



News Release

One Holtec Drive | Suite G100
Marlton, NJ 08053
P 856 857 6300 | F 856 283 3950
www.wolfcre.com

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Contact: Andrew Becker
Phone: 856.449.5220
mail: andrew.becker@wolfcre.com

WCRE FIRST QUARTER 2022 REPORT: AFTER A PAUSE, SOUTHERN NEW JERSEY & PHILLY MARKETS APPEAR TO HAVE OVERCOME OMICRON

Retail Makes a Surprising Run, Industrial Maintains its Hot Streak, Total CRE Sales Were Double Q4

April 11, 2022 – Marlton, NJ – Commercial real estate brokerage WCRE reported in its analysis of the first quarter that the post-pandemic recovery is back on track. Now that the highly transmissible Omicron variant of COVID-19 is finally declining, there has been a rapid expansion of economic activity that has had positive impacts on many CRE sectors.

“What a difference one quarter can make. Just a few months ago, the Omicron variant was dampening demand, increasing vacancy, and generally creating uncertainty. Now, we’re seeing a CRE market that is much improved on many indicators, and continuing to strengthen.” said Jason Wolf, founder and managing principal of WCRE. “Employment, retail sales, and industrial production all expanded throughout Q1, and CRE is in a strong position as a result.”

In the first quarter there were approximately 479,886 square feet of new leases and renewals executed in the three counties surveyed (Burlington, Camden and Gloucester). New tenant leases comprised approximately 296,152 square feet, or about 62% of all deals for the three counties. These totals represent more than 50 percent improvements over the fourth quarter of 2021, which itself had improved significantly over the third quarter.

Other office market highlights from the report:

- Overall vacancy in the market is now approximately 12.15 percent, a significant improvement over the previous quarter.
- The sales market maintained momentum, with 1,167,321 square feet actively on the market or under agreement.
- Both the total dollars and square feet of completed sales were more than double the totals for the fourth quarter, with \$78,365,469 in completed sales comprising 956,596 square feet.
- Average rents for Class A & B product remain unchanged, as they continue to show strong support in the range of \$10.00-\$15.00/sf NNN or \$20.00-\$25.00/sf gross for the deals completed during the quarter. These averages have hovered near this range for more than a year.

WCRE has expanded into southeastern Pennsylvania, and the firm's quarterly reports now include a section on transactions, rates, and news from Philadelphia and the suburbs. Highlights from the first quarter in Pennsylvania include:

- Vacancy in Philadelphia's office leasing market is still 20% below the three-year average before the pandemic. There were modest gains in 2021, but those have been all but erased in the past few months. Net absorption was negative 1.3 million for the past 12 months.
- As expected, the industrial sector in Philadelphia led all sectors. Over the past 12 months, 14.8 million new square feet of inventory became available, and the sector saw 15.6 million square feet in net absorption. Rents grew an average 12.3%.
- Retail remains the sector most responsive to market conditions, but it has also proved to be the most adaptable. Average retail net absorption in Philadelphia continues to improve and was at 1.6 million square feet for the 12 months just concluded. Average rents grew at 2.1%.

WCRE also reports on the Southern New Jersey retail market. Retail highlights from the report include:

- Retail vacancy in Camden County posted an improvement to 9.7 percent, while average rents jumped \$1.70, in the range of \$13.13/sf NNN.
- Burlington County retail vacancy improved to 8.2 percent in Q1, giving back improvements from the previous quarter. Average rents fell slightly, to the range of \$14.31/sf NNN.
- Gloucester County stayed unchanged at 11.3 percent, building on a solid improvement last year, with average rents inching up further, to the range of \$16.38/sf NNN.

The full report is available upon request.

About WCRE

WCRE is a full-service commercial real estate brokerage and advisory firm specializing in office, retail, medical, industrial and investment properties in Southern New Jersey and the Philadelphia region. We provide a complete range of real estate services to commercial property owners, companies, banks, commercial loan servicers, and investors seeking the highest quality of service, proven expertise, and a total commitment to client-focused relationships. Through our intensive focus on our clients' business goals, our commitment to the community, and our highly personal approach to client service, WCRE is creating a new culture and a higher standard. We go well beyond helping with property transactions and serve as a strategic partner invested in your long term growth and success.

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