



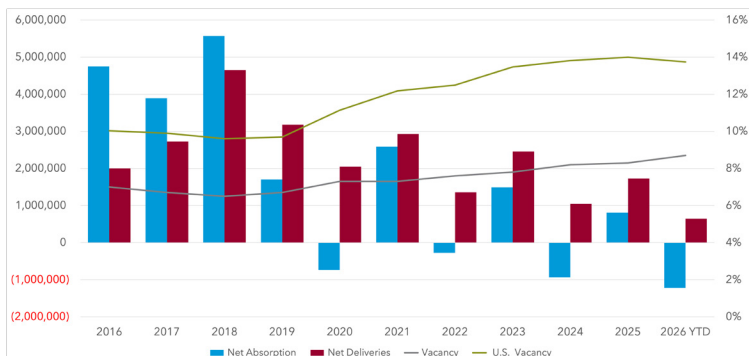
OFFICE MARKET OVERVIEW

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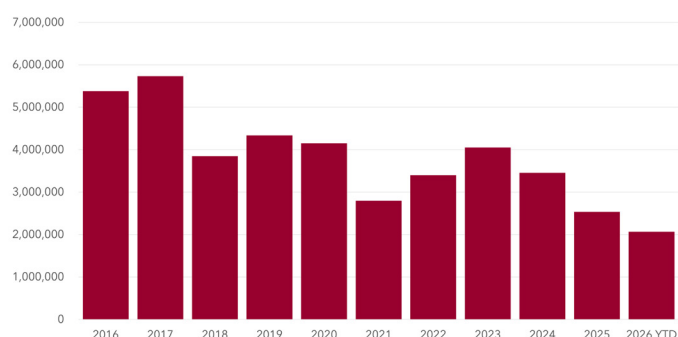
The Eastern Pennsylvania office market closed Q3 2026 with fundamentals remaining challenged as vacancy edged higher to 8.6%. Annual net absorption declined to negative 1.1 MSF, reflecting continued tenant consolidations and evolving space requirements. Leasing activity remained concentrated in well-located properties, while Vanguard's 322,740 SF sale-leaseback in Wayne highlighted alternative capital strategies among major occupiers. New construction remained limited, and investment activity continued to be selective. Persistent demand challenges and flight-to-quality trends suggest a gradual, uneven recovery across the region.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▼ 12 Mo. Net Absorption SF	(1,141,465)	(175,762)	(24,433)	809,614	1,395,135
▲ Vacancy Rate	8.60%	8.50%	8.40%	8.30%	8.10%
▼ Avg NNN Asking Rent PSF	\$23.11	\$23.45	\$23.50	\$23.45	\$23.39
▲ Sale Price PSF	\$198.00	\$99.00	\$107.00	\$103.00	\$122.00
▲ Cap Rate	8.54%	7.73%	7.79%	9.15%	8.39%
▼ Under Construction	2,052,083	2,063,789	2,028,789	2,534,930	3,106,032
▲ Inventory	485,044,511	484,994,452	484,944,452	484,399,376	483,634,432

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3151 Market Street Philadelphia, PA	441,000 SF	\$240,000,000 \$544.22 PSF	Burlington Brandywine Realty Trust	Class A
8800 Tinicum Boulevard Philadelphia, PA	441,000 SF	\$42,000,000 \$95.24 PSF	City of Philadelphia Office Properties Income Trust	Class B
1041 West Valley Road Wayne, PA	322,740 SF	\$17,044,098 \$52.81 PSF	E Kahn Development Corp Vanguard	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1041 West Valley Road Wayne, PA	322,740 SF	E Kahn Development Corp	Vanguard	Finance & Insurance
3805 West Chester Pike Newtown Square, PA	109,209 SF	Equus Capital Partners	Sunoco	Retailer
3440 Market Street Philadelphia, PA	101,502 SF	Ventas	University of Pennsylvania	Educational Services

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