CUSHMAN & WAKEFIELD

TRI-STATE

INDUSTRIAL CORRIDOR:

NY — NJ — PA

START

INTERACTIVE REPORT

H1 2026

Cushman & Wakefield Research

H1 2026 Statistics

VANTAGE POINT

CUSHMAN & WAKEFIELD

OVERVIEW
PORT OF NY/NJ
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OVERVIEW

KEY DEMO & ECONOMIC FACTS

BASED ON FIVE-HOUR DRIVE FROM PORT OF NY/NJ

60.5M
POPULATION

51.9%
U.S. POPULATION 25-64

1.0%
5-YEAR PROJECTED GROWTH

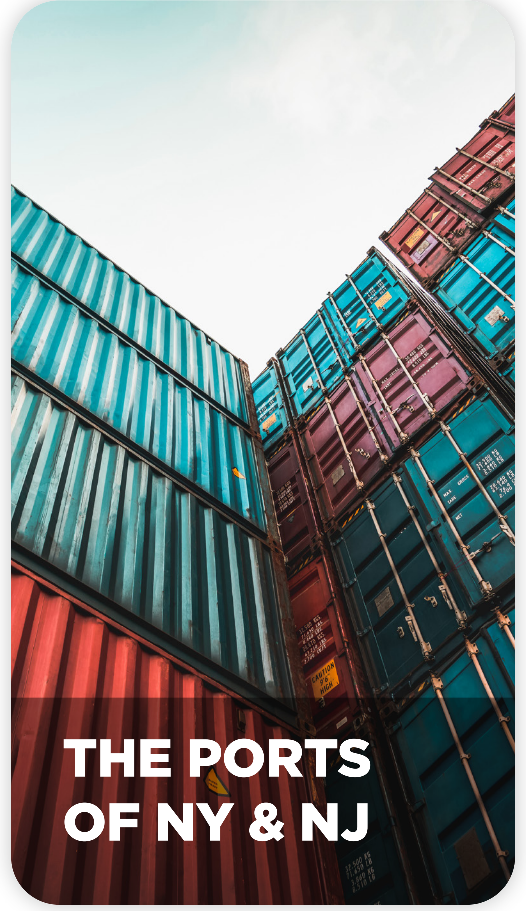
5.0%
UNEMPLOYMENT RATE

30.7M
TOTAL EMPLOYMENT

THE NEW YORK, NEW JERSEY, AND PENNSYLVANIA INDUSTRIAL CORRIDOR region stands as one of the most pivotal hubs in the nation for warehouse and logistics operations, with New York, New Jersey, and Pennsylvania strategically situated at its center. The region covers some of the most densely populated metropolitan areas in the United States, including New York City, Boston, Washington, D.C., and Philadelphia, where consumer demand for goods and products has consistently demonstrated remarkable strength over the years, despite the current headwinds.

Extending from Boston down Interstate 95 to Washington, D.C., and encompassing additional areas west of the interstate, the Northeast I-95 market is home to some of the nation's most prominent logistics markets. The region derives much of its strength from its proximity to the Port of NY & NJ, which ranks as the busiest port on the entire eastern seaboard. Notably, 60 million people reside within a five-hour drive from the Port of NY & NJ, constituting a substantial 17.6% of the national population.

Further underscoring the region's significance is its robust economic power, characterized by an average household income of $144,538, surpassing the national average by 35.1%. This heightened purchasing ability is compelling evidence, prompting major retailers to enter and expand their operations within this market. They seek to harness the region's affluence, driven by the population’s disposable income and persistent demand for next-day and same-day merchandise deliveries.



KEY TAKEAWAYS

- A critical hub for warehouse and logistics operations.
- The busiest corridor on the eastern seaboard, strengthens the region's logistics market.
- Attracts major retailers seeking to capitalize on the high purchasing ability and demand for fast delivery services.

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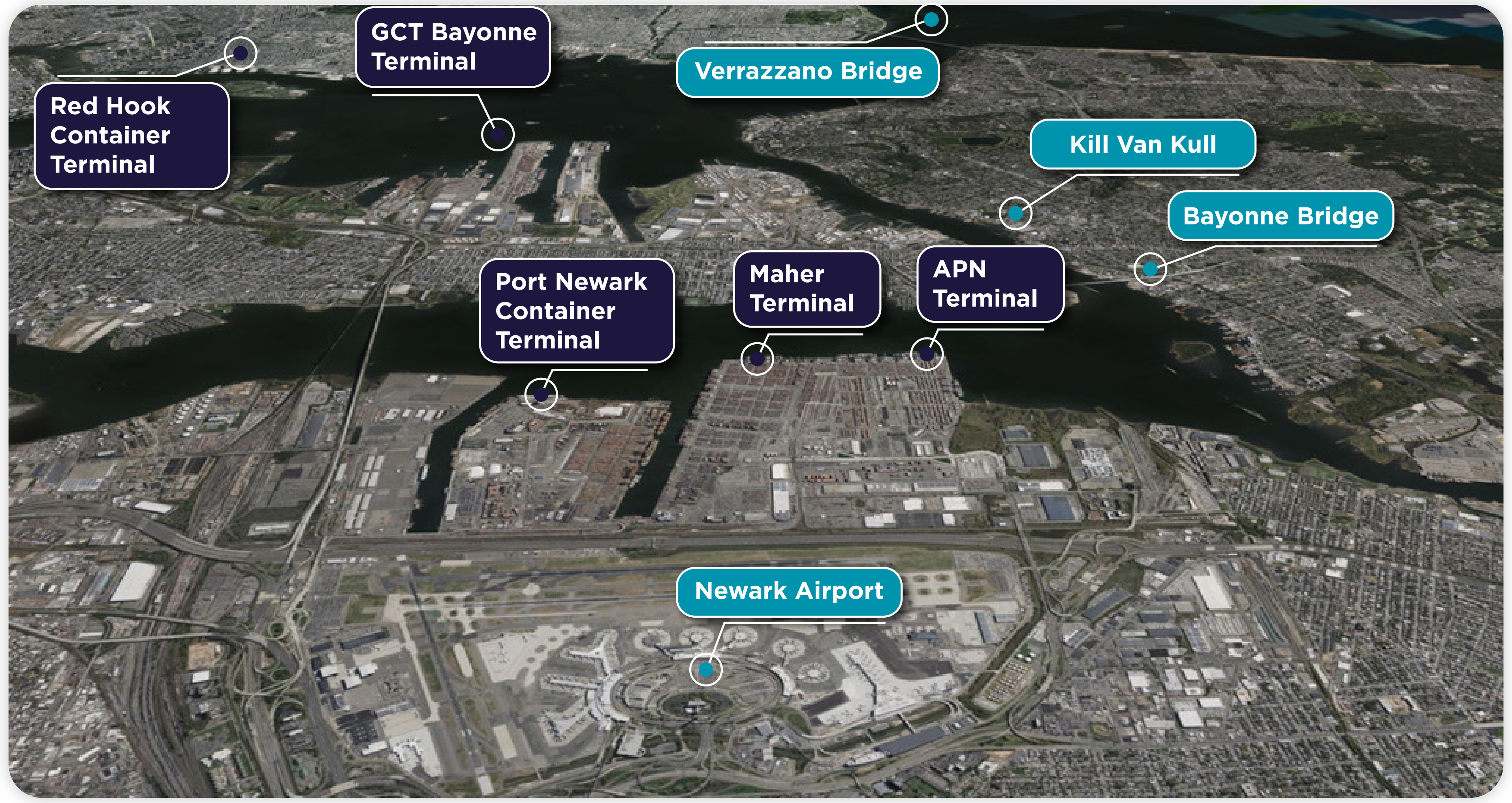
PORT OF NY/NJ

H1 2026 TRI-STATE INDUSTRIAL REPORT

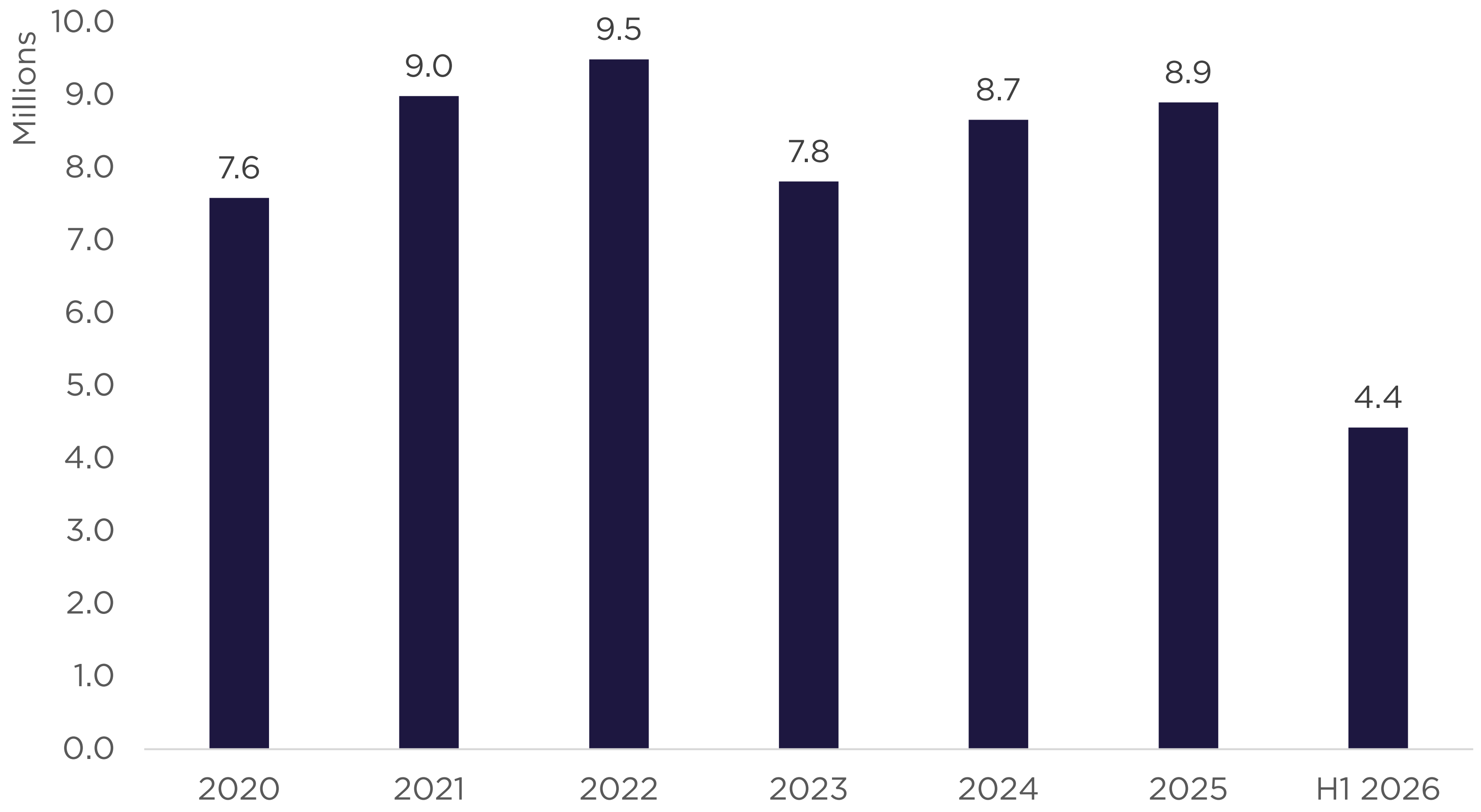
4.4M TEUs
H1 2026 VOLUME IS UP 0.2% FROM H1 2025

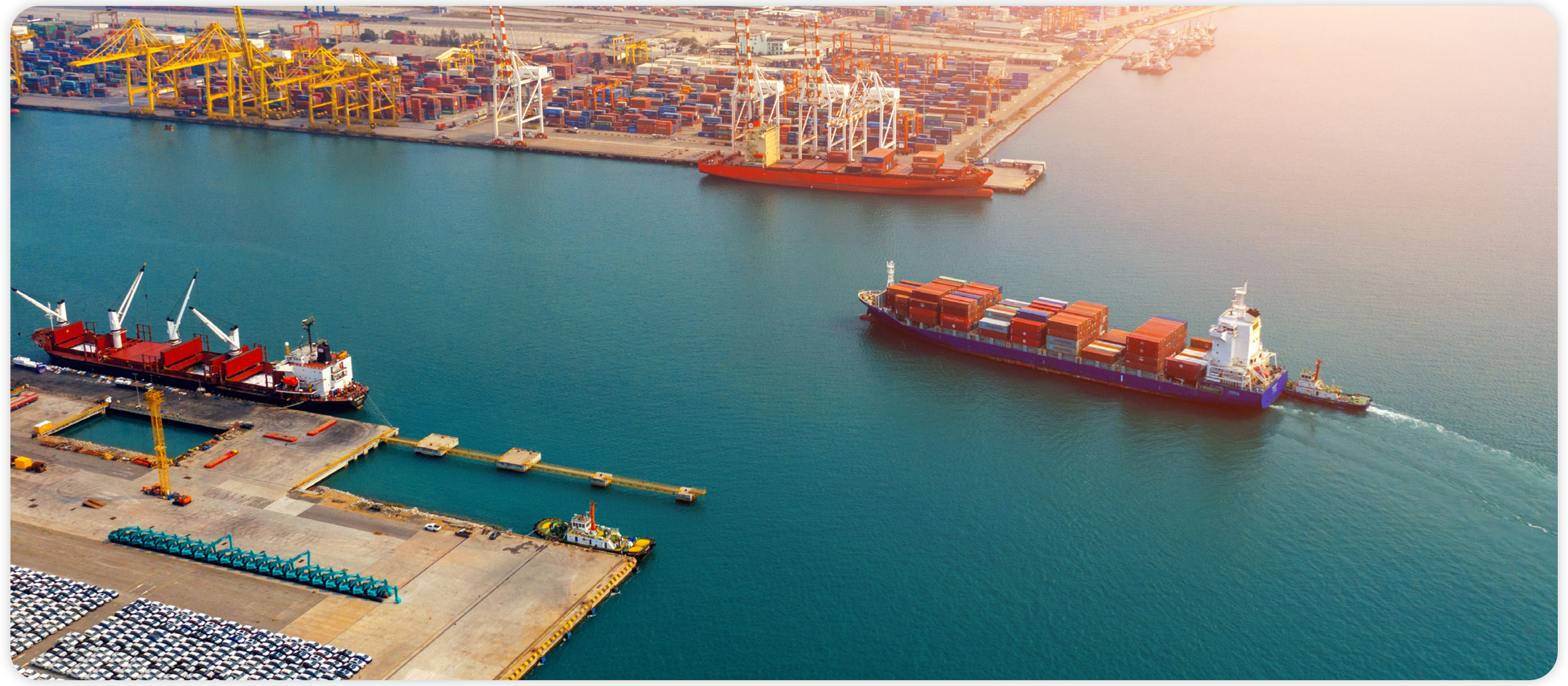
3RD BUSIEST
THIRD-BUSIEST U.S. PORT THROUGH THE FIRST HALF OF THE YEAR

THE PORT OF NY/NJ has consistently been the busiest port on the East Coast, serving as a key gateway. With six container terminals and multiple cargo rail lines, the Port of NY/NJ services one of the world's wealthiest and most dense consumer base. The Port has the largest 250-mile radius population of any port in North America, with over 60 million people making up one-third of the country's GDP.



PORT OF NY/NJ 2020-H1 2026
20' EQUIVALENT (TEUs) VOLUME





KEY DRIVERS

- Consistently the busiest port on the East Coast, serving as a key gateway.
- The Port has the largest 250-mile radius population of any port in North America.
- The port is a significant demand driver for many industrial markets.

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TRI-STATE CORRIDOR: NY/NJ/PA

H1 2026 TRI-STATE INDUSTRIAL REPORT

1.5 BSF
INVENTORY

8.5%
VACANCY RATE

16.1 MSF
H1 2026 NET ABSORPTION

THE NY/NJ/PA INDUSTRIAL CORRIDOR has experienced significant fundamental shifts, reflecting broader economic trends and evolving market dynamics. Existing inventory grew at a slightly slower pace in H1 2026, increasing by 1.6% year-over-year (YOY), compared to a 2.5% expansion in H1 2025, as the development pipeline softened. Over the past five years, however, the region's inventory has grown by 22.3%, exceeding 1.5 billion square feet (sf), with more than 236.7 million square feet (msf) of new space delivered.

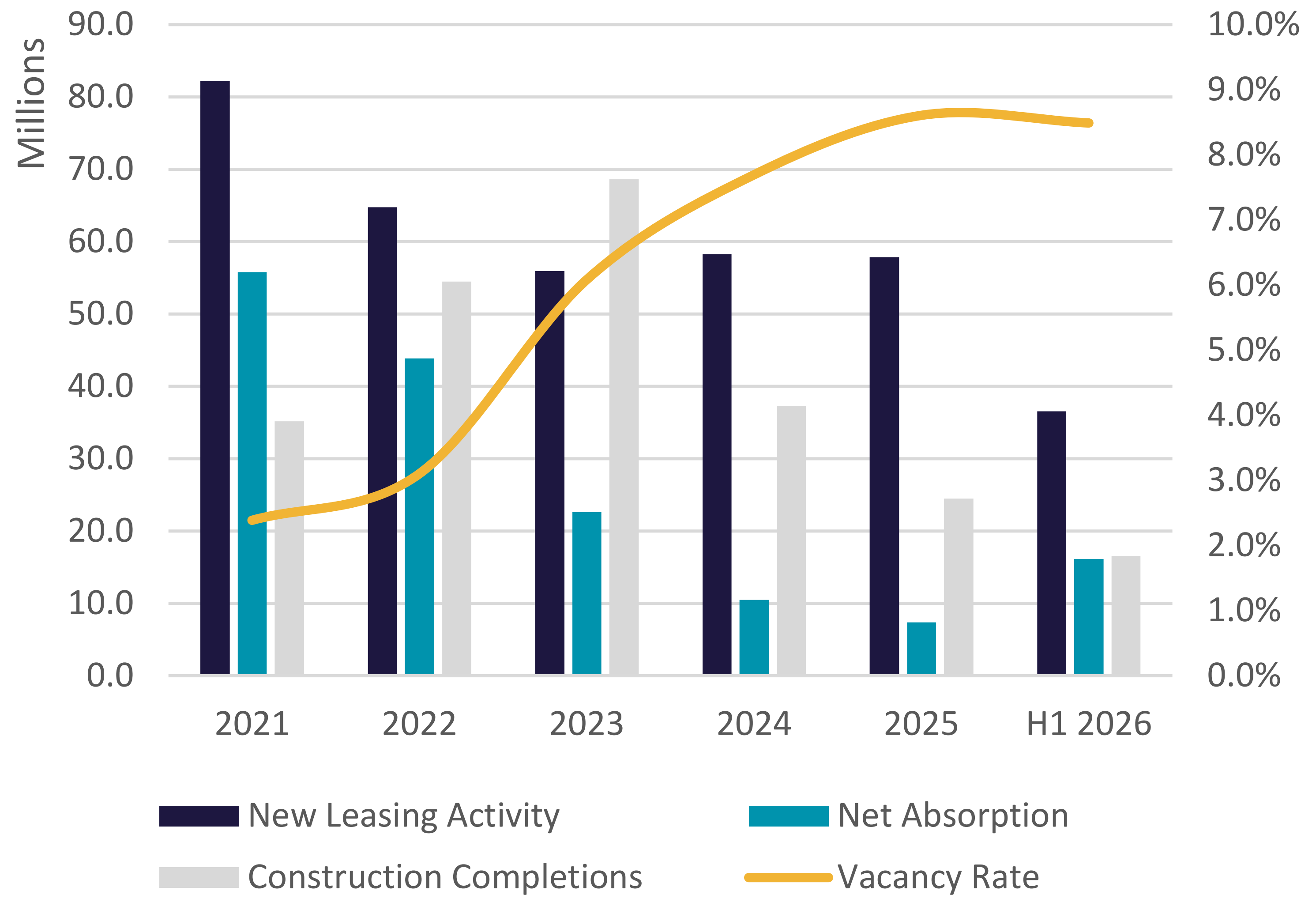
The vacancy rate fell by 10 basis points (bps) YOY to 8.5%, fueled by a surge in leasing activity as tenant demand accelerated significantly so far this year. As a result, vacant space fell to 130.5 msf, a slight decrease from the 132.0 msf recorded at mid-year 2025. Increases in new supply are expected to grow heading into the second half of 2026 as construction completions have risen by 12.0% from the previous year. Also, 31.1 msf of space remains under construction across the region, signaling a noticeable uptick in new developments.

Net absorption, which measures a market's ability to accommodate new supply, remained positive in H1 2026 despite the recent slowdown at year-end 2025. The region averaged 28.0 msf of net absorption annually from 2021 to 2025, and recorded 16.1 msf year-to-date (YTD), projecting to finish 2026 above the five-year average. Positive net absorption was observed in every market except for the NYC Outer Boroughs, with three—the PA I-81 & I-78 Corridor (7.5 msf), Central NJ (3.3 msf), and Southern NJ (2.4 msf)—absorbing more than 2.0 msf of space.

As a result, leasing activity increased by a staggering 35.6% YOY to 36.5 msf, the second highest total through mid-year since 2021. Activity was driven largely by demand from third-party logistics (3PL) providers, food & beverage, and retailers/wholesalers. The PA I-81 & I-78 Corridor led overall leasing activity with 11.1 msf in H1 2026, followed by Central NJ with 9.9 msf. Long Island also exhibited a surge in demand, recording 2.3 msf in new leases YTD—eclipsing the H1 2025 total of 1.1 msf.

The NY/NJ/PA Industrial Corridor has demonstrated resilience and growth over the past few years as vacancy begins to trend downward and tenant demand has meaningfully accelerated. Strategic construction projects and significant sale transactions reflect continued confidence in the region's long-term potential, underscoring its position as a key industrial hub.

INDUSTRIAL TRI-STATE CORRIDOR: LEASING ACTIVITY, NET ABSORPTION, & COMPLETIONS



	Number of Buildings	Existing Inventory	Vacant Square Footage	Vacancy Rate	New Leasing Activity	Renewals	Net Absorption	SF Under Construction	YTD Construction Completions
2021	10,412	1,257,907,660	30,065,720	2.4%	82,188,759	24,894,443	55,785,078	65,230,184	35,151,677
2022	10,680	1,336,889,283	41,508,015	3.1%	64,792,822	26,624,839	43,875,297	74,648,584	54,462,317
2023	11,099	1,459,398,334	88,779,286	6.1%	55,970,247	26,187,410	22,627,977	40,670,477	68,607,094
2024	11,257	1,497,645,623	115,223,508	7.7%	58,254,172	26,031,348	10,485,628	28,077,181	37,342,814
2025	11,354	1,524,015,314	131,151,933	8.6%	57,838,803	23,289,346	7,377,519	32,677,934	24,518,754
H1 2026	11,388	1,537,982,585	130,547,433	8.5%	36,527,762	15,811,252	16,131,884	31,091,009	16,582,962

KEY DRIVERS

- Exhibited ongoing market adjustments, returning to normalized levels of pre-pandemic demand.
- The region has demonstrated resilience and growth despite challenges in the market.
- Proximity to NYC, four major airports, and Port of NY/NJ.

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CONSTRUCTION OVERVIEW

H1 2026 TRI-STATE INDUSTRIAL REPORT

31.1 MSF
UNDER CONSTRUCTION
UP FROM 28.2 MSF DURING H1 2025

6 OUT OF 8
MARKETS
SHOWED PRE-LEASING RATES UNDER 50%

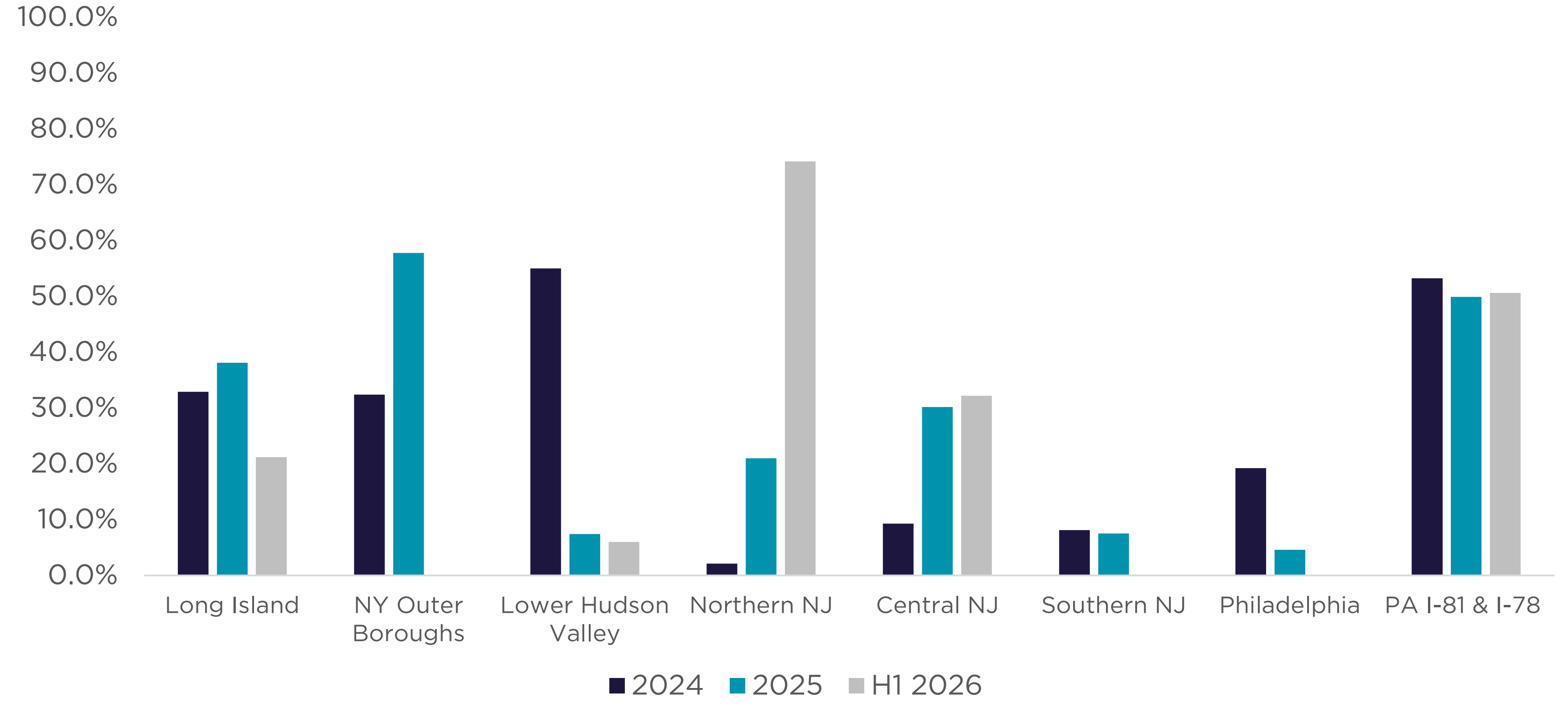
45.5%
OF THE UNDER CONSTRUCTION INVENTORY IS IN THE PA I-81/I-78 CORRIDOR

THE NY/NJ/PA INDUSTRIAL CORRIDOR'S strong pace of new construction completions carried over from year-end 2025, totaling 16.6 msf of new product, and already surpassed the mid-year total of 2025. Still, this year's final total is likely to fall short of 2024's 36.7 msf delivered. Preleasing rates for new product rose substantially in Northern NJ and remained stable in PA I-81 & I-78 since year-end 2025; however, the Southern NJ and Philadelphia markets penned a noticeable absence of preleasing. Although preleasing rates are low in select markets, various assets have recorded occupancy within several months after completion, suggesting that despite subdued demand while under-construction, there remains strong tenant interest for built premium product. Finally, 31.1 msf of projects remain under construction, distributed across 91 sites.

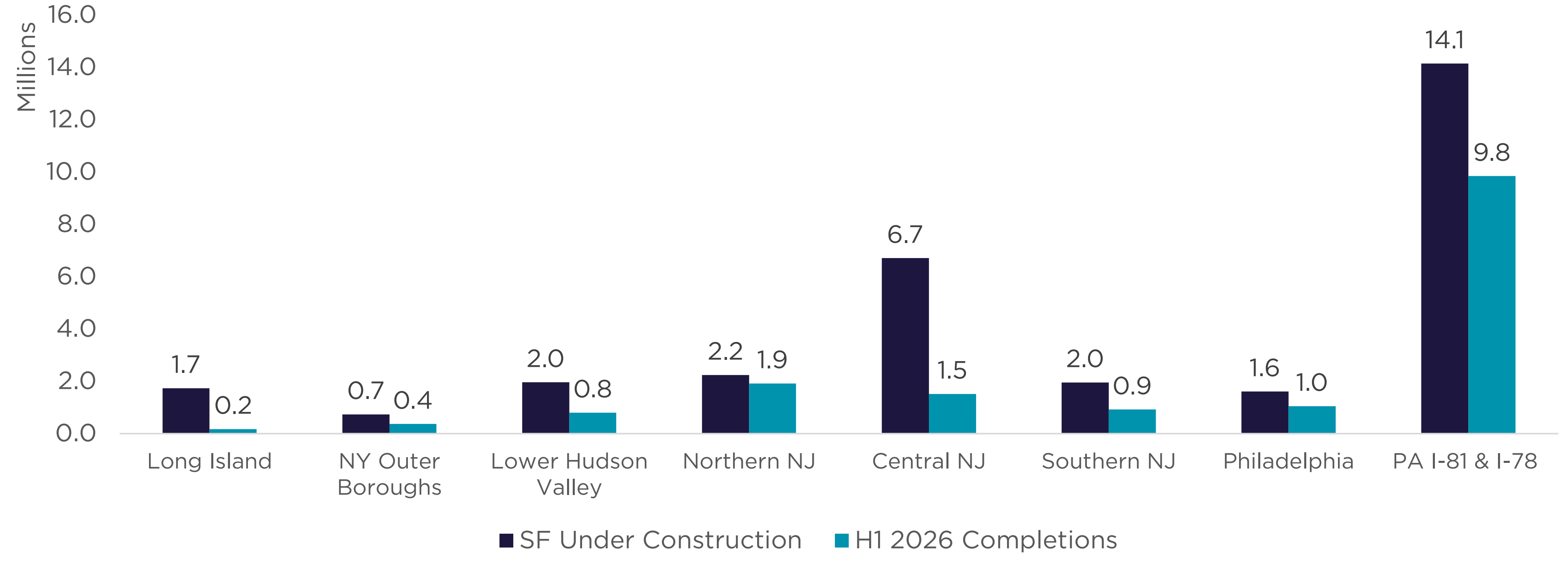
The PA I-81 & I-78 Corridor led the region in development pipeline activity, with 30 projects totaling 14.1 msf under construction by the end of H1 2026, followed by Central New Jersey, which recorded 26 projects totaling 6.7 msf. Northern New Jersey also remained active, with 14 projects totaling 2.2 msf.

The industrial corridor has been managing a surge of new construction that began in 2021 and 2022, when approximately 50.0 msf of new projects broke ground each year. This velocity slowed in 2023, with 31.9 msf of new starts, and cooled further in 2024, with just 22.5 msf of new starts. By the end of H1 2026, the year's 14.9 msf of construction starts had already met 50.0% of 2025's 29.8 msf annual total, promising a strong second half of the year. As these construction starts are concentrated primarily in the PA I-81 & I-78 Corridor and Central NJ, these markets' ability to absorb new supply amidst shifting market fundamentals will be tested.

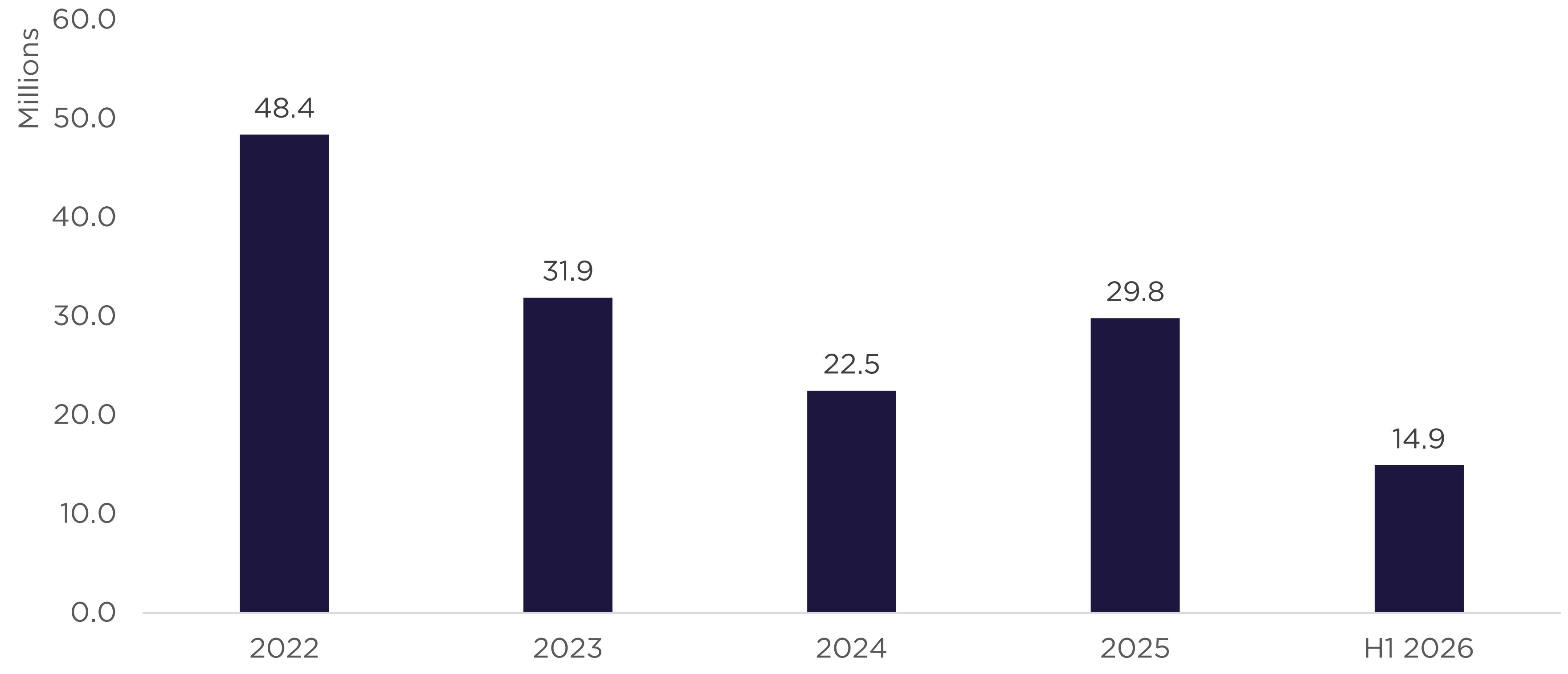
INDUSTRIAL TRI-STATE CORRIDOR: **PRELEASING**



INDUSTRIAL TRI-STATE CORRIDOR: **UNDER CONSTRUCTION VS. COMPLETIONS**



INDUSTRIAL TRI-STATE CORRIDOR: **HISTORICAL CONSTRUCTION STARTS**



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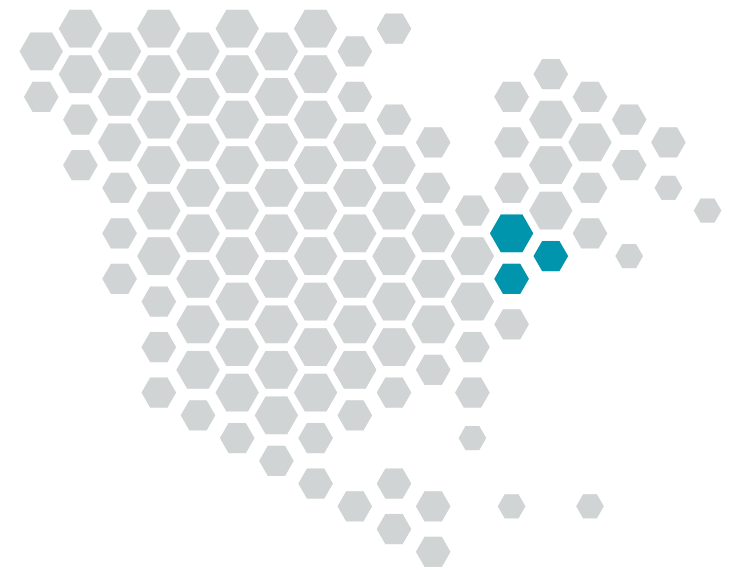

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H1 2026 Statistics

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REGIONAL MAP

H1 2026 **TRI-STATE INDUSTRIAL REPORT**

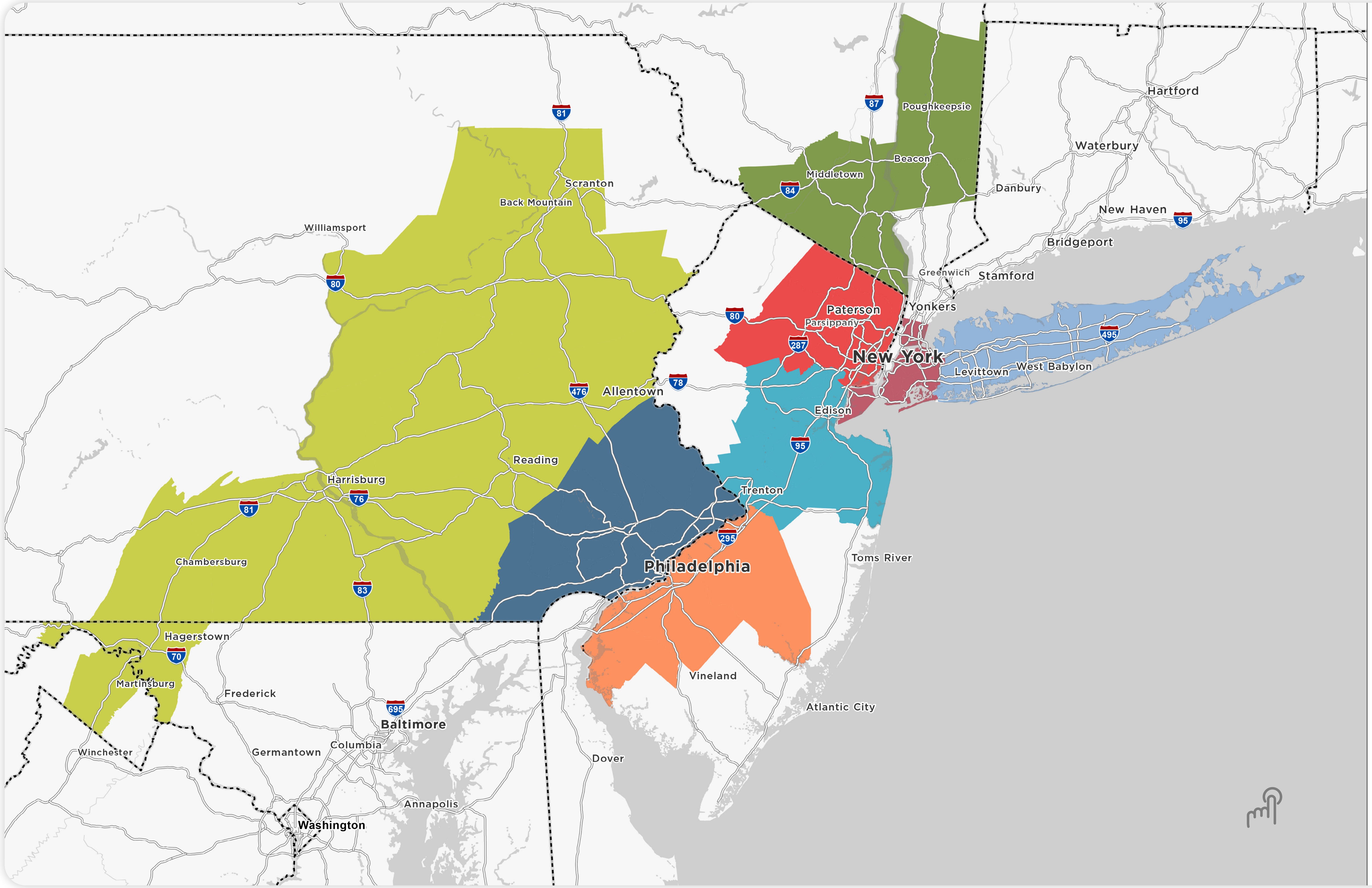
22.3% INVENTORY GROWTH FROM 2021

+610 BPS VACANCY RATE CHANGE FROM 2021

16.6 MSF H1 2026 CONSTRUCTION COMPLETIONS

10.1% INCREASE IN SF UNDER CONSTRUCTION FROM H1 2025

36.5 MSF H1 2026 LEASING ACTIVITY INCREASED 35.6% FROM H1 2025



MAP
LOCATION LEGEND

- NORTHERN NEW JERSEY
- CENTRAL NEW JERSEY
- SOUTHERN NEW JERSEY
- LONG ISLAND
- NEW YORK OUTER BOROUGHS
- PHILADELPHIA
- PA I-81/I-78/I-81S
- LOWER HUDSON VALLEY

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LONG ISLAND

H1 2026 TRI-STATE INDUSTRIAL REPORT

105.0 MSF INVENTORY

5.2% VACANCY RATE

246,382 SF YTD NET ABSORPTION

$19.49 PSF ASKING RENT

2.3 MSF YTD NEW LEASING ACTIVITY

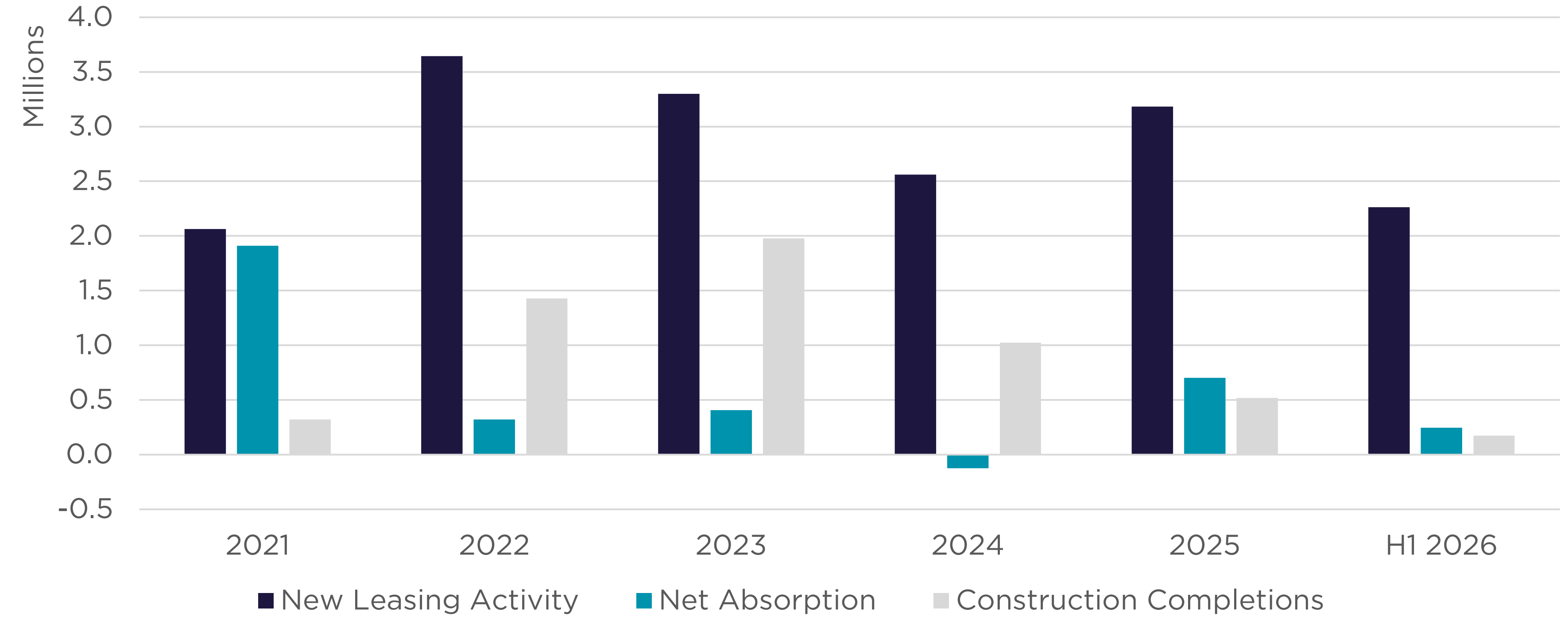
THE LONG ISLAND INDUSTRIAL MARKET benefits from its strategic location and proximity to the greater New York Metro Area. Transportation and connectivity play a vital role in attracting tenants to this market, with an emphasis on the Long Island Rail Road—the busiest commuter railroad in North America—and the Long Island Expressway (I-495)—the main thoroughfare spanning the entire island running east to west.

Long Island's population of 2.9 million makes it one of the densest suburbs in the country. This allows companies to not only benefit from proximity to an affluent consumer base, but also access to a robust labor force to employ.

New leasing activity surged during the pandemic as tenants prioritized modern facilities with higher ceiling heights, more docks, and additional trailer parking. Demand picked up significantly in the first half of 2026 as new supply slowed down, resulting in positive net absorption so far this year.

The overall vacancy rate has ticked up higher from its lowest point in 2021; however, vacancy trended downward in Q2 2026. Speculative developments continue to complete, though the pipeline has decelerated, with more sites opting for build-to-suits. Additionally, new construction projects have put upward pressure on asking rents, which have seen immense growth since 2019.

LONG ISLAND: LEASING, NET ABSORPTION, & COMPLETIONS



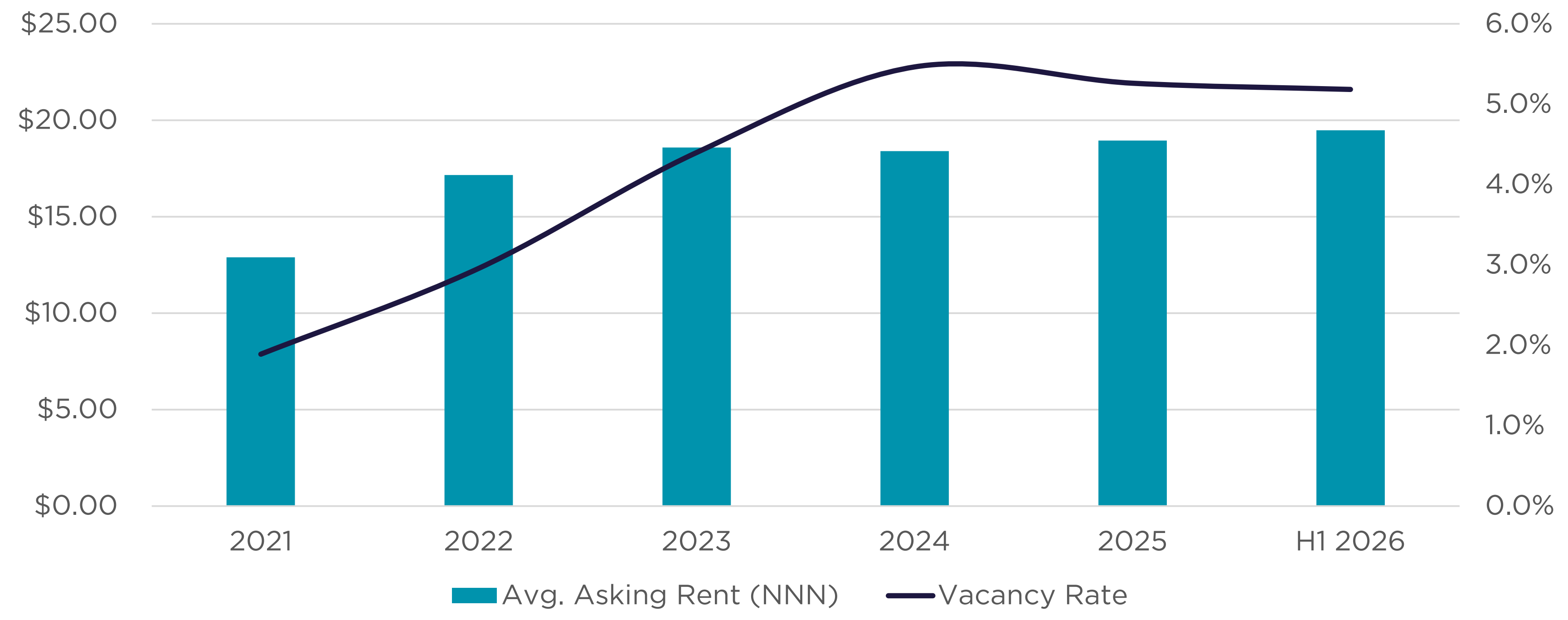
SUBMARKET STATISTICS H1 2026

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Avg. Asking Rents (NNN)
Western Nassau County	11,189,245	5.0%	$23.47
Central Nassau County	4,704,248	2.2%	$17.77
Eastern Nassau County	15,631,472	5.3%	$21.04
Western Suffolk County	22,915,429	3.3%	$20.61
Central Suffolk County	35,665,928	5.3%	$19.65
Eastern Suffolk County	14,741,800	8.7%	$16.08
Totals	**104,848,122**	**5.2%**	**$19.49**

*Asking rents are NNN and the submarket average

LONG ISLAND: VACANCY RATE VS. AVERAGE ASKING RENT



KEY DRIVERS

- Affluent and dense suburban market with high barriers to entry.
- Growing Class A inventory due to significant institutional investment.
- Proximity to NYC, airports and Port of NY.

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NEW YORK CITY OUTER BOROUGHS

H1 2026 **TRI-STATE INDUSTRIAL REPORT**

131.7 MSF INVENTORY

6.7% VACANCY RATE

-460,853 SF YTD NET ABSORPTION

$28.12 PSF ASKING RENT

1.0 MSF YTD NEW LEASING ACTIVITY

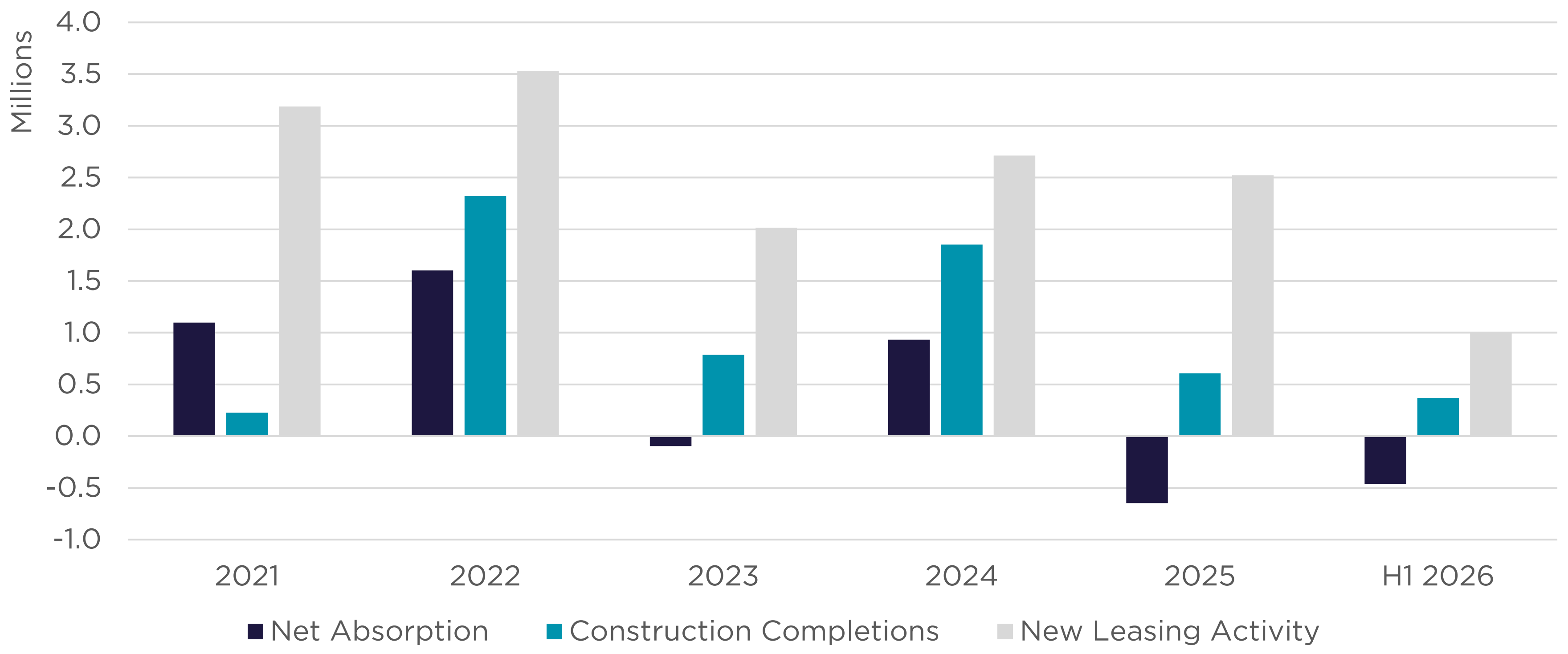
THE NEW YORK CITY OUTER BOROUGHS INDUSTRIAL MARKET benefits heavily from its location, with the New York City area being the largest metro in the Northeast. It contains a population of 9.6 million and a labor force of 4.6 million, including an affluent consumer base and a skilled labor pool. Additionally, numerous highways and bridges enhance its connectivity to the greater metropolitan area, attracting tenants that require direct access to Manhattan, JFK and LaGuardia Airports, and the Port of NY/NJ.

Demand picked up significantly during the pandemic as major e-commerce and logistics companies expanded within the market. Due to increasing economic headwinds, leasing activity has begun to soften this year. Tenants are focusing more heavily on industrial outdoor storage (IOS) and low-coverage sites to fulfill their parking requirements as finding traditional warehouses with parking is extremely scarce in this market.

The average asking rent fell from its peak in 2024, however; it still remains the highest in the country by a wide margin, as speculative new construction warehouses put upward pressure on pricing. The overall vacancy rate elevated to a new peak as space continued to enter the market, leading to negative net absorption in H1 2026.

Developers continue to invest heavily into the industrial market, expanding overall inventory in the region. Currently, 737,027 sf is under construction, and 6.2 msf has been completed since 2021, though a significant portion of state-of-the-art logistics space still remains vacant.

NEW YORK OUTER BOROUGHS:
LEASING, NET ABSORPTION, & COMPLETIONS



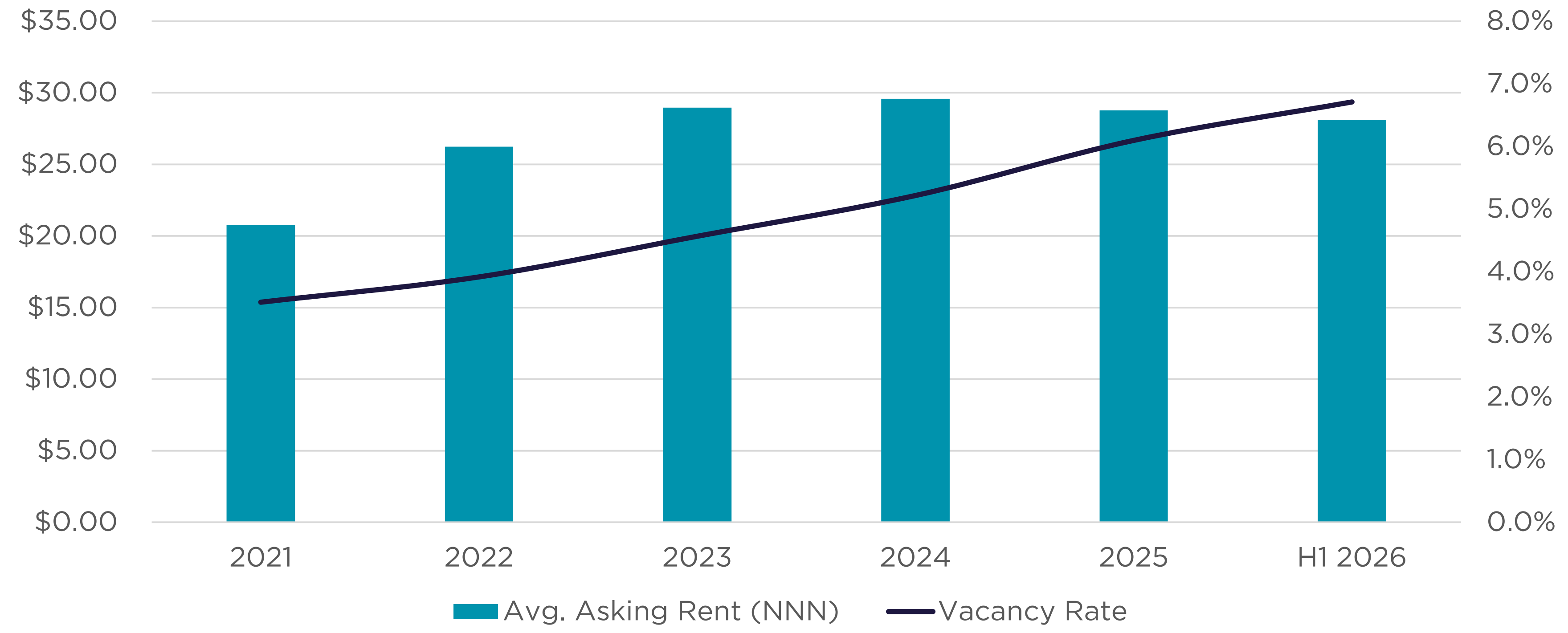
SUBMARKET STATISTICS H1 2026

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Avg. Asking Rents (NNN)
Bronx	19,722,173	8.8%	$32.69
Brooklyn	49,928,999	4.0%	$27.42
Queens	54,464,179	6.7%	$29.53
Staten Island	7,551,767	19.1%	$20.66
Totals	**131,667,118**	**6.7%**	**$28.12**

*Asking rents are NNN and the submarket average

NEW YORK OUTER BOROUGHS:
VACANCY RATE VS. AVERAGE ASKING RENT



KEY DRIVERS

- Largest metropolitan area in the northeast.
- Immediate proximity to Manhattan, JFK, LaGuardia and the Port of NY/NJ.
- Growing development pipeline with an emphasis on multistory warehouses.

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LOWER HUDSON VALLEY

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54.3 MSF INVENTORY

12.4% VACANCY RATE

664,991 SF YTD NET ABSORPTION

$12.98 PSF ASKING RENT

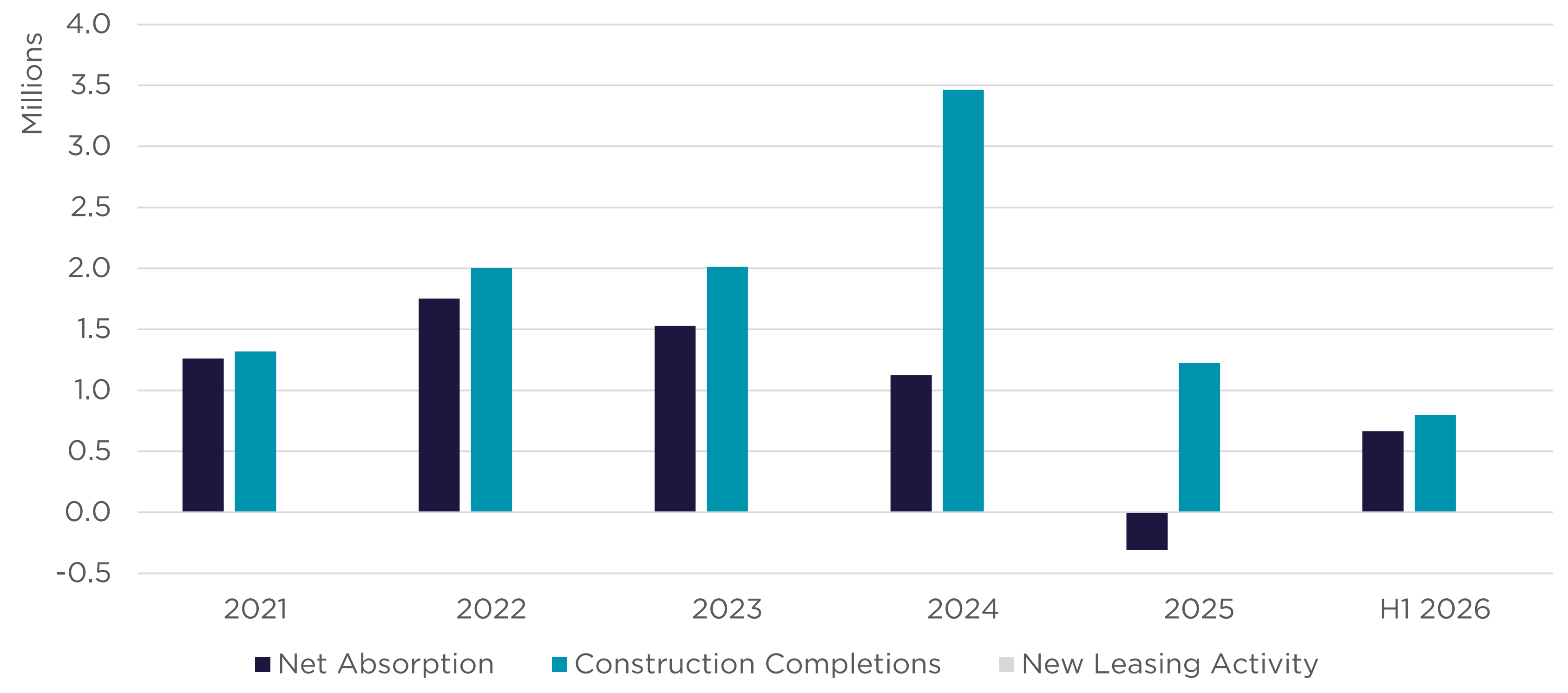
799,178 SF YTD COMPLETIONS

THE LOWER HUDSON VALLEY INDUSTRIAL MARKET, defined as buildings 50,000 sf and larger across Orange, Rockland, Putnam, and Dutchess counties, comprises of 335 properties totaling 54.3 msf. Orange County remains the region's dominant industrial hub, accounting for 54.8% of the market's inventory. The market continues to modernize, with Class A warehouse and distribution space expanding to 17.5 msf, representing 32.2% of the Lower Hudson Valley's total industrial inventory. Orange County leads the region with 12.9 msf of Class A product, or 74.0% of the region's total.

Occupancy gains in the Lower Hudson Valley market remained positive for the second consecutive quarter, with a decline in sublease vacancy. The market recorded 587,681 sf of positive net absorption during the second quarter, bringing YTD net absorption to 664,991 sf. Despite the improvement in occupancy, vacancy remained elevated as newly available existing space and the delivery of three largely vacant speculative buildings exceeded demand. As a result, the vacancy rate held above 12.0% for the third consecutive quarter, ending the quarter up slightly at 12.4%.

Occupier demand remained broad-based across the Lower Hudson Valley during the second quarter, with all four submarkets recording positive net absorption. Orange County led the market with 555,744 sf of occupancy gains, bringing its YTD net absorption total to 706,173 sf. Despite positive second quarter performances, first quarter occupancy losses continued to weigh on Rockland and Dutchess counties, leaving YTD net absorption at negative 19,805 sf and negative 21,377 sf, respectively. The widespread return of occupancy growth across the region nevertheless points to improving tenant demand within the market.

LOWER HUDSON VALLEY:
NET ABSORPTION & COMPLETIONS



KEY DRIVERS

- Available land for development.
- Access to skilled labor pool.
- Affluent consumer base.

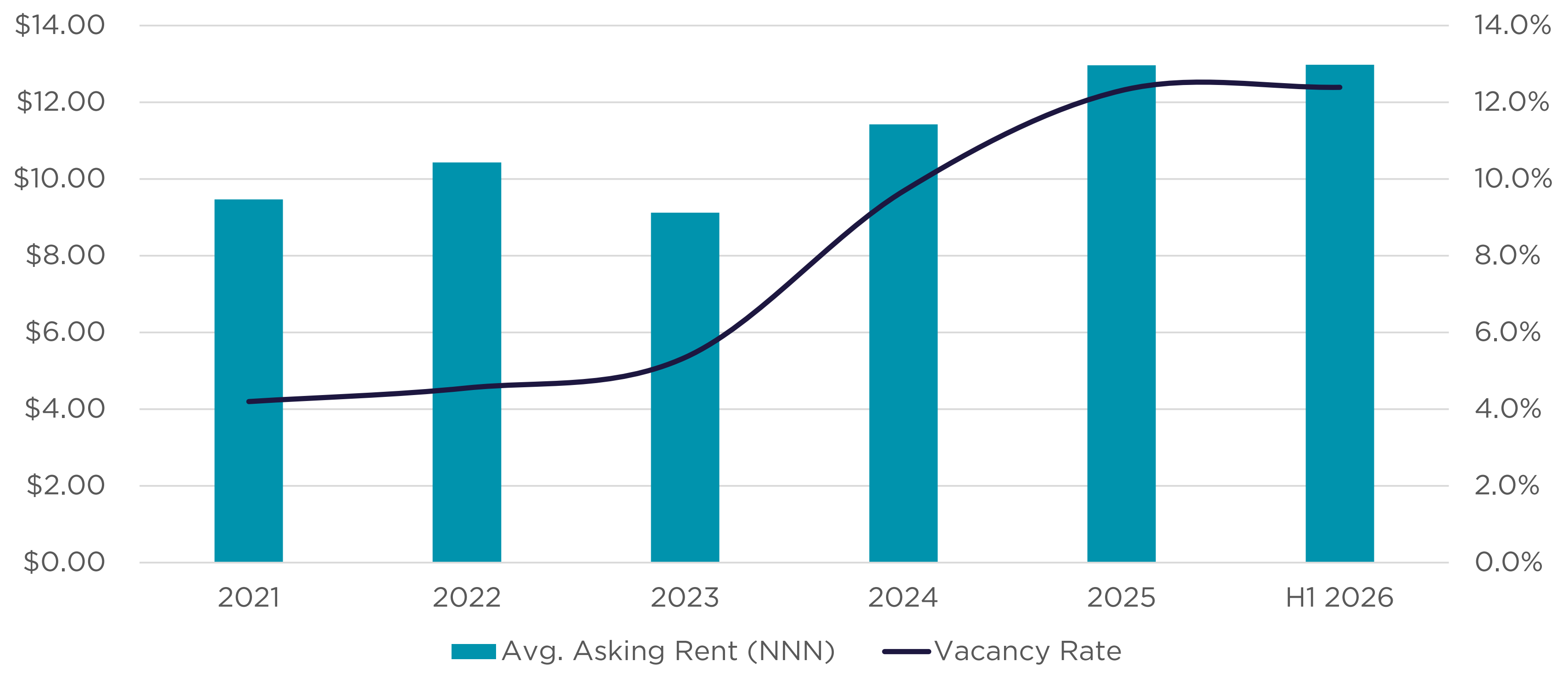
SUBMARKET STATISTICS H1 2026

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Avg. Asking Rents (NNN)
Orange County	29,742,741	15.0%	$11.21
Rockland County	12,046,126	12.2%	$17.96
Dutchess County	10,028,610	1.6%	$13.67
Putnam County	2,449,544	25.3%	$16.00
Totals	54,267,021	12.4%	$12.98

*Asking rents are NNN and the submarket average

LOWER HUDSON VALLEY:
VACANCY RATE VS. AVERAGE ASKING RENT



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NORTHERN NEW JERSEY

H1 2026 TRI-STATE INDUSTRIAL REPORT

262.4 MSF INVENTORY

9.3% VACANCY RATE

973,849 SF YTD NET ABSORPTION

$18.08 PSF ASKING RENT

6.1 MSF YTD NEW LEASING ACTIVITY

THE NORTHERN NEW JERSEY INDUSTRIAL MARKET benefits from a strategic location near the Port of NY/NJ and Newark Liberty International Airport. This connectivity provides businesses with efficient access to one of the nation's largest and most affluent consumer bases, while offering direct links to major transportation corridors throughout the Northeast.

The region is anchored by the Port Region submarket, one of New Jersey's most established industrial hubs. Demand for space in this submarket has strengthened over time as cargo volumes and vessel sizes have increased, driven by growth in consumer spending and global trade activity.

Leasing demand remained steady during the first half of 2026, resulting in 973,849 sf of positive net absorption. However, occupancy growth was insufficient to offset the volume of new supply delivered to the market, leading to an elevated vacancy rate and increased competition among landlords. To attract and retain tenants, many owners continue to offer concessions and other incentive packages.

The rise in available space has expanded tenant options across the market. Looking ahead, a slowdown in construction activity, coupled with consistent cargo through the Port of NY/NJ, should help balance market fundamentals. If demand continues to absorb existing inventory at a steady pace, vacancy rates could begin to trend downward in the coming quarters.

KEY DRIVERS

- Accessible to the affluent population base of the metropolitan New York area.
- Home to the Port of NY/NJ & Newark Liberty International Airport.
- Robust highway network, offering immediate access to interstates and river crossings. I-95/I-78/I-287/I-80/Route 440/Route 1&9/Holland Tunnel/Bayonne & Verrazzano Bridges.

Cushman & Wakefield Research
H1 2026 Statistics

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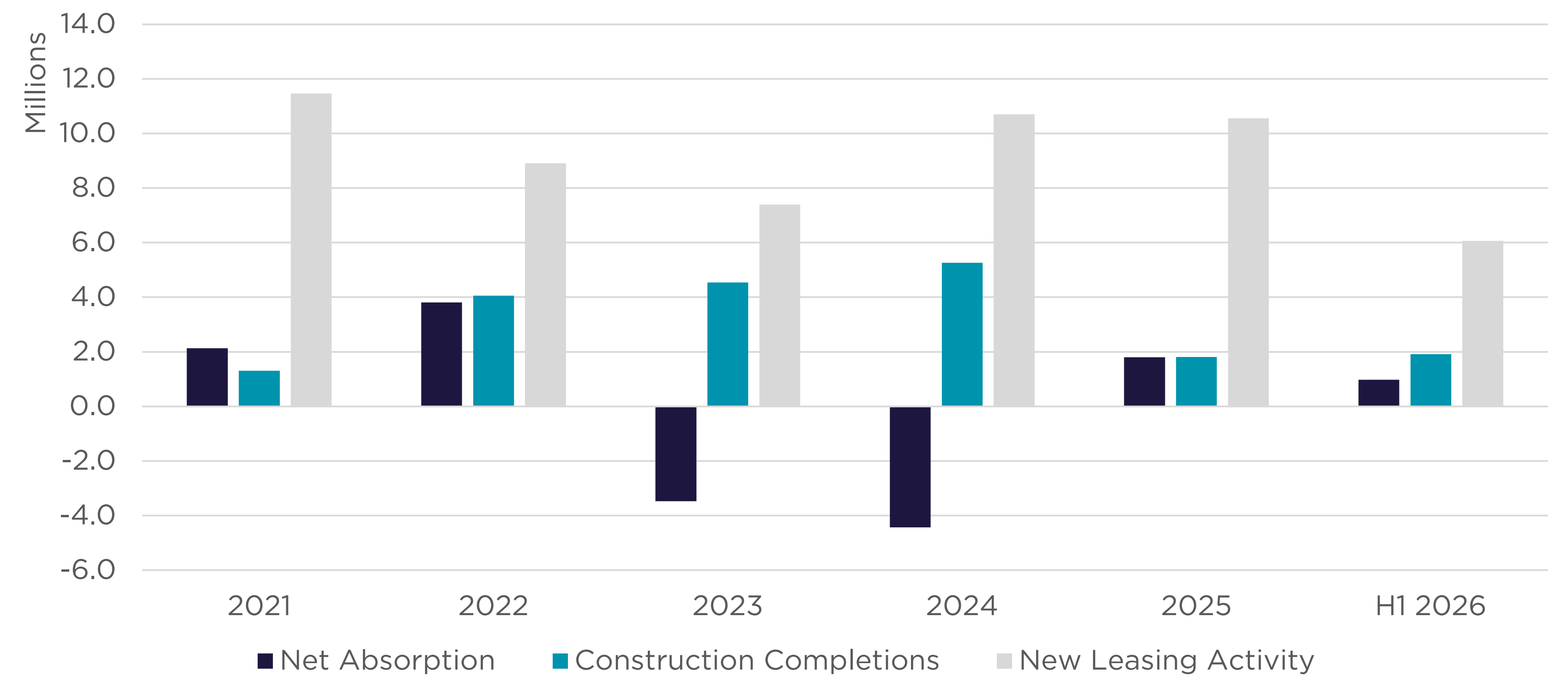
SUBMARKET STATISTICS H1 2026

VIEW MORE DATA

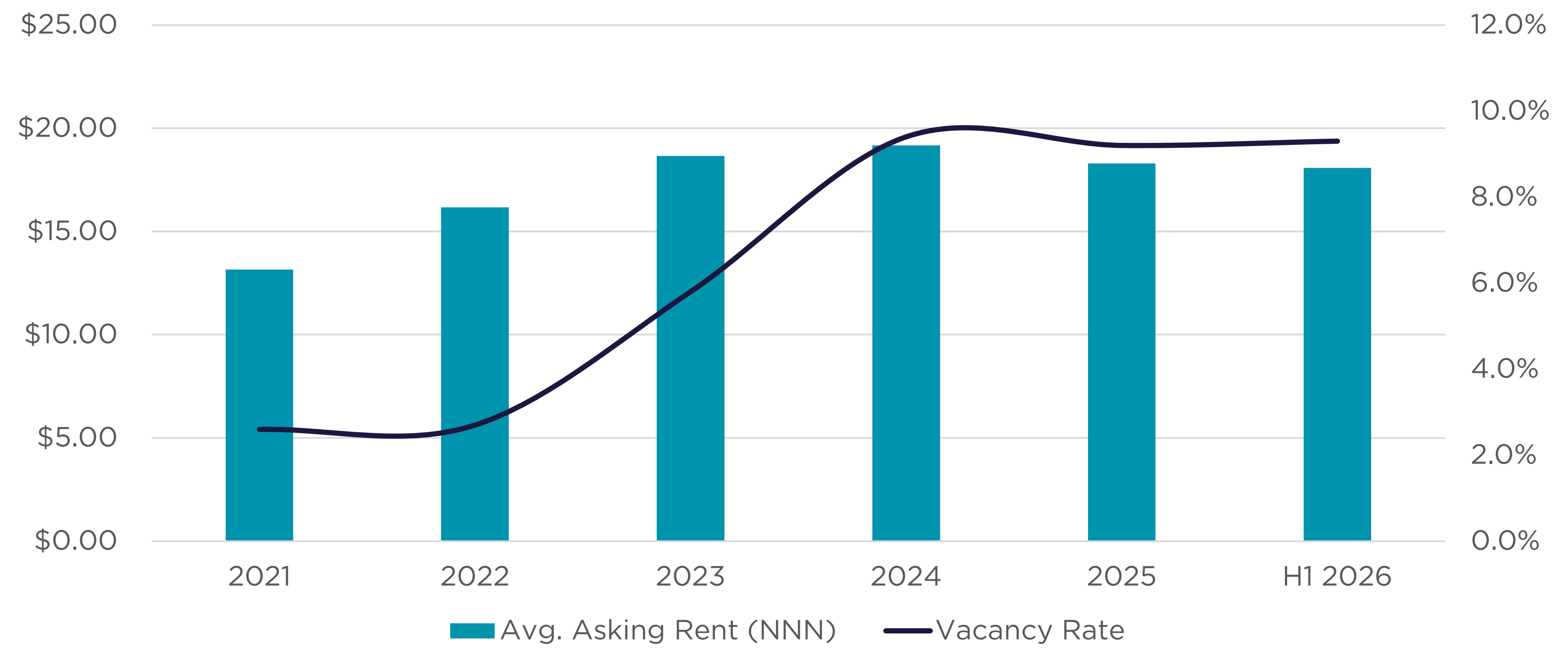
Submarket	Inventory (SF)	Vacancy Rate	Avg. Asking Rents (NNN)
Northern Bergen	9,576,210	4.5%	$16.26
GW Bridge Market	2,853,527	7.4%	$17.72
Central Bergen	15,081,506	10.2%	$16.05
Meadowlands	75,238,710	8.5%	$18.46
Port Region	84,107,556	12.5%	$18.85
Suburban Essex	6,552,579	5.0%	$16.48
Greater I-80 Corridor	60,239,789	6.5%	$16.28
Route 23 North	316,603	18.3%	$13.00
Morristown Market	7,188,796	15.6%	$18.39
Route 23 Corridor	1,288,691	4.6%	$18.56
Totals	**262,443,967**	**9.3%**	**$18.08**

*Asking rents are NNN and the submarket average

NORTHERN NEW JERSEY:
LEASING, NET ABSORPTION, & COMPLETIONS



NORTHERN NEW JERSEY:
VACANCY RATE VS. AVERAGE ASKING RENT



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CENTRAL NEW JERSEY

H1 2026 TRI-STATE INDUSTRIAL REPORT

299.4 MSF INVENTORY

9.3% VACANCY RATE

3.3 MSF YTD NET ABSORPTION

$15.72 PSF ASKING RENT

9.9 MSF YTD NEW LEASING ACTIVITY

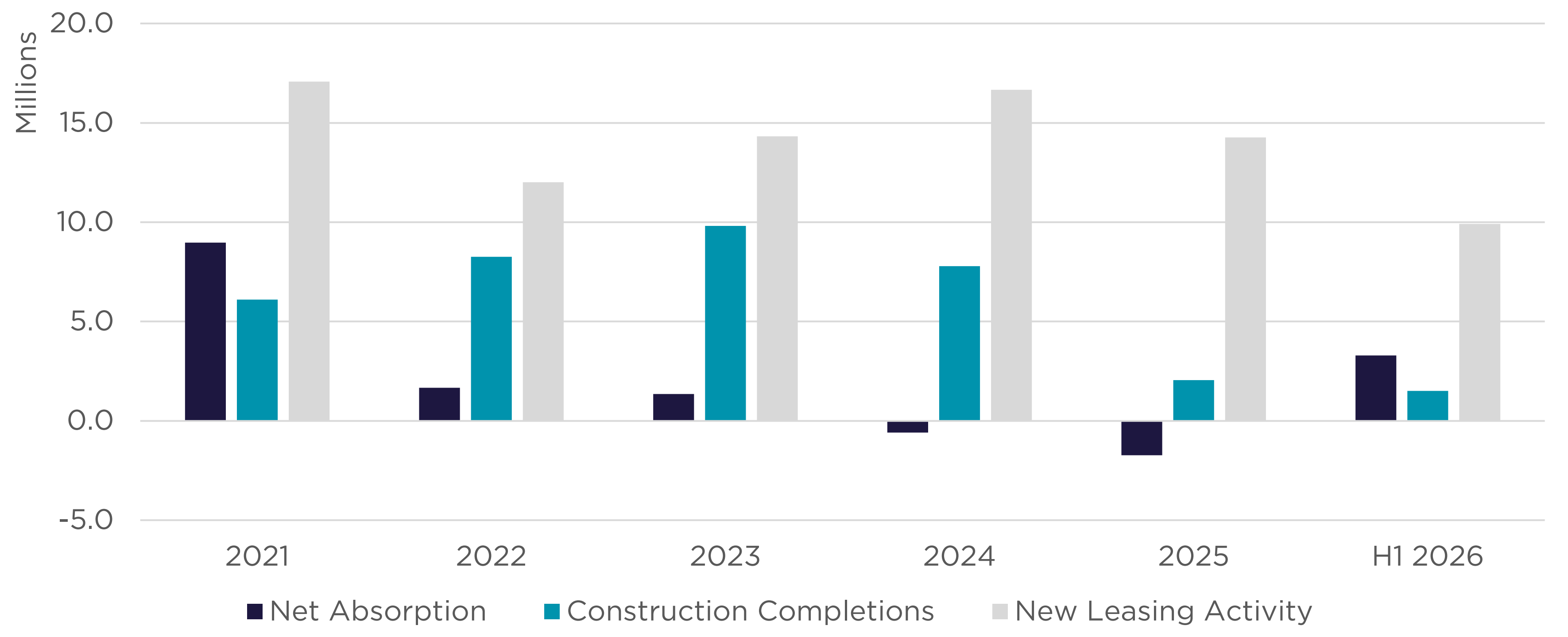
CENTRAL NEW JERSEY'S STRATEGIC LOCATION within the Northeast distribution corridor continues to make it a premier destination for warehouse and distribution operations. The region's extensive highway infrastructure provides efficient access to major population centers along the Northeast Corridor, from Boston to Washington, D.C., allowing occupiers to reach a broad consumer base within a single-day drive.

Tenant demand remained steady throughout the first half of 2026, with leasing activity heavily concentrated along the Turnpike Corridor. Demand for new space remained resilient, accounting for 81.6% of total leasing volume during the year and reinforcing the corridor's position as the market's primary demand driver.

Activity was led by the Exit 8A submarket, which has faced occupancy challenges over the past two years but is beginning to show signs of recovery. Leasing activity exceeded 1.0 msf for the second consecutive quarter, reaching 1.4 msf in the second quarter and bringing the YTD total to 3.5 msf.

As competition for tenants has intensified, owners and developers have largely maintained asking rents while enhancing concession packages to attract occupiers. Increased free rent offerings and the subdivision of larger vacant blocks have become more common strategies to align available inventory with current demand. These measures underscore the market's adaptability as landlords work to maintain leasing momentum amid evolving conditions.

CENTRAL NEW JERSEY: LEASING, NET ABSORPTION, & COMPLETIONS



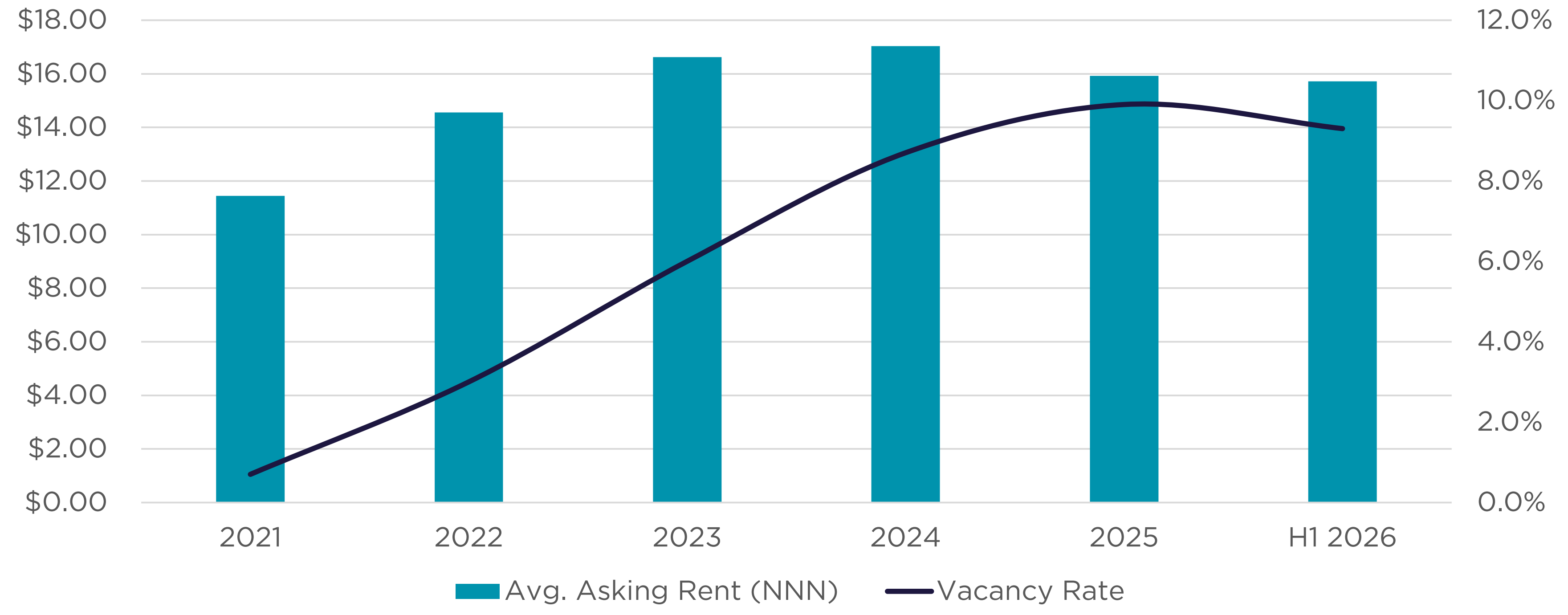
SUBMARKET STATISTICS H1 2026

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Avg. Asking Rents (NNN)
Port South	37,094,159	11.3%	$18.19
Central Union	12,679,112	6.6%	$15.65
Route 24 Corridor	1,793,846	3.1%	$13.45
Somerset Corridor	24,394,236	9.9%	$16.11
Somerset/I-78 Corridor	85,201,057	5.7%	$16.07
Exit 9	23,199,436	11.4%	$16.32
Exit 8A	75,199,798	10.8%	$15.01
Greater Princeton Market	4,742,897	9.8%	$13.30
Exit 7A/8	24,793,035	13.4%	$13.57
Monmouth County	10,295,497	10.3%	$13.66
Totals	**299,393,073**	**9.3%**	**$15.72**

*Asking rents are NNN and the submarket average

CENTRAL NEW JERSEY: VACANCY RATE VS. AVERAGE ASKING RENT



KEY DRIVERS

- Centrally positioned at the core of the I-95 Corridor, midway between Boston and Washington, D.C.
- Substantial concentration of Class A big-box warehouse facilities.
- Access to exceptional labor pool.

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SOUTHERN NEW JERSEY

H1 2026 TRI-STATE INDUSTRIAL REPORT

110.7 MSF INVENTORY

10.4% VACANCY RATE

2.4 MSF YTD NET ABSORPTION

$12.24 PSF ASKING RENT

3.2 MSF YTD NEW LEASING ACTIVITY

COMPRISED OF BURLINGTON, CAMDEN, GLOUCESTER, AND SALEM COUNTIES, THE SOUTHERN NEW JERSEY REGION is a major American economic hub centered upon a thriving industrial market.

Southern New Jersey has expanded into a robust warehouse and distribution business region along the East Coast. With convenient access to the New York, Philadelphia, and Washington, D.C. metropolitan areas, the region's transportation network affords businesses an ample customer base.

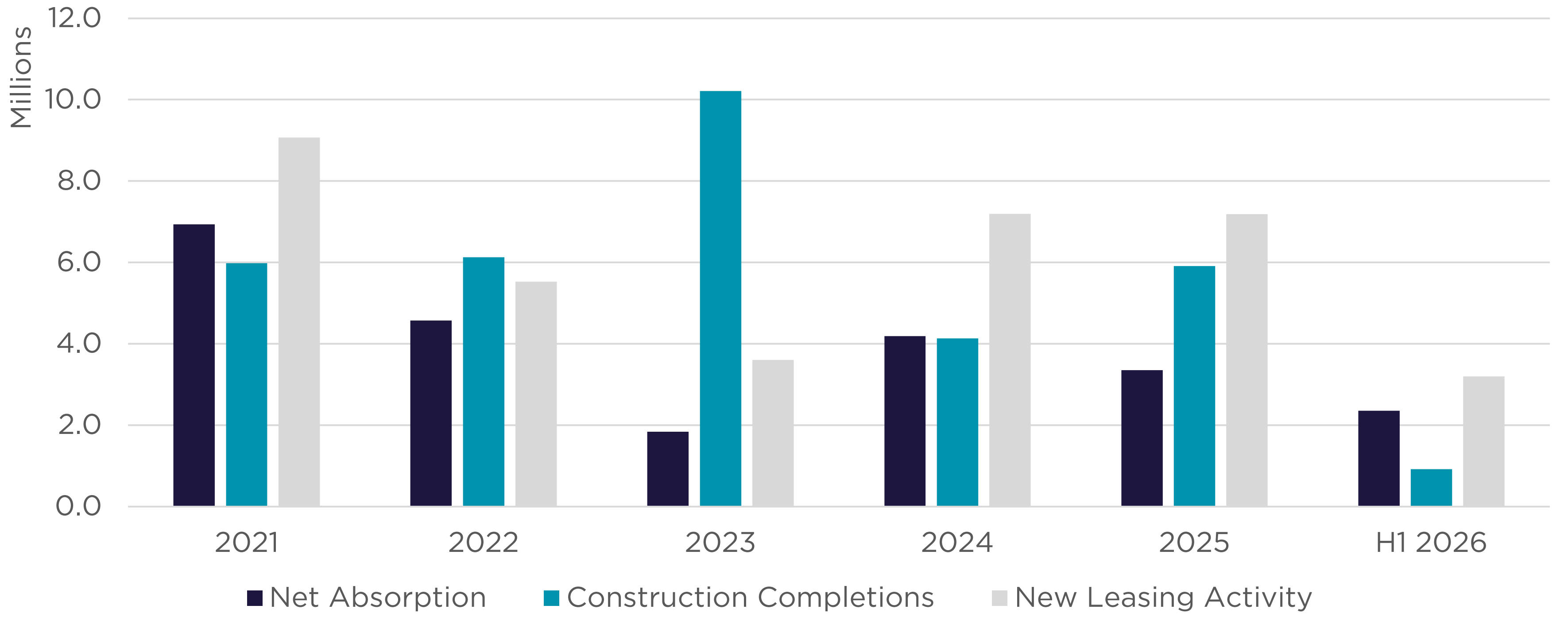
As the COVID-19 pandemic drove demand for e-commerce space to new highs, the 2020 and 2021 leasing periods had record new tenant occupancy levels, and though economic and geopolitical challenges have presented hurdles to tenants seeking space, Southern New Jersey's H1 2026 leasing activity is already nearly half of 2025's annual total.

Construction completions by the midpoint of 2026 have significantly slowed as the pipeline stabilizes, adding just over 900,000 sf of new space to the market—a stark contrast to 2025's 5.9 msf annual total.

Strong leasing activity combined with stablization of the construction pipeline has led to a drop in vacancy, with Southern New Jersey's average vacancy rate dropping 140 bps since the end of 2025.

Rental rates are due to remain stable over the next six months, as construction deliveries even out and tenants in the market continue to regain confidence.

SOUTHERN NEW JERSEY : LEASING, NET ABSORPTION, & COMPLETIONS



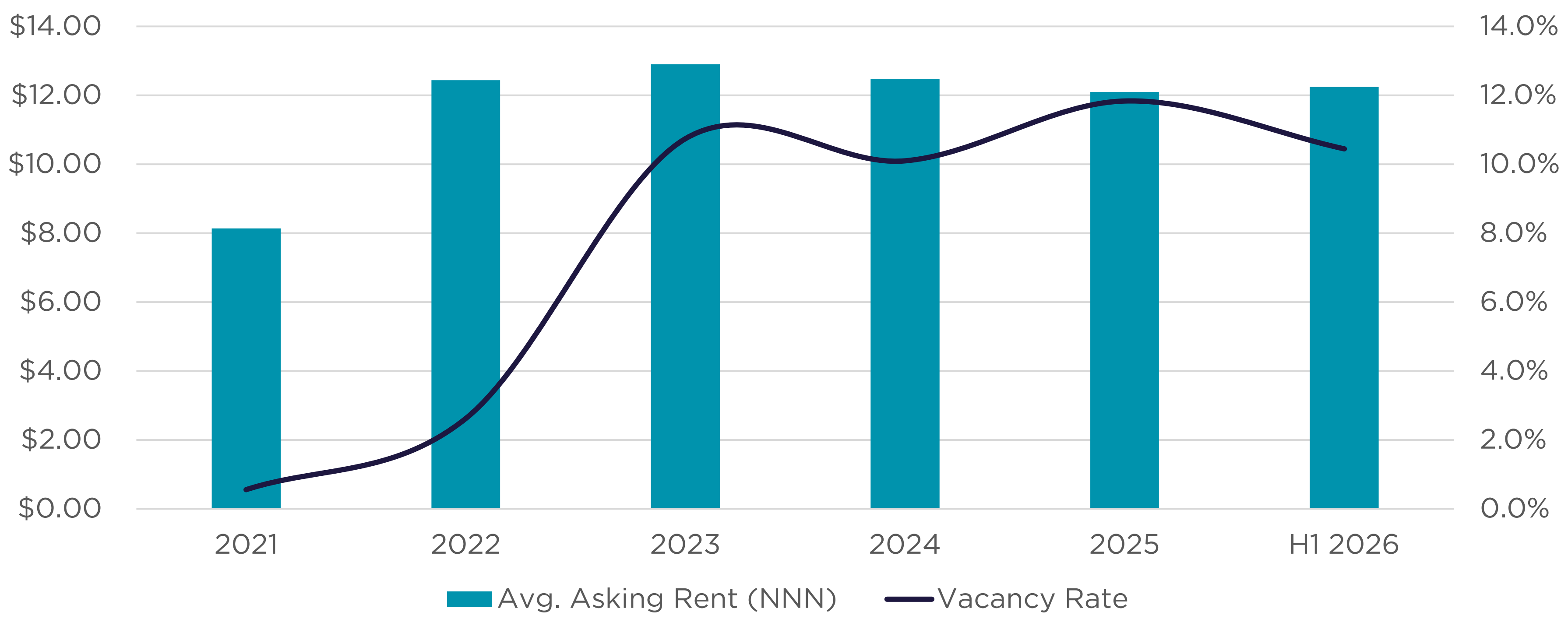
SUBMARKET STATISTICS H1 2026

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Avg. Asking Rents (NNN)
Burlington County	55,457,087	4.0%	$14.41
Camden County	13,679,369	5.9%	$12.26
Gloucester County	29,575,473	13.8%	$12.01
Salem County	11,954,483	37.2%	$11.70
Totals	**110,666,412**	**10.4%**	**$12.24**

*Asking rents are NNN and the submarket average

SOUTHERN NEW JERSEY: VACANCY RATE VS. AVERAGE ASKING RENT



KEY DRIVERS

- Substantial concentration of Class A big-box warehouse facilities.
- Access to skilled labor pool.

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H1 2026 Statistics

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PHILADELPHIA

H1 2026 TRI-STATE INDUSTRIAL REPORT

108.6 MSF INVENTORY

10.1% VACANCY RATE

1.6 MSF YTD NET ABSORPTION

$13.34 PSF ASKING RENT

3.0 MSF YTD NEW LEASING ACTIVITY

PHILADELPHIA and its surrounding suburban counties represent a centerpiece of American culture, history, and business. The city proper is the sixth-largest city in the United States, and is serviced by a vast interconnected transit network, allowing for the efficient transportation of laborers and goods alike.

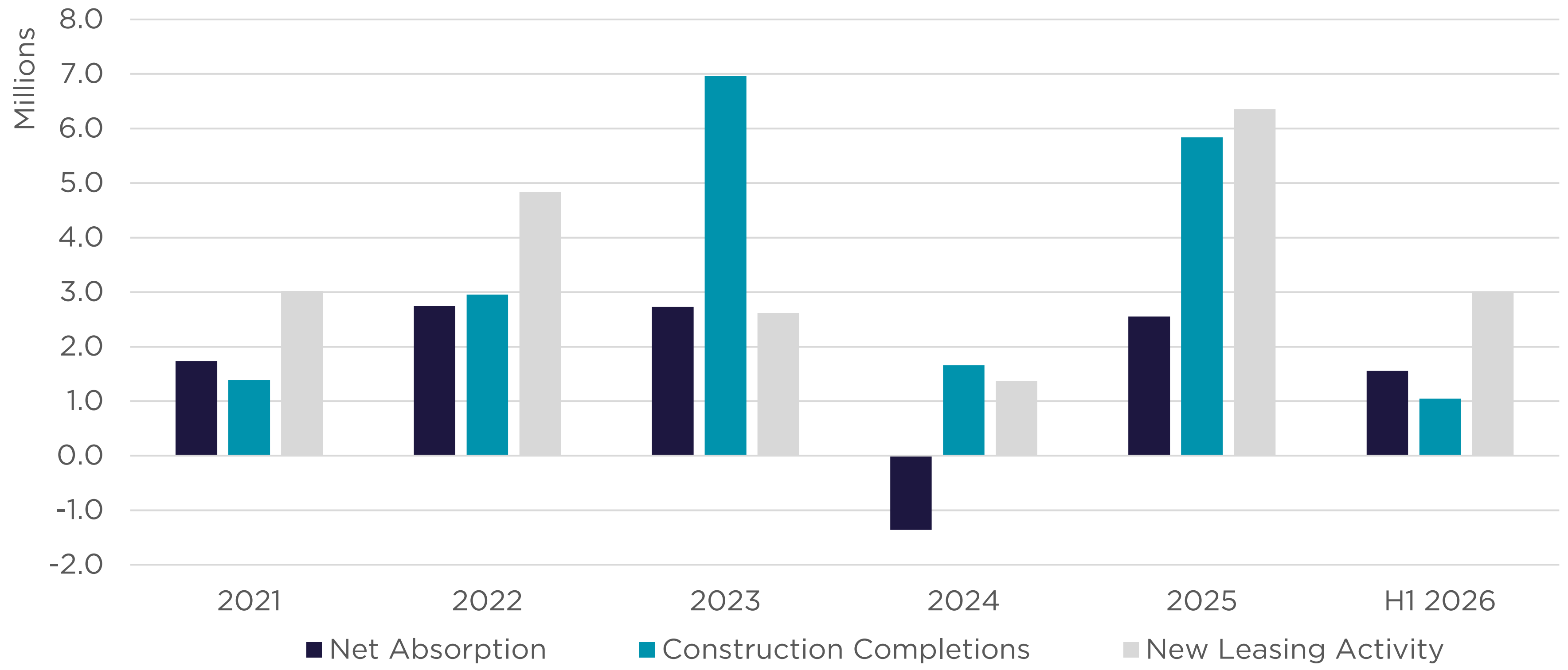
Southeastern Pennsylvania has now recorded six consecutive quarters of positive net absorption, reflecting the strong return of tenant confidence in the region. Absorption as of H1 2026 was already more than half of 2025's annual total.

Similarly to Southern New Jersey, Southeastern Pennsylvania's construction pipeline has noticeably stabilized, with the region's under construction total growing less than 500,000 sf since year-end 2025, and only 1.0 msf of new space delivering by mid-year 2026—in juxtaposition to 2025's 5.8 msf annual total.

Southeastern PA leasing activity in H1 2026 continued the strong precedent set by 2025's record-setting statistics, with 3.0 msf of new leasing signed in the first six months of 2026—nearly half of the previous year's 6.4 msf annual total.

Weighted average asking rents have stabilized since year-end 2025, dipping less than 1.0% over the course of H1 2026.

PHILADELPHIA:
LEASING, NET ABSORPTION, & COMPLETIONS



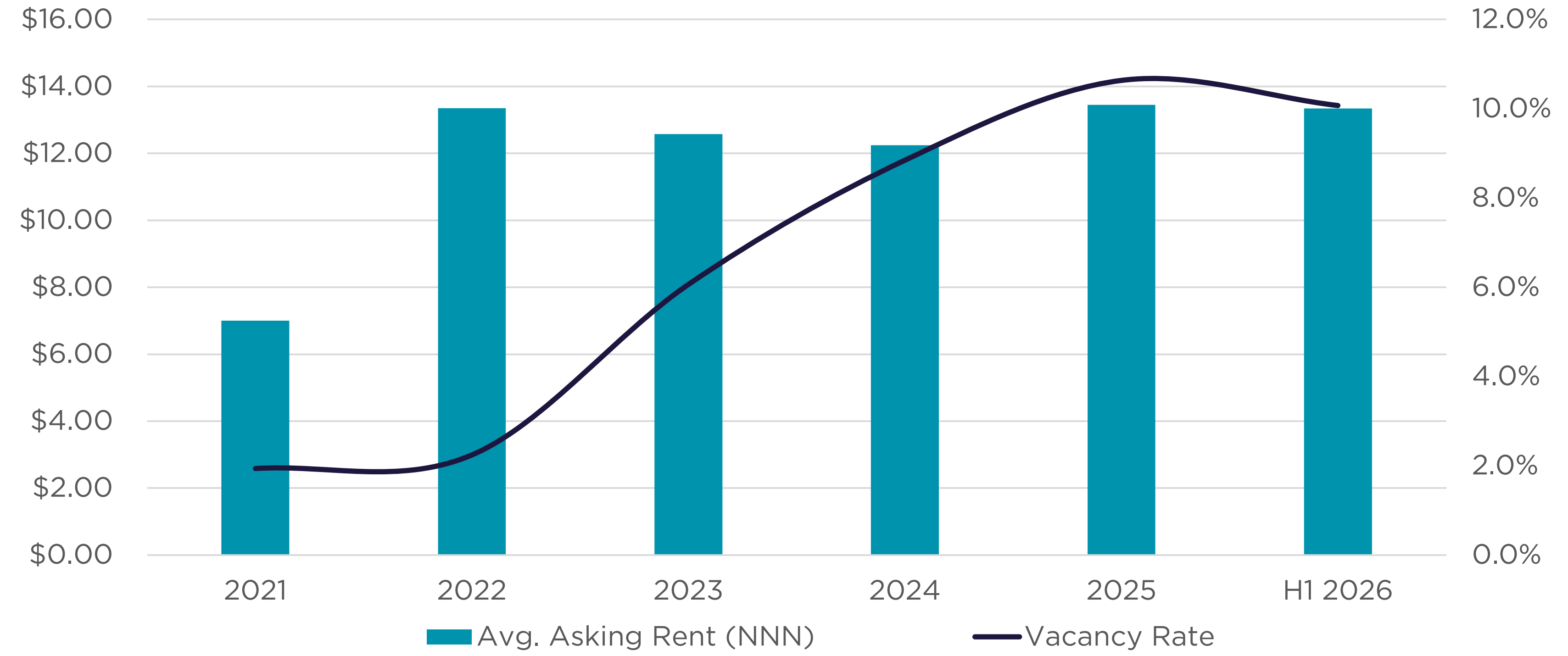
SUBMARKET STATISTICS H1 2026

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Avg. Asking Rents (NNN)
Philadelphia County	30,071,249	13.0%	$15.09
Lower Bucks County	26,676,112	6.3%	$12.97
Upper Bucks County	9,375,633	10.8%	$11.03
Montgomery County	24,545,403	8.6%	$11.77
Chester County	9,919,512	13.3%	$12.03
Delaware County	8,035,883	11.1%	$14.83
Totals	**108,623,792**	**10.1%**	**$13.34**

*Asking rents are NNN and the submarket average

PHILADELPHIA:
VACANCY RATE VS. AVERAGE ASKING RENT



KEY DRIVERS

- Access to four seaports.
- Complex highway network offers logistical advantages.
- Labor access.

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H1 2026 TRI-STATE INDUSTRIAL REPORT

466.1 MSF INVENTORY

7.4% VACANCY RATE

7.5 MSF YTD NET ABSORPTION

$9.11 PSF ASKING RENT

11.1 MSF YTD NEW LEASING ACTIVITY

Encompassing a significant area of land spanning from northeast Pennsylvania down to northern Maryland and northeast West Virginia, the **I-81/I-78 Corridor** represents a thriving and supply-rich industrial market with access to vast segments of the Eastern Seaboard.

The region has expanded due to the powerful transportation arteries which run through its core. Granting the geography convenient access to the labor force and customer base of three states, the Corridor is one of the top industrial markets in the country.

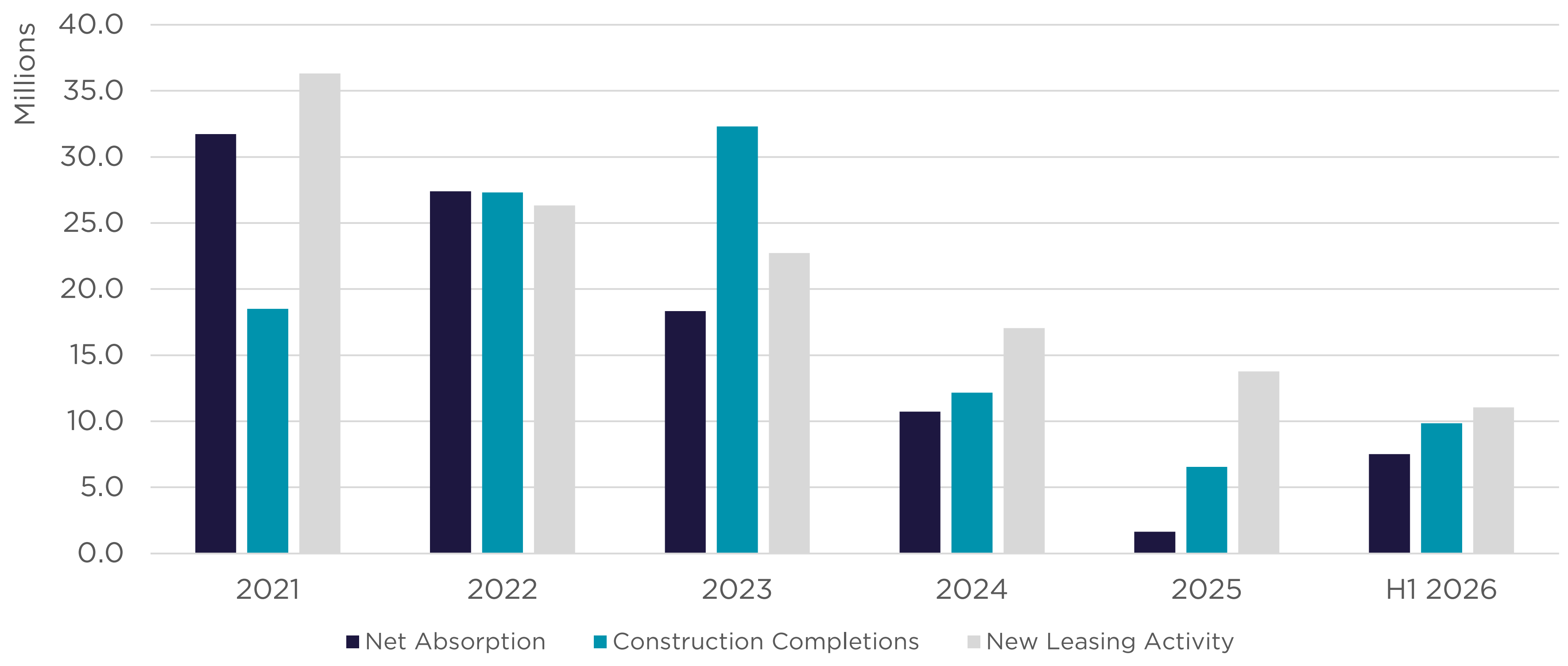
Annual leasing activity in H1 2026 shows promise for the year's cumulative totals, already comprising 11.1 msf—more than 80% of 2025's annual sum—led by the Lehigh Valley and Split submarkets.

The region's overall average vacancy rate increased marginally, rising only 20 bps since year-end 2025 to 7.4% as a few vacant deliveries of new construction came online.

The construction pipeline remained stable in Q2 2026, as 5.7 msf of construction starts offset 6.2 msf of industrial deliveries, bringing the latter's annual total to 9.8 msf.

Average asking rents in the Corridor rose 3.3% YOY to $9.11, reaching a new historical high for the region.

PA I-81/I-78:
LEASING, NET ABSORPTION, & COMPLETIONS



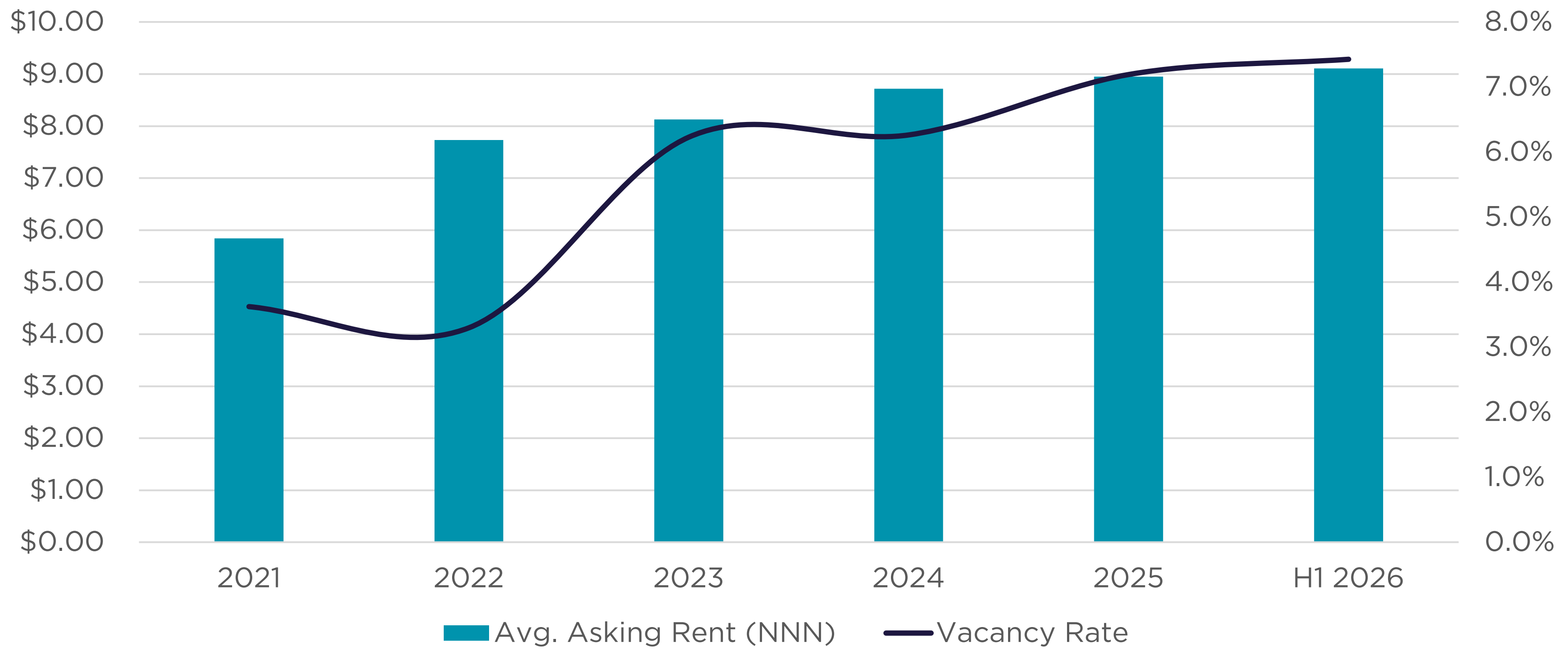
SUBMARKET STATISTICS H1 2026

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Avg. Asking Rents (NNN)
Lehigh Valley	109,006,246	8.3%	$11.87
Northeastern PA	89,179,099	7.1%	$7.79
Central PA	143,071,380	7.3%	$8.82
Split	58,546,986	6.5%	$8.42
I81S	66,269,369	7.5%	$6.93
Totals	**466,073,080**	**7.4%**	**$9.11**

*Asking rents are NNN and the submarket average

PA I-81/I-78:
VACANCY RATE VS. AVERAGE ASKING RENT



KEY DRIVERS

- Large population concentration.
- Available land for development.
- Direct access to several international airports.

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KEY TAKEAWAYS

- The Tri-State Industrial Corridor remained resilient in H1 2026 as tenant demand has gained significant momentum, resulting in occupancy gains throughout the region.
- Strong port activity and robust demographics continue to support demand, while the region is well-positioned for sustained growth heading into the second half of 2026.

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H1 2026 Statistics

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OUTLOOK

H1 2026 TRI-STATE INDUSTRIAL REPORT

THE NEW YORK, NEW JERSEY, AND PENNSYLVANIA INDUSTRIAL CORRIDOR demonstrated resilience in the face of evolving market conditions during H1 2026. Tenant demand gained significant momentum, offsetting a slower preleasing period for new construction, and resulted in occupancy gains in the region. Rental rates are expected to remain stable, with landlords continuing to offer incentives like free rent, early occupancy, and moving allowances to help mitigate vacancy.

The region's performance aligned with other major industrial hubs nationwide. Net absorption stayed positive in H1 2026 and demand accelerated, mirroring trends on the West Coast. Rental rates have held steady in the corridor, in contrast to the declines in the Western region. Additionally, strong terminal activity at the Port of NY/NJ continued to drive demand, bolstered by the area's dense population base.

Looking ahead, expect steady growth for the region from year-end 2026 through year-end 2028 with an average rental growth rate of 2.5%. Long Island is expected to lead rental increases, with projected gains of 3.7% within the next three years. As vacancy rates have edged lower, demand is anticipated to continue its momentum from H1 2026, supporting further occupancy growth. Due to robust market fundamentals, the corridor is well-positioned for sustained growth.

PROJECTED 3 YEAR GROWTH ACROSS TRI-STATE REGION

	YE 2026	YE 2027	YE 2028	Average YE 2026-2028
Long Island, NY	3.0%	3.0%	5.0%	3.7%
Central NJ	0.4%	3.0%	4.6%	2.7%
Northern NJ	0.5%	2.2%	3.2%	2.0%
PA I-81/I-78 Corridor, PA	1.4%	2.0%	3.0%	2.1%
Philadelphia, PA	4.0%	1.9%	1.0%	2.3%

*Forecast projections are provided for select markets.

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