State of the Commercial Market

Bucks County, PA vs. Philadelphia & the U.S. | Office • Retail • Industrial

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The 2026 market in one sentence

The recovery is real, but it is highly selective by property type, building quality and location.

18.3%
U.S. office vacancy
Q2 2026; falling, but still elevated

4.9%
U.S. retail availability
Tight supply remains the story

6.5%
U.S. industrial vacancy
Down as construction slows

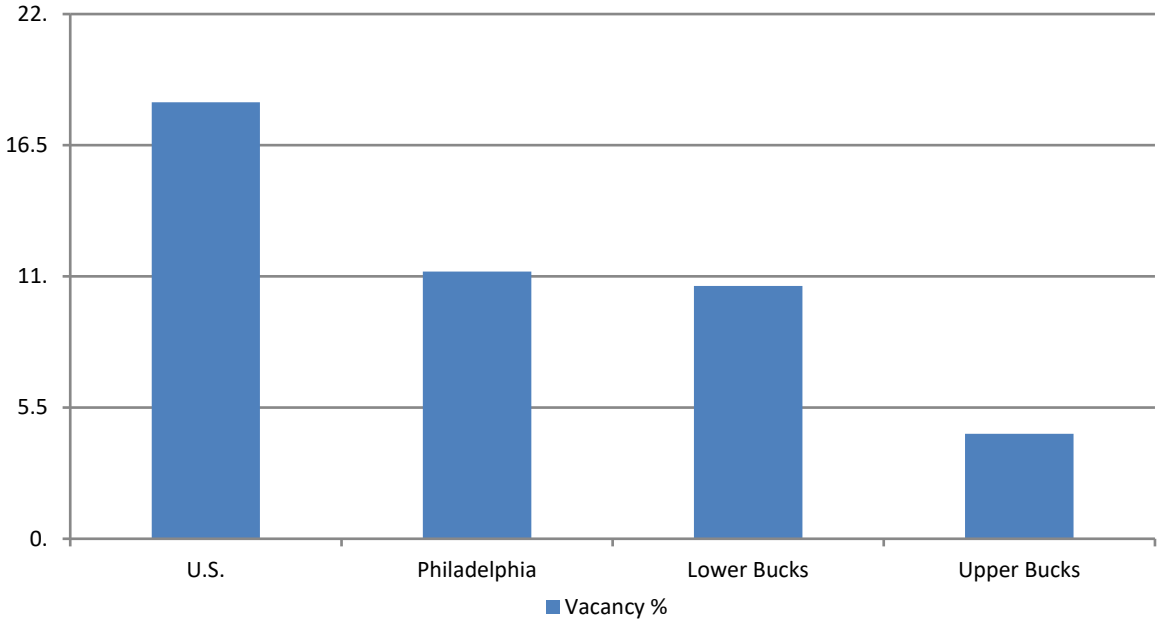
294
Local sale listings
Bucks + Montgomery, Oct. 2026

- Office: national demand is improving, but tenants continue to trade up and shrink footprints.
- Retail: the strongest fundamentals of the three sectors; limited new supply protects occupancy.
- Industrial: the post-boom supply overhang is being absorbed; modern logistics is recovering first.
- Bucks County: a mature, supply-constrained suburban market — generally less volatile than big gateway markets, but very corridor- and asset-specific.

Sources: CBRE U.S. Q2 2026 Office/Retail/Industrial; Bright MLS commercial sale report (Bucks + Montgomery), 10/6/26.

Office: Bucks is outperforming the national vacancy story

But the local market is split: Lower Bucks is balanced; Upper Bucks is tight; secondary space still needs a reason to lease.



$25.40
Lower Bucks ask / SF
+1.0% YoY

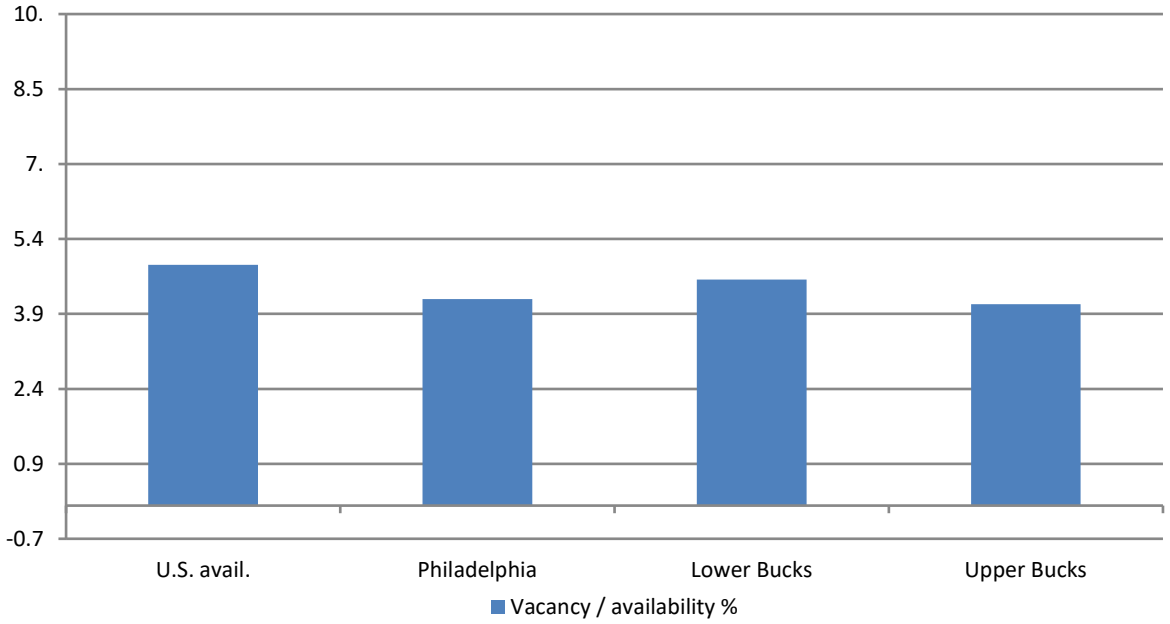
$24.27
Upper Bucks ask / SF
+1.2% YoY

- Lower Bucks: 10.6% vacancy and roughly flat 12-month absorption (-22K SF).
- Upper Bucks: 4.4% vacancy; very limited vacancy, but absorption is also slightly negative (-24K SF).
- Philadelphia metro: 11.2% vacancy and -585K SF annual absorption; asking rent growth only 1.3%.
- Talking point: the winning office product is smaller, move-in-ready, well-located and amenitized.

Sources: CoStar Philadelphia Office Market Report, 10/6/26; CBRE Q2 2026 U.S. Office Market Report.

Retail: scarcity is the advantage

Bucks County vacancy is roughly in line with an already-tight national market, even after a year of store closures.



$22.17
Lower Bucks ask / SF
+0.4% YoY

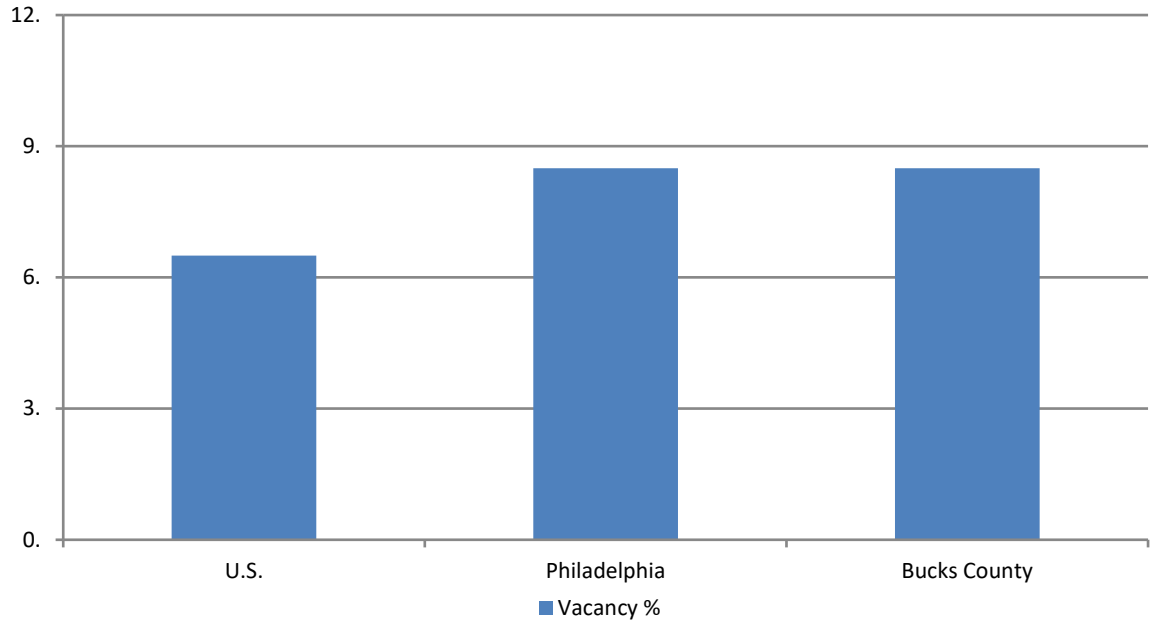
$21.30
Upper Bucks ask / SF
-0.7% YoY

- Philadelphia retail vacancy is 4.2%; only ~650K SF is under construction across a 338M SF market.
- Lower Bucks absorption was weak (-477K SF), so the headline vacancy rate hides meaningful churn.
- Demand is concentrated in 1,000–3,000 SF spaces, grocery/necessity retail, food, fitness, childcare and value concepts.
- Implication: good centers have pricing power; obsolete or poorly located boxes still require creativity.

Sources: CoStar Philadelphia Retail Market Report, 10/6/26; CBRE U.S. Retail Q2 2026.

Industrial: Bucks is participating in the recovery

The county is not as tight as the U.S. overall, but absorption is positive and rent growth remains healthy.



+448K SF
Bucks absorption
Trailing 12 months

$11.83
Bucks ask / SF
+3.1% YoY

- Bucks: 8.5% vacancy, positive 12-month absorption and a modest construction ratio (~0.6% of inventory).
- Metro: 8.6M SF annual absorption versus 5.9M SF deliveries — the supply imbalance is finally improving.
- Modern logistics is winning; older product and some smaller-bay segments face more tenant leverage.
- Investment demand is back: a Bucks County industrial sale-leaseback at 16 E Cabot Blvd traded for $42M in June.

Sources: CoStar Philadelphia Industrial Market Report, 10/6/26; CBRE U.S. Industrial Q2 2026; Newmark Philadelphia 2Q26.

Capital markets & deal flow: liquidity is improving, underwriting is still disciplin

Local transaction volume is active, but buyers remain sensitive to debt cost, rollover and capex.

$233.7M
Sold volume
Bucks + Montgomery, Oct. 2025–Sep. 2026

274
Properties sold
23 per month on average

$600K
Median sold price
All commercial sale types

140 days
Median DOM?
Report average DOM = 140

- Inventory is lower than a year ago (294 vs. 319 listings), but months of supply has risen to 17.3 from 11.4 — a sign that deals are taking longer to clear.
- Industrial pricing has stabilized enough for institutional and private capital to re-enter; metro industrial cap rates are generally mid-5% to low-7% for larger assets.
- Office remains the most financing- and capex-sensitive sector; basis and tenant improvements matter as much as headline cap rate.
- Retail’s low vacancy supports income durability, especially for necessity-based and well-located open-air centers.

Sources: Bright MLS Commercial Sale Statistics (Bucks + Montgomery), 10/6/26; CoStar Philadelphia Industrial/Office/Retail reports.

Bucks County is not one market

Think in corridors: Route 1 / I-95, PA Turnpike, Route 611 and the Upper Bucks manufacturing belt.

Route 1 / I-95 Lower Bucks

Industrial + logistics
Retail density
Older office pockets

Turnpike / Bensalem & Feasterville

Last-mile access
Small-bay industrial
Service retail

Route 611 / Doylestown & Warrington

Medical / office
Affluent retail
Limited new supply

Upper Bucks Quakertown corridor

Manufacturing / flex
Lower basis
Tighter office supply

point: Countywide averages are useful context — but investment decisions should be made at the corridor, municipality and building-qu

Context: CoStar submarket data; Bucks County commercial listing data; BCAR Commercial Committee corridor focus.

2027 outlook: where I would be constructive — and cautious

Base case: fewer deliveries + improving leasing = gradual tightening, not a return to 2021 pricing.

OFFICE
Selective

- Buy basis, not pro forma rent
- Favor medical / service / owner-user demand
- Avoid heavy TI + near-term rollover without discount

RETAIL
Constructive

- Grocery / necessity / service-led centers
- Small-shop scarcity is real
- Watch discretionary tenants and obsolete boxes

INDUSTRIAL
Constructive

- Infill / small-bay / functional product
- Modern logistics demand is recovering
- Be disciplined on older bulk space and tenant credit

line: Bucks County's edge is scarcity + access + affluent population — but 2026 rewards property-level execution more than broad mark

Sources: CoStar 10/6/26 market reports; CBRE 2026 U.S. outlook / Q2 figures; local Bright MLS data.