



Colliers

Q1 2023 Industrial Big Box Research & Forecast Report

Greater Philadelphia & Southern New Jersey

I-476 / I-276 / I-95 Submarkets | *Greater Philadelphia*

I-295 / NJTP Submarkets | *Burlington & Southern New Jersey*

Accelerating success.

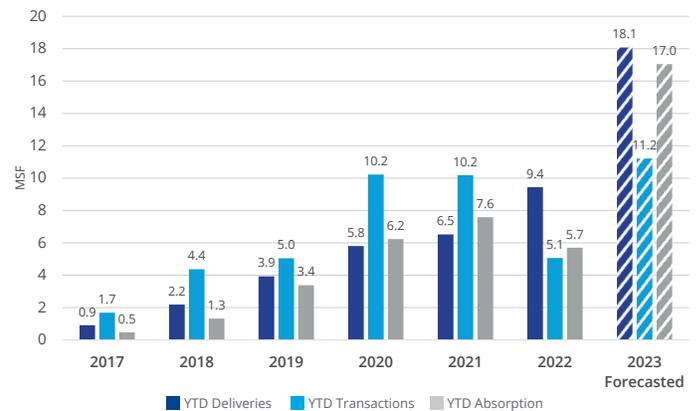
Pennsylvania Tri-State

Greater Philadelphia | Burlington | Southern New Jersey



- Greater Philadelphia achieved record lease rates along the I-95 corridor in Q1 with deals landing solidly in the mid-teens. Occupier transactions for the region currently stand at 1.05 MSF.
- There are currently 5 existing availabilities in the region totaling 3.82 MSF.
- Overall vacancies for Greater Philadelphia, Burlington, and Southern New Jersey rose to 7.5% - up 3.1% since year End 2022. The largest contributing factor to this increase is the increased vacancy rate in Burlington County.
- The 15% vacancy rate in Burlington County is representative of the small stock nature of the market and is comprised of only 5 buildings. Vacancy for Burlington is projected to drop below 7% by year end.
- Asking rents across GPHL, BUR, and SNJ continue to rise 13% YOY from Q1 2022. The three county Southern New Jersey market has seen the largest YOY growth with an average asking rent of \$10.81 PSF in comparison of \$7.70 PSF at the beginning of 2022 - a 40.3% increase.
- Greater Philadelphia achieved record lease rates along the I-95 corridor in Q1. Occupier transactions for the region currently stands at 1.05 MSF with Existing availabilities above 500,000 SF currently totals at 4 buildings totaling 3.32 MSF.

Annual Deliveries, New Occupier Transactions & Net Absorption (MSF)



Vacancy & Asking Rental Rates



New deliveries continue to achieve record setting lease rates. Even with substantial inventory slated to deliver in 2023, Landlord's are bullish on the leasing market and remain patient in evaluation of deals in the market.

Tom Golarz | Senior Vice President

Market Overview

Submarket	Q1 2023									
	Inventory (SF)	Vacant Space (SF)	Vacancy Rate	Availability Rate	Occupier Transactions (SF)	Absorption (SF)	Construction Starts (SF)	Deliveries (SF)	Under Construction (SF)	Avg Asking Rental (PSF)
Greater Philadelphia	28,985,223	1,439,132	5.0%	22.3%	542,205	218,080	0	1,788,120	7,138,324	\$12.74
Philadelphia 5 County	22,140,498	1,439,132	6.5%	20.7%	542,205	218,080	0	1,788,120	5,244,084	\$15.16
New Castle County	6,844,725	0	0.0%	23.9%	0	0	0	0	1,894,240	\$10.31
Burlington County	29,742,194	4,461,329	15.0%	30.6%	252,000	598,050	701,288	2,248,050	5,039,721	\$12.63
Subtotal Southern New Jersey	17,154,471	0	0.0%	28.7%	256,830	0	550,000	0	5,072,215	\$10.81
Camden County	2,302,325	0	0.0%	9.8%	0	0	0	0	225,000	-
Gloucester County	11,574,599	0	0.0%	17.2%	0	0	0	0	2,138,465	\$12.56
Salem County	3,277,547	0	0.0%	82.7%	256,830	0	550,000	0	2,708,750	\$11.03
Total	75,881,888	5,900,461	7.8%	27.2%	1,051,035	816,130	1,251,288	4,036,170	17,250,260	\$12.06

Q1 Highlights

New Occupier Transactions

Submarket	Tenant	Owner	Address	Size (Sf)	Type
GPHL	Barry Callebaut	WPT Capital Advisors	Delco Logistics Ctr, Bldg 1, 1500 E 2 nd St, Eddystone, PA	350,000	New Spec
SNJ	Champion Services	Watson Land Company	East Greenwich Logistics Center, Mickleton, NJ	252,750	New Spec
BC	YesWay	Avision Young	TacPal Logistics Center, Rt 73, Palmyra, NJ	252,000	New Spec
GPHL	DF Young	WPT Capital Advisors	Delco Logistics Ctr, Bldg 2, 1500 E 2 nd St, Eddystone, PA	191,100	New Spec
GPHL	Thayer Distribution	Trammell Crow	300 Springbrooke Boulevard, Aston, PA	88,000	New Spec

Completions

Submarket	Developer	Tenant	Address	Size (SF)	Type
BC	Logistics Property Co	Available for Lease	Box Park Logistics Ctr, 995 Taylors Ln, Cinnaminson, NJ	1,200,000	New Spec
SNJ	NorthPoint Development	Jillamy/Savino Del Bene	Keystone Trade Center, Building 3, Fairless Hills, PA	1,011,000	New Spec
BC	Avision Young	YesWay/ Lease Available	TacPal Logistics Center, Rt 73, Palmyra, NJ	702,450	New Spec
GPHL	Court Street Ventures	Available for Lease	Crown 95 Logistics, 956 E Erie Ave, Philadelphia, PA	381,200	New Spec
BC	Rockefeller Group	Glendale Warehousing	Rockefeller Group Logistics Center, Eastampton, NJ	345,600	New Spec

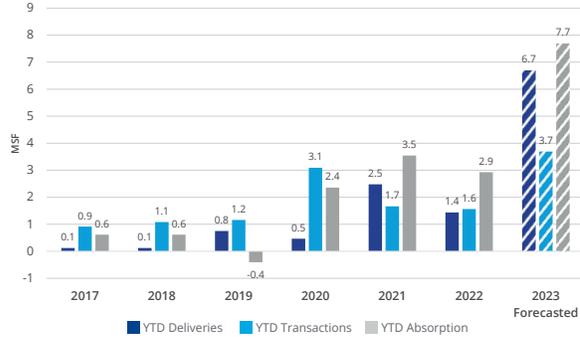
Under Construction

Submarket	Developer	Tenant	Address	Size (SF)	Type	Est Delivery
SNJ	Available for Lease	PGIM	373 N. Broadway, Building 1, Pennsville, NJ	1,200,000	Spec	Q3 2023
GPHL	Available for Lease	NorthPoint	Keystone Trade Center, Building 5 & 6, Fairless Hills, PA	1,035,696	Spec	Q4 2023
BC	Available for Lease	Clarion Ptrs & MRP	The Crossings, Building 1, 2497 Mt Holly Road, Mount Holly, NJ	939,300	Spec	Q3 2023
BC	Available for Lease	Clarion Ptrs & MRP	1900 River Road, Building 1, Burlington, NJ	845,280	Spec	Q2 2023
GPHL	Available for Lease	Stoltz	30 Old Churchmans Road, New Castle, DE	807,240	Spec	Q3 2023

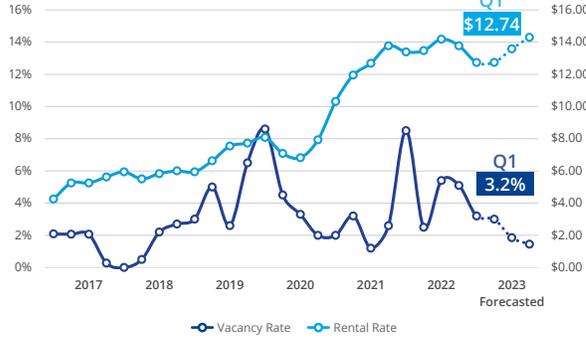
Greater Philadelphia | I-476 / I-276 / I-95 Submarkets

Summary Statistics	Inventory	Vacancy Rate	Availability Rate	Construction Starts (YTD)	Construction Deliveries (YTD)	Under Construction	Occupier Transactions (YTD)	Absorption (YTD)	Avg. Asking Rent
Previous Q1 2022	28,340,023	4.7%	11.6%	0	1,437,420	7,032,204	1,563,679	2,929,142	\$13.77
Current Q1 2023	28,985,223	3.2%	22.3%	0	1,788,120	7,138,324	542,205	218,080	\$12.74
Forecast YE 2023	35,840,107	1.5%	43.9%	0	6,695,630	8,647,494	3,689,413	7,691,751	\$14.29

Annual Deliveries, New Occupier Transactions & Net Absorption (MSF)



Vacancy & Asking Rental Rate



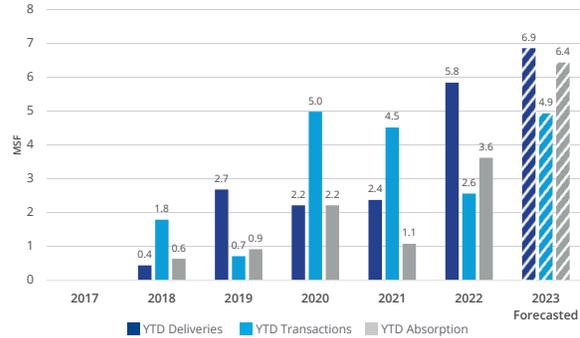
Highlights

- The vacancy rate in GPHL rose slightly to 4.3% due to delivery of new spec space to market.
- Projects under construction remain consistent YOY with 7.1 MSF currently under construction compared to 7.03 MSF under construction in Q1 2022. While Q1 saw no construction commence, new construction along the I-95 corridor is forecasted to begin in Q2.

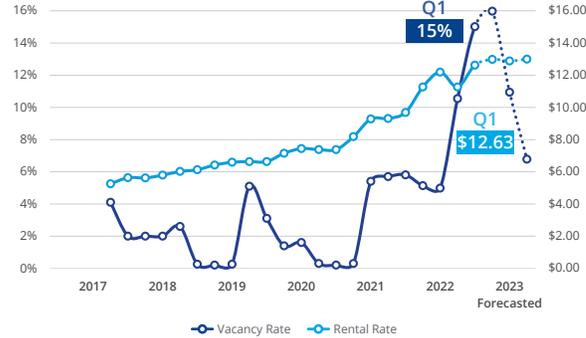
Burlington | NJ Turnpike Exits 4-7

Summary Statistics	Inventory	Vacancy Rate	Availability Rate	Construction Starts (YTD)	Construction Deliveries (YTD)	Under Construction	Occupier Transactions (YTD)	Absorption (YTD)	Avg. Asking Rent
Previous Q1 2022	22,356,265	5.8%	40.7%	8,782,559	0	10,588,669	0	1,076,977	\$9.69
Current Q1 2023	29,742,194	15.0%	30.6%	701,288	2,248,050	5,039,721	252,000	598,050	\$12.63
Forecast YE 2023	33,375,927	6.8%	8.2%	1,616,458	6,858,571	915,170	4,931,384	6,435,548	\$13.00

Annual Deliveries, New Occupier Transactions & Net Absorption (MSF)



Vacancy & Asking Rental Rate



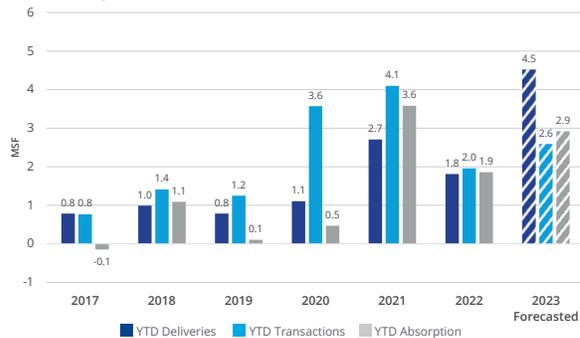
Highlights

- Vacancy rates rise from 5.8% to 15% YOY. Rents increase 30.3% from \$9.69 PSF to \$12.63 PSF
- Availability decreases in Burlington County to 30.57% compared to 40.7% in the beginning of 2022.
- 2.25 MSF are delivered Q1 2023 1.2 MSF of which is 995 Taylors Lane.

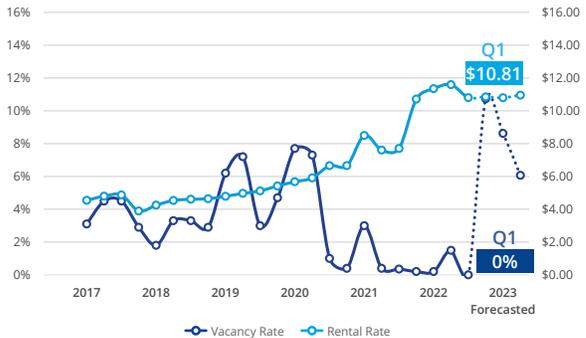
Southern New Jersey | NJ Turnpike Exits 1-3

Summary Statistics	Inventory	Vacancy Rate	Availability Rate	Construction Starts (YTD)	Construction Deliveries (YTD)	Under Construction	Occupier Transactions (YTD)	Absorption (YTD)	Avg. Asking Rent
Previous Q1 2022	15,670,661	0.4%	6.2%	552,585	326,937	1,908,052	1,123,433	320,937	\$7.70
Current Q1 2023	17,154,471	0.0%	28.7%	550,000	0	5,072,215	256,830	0	\$10.81
Forecast YE 2023	21,102,206	6.1%	17.6%	2,582,664	4,522,215	2,582,664	2,591,030	2,920,150	\$10.96

Annual Deliveries, New Occupier Transactions & Net Absorption (MSF)



Vacancy & Asking Rental Rate



Highlights

- Asking rental rates rose 40.3% from \$7.70 PSF to \$10.81 PSF YOY.
- 4.49 MSF of big box product is under construction in Southern New Jersey. The largest of these projects is CT Realty / PGIM's project in Carneys point of 1.75 MSF.

Featured Availabilities

[Click to Visit Property Website](#)



Keystone Trade Center
Fairless Hills, PA
Building 5 & 6: 1,035,696 SF
For Lease
Contact: Tom Golarz, Mark Chubb



Lehigh Valley Trade Center III
Bethlehem, PA
Building 1: 287,455 SF
Building 2: 300,153 SF
For lease
Contact: Mark Chubb, Summer Coulter



283 Commerce Hub
Manheim, PA
399,280 SF
For Lease
Contact: Mark Chubb, Summer Coulter



Southern Berks Industrial Park
New Morgan Borough, PA
Building 1: 829,920 SF
Building 2: 844,480 SF
For Lease
Contact: Michael Golarz, Michael Zerbe



Core5 Logistics Center at Park 31
Wambold & Schoolhouse Road
Souderton, PA
Building 1: 199,360 SF
Building 2: 196,650 SF
For Lease
Contact: Tom Golarz, Michael Golarz



Exit 4 Logistics Center
Camden, NJ
304,200 SF
For Lease
Contact: Tom Golarz, Mark Chubb



The foregoing information was furnished to us by sources which we deem to be reliable, but no warranty or representation is made as to the accuracy thereof. Subject to correction of errors, omissions, change of price, prior sale or withdrawal from market without notice.

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