



News Release

One Holtec Drive | Suite G100
Marlton, NJ 08053
P 856 857 6300 | F 856 283 3950
www.wolfcre.com

FOR IMMEDIATE RELEASE

Contact: Andrew Becker
Phone: 856.449.5220
mail: andrew.becker@wolfcre.com

WCRE SECOND QUARTER 2021 REPORT: SOUTHERN NEW JERSEY & PHILLY MARKETS FOCUS ON LIGHT AT THE END OF THE TUNNEL

As the COVID-19 Threat Recedes, Good Economic News Helps Shore Up CRE

July 13, 2021 – Marlton, NJ – Commercial real estate brokerage WCRE reported in its analysis of the second quarter that the Southern New Jersey and Southeastern Pennsylvania markets are cautiously entering the post-pandemic recovery. Although there are still lingering issues, CRE seems to be rebounding along with the broader economy.

“Fundamentals are tracking in a positive direction, and while various challenges remain, conditions are in place that point to a return to pre-pandemic CRE performance,” said Jason Wolf, founder and managing principal of WCRE.

There were approximately 233,544 square feet of new leases and renewals executed in the three counties surveyed (Burlington, Camden and Gloucester), and while this figure is not indicative of a rebound, it marks the return of net positive absorption. New tenant leases comprised approximately 123,358 square feet, or about 53% of all deals for the three counties. During the previous quarter, this figure was only 8% of the total.

Other office market highlights from the report:

- Overall vacancy in the market is now approximately 13.6 percent, virtually unchanged from the previous quarter, and holding steady two points higher than at this point last year.
- The sales market picked up momentum, with 1,257,385 square feet actively on the market or under agreement.
- Average rents for Class A & B product remain unchanged, as they 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.

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 second quarter in Pennsylvania include:

- The vacancy rate in Philadelphia's office market ticked upward again in Q2, and now stands at 10.3%, after hovering near a 20-year low for months. Nearly 15% of the total office space in Philadelphia is listed for sale or lease.
- The industrial sector in Philadelphia remained the bright spot, buoyed by its integral role in the new types of commerce necessitated by the health and safety measures. The last year saw a staggering 9.9 million SF of net absorption and 10.1% rent growth.
- Retail remains the sector most responsive to market conditions, but it has also proved to be the most adaptable. Some essential categories of retail thrived by innovating at the point-of-sale. Average retail net absorption went into free fall during the pandemic, but for the 12 months just concluded, it is -991,000 square feet. While this is a large negative number, it indicates an improvement of several hundred square feet for Q2.

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

- The Consumer Confidence Index has been rising steadily since it turned around in February.
- Retail vacancy in Camden County jumped more than three points to 14.3 percent after posting a large increase in the middle of 2020. While average rents rose more than one dollar, in the range of \$12.86/sf NNN.
- Burlington County retail vacancy dropped to 9.6 percent, an improvement of more than three quarters of a point. But it is still well above 7.6 percent, where it stood a year ago. Average rents increased slightly, to the range of \$14.59/sf NNN.
- Gloucester County saw another quarterly increase, to 16.5 after increasing throughout last year, with average rents virtually unchanged in the range of \$14.08/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.

Learn more about WCRE online at www.wolfcre.com, on Twitter & Instagram @WCRE1, and on Facebook at Wolf Commercial Real Estate, LLC. Visit our blog pages at www.southjerseyofficespace.com, www.southjerseyindustrialspace.com, www.southjerseymedicalspace.com, www.southjerseyretailspace.com, www.phillyofficespace.com, www.phillyindustrialspace.com, www.phillymedicalspace.com and www.phillyretailspace.com.

###