



## News Release

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### FOR IMMEDIATE RELEASE

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## WCRE Q3 2017 REPORT: FUNDAMENTALS REMAIN STRONG

### *SOUTHERN NEW JERSEY & PHILLY CRE MARKETS PERFORMING STEADILY*

**October 6, 2017 – Marlton, NJ** – Commercial real estate brokerage WCRE reported in its latest quarterly analysis that the Southern New Jersey market is in good shape, but remains in somewhat of a holding pattern.

“For most of 2017 we have seen an overall positive tone and conditions that usually indicate a period of strength,” said Jason Wolf, founder and managing principal of WCRE. “The national economy has been adding jobs, the financial markets are on a hot streak, and our market continues to attract outside investors – yet increased activity and enthusiasm are tempered by trouble in the retail sector and uncertainty related to current events.”

There were approximately 421,113 square feet of new leases and renewals executed in the three counties surveyed (Burlington, Camden and Gloucester), which represents an increase of approximately 6.6 percent compared with the previous quarter, and a 15 percent increase over the same period last year. While leasing showed moderate gains, the sales market was quite active during the third quarter, with more than 1.76 million square feet worth more than \$105 million of completed sales transactions trading hands.

New leasing activity accounted for approximately 43.3 percent of all deals. Overall, net absorption for the quarter was in the range of approximately 91,600 square feet.

Other office market highlights from the report:

- Overall vacancy in the market is now approximately 9.75 percent, which is a solid improvement over the previous quarter.
- 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. These averages have stayed within this range for most of this year.
- Vacancy in Camden County maintained its dramatic improvement, standing at 10.8 percent for the quarter, down from 13.3 percent at the beginning of the year.

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 Philadelphia industrial market continues its hot streak, and the outlook is positive. Vacancy rates for flex and industrial properties in Philadelphia are well below the regional and national averages, and this is expected to continue.
- 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 District and the suburbs. We see increasing employment and new construction, both of which bode well for continued strength.
- The Philadelphia retail sector is the one area that is not performing well. It has been affected by the same 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 announced store closings and bankruptcies. Community shopping centers remain an area of strength in the market, with vacancy rates nearly half the national average.

WCRE also reports on the Southern New Jersey and Philadelphia retail market, noting slight declines in consumer confidence and related metrics as the third quarter wound down. Overall retail sales were 3.2 percent higher this year compared to 2016, and were likely impacted by the major hurricanes affecting Texas and Florida in late August and early September. Highlights from the retail section of the report include:

- Retail vacancy in Camden County stood at 9.5 percent, with average rents in the range of \$12.47/sf NNN.
- Retail vacancy in Burlington County stood at 10.7 percent, with average rents in the range of \$13.38/sf NNN.
- Retail vacancy in Gloucester County stood at 7.9 percent, with average rents in the range of \$14.10/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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