



News Release

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WCRE FIRST QUARTER REPORT: 2015 STARTED OFF STRONG

The Southern New Jersey CRE Market is Buoyed by Institutional Shifts in Healthcare, Major Corporate HQ Relocations, and REIT Repositioning

April 13, 2015 – Marlton, NJ – Commercial real estate brokerage WCRE reported in its latest quarterly analysis that 2015 has continued the momentum seen during the fourth quarter of 2014. The firm noted that some challenges remain, but that the market has been lifted by a busy quarter among major healthcare institutions, investors, and large tenants.

“The moves we’ve seen this quarter signal significant business expansion and job growth,” said Jason Wolf, founder and managing principal of WCRE. “This has helped to boost commercial real estate confidence and lending conditions, leading to a more optimistic atmosphere that is expected to continue throughout 2015.”

The quarterly report details big moves announced and/or anticipated by major players, including Virtua’s planned 62,000 SF office relocation later in the fall and the sales of two of Brandywine Realty Trust’s trophy assets to out of market investors. The two buildings, Libertyview and 1000 Atrium Way, total 221,405 square feet, and sold for an average of approximately \$134/sf.

According to WCRE, the first quarter posted approximately 472,154 of new leases and renewals executed. This is a 7% increase in executed transactions over the 441,141 square feet that closed during the first quarter a year ago. New tenant leases consisted of approximately 186,427 square feet and renewals and expansions made up approximately 285,727 square feet. New leasing activity represented approximately 39.5% of all deals for the first quarter. Overall, gross absorption for Q1 is in the range of approximately 255,161 square feet. In addition to the consummated deals, there is a pipeline of approximately 450,000 square feet of significant pending lease deals expected to close in the near term.

Other office market highlights from the report:

- GROW NJ continues to draw interested companies to the state, with ten projects approved for \$84.6 million in funding in January and February alone.
- Overall vacancy in the market continues to drop, and is now down to approximately 13.6 percent, an improvement over the previous quarter.
- 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 first quarter. Rents have remained stable.

- 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.

WCRE also reported on the local retail market, noting that consumer confidence reached its highest monthly level since the start of the recession. The firm believes this level will further improve as the year moves on. Highlights from the retail section of the report include:

- Overall retail vacancy in the tri-county area is hovering around 10.5%, which is up slightly from the previous quarter, but is still encouraging compared to recent years.
- Class A retail product rental rates continue to show strong support in the range of \$30.00-\$40.00/sf NNN, as rents have remained stable.
- Much of the demand for space locally is from national chains, which are experiencing growth. Smaller and locally-based retailers are still struggling comparatively.

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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