



## News Release

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### FOR IMMEDIATE RELEASE

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## WCRE FOURTH QUARTER REPORT: SOUTHERN NEW JERSEY GATHERS STRENGTH, BUT PAUSES DUE TO UNCERTAINTIES

*Fundamentals Continue to be Strong, and the Elements are in Place for a Period of Sustained Growth*

**January 10, 2017 – Marlton, NJ** – Commercial real estate brokerage WCRE reported in its latest quarterly analysis that although the Southern New Jersey market has proven resilient, key players seem to be in wait-and-see mode in the wake of the Brexit vote and the US presidential election.

“We see the potential for tremendous performance by the market, and good economic news has been easy to find this quarter. But still, we didn’t see many bold, decisive transactions as 2016 gave way to 2017,” said Jason Wolf, founder and managing principal of WCRE.

There were approximately 388,987 square feet of new leases and renewals executed in the three counties surveyed (Burlington, Camden and Gloucester), which represents an increase of 6.5 percent compared with the third quarter. Prospecting activity was unchanged compared to the previous quarter, with about 250,000 SF of lease deals in the pipeline and expected to close in the near term. Still, the trend of positive absorption continued, making up approximately 127,149 square feet of total activity. Vacancy rates posted slight increases, and one major REIT put its entire area portfolio up for sale as the year wound down.

Other office market highlights from the report:

- Overall vacancy in the market is now approximately 10.85%.
- Average rents for Class A & B product continue to show strong support in the range of \$10.00-\$14.50/sf NNN or \$20.00-\$24.50/sf gross for the deals completed during the quarter. This is essentially unchanged from the previous two quarters.
- All of the major private owners and REITS showed moderate leasing and prospect activity for the 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.
- New Jersey’s unemployment rate moved down to 4.9 percent, and the national rate is now at 4.6 percent.

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:

- Although the presidential election threw the market into a holding pattern, Philadelphia and the surrounding suburbs continue to demonstrate favorable demand in both leasing and sales activity throughout all asset classes.
- Most investors appear positive with regard to real estate in the months ahead. Despite the most recent increase in interest rates and anticipated increases over the next 12 months, capitalization rates are forecasted to increase, but at a much slower pace.
- The appetite for core center city office inventory is significantly strong, while suburban office space is still lagging behind in both rental growth and occupancy.
- There is significant multi-family inventory under construction or proposed for Center City, but some financial institutions are second guessing the depth of the market for additional units, and have demonstrated less involvement on several high profile development projects. In addition, although many apartment projects have indicated limited increases in rental growth, rental rates still remain extremely strong and occupancy levels, while decreasing 1%-2% over the last 12 months, are anticipated to remain flat for the coming months.

WCRE also reported on the Southern New Jersey retail market, noting an especially solid holiday shopping season. Highlights from the retail section of the report include:

- Overall retail sales and spending were up significantly over last year, and consumer confidence is up, as well.
- Retail vacancy in Camden County stood at 11.4 percent, with average rents in the range of \$12.20/sf NNN.
- Retail vacancy in Burlington County stood at 10.4 percent, with average rents in the range of \$13.15/sf NNN.
- Retail vacancy in Gloucester County stood at 6.4 percent, with average rents in the range of \$12.01sf 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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