

Philadelphia

Industrial - Q3 2026

savills

Southern NJ's vacancy rate returns to the single digits

Quarter over quarter, the regional vacancy rate declined 30 basis points (bps) to 10.4%, primarily driven by activity in the Southern NJ submarket. Southern NJ's vacancy rate fell 100 bps to 9.8%, marking its first return to single digits since Q3 2023. Meanwhile, Northern DE's vacancy rate rose 40 bps from Q2 2026 to 10.4%, while Southeast PA's rate increased just 10 bps to 10.8%.

Southern NJ posted 2.0 million square feet (msf) of quarterly net absorption, driven by activity from third-party logistics providers. Cirro occupied 429,200 square feet (sf) at 1775 Route 38, ID Logistics moved into 363,750 sf at 37 South Golfwood Avenue and Meiya Logistics took 158,000 sf at 200 South Pemberton Road. Meanwhile, both Northern DE and Southeast PA reported modest negative net absorption for the quarter.

Regional rents edge lower amid mixed submarket performance

The average regional rent declined 1.1% from Q2 2026 to \$12.04 per square foot (psf). Rising demand in the Southern NJ submarket pushed average rent up 1.3% quarter over quarter to \$12.12 psf. Meanwhile, slowing demand drove a 3.1% decline in Southeast PA's average rent to \$12.12 psf, while Northern DE's average rent remained unchanged at \$11.30 psf.

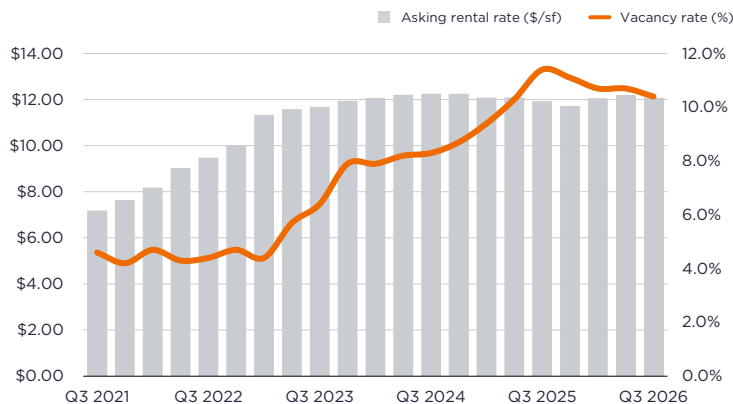
Construction activity remains steady from Q2

The Philadelphia region has 5.4 msf of warehouse space under construction, a slight uptick from the prior quarter but 6.8% less than one year ago. At 2.2 msf, Southeast PA is the submarket with the most space under construction. However, most of this activity is attributed to DrinkPak's 1.4-msf project in Philadelphia. Excluding that facility, Southern NJ has the most space under construction at 1.9 msf. During the quarter, construction began on the 612,554-sf 124 Christiana Road - Building A in the Northern DE market, which remains unleased. In addition, construction began on the 208,000-sf 200 Crossings Drive in Southern NJ.

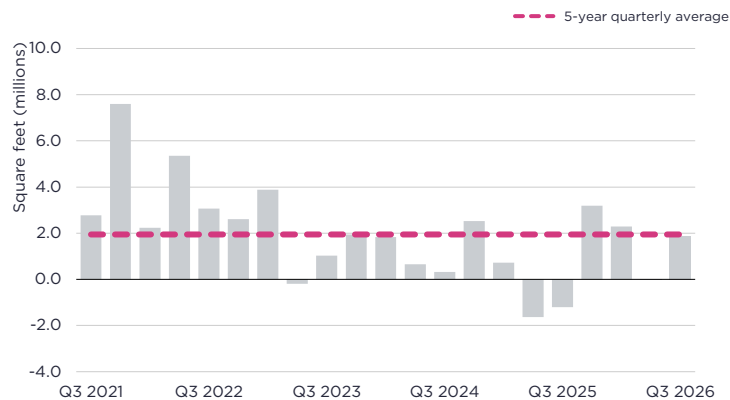
KEY STATISTICS

	Q3 2025	Q3 2026	Y-O-Y
Inventory	411.3 msf	421.2 msf	+9.9 msf
Vacancy rate	11.4%	10.4%	-100 bps
Asking rental rate	\$11.94	\$12.04	+0.8%
Net absorption YTD	-2.1 msf	4.2 msf	+6.3 msf
Deliveries YTD	10.0 msf	3.3 msf	-6.7 msf
Under construction	5.8 msf	5.4 msf	-0.4 msf

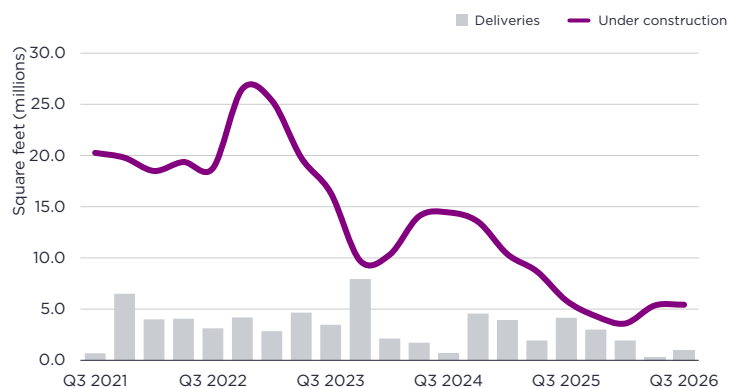
ASKING RENT AND VACANCY



NET ABSORPTION



DELIVERIES AND CONSTRUCTION



Outlook

01

Southern NJ's access to multiple ports and relative affordability will continue to attract logistics providers.

02

Recently announced public and private investments in the Navy Yard and Port of Philadelphia may spur future warehouse construction.

03

Sublease availability has been declining but that trend could be impacted by consumer spending.

NOTABLE LEASES

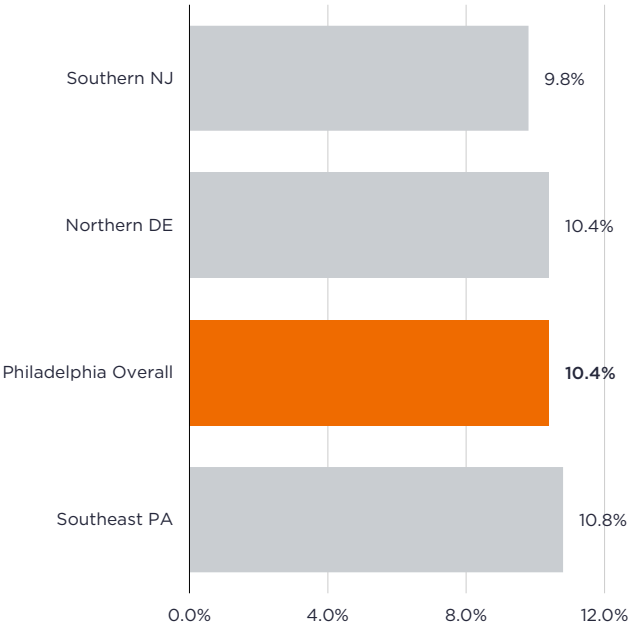
Source: Savills Research

Tenant	Size (SF)	Submarket	Address	Transaction type	Industry
Metropolitan Warehouse & Delivery	530,000	Southern NJ	67 Route 40	New Lease	Logistics & Distribution/3PLs
Ship Veho	383,349	Southeast PA	6310 Passyunk Avenue	New Lease	Logistics & Distribution/3PLs
Almo Corporation	299,192	Southeast PA	16 E Cabot Boulevard	Renewal	Logistics & Distribution/3PLs
Diversified Rack & Shelving	275,955	Southern NJ	201 Elizabeth Street	New Lease	Industrial Machinery & Supplies
US Elogistics Service	250,000	Southern NJ	900 Richards Run	New Lease	Logistics & Distribution/3PLs

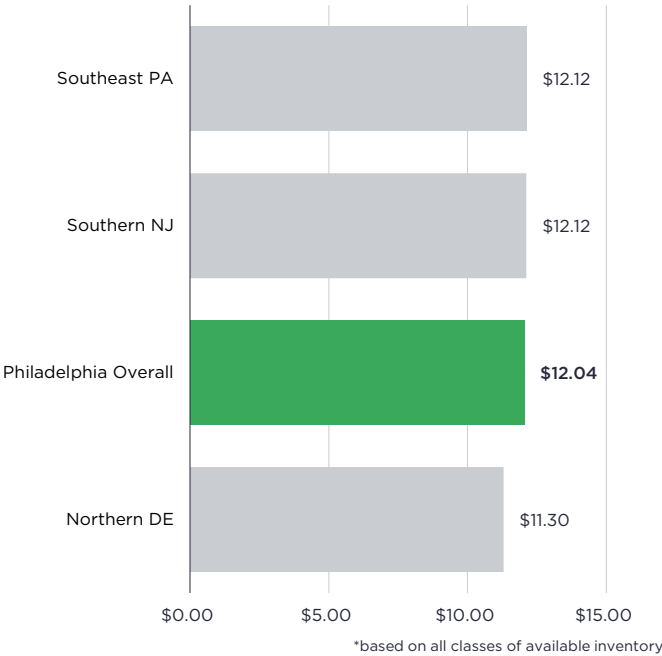
NEW DEVELOPMENTS

Developer / Tenant	Size (SF)	Submarket	Address	Development type	Status
First Industrial Realty Trust	612,554	Northern DE	124 Christiana Road - Building A	Speculative (available)	Under Construction
NFI Industries, Inc. and Penwood Real Estate Investment Management	310,000	Southern NJ	800 Irick Road	Speculative (available)	Delivered Q3 2026
EQT Real Estate	274,400	Southern NJ	1 Collins Drive	Speculative (available)	Delivered Q3 2026
NFI Industries, Inc. and Penwood Real Estate Investment Management	218,478	Southern NJ	705 Irick Road	Speculative (available)	Delivered Q3 2026
Clarion Partners and MRP Industrial	208,000	Southern NJ	200 Crossings Drive	Speculative (available)	Under Construction

VACANCY RATE COMPARISON (%)
PHILADELPHIA SUBMARKETS



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



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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