



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
6.2% Vacancy Rate	▲	▬
9.6M YTD Net Absorption, SF	▼	▬
\$8.79 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.0M PA I-81 & I-78 Employment	▲	▲
3.5% PA I-81 & I-78 Unemployment Rate	▬	▲
4.1% U.S. Unemployment Rate	▲	▼

Source: BLS

ECONOMY

The PA Distribution Corridor's employment levels grew another 2.1% year-over-year (YOY), showcasing a region capable of countering economic uncertainty, with the regional unemployment rate holding at 3.5% - steady since one year ago.

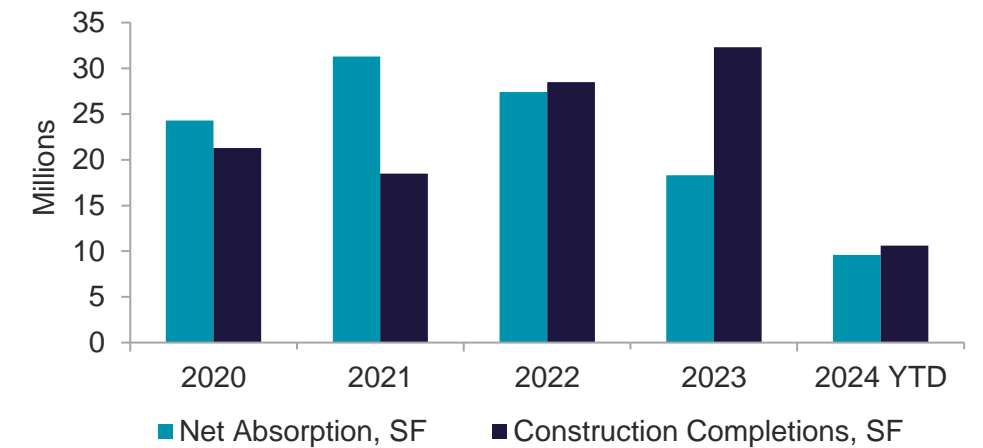
SUPPLY AND DEMAND

The overall vacancy rate in the Corridor rose by 60 basis points (bps) quarter-over-quarter (QOQ) to 6.2% in Q3, driven by a noticeable QOQ uptick in the Lehigh Valley - notably, returning to its year-end 2023 level. Year-to-date (YTD) net absorption in the PA Corridor culminated with 9.6 million square feet (msf) as of Q3 - 16.0% behind the pace of the previous year. This was primarily prompted by businesses grappling with socioeconomic difficulties, space consolidations, and a slowdown in occupied new supply. Leasing activity held relatively steady, dipping by only 2.4% since the end of Q3 2023, with Central PA and I-81S leading the charge in square footage. Said leasing was dominated by third-party logistics (3PL) companies, with a smaller segmentation dedicated to consumer product entities, confirming the region as a steadfast success for product distribution. Annual construction completions were down by 50.6% YOY following the construction boom of 2023, though 55.1% of 2024's new inventory has been preleased.

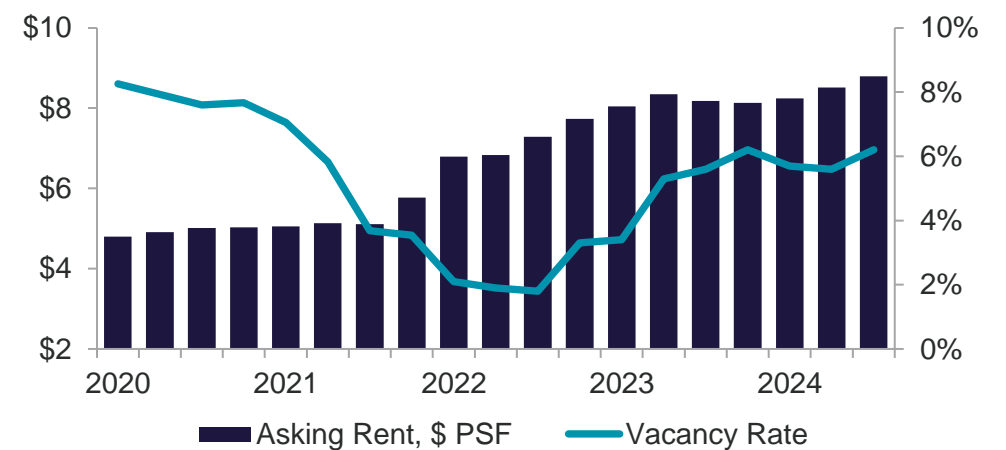
OUTLOOK

The conclusion of 2024 is anticipated to be met with moderate success for the Corridor, especially when considering the positive trajectory of the nation's job growth and recent interest rate cuts. Tenant confidence is projected to remain steady into the new year alongside the dissipation of the previous year's supply shock, while vacancy rates and asking rents stabilize. Despite reduced construction starts tautening the supply market, annual totals for leasing and absorption will remain steady, with both likely settling at slightly lower levels than that of 2023.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Lehigh Valley	105,539,949	6,701,344	6.3%	37,357	182,678	955,279	2,241,997	N/A	N/A	\$11.77
Northeastern PA	83,126,902	3,020,882	3.6%	1,690,276	1,976,430	2,669,249	3,454,214	\$6.50	N/A	\$7.79
Central PA	136,154,835	4,979,046	3.7%	-369,523	2,050,006	3,218,007	3,081,437	N/A	N/A	\$8.63
Split	57,731,068	5,330,571	9.2%	739,210	2,374,123	234,880	1,575,060	N/A	N/A	\$8.20
I-81S	64,508,542	7,701,405	11.9%	773,480	3,061,688	0	291,600	N/A	N/A	\$6.95
PA I-81 & I-78 TOTALS	447,061,296	27,733,248	6.2%	2,870,800	9,644,925	7,077,415	10,644,308	\$6.50	N/A	\$8.81

*Statistics not reflective of U.S. MarketBeat tables

**Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3363 Gun Club Road	Lehigh Valley	Western Post	1,006,050	New Lease
9645 West Hills Court	Lehigh Valley	NFI	980,000	Renewal*
15651 Greenmount Road	I-81S	Ryder Logistics	951,080	New Lease
360 Independence Avenue	Central PA	Reckitt Benckiser	812,425	Renewal*
180 Kost Road	Central PA	Georgia Pacific	487,080	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
Carlisle Industrial Portfolio	Central PA	Clarion Partners/EQT Exeter	1,845,000	\$210.0M / \$113.82
3327 East Harrisburg Pike, Bldg. 1	Central PA	Core5/EQT Exeter	1,219,021	\$170.5M / \$139.87
3501 Mountain Road	Split	Transwestern/PCCP	518,140	\$57.5M / \$110.97
Harrisburg Infill Portfolio	Central PA	Prologis/EQT Exeter	497,048	\$57.3M / \$115.20
3751 East Harrisburg Pike, Bldg. 2	Central PA	Core5/MDH Partners	305,870	\$45.4M / \$148.43

KEY CONSTRUCTION COMPLETIONS YTD 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
3379 Route 940	Northeastern PA	All-Ways Pacific	1,204,494	Newland Capital Group
3363 Gun Club Road	Lehigh Valley	Western Post	1,006,050	NorthPoint Development

RYAN HULL

Senior Research Analyst

Tel: +1 215 963 4041

ryan.hull@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.