

PA I-81/78 Corridor

Industrial - Q2 2026

savills

Central PA hosts the largest portion of the construction pipeline

Construction activity gained strength over the past 12 months with 13.5 million square feet (msf) in the pipeline versus 4.6 msf at mid-year 2025. Lower land costs and sites suitable for large construction projects continue to draw developers to Central PA. The Central PA submarket has 5.8 msf under construction, representing 43.0% of the active pipeline. Northeast PA follows with 4.2 msf under construction and Lehigh Valley with 3.5 msf. During the quarter, construction began on a 422,865-square-foot (sf) speculative project at 645 Locust Point Road (Building 1) in Central PA. In addition, Freshpet's future cold storage warehouse at 2141 Commerce Center Boulevard (216,000 sf) broke ground in Lehigh Valley.

Occupancy has increased, but remains below previous levels

Despite the expanding development pipeline, quarterly net absorption totaled 3.2 msf, below the five-year quarterly average of 3.8 msf, indicating that occupancy has not returned to the robust levels seen in 2021 and 2022. The strongest occupancy gains were 1.1 msf in Northampton County, 1.1 msf in Schuylkill County and 592,509 sf in Berks County. In Northeast PA, NFI Industries occupied its new 1.4-msf warehouse while Amazon moved into 1.0 msf at 251 Westwood Hill. Amazon also occupied 526,260 sf at 2460 Brodhead Road while construction materials supplier White Cap occupied 483,990 sf at 4470 Hanoverville Road in Lehigh Valley.

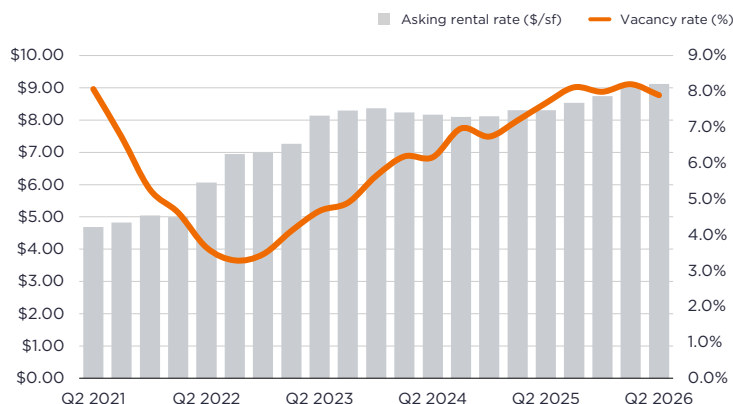
Vacancy is up from Q2 2025, but rents show steady growth

Year over year, vacancy rose modestly by 20 basis points (bps) to 7.9%. The largest increase in vacancy occurred in Lehigh Valley, where the rate rose 150 bps year over year to 10.4%, while Central PA experienced a smaller 20 bps increase to 6.5%. Northeast PA was the only submarket to report a decrease, declining 120 bps year over year to 7.7%. However, average rents across all three submarkets increased from the same time last year. Lehigh Valley recorded the largest year over year growth, rising 8.8% to \$10.73 per square foot.

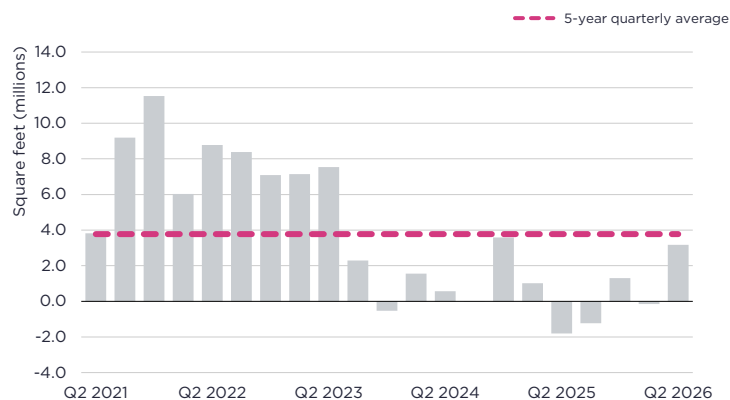
KEY STATISTICS

	Q2 2025	Q2 2026	Y-O-Y
Inventory	610.1 msf	620.8 msf	+10.7 msf
Vacancy rate	7.7%	7.9%	+20 bps
Asking rental rate	\$8.31	\$9.12	+9.8%
Net absorption YTD	-0.8 msf	3.0 msf	+3.8 msf
Deliveries YTD	5.2 msf	2.8 msf	-2.4 msf
Under construction	4.6 msf	13.5 msf	+8.9 msf

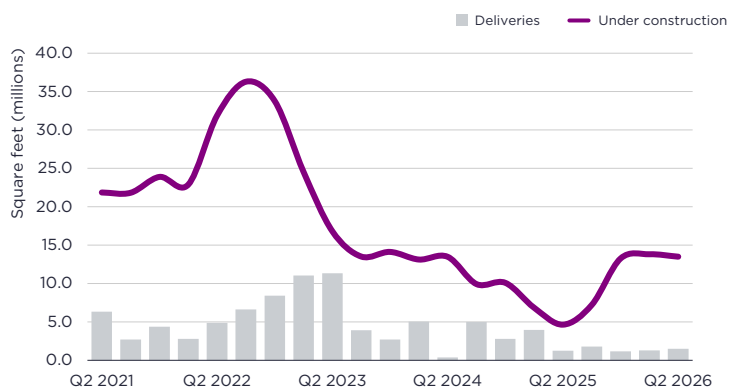
ASKING RENT AND VACANCY



NET ABSORPTION



DELIVERIES AND CONSTRUCTION



Outlook

01

Demand from big-box tenants has increased, which may drive new warehouse construction in the more than 750,000-sf segment.

02

Rising ocean freight costs and evolving tariff policies may increase leasing activity as retailers seek to front-load inventory ahead of the holiday season.

03

Landlords remain bullish on the market and tenants with upcoming lease expirations may face significant rent increases upon renewal.

NOTABLE LEASES

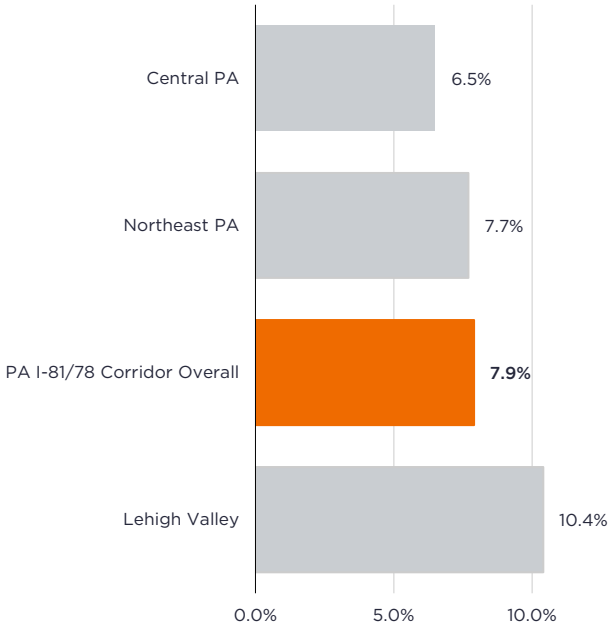
Source: Savills Research

Tenant	Size (SF)	Submarket	Address	Transaction type	Industry
Keurig Dr Pepper	1,223,220	Central PA	600 Killinger Road	New Lease	Food & Beverage
ID Logistics	1,085,000	Central PA	2771 North Market Street	Sublease	Logistics & Distribution/3PLs
ITS Logistics	708,000	Central PA	20 Leo Lane	New Lease	Logistics & Distribution/3PLs
BMS Logistics	550,000	Lehigh Valley	861 Nestle Way	New Lease	Logistics & Distribution/3PLs
Boxzooka Fulfillment & Global Ecommerce	321,333	Central PA	100 Capital Lane	Sublease	Logistics & Distribution/3PLs

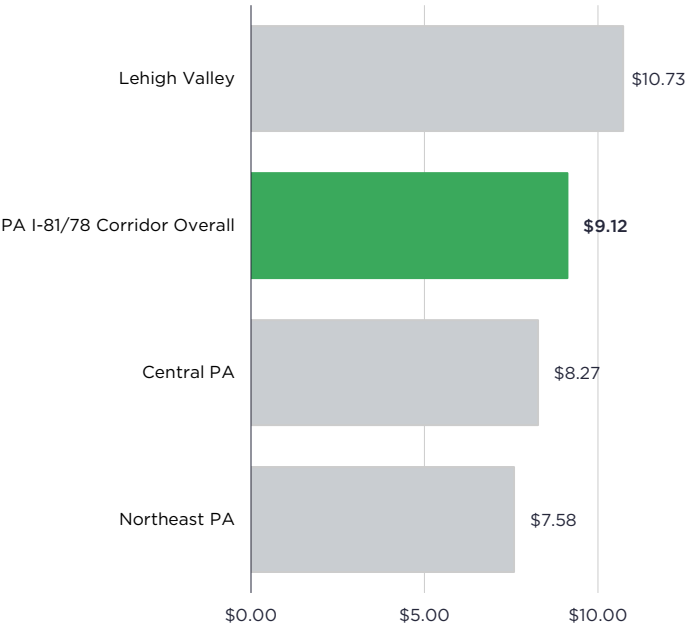
NEW DEVELOPMENTS

Developer / Tenant	Size (SF)	Submarket	Address	Development type	Status
NFI Industries	1,400,000	Northeast PA	282 South Church Street, Building 4	Build-to-suit	Delivered Q2 2026
Panattoni	925,680	Lehigh Valley	Academy Drive - Building 1	Speculative (available)	Under Construction
Hanover Company jv Crow Holdings	422,865	Central PA	645 Locust Point Road, Building 1	Speculative (available)	Under Construction
Panattoni	291,600	Lehigh Valley	Academy Drive - Building 2	Speculative (available)	Under Construction
ABARTA, Inc.	240,000	Central PA	10 Ritter Way	Build-to-suit	Under Construction

VACANCY RATE COMPARISON (%)
PA I-81/78 CORRIDOR SUBMARKETS



RENTAL RATE COMPARISON (\$/SF)*
PA I-81/78 CORRIDOR SUBMARKETS



*based on all classes of available inventory

Savills Research

For more information, please contact us:

Savills Philadelphia
50 S 16th Street
Suite 2750
Philadelphia, PA 19102
+1 215 563 4000

Daniela Stundel
Research Manager
dstundel@savills.us



savills.us

Unless otherwise noted, all rents quoted throughout this report are average asking net (NNN) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical vacancy and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills