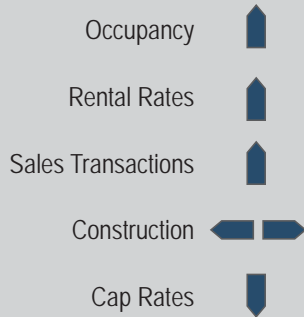


Quick Stats



Hot Topics

- Low Interest Rates
- Stronger Occupancy
- Moderate Rent Increases

For More Information Contact:

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 Wilmington, DE 19801

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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

News You Can Use

Philadelphia MSA Second Quarter 2011

Regional Apt Sales

NAME	AREA	UNITS
Empirian Towers	Philadelphia, PA	570
Croydon Apts.	Philadelphia, PA	127
Fernwood Apts	Philadelphia, PA	53
Pepper Building	Philadelphia, PA	185
Benjamin Franklin	Philadelphia, PA	412
The Iroquois	Philadelphia, PA	133
Park Avenue	Bensalem, PA	92
Almont Manor	Gilbertsville, PA	66
Oxford Rise	Glenmoore, PA	216
Northgate I	Camden, NJ	321
		2175

Please contact Ann for more information on the above sales.

FOR SALE

3717-19 Chestnut Street

Philadelphia, PA 19104



- 29 Units
- Steps from U-Penn Campus
- 100% Occupied

Daily Treasury Yield Curve Rates

5 YEAR	7 YEAR	10 YEAR
1.80	2.54	3.22

As of July 5, 2011

**2nd Quarter 2011
 Market Update**

The summer weather is not the only thing that's heating up in our region. The "white hot" multi-family sales market is almost boiling over with activity. The pent up demand for properties continues through the second quarter, with a multitude of all types of buyers seeking too little available product. The result continues to be record setting prices in both Class A and Class B asset types. Is this exuberance irrational or simply a result of continued belief in the growth of the region by our strong, local players?

There were 10 sales over 50 units. These transactions covered the spectrum from Class A product to "shell" condition development opportunities. Two sales were completed to institutional buyers, one in the downtown area of Philadelphia and one in the Pennsylvania suburbs. As usual with our region, the majority of the buyers have come from the local/regional market and are "private capital" type investors. Interestingly, compared to Q1, 2011, the number of sales was down 30% however, the number of units sold was up 36%. YTD 2011 there were 25 sales of apartment communities (over 50 units). There are also a number of properties currently under agreement with closings anticipated in the third quarter.

On the leasing side, there are additional positive trends occurring. Does two successive quarters of rent increases and occupancy increases indicate a trend? You decide... It appears that in the downtown area and in the more upscale, suburban areas rents and occupancies are on the rise. Some rent increases reported in as high as 5-7%. Leasing center traffic overall ranges from upscale seniors finally selling their homes and choosing to rent to young adults who have finally become employed and are moving out of the family homestead. In secondary markets (some areas of the City of Philadelphia and the "near-in" suburbs), tenants chose to remain put and pay modest increases. Turnover in many areas has been down but some has occurred, a small amount of which is attributed to tenants buying homes. The hottest rental demand remains the downtown area, University City and the near-in western suburbs along the Mainline. Plans for new construction downtown and in the suburbs continue forward. Apartment construction lending, while still challenging for many, is available for a list of "rights" – i.e. the right location, unit mix, developer, amount, rate and timing.

Please call me for details on sales activity, leasing activity, rents and planned new construction.