



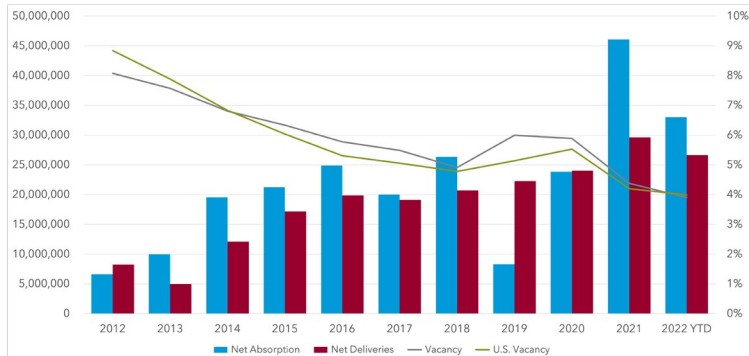
### INDUSTRIAL MARKET OVERVIEW

THOMAS DOUGHERTY, *Research Analyst*

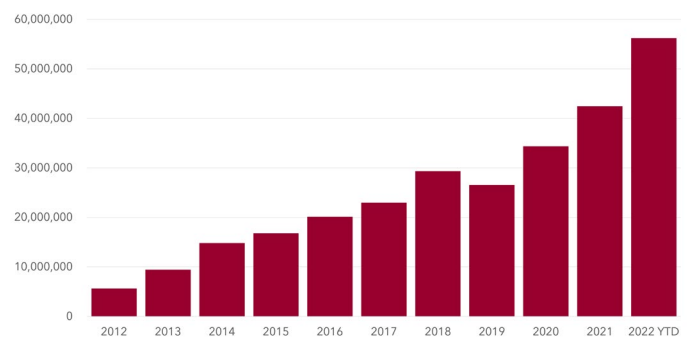
The Philadelphia Region Industrial Market continued its strong year in the third quarter of 2022. Vacancy rate continues to decrease, now down to 3.90% with net absorption booking a strong increase to 33.0 million SF for the year. Year to date, we have seen over 26.6 million SF in net deliveries with over 56.2 million SF currently under construction. Avg NNN asking rate continued to grow but not at the rate we have seen in previous quarters, up to \$8.04. The slower growth this quarter is a reflection of the current economic environment causing demand to slow in the third quarter.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▼ 12 Mo. Net Absorption SF	40,698,118	49,820,727	48,927,981	46,069,945	45,479,261
▼ Vacancy Rate	3.9%	4.00%	4.20%	4.38%	4.68%
▲ Avg NNN Asking Rate PSF	\$8.04	\$7.96	\$7.60	\$7.31	\$7.06
▲ SF Under Construction	56,226,412	55,147,389	52,447,363	42,462,231	43,330,987
▲ Inventory SF	1,279,460,619	1,266,006,117	1,253,807,366	1,244,834,402	1,238,118,416

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2760 Red Lion Road Philadelphia, PA	1,015,500 SF	\$148,105,000 \$145.84 PSF	Ponte Gadea USA Realty Income Corporation	Class B
560 Merrimac Avenue Middletown, DE	1,015,740 SF	\$118,000,000 \$116.17 PSF	American Real Estate Partners Circle Industrial	Class A
323 Logistics Drive Shoemakersville, PA	310,238 SF	\$54,500,000 \$175.67 PSF	BentallGreenOak The Keith Corporation	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3000 Rand Boulevard Phillipsburg, NJ	1,249,122 SF	Bridge Development	Shopify	e-commerce
3379 Pocono Summit Road Mount Pocono, PA	1,204,494 SF	Newland Capital	All Freight	3PL
121 Commerce Avenue Greencastle, PA	551,030 SF	Matrix Development	Amazon Web Services	Data Services

*The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.*

*The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©*

*© Copyright 2022 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com*