



## News Release

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### FOR IMMEDIATE RELEASE

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## WCRE FOURTH QUARTER 2020 REPORT: SOUTHERN NEW JERSEY & PHILLY CRE MARKETS REMAIN ON SHAKY GROUND AS PANDEMIC WEARS ON

### *Industrial was Strong, While Other Sectors Felt the Brunt of COVID's Worsening Spread*

**January 11, 2020 – Marlton, NJ** – Commercial real estate brokerage WCRE reported in its analysis of the fourth quarter of 2020 that the Southern New Jersey and Southeastern Pennsylvania markets took an expected downturn in many sectors due to the ongoing coronavirus pandemic. At the same time, restrictions and infection control measures helped build strength in the industrial market, and there is sufficient momentum in the overall economy that the downturn is expected to be temporary.

“Commercial real estate is challenged by many of the conditions brought on by the pandemic, but the roll-out of the vaccines brings the hope of a return to normal activity sometime this year,” said Jason Wolf, founder and managing principal of WCRE.

There were approximately 252,823 square feet of new leases and renewals executed in the three counties surveyed (Burlington, Camden and Gloucester), which was a drop of nearly 58% from the previous quarter. New tenant leases comprised approximately 64,450 square feet, or approximately 25.5% of all deals for the three counties surveyed.

Other office market highlights from the report:

- Overall vacancy in the market is now approximately 13.6 percent, which is a jump of about two-thirds of a point from the previous quarter, and an increase of two full points since Q2.
- 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 fourth quarter. These averages have hovered near this range for more than a year.
- Vacancy in Camden County increased to 15.2 percent for the quarter, but despite this slight increase, Camden County saw gradual improvement and prospect activity.
- Burlington County's vacancy increased to 12 percent after dropping more than a point during the third quarter.

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 fourth quarter in Pennsylvania include:

- The vacancy rate in Philadelphia's office market rose another half a point, to 9.6 percent, after having hovered near a 20-year low. The pandemic has caused a large volume of office space to hit the market.
- The industrial sector in Philadelphia led the market, as it generally does. During Q4 vacancy rates ticked down to 5.1 percent, a slight improvement from the previous quarter. Net absorption for the year was 6.1 square feet. As the pandemic has led to a massive shift toward e-commerce, the industrial sector should remain quite strong.
- Retail CRE remains the most responsive and most vulnerable sector to market conditions. Ongoing coronavirus prevention measures have led to increased vacancy as businesses shutter. Average retail net absorption for 2020 was 1.8 million square feet. The vacancy rate is not expected to improve in the near term.

WCRE also reports on the Southern New Jersey retail market. Highlights from the retail section of the report include:

- Retail vacancy in Camden County ticked up to 10.5 percent after posting a large increase from Q2 to Q3. While average rents changed little, in the range of \$11.78/sf NNN.
- Retail vacancy in Burlington County jumped to 10 percent, up from 7.6 percent, with average rents increasing to the range of \$14.14/sf NNN.
- Retail vacancy in Gloucester County went up again, to 13.7 increasing throughout the year, with average rents unchanged in the range of \$13.14/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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