

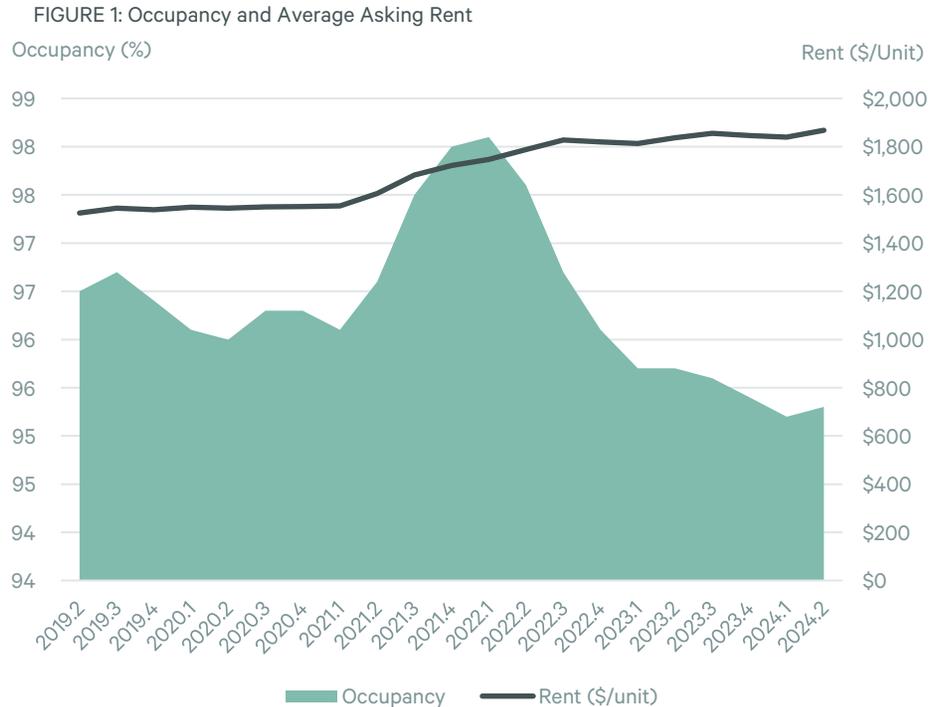
Occupancy stabilizing while rents grew modestly

▲ 95.3% Occupancy Rate ▲ 3,314 Net Absorption (Units) ▲ 3,037 Completed Units ▲ \$1,868 Avg. Rent Per Unit

Note: Arrows indicate change from previous quarter.
 Source: CBRE Econometric Advisors, Q2 2024.

MARKET HIGHLIGHTS

- The Philadelphia multifamily market closed Q2 2024 with an occupancy rate of 95.3%. This represented a .1% increase from Q1 2024.
- Total units absorbed in Q2 2024 was 3,314 units, compared to 1,446 units in Q1 2024.
- There were 3,037 units delivered in Q2 2024, compared to 2,068 units in Q1 2024.
- The overall average rent per unit for multifamily in Philadelphia ended Q2 2024 at \$1,868, which was up 1.5% from Q1 2024. That said, landlords increased concessions in certain portions of the market where significant supply was recently added, putting downward pressure on effective rents.
- The total multifamily investment sales in Q2 2024 amounted to \$191.5 million in total volume, compared to \$149.9 million in Q1 2024.



Source: CBRE Econometric Advisors, Q2 2024.

Market Overview

FIGURE 2: Market Statistics by Submarket

| Market | Inventory (Units) | Rent Per Unit | Completions (Units) | Net Absorption (Units) | Vacancy Rate (%) |
|--------------------------------------|-------------------|---------------|---------------------|------------------------|------------------|
| Total Market | 342,795 | \$1,868 | 3,037 | 3,314 | 4.7 |
| Bucks County | 30,041 | \$1,727 | 235 | 285 | 3.2 |
| Burlington County | 23,061 | \$1,815 | 573 | 574 | 3.1 |
| Camden/Cherry Hill | 20,342 | \$1,891 | 0 | 27 | 5.6 |
| Center City Philadelphia | 43,209 | \$2,559 | 992 | 949 | 6.2 |
| Chester County | 29,705 | \$1,964 | 406 | 424 | 5.6 |
| Delaware County | 26,547 | \$1,557 | 0 | 166 | 3.5 |
| Gloucester County | 9,717 | \$1,745 | 0 | (46) | 4.7 |
| Lower Camden County | 17,006 | \$1,565 | 312 | 446 | 3.3 |
| Norristown/Upper Merion/Lower Merion | 24,502 | \$1,981 | 0 | (2) | 5.1 |
| North Montgomery County | 30,071 | \$1,882 | 0 | 57 | 5.1 |
| Northeast Philadelphia | 39,884 | \$1,401 | 294 | 310 | 4.0 |
| Northwest Philadelphia | 19,172 | \$1,659 | 102 | 51 | 5.9 |
| Southwest Philadelphia | 29,538 | \$1,959 | 123 | (10) | 6.0 |

FIGURE 3: Market Statistics by Building Vintage

| Year Built | Avg Rent | % Rent Growth (Y-o-Y) | Occupancy Rate (%) | Occupancy Change (Y-o-Y) |
|--------------------|----------|-----------------------|--------------------|--------------------------|
| Built 1960s | \$1,718 | 5.3% | 95.8 | -0.2% |
| Built 1970s | \$1,719 | 2.9% | 95.3 | -0.2% |
| Built 1980s | \$1,925 | 1.4% | 96.1 | -0.4% |
| Built 1990s | \$2,053 | 4.3% | 96 | -0.5% |
| Built 2000s | \$2,243 | 0.8% | 94.2 | -1.9% |
| Built 2010-present | \$2,169 | 0.1% | 94.8 | -0.9% |

Source: CBRE Econometric Advisors, Q2 2024.

FIGURE 4: Market Statistics by Unit Type

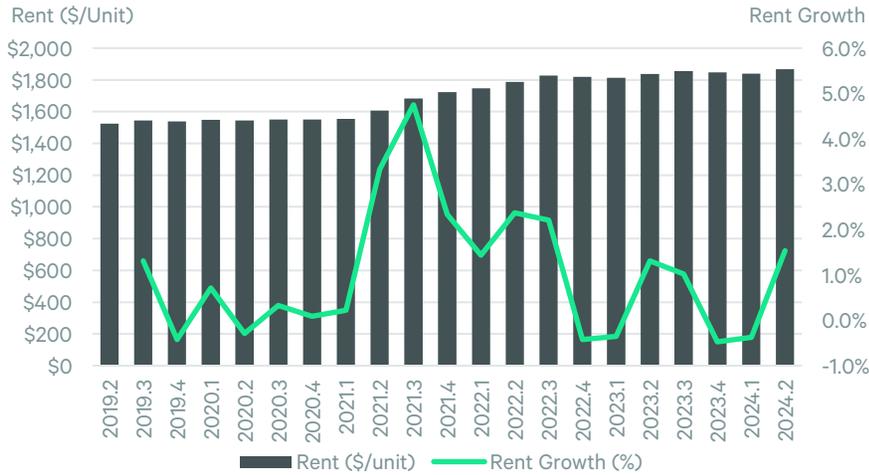
| Unit Type | Avg Rent | % Rent Growth (Y-o-Y) |
|-----------|----------|-----------------------|
| Studio | \$1,372 | -0.4% |
| 1 Bedroom | \$1,677 | 2.7% |
| 2 Bedroom | \$2,119 | 3.7% |
| 3 Bedroom | \$2,767 | 4.9% |

Source: CBRE Econometric Advisors, Q2 2024.

Source: CBRE Econometric Advisors, Q2 2024.

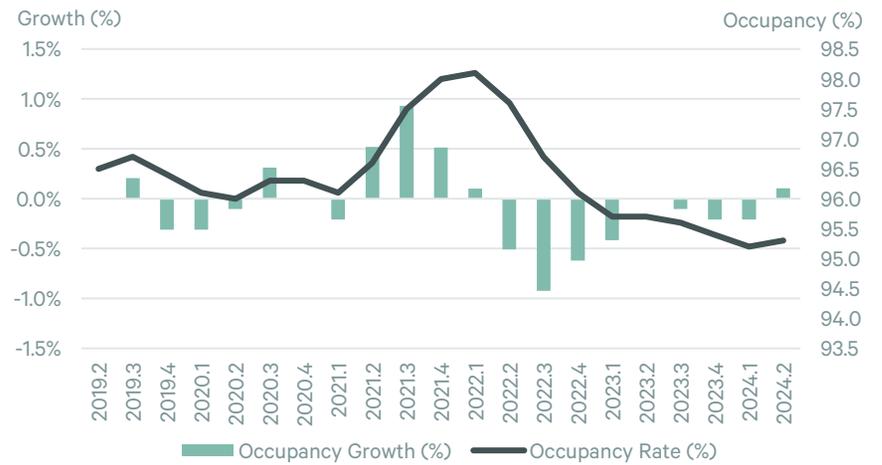
Average Rents and Occupancy

FIGURE 5: Rent Change Q-o-Q and Average Rent Trend



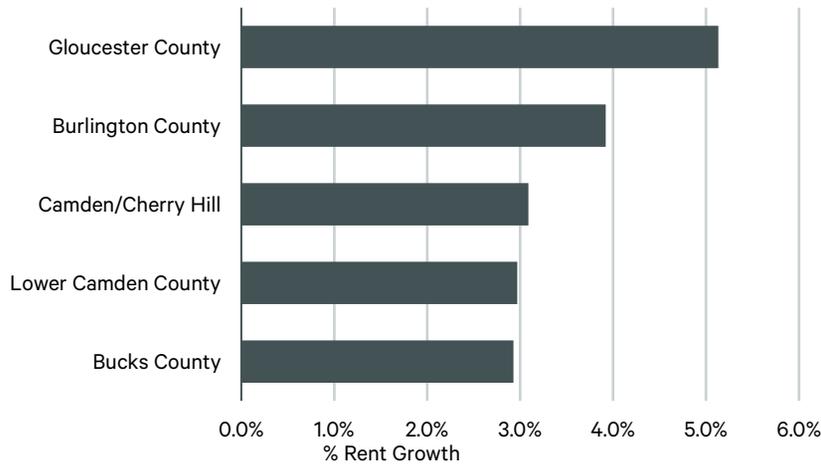
Source: CBRE Econometric Advisors, Q2 2024.

FIGURE 6: Occupancy Change Q-o-Q and Occupancy Rate Trend



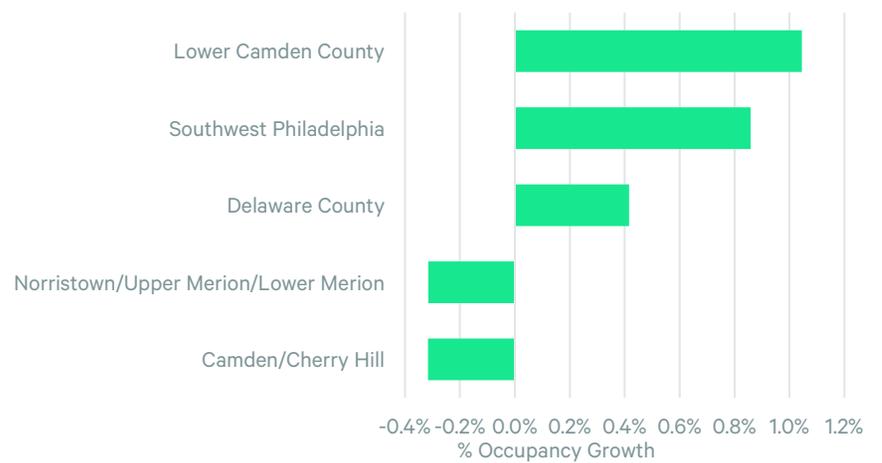
Source: CBRE Econometric Advisors, Q2 2024.

FIGURE 7: Top Submarkets by Rent Growth Y-o-Y



Source: CBRE Econometric Advisors, Q2 2024.

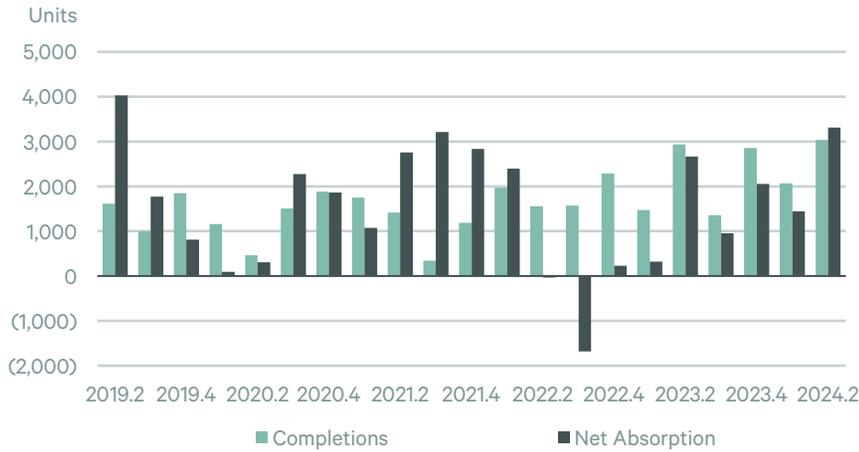
FIGURE 8: Top Submarkets by Occupancy Growth Y-o-Y



Source: CBRE Econometric Advisors, Q2 2024.

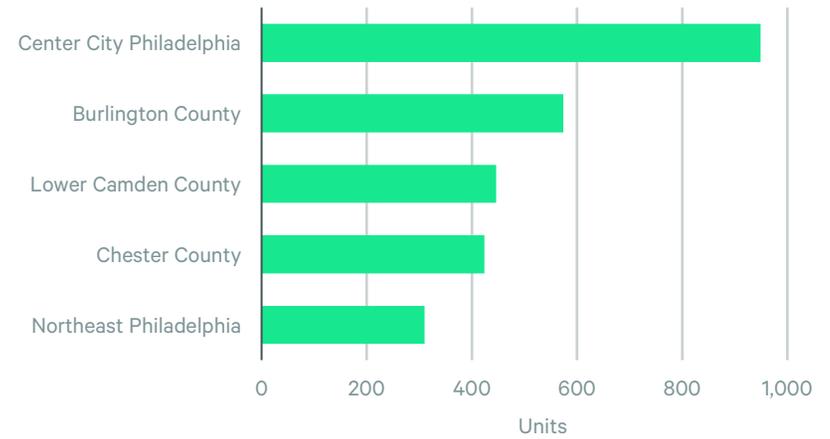
Construction, Net Absorption, and Detail by Inventory Type

FIGURE 9: Completions and Net Absorption



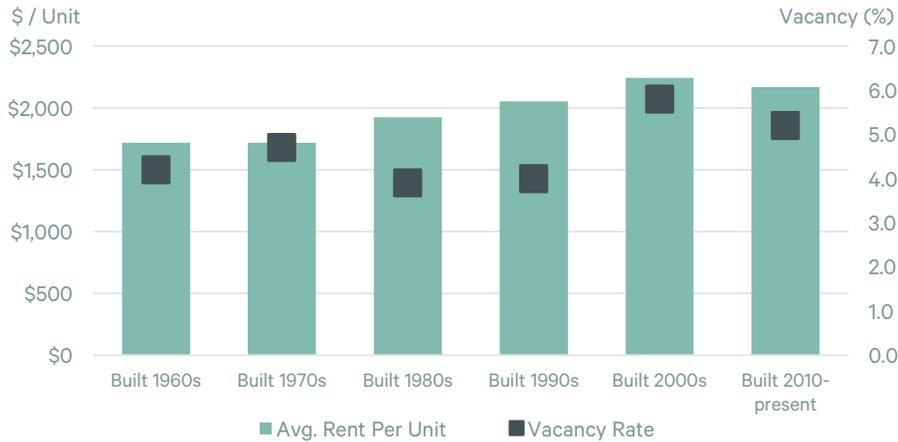
Source: CBRE Econometric Advisors, Q2 2024.

FIGURE 10: Top Submarkets by Net Absorption



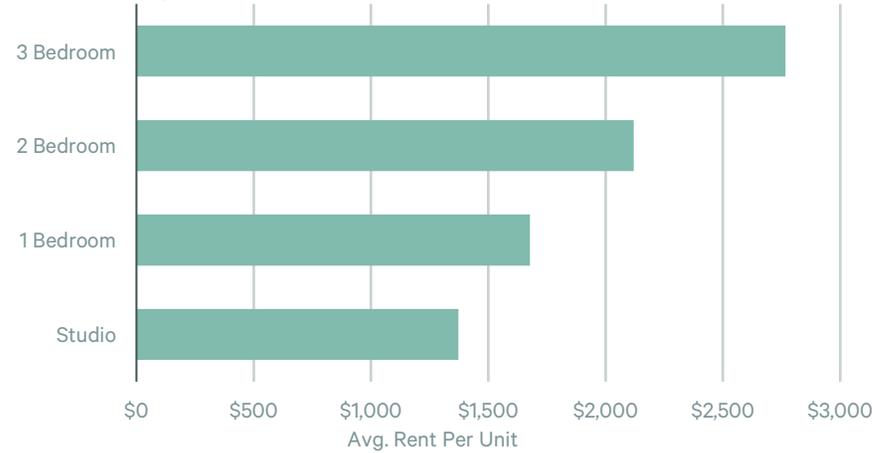
Source: CBRE Econometric Advisors, Q2 2024.

FIGURE 11: Rent and Vacancy by Property Vintage



Source: CBRE Econometric Advisors, Q2 2024.

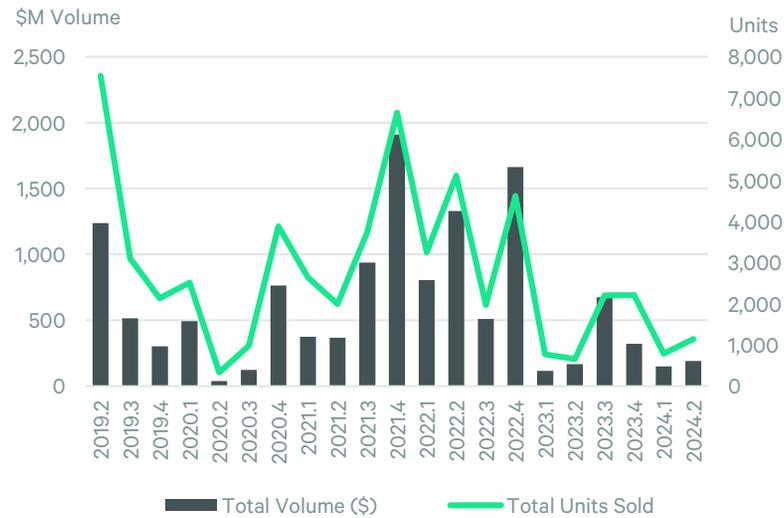
FIGURE 12: Average Rent By Unit Size



Source: CBRE Econometric Advisors, Q2 2024.

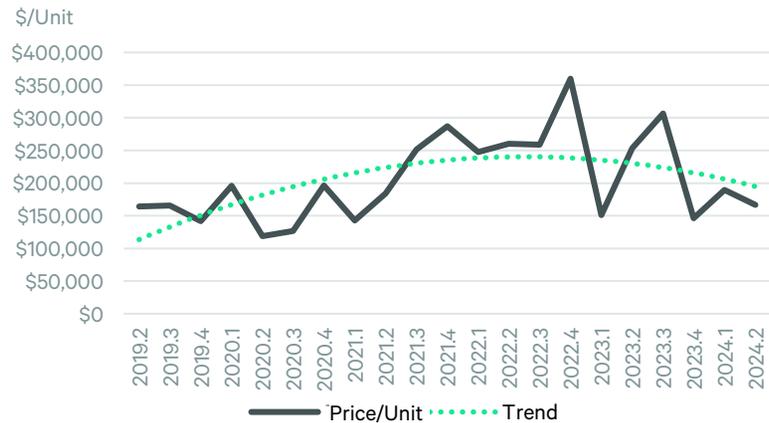
Investment Sales

FIGURE 13: Multifamily Investment Sale Volume (may exclude some entity sales)



Source: MSCI Real Capital Analytics, Q2 2024.

FIGURE 15: Multifamily Investment Sale Price Per Unit



Source: MSCI Real Capital Analytics, Q2 2024.

FIGURE 14: Q2 2024 Largest Sale Transactions by # of Units

| Property Name | City | Units | Year Built | Sale Price | Price / Unit |
|-----------------------------|--------------|-------|------------|--------------|--------------|
| Riverworks | Phoenixville | 349 | 2017 | \$90,250,000 | \$258,596 |
| Mount Laurel Crossing | Mount Laurel | 296 | 1999 | \$80,000,000 | \$270,270 |
| The Packard Motor Car Bldg. | Philadelphia | 151 | 1926 | \$39,700,000 | \$262,914 |
| Ash Park | Coatesville | 75 | 1969 | \$8,150,000 | \$108,667 |
| 3420 Garrett Road | Drexel Hill | 57 | 1960 | \$6,000,000 | \$105,263 |
| 1530 Chestnut St | Philadelphia | 54 | 1939 | \$12,250,000 | \$226,852 |

Source: MSCI Real Capital Analytics, Q2 2024.

FIGURE 16: Q2 2024 Multifamily Investment Sales by Building Vintage

| Year Built | Volume (\$) | Property Count | Total Units | Avg. PPU |
|--------------------|----------------------|----------------|--------------|------------------|
| 1960s | \$18,523,050 | 4 | 127 | \$145,851 |
| 2000s | \$5,500,000 | 1 | 78 | \$70,513 |
| Pre-1960 | \$55,500,000 | 3 | 237 | \$234,177 |
| 2010 - present | \$105,950,000 | 3 | 650 | \$163,000 |
| Grand Total | \$185,473,050 | 11 | 1,092 | \$153,385 |

Source: MSCI Real Capital Analytics, Q2 2024.

Contacts

Joe Gibson

Director, Philadelphia Research
joseph.gibson@cbre.com

Aliza Kahn

Sr. Field Research Analyst
aliza.kahn@cbre.com

CBRE Econometric Advisors

Tyler Mangin

Sr. Economist, Multifamily
tyler.mangin@cbre.com

Matt Vance

Vice President, Multifamily Research
matt.vance@cbre.com

Travis Deese

Associate Director, Multifamily Research
travis.deese@cbre.com

Multifamily Definitions

- Stock units Total count of market-rate, multifamily units in structures containing five or more units. Does not include condos.
- Occupied Stock units Total count of occupied multifamily units.
- Rentable Completions units Change in rentable stock from one period to the next due to the construction of new multifamily units. Only includes market-rate units in structures containing five or more units. Does not include condos. A structure is considered complete when 60% or more of the building has been occupied.
- Net Absorption units Change in occupied stock from one period to the next.
- Vacancy Rate % Unoccupied units expressed as a percent of rentable stock.
- Rent \$/unit/month, \$/SF/month Average price for multifamily space. Estimated from a sample of institutionally managed, market-rate properties with five or more units. Does not include condos. Properties must appear in current and previous quarterly sample ("same-store") to count toward this average. Rent levels represent effective rates that account for the impact of concessions offered in the form of free-rent periods or prorated discounts. Other leasing incentives such as reduced deposits, amenity upgrades and merchandise giveaways are not accounted for in the effective rent calculations.

Market Definition

The Philadelphia market consists of Burlington County, Camden County, Gloucester County, Bucks County, Chester County, Montgomery County, Delaware County, Philadelphia County.

© Copyright 2024 All rights reserved. Information contained herein, including projections, has been obtained from sources believed to be reliable, but has not been verified for accuracy or completeness. CBRE, Inc. makes no guarantee, warranty or representation about it. Any reliance on such information is solely at your own risk. This information is exclusively for use by CBRE clients and professionals and may not be reproduced without the prior written permission of CBRE's Global Chief Economist.