



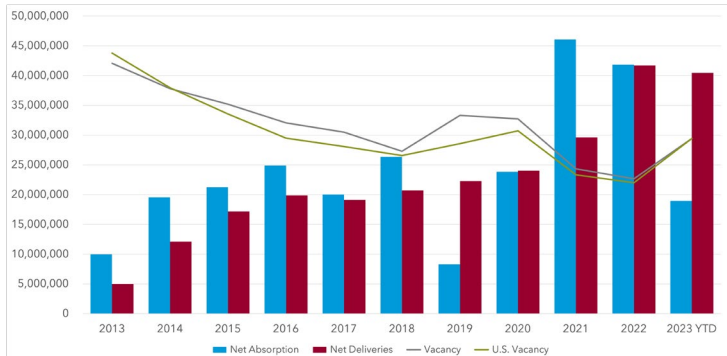
INDUSTRIAL MARKET OVERVIEW

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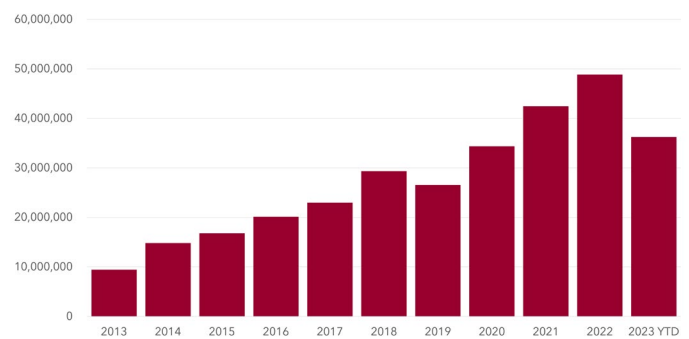
The industrial market in the Philadelphia region has witnessed a consecutive four-quarter increase in vacancy, primarily attributed to several key factors. This quarter, absorption amounted to 2.2 MSF, marking a significant decline from the modest 7.9 MSF absorbed in Q2 2023. Meanwhile, new construction deliveries remained steady at 13 MSF. Consequently, the vacancy rate increased 69 bps. Nevertheless, with a slowdown in construction activity coinciding with a sustained demand for industrial space, it's clear that the Philadelphia region is poised for an uptick in absorption in the near future. Overall, these trends underscore the enduring strength of the region's core industrial locations, reaffirming its trajectory of sustained growth in Q4 2023 and moving into 2024.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ 12 Mo. Net Absorption SF	29,349,344	37,746,335	42,548,591	41,833,344	40,698,118
▲ Vacancy Rate	5.30%	4.61%	4.19%	4.08%	3.90%
▼ Avg NNN Asking Rate PSF	\$8.56	\$8.86	\$8.65	\$8.26	\$8.04
▼ SF Under Construction	36,239,981	36,667,827	43,508,017	48,870,408	56,226,412
▼ Inventory SF	1,309,895,769	1,335,822,374	1,317,550,572	1,297,240,329	1,279,460,619

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
101 Commerce Drive Hazleton, PA	470,000 SF	\$51,000,000 \$108.51 PSF	Transwestern Investment Group Bluewater Property Group LLC	Class A
909 Katie Court Harrisburg, PA	280,000 SF	\$30,800,000 \$110.00 PSF	EQT Exeter Kohlberg Kravis Roberts & Co LP	Class A
1510 Gehman Road Harleysville, PA	152,625 SF	\$14,827,000 \$97.15 PSF	STAG Industrial Kohlberg Kravis Roberts & Co LP	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3379 Pocono Summit Road Mount Pocono, PA	1,204,494 SF	Newland capital Group	All Freight	3PL
Route 940 Lake Harmony, PA	921,356 SF	EQT Exeter	ID Logistics	3PL
River Road and West Saylor Avenue Jenkins Township, PA	868,000 SF	Mericle Commercial Real Estate Services	Undisclosed	Construction Materials

