



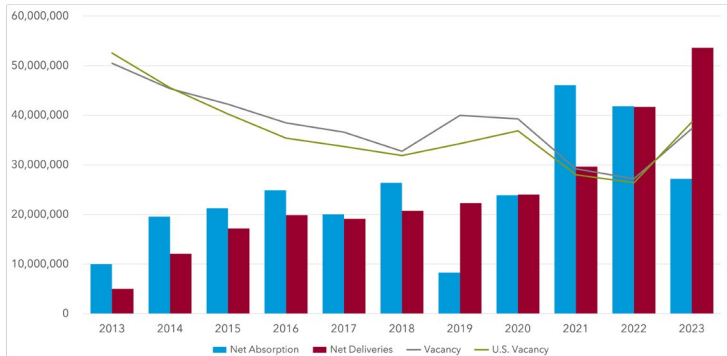
INDUSTRIAL MARKET OVERVIEW

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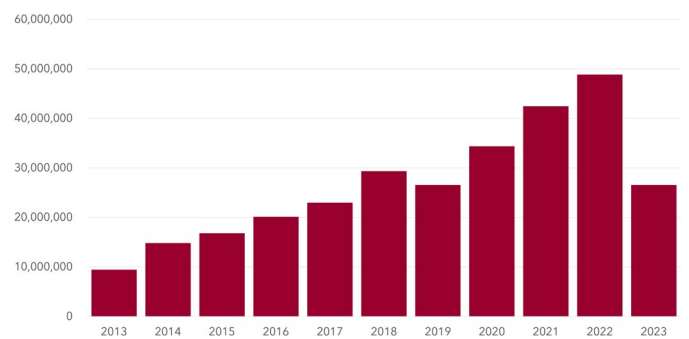
The Philadelphia region saw a rise in vacant spaces as delivered inventory increased from Q3 to Q4. Net absorption, at 24.4 MSF, decreased from the previous quarter and considerably lower than the previous year. The vacancy rate, though still below the national average, climbed steadily throughout the year. This slowdown coincides with an increased influx of new space in 2023, thanks to earlier high demand. However, developers are adjusting to the changing landscape, with the total square footage under construction shrinking significantly in the latter half of the year. While asking rents fluctuated, they ultimately finished the year flat compared to 2022. In essence, the market entered a cooling phase, but still holds promise with relatively low vacancy and stable rents.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	24,383,987	29,349,344	37,746,335	42,548,591	41,833,344
▲ Vacancy Rate	5.60%	5.30%	4.61%	4.19%	4.08%
▼ Avg NNN Asking Rate PSF	\$8.36	\$8.56	\$8.86	\$8.65	\$8.26
▼ SF Under Construction	26,571,599	36,239,981	36,667,827	43,508,017	48,870,408
▲ Inventory SF	1,324,336,022	1,309,895,769	1,335,822,374	1,317,550,572	1,297,240,329

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
84 Zions View Road York, PA	1,000,350 SF	\$110,250,000 \$110.21 PSF	Prologis GLP	Class A
7378 Airport Road Bath, PA	449,500 SF	\$60,250,000 \$134.04 PSF	Prologis CRG	Class A
3400 E. Walnut Colmar, PA	347,574 SF	\$30,700,000 \$88.33 PSF	Veocity Venture Partners Berman Real Estate Partners	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
29 Ludwg Court Reading, PA	1,240,000 SF	Merrill	Broadrange Logistics	3PL
560 Merrimac Avenue Middletown, DE	1,015,740 SF	American Real Estate Partners	Amazon	3PL
250 Cloverleaf Road York, PA	764,400 SF	Ridgeline Property Group	Church & Dwight Co.	Consumer Goods

