

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
10.0% Vacancy Rate	▼	—
5.1M YTD Net Absorption, SF	▲	▲
\$12.82 Asking Rent, PSF (Overall, Net Asking Rent)	▲	—

ECONOMIC INDICATORS*

	YOY Chg	12-Month Forecast
1.0M Philadelphia Employment	▼	▲
4.5% Philadelphia Unemployment Rate	▼	▲
4.2% U.S. Unemployment Rate	▼	▲

Source: BLS

ECONOMY

Nonfarm employment across the Philadelphia industrial region remained stable year-over-year near 1.0 million employees, reflecting the continued strength of the region’s labor market. Over the same period, the regional unemployment rate declined by 70 basis points (bps) to 4.5%. The market’s concentration of health services, education, and technology-related careers remained substantially above the national average.

SUPPLY AND DEMAND

Tenant demand across the Philadelphia region totaled nearly 2.0 million square feet (msf) in Q3, bringing the year-to-date (YTD) new leasing total to 8.1 msf. Burlington County continued to lead the region’s activity with more than 3.0 msf leased YTD, supported by domestic and East Asian third-party logistics (3PL) occupiers. Four leases exceeding 100,000 square feet (sf) were signed, nearly all by 3PL service providers.

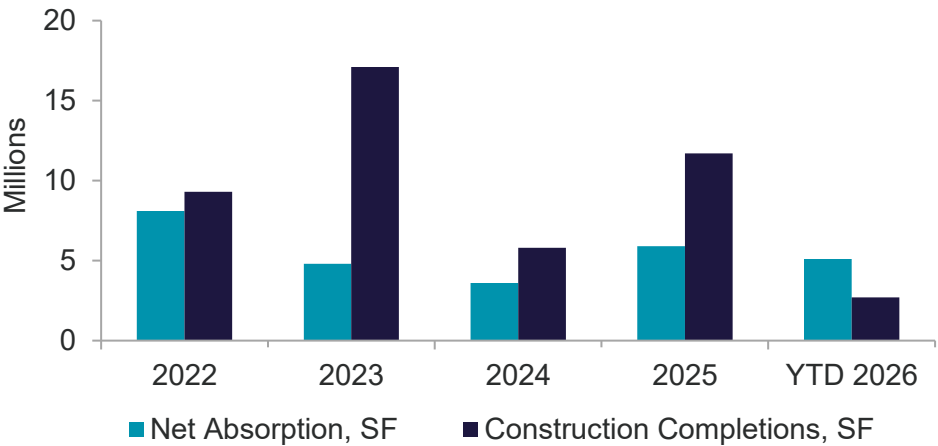
The Philadelphia region recorded its fourth consecutive quarter of positive net absorption, totaling 1.2 msf in Q3. Occupancy gains were concentrated in Burlington and Salem counties, where 3PL companies claimed vacant space; Southern New Jersey accounted for nearly three-quarters of the region’s 5.1 msf YTD absorption. With tenant departures slowing and occupancy gains persisting, the region’s vacancy rate has decreased by 180 bps YOY and Southern New Jersey vacancy has improved 370 bps.

Philadelphia County accounted for more than 30.0% of the 2.7 msf delivered across the region in 2026 YTD, with most completions developed on a speculative basis. In contrast, Q3 construction starts totaled 1.4 msf, driven by a single 1.2-msf owner-occupied build-to-suit project, while speculative starts were limited to two 100,000-sf buildings.

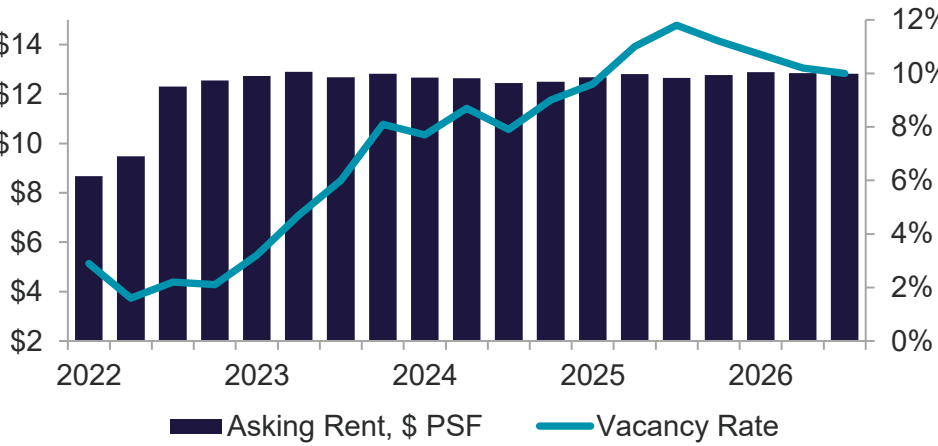
OUTLOOK

Despite near-term economic uncertainty, the Philadelphia region’s transportation connectivity, modern industrial inventory, and skilled workforce are expected to support occupier demand. Asking rents should remain stable through year-end as sustained leasing activity and continued occupancy gains help limit additional vacancy.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD LEASING ACTIVITY (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Philadelphia County	28,862,095	3,757,048	13.0%	1,424,172	1,206,134	1,400,000	830,824	N/A	\$11.50	\$15.14
Lower Bucks County	26,679,105	1,726,466	6.5%	1,588,058	1,165,591	100,170	0	\$9.84	N/A	\$13.42
Upper Bucks County	9,480,063	1,126,641	11.9%	11,800	-313,131	0	313,410	\$9.85	N/A	\$11.12
Montgomery County	24,545,403	2,216,686	9.0%	312,839	-382,800	100,000	112,500	\$8.29	\$11.78	\$12.12
Chester County	9,919,512	1,316,916	13.3%	54,735	-201,476	0	0	N/A	N/A	\$12.03
Delaware County	8,035,883	882,114	11.0%	37,477	25,477	0	0	N/A	\$11.00	\$14.95
SUBURBAN PHILADELPHIA TOTALS	107,522,061	11,025,871	10.3%	3,429,081	1,499,795	1,600,170	1,256,734	\$9.02	\$11.72	\$13.61
Burlington County	56,073,831	2,240,741	4.0%	3,000,619	2,428,343	458,535	778,078	\$12.50	\$11.00	\$14.51
Camden County	13,679,369	856,465	6.3%	239,232	142,386	267,389	0	N/A	N/A	\$12.26
Gloucester County	29,575,277	3,811,747	12.9%	250,606	-177,586	0	395,298	N/A	N/A	\$11.99
Salem County	11,954,483	3,922,291	32.8%	1,218,775	1,217,525	1,900,000	274,400	N/A	N/A	\$11.66
SOUTHERN NEW JERSEY TOTALS	111,282,960	10,831,244	9.7%	4,709,232	3,610,668	2,625,924	1,447,776	\$12.50	\$11.00	\$12.37
NORTHERN DELAWARE TOTALS*	25,981,274	1,752,376	6.7%	1,035,413	905,546	1,180,904	295,680	N/A	N/A	\$11.92
PHILADELPHIA MSA TOTALS	218,805,021	21,857,115	10.0%	8,138,313	5,110,463	4,226,094	2,704,510	\$9.52	\$11.64	\$12.97

*Northern Delaware statistics not included in regional totals

**Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
67 Route 40	Salem County	Metropolitan Warehouse	530,000	New Lease
201 Elizabeth Street, Bldg. 2	Burlington County	Diversified Racking	275,955	New Lease
900 Richards Run	Burlington County	Elogistics	249,600	New Lease

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
300-500 Springbrooke Boulevard	Delaware County	Trammell Crow/Cabot	499,154	\$114.0M/\$228.39
300 Richards Run, et al.	Various	High Street/Berkeley Partners	401,827	\$69.0M/\$171.72
2801 Township Line Road	Montgomery County	Maguire Hayden/Penn Beer	324,796	\$47.3M/\$145.7

KEY CONSTRUCTION COMPLETIONS YTD 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
3144 West Passyunk Avenue, Bldg. 2	Philadelphia County	Speculative	727,272	Hilco Redevelopment
800 Irick Road	Burlington County	Speculative	310,000	NFI Industries
1 Collins Drive	Salem County	Speculative	274,400	EQT Exeter

RYAN HULL
Senior Research Analyst
Tel: +1 215 963 4041
ryan.hull@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION
Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of \$10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

©2026 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.