

According to recent reports published by CBRE Inc.¹ and the Philadelphia Business Journal², job growth in the Philadelphia suburbs has remained steady while growth in the Philadelphia-Metropolitan area has decelerated over the past two years.

“In fact, forecasts call for over two-thirds of all new Office jobs in the region to be created in the suburbs by the end of 2020.” – CBRE Inc.¹

The reasons for this are varied, but the core driving factors appear to be a combination of a change in employee / employer behavior, a reversal in rate of population growth in most U.S. cities³ and increased real estate costs in the city. Following the 2008 recession, the metropolitan Philadelphia area expanded economically much faster than the surrounding suburbs and new jobs gravitated to the city. As the phenomenon leveled out over the past 10 years, the labor pool and amount of job opportunities in the suburbs grew significantly and many scientific and research companies have since opted to stay in the suburbs to cut down on costs.

Another major cause is tied to the demographics of the labor force in the greater Philadelphia area. The city has peaked in recent years regarding the number of millennials living in the metropolitan area, however as these millennials age, they tend to exit the city and turn to the suburbs as they reach their prime home buying years.

Most importantly, this migration to the suburbs is happening across the country including Boston, Washington D.C., San Francisco, New York, Chicago and Miami.¹

For more details, visit The Greater Philadelphia Market Flash published by CBRE.

<https://cbreemail.com/cv/82addb163324e2f0d06c79dafbab5d12cddba5de>