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FOR IMMEDIATE RELEASE

Continued Occupancy Gains in Both the Greater Philadelphia and I-81/78 Corridor Industrial Markets at the Close of 2016

Philadelphia, PA (February 1, 2017) — Newmark Grubb Knight Frank (NGKF) released its fourth quarter 2016 market reports for the Greater Philadelphia and the I-81/78 Corridor industrial markets this week. The reports detail occupancy gains across both major markets, which surpassed the prior year's totals. Rents for warehouse/distribution and flex properties rose in Greater Philadelphia and the I-81/78 Corridor markets. Construction was down in Greater Philadelphia, but increased within the I-81/78 Corridor.

Greater Philadelphia's industrial market posted 9.9 million square feet in positive absorption for 2016, which is more than 3.0 million square feet recorded for 2015. The Southern New Jersey industrial market accounted for 5.6 million square feet of the region's total absorption with tenant activity centered on the Burlington County submarket. According to Kurt Montagano, NGKF senior managing director, "Southern New Jersey's warehouse sector experienced explosive growth thanks to e-commerce. The upcoming year will see more speculative warehouse projects break ground either fully pre-leased or mostly spoken for." During the fourth-quarter 2016, three speculative projects started construction in Southern New Jersey; all delivered pre-leased.

Year-over-year, Southeastern Pennsylvania's vacancy rate, at 6.8 percent, was down 90 basis points. Absorption totaled 4.1 million square feet for 2016. The Berks County, Bucks County, Delaware County and Montgomery County submarkets accounted for the majority of occupancy gains over the course of 12 months. Philadelphia County rebounded from last year's weak performance with 205,256 square feet in positive absorption. New Castle County's industrial market performance also improved, compared to 2015 with vacancy declining 50 basis points, year-over-year, to 20.4 percent.

Overall availability within the I-81/78 Corridor industrial market remained tight at 8.0 percent, a year-over-year decline of 270 basis points. Quarter-over-quarter, new construction deliveries in the Lehigh Valley and Central Pennsylvania submarkets pushed the overall vacancy rate up 30 basis points to 7.4 percent. Timothy Brogan, NGKF senior managing director related, "logistics firms, e-commerce and traditional retailers value the I-81 Corridor's access to the East Coast markets. As the internet becomes the preferred method of shopping by customers, expect continued growth in the warehouse sector as we move into 2017." The market recorded 10.9 million square feet in occupancy gains for 2016, over 3.5 million square feet more than in 2015.

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With roots dating back to 1929, NGKF's strong foundation makes it one of the most trusted names in commercial real estate. NGKF's full-service platform comprises BGC's real estate services segment, offering commercial real estate tenants, landlords, investors and developers a wide range of services including leasing; capital markets services, including investment sales, debt placement, appraisal, and valuation services; commercial mortgage brokerage services; as well as corporate advisory services, consulting, project and development management, and property and corporate facilities management services. For further information, visit www.ngkf.com.

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