

PA I-81/78 Corridor

Industrial - Q3 2026



Regional vacancy edges higher amid mixed submarket performance

Regional vacancy rose 40 basis points (bps) quarter over quarter to end Q3 2026 at 8.3%. The Central PA submarket recorded a 60-bps increase from Q2 2026 to 7.1%, largely attributable to 3.4 million square feet (msf) of deliveries that were 68.0% vacant. Northeast PA's vacancy rose 180 bps to 9.5%. However, after four consecutive quarters in the double digits, Lehigh Valley's vacancy fell 110 bps to 9.3% amid several notable occupancies. Regional rent growth was also mixed, with Lehigh Valley's average asking rent rising 1.6% quarter over quarter to \$10.90 per square foot (psf) and Central PA's climbing 1.8% to \$8.42 psf. These gains were countered by Northeast PA, where the average asking rent fell 2.8% to \$7.37 psf.

Major occupancies drive gains in Lehigh Valley and Central PA

The region posted 1.2 msf of net absorption this quarter compared with 3.5 msf recorded in Q2 2026. Lehigh Valley recorded 2.2 msf of net absorption, driven by Walmart occupying 1.2 msf at 29 Ludwig Court and OnTrac moving into 587,100 square feet (sf) at 9141 Old Route 22. Central PA reported 1.3 msf of occupancy gains, driven by Wolf Home Products moving into 814,320 sf at 275 Regional Way and Toyo Tire occupying 409,500 sf at 1355 Woods Road. Northeast PA reported 2.2 msf of negative absorption, its first quarter of net occupancy losses since Q2 2025. During the quarter, Saks Fifth Avenue closed its 910,287-sf warehouse at 67 Keystone Boulevard.

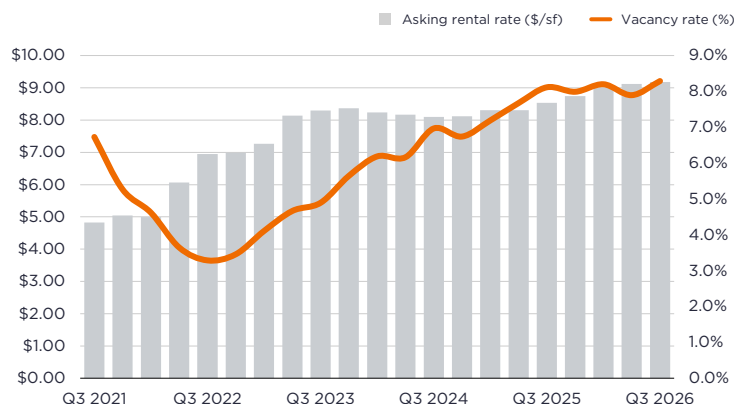
Construction deliveries reach highest level in two years

Quarterly construction deliveries reached their highest level since Q3 2024. During Q3 2026, 4.1 msf of new construction was completed, with Central PA accounting for 3.4 msf of that amount. Of the nine projects that broke ground this quarter, four were in Lehigh Valley, including the largest, the 1.2-msf 3900 Commerce Way - Building B. The next-largest project to break ground was 7600 Linglestown Road, a 1.1-msf development in the Central PA submarket. Both properties remain unleased but reflect the growing influence of big-box tenants.

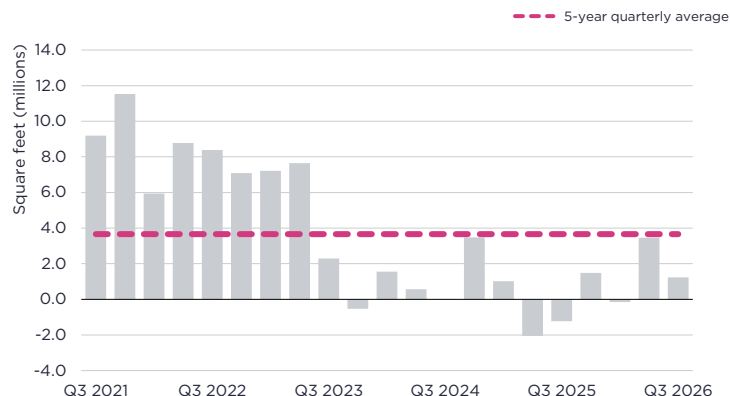
KEY STATISTICS

	Q3 2025	Q3 2026	Y-O-Y
Inventory	613.9 msf	625.8 msf	+11.9 msf
Vacancy rate	8.1%	8.3%	+20 bps
Asking rental rate	\$8.54	\$9.18	+7.5%
Net absorption YTD	-2.2 msf	4.5 msf	+6.7 msf
Deliveries YTD	6.6 msf	7.1 msf	+0.5 msf
Under construction	7.6 msf	14.5 msf	+6.9 msf

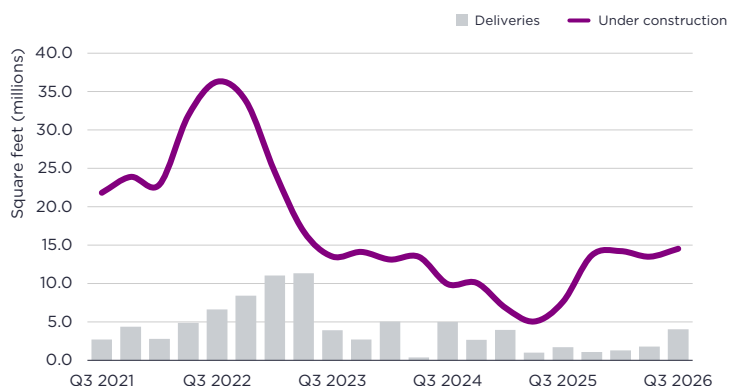
ASKING RENT AND VACANCY



NET ABSORPTION



DELIVERIES AND CONSTRUCTION



Outlook

01

As artificial intelligence (AI) adoption fuels demand for new data centers, leasing by their suppliers may grow.

02

Landlords of mid-sized properties competing for tenants may need to discount asking rents or increase concessions.

03

While regional sublease availability has declined, it may take some time to return to pre-2023 levels.

NOTABLE LEASES

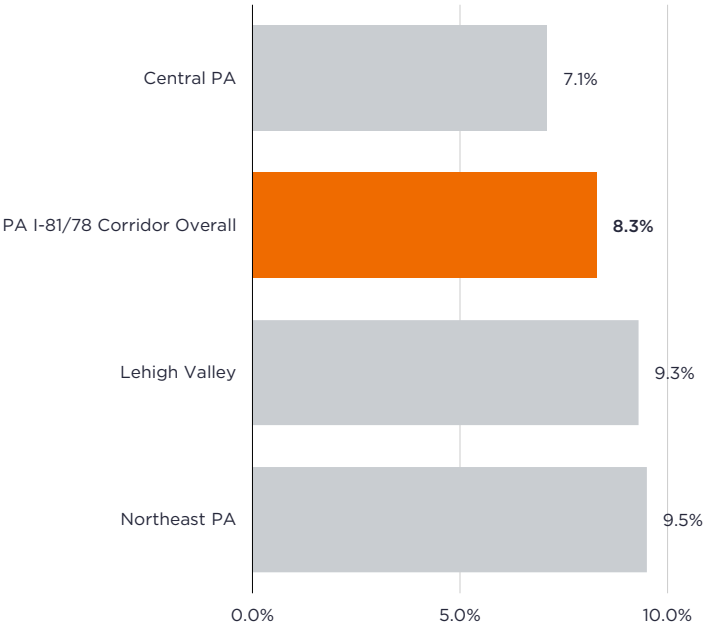
Source: Savills Research

Tenant	Size (SF)	Submarket	Address	Transaction type	Industry
Amazon	1,240,720	Northeast PA	100 Logistics Drive – PNK Mountain Valley	New Lease	E-commerce
Amazon	1,127,142	Central PA	250 Regional Way – Building 2	New Lease	E-commerce
ESC Crane	883,860	Central PA	1475 Nitterhouse Drive	New Lease	Industrial Machinery & Supplies
FedEx	770,000	Central PA	100 Quality Circle	New Lease	Logistics & Distribution/3PLs
B&G Foods	450,000	Northeast PA	125 Crossroads Boulevard South	New Lease	Food & Beverage

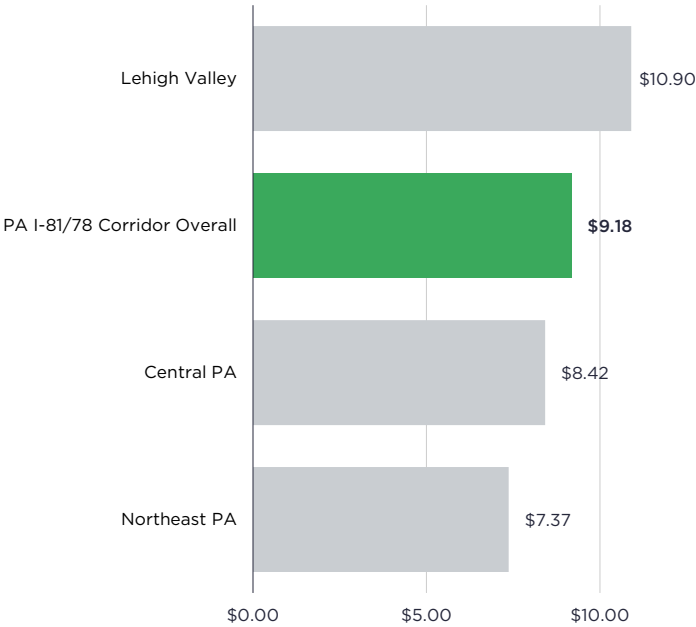
NEW DEVELOPMENTS

Developer / Tenant	Size (SF)	Submarket	Address	Development type	Status
Panattoni	1,153,250	Lehigh Valley	3900 Commerce Way – Building B	Speculative (available)	Under Construction
NorthPoint Development / Amazon	1,127,142	Central PA	250 Regional Way – Building 2	Speculative (pre-leased)	Delivered Q3 2026
Prologis	1,117,200	Central PA	7600 Linglestown Road	Speculative (available)	Under Construction
Wolf Home Products	814,320	Central PA	275 Regional Way	Build-to-suit	Delivered Q3 2026
Trammell Crow Company	376,000	Central PA	901 York Road	Speculative (available)	Delivered Q3 2026

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

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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