

Berks County, Pennsylvania



Contact

NAI Keystone
Commercial & Industrial
+1 610 779 1400

Metropolitan Area Economic Overview

2009 Population	403,204
2014 Estimated Population	405,964
Employment Population	190,940
Household Average Income	\$68,129
Median Household Income	\$56,582
Total Population Median Age	38.5

Berks County competes for business in the New Jersey, New York and Maryland markets. Food companies, plastics, specialty metals and battery manufacturing are all well established industries in the area. Medical and financial services are key drivers in the office sector with technology-based businesses rapidly emerging. Private/Public partnerships are effectively linking the Penn Corridor from Reading to Wyomissing.

The office market has shown mixed results. Class A vacancy and rental rates have experienced a slight downturn, while Class B vacancy is down 10% and rental rates remain flat. Vacancy in the Class C sector is up with unoccupied properties accounting for over 1.1 million SF. This spells opportunity for both tenants and buyers. Approximately 300,000 SF of office space was absorbed in 2009 with a total of 450,000 SF of new space proposed for 2010.

Industrial inventory levels have risen sharply with 6.1 million SF currently available. Approx. 826,000 SF of new product was added during the past year. The market had negative absorption of 1,072,100 SF of product compared with 243,000 SF of positive absorption the prior year. Lease rates are down slightly with landlord concessions a common occurrence. Leasing activity is up as many users are unable to obtain financing. Gross sale of industrial product was up \$23 million over the prior year for a total of \$179 million. Sale prices were down 12% with a prices ranging from \$51/SF for Class A space to \$29/SF for Class C.

Residential new construction is down 47% with developers sitting on over 2,000 approved, but unimproved lots. Notable retail projects include the 500,000 SF Exeter Commons and a 253,000 SF shopping center in Temple. The \$75 million Wyomissing Square development is complete with 248 apartments and a 135-room Marriot Courtyard. A 215-room Doubletree has been proposed with completion scheduled for 2010.

Watch for a Technology Park to be developed at the Reading/Berks Airport and the emergence of Bryne Eyre, a 3,000 Acre PRD at the I-176 and PA Turnpike interchange. The BOSS 2020 program will enhance traffic flow and boost development of Sinking Spring Borough and its vicinity.

Berks County At A Glance

(Rent/SF/YR)	Low	High	Effective Avg.	Vacancy
DOWNTOWN OFFICE				
New Construction (AAA)	\$ 15.00	\$ 18.00	\$ 17.00	N/A
Class A (Prime)	\$ 12.00	\$ 15.50	\$ 14.25	4.8%
Class B (Secondary)	\$ 8.00	\$ 12.50	\$ 12.00	23.5%
SUBURBAN OFFICE				
New Construction (AAA)	\$ 18.00	\$ 21.00	\$ 19.00	N/A
Class A (Prime)	\$ 16.00	\$ 21.00	\$ 18.00	13.9%
Class B (Secondary)	\$ 13.50	\$ 18.00	\$ 15.30	12.1%
INDUSTRIAL				
Bulk Warehouse	\$ 3.00	\$ 4.10	\$ 3.50	20.0%
Manufacturing	\$ 2.90	\$ 4.00	\$ 3.29	18.0%
High Tech/R&D	\$ 4.75	\$ 4.75	\$ 6.35	3.0%
RETAIL				
Downtown	\$ 12.50	\$ 16.00	\$ 13.25	12.0%
Neighborhood Service Centers	\$ 16.00	\$ 21.50	\$ 18.25	10.0%
Community Power Center	\$ 13.00	\$ 18.00	\$ 15.25	11.0%
Regional Malls	\$ 13.25	\$ 16.75	\$ 15.00	13.0%

DEVELOPMENT LAND

	Low/Acre	High/Acre
Office in CBD	\$ 6.00	\$ 8.00
Land in Office Parks	\$ 130,000.00	\$ 250,000.00
Land in Industrial Parks	\$ 60,000.00	\$ 110,000.00
Office/Industrial Land - Non-park	\$ 48,000.00	\$ 175,000.00
Retail/Commercial Land	\$ 155,000.00	\$ 1,225,000.00
Residential	\$ 25,000.00	\$ 50,000.00