.S. Census data, the neighborhood's population has grown by 3% over the past four years and 26% since 2011. With leasing activity rising for the third-consecutive year, investors are maintaining a robust construction pipeline. Builders are underway on 40 projects set to deliver a full-year total of 4,250 units in the downtown submarket, accounting for 43% of the metro total. The largest project in the submarket and metro is a 630-unit community, set to be completed mid-year. Robust demand will meet elevated deliveries, lifting the metrowide occupancy rate to 95.8% by the fourth quarter. The median household income is projected to increase 3.3% year over year, which will counterbalance the anticipated 3.6% rise in monthly effective rent to $1,904 by the fourth quarter. Despite this increase, renters will spend only 24.4% of their household budget on rent, which is below the 30% guideline.

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 2024 are projected values. 2025 figures are forecast projections.

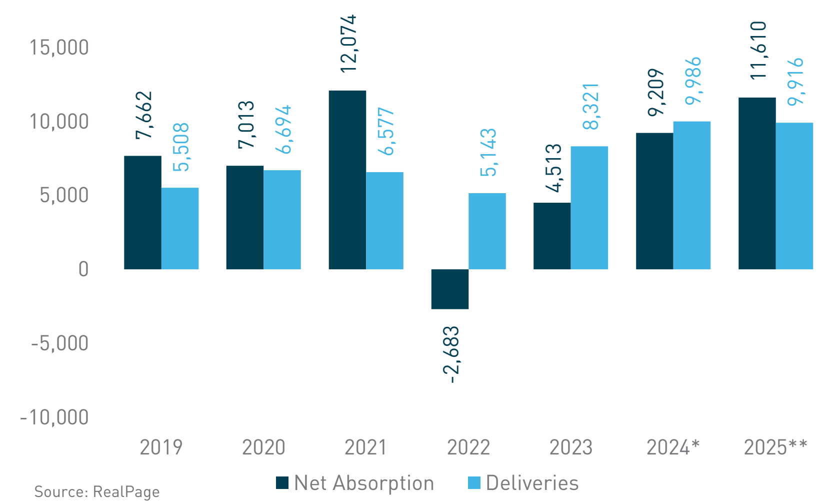
APARTMENT TRENDS



Source: RealPage

*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.



Source: RealPage

*Projected **Forecast

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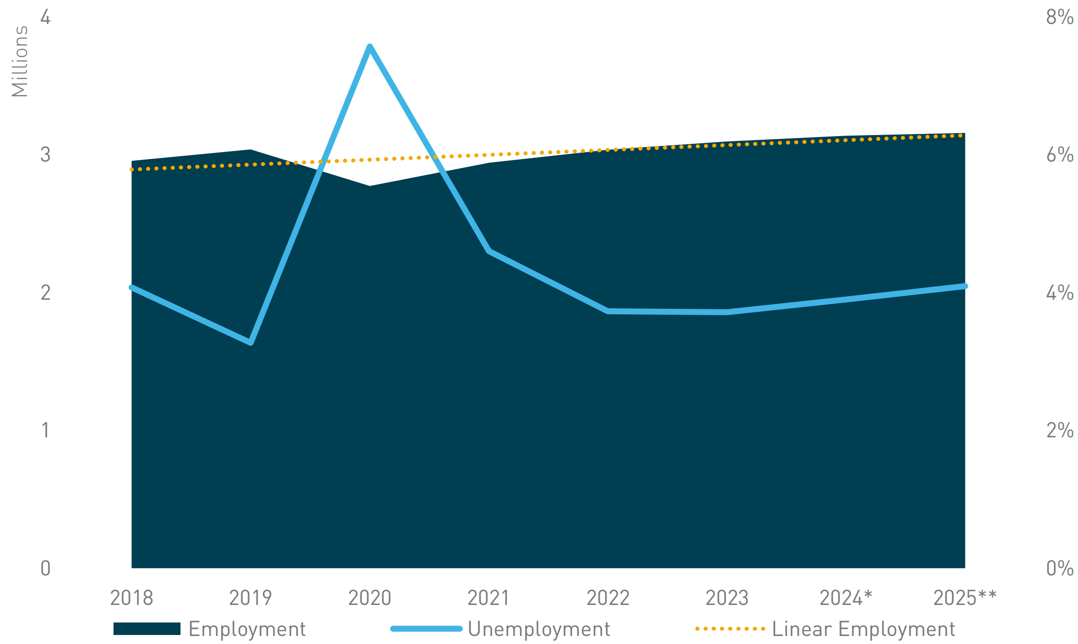
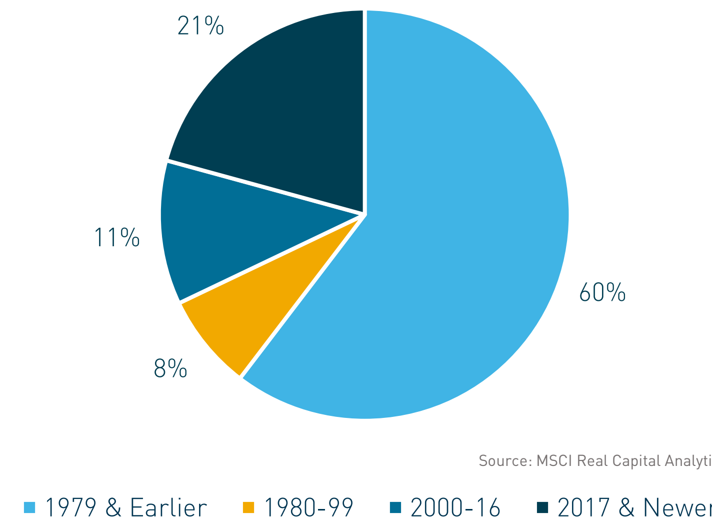
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

2024 SALES TRENDS*



Source: MSCI Real Capital Analytics

*YTD through Oct.

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

EMPLOYMENT (DEC. 2025)	UNEMPLOYMENT (DEC. 2025)	MEDIAN HOUSEHOLD INCOME (DEC. 2025 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
3,159,200	4.1%	$93,788	$195,589	5.8%
UP 0.7% YOY	UP 20 BPS YOY	UP 3.3% YOY	DOWN 20.4% YOY	UP 80 BPS YOY