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News Release

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WCRE FOURTH QUARTER 2025 REPORT: STABILITY EMERGES AS CRE POSITIONS FOR 2026

Market Fundamentals Stabilize as Investors and Occupiers Regain Confidence

January 14, 2026 – Marlton, NJ – Wolf Commercial Real Estate (WCRE) has released its Q4 2025 Regional Market Report, providing a comprehensive analysis of commercial real estate conditions across Southern New Jersey, Philadelphia, Northern New Jersey, and the New York Metro markets.

As 2025 ends, commercial real estate markets throughout the region are demonstrating measured stabilization and renewed confidence. Transaction activity remained steady through the fourth quarter, supported by easing inflation, more predictable financing conditions, and limited new construction. While certain sectors continue to recalibrate, improved pricing clarity and disciplined underwriting helped restore momentum across leasing, investment, and owner-user activity.

“As we close out 2025, the market is no longer defined by volatility, but by recalibration and opportunity,” said Jason M. Wolf, Managing Principal and Founder of WCRE. “Capital is becoming more intentional, occupiers are making clearer long-term decisions, and well-located, high-quality assets continue to outperform as we move into 2026.”

Regional Market Highlights:

Southern New Jersey finished the year with resilient leasing and investment activity, supported by continued demand for modern office, healthcare, and industrial space. Flight-to-quality trends remained dominant as tenants prioritized amenity-rich, efficient buildings in strategic suburban corridors such as Cherry Hill, Mount Laurel, and Marlton. Investment activity remained steady despite elevated interest rates, with private regional owners and owner-users driving acquisitions and portfolio repositioning efforts.

Philadelphia’s commercial real estate market showed cautious but tangible signs of stabilization in Q4. Office absorption remained under pressure as tenants continued to right-size, though long-term commitments by institutional and professional users reinforced confidence in best-in-class assets. Industrial demand softened amid rising sublease availability and new supply, while retail leasing remained resilient, led by service-oriented, healthcare, and experiential users. Investor confidence strengthened throughout the quarter, supported by clearer pricing visibility and improved financing predictability.

Northern New Jersey continued to rank among the nation's strongest industrial markets, benefiting from its strategic location and demand for modern logistics facilities. While the office sector remained uneven due to hybrid work adoption, select suburban submarkets maintained stability. Retail assets in well-positioned corridors benefited from limited new supply and consistent consumer traffic, supporting steady fundamentals heading into 2026.

New York's recovery progressed unevenly across asset classes. Retail leasing rebounded in prime corridors as experiential and flagship concepts expanded. Office demand remained concentrated in high-quality Class A properties, reflecting an ongoing flight-to-quality trend. Industrial assets in outer boroughs continued to attract interest from logistics and last-mile users seeking proximity to dense population centers.

Key Market Takeaways:

- Market conditions stabilized across asset classes as pricing clarity and disciplined lending supported steadier activity
- Flight-to-quality trends continued to favor modern, well-located office, industrial, and retail properties
- Capital markets regained confidence as underwriting conditions became more predictable and cap rates stabilized
- Retail leasing remained resilient, led by service-oriented, experiential, and essential-use tenants
- A gradual and uneven recovery is expected in 2026, favoring adaptable assets and owners focused on flexibility and efficiency

Notable Transactions for Q4 2025:

- **South Jersey:** Needleman Management completed the acquisition of the 340,261 SF office complex at 6000 & 8000 Midlantic Drive in Mount Laurel, representing one of the region's largest office transactions in Q4 2025.
- **North Jersey:** EQT Real Estate acquired the 1,013,206 SF industrial facility at 2321 High Hill Road in Swedesboro for \$26.05 million, highlighting sustained demand for large-scale logistics assets.
- **Philadelphia:** FS Investments expanded its footprint with a 117,000 SF, 16-year office lease at 3025 JFK Boulevard, reinforcing the continued flight-to-quality trend in Center City.
- **New York:** Kirkland & Ellis signed a 29,233 SF office lease at Commerce One in Manhattan, underscoring New York City's leadership in the national office recovery.

Outlook for 2026:

Looking ahead, WCRE anticipates measured momentum continuing into 2026, supported by improving capital availability, stable labor markets, and a restrained development pipeline. While challenges remain in certain asset classes, the alignment of clearer pricing, steady tenant demand, and disciplined investment strategies position the region's commercial real estate markets for sustainable growth.

WCRE's **Q4 2025 Market Report** delivers critical insights into the trends shaping the commercial real estate landscape and serves as a strategic resource for owners, investors, and occupiers navigating a market defined by recalibration and opportunity.

The full Q4 2025 market report is available upon request.

About WCRE | CORFAC International

WCRE | CORFAC International is a full-service commercial real estate brokerage, advisory and property management firm specializing in office, retail, medical, industrial and investment properties in New Jersey, Philadelphia and New York metro regions. 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 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 here: www.wolfcree.com.

