



News Release

951 Route 73 North | Suite D
Marlton, NJ 08053
P 856 857 6300 | F 856 283 3950
www.wolfcre.com

FOR IMMEDIATE RELEASE

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

WCRE Q2 2017 REPORT: SOUTHERN NEW JERSEY MARKET SHOWS STRONG FUNDAMENTALS, APPEARS POISED FOR GROWTH

July 7, 2017 – Marlton, NJ – Commercial real estate brokerage WCRE reported in its latest quarterly analysis that the Southern New Jersey market, which started off 2017 on a cautiously optimistic note, continued picking up steam through the second quarter.

“The overall mood of the market seems to be positive, riding a wave of steady moderate growth in the national economy, increasing expansion locally, and investor interest from outside the region” said Jason Wolf, founder and managing principal of WCRE. “Office occupancy needs increased during the quarter, and we have been seeing increased capital spending and construction hiring this year for the first time in years.”

There were approximately 395,155 square feet of new leases and renewals executed in the three counties surveyed (Burlington, Camden and Gloucester), which represents an increase of approximately 24 percent compared with the previous quarter, and a remarkable 58 percent increase over the second quarter last year. While leasing showed this notable rise, the sales market had a dip in volume during the second quarter, with some 554,590 square feet worth more than \$46.1 million trading hands.

New leasing activity accounted for approximately 43.4 percent of all deals. Overall, gross leasing absorption for the quarter was in the range of approximately 85,000 square feet.

Other office market highlights from the report:

- Overall vacancy in the market is now approximately 10.4 percent, which is a solid improvement over the previous quarter's 11.05 percent.
- 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.
- Vacancy in Camden County improved dramatically, standing at 11.7 percent for the second quarter, down from 13.3 percent in the first 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 second quarter in Pennsylvania include:

- The Philadelphia industrial market remains very healthy, and the outlook is positive. Vacancy rates for flex and industrial properties in Philadelphia are well below the regional and national averages, and the expectation is that supply will continue to meet demand.
- Philadelphia's office market continues to gain strength across the board, with far lower vacancy rates than regional and national averages for both Class A and Class B properties in the Central Business Districts and around the suburbs. Conditions are in place that seem to bode well for continued growth, including increasing employment and new construction.
- The Philadelphia retail sector has not been immune to the systemic challenges facing retail businesses everywhere. Namely, the massive shift to online retailing and away from brick-and-mortar. Still, there were some positive signs amid the spate of announced store closings. Community shopping centers remain an area of strength in the market, with vacancy rates nearly half the national average.

WCRE also reported on the Southern New Jersey retail market, noting that e-commerce sales were high and moving higher still, while brick-and-mortar retail sales were growing at a modest two percent. Overall retail sales were 3.9 percent higher this year compared to 2016. Highlights from the retail section of the report include:

- Retail vacancy in Camden County stood at 9.4 percent, with average rents in the range of \$11.33/sf NNN.
- Retail vacancy in Burlington County stood at 10.5 percent, with average rents in the range of \$13.35/sf NNN.
- Retail vacancy in Gloucester County stood at 7.1 percent, with average rents in the range of \$13.78/sf NNN.

The full report is available upon request.

About WCRE/CORFAC International

WCRE/CORFAC International 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.

Learn more about WCRE online at www.wolfcre.com, on Twitter & Instagram @WCRE1, and on Facebook at Wolf Commercial Real Estate, LLC. Visit our blog pages at www.southjerseyofficespace.com, www.southjerseyindustrialspace.com, www.southjerseymedicalspace.com, www.southjerseyretailspace.com, www.phillyofficespace.com, www.phillyindustrialspace.com, www.phillymedicalspace.com and www.phillyretailspace.com.

###