



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

News Release

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

WCRE SECOND QUARTER 2026 REPORT: MARKET REBALANCING CONTINUES AS CRE FUNDAMENTALS ADJUST

Limited New Supply, Pricing Clarity, and Selective Demand Shape Regional Market Conditions

July 13, 2026 - Marlton, NJ: Wolf Commercial Real Estate (WCRE) has released its Q2 2026 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 the first half of 2026 concludes, commercial real estate markets across the region remain highly segmented by geography, asset class, and property quality. Industrial markets are moving from a period of rapid expansion toward stabilization as construction pipelines contract. Office markets continue to recalibrate around smaller tenant footprints, adaptive reuse, and ongoing flight-to-quality trends. Retail fundamentals remain among the most durable across the region, supported by limited new construction, resilient consumer demand, and tight availability in well-located corridors.

“The second quarter of 2026 reflects a market that is becoming more disciplined and more selective,” said Jason M. Wolf, Managing Principal and Founder of WCRE. “Tenants are focused on efficiency, investors are underwriting carefully, and the strongest activity continues to concentrate around high-quality, well-located assets with long-term relevance.”

Regional Market Highlights:

Southern New Jersey continued to serve as a major driver of regional industrial performance, particularly through Burlington County and Gloucester County logistics corridors. Burlington County remained one of the strongest industrial submarkets in the country, supported by modern distribution product and continued tenant migration from higher-cost port markets. Investor demand also remained active for scale industrial assets, highlighted by major portfolio activity in Southern New Jersey.

Philadelphia showed signs of stabilization across several property sectors. Industrial demand improved during the first half of 2026 after a historically weak 2025, although vacancy remained elevated as the market continued to absorb recent speculative deliveries. The office sector remained uneven, with tenant footprints still below pre-pandemic norms and availability elevated, though conversions and limited new construction are gradually helping reduce excess inventory.

Retail fundamentals remained steady, with low vacancy, limited development, and continued demand from smaller-format, necessity-based, and value-oriented tenants.

Northern New Jersey remained mixed across asset classes. Industrial demand softened during the first quarter, with availability rising as recently delivered inventory continued working through lease-up. Office fundamentals improved modestly, supported by declining availability, shrinking inventory, and limited new construction, though leasing activity remained below historical levels. Retail remained one of the region's strongest sectors, with availability near historic lows and private capital continuing to target stabilized net lease and neighborhood retail assets.

New York Metro continued to outperform nationally in the office and retail sectors while its industrial market remained in adjustment. Manhattan office leasing remained strong, led by financial services, artificial intelligence firms, and other well-capitalized tenants seeking high-quality space in core corridors. Retail availability stayed near record lows, supported by tourism, limited new supply, and strong demand for premier storefronts. Industrial fundamentals remained more tenant-favorable as the market continued absorbing elevated deliveries, though the construction pipeline has slowed materially.

Key Market Takeaways:

- Market conditions remain segmented, with performance increasingly determined by asset quality, location, and tenant credit.
- Industrial fundamentals are transitioning toward stabilization as construction pipelines contract and recent deliveries are gradually absorbed.
- Office markets continue to favor high-quality, well-amenitized buildings, while older assets remain under pressure and increasingly face conversion or repositioning strategies.
- Retail remains one of the most stable sectors across the region, supported by limited new construction, tight availability, and demand from food, fitness, discount, grocery, and service-based tenants.
- Capital markets are improving selectively, with investors prioritizing stable income, modern product, and assets with clear long-term positioning.

Notable Transactions Highlighted in the Q2 2026 Report:

- **Southern New Jersey:** Camber Real Estate Partners acquired the 109,000-SF manufacturing facility at 1813 Underwood Boulevard in Delran, NJ for \$14.3 million (\$131/SF). Following the sale, ownership is marketing the property for lease and can accommodate tenant requirements ranging from 29,782 SF to 109,164 SF.
- **Philadelphia Industrial:** A 345,500 SF industrial facility in Southwest Philadelphia, formerly occupied by Tasty Baking Company, traded for approximately \$87 million (\$252/SF), demonstrating investor demand for infill industrial assets with strong functional utility and regional access.
- **Philadelphia Office:** A&H Acquisitions Corp. purchased Six Tower Bridge at 181 Washington Street in Conshohocken from Brandywine Realty Trust for \$21.0 million (\$180.76/SF). The property was reportedly 42% occupied as of year-end 2025, underscoring continued investor interest in repriced office assets with leasing upside.
- **Northern New Jersey Industrial:** EQT Real Estate acquired 505 State Route 33 in Millstone, NJ for \$56.6 million (\$256/SF). The 220,000-SF industrial property is 100% occupied by Logistics Plus, Inc., reinforcing continued investor demand for stabilized

industrial assets with credit tenancy.

- **New York Office:** Moody's signed a 462,000 SF office lease, one of several major commitments by well-capitalized tenants that continue to support New York's office recovery and reinforce demand for high-quality space.
- **New York Retail:** Catch Hospitality agreed to a 15-year lease for 7,250 SF at the prestigious 9 W. 57th Street in Midtown Manhattan, backfilling the former Cucina 8 ½ restaurant space.

Outlook for the Remainder of 2026:

Looking ahead, WCRE anticipates continued market normalization through the second half of 2026. Industrial markets should benefit from sharply reduced construction pipelines, although elevated availability and cautious tenant expansion may keep conditions tenant-favorable in the near term. Modern logistics assets in established distribution corridors are expected to outperform older, less efficient inventory.

Office markets are expected to recover gradually, with performance concentrated in high-quality buildings and submarkets with strong access, amenities, and tenant demand. Conversions and redevelopment activity should continue removing obsolete inventory, but a broader recovery will depend on sustained leasing momentum and larger tenant commitments.

Retail fundamentals are expected to remain stable, supported by limited supply, strong occupancy levels, and continued demand for necessity-based and service-oriented tenants. Capital markets should continue improving selectively as pricing expectations align and lenders become more comfortable with stabilized assets.

Overall, the remainder of 2026 is expected to favor disciplined owners, well-capitalized investors, and occupiers focused on efficiency, flexibility, and long-term location strategy. High-quality assets should remain best positioned as the market continues to rebalance.

WCRE's Q2 2026 Market Report delivers critical insights into the trends shaping the commercial real estate landscape and serves as a strategic resource for owners, investors, lenders, and occupiers navigating a market defined by selectivity, stabilization, and opportunity.

The full Q2 2026 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.wolfcre.com

