



News Release

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WCRE SECOND QUARTER 2019 REPORT: SOLID FUNDAMENTALS, STEADY GAINS IN SOUTHERN NEW JERSEY & PHILLY CRE MARKETS

Quarterly Performance a Continuation of Success

July 10, 2019 – Marlton, NJ – Commercial real estate brokerage WCRE reported in its analysis of the second quarter of 2019 that the Southern New Jersey and Southeastern Pennsylvania markets continued to show modest gains and overall solid fundamentals. Sales volume and prospecting activity were up over the first quarter totals, while leasing dipped for the overall region, but was up in Camden County, and Cherry Hill in particular. Gross leasing absorption was lower, but still positive.

“For several years in a row we have seen mostly slow, steady growth supported by strong fundamentals,” said Jason Wolf, founder and managing principal of WCRE. “Commercial real estate has performed very reliably, and although leasing volumes were down this quarter, there is a pipeline of approximately 450,000 square feet of pending deals expected to close in the near term.”

There were approximately 286,707 square feet of new leases and renewals executed in the three counties surveyed (Burlington, Camden and Gloucester), which was a decrease of 23 percent over the previous quarter. The sales market stayed active, with about 1.18 million square feet on the market or under agreement. Sales were busy, with approximately 739,714 square feet trading hands. This is nearly four times the square footage sold during the first quarter.

New leasing activity accounted for approximately 75 percent of all deals for the three counties surveyed. Overall, gross leasing absorption for the first quarter was in the range 150,000 square feet, compared to 411,000 in the first quarter.

Other office market highlights from the report:

- The city of Camden welcomed TRIAD1828 Centre, a newly constructed 394,164 square foot office tower on the waterfront. The Michaels Organization, Conner Strong & Buckelew, and NFI are all relocating their headquarters to the tower.
- Overall vacancy in the market is now approximately 11.40 percent, which is 20 basis points better than the previous quarter.
- Average rents for Class A & B product 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.
- Vacancy in Camden County ticked up slightly to 11.3 percent for the quarter. It stood at 11.1 percent in the first quarter.

- Burlington County's vacancy dropped to 11.5 percent , improving 60 basis points. Burlington's vacancy rate jumped earlier in the year due to several large blocks of space returning to the market.

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:

- The vacancy rate in Philadelphia's office market ticked down to 8.8 percent, from 9 percent in the previous quarter. The office vacancy rate is still near a 20-year low, and below that of comparable major cities.
- The industrial sector in Philadelphia remains very strong. The second quarter saw a further decrease in vacancy rates, to 4.9 percent, while net absorption was constrained by a shrinking volume of available space. There are 25 industrial properties under construction which will bring an additional 5.27 million square feet to the market.
- Philadelphia retail is treading water to avoid a major spike in vacancy. The vacancy rate inched down to 4.2 percent, while net absorption was positive at 1.4 million square feet over the last twelve months. This includes two straight quarters in negative territory.

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

- Retail vacancy in Camden County dropped to 5.7 percent, with average rents in the range of \$16.32/sf NNN.
- Retail vacancy in Burlington County dropped half a point, to 7.4 percent, with average rents in the range of \$12.75/sf NNN.
- Retail vacancy in Gloucester County dropped to 7.9 percent, with average rents in the range of \$15.95/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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