



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

News Release

FOR IMMEDIATE RELEASE

Contact: Gabrielle Leonetti
Phone: 856.857-6300
mail: gab.leonetti@wolfcre.com

WCRE FIRST QUARTER 2025 REPORT: CRE MARKETS HOLDS GROUND AMID ECONOMIC SHIFTS *Resilience Emerges Amid Market Volatility and Shifting Trade Policies*

April 10, 2025 – Marlton, NJ – WCRE CORFAC International (WCRE) has released its Q1 2025 Market Report, offering insights into the state of the commercial real estate (CRE) sector as it navigates a complex economic and policy environment. The report reflects a market entering Q2 with cautious optimism, buoyed by a strong finish to 2024 and signs of resilience despite persistent headwinds.

Transaction volumes and asset valuations remain under pressure due to elevated financing costs and tight credit conditions. Yet, core fundamentals are beginning to stabilize, supported by a solid macroeconomic backdrop and a noticeable shift in investor strategies.

In Q4 2024, real GDP grew at an annualized rate of 2.4%, driven by robust consumer spending and a resilient labor market. Although inflationary pressures have resulted in higher delinquency rates and tempered consumer activity, household finances remain relatively steady—supporting demand across several CRE sectors.

Looking ahead, 2025 presents both opportunities and uncertainties. The aftermath of the 2024 election brings potential policy shifts in areas such as regulation, taxation, trade, and immigration—all of which could significantly influence CRE dynamics. While short-term expectations include continued inflation and moderate growth, longer-term proposals like tax cuts and regulatory easing may spur economic activity and boost demand.

Supply-side risks are also in focus. Potential tariffs could raise material costs and disrupt construction supply chains, while stricter immigration policies may worsen labor shortages in the building trades—particularly in the multifamily and industrial sectors. Combined with elevated borrowing costs, these pressures are likely to suppress new project starts in the near term.

Despite these challenges, investor sentiment is improving. A recent global CRE survey indicates that 70% of investors plan to increase capital deployment in 2025, with strong interest in multifamily, industrial, healthcare, and logistics properties. Value-add and core-plus investment strategies are gaining traction as investors seek steady returns amid market volatility.

“The commercial real estate industry is showing signs of adaptability and resilience,” said Jason Wolf, Managing Principal of WCRE. “While challenges remain, there is clear opportunity for those who stay agile, data-driven, and aligned with long-term trends in demographics, technology, and sustainability.”

Select highlights from the report:

- With the "flight to quality" trend driving leasing activity, the office sector continues to show signs of long-awaited stabilization.
- Regional developers and private buyers dominated the Philadelphia retail sales market as the ongoing impact of high interest rates, coupled with economic uncertainty, kept large institutional investors on the sidelines.
- Retail fundamentals across New York remained resilient through Q1 2025, though the sector now faces headwinds from a rising wave of retailer bankruptcies and large-format store closures.
- Southern New Jersey's industrial sector entered 2025 with momentum, particularly in Burlington County where leasing surged, pushing net absorption to 3.1 million SF compared to the 1.9 million SF of newly delivered space.
- For the first time in five years, the Philadelphia office market has experienced positive annual net absorption, with tenants occupying 1.1 million SF over the past year

The quarterly report also covers notable transactions across property types and markets. For the first quarter, these include:

- Faropoint acquired a portfolio of 10 fully occupied industrial properties across Northern New Jersey, totaling 770,000 square feet, for \$144.5 million at a 6.7% cap rate. These properties, which were primarily built in the 1970s, are valued based on their strategic positioning and abundant parking.
- The trend of owner-user transactions continued, with well-capitalized companies opting to purchase office space rather than lease expansion space; Wells Fargo's \$550 million purchase of 20 Hudson Yards and Bloomberg's \$560 million acquisition of 980 Madison Ave., driven by their desire to consolidate their operations.
- The Philadelphia Housing Authority purchased Greene Manor Apartment Homes for \$75.9MM, equating to just under \$200,000 per unit. The property, consisting of 382 units, was 96.3% leased at the time of sale.
- Brandywine Realty Trust and FS Investments inked a 117,000 square foot, 16-year lease for the Philadelphia-based alternative asset manager's new global headquarters at 3025 JFK Blvd. in Philadelphia's University City neighborhood.
- PREIT sold the Exton Square Mall to Elkins Park Based Abrams Realty for \$20.3MM, the 580,000+ square foot mall will undergo renovation to introduce a mixed-use town center.

WCRE's full Q1 2025 Market Report provides a detailed look at regional trends, sector-specific performance, and strategic insights for the months ahead.

The full Q1 2025 market 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 @ <https://www.facebook.com/wolfcre> and LinkedIn at <https://www.linkedin.com/company/wolf-commercial-real-estate-wcre/>.