

**Quick Stats**



**Hot Topics**

- Historically Low Interest Rates
  - Stronger Occupancy
  - Diminished distress

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**Fall Market Update**

Across the Board, every media report speaks positively about the “robust” apartment market. Recent press releases in Globe St., Co-Star, Real Capital Analytics (RCA), Kiplinger and PNC Financial Services, all agree on several points:

- Occupancy is up
- Rents are up
- # of Renters will increase
- Homeownership & construction is lackluster
- Very little “new” multi-housing supply
- Student Housing demand is up
- Interest rates at historical lows
- # of sales transactions is up
- Cap Rates are slightly lower

While all of the above is true in the broader, national macro picture, when the country is broken down by region, some of the above does not apply. Nevada, Michigan, Florida, Arizona, Tennessee, Georgia, and Texas are just a few of the areas still limping along. Looking at the Mid-Atlantic region, however, we are fortunate in that all of the above points most certainly apply (even with minimal or flat job growth here...) Our area is fortunate in having world class universities, medical facilities, pharmaceutical firms, research/science

**Daily Treasury Yield Curve Rates**

<b>5 YEAR</b>	<b>7 YEAR</b>	<b>10 YEAR</b>
1.11	1.79	2.51

centers, technology and financial firms here. Development continues to happen. More “creative class” individuals are choosing to call this region home. This has contributed not only to a vibrant 24/7 Philadelphia downtown but also to the retail, commercial and economic growth of city and suburban submarkets such as East Falls, Mt. Airy, Conshohocken, Wayne, Norristown, West Chester, Yardley-Newtown, Doylestown, Haddonfield & Moorestown—just to name a few. The quantity of sale transactions is rising. Certainly, the old adage “Location, Location, Location” still applies but going hand in hand with it now is “Financing, Financing, Financing”. While Freddie Mac and Fannie Mae continue to be the most common lending source on larger apartment transactions, our local and regional lenders are stepping up and doing more lending on small properties. Of course, the borrower relationship and quality of the real estate is very important as risk adversity continues to pervade the lending environment. Center City apartments remain very attractive to investors but demand is, once again, outpacing supply. Suburban B-B+ product also falls in that category. As we know and continue to hear, the single most important factor in speeding up our “slow recovery” is job growth. Fortunately, our “meds & eds” economy gives us an edge here and points to a likely more robust 2011. ■

**News You Can Use**

**Philadelphia MSA Regional**

**Regional Apt Sales - Third Quarter-2010**

NAME	AREA	UNITS
Brooklawn Court	Brooklawn, NJ	54
Rita Grace Manor	Mt. Ephraim, NJ	68
Gladstone Towers	Lansdowne, PA	121
Lansdowne Towers	Lansdowne, PA	224
Campus View Apts.	Elizabethtown, PA	32

*Please contact Ann for more information on the above sales.*

**FOR SALE**

**Mt. West Apartments**

1414 W. 71st Avenue • 1411 W. 72nd Avenue  
 Philadelphia, PA 19102



- 53 Units
- 15% of units upgraded – new kitchens & carpet
- Brick construction/3 story

[www.jacksoncross.com/mtwest](http://www.jacksoncross.com/mtwest)

**corner**

**WEB** Apartment Association of Greater Philadelphia  
[www.aagp.com](http://www.aagp.com)

National Multi-Housing Council  
[www.nmhc.org](http://www.nmhc.org)

National Apartment Association  
[www.naahq.org](http://www.naahq.org)

Delaware Apartment Association  
[www.daaonline.org](http://www.daaonline.org)

New Jersey Apartment Association  
[www.njaa.com](http://www.njaa.com)