



News Release

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WCRE FOURTH QUARTER REPORT: 2014 ENDS ON A HIGH NOTE, FUELED BY GROWTH IN CAMDEN

Government Incentives, Big Announcements From Major Players Shore Up 2014 and Hint at a Strong 2015 for Southern New Jersey CRE Market

January 7, 2015 – Marlton, NJ – Commercial real estate brokerage WCRE reported in its latest quarterly analysis that the fourth quarter of 2014 saw the culmination of several positive trends, adding up to an overall strong year in Southern New Jersey. The firm highlighted the success of GROW NJ leading to announcements by several large employers that they planned to relocate to Camden, NJ, and cited improvements in key indicators across the board.

According to WCRE, the fourth quarter featured a very busy market, with a 20 percent increase in deal activity over the third quarter, and a 30 percent increase over the fourth quarter of 2013, as well as a high volume of transactions expected to consummate in the early part of the new year. There were approximately 481,761 square feet of new leases and renewals executed in the three counties surveyed. Positive absorption spiked, making up approximately 222,618 square feet of total activity. The sales market also was quite active during the fourth quarter, with eight significant sales transactions taking place, totaling approximately \$95 million in value and in excess of 1.25 million square feet.

The report noted that the tightening of the 3M markets in Burlington County, coupled with incentives offered under the GROW NJ initiative, caused a surge of demand for space in Camden County, specifically in the city of Camden. "Burlington and Camden have been in a horse race, with Burlington moving ahead the past few quarters, but on the strength of GROW NJ, Camden County clearly won this round," said Jason Wolf, founder and managing principal of WCRE.

Taking a combined \$525 million in tax incentives, Subaru, Holtec, Lockheed Martin, and Cooper Health all announced plans to relocate corporate headquarters to the city of Camden. The Philadelphia 76ers ownership organization had previously announced plans to build a new team headquarters and practice facility in Camden, and a new 20-acre retail center anchored by a supermarket has been announced for 2016.

Other office market highlights from the report:

- Overall vacancy in the market continues to drop, and is now down to approximately 14.3%.
- Average rents for Class A & B product continue to show strong support in the range of \$10.00-\$14.00/sf NNN or \$21.00-\$24.00/sf gross, with an overall market average showing strong support in the \$10.00-\$12.00/sf NNN or \$20.00-\$22.00/sf gross for the deals completed during the fourth quarter.

- Despite strides made in the city of Camden, Burlington County continued to maintain a significantly lower vacancy rate than Camden County. Burlington's vacancy rate sits at 9.8 percent, while Camden County's is at 18.8 percent.
- All of the major private owners and REITS showed moderate leasing and prospect activity for the fourth quarter – with Burlington County vacancies tightening up, many larger vacancy opportunities are also shifting towards Camden County, which is not controlled by these ownership entities.

WCRE also reported on the local retail market, noting that consumer confidence reached a nearly seven-year high, and retail sales activity was up. Highlights from the retail section of the report include:

- Overall retail vacancy in the tri-county area is hovering around 10.3%, marking tremendous improvement from the end of 2012, when it was hovering in the 17-18% range.
- Class A retail product rental rates continue to show strong support in the range of \$30.00-\$40.00/sf NNN.
- Several new retail development projects throughout the tri-county area are underway or have been announced.

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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