

Philadelphia

Industrial - Q2 2026

savills

Vacancy remains elevated compared with one year ago

The regional vacancy rate remained flat, closing Q2 2026 at 10.7%. However, vacancy was 40 basis points (bps) higher than one year ago. Southeast PA and Northern DE posted vacancy increases while Southern NJ's rate fell 90 bps to 10.8%. Southern NJ's decrease in vacancy was attributable to tenant move-ins in Burlington County and Camden County.

Year-to-date absorption was positive at 2.6 million square feet (msf) but was slightly negative for the quarter. Southern NJ was the only submarket to report positive absorption with 1.2 msf in quarterly occupancy gains. Third-party logistics (3PL) provider SLM Warehousing occupied 400,680 square feet (sf) at 5206 US Highway 130 while Axion Logistics took occupancy of 264,000 sf at 30 North Game Creek Road. In addition, e-commerce platform EDA Cloud occupied 457,159 sf at 201 Route 73 South.

Vacancy is weighing on asking rents

The regional average asking rental rate increased by less than 1.0% quarter over quarter and year over year, highlighting how oversupply has limited owners' ability to increase rents. Southeast PA's average asking rent, at \$12.51 per square foot (psf), remains the highest among the three submarkets. Within the Southeast PA submarket, Delaware County has the highest average asking rent at \$13.53 psf, followed by Bucks County at \$13.03 psf.

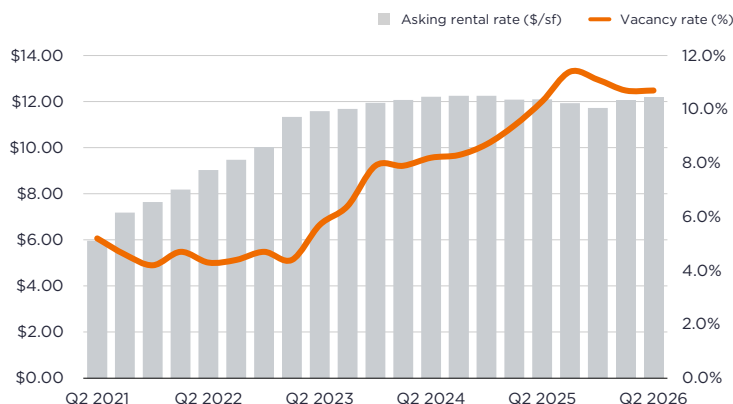
DrinkPAK's future facility breaks ground

There is 5.4 msf of warehouse space under construction across the region, a decrease of 38.4% compared to one year ago. Philadelphia County, Salem County and Bucks County contain most of the construction pipeline. During the quarter, DrinkPAK's 1.4-million-square-foot build-to-suit project at The Bellwether in Philadelphia broke ground. With the addition of this project, build-to-suit developments account for more than half of the square footage under construction.

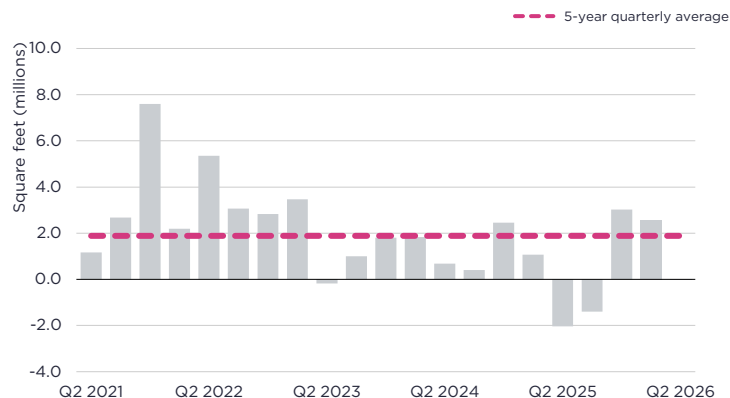
KEY STATISTICS

	Q2 2025	Q2 2026	Y-O-Y
Inventory	407.1 msf	419.5 msf	+12.4 msf
Vacancy rate	10.3%	10.7%	+40 bps
Asking rental rate	\$12.10	\$12.17	+0.5%
Net absorption YTD	-1.0 msf	2.6 msf	+3.6 msf
Deliveries YTD	5.9 msf	2.3 msf	-3.6 msf
Under construction	8.7 msf	5.4 msf	-3.3 msf

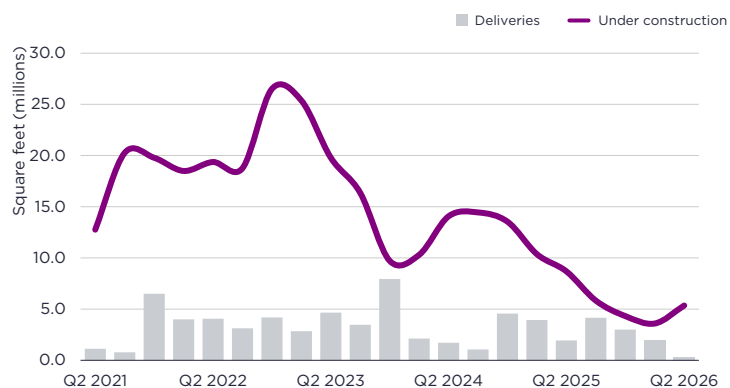
ASKING RENT AND VACANCY



NET ABSORPTION



DELIVERIES AND CONSTRUCTION



Outlook

01

Despite market oversupply, loan obligations may prevent owners of newer properties from significantly discounting rents.

02

There may be continued expansion by 3PL providers as retailers seek to outsource supply chain management amid market disruption.

03

Developers of warehouses and data centers may compete for large development sites with access to the electrical grid and water supply.

NOTABLE LEASES

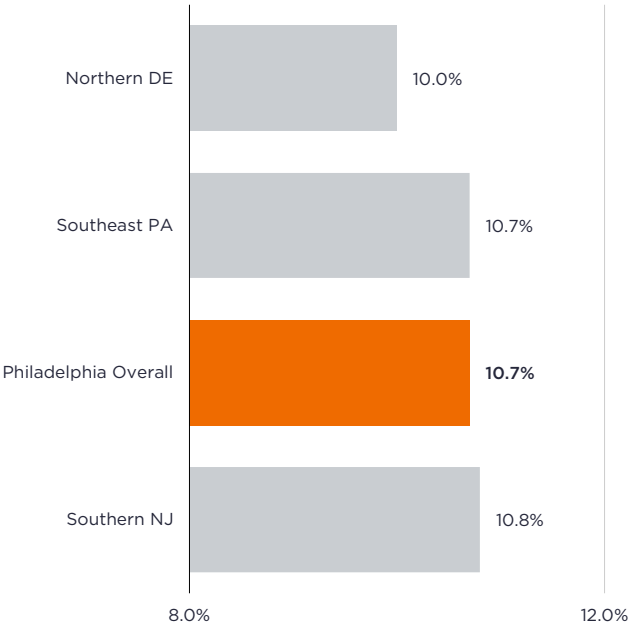
Source: Savills Research

Tenant	Size (SF)	Submarket	Address	Transaction type	Industry
Mitsubishi Electric Trane US	489,000	Southeast PA	2951 Orthodox Street	New Lease	Construction Materials & Building Fixtures
Cirro Fulfillment	429,200	Southern NJ	1775 Route 38	New Lease	Logistics & Distribution/3PLs
Quince	324,000	Southern NJ	24 North Game Street	Renewal	E-commerce
Northtec	296,000	Southeast PA	300 Crossings Drive	Renewal	Communications / Media / Tech
GoGoX	280,800	Southern NJ	1517 Route 38, Building 1	New Lease	Logistics & Distribution/3PLs

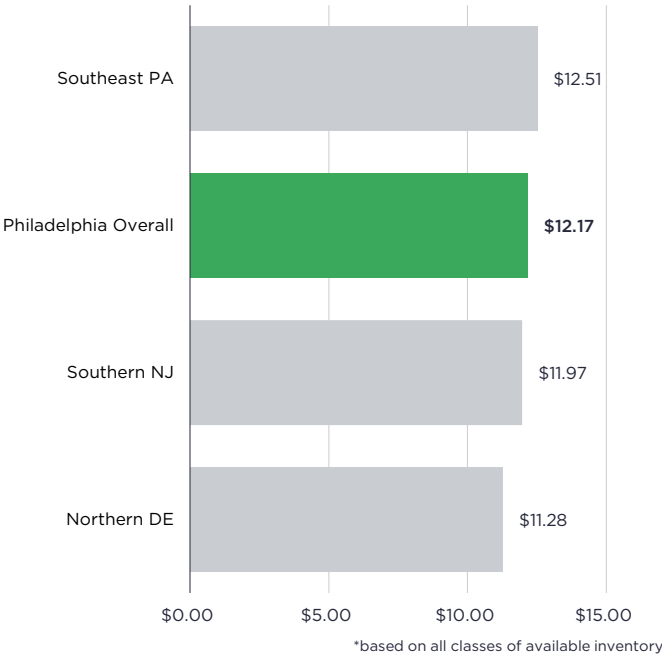
NEW DEVELOPMENTS

Developer / Tenant	Size (SF)	Submarket	Address	Development type	Status
HRP Group / DrinkPAK	1,404,000	Southeast PA	3425-3481 Francis Harper Drive	Build-to-suit	Under Construction
Logistics Property Company, LLC	442,530	Northern DE	205 Stanton Christiana Road	Speculative (available)	Under Construction
First Industrial Realty Trust	225,680	Northern DE	313 Churchmans Road – Building B	Speculative (available)	Delivered Q2 2026
Greek Real Estate Partners / Brighton Best International	190,156	Southern NJ	200 Crossroads Boulevard – Building K	Build-to-suit	Under Construction
EQT Real Estate	112,500	Southeast PA	555 Flint Hill Road	Speculative (available)	Delivered Q2 2026

VACANCY RATE COMPARISON (%)
PHILADELPHIA SUBMARKETS



RENTAL RATE COMPARISON (\$/SF)*
PHILADELPHIA SUBMARKETS



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