



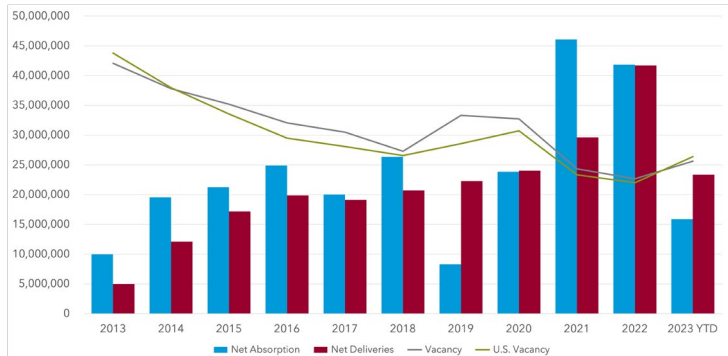
INDUSTRIAL MARKET OVERVIEW

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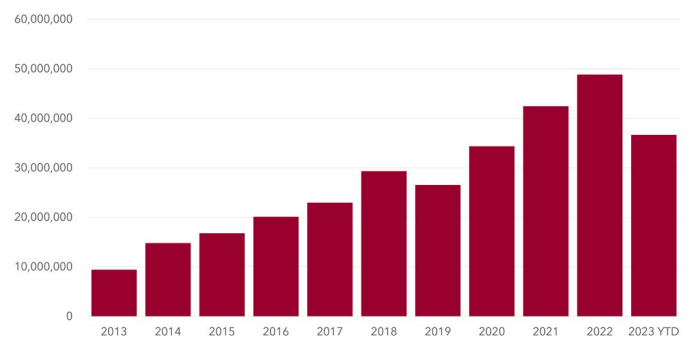
The Philadelphia Region industrial market continues to show its strong fundamentals, even as vacancy ticks up again. Vacancy across the region rose to 4.61%, still well below structural levels. The strong fundamentals are displayed in the continued growth of NNN asking rates, now up to \$8.86 PSF, a \$0.21 increase from the previous quarter, as well as significant leases still being signed, with one over 1.3 MSF and one just under 1 MSF being completed this quarter. Looking ahead, expect vacancy to decline in the coming quarters as rolling construction levels are down to 36.7 MSF. This decline will allow for existing vacancies to be filled without a significant number of new deliveries coming online.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ 12 Mo. Net Absorption SF	37,746,335	42,548,591	41,833,344	40,698,118	49,820,727
▲ Vacancy Rate	4.61%	4.19%	4.08%	3.90%	4.00%
▲ Avg NNN Asking Rate PSF	\$8.86	\$8.65	\$8.26	\$8.04	\$7.96
▼ SF Under Construction	36,667,827	43,508,017	48,870,408	56,226,412	55,147,389
▲ Inventory SF	1,335,822,374	1,317,550,572	1,297,240,329	1,279,460,619	1,266,006,117

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1605 Bartlett Drive Manchester, PA	1,209,000 SF	\$129,000,000 \$106.70 PSF	Ponte Gadea USA, Inc. Blackstone Real Estate Income Trust	Class A
180 First Avenue Gouldsboro, PA	501,600 SF	\$60,000,000 \$119.62 PSF	Hines Portman Holdings	Class A
405 Busser Road York, PA	483,748 SF	\$54,400,000 \$112.46 PSF	Cabot Properties, Inc. Core5 Industrial Partners	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
251 Westwood Hill Tremont, PA	1,346,755 SF	Panattoni	Amazon	E-commerce
Mount Holly Road Burlington Township, NJ	939,918 SF	MRP	Performance Group	Food
217 Allen Road Carlisle, PA	382,985 SF	Prologis	Allen Distribution	3PL

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