CUSHMAN & WAKEFIELD

TRI-STATE
INDUSTRIAL CORRIDOR:

NY — NJ — PA

START

INTERACTIVE REPORT
Q2 2025

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KEY TAKEAWAYS

- A critical hub for warehouse and logistics operations.
- The busiest corridor on the eastern seaboard, strengthens the region's logistics market.
- Attracts major retailers seeking to capitalize on the high purchasing ability and demand for fast delivery services.

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CONTACT INFORMATION

OVERVIEW

KEY DEMOGRAPHIC & ECONOMIC TAKEWAYS

BASED ON A FIVE-HOUR DRIVE FROM PORT OF NY/NJ

60.8M POPULATION

54.2% POPULATION 25-64

0.5% 5-YEAR PROJECTED GROWTH

4.3% UNEMPLOYMENT RATE

31.3M TOTAL EMPLOYMENT

THE NEW YORK, NEW JERSEY, AND PENNSYLVANIA INDUSTRIAL CORRIDOR stands as one of the most pivotal hubs in the nation for warehouse and logistics operations, with New York, New Jersey, and Pennsylvania strategically situated at its center. The region covers some of the most densely populated metropolitan areas in the United States, including New York City, Boston, Washington D.C., and Philadelphia, where consumer demand for goods and products has consistently demonstrated remarkable strength over the years, despite the current headwinds.

Extending from Boston down Interstate 95 to Washington D.C., and encompassing additional areas west of the interstate, the Northeast I-95 market is home to some of the nation's most prominent logistics markets. The region derives much of its strength from its proximity to the Port of NY/NJ, which ranks as the busiest port on the entire eastern seaboard. Notably, 60 million people reside within a five-hour drive from the Port of NY/NJ, constituting a substantial 18.0% of the national population.

Further underscoring the region's significance is its robust economic power, characterized by an average household income of $134,409, surpassing the national average by 25.6%. This heightened purchasing ability is compelling evidence, prompting major retailers to enter and expand their operations within this market. They seek to harness the region's affluence, driven by the population's disposable income and persistent demand for next-day and same-day merchandise deliveries.

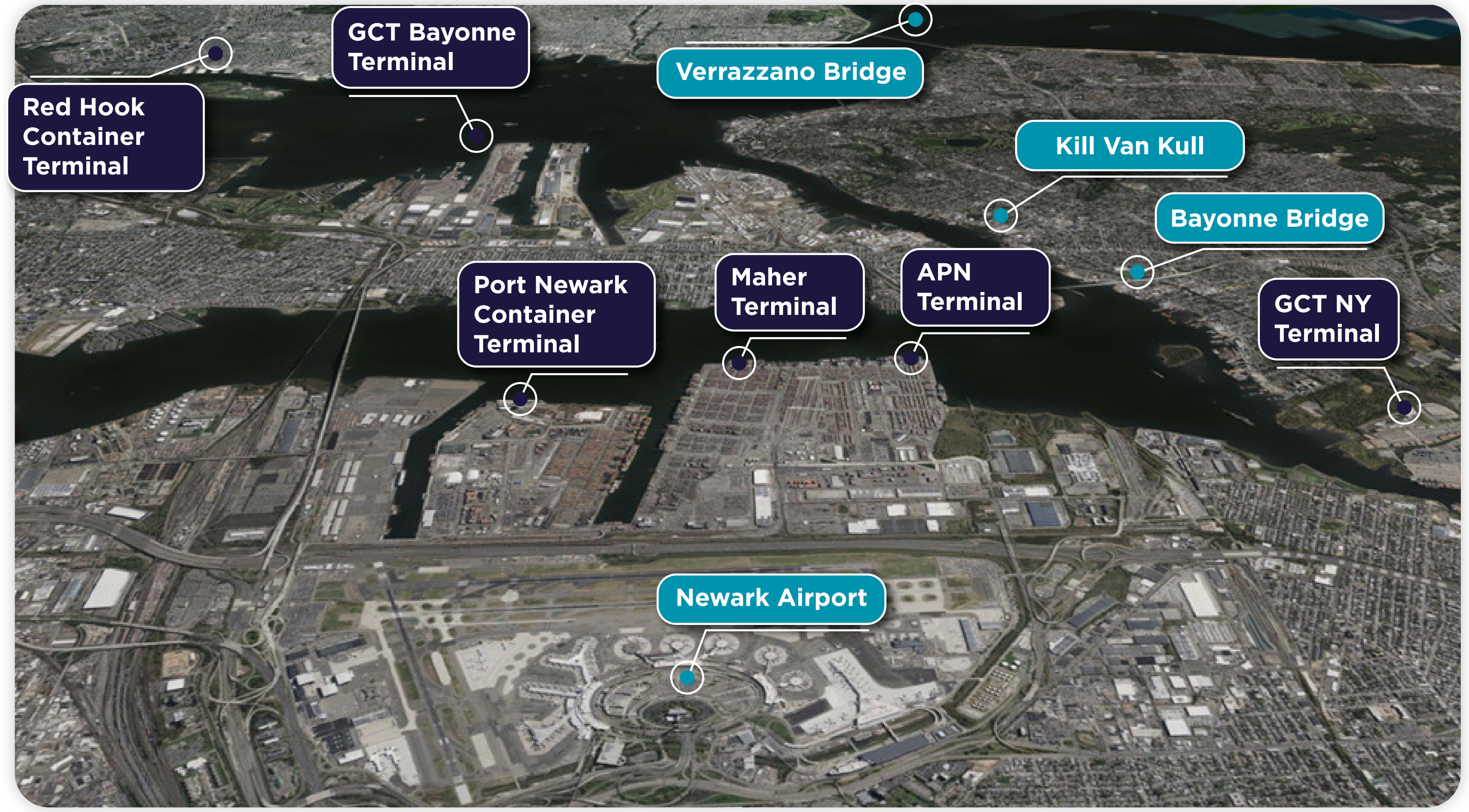
PORT OF NY/NJ

Q2 2025 TRI-STATE INDUSTRIAL REPORT

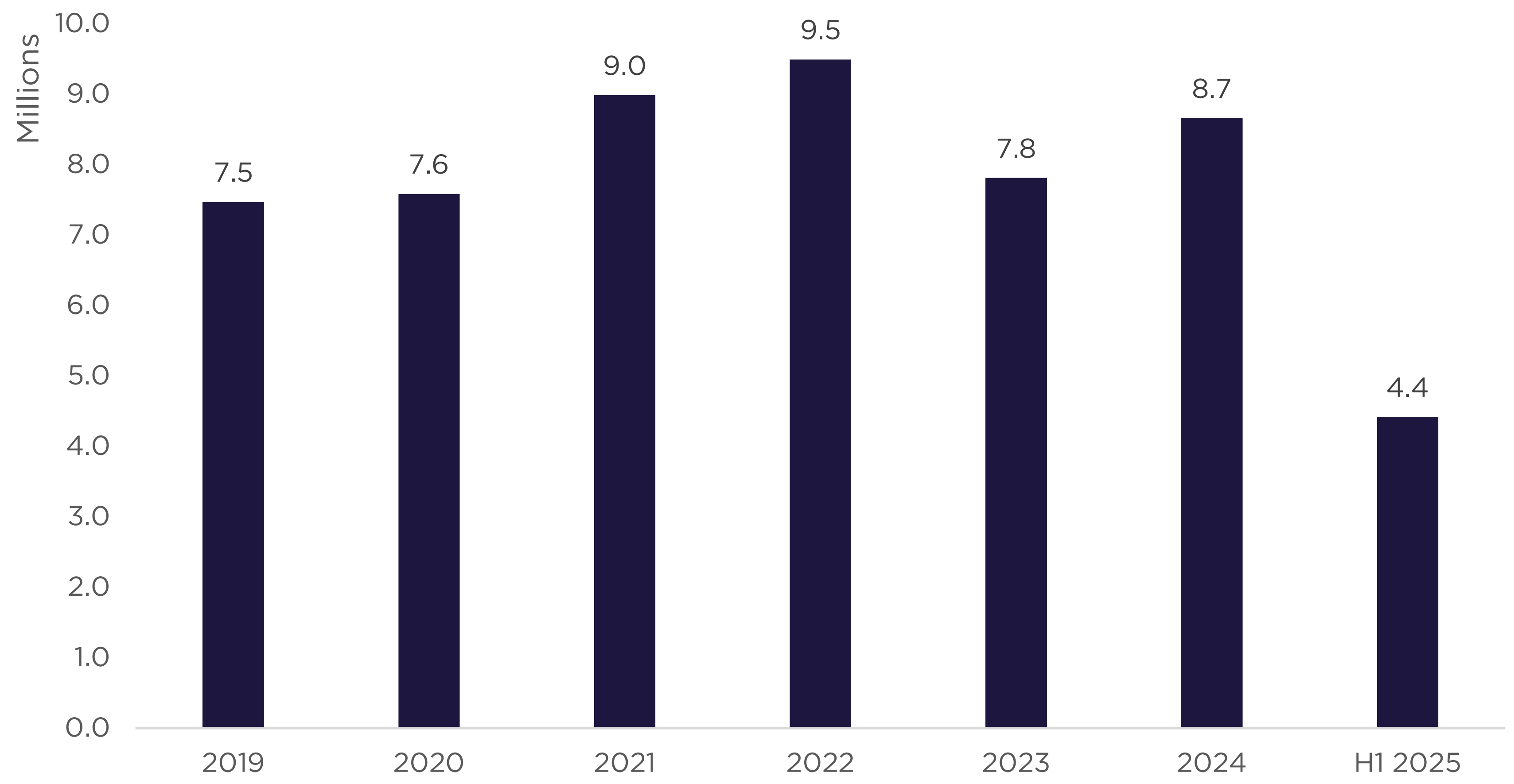
4.4M TEUs
H1 2025 VOLUME IS UP 4.9% FROM LAST YEAR

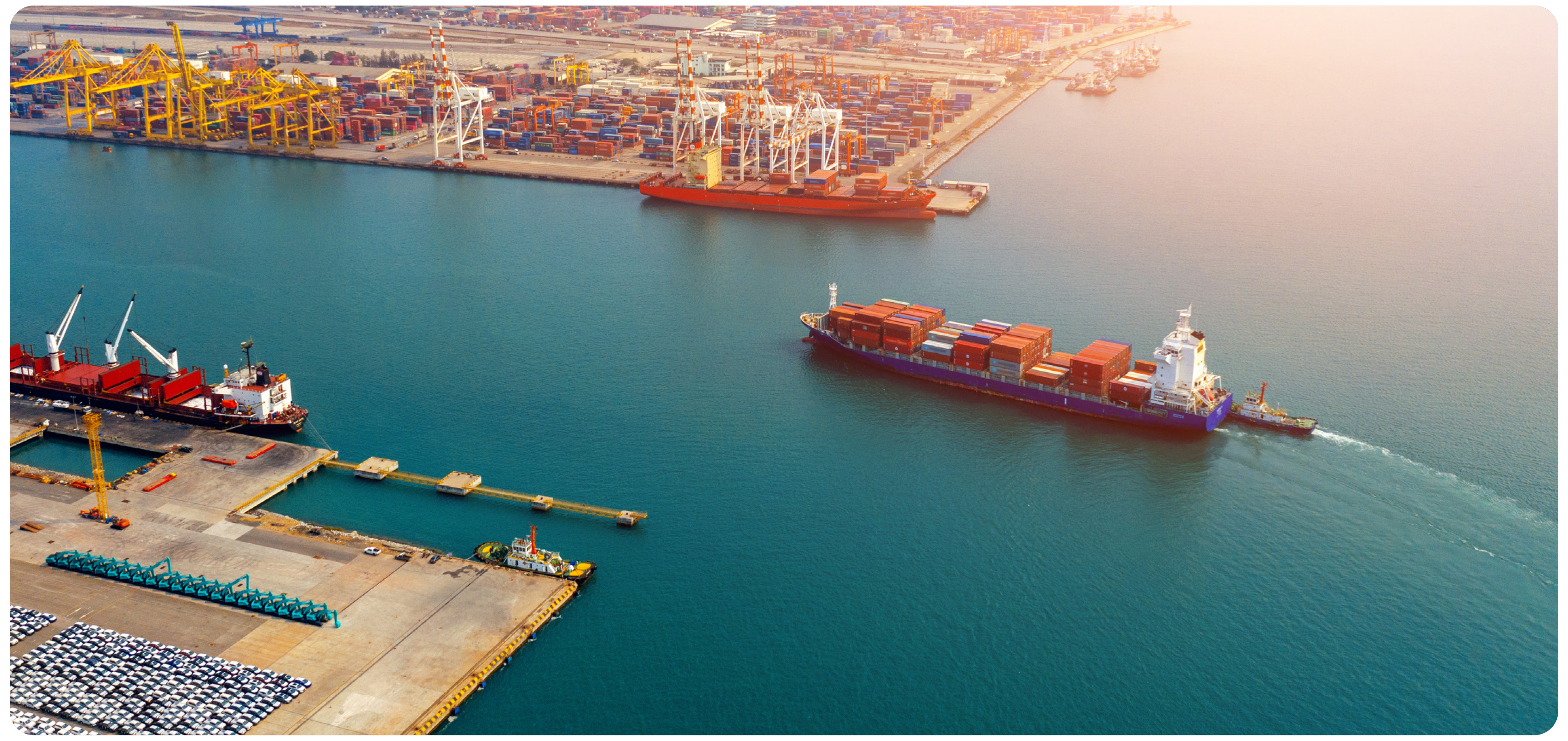
3RD BUSIEST
THIRD-BUSIEST PORT THROUGH THE FIRST HALF OF THE YEAR

THE PORT OF NY/NJ has consistently been the busiest port on the East Coast, serving as a key gateway. With six container terminals and multiple cargo rail lines, the port of NY/NJ services one of the world's wealthiest and most dense consumer base. The Port has the largest 250-mile radius population of any port in North America, with over 60 million people making up one-third of the country's GDP.



PORT OF NY/NJ 2019-2025
TWENTY FOOT EQUIVALENT (TEUs) VOLUME





KEY DRIVERS

- Consistently the busiest port on the East Coast, serving as a key gateway.
- The Port has the largest 250-mile radius population of any port in North America.
- The port is a significant demand driver for many industrial markets.

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PORT OF NY/NJ
TRI-STATE CORRIDOR
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MAP
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NYC OUTER BOROUGHS
LOWER HUDSON VALLEY
NORTHERN NEW JERSEY
CENTRAL NEW JERSEY
SOUTHERN NEW JERSEY
PHILADELPHIA
PA I-81/I-78/I-81S
OUTLOOK

TRI-STATE CORRIDOR: NY/NJ/PA

Q2 2025 TRI-STATE INDUSTRIAL REPORT

1.5 BSF
INVENTORY

8.7%
VACANCY RATE

-2.9 MSF
H1 2025 NET ABSORPTION

THE NY/NJ/PA INDUSTRIAL CORRIDOR has experienced significant fundamental shifts, reflecting broader economic trends and evolving market dynamics. Existing inventory grew at a slightly slower pace in H1 2025, increasing by 2.5% year-over-year (YOY), compared to a 2.6% expansion in 2024, as the development pipeline continued to decelerate. Over the past five years, however, the region's inventory has grown by 26.9%, exceeding 1.5 billion square feet (sf), with nearly 250 million square feet (msf) of new space delivered.

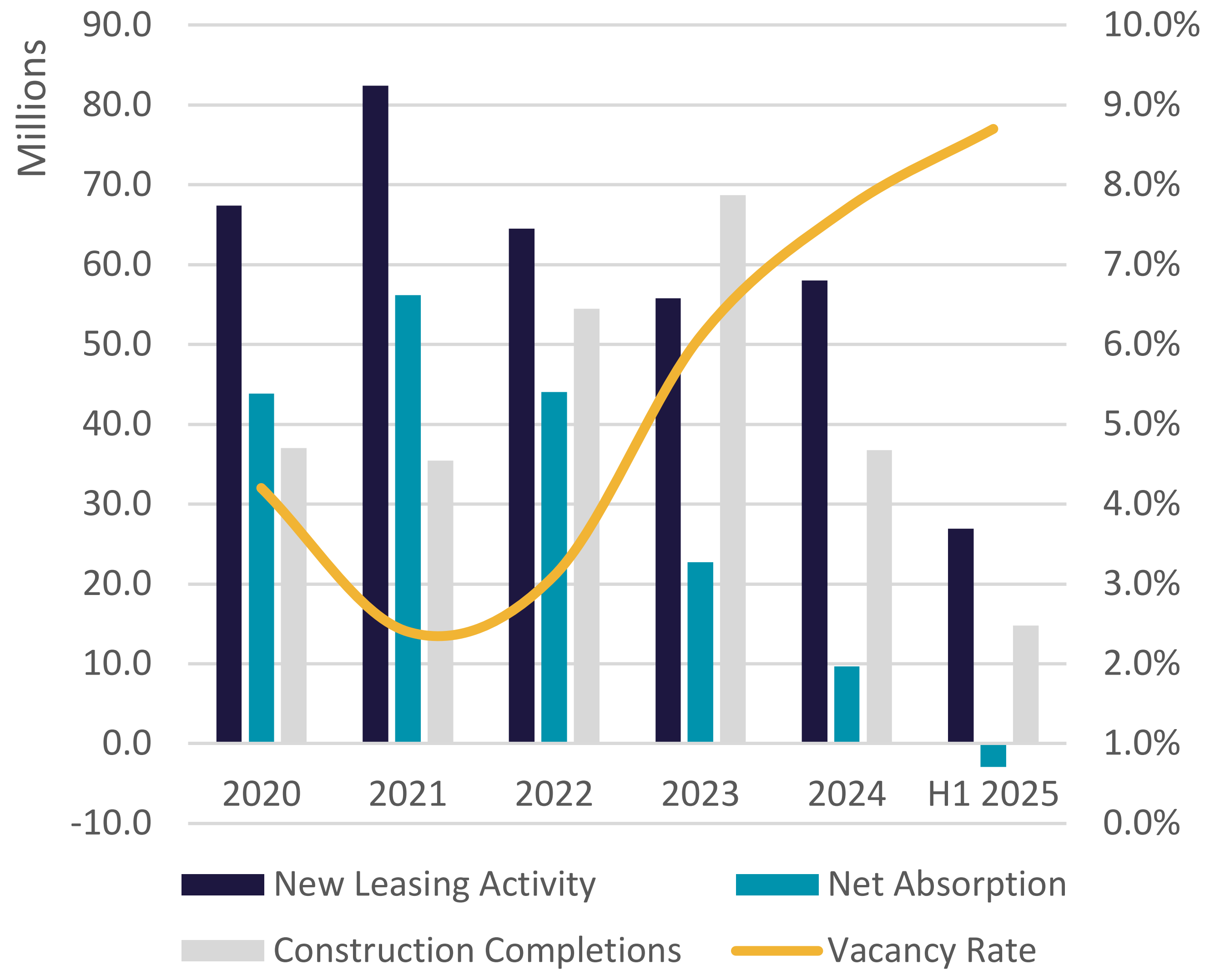
The vacancy rate rose by 190 basis points (bps) YOY to 8.7%, fueled by a slowdown in leasing activity and an uptick in large blocks of space becoming available. As a result, vacant space surged to 132.0 msf, a sharp increase from the 115.3 msf recorded at the end of 2024. Increases in new supply are expected to temper heading into the second half of 2025, as construction completions have already dropped by 16.0% from the previous year. Only 28.2 msf of space remains under construction across the region, signaling a continued slowdown in new developments.

Net absorption, which measures a market's ability to accommodate new supply, became negative for the first time since the onset of the pandemic. While the region averaged 35.3 msf of net absorption annually from 2020 to 2024, it recorded negative 2.9 msf in H1 2025. However, positive net absorption was observed in four out of the eight markets, with two—Southern NJ (1.8 msf) and Philadelphia (1.4 msf)—absorbing over 1.0 msf of space.

As a result, leasing activity decreased by 9.9% YOY to 26.9 msf, the lowest first half deal volume in the last five years. Activity was driven largely by demand from third-party logistics (3PL) providers, food & beverage, and retailers/wholesalers. In New Jersey (Northern, Central, and Burlington County), Asian 3PLs leased 2.6 msf in the first half of 2025, accounting for 28.4% of Class A leasing activity. Central New Jersey led overall leasing activity with 6.8 msf year-to-date, followed by the PA I-81 & I-78 Corridor with 6.4 msf. Philadelphia also had a surge in demand, recording 3.4 msf in new leases—already 2.0 msf higher than full-year 2024.

The NY/NJ/PA Industrial Corridor has demonstrated resilience and growth over the past few years, despite challenges such as rising vacancy rates and slowing tenant demand. Strategic construction projects and significant sale transactions reflect continued confidence in the region's long-term potential, underscoring its position as a key industrial hub.

INDUSTRIAL TRI-STATE CORRIDOR: LEASING ACTIVITY, NET ABSORPTION, COMPLETIONS & VACANCY RATE



KEY DRIVERS

- Exhibited ongoing market adjustments, returning to normalized levels of pre-pandemic demand.
- New leasing activity for the region is on pace to surpass 2023 totals.
- Proximity to NYC, four major airports, and Port of NY/NJ.

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MARKET SUMMARY	Number of Buildings	Existing Inventory	Vacant Square Footage	Vacancy Rate	YTD New Leasing Activity	YTD Renewals	YTD Net Absorption	SF Under Construction	YTD Construction Completions
2020	10,060	1,192,915,520	49,547,923	4.2%	67,403,501	21,542,655	43,869,209	38,533,146	36,992,616
2021	10,383	1,258,135,519	30,087,646	2.4%	82,414,213	24,894,443	56,147,448	65,230,184	35,454,977
2022	10,651	1,336,810,257	41,381,914	3.1%	64,537,649	26,547,339	44,023,324	74,648,584	54,462,317
2023	11,072	1,459,492,020	88,607,432	6.1%	55,762,436	26,158,471	22,752,444	40,591,532	68,685,647
2024	11,230	1,497,169,505	115,291,758	7.7%	58,039,519	25,748,405	9,675,720	28,165,381	36,772,610
H1 2025	11,279	1,513,512,415	131,972,052	8.7%	26,932,731	11,291,103	(2,893,403)	28,247,813	14,806,339

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CONSTRUCTION OVERVIEW

Q2 2025 TRI-STATE INDUSTRIAL REPORT

28.2 MSF
UNDER CONSTRUCTION
DOWN FROM 36.6 MSF DURING H1 2024

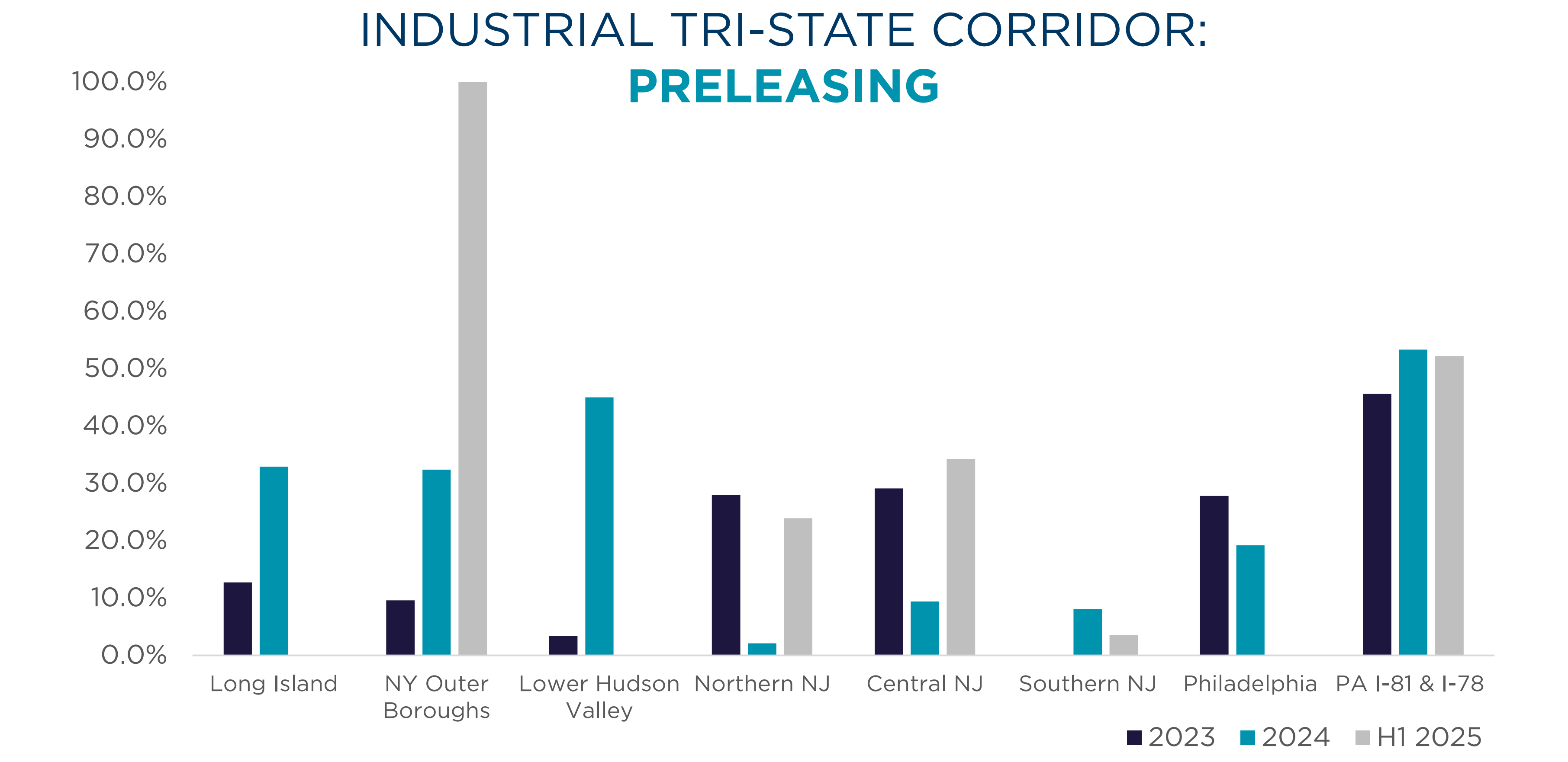
6 OUT OF 8
MARKETS
SHOWED PRELEASING RATES UNDER 50%

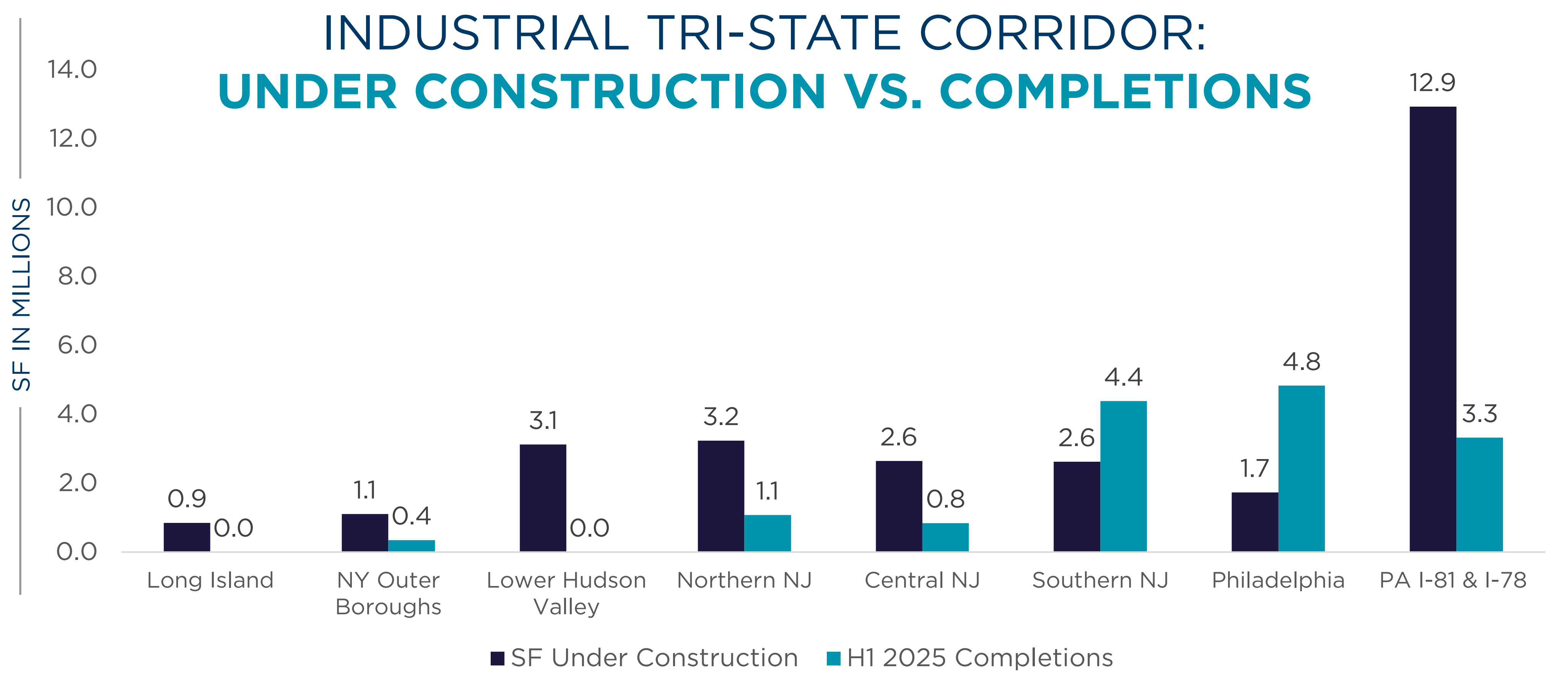
45.8%
OF THE UNDER CONSTRUCTION INVENTORY IS IN THE PA I-81/I-78 CORRIDOR

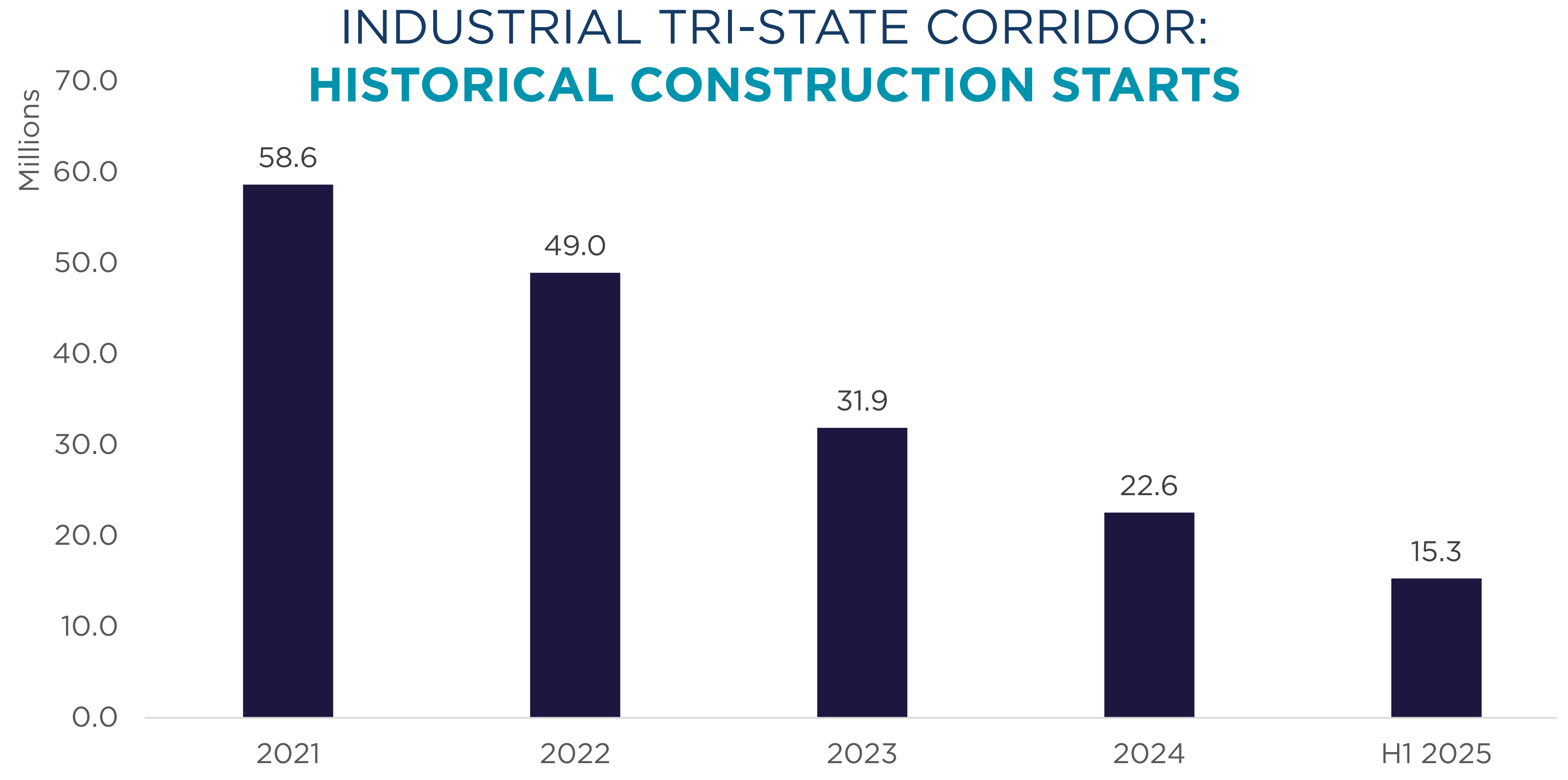
THE PACE OF NEW CONSTRUCTION COMPLETIONS slowed significantly in H1 2025, following a softer year in 2024 when 36.7 million square feet (msf) of space was delivered. So far this year, new completions dropped to 14.8 msf, with 28.2 msf of projects still under construction. Preleasing rates declined across most markets; however, Central and Northern New Jersey both recorded increases to 34.2% and 23.9% respectively. Although preleasing rates are low, some of these deliveries have been successfully leased within several months after completion. This suggests that while initial demand may appear subdued, there is still strong tenant interest for built Class A product.

The PA I-81 & I-78 Corridor led the region in development activity, with 29 projects totaling 12.9 msf currently under construction, followed by Central New Jersey, which had 18 projects totaling 2.6 msf. Northern New Jersey also remained active, with 11 projects.

The industrial corridor has been managing a surge of new construction that began in 2021 and 2022, when around 50 msf of new projects broke ground each year. This momentum eased in 2023, with 31.9 msf of new starts, and slowed further in 2024, with just 22.6 msf of new starts. So far this year, 15.3 msf broke ground, on pace to surpass 2024's annual total as a wave of new speculative and build-to-suit projects hit the pipeline, substantially concentrated in the PA I-81 & I-78 corridor. This will test the market's ability to absorb the new supply as market fundamentals continue to shift amid economic uncertainty.







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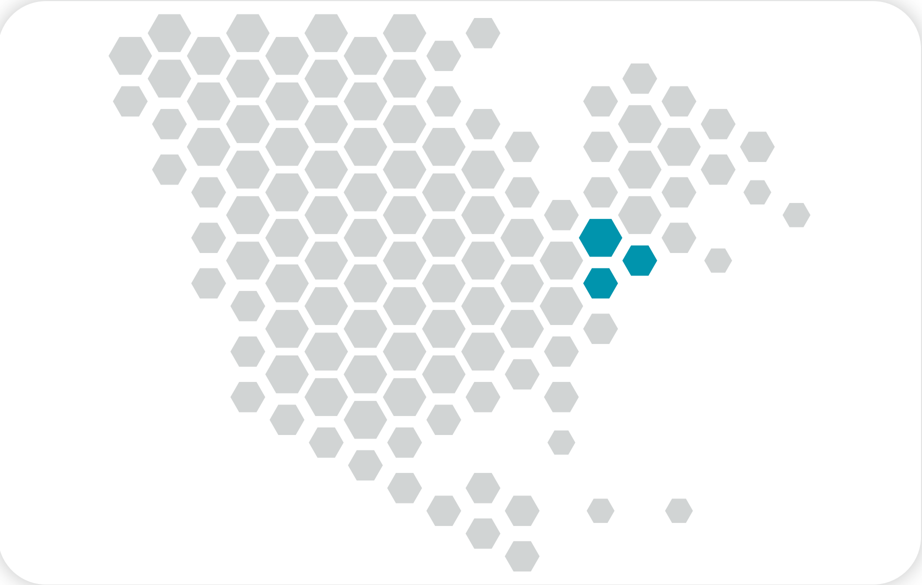

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REGIONAL MAP

Q2 2025 TRI-STATE INDUSTRIAL REPORT

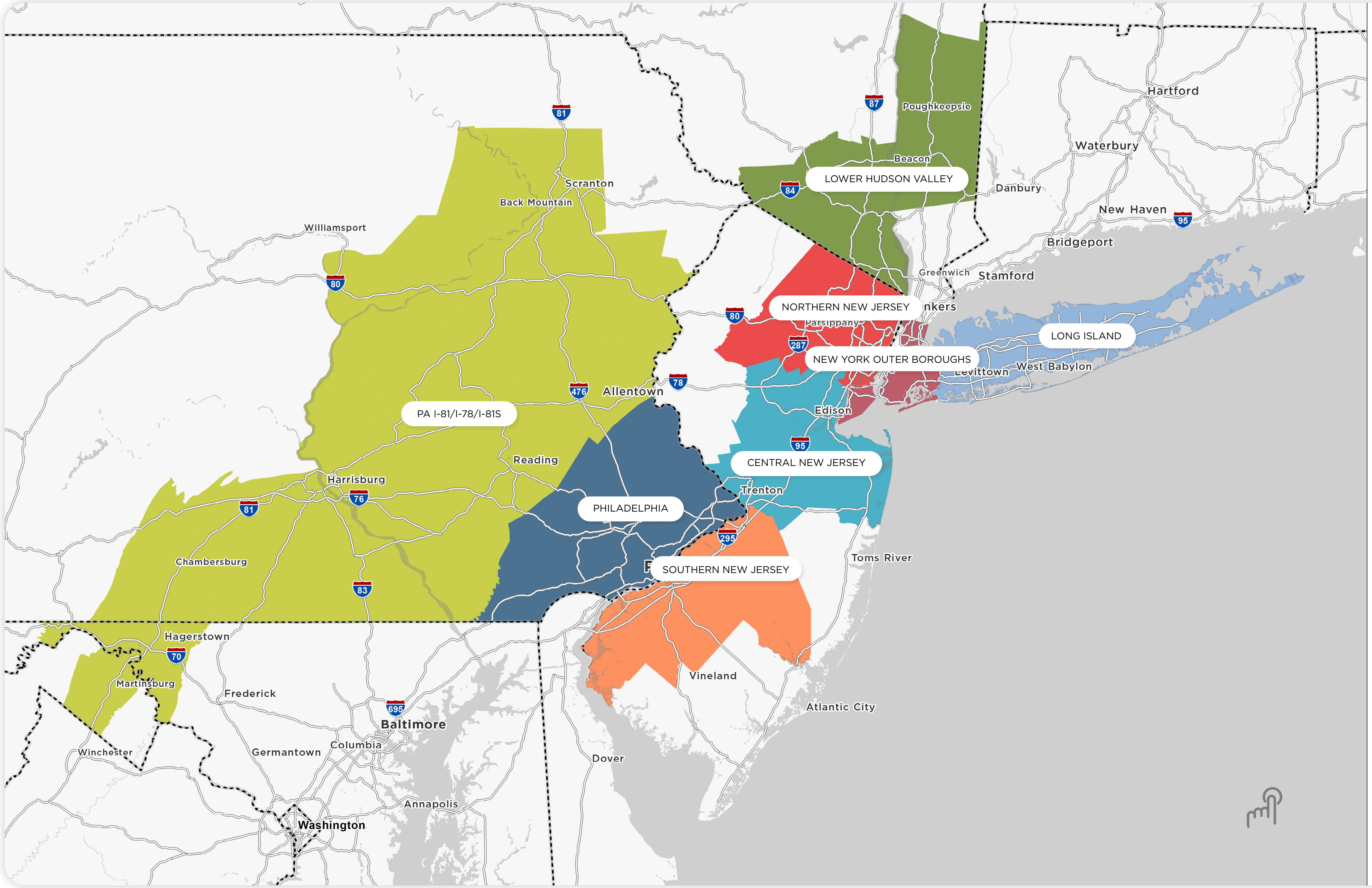
26.9% INVENTORY GROWTH FROM 2020

+450 BPS VACANCY RATE CHANGE FROM 2020

14.8 MSF H1 2025 CONSTRUCTION STARTS TEMPERED

26.7% DECREASE IN SF UNDER CONSTRUCTION FROM 2020

26.9 MSF H1 2025 LEASING ACTIVITY ON PAR WITH LAST YEAR'S TOTAL



MAP
LOCATION LEGEND

NORTHERN NEW JERSEY
CENTRAL NEW JERSEY
SOUTHERN NEW JERSEY
LONG ISLAND
NEW YORK OUTER BOROUGHS
PHILADELPHIA
PA I-81/I-78/I-81S
LOWER HUDSON VALLEY

LONG ISLAND

Q2 2025 TRI-STATE INDUSTRIAL REPORT

103.7 MSF INVENTORY

5.7% VACANCY RATE

-294,873 SF YTD NET ABSORPTION

$18.62 PSF ASKING RENT

1.1 MSF YTD NEW LEASING ACTIVITY

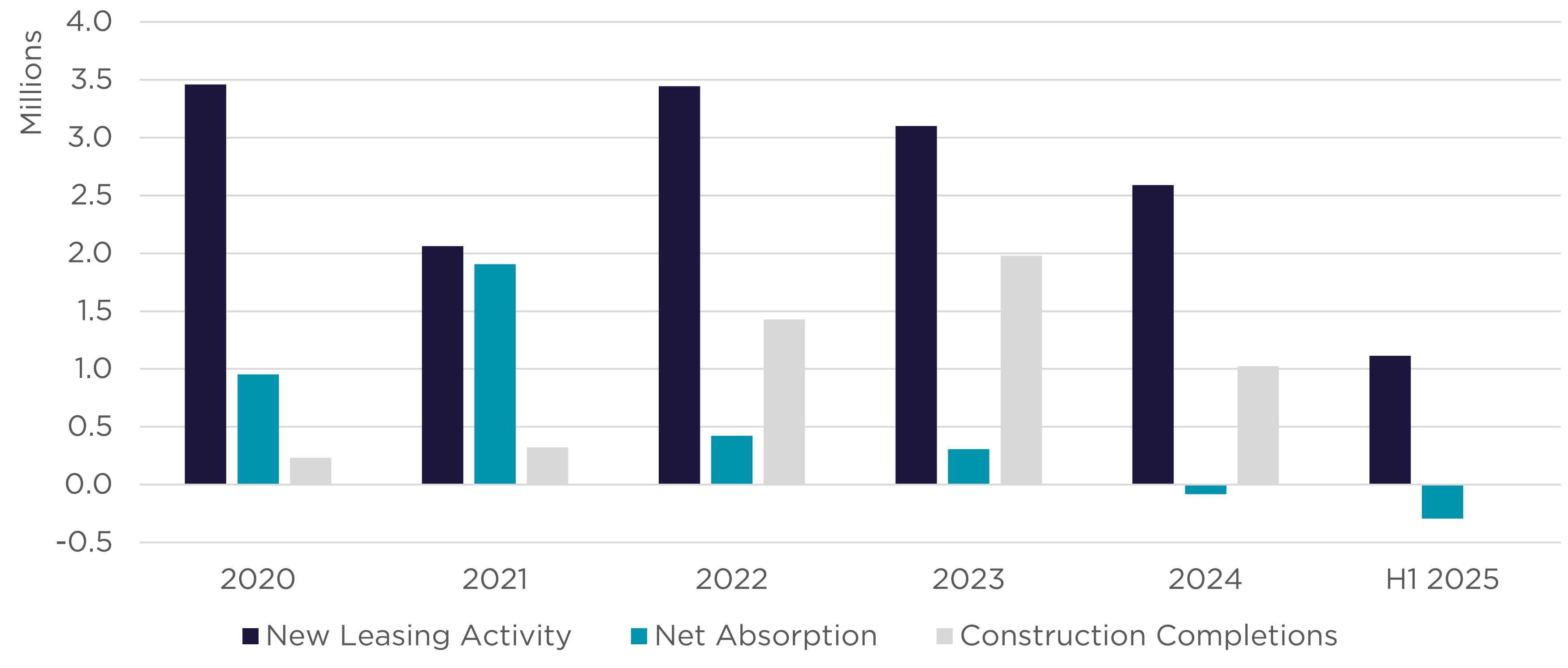
THE LONG ISLAND INDUSTRIAL MARKET benefits from its strategic location and proximity to the greater New York Metro Area. Transportation and connectivity play a vital role in attracting tenants to this market, with an emphasis on the Long Island Rail Road—the busiest commuter railroad in North America—and the Long Island Expressway (I-495)—the main thoroughfare spanning the entire island running east to west.

Long Island's population of 2.9 million makes it one of the densest suburbs in the country. This allows companies to not only benefit from proximity to an affluent consumer base, but also access to a robust labor force to employ.

New leasing activity surged during the pandemic as tenants prioritized modern facilities with higher ceiling heights, more docks, and additional trailer parking. However, demand has cooled down from its peak, and new supply continued to come online, resulting in negative net absorption since 2024.

The overall vacancy rate has ticked up higher from its lowest point in 2021. Speculative developments continue to complete, though the pipeline is slowing down. Additionally, these new projects have put upward pressure on asking rents, which have had immense growth since 2019.

LONG ISLAND: LEASING, NET ABSORPTION & COMPLETIONS



KEY DRIVERS

- Affluent and dense suburban market with high barriers to entry.
- Growing Class A inventory due to significant institutional investment.
- Proximity to NYC, airports, and Port of NY/NJ.

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CONTACT INFORMATION

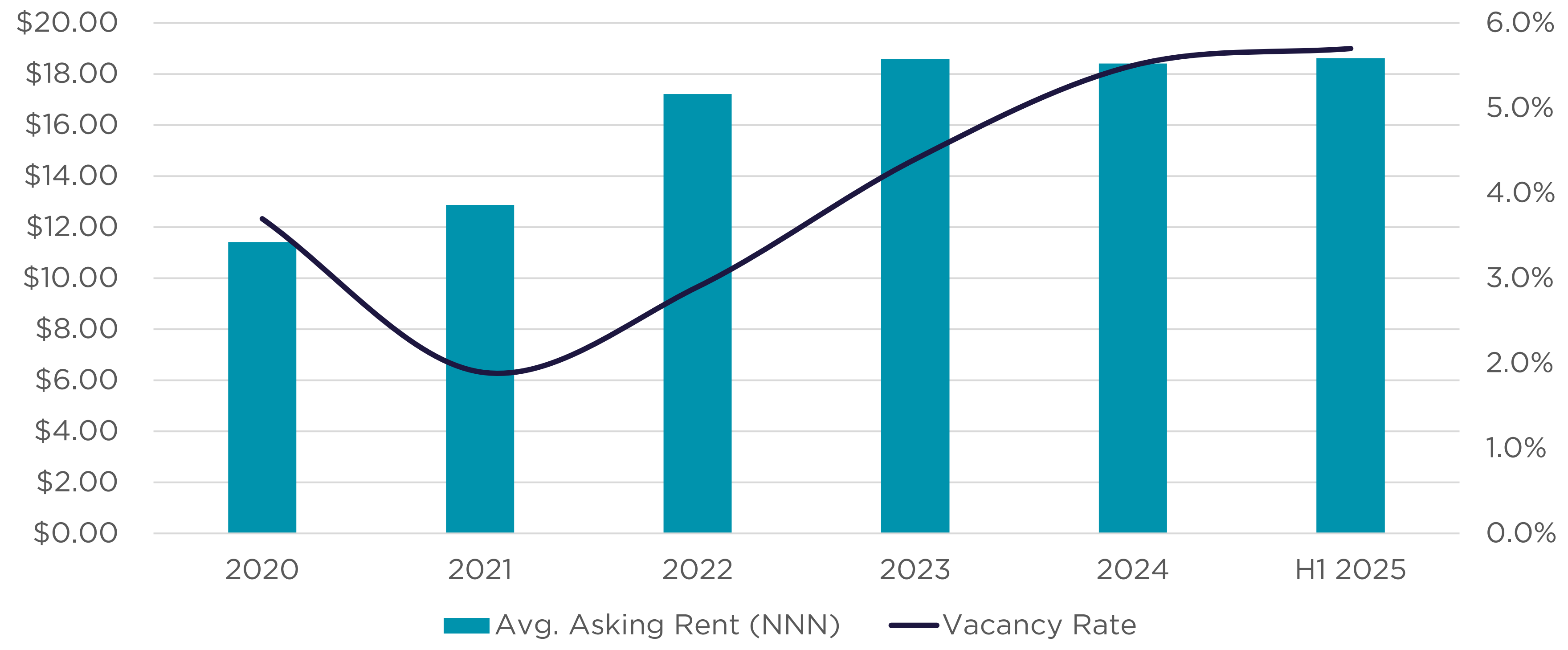
SUBMARKET STATISTICS Q2 2025

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Asking Rents
Western Nassau County	11,198,024	4.7%	$20.63
Central Nassau County	4,729,332	5.3%	$19.94
Eastern Nassau County	15,627,212	3.6%	$20.92
Western Suffolk County	22,476,948	3.0%	$16.06
Central Suffolk County	35,052,013	6.2%	$17.81
Eastern Suffolk County	14,588,867	7.7%	$17.47
Totals	**103,672,396**	**5.7%**	**$18.62**

*Asking rents are NNN and the submarket average

LONG ISLAND: VACANCY RATE VS. AVERAGE ASKING RENT



NEW YORK CITY OUTER BOROUGHS

Q2 2025 TRI-STATE INDUSTRIAL REPORT

132.2 MSF INVENTORY

5.0% VACANCY RATE

654,488 SF YTD NET ABSORPTION

$29.64 PSF ASKING RENT

1.6 MSF YTD NEW LEASING ACTIVITY

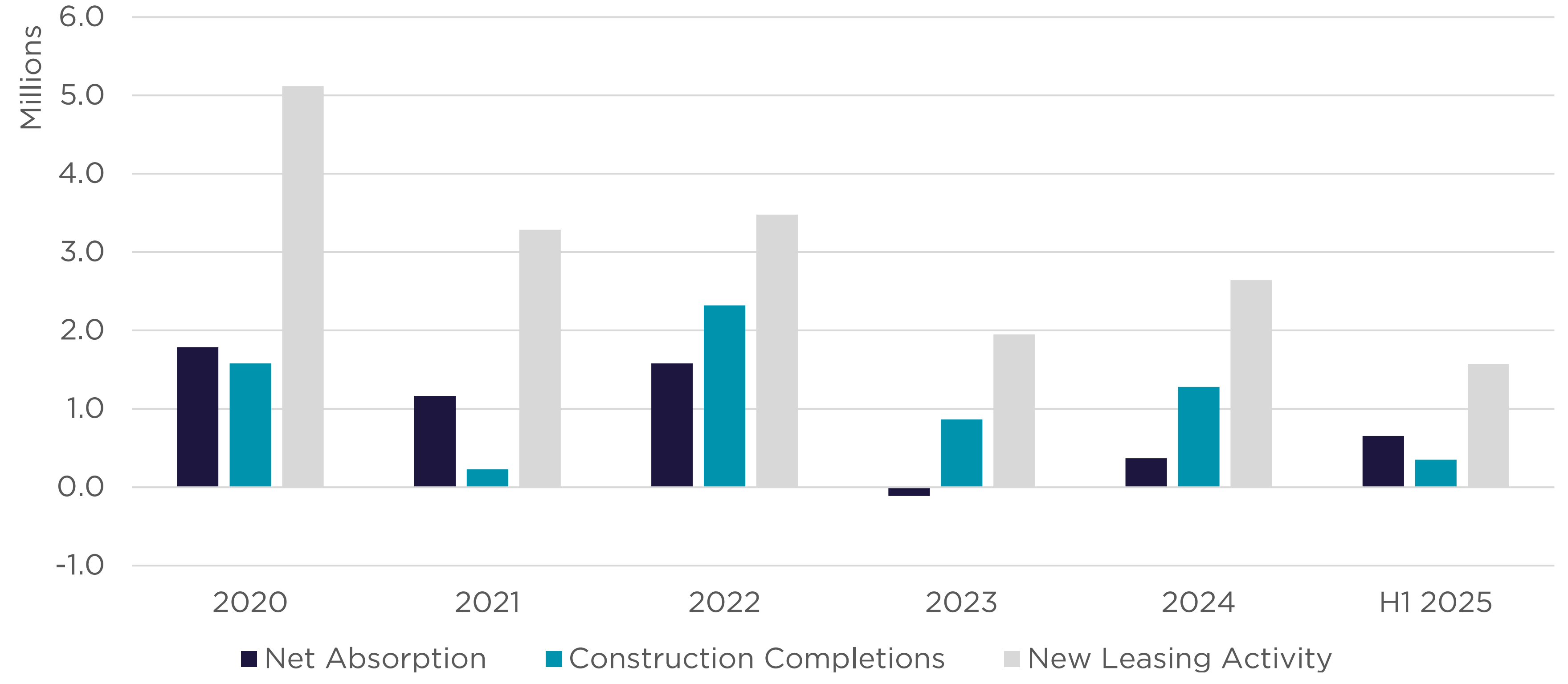
THE NEW YORK CITY OUTER BOROUGHS INDUSTRIAL MARKET benefits heavily from its location, with the New York City area being the largest metro in the Northeast. It contains a population of 9.6 million and a labor force of 4.6 million, including an affluent consumer base and a skilled labor pool. Additionally, numerous highways and bridges enhance its connectivity to the greater metropolitan area, attracting tenants that require direct access to Manhattan, JFK and LaGuardia Airports, and the Port of NY/NJ.

Demand picked up significantly during the pandemic as major e-commerce and logistics companies expanded within the market. Due to increasing economic headwinds, leasing activity has begun to normalize to pre-pandemic levels. Tenants are focusing more heavily on industrial outdoor storage (IOS) and low-coverage sites to fulfill their parking requirements as finding traditional warehouses with parking is extremely scarce in this market.

Average asking rents continue to soar, remaining the highest in the country, as speculative new construction warehouses put upward pressure on pricing. While vacancy has declined from its five-year high in 2024, it is projected to stay elevated as new buildings are completed.

Developers continue to invest heavily into the industrial market, expanding the construction pipeline. Currently, 1.1 msf is under construction, and 6.6 msf has been completed since 2020, though a significant portion of state-of-the-art logistics space still remains vacant.

NEW YORK OUTER BOROUGHS:
LEASING, NET ABSORPTION & COMPLETIONS



KEY DRIVERS

- Largest metropolitan area in the northeast.
- Immediate proximity to Manhattan, JFK and LaGuardia airports, and the Port of NY/NJ.
- Growing development pipeline with an emphasis on multi-story warehouses.

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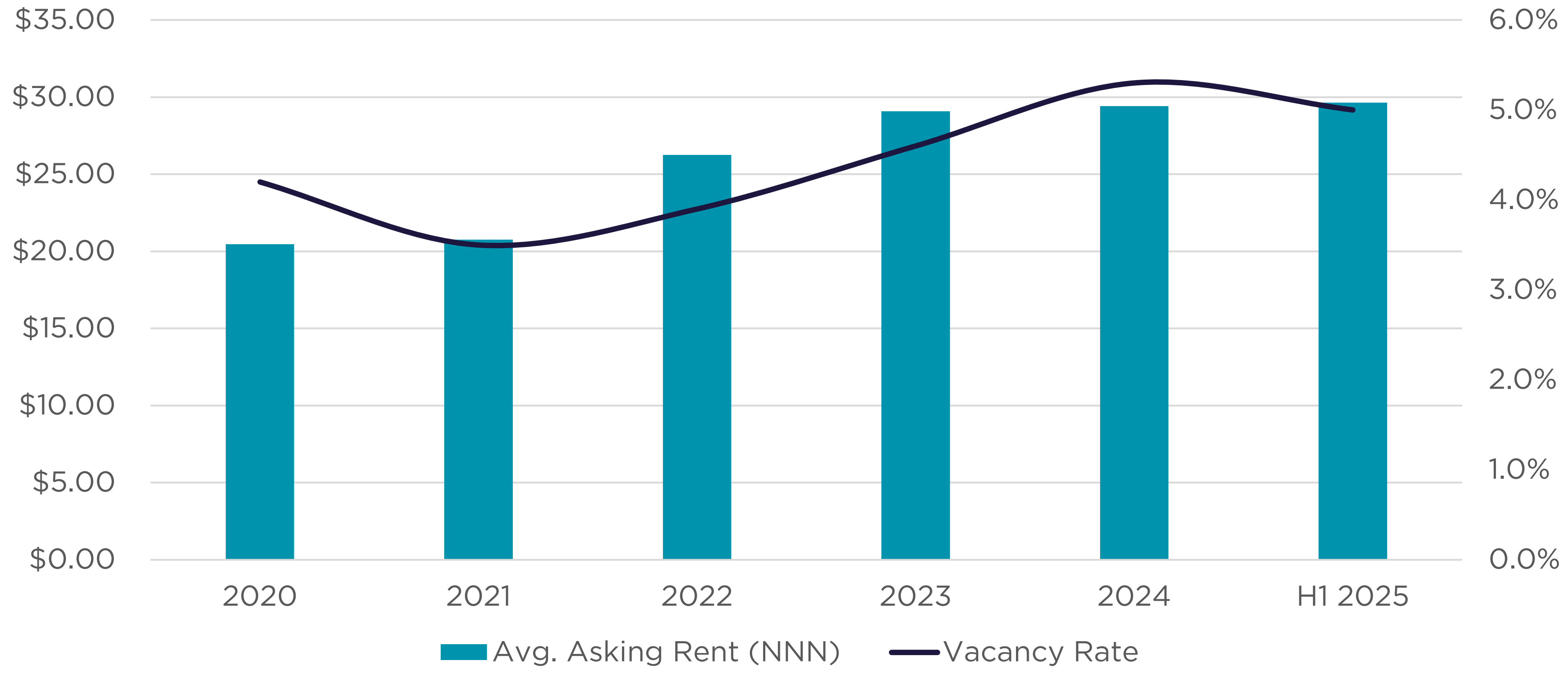
SUBMARKET STATISTICS Q2 2025

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Asking Rents
Bronx	19,779,710	9.2%	$32.59
Brooklyn	50,295,949	3.9%	$27.58
Queens	54,847,080	4.5%	$29.70
Staten Island	7,282,345	3.8%	$23.45
Totals	**132,205,084**	**5.0%**	**$29.64**

*Asking rents are NNN and the submarket average

NEW YORK OUTER BOROUGHS:
VACANCY RATE VS. AVERAGE ASKING RENT



LOWER HUDSON VALLEY

Q2 2025 TRI-STATE INDUSTRIAL REPORT

52.7 MSF INVENTORY

11.2% VACANCY RATE

-864,627 SF YTD NET ABSORPTION

$10.82 PSF ASKING RENT

ZERO YTD COMPLETIONS

THE LOWER HUDSON VALLEY INDUSTRIAL MARKET in New York, defined as properties 50,000 sf and greater in Orange, Rockland, Putnam and Dutchess counties, is comprised of 335 buildings totaling 52.7 msf. Much of the inventory is concentrated in Orange County, which accounts for 55.0% of the existing industrial product.

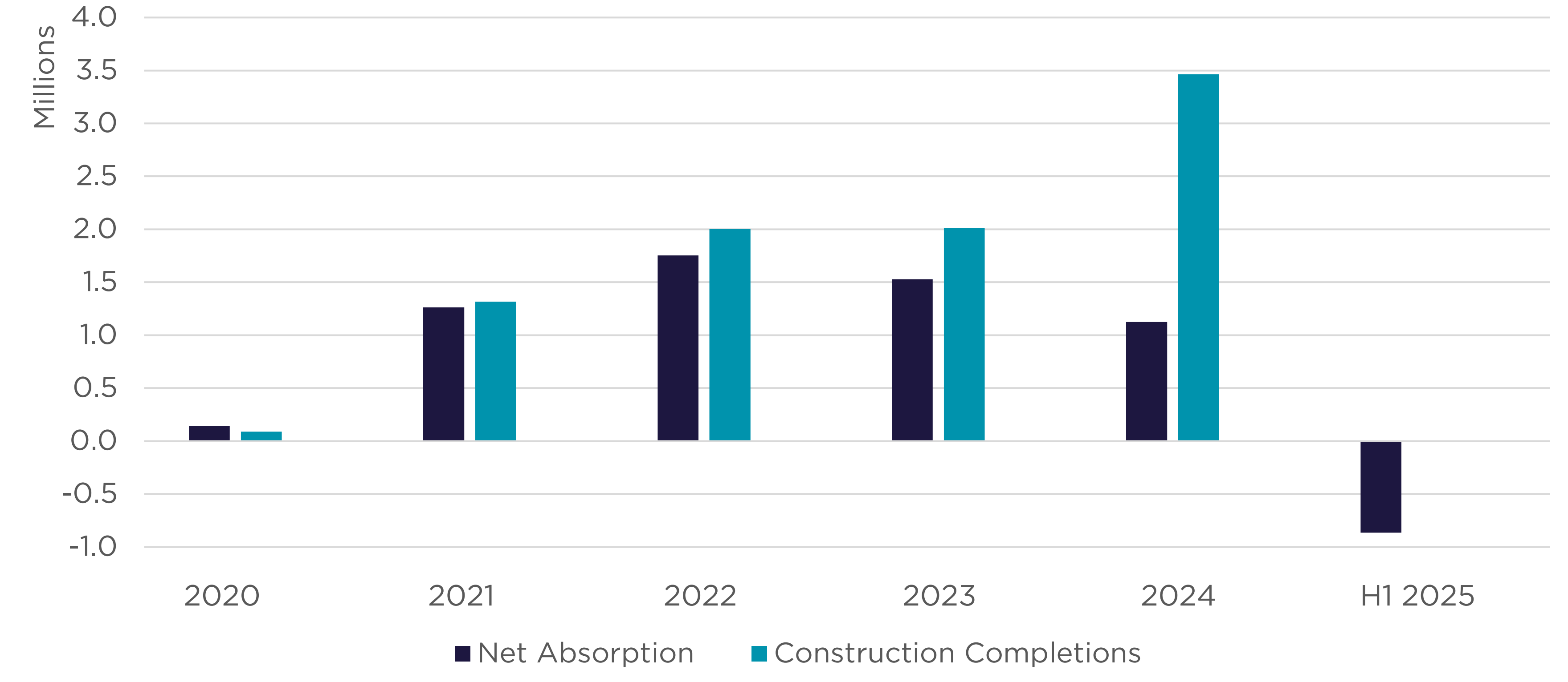
The Lower Hudson Valley industrial market recorded occupancy losses in the second quarter with 1.4 msf of vacant space returning to the market. This marked an increase of 30.8% from the previous quarter, and in turn increased the vacancy rate 260 bps to 11.2%.

Occupancy losses in the second quarter totaled 1.4 msf of negative net absorption, bringing year-to-date net absorption to negative 864,627 sf. Despite the increased vacancy this quarter, it's important to note that demand in the market has absorbed 1.1 msf since the start of 2023.

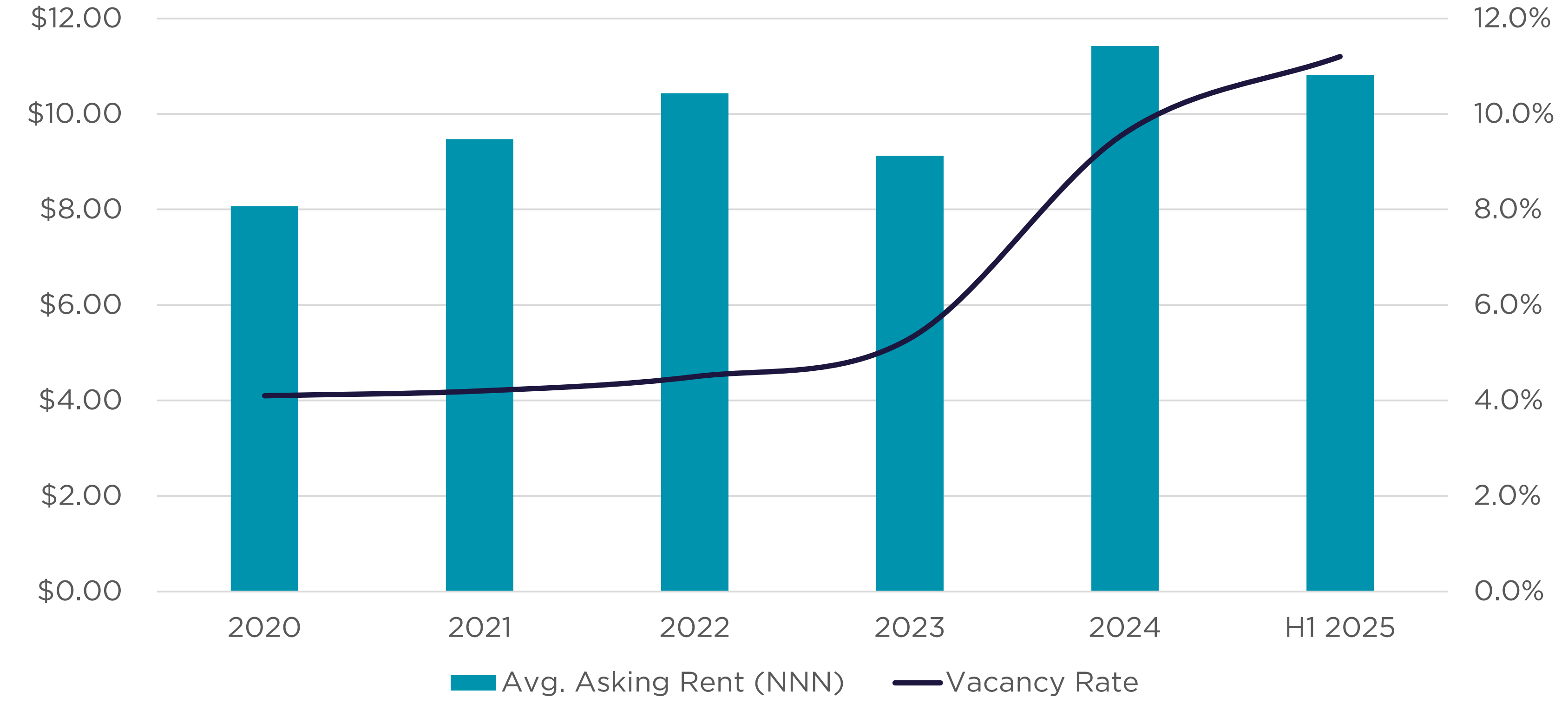
With rising vacancies creating heightened competition among landlords, the average asking rent decreased for the fourth consecutive quarter to $10.82 per square foot (psf). However, this figure remains 5.9% higher than the previous year, while the Class A average asking rent remains a 5.7% premium at $11.44 psf.

Construction activity in the Lower Hudson Valley market, increased 48.0% from the previous quarter to 3.1 msf, as two warehouse/distribution projects in Newburgh totaling 1.0 msf broke ground in the second quarter. The largest to break ground is a speculative 595,900-sf project at 222 Route 17K, which is being developed by Matrix, while Brookfield Properties began construction on a 416,320-sf speculative development at 700 South Street

LOWER HUDSON VALLEY: NET ABSORPTION & COMPLETIONS



LOWER HUDSON VALLEY: VACANCY RATE VS. AVERAGE ASKING RENT



KEY DRIVERS

- Available land for development.
- Access to skilled labor pool.
- Affluent consumer base.

SUBMARKET STATISTICS Q2 2025

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Asking Rents
Orange County	28,997,938	15.3%	$9.84
Rockland County	11,122,363	6.2%	$12.00
Putnam County	2,449,544	25.2%	$16.00
Dutchess County	10,155,610	1.6%	$12.69
Totals	**52,725,455**	**11.2%**	**$10.82**

*Asking rents are NNN and the submarket average

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NORTHERN NEW JERSEY

Q2 2025 TRI-STATE INDUSTRIAL REPORT

259.2 MSF INVENTORY

9.5% VACANCY RATE

854,035 SF YTD NET ABSORPTION

$18.37 PSF ASKING RENT

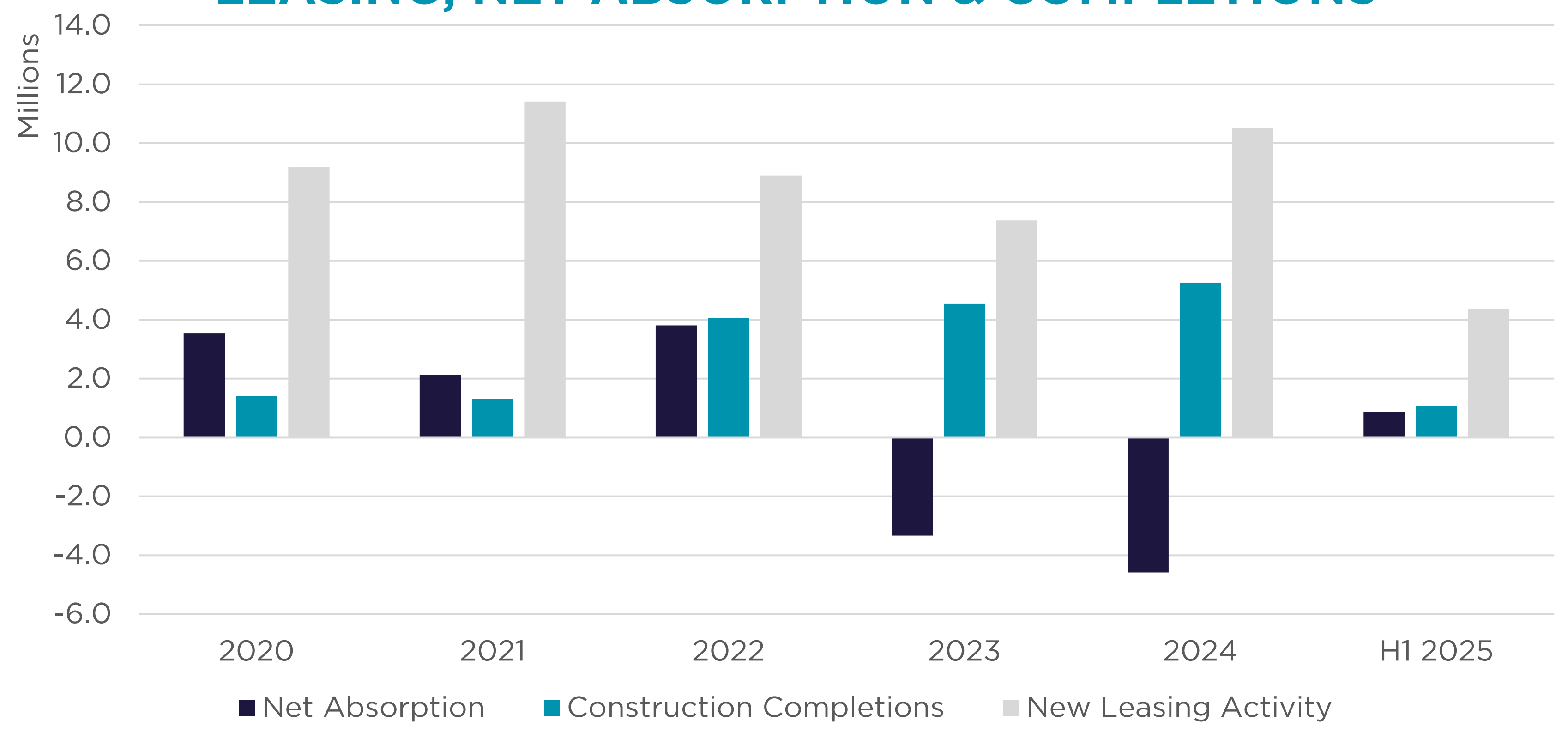
4.4 MSF YTD NEW LEASING ACTIVITY

THE NORTHERN NEW JERSEY INDUSTRIAL MARKET offers a strategic advantage due to its proximity to major ports and Newark Liberty International Airport. This prime location provides businesses with access to one of the most densely populated and affluent consumer markets globally, while also being well-connected to some of the state's busiest transportation routes.

Steady demand continued during the first half of the year, as occupancy gains in Northern New Jersey remained positive. However, this increase was insufficient to counterbalance the surge in new supply during the second quarter, leading to heightened competition among landlords. To stay competitive, many landlords are offering enhanced incentives to attract tenants.

The influx of newly available space has provided tenants with more options in the market. However, a slowdown in construction starts over the next 12 months together with increased activity at the Port of NY/NJ could help reduce vacancy rates, particularly if existing properties are absorbed effectively.

NORTHERN NEW JERSEY: LEASING, NET ABSORPTION & COMPLETIONS



KEY DRIVERS

- Accessible to the affluent New York area.
- Home to the Port of NY/NJ & Newark Liberty International Airport.
- Robust highway network, offering immediate access to interstates and river crossings. I-95/I-78/I-287/I-80/Route 440/Route 1&9/Holland Tunnel/Bayonne & Verrazano Bridges.

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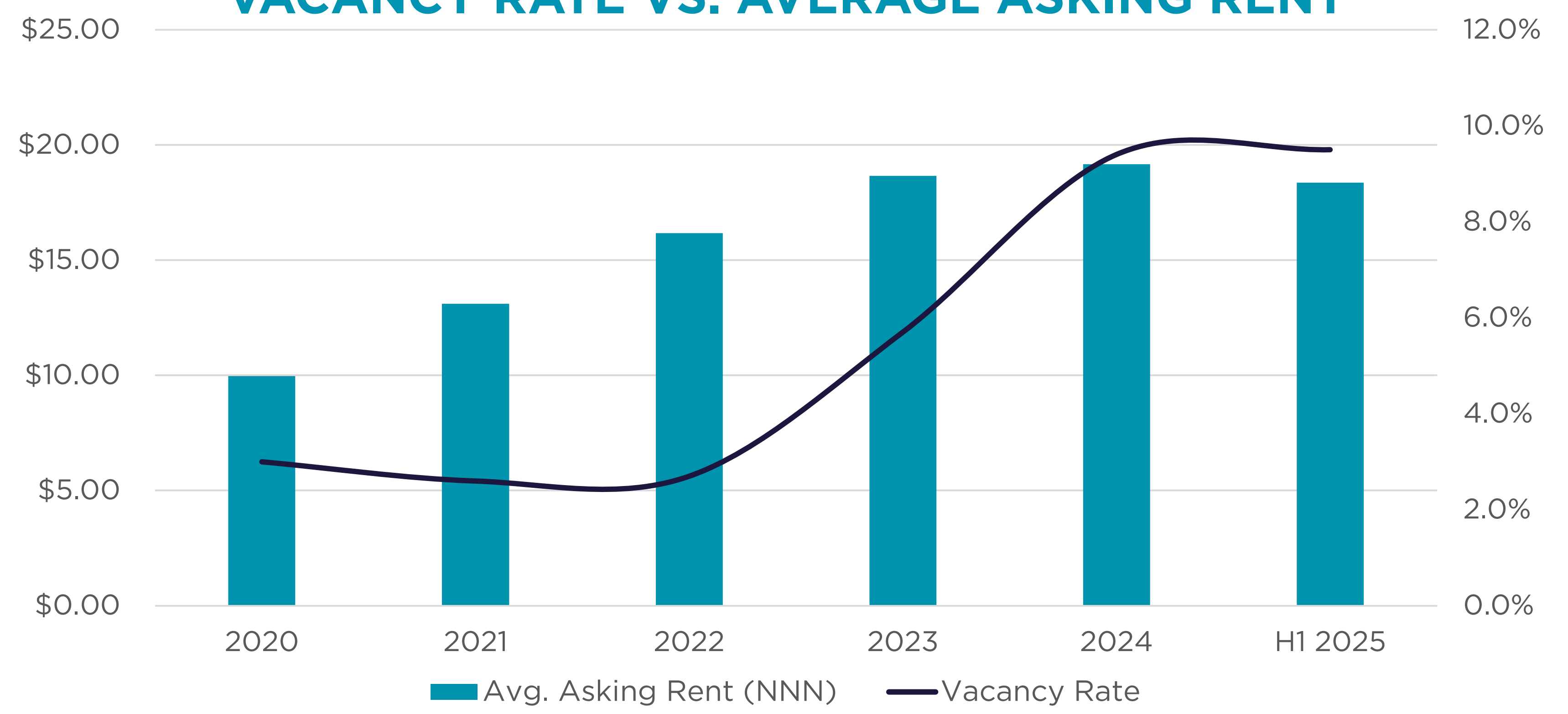
SUBMARKET STATISTICS Q2 2025

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Asking Rents
Northern Bergen	9,545,263	6.0%	$17.08
GW Bridge Market	2,866,314	6.4%	$23.54
Central Bergen	14,876,608	9.6%	$16.29
Meadowlands	73,289,385	8.9%	$18.56
Port Region	83,629,515	12.2%	$19.92
Suburban Essex	6,583,576	5.6%	$16.22
Greater I-80 Corridor	59,746,814	7.1%	$16.44
Route 23 North	290,980	19.9%	$13.00
Morristown Market	7,077,939	13.6%	$18.21
Route 23 Corridor	1,288,691	1.7%	$18.00
Totals	**259,195,085**	**9.5%**	**$18.37**

*Asking rents are NNN and the submarket average

NORTHERN NEW JERSEY: VACANCY RATE VS. AVERAGE ASKING RENT



CENTRAL NEW JERSEY

Q2 2025 TRI-STATE INDUSTRIAL REPORT

297.1 MSF INVENTORY

10.4% VACANCY RATE

-4.1 MSF YTD NET ABSORPTION

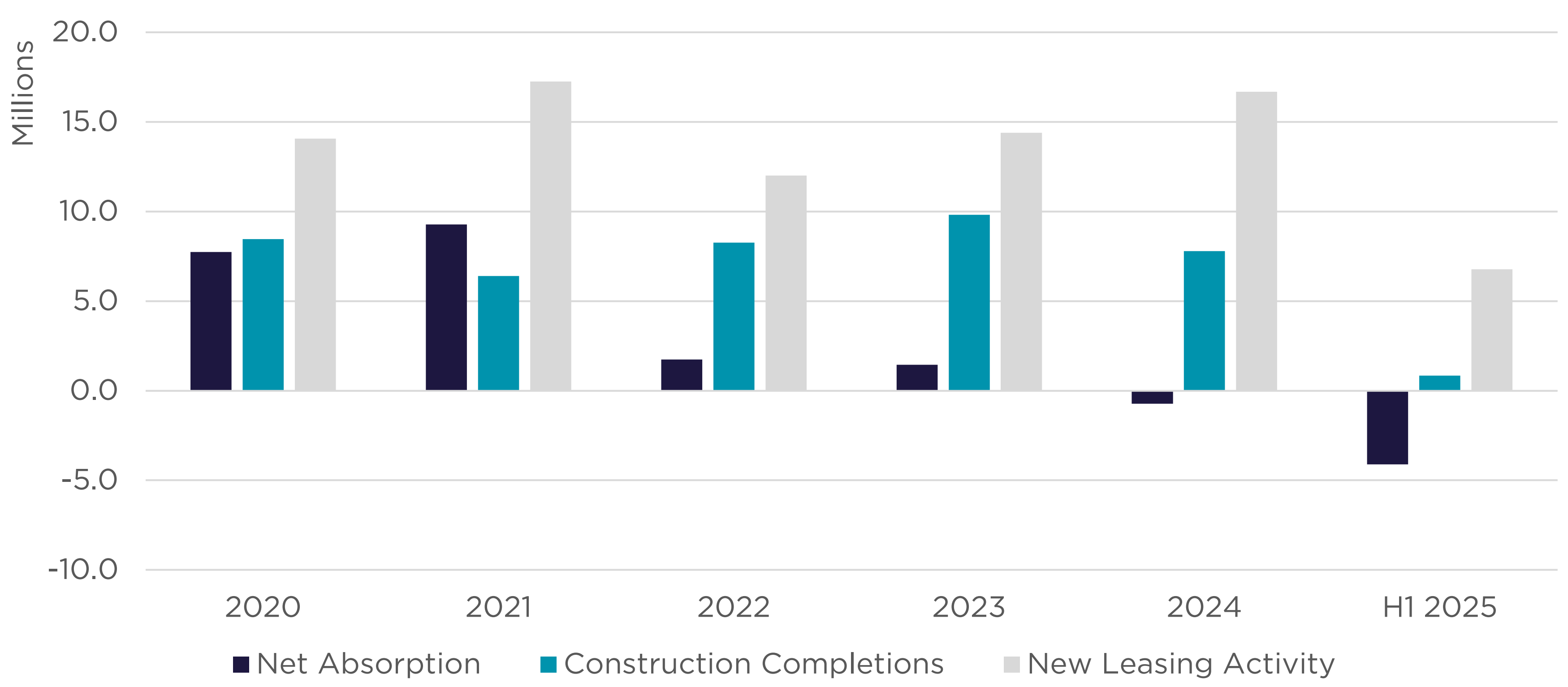
$16.26 PSF ASKING RENT

6.8 MSF YTD NEW LEASING ACTIVITY

CENTRAL NEW JERSEY'S STRATEGIC LOCATION within the Northeast distribution corridor makes it a top choice for companies looking to establish large warehouse and distribution facilities. This preference is driven by the region's extensive highway network, which offers seamless and efficient access to the entire Northeast corridor, stretching from Boston in the north to Washington, D.C., in the south. While new leasing activity in Central New Jersey has moderated compared to the record-breaking demand recorded in 2021, tenant demand remained steady. This was evident in the first half of 2025, as new leasing activity displayed a resurgence.

As anticipated, the vacancy rate rose through the first half of the year, largely due to the delivery of new construction projects that were completed without preleasing, and the addition of large blocks of sublease space. With increased competition owners and developers have attempted to hold firm on current market pricing, but have offered increased concessions, such as free rent, to attract tenants. Additionally, some have subdivided large blocks of space to stimulate new transactions and address the moderated demand. These strategies reflect efforts to adapt to changing market conditions while maintaining competitiveness.

CENTRAL NEW JERSEY:
LEASING, NET ABSORPTION & COMPLETIONS



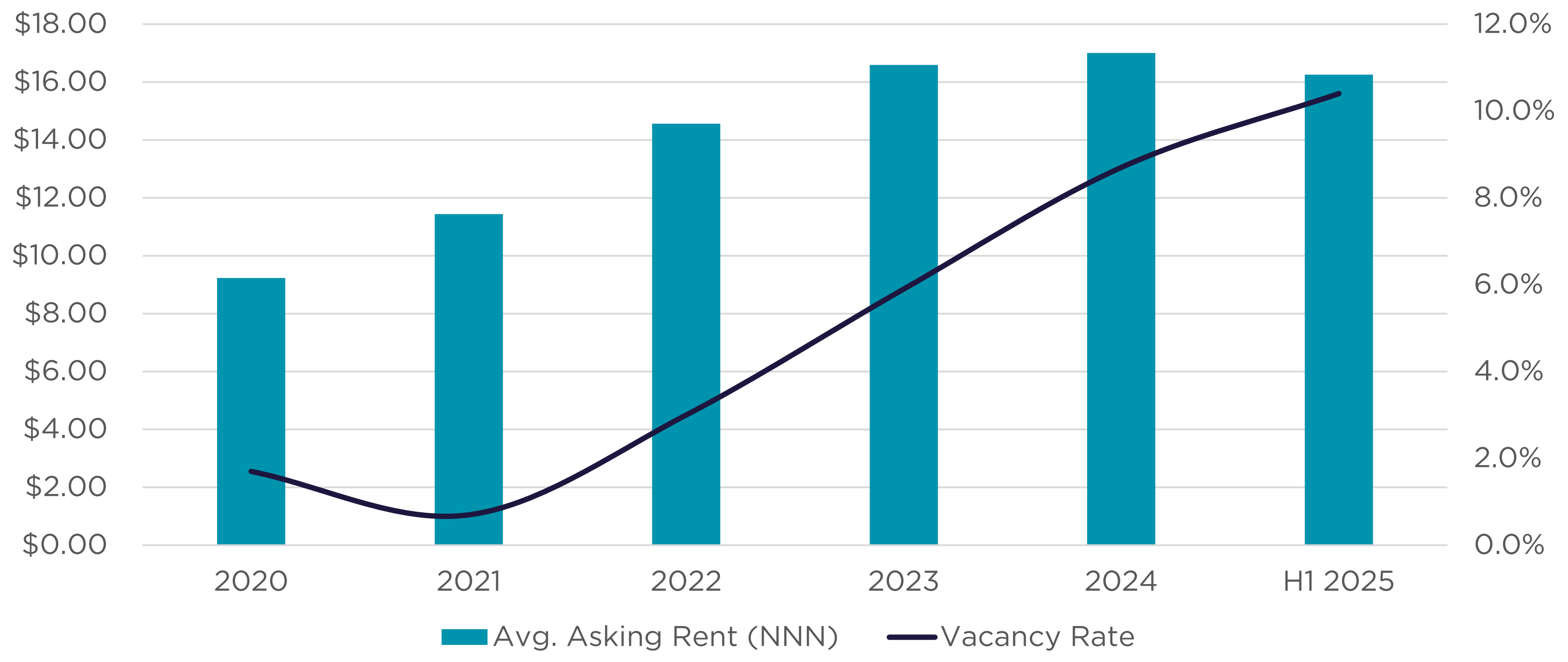
SUBMARKET STATISTICS Q2 2025

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Asking Rents
Port South	37,241,931	14.8%	$18.41
Central Union	12,879,043	8.3%	$15.18
Route 24 Corridor	1,718,786	3.7%	$14.22
Somerset/I-78 Corridor	23,816,881	4.6%	$15.43
I-287/Exit 10	85,189,062	7.8%	$16.84
Exit 9	22,950,657	17.3%	$16.67
Exit 8A Market	75,363,758	10.4%	$15.06
Greater Princeton Market	4,203,535	13.9%	$13.09
Exit 7A/8	23,718,370	13.4%	$13.89
Monmouth County	10,054,370	8.1%	$13.89
Totals	**297,136,393**	**10.4%**	**$16.26**

*Asking rents are NNN and the submarket average

CENTRAL NEW JERSEY:
VACANCY RATE VS. AVERAGE ASKING RENT



KEY DRIVERS

- Centrally positioned at the core of the I-95 Corridor, midway between Boston and Washington D.C.
- Substantial concentration of Class A big-box warehouse facilities.
- Access to exceptional labor pool.

Cushman & Wakefield Research
Q2 2025 Statistics

CONTACT INFORMATION

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SOUTHERN NEW JERSEY

Q2 2025 TRI-STATE INDUSTRIAL REPORT

108.1 MSF INVENTORY

12.0% VACANCY RATE

1.8 MSF YTD NET ABSORPTION

$12.37 PSF ASKING RENT

3.3 MSF YTD NEW LEASING ACTIVITY

THE SOUTHERN NEW JERSEY REGION —comprised of Burlington, Camden, Delaware, and Salem counties—is a major American economic hub centered upon a thriving industrial market.

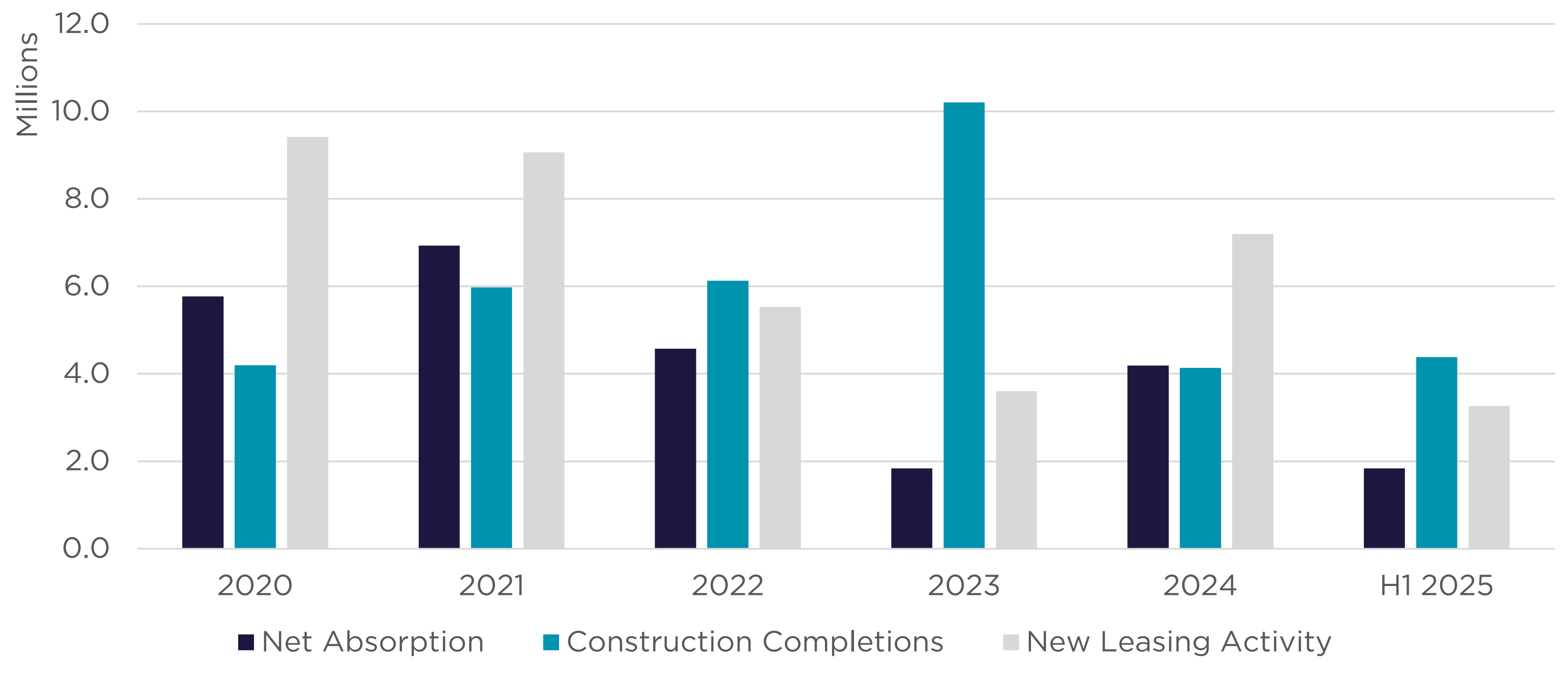
Southern New Jersey has expanded into a robust warehouse and distribution business region along the East Coast. With convenient access to the New York, Philadelphia, and Washington, D.C. metropolitan areas, the region's transportation network affords businesses an ample customer base.

As the COVID-19 pandemic drove demand for e-commerce space to new highs, the 2020 and 2021 leasing periods had record new tenant occupancy, and though economic and political challenges have presented hurdles to tenants seeking space, Southern New Jersey's 2025 total leasing activity is on track to nearly meet that of 2024's annual total.

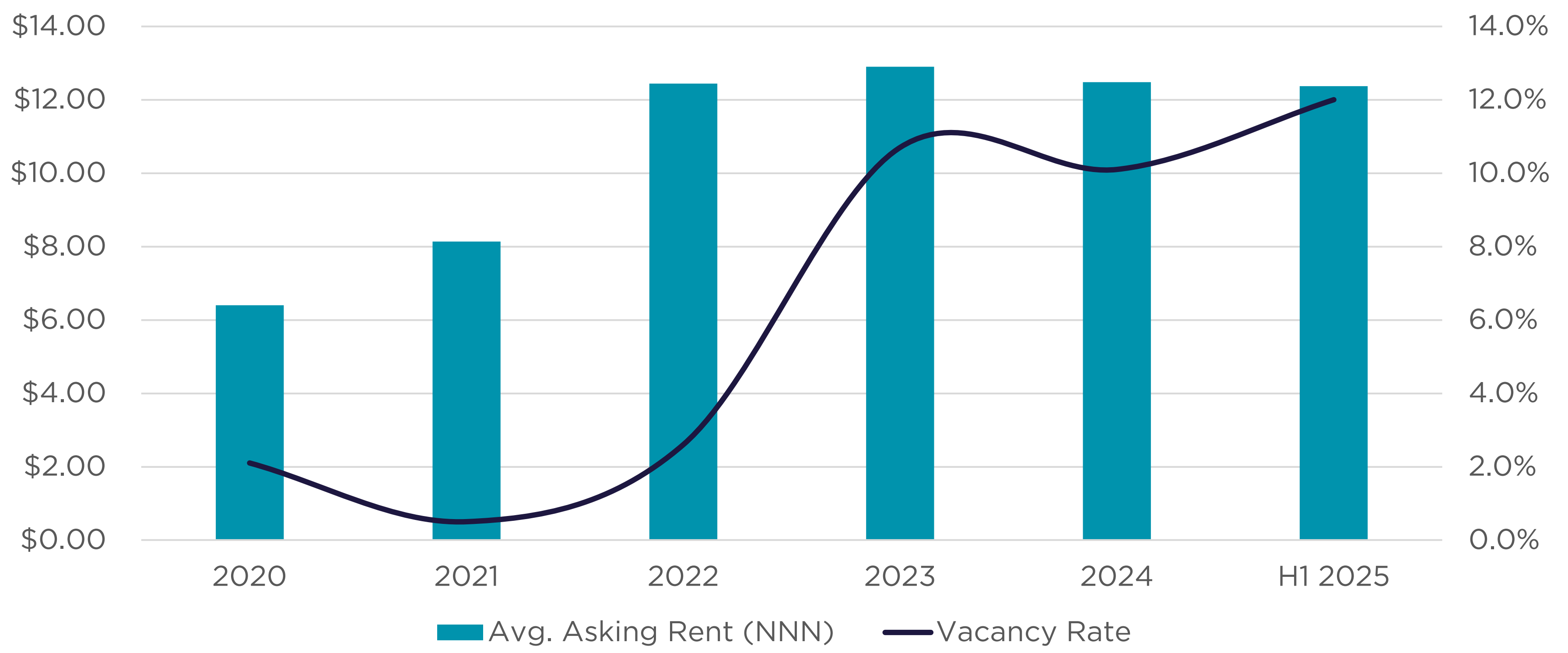
Construction completions in the first half of 2025 already surpassed the entire annual total of 2024, already sitting at 6.1% higher than the previous year's completions. The construction pipeline in Southern New Jersey has contracted significantly since year-end 2024, with expected future deliveries shrinking by 53.6% as construction starts stabilized.

Rental rates are due to remain stable over the following year, as construction deliveries even out and tenants in the market regain confidence.

SOUTHERN NEW JERSEY :
LEASING, NET ABSORPTION & COMPLETIONS



SOUTHERN NEW JERSEY:
VACANCY RATE VS. AVERAGE ASKING RENT



KEY DRIVERS

- Substantial concentration of Class A big-box warehouse facilities.
- Access to skilled labor pool.

SUBMARKET STATISTICS Q2 2025

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Asking Rents
Burlington County	54,113,817	7.6%	$13.28
Camden County	13,679,369	5.7%	$12.32
Gloucester County	28,631,608	11.3%	$12.18
Salem County	11,680,083	42.1%	$11.78
Totals	**108,104,877**	**12.0%**	**$12.37**

*Asking rents are NNN and the submarket average

Cushman & Wakefield Research
Q2 2025 Statistics

CONTACT INFORMATION

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PHILADELPHIA

Q2 2025 TRI-STATE INDUSTRIAL REPORT

106.5 MSF INVENTORY

10.8% VACANCY RATE

1.4 MSF YTD NET ABSORPTION

$13.42 PSF ASKING RENT

3.4 MSF YTD NEW LEASING ACTIVITY

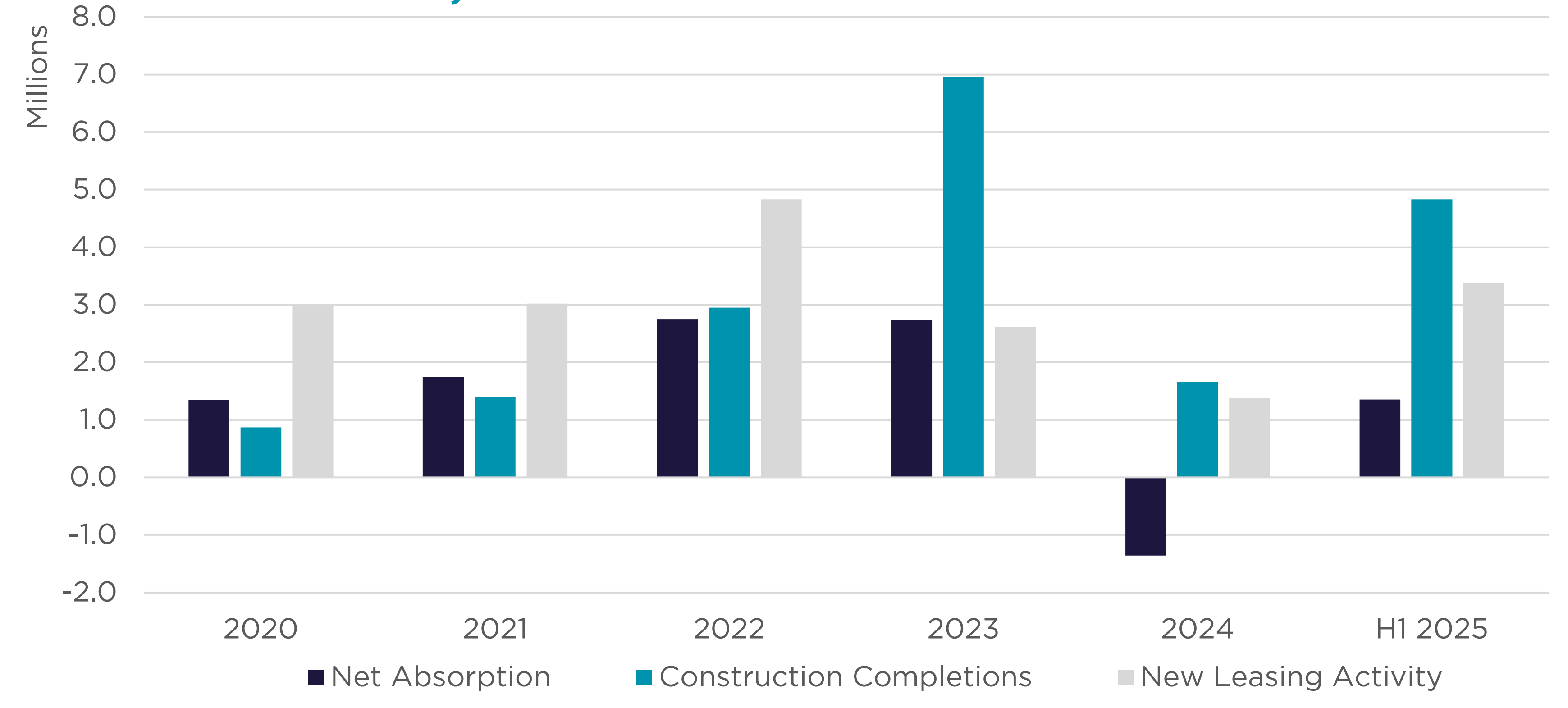
PHILADELPHIA and its surrounding suburban counties represent a centerpiece of American culture, history, and business. The city proper is the sixth-largest city in the United States, and is serviced by a vast interconnected transit network, allowing for the efficient transportation of laborers and goods alike.

Regional absorption in the Southeastern Pennsylvania region has expanded greatly relative to year-end 2024's negative total, rising to 1.4 msf as of the first half of 2025. Various tenants have occupied new space as they reconsider their locations in the market.

Construction completions have already far surpassed the annual totals of 2024, delivering nearly 3.2 msf more than all of the previous year. This will likely affect vacancy rates moving forward, as a substantial amount of premium available space comes online.

The first half of 2025 has already penned more than 2.0 msf of leasing activity compared to all of 2024 combined, settling at 3.4 msf. If current trends persist, 2025 is on pace to record a five-year high in new leasing activity in the Philadelphia region.

PHILADELPHIA:
LEASING, NET ABSORPTION & COMPLETIONS



KEY DRIVERS

- Access to four seaports.
- Complex highway network offers logistical advantages.
- Labor access.

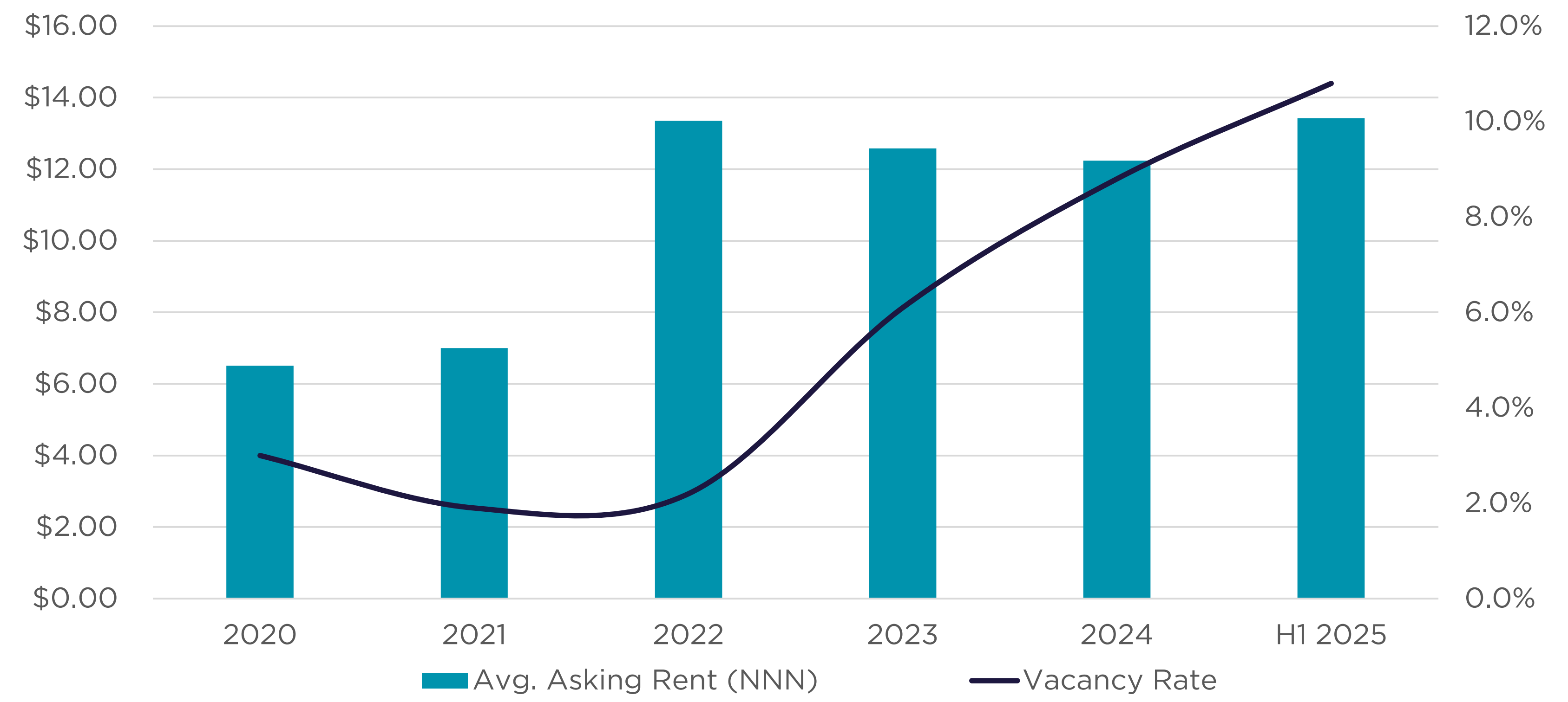
SUBMARKET STATISTICS Q2 2025

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Asking Rents
Philadelphia County	28,926,888	14.1%	$15.24
Lower Bucks County	26,711,868	11.3%	$12.65
Upper Bucks County	9,166,653	5.8%	$11.45
Montgomery County	23,990,023	8.0%	$11.17
Chester County	10,009,212	11.4%	$12.26
Delaware County	7,730,734	10.8%	$14.89
Totals	**106,535,378**	**10.8%**	**$13.42**

*Asking rents are NNN and the submarket average

PHILADELPHIA:
VACANCY RATE VS. AVERAGE ASKING RENT



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Q2 2025 Statistics

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PA I-81/I-78/I-81S

Q2 2025 TRI-STATE INDUSTRIAL REPORT

453.9 MSF INVENTORY

7.4% VACANCY RATE

-2.3 MSF YTD NET ABSORPTION

$8.82 PSF ASKING RENT

6.4 MSF YTD NEW LEASING ACTIVITY

Encompassing a significant area of land spanning from northeast Pennsylvania down to northern Maryland and northeast West Virginia, the I-81/I-78 Corridor represents a thriving and supply-rich industrial market with access to vast segments of the Eastern Seaboard.

The region has expanded due to the powerful transportation arteries which run through its core. Granting the geography convenient access to the labor force and customer base of three states, the corridor is one of the top industrial markets in the country.

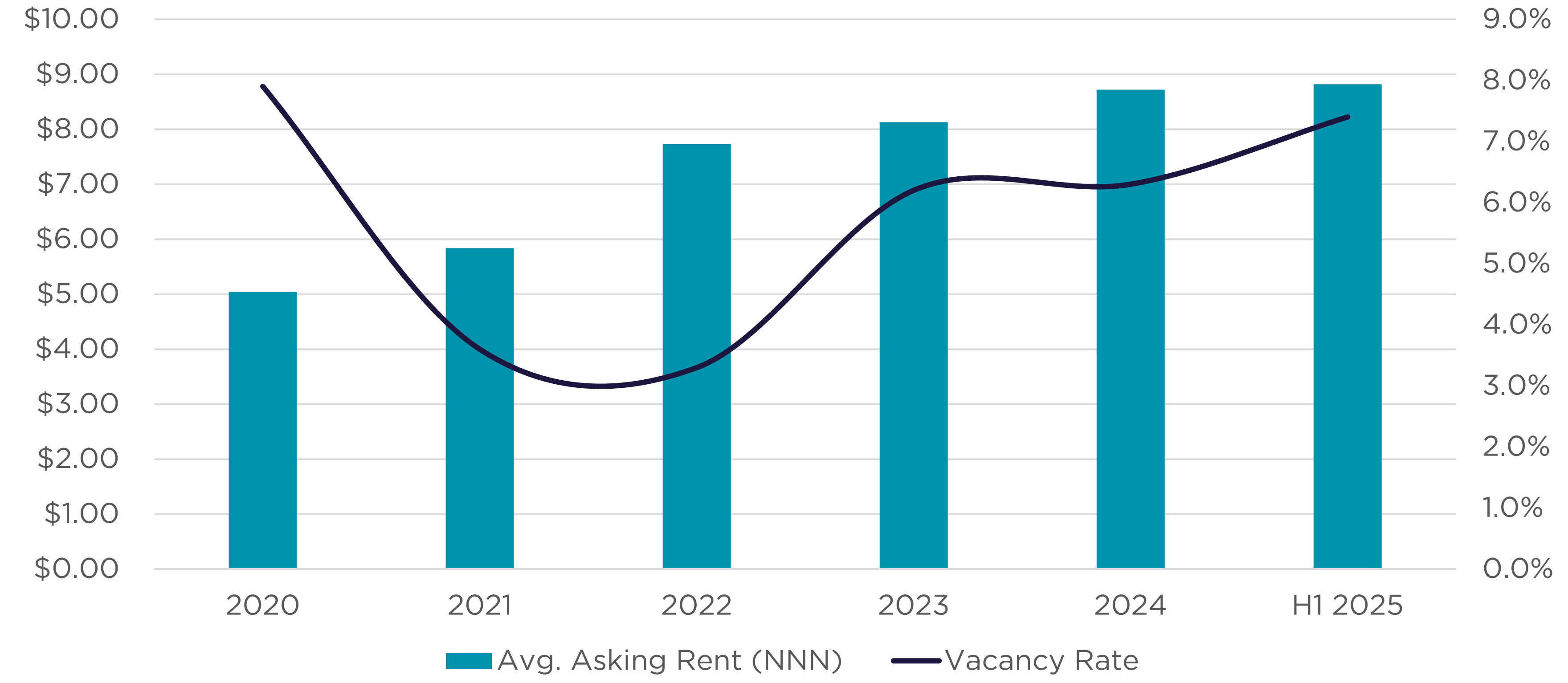
Leasing activity in the first half of 2025 exhibited a decrease relative to year-end 2024—dipping by 62.3%—with Central and Northeastern PA recording the highest square footage totals.

The region's overall average vacancy rate rose by 110 bps since year-end 2024 to 7.4%, as both leasing activity and absorption dipped during the previous six months.

Construction starts recorded a marked upward spike since year-end 2024—soaring 85.7% over the previous annual total despite being only halfway through the calendar year—as developers regained confidence in the future of the market amidst challenging economic circumstances.

PA I-81/I-78/I-81S: LEASING, NET ABSORPTION & COMPLETIONS

PA I-81/I-78/I-81S: VACANCY RATE VS. AVERAGE ASKING RENT



KEY DRIVERS

- Large population concentration.
- Available land for development.
- Direct access to several international airports.

SUBMARKET STATISTICS Q2 2025

VIEW MORE DATA

Submarket	Inventory (SF)	Vacancy Rate	Asking Rents
Lehigh Valley	106,669,789	7.6%	$11.67
Northeastern PA	85,416,425	4.0%	$7.61
Central PA	138,953,595	6.0%	$8.59
Split	58,389,396	10.5%	$8.35
I81S	64,508,542	11.8%	$6.95
Totals	**453,937,747**	**7.4%**	**$8.82**

*Asking rents are NNN and the submarket average

Cushman & Wakefield Research
Q2 2025 Statistics

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KEY TAKEAWAYS

- The Tri-State Industrial Corridor remained resilient in H1 2025, with stable rental rates and increased landlord incentives despite rising supply and economic headwinds.
- Strong port activity and population density continue to support demand, while the PA I-81 & I-78 Corridor is projected to lead rental growth through 2027.

Cushman & Wakefield Research
Q2 2025 Statistics

BACK TO OVERVIEW

OUTLOOK

Q2 2025 TRI-STATE INDUSTRIAL REPORT

THE NEW YORK, NEW JERSEY, AND PENNSYLVANIA INDUSTRIAL CORRIDOR demonstrated resilience in the face of market headwinds during H1 2025. Low preleasing activity and recent tenant move-outs have contributed to an increase in overall supply, while economic pressures—such as tariffs—have softened tenant demand. Despite these challenges, rental rates are expected to remain stable, with landlords continuing to offer incentives like free rent, early occupancy, and moving allowances to help mitigate vacancy.

The region's performance aligned with other major industrial hubs nationwide. While net absorption remained negative—mirroring trends on the West Coast—rental rates have held steady, in contrast to the declines seen in Southern California. Additionally, strong terminal activity at the Port of New York and New Jersey continues to drive demand, bolstered by the area's dense population base.

Looking ahead, Cushman & Wakefield forecasts steady growth for the region through 2026 and 2027. The PA I-81 & I-78 Corridor is expected to lead rent increases, with projected gains of 3.0% in 2026 and 4.0% in 2027. Although vacancy rates have ticked up in the short term, demand is anticipated to rebound, supporting further occupancy growth. Despite recent challenges, the corridor is well-positioned for sustained growth.

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