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

Several factors make the Lehigh Valley an excellent location for business and industry. What fuels the growth in this region is experience in the area’s 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 and 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; Binney & Smith and Olympus America; just to name a few.

Major Area Transactions

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>Building:</th>
<th>Size (SF) or (AC):</th>
<th>Submarket:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale - Office</td>
<td>Penn Corporate Center</td>
<td>74,000 SF</td>
<td>Bethlehem</td>
</tr>
<tr>
<td>Sale - Office</td>
<td>Winchester Corporate Center</td>
<td>80,000 SF</td>
<td>West End</td>
</tr>
<tr>
<td>Lease - Industrial</td>
<td>Riverside Business Center</td>
<td>29,000 SF</td>
<td>Whitehall</td>
</tr>
<tr>
<td>Lease - Industrial</td>
<td>Majestic Bethlehem Center</td>
<td>800,000 SF</td>
<td>Downtown Bethlehem</td>
</tr>
<tr>
<td>Lease - Industrial</td>
<td>2655 Moravian Ave</td>
<td>22,562 SF</td>
<td>Saucon Area</td>
</tr>
<tr>
<td>Sale - Industrial</td>
<td>4225 Fritch Drive</td>
<td>16,000 SF</td>
<td>Airport</td>
</tr>
<tr>
<td>Sale - Land</td>
<td>10 Emery Street - Lot 3</td>
<td>30.69 AC</td>
<td>Downtown Bethlehem</td>
</tr>
<tr>
<td>Sale - Office</td>
<td>1610 Emmaus Ave</td>
<td>33,184 SF</td>
<td>Saucon Area</td>
</tr>
<tr>
<td>Sale - Industrial</td>
<td>469 Schantz Rd</td>
<td>13,000 SF</td>
<td>Allentown</td>
</tr>
<tr>
<td>Lease - Industrial</td>
<td>Liberty Business Center</td>
<td>516,800 SF</td>
<td>Breinigsville</td>
</tr>
</tbody>
</table>
**CLASS A & B OFFICE**

**Availability Report:**
- **EXISTING RBA:** 11,443,045 sq. ft.
- **LEASED:** 9,726,588 sq. ft.
- **LEASED PERCENTAGE:** 85.0%
- **AVAILABLE:** 1,716,457 sq. ft.
- **AVAILABLE PERCENTAGE:** 15.0%

**Rental Rate Report:**
- **DIRECT GROSS RENT**
  - **OFFICE RANGE:** $7.50-$28.33/yr
  - **OFFICE AVERAGE:** $17.25/yr

**INDUSTRIAL**

**Availability Report:**
- **EXISTING RBA:** 56,801,599 sq. ft.
- **LEASED:** 50,837,431 sq. ft.
- **LEASED PERCENTAGE:** 89.5%
- **AVAILABLE:** 5,964,168 sq. ft.
- **AVAILABLE PERCENTAGE:** 10.5%

**Rental Rate Report:**
- **DIRECT NET RENT**
  - **INDUSTRIAL RANGE:** $2.25-$10.30/yr
  - **INDUSTRIAL AVERAGE:** $3.99/yr

**RETAIL**

**Availability Report:**
- **EXISTING RBA:** 16,173,913 sq. ft.
- **LEASED:** 15,203,478 sq. ft.
- **LEASED PERCENTAGE:** 94.0%
- **AVAILABLE:** 970,435 sq. ft.
- **AVAILABLE PERCENTAGE:** 6.0%

**Rental Rate Report:**
- **DIRECT NET RENT**
  - **RETAIL RANGE:** $6.05-$26.43/yr
  - **RETAIL AVERAGE:** $14.39/yr
Absorption (Net)
The change in occupied space in a given time period.

Available Square Footage
Net rentable area considered available for lease; excludes sublease space.

Average Asking Rental Rate
Rental rate as quoted from each building’s owner/management company. For office space, a full service rate was requested; for retail, a triple net rate requested; for industrial, a NN basis.

Building Class
Class A Product is office Space of steel and concrete construction, built after 1980, quality tenants, excellent amenities & premium rates. Class B product is office Space built after 1980, fair to good finishes & wide range of tenants.

Direct Vacancy
Space currently available for lease directly with the landlord or building owner.

Market Size
Includes all existing buildings (office, office condo, office loft, office medical, all classes and all sizes, both multi-tenant and single-tenant, excluding owner-occupied buildings) within each market.

Overall Vacancy
All unoccupied lease space, either direct or sublease.

SF/PSF
Square foot/per square foot, used as a unit of measurement.

Sublease
Arrangement in which a tenant leases rental property to another, and the tenant becomes the landlord to the subtenant.

Sublease Space
Total square footage being marketed for lease by the tenant. Sublease space is not considered in the overall occupancy or absorption numbers - only direct leases are included.

Sublease Vacancy
Space currently available in the market for sublease with an existing tenant within a building acting as the landlord.