PHILADELPHIA
MULTIFAMILY REPORT

SECOND QUARTER 2020

MARKET AT A GLANCE

OCCUPANCY RATE 96.2%
Down **20 bps** since 2Q19

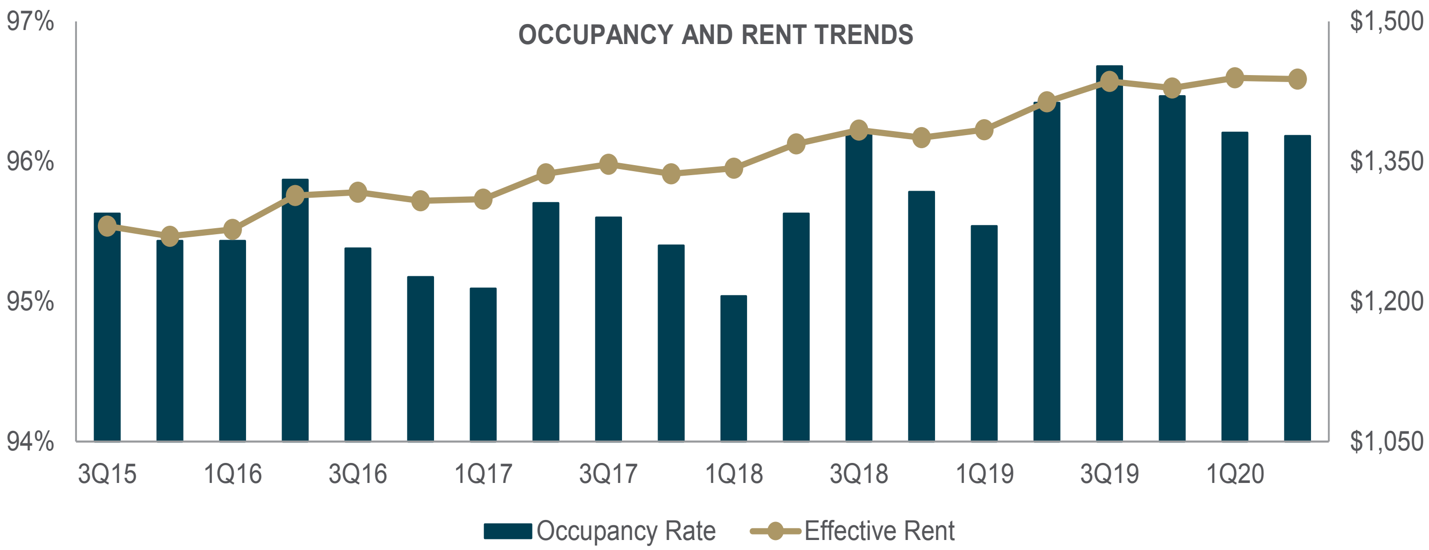
EFFECTIVE RENT $1,438
Up **1.7%** since 2Q19

RENT PAYMENT TRACKER (July 1-6) 84.9%
Down **160 bps** since June 1-6

OCCUPANCY AND RENT TRENDS

APARTMENT INVENTORY RISES 0.3% SINCE 1Q20

Multifamily developers continued to work to meet rental demand in the Philadelphia apartment market as the inventory of for-sale housing nears all-time lows. With 71 projects underway, builders brought 1,250 units online since March 2020, expanding apartment inventory 0.3% quarter over quarter. The most recent deliveries were part of 5,082 additions in the last year. Apartment development remained focused near employment nodes in some of the high-rent submarkets that include Chester County and Norristown/Upper Merion/Lower Merion. Metrowide, 1,108 units were absorbed during the second quarter of 2020. With leasing activity and deliveries nearly balanced, Greater Philadelphia occupancy was 96.2% for a consecutive quarter. Occupancy was also 50 basis points higher than the five-year average. Operators lowered effective rent by 0.1% which ended June 2020 at $1,438 per month. The financial assistance provided by the CARES Act helped 84.9% of apartment households to make a rental payment by July 6. With apartment owners facing less revenue, loans in forbearance reached 1.9% by June, up from 1.6% in April. During this same time, loans 30+ day delinquent remained unchanged at 0.6% in June.



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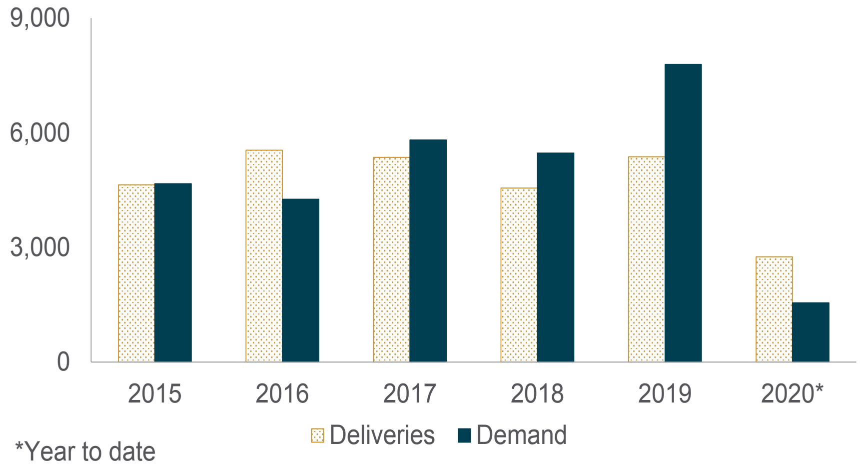
DELIVERIES AND DEMAND

DELIVERIES 2,756
Units YTD

NET ABSORPTION 1,551
Units YTD



*Year to date

ECONOMIC TRENDS

2019		2020
3.9%	**UNEMPLOYMENT*** **960 BPS** CHANGE	13.6%
3.0m	**EMPLOYMENT*** **-14.0%** CHANGE	2.6m
73.2k	**EXISTING SFH SALES**** **-12.8%** CHANGE	63.8k
6.1m	**POPULATION**** **0.3%** CHANGE	6.1m
2.07%	**10-YEAR TREASURY**** **-130 BPS** CHANGE	0.73%

*May; **June

SUBMARKET BREAKDOWN

	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
SUBMARKET NAME	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
Bucks County	97.1%	0	-20	$1,297	0.6%	3.3%	0	-50	0	0
Burlington County	97.1%	20	-30	$1,294	0.3%	3.1%	201	555	170	629
Camden/Cherry Hill	96.2%	10	80	$1,353	0.1%	1.9%	51	421	36	274
Center City Philadelphia	94.9%	-30	-30	$2,263	-1.6%	1.2%	-97	552	30	712
Central Wilmington	95.9%	-70	-40	$1,211	1.2%	2.6%	-57	84	74	173
Chester County	95.2%	0	-110	$1,562	-0.4%	-0.2%	240	368	252	681
Delaware County	97.4%	0	40	$1,222	0.1%	2.4%	-11	112	0	0
Gloucester County	97.6%	60	100	$1,259	1.8%	5.4%	68	176	0	60
Lower Camden County	96.4%	-40	30	$1,148	0.2%	3.5%	-64	61	0	0
Newark	97.6%	50	50	$1,183	0.4%	1.9%	73	81	0	0
Norristown/Upper Merion/Lower Merion	95.5%	-20	-130	$1,569	-1.5%	-0.3%	220	700	269	1,066
North Montgomery County	95.9%	30	-90	$1,445	0.8%	0.5%	149	278	63	596
Northeast Philadelphia	97.4%	0	0	$1,133	0.6%	2.6%	156	298	145	295
Northwest Philadelphia	95.6%	40	0	$1,439	0.3%	0.4%	77	2	0	0
Outer Wilmington	95.7%	-30	40	$1,170	-0.8%	2.1%	78	232	132	176
Southwest Philadelphia	94.8%	-20	-100	$1,627	0.4%	0.7%	25	98	79	420
TOTALS	**96.2%**	**0**	**-20**	**$1,438**	**-0.1%**	**1.7%**	**1,108**	**3,969**	**1,250**	**5,082**

Document sources: Berkadia Research; RealPage; National Multifamily Housing Council; Federal Reserve Bank of St. Louis; Moody's

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