

Quick Stats



Hot Topics

- Historically Low Interest Rates
- Stronger Occupancy
- Diminished distress

For More Information Contact:

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News You Can Use

**Philadelphia MSA Regional
 Regional Apt Sales - 2010**

NAME	AREA	UNITS
Beechwood Gardens	NE Phila	160
Grant Gardens	NE Phila	149
Rushwood	NE Phila	392
Winchester Walk	NE Phila	232
Holme Circle	NE Phila	102
Oak Lynne Apts.	N Phila	60
QuWayne	NW Phila	92
Domus	UC Phila	290
Devon Park Apts.	Devon, PA	59
Wexford Apts.	Pottstown, PA	60
Millview Apts.	Coatesville, PA	350
Oxford Rise	Glenmoore, PA	216
The Woods	Ambler, PA	320
MacDade Terrace	Woodlyn, PA	160
Gladstone Towers	Lansdowne, PA	121
Lansdowne Towers	Lansdowne, PA	224
Graham Hill Apts.	Mechanicsburg, PA	152
Walnut Crossing	Harrisburg, PA	134
River Plaza	Harrisburg, PA	271
Berkshire Towers	Reading, PA	90
Ashley Court	Clementon, NJ	56
Bentley Woods	Glassboro, NJ	80
Emerald Ridge	Clementon, NJ	376
Brooklawn Court	Brooklawn, NJ	54
Rita Grace Manor	Mt. Ephraim, NJ	68
		4268

Please contact Ann for more information on the above sales.

**2010 Year End
 Market Update**

Based on the regional multi-family sales listed to the left, 2010 has been a good year for the region.

Over 25 properties (containing 50 units+...) were sold in the Phila MSA with several more scheduled for closing before year's end. Comparatively speaking, there is very little market distress here compared to other parts of the US and all market statistics point to a very robust 2011. Occupancy is on a slight upswing, and rents are seeing modest increases as well. Of course, the amount of these increases will vary according to submarket and property but most likely center city will lead the way both in rent increases and occupancy.

As employment increases, so will occupancy due to pent up demand. Prospective young tenants, tired of living with the parents or doubling up with friends will lease. Seniors, weary of maintenance and finally able to sell the homestead, will also choose to rent. And many will rent large units in Class "A" communities... There will be an increase in longer term renters, either by choice or by necessity. All this points to a positive future for multi-family product.

Fannie Mae and Freddie Mac remain a good viable choice for financing or refinancing. Lenders continue to be prudent, even conservative, in their lending parameters. More equity and higher debt coverage ratios have become the "new normal", as well as valuations done on actual trailing 6-12 month income and expense numbers. It behooves owners to keep their communities well maintained and well occupied if refinancing or sale is on their horizon. Now is the time to plan for capital improvements so that your community is the most competitive and attractive in its submarket.

While lending rates have ticked up slightly over the last six months, they are still very affordable. Capitalization rates have trended slightly down in the Mid-atlantic region with Class "A" transactions trading in the low 6% range (in some cases lower...), and Class "B" transactions trading slightly higher.

We are hearing rumors of a few potential new communities on the drawing board, so stay tuned for possible new development in 2011! ■

corner

WEB Apartment Association of Greater Philadelphia
 www.aagp.com

National Multi-Housing Council
 www.nmhc.org

National Apartment Association
 www.naahq.org

Delaware Apartment Association
 www.daaonline.org

New Jersey Apartment Association
 www.njaa.com

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

FOR SALE

Washington Square West

1244 Lombard Street
 Philadelphia, PA 19147



- 100% Leased
- Currently Zoned as 6 Condos
- Tenants pay Utilities

Focus on Delaware

As part of JCP's Annual Delaware Forecast Meeting, we surveyed over 125 apartment communities of 100+ units in New Castle County and Kent County.

The first state's occupancy and rents are both up for Class "A" and Class "B" apartment product—reinforcing the state's tag line: "Small Wonder". The highest Class "A" rents were in downtown Wilmington at \$1.62/SF. Rents drop off a bit in submarkets outside of the Wilmington CBD. Newark and Claymont rents hover at about \$1/SF. The Bear, DE submarket, containing some newer product, has rents increasing to approximately \$1.05/SF. Down state in Kent County (including Dover) rents are averaging approximately \$.95/SF.

The last sale transaction of a community over 100 units was in December, 2009. The market shows little severe distress, although there are several buildings being monitored as "troubled assets". There is a huge appetite for well located, properly priced apartments here and as the economy recovers, we forecast that rents and occupancy will continue to increase. There is one new community underway in Dover, DE but nothing on the drawing board in New Castle County. This bodes very positive for existing well maintained communities. Please call me for a complete report on the rental market leading communities and availabilities. ■

Daily Treasury Yield Curve Rates

5 YEAR	7 YEAR	10 YEAR
1.53	2.26	2.95

FOR SALE

LOFTS AT LIBERTY

1600-1602 Chestnut Street - Philadelphia, PA 19102



- Mixed Use Residential (54 units) and retail
- Located in the heart of Philadelphia Business District along the Chestnut Street retail corridor

NOTE SALE

Croyden and Fernwood Apartments

241 South 49th St
 5824 – 5850 North 13th St.
 Philadelphia, PA



- 202 Units
- 150,040 SF
- Shell Condition Apartment Buildings

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