

Philadelphia, Pennsylvania

U.S. Department of Housing and Urban Development

Office of Policy Development and Research

As of September 1, 2016



Housing Market Area



The Philadelphia Housing Market Area (HMA) consists of five counties in southeastern Pennsylvania. For purposes of this analysis, the HMA is divided into two submarkets. The Urban submarket encompasses Delaware and Philadelphia Counties and is coterminous with the Philadelphia, PA Metropolitan Division. The Suburban submarket contains Bucks, Chester, and Montgomery Counties and is coterminous with the Montgomery County-Bucks County-Chester County, PA Metropolitan Division. In 2015, the city of Philadelphia (coterminous with Philadelphia County) became the first city in the United States to be designated as a World Heritage City by the United Nations.

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Summary

Economy

Economic conditions in the Philadelphia HMA have been improving since 2011. Job growth accelerated during the past 2 years partly because construction began on several major institutional and commercial projects. During the 12 months ending August 2016, nonfarm payrolls increased by 34,100 jobs, or 1.8 percent, with job growth in all but one sector. Total nonfarm payrolls are expected to increase by an average of 27,000 jobs, or 1.4 percent, during the next 3 years.

Sales Market

The sales housing market in the Philadelphia HMA is balanced. Home sales and single-family home construction activity have generally increased in the HMA since 2012, and home sales prices rose modestly in each submarket during

the past year. During the next 3 years, demand is estimated for 10,575 new sales housing units in the HMA (Table 1). The 1,775 homes currently under construction and a portion of the 62,500 other vacant units in the HMA will satisfy some of the demand.

Rental Market

The rental housing market in the Philadelphia HMA is currently balanced. Significant apartment construction activity has occurred in the Urban submarket since 2014, but absorption, aided by a large population of young professionals, has also been strong. Apartment markets in each submarket are also balanced. During the next 3 years, demand is estimated for 12,050 new rental units in the HMA (Table 1). The 5,175 units under construction will satisfy a portion of the demand.

Table 1. Housing Demand in the Philadelphia HMA During the Forecast Period

		Philadelphia HMA		Urban Submarket		urban narket
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total demand	10,575	12,050	4,925	8,425	5,650	3,625
Under construction	1,775	5,175	700	2,950	1,075	2,225

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of September 1, 2016. A portion of the estimated 62,500 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is September 1, 2016, to September 1, 2019.

Source: Estimates by analyst

Economic Conditions

he Philadelphia HMA has added jobs each year since 2010. Service-providing sectors, such as the education and health services sector, contributed to most of the expansion. Job growth accelerated in 2014 and 2015, and the 1.8-percent expansion during the 12 months ending August 2016 has been the highest growth rate since 2000.

During the 12 months ending August 2016, nonfarm payrolls in the HMA increased by 34,100 jobs, or 1.8 percent (Table 2). By comparison, from 2005 through 2008, nonfarm payrolls increased by an average of 13,200 jobs, or 0.7 percent, annually. Economic conditions in the HMA deteriorated sharply during 2009, and nonfarm

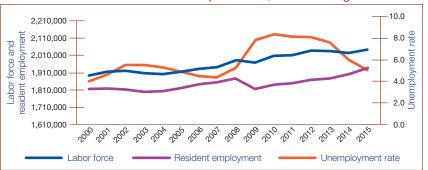
Table 2. 12-Month Average Nonfarm Payroll Jobs in the Philadelphia HMA, by Sector

	12 Month	ns Ending	Absolute	Percent
	August 2015	August 2016	Change	Change
Total nonfarm payroll jobs	1,939,000	1,973,100	34,100	1.8
Goods-producing sectors	197,600	200,100	2,500	1.3
Mining, logging, & construction	70,900	74,100	3,200	4.5
Manufacturing	126,700	126,000	- 700	- 0.6
Service-providing sectors	1,741,400	1,773,000	31,600	1.8
Wholesale & retail trade	276,300	278,700	2,400	0.9
Transportation & utilities	62,000	63,800	1,800	2.9
Information	35,200	35,500	300	0.9
Financial activities	136,000	137,900	1,900	1.4
Professional & business services	317,200	326,000	8,800	2.8
Education & health services	448,700	458,600	9,900	2.2
Leisure & hospitality	172,900	177,400	4,500	2.6
Other services	84,800	85,900	1,100	1.3
Government	208,300	209,300	1,000	0.5

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through August 2015 and August 2016.

Source: U.S. Bureau of Labor Statistics

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Philadelphia HMA, 2000 Through 2015



Source: U.S. Bureau of Labor Statistics

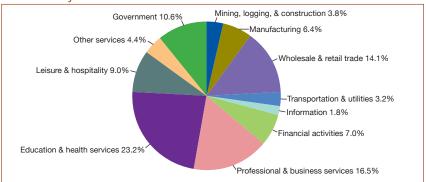
payrolls declined by 59,600 jobs, or 3.1 percent. Economic conditions in the HMA stabilized in 2010, with a very small increase in nonfarm payrolls, and began improving more formidably in 2011. From 2011 through 2013, nonfarm payrolls increased by an average of 11,700 jobs, or 0.6 percent, annually, then accelerated to an average annual gain of 24,300 jobs, or 1.3 percent, from 2014 through 2015. The sectors that most contributed to the faster growth in the latter period were the mining, logging, and construction sector—stemming from the start of major commercial and institutional construction projects—and the transportation and utilities sector, partly related to on-demand delivery service providers—such as Instacart, Amazon-Fresh, and Postmates Inc.—that each began operating in the Philadelphia HMA in 2014 and have since expanded. The growth in total nonfarm payrolls since 2011 has contributed to a decline in the unemployment rate from a peak of 8.4 percent during 2010 to 5.1 percent during 2015 (Figure 1).

During the past 12 months, the most jobs were added in the education and health services sector, which increased by 9,900 jobs, or 2.2 percent. The education and health services sector is the largest sector in the HMA, with more than 23 percent of total nonfarm payrolls (Figure 2). The majority of growth in the sector during the past 12 months was in the health care and social assistance subsector, which increased by 9,300 jobs, or 2.7 percent, and accounts for 75 percent of jobs in the sector. Holy Redeemer and Main Line Health opened outpatient healthcare centers during the past year, adding an undetermined number of jobs to the education and health services sector. In addition, with 42

private universities and colleges in the HMA, the educational services subsector is a key component in the local economy. Among the 10 largest employers in the HMA, 6 are universities or healthcare providers in the education and health services sector (Table 3).

The professional and business services sector increased by 8,800 jobs, or 2.8 percent, during the 12 months ending August 2016. More than one-half of the growth in the sector was in the professional, scientific, and technical services subsector, which increased by 5,200 jobs, or 3.2 percent. Children's Hospital of Philadelphia is constructing a 466,000 square foot research center in the city of Philadelphia, which will add a currently undetermined

Figure 2. Current Nonfarm Payroll Jobs in the Philadelphia HMA, by Sector



Note: Based on 12-month averages through August 2016. Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Philadelphia HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Jefferson Health System, Inc.	Education & health services	18,740
University of Pennsylvania	Education & health services	16,160
University of Pennsylvania Health System	Education & health services	14,941
Temple University	Education & health services	14,000
Comcast Corporation	Professional & business services	12,858
Merck & Company, Inc.	Manufacturing	12,500
United Parcel Service of America, Inc.	Transportation & utilities	10,261
Main Line Health	Education & health services	10,075
Bank of America Corporation	Financial activities	10,000
Drexel University	Education & health services	9,829

Notes: Excludes local school districts. Employees as of 2014.

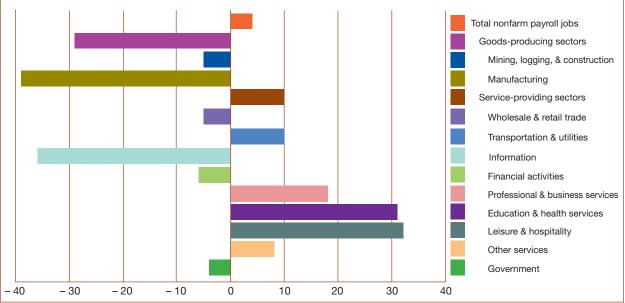
Source: Select Greater Philadelphia Council

number of jobs to the professional and business services sector when complete in 2017.

The leisure and hospitality sector increased by 4,500 jobs, or 2.6 percent, during the 12 months ending August 2016. The leisure and hospitality sector has increased 32 percent since 2000, the highest percentage gain in the HMA (Figure 3). SugarHouse HSP Gaming completed a \$164 million expansion in December 2015, adding 500 jobs to the sector. Major events in the HMA during the past year, including the World Meeting of Families and Papal visit in September 2015 and the Democratic National Convention in July 2016, contributed to growth in the leisure and hospitality sector. These events and others drove hotel occupancy to a record high in Center City Philadelphia during 2015 (Visit Philadelphia®). Center City refers to a section of Philadelphia bounded by Girard Avenue to the north, Washington Avenue to the south, and the Delaware and Schuylkill Rivers to the east and west, respectively. In expectation of continued growth in tourism, 1,700 hotel rooms are currently under construction in Center City, and 260 rooms are under construction elsewhere in the HMA.

The mining, logging, and construction sector increased by 3,200 jobs, or 4.5 percent, during the 12 months ending August 2016. The \$70 million Philadelphia Pennsylvania Temple of the Church of Jesus Christ of Latter-Day Saints was completed in June 2016 after a 5-year construction period in which it supported 300 jobs in the sector. In addition, major commercial and institutional developments that began in 2014 supported job growth

Figure 3. Sector Growth in the Philadelphia HMA, Percentage Change, 2000 to Current



Note: Current is based on 12-month averages through August 2016.

Source: U.S. Bureau of Labor Statistics

in the sector during the past 2 years. The \$35 million School of Business building at La Salle University, which opened in January 2016, and the \$125 million Museum of the American Revolution, which is expected to open in April 2017, added an estimated 600 and 580 jobs to the sector, respectively. The development with the greatest impact to the sector, however, is the ongoing construction of the \$1.5 billion Comcast Innovation and Technology Center, a 60-story tower that broke ground in 2014 in Center City. When complete in early 2018, the building will add more than 1.3 million square feet of office space for employees of Comcast Corporation, which is currently the fifth largest employer in the HMA. Construction of the project has created an estimated 6,300 jobs in the city of Philadelphia, mostly in the mining, logging, and construction sector (Econsult Solutions, Inc.).

The wholesale and retail trade sector increased by 2,400 jobs, or 0.9 percent, in the HMA during the 12 months

ending August 2016. A new Wegmans Food Markets location opened in November 2015 in Delaware County, and a new Wal-Mart opened in January 2016 in Bucks County, adding 525 and 300 jobs to the sector, respectively. Expansion of the King of Prussia Mall in Montgomery County was completed in August 2016, adding 50 new stores and 500 jobs to the sector. In the city of Philadelphia, the ongoing renovation and repositioning of The Gallery at Market East into Fashion Outlets Philadelphia is anticipated to add 1,000 jobs to the wholesale and retail trade sector when complete in 2018.

Two economic trends have had ramifications for population growth in the HMA. First, economic growth since 2000 has increasingly shifted to the Urban submarket. By the end of 2008, the economy of the HMA had added 28,000 jobs since the end of 2000. However, 53,800 jobs were added in the Suburban submarket, while 25,800 jobs were lost in the

Urban submarket. Then, during 2009, more than 70 percent of the 59,600 jobs lost in the HMA were in the Suburban submarket. From the end of 2010 through the current date, payrolls in the HMA increased by 110,100 jobs. During the same period, jobs were added in both submarkets, with gains of 59,000 and 51,100 jobs in the Suburban and Urban submarkets, respectively. Because of the degree of jobs losses in the Suburban submarket during 2009, economic recovery occurred more quickly in the Urban submarket. Compared with total nonfarm payrolls in 2008, the number of jobs in the Urban submarket was recouped by mid-2013, while the number of jobs in the Suburban submarket did not return to the prerecession high until early 2016.

Secondly, the rate of job growth in the HMA lagged expansion in nearby metropolitan areas. Since the end of

2010, the economy of the Philadelphia HMA has expanded an average of 1.0 percent annually. By comparison, the Washington, D.C., Baltimore, and New York metropolitan areas expanded by averages of 1.4, 1.5, and 1.8 percent annually, respectively, during the same period. The relative deficit has affected levels of labor force growth and net migration, as some workers left for jobs in faster-growing areas along the Interstate 95 corridor.

During the 3-year forecast period, nonfarm payrolls in the Philadelphia HMA are expected to increase by an average of 27,000 jobs, or 1.4 percent, annually. The largest annual gain is expected during the second year of the forecast period, coinciding with the completion of the Comcast Innovation and Technology Center. The unemployment rate is anticipated to continue to decline during the forecast period.

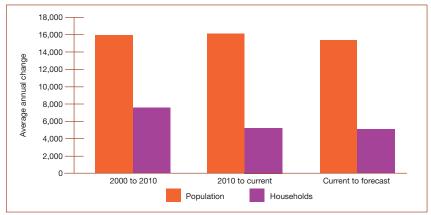
Population and Households

he population of the Philadelphia HMA is currently estimated at 4.11 million. From 2010 to the current date, the population of the HMA increased by an average of 16,050, or 0.4 percent, annually, similar to the average annual increase of 15,950, or 0.4 percent, from 2000 to 2010 (Figure 4). Since 2010, net natural increase (resident births minus resident deaths) has averaged 13,050 people, accounting for approximately 80 percent of population growth in the HMA (Figure 5). Improving economic conditions have attracted residents to the HMA since

2010, although declining college enrollments has limited net inmigration. Net in-migration averaged 3,000 people annually from 2010 to the current date. By comparison, net in-migration averaged only 1,350 people annually from 2000 to 2010 partly because of net out-migration from the Urban submarket throughout most of the decade.

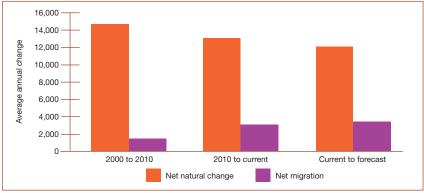
Nearly 202,000 students are enrolled in undergraduate and graduate programs at 42 private and 6 public universities and colleges in the HMA (National Center for Education

Figure 4. Population and Household Growth in the Philadelphia HMA, 2000 to Forecast



Notes: The current date is September 1, 2016. The forecast date is September 1, 2019. Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 5. Components of Population Change in the Philadelphia HMA, 2000 to Forecast



Notes: The current date is September 1, 2016. The forecast date is September 1, 2019. Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

Statistics). From 2000 to 2011, fall semester college enrollment, for all campuses combined, increased by an average of 3,825 students annually. Enrollment declined by an average of 1,450 students annually from 2012 to 2015, however, partially because of improving economic conditions and rising tuition costs. The decline has dampened population growth in the HMA since 2010, because students are a significant contributor to in-migration. Approximately 38 percent of the population 18 years and older that moved into the city of Philadelphia during 2015 were enrolled in school (The Pew Charitable Trusts).

The population of the Urban submarket is currently estimated at 2.14 million, accounting for 52 percent of the population in the HMA. Historically, the population in the submarket peaked in 1960, at 2.56 million, then declined for the next four decades because of prolonged economic contraction and out-migration to surrounding counties. The decline ended in the 2000s, when the population increased by average of 1,650, or 0.1 percent, annually. Since 2010, population growth in the Urban submarket has risen to an average of 8,725, or 0.4 percent, annually, in

part because of higher net natural increase and stronger job growth in the submarket. The population gains in the submarket since 2010 have accounted for 54 percent of growth in the HMA, up from only 10 percent during the 2000s. Young professionals have contributed to faster population growth in the Urban submarket since 2010. Nearly 25 percent of the population of the Urban submarket in 2015 was ages 20 to 34, up from 21 percent in 2000 and compared with only 17 percent in the Suburban submarket (Census Bureau population estimates as of July 1). Growth in this population segment also contributes to the lower homeownership rate in the Urban submarket compared with that in the Suburban submarket.

The population of the Suburban submarket is currently estimated at

Figure 6. Number of Households by Tenure in the Urban Submarket, 2000 to Current



Note: The current date is September 1, 2016.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 7. Number of Households by Tenure in the Suburban Submarket, 2000 to Current



Note: The current date is September 1, 2016.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

1.97 million, accounting for 48 percent of the population in the HMA. From 2010 to the current date, the population increased by an average of 7,325, or 0.4 percent, annually. This gain is nearly one-half of the average annual gain from 2000 to 2010, as job growth increasingly shifted to the Urban submarket. In the Suburban submarket, 29 percent of the population in 2015 was ages 40 to 59 compared with only 25 percent of the population in the Urban submarket (Census Bureau population estimates as of July 1). The higher percentage of population in this age group partially explains the higher homeownership rate in the Suburban submarket.

An estimated 1.57 million households currently reside in the Philadelphia HMA. Since 2010, households have increased by an average of 5,125, or 0.3 percent, annually. Household growth was below the average annual gain of 7,475, or 0.5 percent, from 2000 to 2010, in part because of households that doubled up in the years following the economic contraction in 2009. Of the estimated 823,200 households in the Urban submarket, 462,000, or 56.1 percent, are owner households (Figure 6). Homeownership declined from 58.4 percent in 2010, in part because of the influx of young professionals—who rent more often than own—and because of a high rate of foreclosures in the submarket from 2010 through 2013. Of the estimated 743,400 households in the Suburban submarket, 545,700, or 73.4 percent, are owner households (Figure 7). This rate is also down from 2010, when homeownership in the submarket was 75.2 percent, in part because of the relatively slow economic recovery in the submarket.

Household incomes vary significantly throughout the HMA. Median household income during 2015 was \$84,300 in the Suburban submarket and \$47,200 in the Urban submarket (2015 American Community Survey 1-year estimates). However, median household income in Center City was \$81,200, more than 70 percent higher than the median for the Urban submarket as a whole. This concentration of higher income households is a result of the construction of high-end apartment and condominium properties in Center City since the mid-2000s.

During the next 3 years, population and households in the HMA are anticipated to increase at rates similar to levels of growth since 2010. The population of the HMA is expected to increase by 15,350, or 0.4 percent, annually and to reach 4.16 million by September 2019. Net in-migration is expected to average 3,350 people annually. Households are anticipated to increase by 5,025, or 0.3 percent, annually. Tables DP-1, DP-2, and DP-3 at the end of this report display additional economic, demographic, and housing data for the HMA and each submarket.

Housing Market Trends

Sales Market-Urban Submarket

The sales housing market in the Urban submarket is currently balanced. The sales vacancy rate is estimated at 1.5 percent, down from 2.0 percent in 2010, when the sales market was soft. The supply of single-family homes and condominiums is currently 5.0 months, down from 6.8 months in August 2015 and 9.4 months in April 2010 (TREND MLS). The market has improved in recent years as the inventory of foreclosed and real estate owned (REO) properties that built up in the wake of the national housing crisis were sold, and because of limited homebuilding activity, especially for condominiums. The homeownership rate has declined, however, since 2010 with sales to investors representing a significant portion of total sales.

Sales of new and existing single-family homes and condominiums have increased since 2012 in the Urban

submarket because of an increase in mortgage credit availability and strong job growth. During the 12 months ending July 2016 (the most recent data available), 29,900 homes were sold in the submarket, up 7 percent from the number sold during the previous 12-month period (CoreLogic, Inc., with adjustments by the analyst). Home sales increased in the early 2000s in the submarket despite net out-migration and job losses. This increase was largely related to real estate tax abatements ratified in the city of Philadelphia that delayed real estate taxes for newly constructed residential properties and for the rehabilitation of deteriorated commercial and industrial properties. From 2000 through 2005, sales of new and existing single-family homes and condominiums increased from 32,450 to 44,100, a 6-percent average

annual increase. From 2006 through 2011, home sales declined an average of 13 percent annually, reaching a low of 19,350 homes sold during 2011, however. The rapid rise in home prices in the early 2000s and the economic contraction in 2009 contributed to the decline. From 2012 through 2015, homes sales in the Urban submarket rose an average of 11 percent annually. The gain in sales since 2012 has also resulted from a rise in purchases by investors. In 2015, approximately 33 percent of homes sold in the submarket were to non-owner occupants, mostly investors, up from 24 percent of homes sold in 2010 (Metrostudy, A Hanley Wood Company).

Average sales prices for existing homes in the Urban submarket have increased nearly every year since 2000 but are lower than in the Suburban submarket. In part, this price difference is because of the older housing stock in the Urban submarket and because townhomes—commonly called rowhomes—and condominiums comprise a larger share of homes sales. From 2000 through 2005, the average existing home sales price increased from \$98,150 to \$154,500, an average annual gain of 9 percent (CoreLogic, Inc., with adjustments by the analyst). The price gains exceeded growth in family incomes in the HMA during the same period, which contributed to an average sales price growth of only 3 percent annually from 2006 through 2008, despite job gains in the HMA. The average sales price declined 2 percent during 2009 because of the economic contraction in the HMA, then subsequently rose an average of 2 percent annually from 2010 through 2015. During the 12 months ending July 2016, sales prices for existing homes sold in the Urban

submarket averaged \$192,200, up 3 percent from the average during the previous 12-month period and the highest average price in the submarket for any 12-month period after 2000.

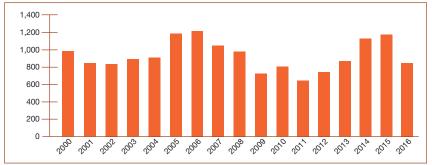
The level of seriously delinquent mortgages (loans 90 or more days delinquent or in foreclosure) and REO properties in the Urban submarket was relatively high from 2010 through 2013 but has since declined. From 2000 through 2008, the percentage of seriously delinquent loans and REO properties averaged 3.8 percent (CoreLogic, Inc.). The percentage rose rapidly to 6.4 percent in 2009 and averaged 7.8 percent from 2010 through 2013. This rise led to a significant increase in sales of REO properties. Approximately 13 percent of new and existing homes sold during 2010 were sales of REO properties compared with less than 4 percent during 2005, the peak sales year. This percentage has declined slightly in recent years as the level of seriously delinquent mortgages has also declined. As of August 2016, 4.9 percent of loans in the Urban submarket were seriously delinquent or had transitioned into REO status, down from 6.1 percent a year earlier. By comparison, rates for the nation and the Suburban submarket were 2.7 and 2.2 percent, respectively. Approximately 10 percent of homes sold in the submarket during the 12 months ending July 2016 were sales of REO properties.

After slowing in response to weak economic conditions, homebuilding activity in the Urban submarket, as measured by the number of single-family homes permitted, has increased each year since 2012, with notable gains since 2014. From 2000 through 2004, an average of 890 single-family

homes were permitted in the submarket, a figure that rose to an average of 1,100 homes permitted annually from 2005 through 2008 (Figure 8). Following the economic contraction in 2009 and a tightening of mortgage lending standards, homebuilding activity fell to an average of 720 single-family homes permitted annually from 2009 through 2011. From 2012 through 2015, homebuilding activity increased an average of 16 percent annually. During the 12 months ending August 2016, 1,200 single-family homes were permitted in the Urban submarket, equal to the number permitted during the previous 12 months (preliminary data).

Sales prices for new single-family homes sold in the Urban submarket during the 12 months ending July 2016 averaged \$493,900, down 3 percent from the average during the previous 12-month period (Metrostudy, A Hanley Wood Company). Single-family subdivisions under construction include Town Centre Crossing, in Delaware County, with three- and four-bedroom townhomes starting at \$434,990. About one-third of the 77 townhomes planned for the second phase of Town Centre Crossing have been built since construction began in the fourth quarter of 2014. In the city of Philadelphia, 15 four-bedroom townhomes starting at

Figure 8. Single-Family Homes Permitted in the Urban Submarket, 2000 to Current



Notes: Includes townhomes. Current includes data through August 2016. Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst \$679,000 are under construction at Wallace West, and all have been sold since construction began during the second quarter of 2016.

Sales prices for new condominiums sold in the Urban submarket during the 12 months ending July 2016 averaged \$568,700. The average for new condominiums is higher than the average for single-family homes, because most condominiums built in the submarket are in or near Center City, although prices vary depending on building design and location. The construction of 48 two- and threebedroom condominiums, called Garden Square, began June 2016 in Center City, with asking prices ranging from \$375,000 to \$475,000. In close proximity to Garden Square, the construction of 11 condominiums, at 519 Bainbridge Street, began November 2015, with three- and four-bedroom condominiums starting at \$825,000. Two highrise condominium properties are under construction, the first construction of this type in the submarket since 2008. One Riverside began construction in March 2015, with 82 units ranging from \$850,000 to \$2.5 million. In August 2015, construction began on 38 units at 500 Walnut, with asking prices ranging from \$2.5 million to \$9.0 million. Each condominium development is expected to be complete in 2017.

During the next 3 years, demand is expected for 4,925 new sales housing units in the Urban submarket (Table 1). This demand, some of which will be met by the 700 homes currently under construction and the estimated 40,750 other vacant units in the submarket that may reenter the market, is anticipated to remain relatively level each year. The demand for new for-sale

Housing Market Trends

Sales Market-Urban Submarket Continued

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Urban Submarket During the Forecast Period

Price	Range (\$)	Units of	Percent
From	То	Demand	of Total
200,000	299,999	980	20.0
300,000	399,999	1,225	25.0
400,000	499,999	980	20.0
500,000	599,999	490	10.0
600,000	699,999	250	5.0
700,000	and higher	980	20.0

Notes: The 700 homes currently under construction and a portion of the estimated 40,750 other vacant units in the submarket will likely satisfy some of the forecast demand. The forecast period is September 1, 2016, to September 1, 2019. Source: Estimates by analyst

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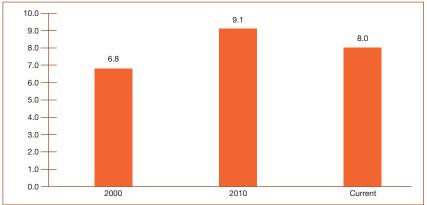
homes is expected to start at \$200,000, and the largest segment of the demand is estimated for homes priced from \$300,000 to \$399,999 (Table 4). Another 20 percent of the demand will be for homes priced above \$700,000, which is more typical for homes located in or near Center City and portions of northern Delaware County.

Rental Market—Urban Submarket

The rental housing market in the Urban submarket is balanced. The overall rental vacancy rate is currently estimated at 8.0 percent, down from 9.1 percent in 2010 (Figure 9). Despite an increased number of single-family homes in the rental market, the vacancy rate declined due to increased rental household formation. Approximately 41 percent of renter-occupied units in 2015 were single-family detached or attached structures, up from 38 percent of renter-occupied units in 2010 (2015 and 2010 American Community Survey 1-year estimates).

The apartment market in the Axiometrics, Inc.-defined Philadelphia market area, coterminous with the

Figure 9. Rental Vacancy Rates in the Urban Submarket, 2000 to Current



Note: The current date is September 1, 2016.

Sources: 2000 and 2010–2000 Census and 2010 Census; current-estimates by analyst

Urban submarket, is also balanced. The apartment vacancy rate rose during the past year because of an increase in the number of apartment units in initial lease up, however. The apartment vacancy rate in the market area during the second quarter of 2016 (the most recent data available) was 4.7 percent, up from 4.0 percent a year earlier (Axiometrics, Inc.). The apartment vacancy rate peaked at 7.0 percent in the fourth quarter of 2009 because of weak economic conditions, then declined to 4.6 percent in the second quarter of 2013 because of increased net in-migration, particularly by young professionals. The apartment vacancy rate has been at or below 5.0 percent since the second quarter of 2014.

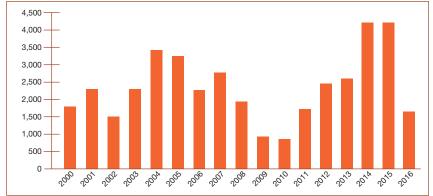
The effective rent in the Philadelphia market area was \$1,541 during the second quarter of 2016, up 1 percent from the second quarter of 2015 (Axiometrics, Inc.). Rent growth was down, however, from a 4-percent gain during the previous year. The effective rent declined 6 percent year over year during the fourth quarter of 2009 because of the high vacancy rate. Rents have increased year over year, however, in most periods since the second quarter of 2010. From

the second quarters of 2010 through 2016, annual effective rent growth averaged slightly less than 3 percent, similar to growth in the Suburban submarket.

The apartment market in the Axiometrics, Inc.-defined Center City market area is also balanced. The apartment vacancy rate in the Center City market area was 5.2 percent during the second quarter of 2016, up from 4.7 percent a year earlier (Axiometrics, Inc.). The Center City market area accounts for 30 percent of apartment units in the Philadelphia market area, and is also the highest rent market area in the Urban submarket because of the higher density of jobs and household incomes relative to other areas in the submarket. Rent growth slowed during the past year because most of the units in lease up are located in the Center City market area. The effective market rent in the Center City market area was \$2,184 in the second quarter of 2016, unchanged from the second quarter of 2015 (Axiometrics, Inc.). By comparison, the effective rent increased 6 percent during the previous year.

Areas of the Urban submarket surrounding Center City are those most impacted by college students.

Figure 10. Multifamily Units Permitted in the Urban Submarket, 2000 to Current



Notes: Excludes townhomes. Current includes data through August 2016. Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst Approximately 38,500 undergraduate students of the University of Pennsylvania, Drexel University, and Temple University lived off campus in the fall semester of 2015. In August 2016, 93 percent of the 4,000 beds at privately owned, student-housing properties near the University of Pennsylvania and Drexel University were preleased for the 2016 fall semester (Axiometrics, Inc.). For student housing properties near Temple University, 100 percent of 3,450 beds were preleased for the fall 2016 semester.

Multifamily construction activity, as measured by the number of units permitted, increased rapidly in recent years, contributing to the rise in the apartment vacancy rate and the slowing of rent growth during the past year. From 2000 through 2003, an average of 1,975 multifamily units were permitted annually (Figure 10). From 2004 through 2008, multifamily construction activity increased to an average of 2,725 units annually, because of job growth and greater condominium construction. Multifamily construction activity fell during 2009 and 2010, to an average of 880 units permitted annually, because of deteriorating economic conditions. From 2011 through 2014, multifamily construction activity increased rapidly, an average of 50 percent annually, driven by heightened apartment construction activity. More than 4,200 multifamily units were permitted in both 2014 and 2015. Approximately 65 percent of market-rate apartment units built in 2011 or later in the Urban submarket are in Center City. During the 12 months ending August 2016, 2,575 multifamily units were permitted, down 9 percent from the number permitted during the previous 12 months (preliminary data).

Rental Market-Urban Submarket Continued

Condominium construction activity increased in the mid-2000s in the Urban submarket, but has tapered in recent years. From 2000 through 2003, about 16 percent of multifamily units permitted were condominiums. In response to improving economic conditions and real estate tax abatements in the city of Philadelphia, condominium construction activity increased, accounting for 35 percent of multifamily units permitted from 2004 through 2008. Demand for condominiums softened considerably in 2009 and in the early years of the economic recovery, leading to a decline in new condominium construction activity. Condominiums were 19 percent of units permitted during 2009 and 2010 and only 8 percent of multifamily units permitted since 2011.

Approximately 2,500 new apartment units are currently in some stage of initial lease up, up from 1,850 units in August 2015 (Axiometrics, Inc.). In the city of Philadelphia, 1919 Market was completed in mid-2016, and nearly one-half of the 321 units are currently leased (Axiometrics, Inc.). Rents at 1919 Market start at \$1,770, \$1,810, and \$3,164 for studio, one-, or two-bedroom apartments respectively, and current concessions include 2 months of free rent for two-bedroom apartments. In Delaware County, Verandas Apartments was completed in September 2015; 86 percent of the apartments, currently starting at \$1,583 and \$2,080 for one- and two-bedroom units, respectively, and marketed without concessions, are currently leased.

Apartments under construction in the Urban submarket include several

properties located on main corridors in the city of Philadelphia. Along East Market Street, East Market Phase I (322 units) is expected to be complete in 2017. Along the Benjamin Franklin Parkway, 1601 Vine Street (264 units), North by Northwest (286 units), and Dalian on the Park (293 units) are all expected to be complete by early 2017. Asking rents at Dalian on the Park start at \$1,889 for a studio or onebedroom apartment, and at \$3,064 for a two-bedroom apartment; 30 units have been rented since leasing began in June 2016. The conversion of nonresidential structures to apartments is not uncommon in the submarket. because decades of population loss in the submarket left many commercial structures in disuse. Such conversions account for about 10 percent of apartments currently under way. The Divine Lorraine Hotel on North Broad Street in the city of Philadelphia, vacant since 1999, is currently being converted to 109 apartments with completion expected in early 2017. In Delaware County, the conversion of a former Catholic school to 53 incomerestricted apartments is expected to be complete in late 2016.

During the 3-year forecast period, demand is expected for 8,425 rental units in the Urban submarket (Table 1). The 2,950 apartment units currently under construction will meet some of the expected demand. Demand is expected to be highest during the second year of the forecast period in anticipation of strong job growth, including the completion of the Comcast Innovation and Technology Center. Table 5 illustrates estimated demand for new apartments by unit type and rent range.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Urban Submarket During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Be	drooms
Monthly Gross Rent (\$)	Units of Demand						
1,400 to 1,599	250	1,600 to 1,799	2,275	1,800 to 1,999	760	2,100 or more	420
1,600 or more	170	1,800 to 1,999	1,125	2,000 to 2,199	950		
		2,000 or more	380	2,200 to 2,399	950		
				2,400 or more	1,125		
Total	420	Total	3,800	Total	3,800	Total	420

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 2,950 units currently under construction will likely satisfy some of the estimated demand. The forecast period is September 1, 2016, to September 1, 2019.

Source: Estimates by analyst

Sales Market—Suburban Submarket

The sales housing market in the Suburban submarket is currently balanced. The sales vacancy rate is estimated at 1.0 percent, down from 1.3 percent and a slightly soft sales market in 2010. The supply of single-family homes and condominiums is currently 4.7 months, down from 6.0 months in August 2015 and 8.8 months in April 2010 (TREND MLS).

Home sales in the submarket have increased since 2012 and are currently at the highest annual level since 2007. From 2000 through 2004, sales of new and existing single-family homes and condominiums rose 4 percent annually, from 37,750 to 44,550 (CoreLogic, Inc., with adjustments by the analyst). Sales declined an average of 11 percent annually from 2005 through 2011, in part because of slowing population growth, to 19,700 homes sold during 2011. From 2012 through 2015, sales increased an average of 10 percent annually, partially because of low mortgage interest rates. During the 12 months ending July 2016, 30,200 homes were sold in the Suburban submarket, an increase of 6 percent from the number sold during the previous 12-month period. The volume of sales and the percentage increase

during the past 12 months is similar to the trend in the Urban submarket.

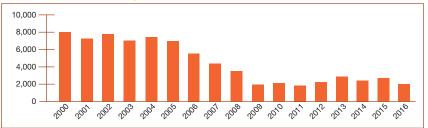
Average sales prices for existing homes in the Suburban submarket rose in the early to mid-2000s, but have not significantly changed since 2007. From 2000 through 2007, the average existing-home sales price rose 6 percent annually, from \$214,300 to \$332,800. From 2008 through 2012, the average price declined an average of 2 percent annually, to \$299,100 in 2012. From 2013 through 2015, the average price rose modestly, by 1 percent annually. During the 12 months ending July 2016, sales prices for existing homes sold in the submarket averaged \$313,300, a 1-percent increase from the average during the previous 12-month period. Sales prices are higher in the Suburban submarket, because approximately 70 percent of existing homes sold in the Suburban submarket are single-family detached homes compared with only about 35 percent of existing homes sold in the Urban submarket (Metrostudy, A Hanley Wood Company). The average existing home sales price in the Suburban submarket during the past year, however, is 6 percent less than the peak average during 2007.

The level of seriously delinquent mortgages and REO properties in the Suburban submarket, although much lower than in the Urban submarket. have followed a similar pattern since 2000. From 2000 through 2008, the percentage of loans that were seriously delinquent or that had transitioned into REO status averaged 1.1 percent (CoreLogic, Inc.). The percentage rose to 2.9 percent in 2009 and averaged 3.9 percent from 2010 through 2013. As of August 2016, 2.2 percent of loans in the Suburban submarket were seriously delinquent or had transitioned into REO status, down from 2.7 percent a year earlier. By comparison, rates for the nation and the Urban submarket were 2.7 and

4.9 percent, respectively.

Homebuilding activity, as measured by the number of single-family homes permitted, has generally increased since 2012, but remains well below levels in the early 2000s. From 2000 through 2004, an average of 7,550 single-family homes were permitted in the Suburban submarket (Figure 11). From 2005 through 2011, the decline in home sales and slowing population growth contributed to an 18-percent average annual decline in homebuilding activity and to a low of 1,875 single-family homes permitted during 2011. From 2012 through 2015, homebuilding activity fluctuated and averaged 2,600 homes permitted annually.

Figure 11. Single-Family Homes Permitted in the Suburban Submarket, 2000 to Current



Notes: Includes townhomes. Current includes data through August 2016. Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst During the 12 months ending August 2016, 2,975 single-family homes were permitted in the Suburban submarket, an increase of 21 percent compared with the number permitted during the previous 12-month period (preliminary data). The number of single-family homes permitted increased in each county in the submarket during the 12-month period ending August 2016, but the greatest increase was in Chester County, where the 1,000 homes permitted were 41 percent more than the 710 homes permitted during the previous 12 months.

Sales prices for new single-family homes sold in the Suburban submarket during the 12 months ending July 2016 averaged \$464,100, up 5 percent from the average during the previous 12 months (Metrostudy, A Hanley Wood Company). Single-family subdivisions under construction in the submarket include Northgate, located in Montgomery County, with 156 stacked townhomes starting at \$149,990. Atwater Village, a waterfront community in Chester County planned for 401 homes, is under construction with three-bedroom townhomes starting at \$349,990 and four-bedroom single-family detached homes starting at \$669,990. Approximately 25 homes at Atwater Village have been built since construction began in mid-2015. In Bucks County, Reserve at Makefield is under way with 90 three- and four-bedroom singlefamily homes starting at \$766,995, and 15 homes have been built since construction began in December 2015.

Sales prices for new condominiums sold in the Suburban submarket during the 12 months ending July 2016 averaged \$490,400. Condominiums under construction in the submarket include

Regency at Hilltown, an active adult community located in Bucks County, with 268 quadplex homes starting at \$379,995 for a two-bedroom home. In Montgomery County, construction began in late 2015 at 100 St. Georges,

Table 6. Estimated Demand for New Market-Rate Sales Housing in the Suburban Submarket During the Forecast Period

Price Range (\$) From To		Units of Demand	Percent of Total
100,000	199,999	280	5.0
200,000	299,999	850	15.0
300,000	399,999	1,700	30.0
400,000	499,999	1,125	20.0
500,000	599,999	570	10.0
600,000	699,999	570	10.0
700,000	and higher	570	10.0

Notes: The 1,075 homes currently under construction and a portion of the estimated 21,750 other vacant units in the submarket will likely satisfy some of the forecast demand. The forecast period is September 1, 2016, to September 1, 2019.

Source: Estimates by analyst

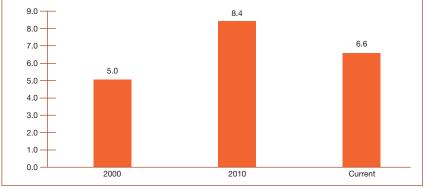
with 31 two- and three-bedroom condominiums starting at \$900,000, nearly all of which have been sold.

During the next 3 years, demand is estimated for 5,650 new sales housing units in the Suburban submarket (Table 1). Demand is expected to be slightly higher in earlier years of the 3-year forecast period because of low mortgage interest rates. The 1,075 homes currently under construction and the estimated 21,750 other vacant units in the submarket that may reenter the market will satisfy a portion of the demand. New home sales prices are expected to start at \$100,000, with the most demand for homes priced from \$300,000 to \$399,999 (Table 6).

Rental Market-Suburban Submarket

The rental housing market in the Suburban submarket is balanced. Rental market conditions tightened during the past year because of an increase in net in-migration. The overall rental vacancy rate is currently estimated at 6.6 percent, down from 8.4 percent in 2010 (Figure 12). Single-family homes and townhomes represent 32 percent of renter-occupied units in the submarket, up from 27 percent in 2010 (2015 and 2010

Figure 12. Rental Vacancy Rates in the Suburban Submarket, 2000 to Current



Note: The current date is September 1, 2016.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

American Community Survey 1-year estimates). By comparison, single-family homes and townhomes in the Urban submarket comprise a larger portion of renter-occupied homes because newer single-family homes are more often rented in the Urban submarket. In the Urban submarket, 34 percent of single-family homes built since 2010 are renter-occupied compared with only 6 percent of newer single-family homes in the Suburban submarket (2015 American Community Survey 1-year estimates).

The apartment market in the Axiometrics, Inc.-defined Montgomery County-Bucks County-Chester County market area—coterminous with the Suburban submarket—is balanced. The apartment vacancy rate was 4.2 percent during the second quarter of 2016, down from 4.6 during the second quarter of 2015 (Axiometrics, Inc.). The apartment vacancy rate peaked during the fourth quarter of 2009, at

6.5 percent, then declined to 4.3 percent during the third quarter of 2011 because of very limited apartment construction activity in the submarket during the economic contraction in 2009 and the early years of economic recovery.

The effective market rent in the Montgomery County-Bucks County-Chester County market area was \$1,310 during the second quarter of 2016, up 4 percent from the second quarter of 2015 (Axiometrics, Inc.). Rent growth was up from a 2-percent gain during the previous 12-month period. The effective rent declined 3 percent year over year during the fourth quarter of 2009 because of the high vacancy rate and weak economic conditions. Rents have increased year over year, however, in most periods since the second quarter of 2010. From the second quarter of 2010 through the second quarter of 2016, annual effective rent growth averaged slightly less than 3 percent, similar to the growth in the Urban submarket.

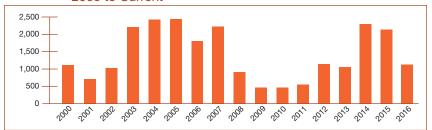
Similar to the trend in the Urban

submarket, the apartment vacancy

rate has been at or below 5.1 percent since the second quarter of 2014.

Multifamily construction activity, as measured by the number of units permitted, has increased in recent periods and now resembles the level of activity in the mid-2000s. From 2000 through 2002, an average of 970 multifamily units were permitted

Figure 13. Multifamily Units Permitted in the Suburban Submarket, 2000 to Current



Notes: Excludes townhomes. Current includes data through August 2016. Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

annually (Figure 13). From 2003 through 2007, multifamily construction activity increased to an average of 2,250 units annually, in part because of job growth. Multifamily construction activity then declined significantly because of deteriorating economic conditions. From 2008 through 2013, an average of 790 multifamily units were permitted annually. Multifamily construction activity in the Suburban submarket was constrained in the early years of the economic recovery by the rapid expansion of apartment development in the Urban submarket, as well as increased numbers of single-family homes transitioning to rental units. During 2014 and 2015, economic growth in the HMA accelerated, and multifamily construction, at an average annual 2,250 units, equaled the level of production from 2003 through 2007. During the 12 months ending August 2016, 1,575 multifamily units were permitted in the Suburban submarket, up more than 80 percent from the number permitted during the previous 12 months (preliminary data). Condominium construction is less prevalent in the Suburban submarket than in the Urban submarket. Condominiums were 12 percent of multifamily units permitted from 2000 through 2007 and have comprised 3 percent of units permitted since 2008.

Approximately 860 units are currently in some stage of initial lease up in the Suburban submarket, up from 250 units in August 2015 (Axiometrics, Inc.). In Chester County, Chestnut Square Apartments opened in June 2016 with 149 one- and two-bedroom units starting at \$1,525 and \$2,100, respectively; 43 percent of the units are currently leased. In Montgomery County, Madison Providence

Apartments opened in January 2016 with 240 one- and two-bedroom apartments starting at \$1,485 and \$1,775, respectively, and 82 percent of the units are currently leased. Neither property currently offers leasing concessions.

Apartment properties under construction in the Suburban submarket include several developments in areas of southern Montgomery County bordering the city of Philadelphia. The Royal Athena (275 units) and Reserve at Maybrook (251 units) are under construction in Lower Merion Township with completion expected in late-2016 and mid-2017, respectively. Canvas, an active adult apartment community of 231 apartments, is under construction close to the King of Prussia Mall in Upper Merion Township and is expected to be complete in late-2016. In Chester County, Meridian at Eagleview, also an active adult community, contains 162 units expected to be complete in late-2016. Rents at Meridian at

Eagleview start at \$1,700 and \$2,475 for one- and two-bedroom apartments, respectively (Axiometrics, Inc.). The Haven at Atwater Village is also under way in Chester County with 362 one-, two-, and three-bedroom apartments starting at \$1,370, \$1,895, and \$2,500, respectively. Initial occupancy at The Haven at Atwater Village is anticipated in September 2016 with completion expected in April 2017, and 10 percent of the units are currently preleased.

During the 3-year forecast period, demand is expected for 3,625 rental units in the Suburban submarket (Table 1). The 2,225 apartment units currently under construction will meet most the expected demand. All of the units under way are anticipated to be complete during the first year of the forecast period. Additional completions will not be needed to fulfill the remaining demand until the second and third years. Table 7 illustrates estimated demand for new apartments by unit type and rent range.

Table 7. Estimated Demand for New Market-Rate Rental Housing in the Suburban Submarket During the Forecast Period

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
1,350 to 1,549	980	1,500 to 1,699	540	1,700 to 1,899	75
1,550 or more	650	1,700 to 1,899	910	1,900 or more	110
		1,900 or more	360		
Total	1,625	Total	1,825	Total	180

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 2,225 units currently under construction will likely satisfy some of the estimated demand. The forecast period is September 1, 2016, to September 1, 2019.

Source: Estimates by analyst

Data Profiles

Table DP-1. Philadelphia HMA, Data Profile, 2000 to Current

				Average Ann	ual Change (%)
	2000	2010	Current	2000 to 2010	2010 to Current
Total resident employment	1,815,707	1,842,873	1,969,000	0.1	1.2
Unemployment rate	4.0%	8.4%	5.0%		
Nonfarm payroll jobs	1,894,400	1,863,000	1,973,000	- 0.2	1.0
Total population	3,849,647	4,008,994	4,112,000	0.4	0.4
Total households	1,459,119	1,533,935	1,566,900	0.5	0.3
Owner households	997,883	1,017,090	1,008,000	0.2	- 0.1
Percent owner	68.4%	66.3%	64.3%		
Renter households	461,236	516,845	558,900	1.1	1.2
Percent renter	31.6%	33.7%	35.7%		
Total housing units	1,565,641	1,657,226	1,687,000	0.6	0.3
Owner vacancy rate	1.3%	1.6%	1.2%		
Rental vacancy rate	6.2%	8.9%	7.5%		
Median Family Income	\$58,760	\$77,800	\$80,300	2.8	0.5

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through August 2016. Median Family Incomes are for 1999, 2009, and 2016. The current date is September 1, 2016

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-2. Urban Submarket Data Profile, 2000 to Current

				Average Annual Change (%)	
	2000	2010	Current	2000 to 2010	2010 to Current
Total population	2,068,414	2,084,985	2,141,000	0.1	0.4
Total households	796,391	808,436	823,200	0.2	0.3
Owner households	498,017	471,748	462,000	- 0.5	- 0.3
Percent owner	62.5%	58.4%	56.1%		
Rental households	298,374	336,688	361,200	1.2	1.1
Percent renter	37.5%	41.6%	43.9%		
Total housing units	878,936	893,073	902,400	0.2	0.2
Owner vacancy rate	1.7%	2.0%	1.5%		
Rental vacancy rate	6.8%	9.1%	8.0%		

Notes: Numbers may not add to totals because of rounding. The current date is September 1, 2016. Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-3. Suburban Submarket Data Profile, 2000 to Current

				Average Annual Change (%)	
	2000	2010	Current	2000 to 2010	2010 to Current
Total population	1,781,233	1,924,009	1,971,000	0.8	0.4
Total households	662,728	725,499	743,400	0.9	0.4
Owner households	499,866	545,342	545,700	0.9	0.0
Percent owner	75.4%	75.2%	73.4%		
Rental households	162,862	180,157	197,700	1.0	1.5
Percent renter	24.6%	24.8%	26.6%		
Total housing units	686,705	764,153	784,600	1.1	0.4
Owner vacancy rate	0.9%	1.3%	1.0%		
Rental vacancy rate	5.0%	8.4%	6.6%		

Notes: Numbers may not add to totals because of rounding. The current date is September 1, 2016. Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 9/1/2016—Analyst's estimates
Forecast period: 9/1/2016–9/1/2019—Analyst's
estimates

The metropolitan division definitions in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In the U.S. Department of Housing and Urban Development's (HUD's) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits.

As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of singlefamily and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_PhiladelphiaPA_17.pdf.

Contact Information

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.