



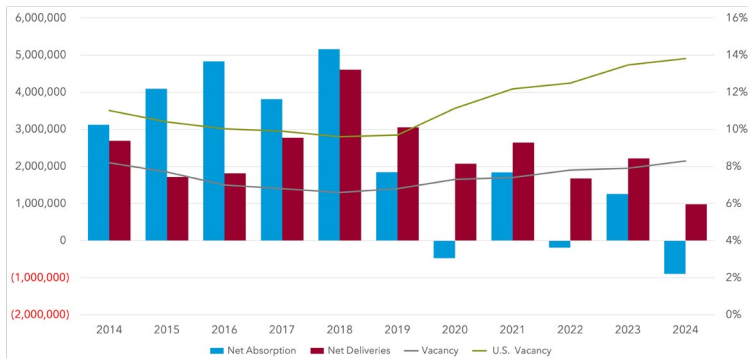
OFFICE MARKET OVERVIEW

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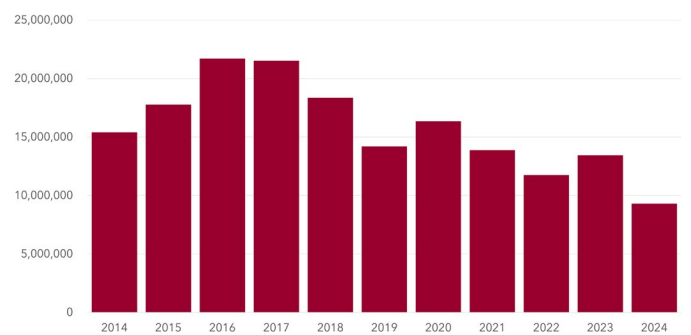
The Eastern Pennsylvania office market in the fourth quarter of 2024 mirrored much of the broader trends observed throughout the year. Vacancy rates remained stable, yet the market experienced a notable decline in absorption. With limited new space deliveries this quarter, there is growing optimism that vacancy levels could begin to decrease in 2025, driven by a return of employees to office environments. As we enter the new year, it will be intriguing to observe how evolving social norms influence office space demand, just as they did during the pandemic. The future of the office market will be shaped by the changing dynamics of workplace culture

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ 12 Mo. Net Absorption SF	(894,340)	(325,705)	13,549	802,725	1,257,756
◀▶ Vacancy Rate	8.3%	8.3%	8.2%	8.1%	7.9%
▲ Avg NNN Asking Rent PSF	\$22.71	\$22.66	\$22.56	\$22.52	\$22.55
▲ Sale Price PSF	\$126	\$100	\$116	\$95	\$131
▲ Cap Rate	9.07%	8.31%	8.66%	8.70%	8.64%
▼ Under Construction	2,131,002	2,167,554	2,412,996	2,590,829	2,755,082
▲ Inventory	497,939,975	497,742,061	497,436,924	497,207,391	196,959,254

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
835 Knitting Mills Way Wyomissing, PA	146,324 SF	\$39,900,000 \$272.68 PSF	The 601W Companies Kawa Capital Management	Class B
2503 Kutztown Road Reading, PA	83,142 SF	\$15,000,000 \$180.41 PSF	Vail Commercial Group Fidelity Technologies Corp.	Class C
2250 Hickory Road Plymouth Meeting, PA	83,055 SF	\$9,320,000 \$112.21 PSF	2250 Hickory LLC SSI Operating Co. LLC	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
680 Blair Mill Road Horsham, PA	115,110 SF	Citizens	UnitedHealth Group	Finance and Insurance
501-575 Keystone Avenue Jenkins Township, PA	48,152 SF	Mericle Commercial Real Estate Services	Undisclosed	Undisclosed
1400 Morris Drive Wayne, PA	45,000 SF	Rubenstein Partners	Arcfield	Professional, Scientific, Technical Services

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