



## News Release

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### FOR IMMEDIATE RELEASE

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## WCRE FOURTH QUARTER REPORT: SOUTHERN NEW JERSEY CRE MARKET FINISHES A STRONG 2017 WITH STRONG FUNDAMENTALS BUT MIXED RESULTS

**January 8, 2018 – Marlton, NJ** – Commercial real estate brokerage WCRE reported in its latest quarterly analysis that the Southern New Jersey market is in largely good shape, despite a seasonal drop in leasing activity.

“Aside from an expected leasing slow-down in the fourth quarter, 2017 was a strong year for our market,” said Jason Wolf, founder and managing principal of WCRE. “All the elements for success are in place, including a labor market that is heating up, record gains in the financial markets, and continued deal and prospecting activity and enthusiasm.”

There were approximately 210,525 square feet of new leases and renewals executed in the three counties surveyed (Burlington, Camden and Gloucester), which was about half the total compared with the previous quarter. While leasing slowed considerably, the sales market stayed active, with more than 1.88 million square feet on the market or under agreement and an additional 205,364 square feet trading hands.

New leasing activity accounted for approximately 25.7 percent of all deals. Overall, net absorption for the quarter was in the range of approximately 65,250 square feet.

Other office market highlights from the report:

- Overall vacancy in the market is now approximately 10.1 percent, which is an uptick of a third of a point from 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 improved throughout the year, standing at 11.7 percent for the quarter, up a bit from the third quarter, but down from 13.3 percent at the beginning of the year.
- Burlington County vacancy was at 8.5 percent, a slight increase in a year that saw marked improvement overall.

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:

- Philadelphia's office market saw increasing vacancy in the Central Business District during 2017, as several large tenants emphasized efficiency and returned large blocks to the market. Still, we see increasing employment and new construction, both of which bode well for continued strength.
- The Philadelphia retail sector continues to struggle. It has been affected by the same challenges facing retail businesses everywhere. Namely, the shift to online retailing. 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.
- 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. Industrial vacancy in Philadelphia is currently at 7 percent, and net absorption was in the range of 1.7 million square feet.

WCRE also reports on the Southern New Jersey and Philadelphia retail market, noting that holiday spending reached the highest levels since 2011, with both online and brick-and-mortar retailers reaping gains. Overall holiday retail sales posted gains of 4.9 percent over last year, with online retailers gaining 18.1 percent. Other highlights from the retail section of the report include:

- Retail vacancy in Camden County stood at 8.5 percent, with average rents in the range of \$12.75/sf NNN.
- Retail vacancy in Burlington County stood at 9.9 percent, with average rents in the range of \$13.83/sf NNN.
- Retail vacancy in Gloucester County stood at 7.2 percent, with average rents in the range of \$14.64/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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