Lehigh Valley Overview

The Lehigh Valley is located in eastern Pennsylvania and is comprised of Lehigh, Northampton, Monroe and Carbon Counties. The third largest in the state, this region is well situated, just 95 miles to New York City and 53 miles north of Philadelphia and offers all of the amenities and more as its large urban neighbors.

Several factors make the Lehigh Valley an excellent location for business and industry. This region’s growth is fueled by 11 institutions of higher learning and its nationally recognized health care facilities. Due to its excellent highway infrastructure, rail service and the presence of an International airport, the Lehigh Valley market remains an attractive one to importers, exporters, manufacturers and high-tech companies. Developers are enticed to this area because of its abundant vacant land and favorable taxes.

An enterprising and diversified economy has led to higher income jobs, a growing and thriving population, along with tremendous commercial and industrial growth in this region. Some of the world’s top companies call this area their home – Air Products and Chemicals, Inc; B. Braun Medical, Inc; Crayola and Olympus America – just to name a few.

Q3 At A Glance

<table>
<thead>
<tr>
<th>OVERALL TRENDS</th>
<th>Vacancy Rate</th>
<th>Net Absorption</th>
<th>Construction</th>
<th>Asking Rents</th>
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OVERALL MARKET INVENTORY

| Office 14% | Retail 24% | Industrial 62% |

HISTORICAL OVERALL VACANCY

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<tr>
<th>1Q15</th>
<th>2Q15</th>
<th>3Q15</th>
<th>4Q15</th>
<th>1Q16</th>
<th>2Q16</th>
<th>3Q16</th>
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<tbody>
<tr>
<td>15%</td>
<td>13%</td>
<td>11%</td>
<td>9%</td>
<td>7%</td>
<td>5%</td>
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2016 Lehigh Valley Report

**OFFICE CLASS A & B**

**Availability Report**
- Existing RBA*: 27,171,035 SF
- Leased: 23,502,945 SF
- Leased Percentage: 86.5%
- Available: 3,668,090 SF
- Available Percentage: 13.5%

**Rental Rate Report**
- Office Range: $8.15-$28.32/YR
- Office Average: $19.86/YR

**INDUSTRIAL**

**Availability Report**
- Existing RBA*: 117,404,036 SF
- Leased: 109,890,178 SF
- Leased Percentage: 93.6%
- Available: 7,513,858 SF
- Available Percentage: 6.4%

**Direct Net Rental Rate Report**
- Industrial Range: $3.15-$8.50/YR
- Industrial Average: $4.68/YR

**RETAIL**

**Availability Report**
- Existing RBA*: 45,577,728 SF
- Leased: 41,977,088 SF
- Leased Percentage: 92.1%
- Available: 3,600,640 SF
- Available Percentage: 7.9%

**Direct Net Rental Rate Report**
- Retail Range: $6.22-$26.91/YR
- Retail Average: $12.74/YR

*RBA: Rentable Building Area*
Recent Transactions

PROPERTIES SOLD

3135 Schoenersville Road  
Submarket: Bethlehem  
Square Feet: 70,000  
Property Type: Industrial  
Agent: Mike Adams

502 N 16th Street  
Submarket: Allentown  
Square Feet: 8,031  
Property Type: Retail  
Agent: Matt Dorman

31 S Commerce Way  
Submarket: Bethlehem  
Square Feet: 17,453  
Property Type: Office  
Agent: Matt Dorman

1118 Union Boulevard  
Submarket: Allentown  
Square Feet: 20,000  
Property Type: Retail  
Agent: Anthony Diaz

PROPERTIES LEASED

969 Postal Road  
Submarket: Allentown  
Square Feet: 9,600  
Property Type: Warehouse  
Agent: Mike Adams

4779 Hanoverville Road  
Submarket: Bethlehem  
Square Feet: 174,510  
Property Type: Warehouse  
Agent: Frank Smith, CCIM, CPM

934 Marcon Boulevard  
Submarket: Allentown  
Square Feet: 19,200  
Property Type: Warehouse  
Agent: Mike Adams

999 Hamilton Boulevard  
Submarket: Allentown  
Square Feet: 12,212  
Property Type: Office  
Agent: John Crampsie, SIOR

About Us

Operating as the Greater Lehigh Valley’s largest locally owned commercial real estate company, NAI Summit has been combining the industry’s best real estate practices with our relationship-oriented philosophy to meet client business goals. Our mission is to provide the highest quality by adding value to our client’s assets and real estate needs through expert analysis, in–depth market knowledge and personalized service.

Serving the Lehigh Valley and surrounding areas since 1982. Local market experts... global reach.

NAI Summit | By The Numbers

- 40+ Professionals
- 36+ Years Experience
- $23 million+ in sales this past year
- 5 million+ SF of managed properties
- 1 team focused on your real estate needs