



MARKET AT A GLANCE



OCCUPANCY RATE 95.7%

Up 20 bps since 3Q16



ASKING RENT \$1,426

Up 1.9% since 3Q16



CONCESSIONS 1.1%

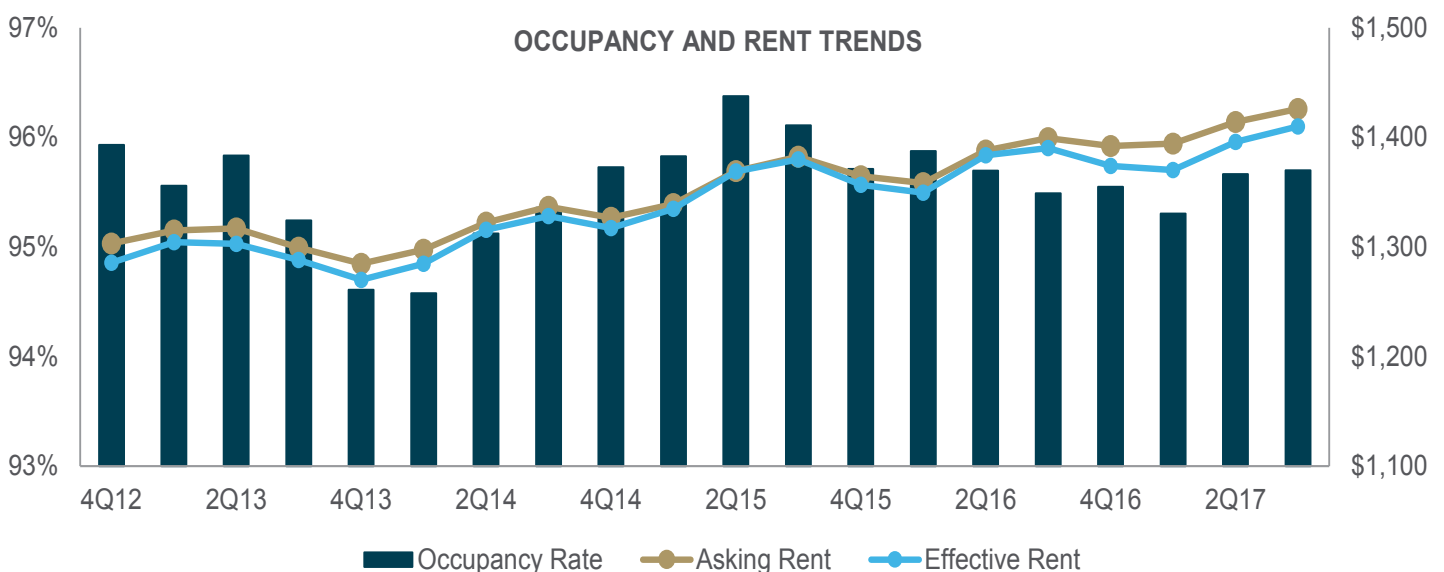
Up 20 bps since 3Q16

OCCUPANCY AND RENT TRENDS

DEVELOPERS AND RENTERS KEEN ON DOWNTOWN, WEST PHILADELPHIA

Year-over-year growth in average asking rent fell below the national average of 2.9% by 100 basis points. The moderate increase in asking rent was enough to set a new quarterly benchmark at \$1,426 per month in September of this year. Despite the rise, operators responded by expanding concessions 20 basis points to 1.1% of asking rent, as the number of rent-free days increased from three to four annually. Effective rent reached \$1,410 per month, a 1.4% year-over-year gain.

Occupancy rose a modest 20 basis points since September of 2016 to 95.7% as rental activity outpaced the number of deliveries by 25% in Greater Philadelphia. Of the 4,023 new leases signed, 65% were located in the Downtown Philadelphia submarket of Center City and neighboring West Philadelphia submarket. Of the remaining 12 submarkets, only one recorded a negative annual net absorption. Developers looked to match increased demand in the Downtown and West Philadelphia areas by focusing construction in these submarkets. Over the past 12 months, 2,293 new units came on line in the aforementioned submarkets.



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MULTIFAMILY REPORT

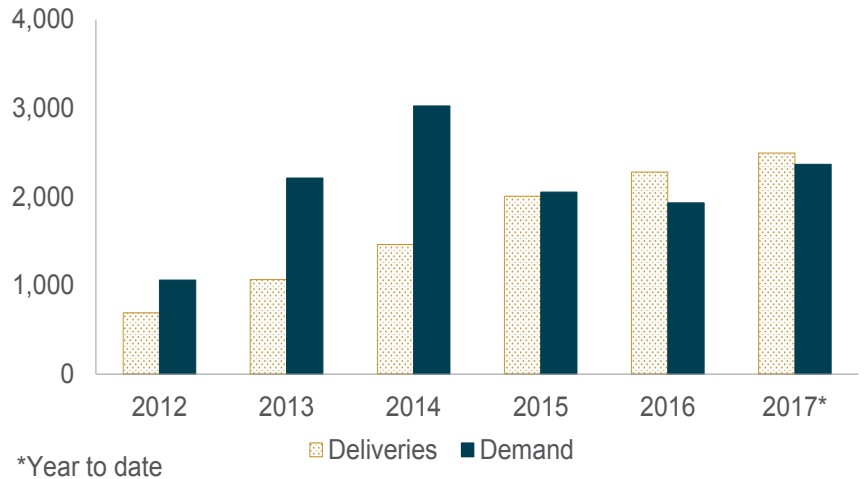
DELIVERIES AND DEMAND



DELIVERIES 2,494
Units YTD



NET ABSORPTION 2,367
Units YTD



ECONOMIC TRENDS

2016 **UNEMPLOYMENT*** 2017
5.1% **-40 BPS** 4.7%
CHANGE

2016 **EMPLOYMENT*** 2017
2.88m **1.6%** 2.93m
CHANGE

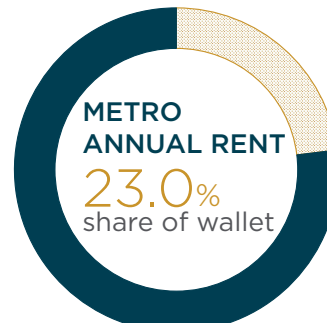
2016 **EXISTING SFH SALES**** 2017
71.2k **18.3%** 84.2k
CHANGE

2016 **MEDIAN SFH PRICE**** 2017
\$223.5k **3.0%** \$230.1k
CHANGE

2016 **10-YEAR TREASURY**** 2017
1.63% **60 BPS** 2.20%
CHANGE

Greater Philadelphia employers added 45,800 jobs during the 12-month period ending in August 2017, for a 1.6% increase, exceeding the national growth rate by 20 basis points. Job growth was heavily concentrated in three sectors as expansion in professional and business services, education and health services, and leisure and hospitality accounted for 43,600 jobs added. Highlighting growth in the professional and business services sector was the addition of 250 jobs at Accolade Inc. To meet the growing demand on local educators, the Philadelphia Unified School District added 1,000 new teachers and support staff, bolstering the gain of 1,400 workers in the government sector. Local private educational institutions including the University of Pennsylvania, Drexel University, and Villanova University combined to add over 850 jobs for the start of the fall 2017 semester. Meanwhile, the addition of 2,000 health care professionals by Geisinger Health System contributed to the addition of 15,500 health services positions.

*August; **September



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MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Bala-Cynwyd	93.9%	93.5%	-0.2%	0.9%	\$1,398	\$1,410	63	397	102	458
Center City	93.8%	95.1%	-2.1%	0.7%	\$2,183	\$2,199	420	2,122	565	1,687
East Delaware County	94.5%	96.5%	-4.2%	3.2%	\$922	\$952	-49	288	0	0
Foxchase/Lawndale	96.6%	96.9%	-5.4%	2.2%	\$940	\$961	10	17	0	0
Germantown	94.8%	93.7%	1.9%	0.2%	\$1,244	\$1,246	17	-116	0	0
North Delaware County	95.7%	95.9%	12.4%	-0.6%	\$1,623	\$1,613	30	54	42	42
North/Frankford/Holmesburg	94.7%	95.9%	0.3%	-1.5%	\$1,554	\$1,531	9	247	0	93
Olney/Oak Lane	93.5%	95.1%	-4.3%	5.1%	\$937	\$984	-19	82	0	0
Roxboro/Chestnut Hill	93.5%	95.6%	4.6%	1.0%	\$1,421	\$1,434	21	222	0	99
Somerton/Bustleton	96.8%	97.0%	3.5%	2.2%	\$989	\$1,011	-7	15	0	0
South Philadelphia	96.1%	96.6%	-	0.3%	\$1,337	\$1,340	-7	39	0	23
Torresdale	96.2%	96.6%	-0.1%	2.4%	\$1,008	\$1,032	-28	21	0	0
West Delaware County	94.8%	95.9%	3.1%	-2.7%	\$1,370	\$1,334	-35	136	0	0
West Philadelphia	94.4%	93.9%	-4.2%	3.9%	\$1,505	\$1,564	271	499	225	606
TOTALS	95.5%	95.7%	1.2%	1.9%	\$1,399	\$1,426	696	4,023	934	3,008



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