



# Philadelphia industrial market report

Q3 2022

**AVISON  
YOUNG**

# Industrial market trends

## 01

### Record amount of supply to be injected in the coming months

Over 53M SF of industrial product is expected to deliver within the next twenty-four months, equating to 6% of the market's existing inventory.

## 02

### Supply & demand curve remains unbalanced

The supply and demand pendulum is starting to swing in the favor of occupiers, with the forthcoming supply wave potentially putting downward pressure on rents.

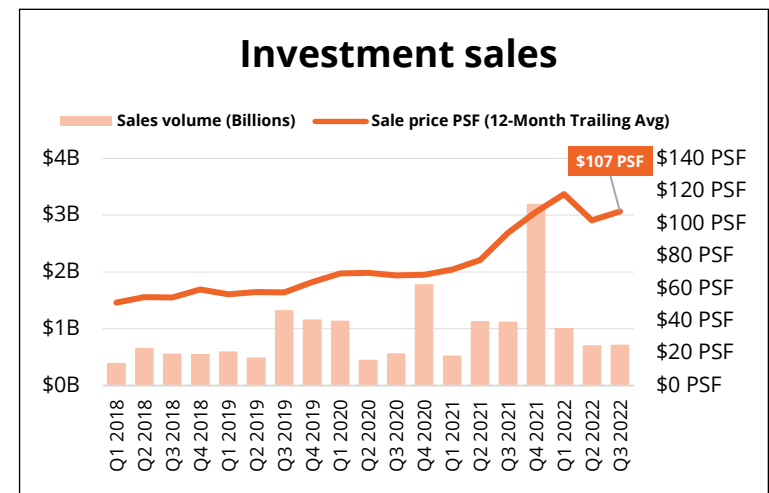
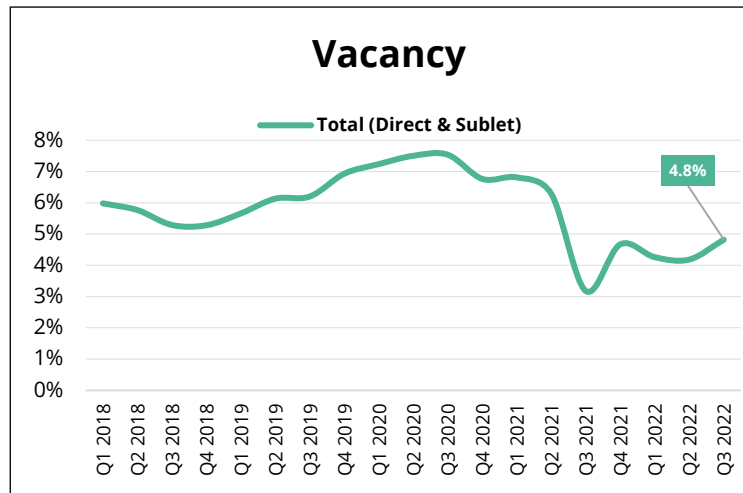
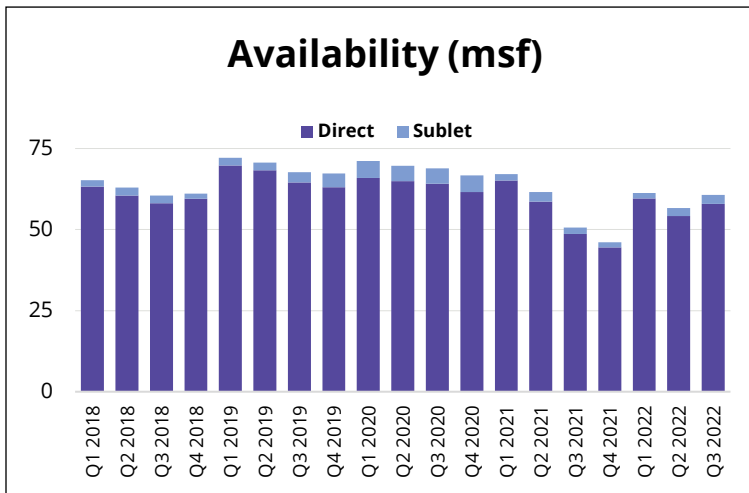
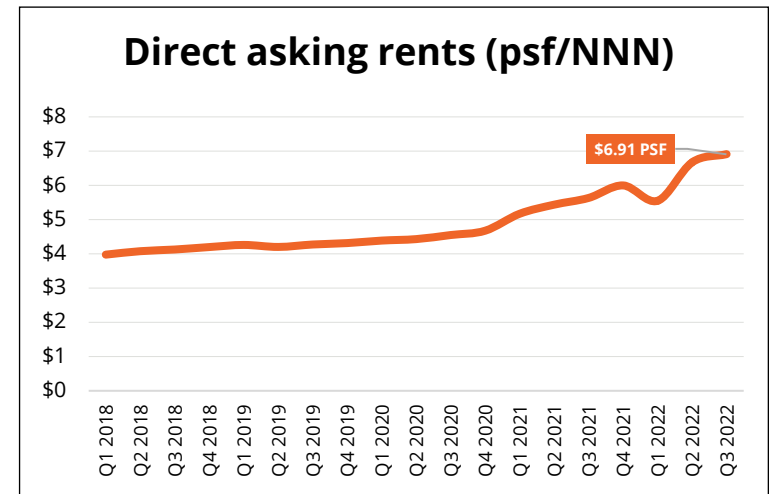
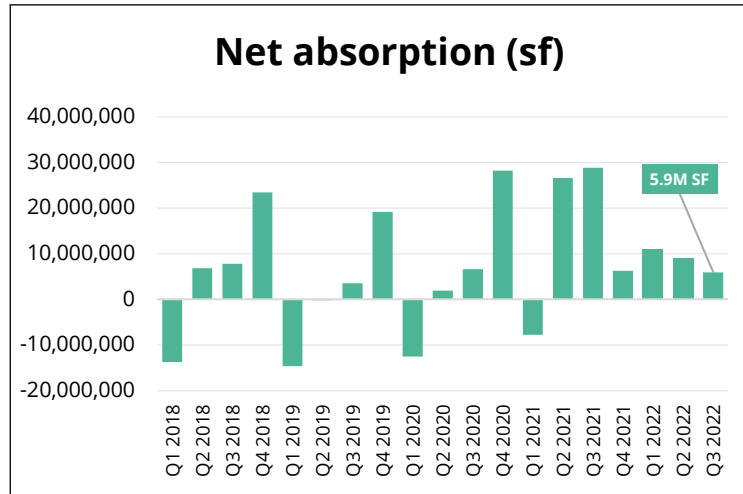
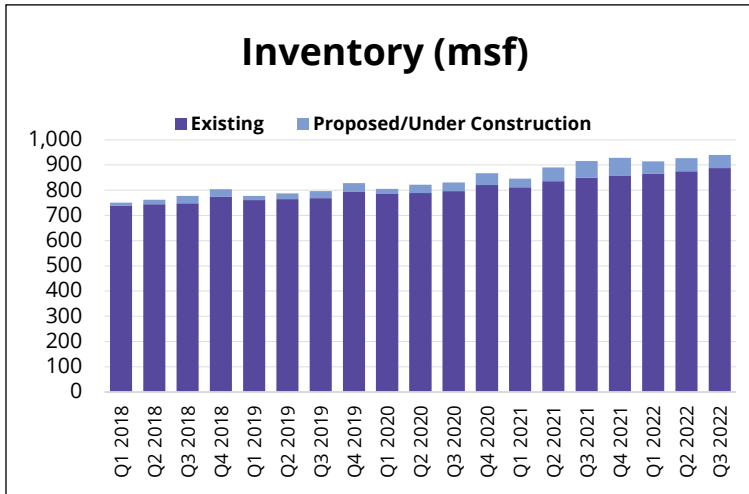
## 03

### Federal monetary policy decreases sales volume

Due to uncertainties surrounding the economy and debt financing becoming more expensive for investors, sales activity is down compared to 2021.



# Industrial market indicators



\*\*Submarkets within Eastern PA, Southern/Central NJ, and Delaware

# Industrial market activity

## Recent leasing activity

Address	Tenant name	Lease Size	Est. Base Rent	Est. Annual Increase	Sign date
209 Dziak Dr, Nanticoke, PA	Lowe's	1,229,136 SF	\$5.52 NNN	3.00%	Jul 2022
41 Martha Dr, Bethel, PA	Samsung	750,000 SF	\$6.45 NNN	4.00%	Aug 2022
2070 N Union St, Middletown, PA	Ipex	251,200 SF	\$7.50 NNN	3.00%	Jul 2022
450 Swedesboro Ave, Mickleton, NJ	LGS Specialty*	235,227 SF	\$16.05 NNN	3.00%	Aug 2022
3893 Courtney St, Bethlehem, PA	DHL	120,000 SF	\$9.35 NNN	3.50%	Sep 2022
6461 Snowdrift Rd, Allentown, PA	Summit Supply Group	100,000 SF	\$9.25 NNN	4.00%	Aug 2022

## Recent sales activity

\*Sublease from Nestle

Address	Buyer	Sale Price	Sale Price PSF	Percent Leased at Sale	Building Size	Sale date	Seller
555 Nestle Way, Breinigsville, PA	Ponte Gadea	\$198,043,794	\$189	100%	1,045,153 SF	Jul 2022	Realty Income
560 Merrimac Ave., Middletown, DE	American Real Estate Partners	\$118,000,000	\$116	100%	1,015,740 SF	Jul 2022	Circle Industrial
250 Highland Park Blvd., Wilkes Barre, PA	William Mack, Lee Neibart	\$112,900,000	\$283	100%	398,957 SF	Aug 2022	Hudson's Bay Company
323 Logistics Dr., Shoemakersville, PA	BentallGreenOak	\$54,500,000	\$176	100%	310,238 SF	Aug 2022	Kiel Group, Keith Corp.
2001 Route 130, Burlington, NJ	Novacart	\$14,612,400	\$205	0%	71,280 SF	Jul 2022	Sautter Crane

## Avison Young current availabilities

Address	Deal Type	Building Size	Availability Date	Comment
Tac Pal Logistics Center, Rt 73, Palmyra, NJ	For Lease or User Sale	702,450 SF	Nov 2022	Within proximity to NJ Turnpike
1646 S 51 <sup>st</sup> St., Philadelphia, PA	For Lease	165,000 SF	Jan 2024	BTS or Lease
120 Phyllis Dr., Croydon, PA	For Lease	141,276 SF	Dec 2022	New Construction
100 Commerce Circle, Bristol, PA	For Lease	118,000 SF	Nov 2022	Within proximity to Interstate 95
2901 Samuel Dr., Bensalem, PA	For Lease	46,861 SF	Immediate	Rail Served

\*\*Submarkets within Eastern PA, Southern/Central NJ, and Delaware

# Industrial market stats by submarket

By Submarket	Inventory (sf)	Total %	Vacancy		Net Absorption		SF Under Construction	Average Asking Rent
			W / D	Manufacturing	3Q22			
Adams	4,412,918	0.9%	1.5%	0.0%	(10,481)	-	\$5.75	
Atlantic	2,785,976	7.1%	0.0%	16.7%	2,700	-	\$11.85	
Berks	41,959,398	6.1%	7.0%	2.4%	43,734	1,584,648	\$4.89	
Bucks	41,929,011	2.9%	3.8%	0.5%	306,437	5,819,394	\$9.28	
Burlington	46,968,466	6.5%	7.0%	2.5%	922,088	6,561,356	\$6.77	
Camden	23,266,164	7.1%	4.0%	11.7%	(129,000)	-	\$8.35	
Carbon	2,037,914	45.2%	70.5%	0.0%	(28)	-	\$9.69	
Chester	18,004,976	1.7%	1.7%	1.9%	(52,548)	178,000	\$9.31	
Columbia	6,554,546	0.0%	0.0%	0.0%	-	-	\$6.24	
Cumberland	11,757,452	8.2%	12.1%	0.7%	(90,170)	-	\$9.48	
Dauphin	23,620,883	9.5%	11.5%	1.6%	1,009,200	2,857,800	\$5.41	
Delaware	15,695,957	9.2%	14.1%	1.2%	-	-	\$8.12	
Franklin	26,823,828	8.2%	11.0%	1.2%	(1,030)	3,837,380	\$5.82	
Gloucester	29,146,282	2.7%	2.9%	1.3%	(357,557)	4,929,845	\$7.50	
Harrisburg Area West Ind	62,932,583	1.4%	1.6%	0.0%	31,843	1,135,658	\$5.00	
Kent	5,337,241	3.7%	6.2%	0.0%	275,000	-	\$4.68	
Lackawanna	22,278,526	4.4%	5.2%	2.5%	503,701	1,961,800	\$5.71	
Lancaster	49,672,170	0.9%	0.5%	1.6%	242,149	982,088	\$5.98	
Lebanon	18,962,009	1.1%	0.3%	4.6%	411,840	970,000	\$6.42	
Lehigh	62,939,153	2.9%	2.4%	4.5%	229,298	2,210,665	\$7.00	
Luzerne	58,976,394	7.3%	8.3%	4.2%	2,456,107	5,209,280	\$4.82	
Monroe	9,018,148	5.5%	5.3%	7.1%	(24,000)	-	\$7.83	
Montgomery	45,650,236	8.0%	6.0%	11.6%	(350,217)	936,959	\$10.10	
Montour	1,852,092	0.0%	0.0%	0.0%	-	-	\$5.75	
New Castle	30,287,129	1.8%	1.3%	3.7%	-	835,000	\$11.21	
Northampton	50,755,445	5.5%	6.0%	3.3%	797,200	5,106,695	\$8.17	
Philadelphia	78,575,070	7.1%	6.6%	8.3%	(235,437)	1,371,587	\$7.62	
Salem	6,471,904	2.3%	2.6%	0.0%	-	694,750	\$4.51	
Schuylkill	20,127,702	2.8%	3.0%	2.5%	(132,000)	2,575,891	\$5.41	
Sussex	4,222,527	7.5%	12.0%	0.0%	-	-	\$6.25	
Wyoming	1,999,516	0.0%	0.0%	0.0%	-	-	\$6.42	
York	62,284,139	3.7%	4.8%	1.7%	99,744	3,325,409	\$6.50	
<b>Market Total</b>	<b>887,305,755</b>	<b>4.8%</b>	<b>5.2%</b>	<b>3.9%</b>	<b>5,948,573</b>	<b>53,084,205</b>	<b>\$6.91</b>	

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# Industrial market stats by product type

By Product Type	Inventory (sf)	Vacancy	3Q22 Absorption	SF Under Construction	Available Sublease
Warehouse / Distribution	652,363,431	4.50%	7,043,543	51,301,155	2,167,929
Manufacturing	234,942,324	3.90%	(1,094,970)	1,783,050	601,956
<b>Market Total</b>	<b>887,305,755</b>	<b>4.8%</b>	<b>5,948,573</b>	<b>53,084,205</b>	<b>2,769,885</b>

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For more market insights  
and information visit  
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