



## News Release

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### FOR IMMEDIATE RELEASE

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## WCRE FOURTH QUARTER 2019 REPORT: YEAR ENDS ON A HIGH NOTE IN SOUTHERN NEW JERSEY & PHILLY CRE MARKETS

### *Favorable Economic Conditions Expected to Continue into 2020*

**January 13, 2020 – Marlton, NJ** – Commercial real estate brokerage WCRE reported in its analysis of the fourth quarter of 2019 that the Southern New Jersey and Southeastern Pennsylvania markets continued their years-long overall steady performance. Sales volume and prospecting activity held steady, and although leasing activity was down, vacancy rates remain low across the region for all property types. Gross leasing absorption was positive but trending lower quarter over quarter.

“CRE performance was good by almost every measure as the year wound down,” said Jason Wolf, founder and managing principal of WCRE. “It seems like when one sector or part of the region underperforms, the rest of the market keeps moving in the right direction.”

There were approximately 204,077 square feet of new leases and renewals executed in the three counties surveyed (Burlington, Camden and Gloucester), which was down compared to the previous quarter. But the sales market stayed active, with about 1.5 million square feet on the market or under agreement. Completed sales more than doubled from the previous quarter, at approximately 781,130 square feet trading hands.

New leasing activity accounted for approximately 65 percent of all deals for the three counties surveyed. Overall, gross leasing absorption for the fourth quarter was in the range 85,000 square feet, up about 20 percent over the third quarter.

Other office market highlights from the report:

- Overall vacancy in the market is now approximately 12 percent, which is up half a point from the previous quarter. This is still near a 20-year low.
- 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 have hovered near this range for more than a year.
- Vacancy in Camden County rose to 12 percent for the quarter, due in part to the return of a few large blocks of space to the market.

- Burlington County's vacancy also stood at 12 percent. Burlington's vacancy rate also jumped earlier in the year due to several large blocks of space returning to the market.

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 rose slightly to 8.7 percent. The office vacancy rate is still near a 20-year low, and below that of comparable major cities.
- The industrial sector in Philadelphia remains very strong. Q4 saw vacancy rates at 5.4 percent, while net absorption was at 5.4 million SF. Rent growth of 4.8 percent has far exceeded the long-term average of 1.7 percent.
- Philadelphia retail is so far avoiding a major spike in vacancy due to the shift toward e-commerce. Rising wages and low unemployment are fueling retail spending, buoying the CRE market. The vacancy rate inched up to 4.8 percent, while net absorption was negative 98,300 square feet over the last twelve months. This represents a positive swing of more than 450,00 SF for Q4.

WCRE also reports on the Southern New Jersey retail market. Highlights from the retail section of the report include:

- Retail vacancy in Camden County fell to 6 percent from 6.9 percent in Q3. While average rents stayed in the range of \$17.00/sf NNN.
- Retail vacancy in Burlington County ticked up very slightly, to 7.7 percent, with average rents in the range of \$12.52/sf NNN.
- Retail vacancy in Gloucester County jumped to 11.7 from 7.4 percent, with average rents in the range of \$13.27/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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