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## News Release

### FOR IMMEDIATE RELEASE

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## WCRE Q2 2025 REPORT: CRE BALANCES OPPORTUNITY WITH UNCERTAINTY *Stabilization Emerges as Investors Recalibrate Expectations*

**July 10, 2025 – Marlton, New Jersey** – WCRE CORFAC International (WCRE) has released its Q2 2025 Market Report, offering a comprehensive view into commercial real estate activity across the region as the industry adapts to evolving economic dynamics and shifting market sentiment.

Though capital markets remain constrained by high borrowing costs and limited credit availability, signs of stabilization are emerging across multiple sectors. Transaction volumes are still below historical averages, but a clearer pricing floor is forming in key investment categories.

Real GDP growth moderated during the spring months, and inflation remains elevated. Still, steady job creation and improving consumer confidence have helped sustain leasing momentum in several core property types. While construction pipelines remain constrained, long-term fundamentals continue to support measured optimism.

The policy environment remains a wild card. Potential trade restrictions and rising construction costs pose risks to ground-up development, especially in the industrial and multifamily sectors. Meanwhile, discussions surrounding tax and regulatory reform following the 2024 election could influence capital deployment strategies heading into 2026.

Investor sentiment continues to rebound gradually. Recent surveys suggest most institutional and private capital sources plan to remain active in the second half of the year, favoring income-generating assets in stable markets. Value-add plays are gaining renewed interest, particularly for well-located office and retail properties that can be repositioned for future use.

*"The market is neither in full recovery nor in retreat," said Jason Wolf, Managing Principal of WCRE. "CRE players who can remain flexible and focused on long-term fundamentals will find meaningful opportunity in the current landscape."*

### Select Highlights from the Report:

- **Office leasing activity in Greater Philadelphia** softened in Q2, but the region still outperformed its five-year average for annual absorption. Center City faces challenges as large blocks of space come back online, while suburban submarkets have fared better.
- **Retail leasing in Philadelphia** posted its first negative quarter in over a year. Demand for newer product and suburban locations remains strong, but larger-format vacancies and a slowdown in population growth continue to weigh on absorption.

- **New York retail fundamentals** remain firm despite early signs of stress from national store closures and bankruptcies. Leasing demand is being driven by smaller-format users and luxury retailers, particularly in prime Manhattan corridors.
- **Northern New Jersey's industrial market** continues to attract institutional capital. However, rising cap rates and a widening bid-ask spread are moderating sales activity, keeping volume below recent peaks.
- **Retail investment across the region** is increasingly centered on stabilized, grocery-anchored centers and fully leased assets. In New Jersey and the outer boroughs, suburban shopping centers remain a favored target for private equity and REITs.

#### **Notable Transactions and Trends:**

- **Cantor Commercial Real Estate Sponsor, L.P.** acquired a 330,000 SF prime multifamily property at 2116 Chestnut St in Philadelphia for \$138MM (\$418.71/SF), signaling continued demand for well located multifamily.
- **Hardenbergh Insurance Group acquisition** of 8000 Sagemore Drive continues to shine light on owner-user acquisitions. The 50,000+ SF office building sold for \$5.3MM at \$105.15/ SF.
- **Camber Real Estate Partners LLC** purchased a pair of 50,000 SF industrial buildings at 420 & 440 Benigno Blvd for \$128.57/SF and \$118.29/SF respectively. This acquisition highlights continued demand for small space industrial real estate.
- **Tishman Speyer** purchased 2 S Willow St in Montclair NJ, a 172,000+ SF multifamily property located in the heart of Montclair. Ironstate Development Company | Brookfield Properties sold the building for \$96MM at \$558.11/SF.
- **Philadelphia Housing Authority** purchased 2248-2248 E Somerset St in Philadelphia, the 165,000+ SF multifamily building sold for \$58MM, demonstrating the city's continued focus on acquiring housing units.

WCRE's full Q2 2025 Market Report offers detailed analysis and commentary across major property types, helping clients navigate evolving trends and identify new opportunities as the second half of the year unfolds.

**The full Q2 2025 market report is available upon request.**

#### **About WCRE**

WCRE is a full-service commercial real estate brokerage, property management and advisory firm specializing in office, retail, medical, industrial and investment properties in Pennsylvania, New Jersey and New York. 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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