



News Release

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WCRE FOURTH QUARTER 2018 REPORT: MODERATE GROWTH CONTINUES IN SOUTHERN NEW JERSEY & PHILLY CRE MARKETS

Another Solid Quarterly Performance Amid Political and Financial Uncertainty

January 15, 2019 – Marlton, NJ – Commercial real estate brokerage WCRE reported in its analysis of the fourth quarter of 2018 that the Southern New Jersey and Southeastern Pennsylvania markets continued to show overall solid fundamentals, buoyed by new investments from outside the region and economic inflows to support local expansions. Leasing, sales, net absorption, and prospecting activity all were up in the fourth quarter.

“Although the financial markets were highly unpredictable, commercial real estate performed the way it has for most of the past several years – with steady growth supported by strong fundamentals,” said Jason Wolf, founder and managing principal of WCRE.

There were approximately 336,466 square feet of new leases and renewals executed in the three counties surveyed (Burlington, Camden and Gloucester), which was an increase of 18.3 percent over the previous quarter. The sales market stayed active, too, with about 1.4 million square feet on the market or under agreement. Sales were active, with \$28.5 million totaling approximately 316,476 square feet.

New leasing activity accounted for approximately 36 percent of all deals for the three counties surveyed. Overall, gross leasing absorption for the fourth quarter was in the range 286,215 square feet.

Other office market highlights from the report:

- Overall vacancy in the market is now approximately 10.95 percent, which is an improvement of 35 basis points over the previous quarter.
- Average rents for Class A & B product continue to show strong support in the range of \$10.00-\$15.00/sf NNN or \$20.00-\$25.00/sf gross for the deals completed during the quarter. These averages stayed near this range throughout 2018.
- Vacancy in Camden County increased to 11.5 percent for the quarter, which is an improvement of nearly a point compared to the third quarter.
- Burlington County vacancy stayed at 10.4 percent, unchanged.

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:

- The vacancy rate in Philadelphia's office market was 7.8 percent. This is a slight improvement over the previous quarter. Demand for office space continues to be strong.
- Net office space absorption in Philadelphia was 1,224,697 square feet for the quarter.
- The industrial sector is as strong as ever in Philadelphia. The fourth quarter saw a small decrease in vacancy rates, to 5.3 percent, but a jump of about 1 million square feet in net absorption quarter over quarter, to 7.1 million square feet.
- Philadelphia retail was the lone true weak spot in Q4. The vacancy rate ticked up two tenths of a point, to 4.5 percent, while net absorption was negative for the second straight quarter, at -611,261 square feet.

WCRE also reports on the Southern New Jersey retail market. The fourth quarter saw the contrast of a spending surge that propelled holiday sales to their best season in six years and at the same time, consumer confidence inching downward as the year drew to a close. The job market has stayed remarkably strong, with low unemployment supporting consumer spending and reverberating through other indicators. Other highlights from the retail section of the report include:

- Retail vacancy in Camden County stood at 7.0 percent, with average rents in the range of \$16.19/sf NNN.
- Retail vacancy in Burlington County stood at 6.7 percent, with average rents in the range of \$13.11/sf NNN.
- Retail vacancy in Gloucester County stood at 8.6 percent, with average rents in the range of \$13.76/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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