



Colliers

Q2 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.

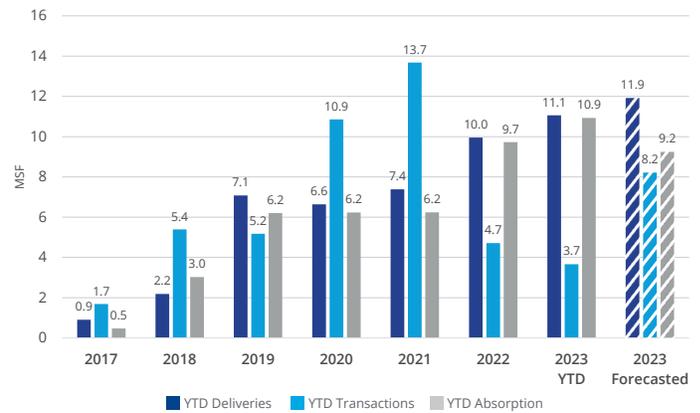
Pennsylvania Tri-State

Greater Philadelphia | Burlington | Southern New Jersey

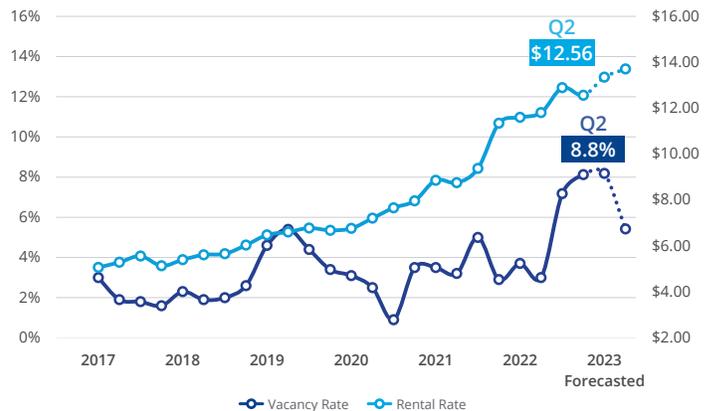


- Regional vacancy rose slightly due to deliveries of large format space in Southern New Jersey and Philadelphia - up .5% from Q1 to 8.3%. Vacancy is projected to drop below 7% by year end.
- Tenant demand remains strong albeit moderated from 2021 and 2022.
- There were less than 500,00 SF of construction starts in the 1st half of 2023. Limited development opportunities and an arduous approval process will continue to moderate development.
- Greater Philadelphia asking rents remain in the mid-teens along the I-95 corridor. Occupier transactions rose to 1.63 MSF for the region. The four county New Jersey market YOY rent growth was 15.3%.
- Greater PHL & SNJ deliver the bulk of projects in Q2. The largest contributing market is Logan with Greek Development delivering two buildings in Logan North.

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



Vacancy & Asking Rental Rates



Market activity continues to normalize as new inventory begins to deliver to market. This is likely to temper rent growth in the immediate future with long-term forecasts showing a lack of available inventory in mid-to-late 2024.

Tom Golarz | Senior Vice President

Market Overview

2023 Quarter 2 Statistics										
Submarket	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	32,998,955	1,391,180	4.2%	48.5%	191,000	4,056,539	0	1,011,000	7,694,927	\$12.33
<i>Philadelphia 5 County</i>	<i>24,938,990</i>	<i>1,243,987</i>	<i>5.0%</i>	<i>20.0%</i>	<i>191,000</i>	<i>2,988,492</i>	<i>0</i>	<i>1,011,000</i>	<i>5,800,687</i>	<i>\$13.78</i>
<i>New Castle County</i>	<i>8,059,965</i>	<i>147,193</i>	<i>1.8%</i>	<i>77.0%</i>	<i>0</i>	<i>1,068,047</i>	<i>0</i>	<i>0</i>	<i>1,894,240</i>	<i>\$10.88</i>
Burlington County	29,960,864	4,675,661	15.6%	29.1%	939,300	9,614	429,200	218,670	4,821,051	\$12.98
Subtotal Southern New Jersey	18,761,871	1,120,200	6.0%	25.1%	0	487,200	0	1,382,400	3,150,705	\$12.38
<i>Camden County</i>	<i>2,527,325</i>	<i>0</i>	<i>0.0%</i>	<i>8.9%</i>	<i>0</i>	<i>225,000</i>	<i>0</i>	<i>0</i>	<i>225,000</i>	<i>\$12.69</i>
<i>Gloucester County</i>	<i>12,585,999</i>	<i>749,200</i>	<i>6.0%</i>	<i>17.4%</i>	<i>0</i>	<i>262,200</i>	<i>0</i>	<i>1,011,400</i>	<i>1,137,955</i>	<i>\$12.45</i>
<i>Salem County</i>	<i>3,648,547</i>	<i>371,000</i>	<i>10.2%</i>	<i>81.3%</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>371,000</i>	<i>1,787,750</i>	<i>\$11.99</i>
Total	81,721,690	7,187,041	8.8%	34.2%	1,130,300	4,553,353	429,200	2,612,070	15,666,683	\$12.56

Q2 Highlights

New Occupier Transactions

Submarket	Tenant	Owner	Address	Size (SF)	Type
BC	Maersk	Clarion Partners	The Crossings, Building 940, Burlington, NJ	939,300	New Spec
BC	Owens & Minor	First Industrial	301 Bordentown-Hedding Rd, Bordentown, NJ	213,000	New Spec
GPHL	Daniel F Young, Inc.	WPT Capital Advisors, LLC	Delco Logistics Center, Building 2, Eddystone, PA	191,100	New Spec
GPHL	Thayer	Trammell Crow	Springbrooke Trade Center, Building 1, Aston, PA	88,665	Expansion

Completions

Submarket	Developer	Tenant	Address	Size (SF)	Type
GPHL	NorthPoint Development	Available for Lease	Keystone Trade Center, Building 6, Fairless Hills, PA	1,035,696	New Spec
SNJ	Greek Development	Available for Lease	Logan North Industrial Park, Bldg C/D, Logan Twp, NJ	475,488	New Spec
SNJ	EQT Exeter	Available for Lease	25 North Golfwood Avenue, Salem, NJ	371,000	New Spec
SNJ	Greek Development	Available for Lease	Logan North Industrial Park, Building B, Logan Twp, NJ	274,200	New Spec
GPHL	Core5 Industrial Partners	Available for Lease	Core5 Logistics Center @ Park 31, Bldg 1, Souderton, PA	199,360	New Spec

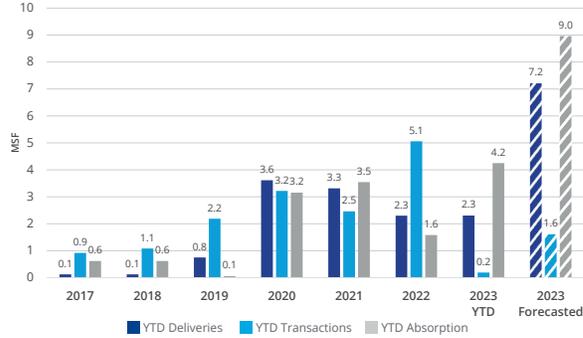
Under Construction

Submarket	Developer	Tenant	Address	Size (SF)	Type	Est Delivery
SNJ	PGIM Real Estate	Available for Lease	Garden State Logistics Pk, Bldg A, 373 N Broadway, Pennsville, NJ	1,200,507	Spec	Q3 2023
GPHL	NorthPoint Development	Available for Lease	Keystone Trade Center, Building 5, Fairless Hills, PA	1,035,696	Spec	Q3 2023
BC	Clarion Partners	Available for Lease	1900 River Road, Building 1, Florence, NJ	845,280	Spec	Q3 2023
GPHL	Stoltz Real Estate Partners	Available for Lease	30 Old Churchmans Road, New Castle, DE	807,240	Spec	Q4 2023
BC	Clarion Partners	Available for Lease	The Crossings, Bldg 750, 2501 Mount Holly Road, Burlington, NJ	750,787	Spec	Q3 2023

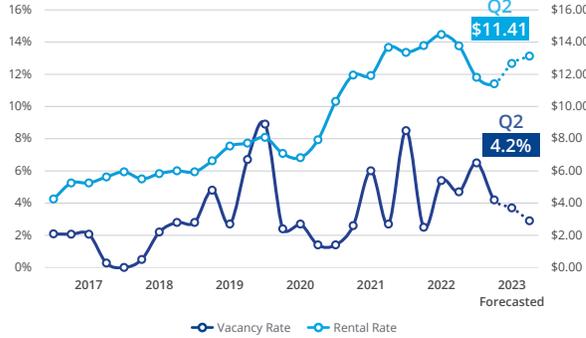
Greater Philadelphia | I-476 / I-276 / I-95 Submarkets

Summary Statistics	Inventory	Vacancy Rate	Availability Rate	Construction Starts (YTD)	Construction Deliveries (YTD)	Under Construction	Occupier Transactions (YTD)	Absorption (YTD)	Avg. Asking Rent
Previous Q2 2022	27,329,023	2.7%	22.7%	2,655,592	2,033,920	8,511,444	627,735	479,477	\$14.54
Current Q2 2023	32,998,955	4.2%	26.3%	0	2,303,149	7,694,927	191,000	4,249,486	\$11.41
Forecast YE 2023	38,002,334	4.7%	4.3%	4,929,258	7,210,659	2,084,217	4,063,613	8,962,325	\$13.13

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



Vacancy & Asking Rental Rate



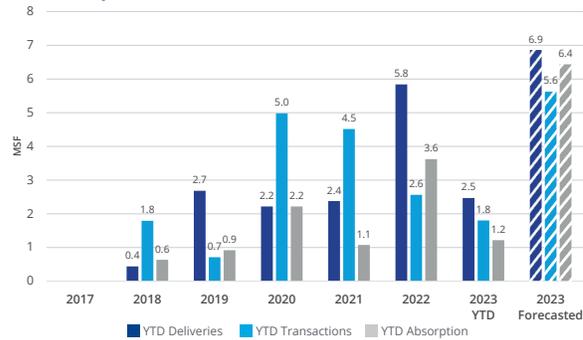
Highlights

- 1,011 MSF delivered in Q2, the remaining 7+ MSF is forecasted to be delivered by year end.
- GPHL has the lowest vacancy rates out of the market at 3.4%.

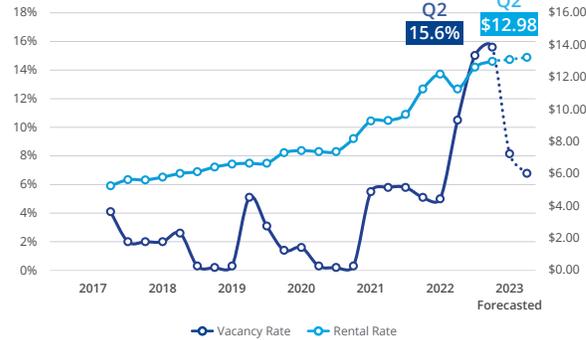
Burlington | NJ Turnpike Exits 4-7

Summary Statistics	Inventory	Vacancy Rate	Availability Rate	Construction Starts (YTD)	Construction Deliveries (YTD)	Under Construction	Occupier Transactions (YTD)	Absorption (YTD)	Avg. Asking Rent
Previous Q2 2022	24,984,525	5.1%	35.9%	917,170	2,628,260	9,405,539	1,229,000	2,643,430	\$11.27
Current Q2 2023	29,960,864	15.6%	29.1%	1,130,488	2,466,720	4,821,051	1,191,300	607,664	\$12.98
Forecast YE 2023	33,375,927	6.8%	7.7%	1,431,958	6,858,571	730,670	5,041,831	6,435,548	\$13.24

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



Vacancy & Asking Rental Rate



Highlights

- Maersk leased 939,000 SF at The Crossings in Burlington County – a redevelopment of the former Burlington Mall.
- 4.8 MSF is under construction in the Burlington submarket. Asking rents for these projects are above \$13 PSF NNN.

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 Q2 2022	15,670,661	0.0%	15.3%	2,390,265	326,937	3,418,595	1,373,868	376,136	\$10.71
Current Q2 2023	18,761,871	6.0%	25.1%	0	1,382,400	3,150,705	256,830	751,200	\$12.38
Forecast YE 2023	21,102,206	6.6%	17.6%	2,008,184	5,065,690	2,008,184	2,591,030	2,811,821	\$12.50

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



Vacancy & Asking Rental Rate



Highlights

- 1.4 MSF delivers in Southern NJ, the bulk of which occurred in Gloucester County. Exeter delivered 371,000 SF in Salem County at Exit 4 of I-295.
- YOY rental rent rises 15.5% from \$10.71 to \$12.38.

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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