

Quick Stats



Hot Topics

- Historically Low Interest Rates
- Stronger Occupancy
- Diminished distress

For More Information Contact:

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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 First Quarter 2011

Regional Apt Sales

NAME	AREA	UNITS
The Stratum	Philadelphia, PA	136
Frankford Gardens	Philadelphia, PA	112
Glademore	Philadelphia, PA	83
Johnson Arms	Philadelphia, PA	56
Larchmont	Philadelphia, PA	26
Ritz Conlyn	Philadelphia, PA	88
Wynnefield Manor	Philadelphia, PA	38
Wyngate	Philadelphia, PA	110
Deauville Apts.	Philadelphia, PA	96
Lansdowne Station	Lansdowne, PA	86
Ridgeway Court	Lansdowne, PA	66
Hamilton Court East	Bensalem, PA	192
Eagle Run	HiNella, NJ	120
Naaman's Apts	Claymont, DE	274

Please contact Ann for more information on the above sales.

Just Listed

FOR SALE

1222-1224 Walnut Street, Philadelphia, PA



16,000SF ■ Premier Location
40ft Walnut St Window Frontage

1st Quarter 2011 Market Update

Year End 2010 ended on a resounding positive for our regional apartment market with approximately 25 transactions during the year. On an even better note, 2011 shows a continuation of that robust market with approximately 14 transactions in the first quarter alone. However, this was due to the closing of the six properties in the "Philly Gardens" portfolio to one buyer.

The increase in sales activity and properties currently under contract do confirm that, indeed, there is increasing buyer confidence in the region generally, particularly in apartments. There is still some limited distress occurring within the region. Within the next six months, it is likely that some "short sale" or foreclosure activity will take place resulting in a small number of sales from lenders and/or agencies. Demand, however, is outpacing supply resulting in a strong sellers' market, with cap rates gradually easing down slightly.

The spring/summer rental market is shaping up to be one of the best in recent years. Many owners have indicated increased leasing activity resulting in higher projected occupancy. This has also translated into modest rent increases—something all owners have been looking forward to. This is certainly a welcome event since operating expenses have been rising in many categories, especially in utilities and contracted services—and let's not forget the dent in budgets due to another challenging winter of snow and ice. Much of our regional apartment housing stock is over twenty years old and this, too, has resulted in the need for upgrades and capital improvements to remain competitive.

The good news is there is an abundance of activity. "Green Shoots" are not only coming up on the grounds of your beautifully landscaped communities. We are seeing new construction planned both in the downtown area and several suburban locations. Please call me for details on these exciting new additions to our multi-housing inventory. ■

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

3717-19 Chestnut Street

Philadelphia, PA 19104



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

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Focus on Philadelphia

2011 is projected to be a robust year for multi-housing in the Philadelphia downtown. According to a recent report by Integra Realty Resources Inc., Philadelphia is on an upward trend from recovery into expansion. (Locals recognize that our decline was minor when compared to other parts of the country). This area of the apartment market cycle is categorized by decreasing vacancy rates, moderate new construction, higher absorption, some moderate employment growth and medium/high rental rate growth.

There are approximately 3-4 new construction projects or adaptive re-use projects on the drawing board for the next 12-18 months i.e. 2030 Market St., 19th & Arch Street, North Broad Street corridor, etc. Demand for new product remains strong with tenants choosing quality and new interior finishes. The ability to pay rents in excess of \$2.50/SF also demonstrates that our downtown population is gainfully employed in higher-end positions. Many of the “echo-boomers” are now finding jobs and renting apartments in our vibrant 24/7 downtown. This 24/7 environment has increased in geographical area and now includes University City, west of the Schuylkill River. This area is home to the University of Pennsylvania, Drexel University, University of the Sciences, and the University City Science Center and also four major medical facilities. Class A office buildings such as the Cira Center and the new Internal Revenue Service building have brought thousands of workers into the area. The massive expansion of medical and research facilities at HUP and the Children’s Hospital of the University of Pennsylvania has also added high end jobs to the area.

A new extended stay hotel under the Homewood Suites by Hilton brand is being developed by Campus Apartments at 4109 Walnut Street. This new hotel is projected to be ready for Spring, 2012 occupancy.

All indicators point to a healthy, robust spring/summer leasing market with rising rents in the 3rd and 4th quarter. ■

Daily Treasury Yield Curve Rates

5 YEAR	7 YEAR	10 YEAR
2.29	2.97	3.58

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