



LEHIGH VALLEY, PA

COMMERCIAL REAL ESTATE REPORT

Issue #42 • Q3 2025

Lehigh Valley's Economy is
**DRIVEN BY
MOVERS
& MAKERS**

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Why Manufacturers are
INVESTING IN LEHIGH VALLEY, PA

SNAPSHOT:

Lehigh Valley Real Estate Market

& MORE

Lehigh Valley

ECONOMIC DEVELOPMENT



Lehigh Valley Economic Development Corporation (LVEDC) prepares a series of quarterly reports about the commercial real estate climate in the Lehigh Valley. This report focuses on the region's office, industrial, and flex markets.

ABOUT LEHIGH VALLEY, PA

Located 60 minutes north of Philadelphia and 90 minutes west of New York City, the Lehigh Valley is the nation's 67th largest metropolitan region and Pennsylvania's third most populous. And it's growing. The Lehigh Valley's economic output is larger than three states, and its manufacturing sector ranks among the top 15% of the nation's markets.

708,644 Population  50 million Within 200 miles

\$55.7 billion GDP (2023)

 342,488 Employed in the Lehigh Valley

11 Colleges & Universities  3 Technical Schools

 3 International Airports within an hour's drive

"Lehigh Valley is unique in America. The region has rebuilt a manufacturing economy. We found a formula for Made in the USA."



Don Cunningham
President & CEO



MARKET OVERVIEW: Q3 2025

Mirroring national trends, vacancy rates for industrial space in the Lehigh Valley rose slightly in the third quarter of 2025, as the amount of space under construction increased.

The quarter was an active one among manufacturers, with several announcing expansions, continuing the trend of growth from earlier in the year.

B. Braun announced a \$20 million expansion to its plant where it makes medical equipment such as IV kits. The expansion will create 200 new jobs. Kerry Group of Ireland announced plans for a new factory for coffee roasting and extraction.

Ecopax announced plans to expand its footprint for manufacturing food containers. Phoenix Tube completed a new building to increase production of stainless steel tubing and related materials.

The portfolio of industrial space grew slightly to almost 155.1 million, with more than 1.1 million square feet under construction. The vacancy rate was 8.1%. Lehigh Valley's location and proximity to major markets position the region to fare well as commercial real estate activity rebounds, a top industrial economist said during a conference in the Lehigh Valley.

Communities along the Interstate 78/81 corridor, which includes the Lehigh Valley, are attractive for growth and vacant industrial space should fill faster than the rest of the nation, said Adrian Ponsen, Senior Economist at Cushman & Wakefield.

"If you want to beef up the speed at which your goods are getting to consumers, this is a great market to do that," Ponsen said at the Office and Industrial Property Summit of the Philadelphia chapter of the Society of Industrial and Office Realtors®, held in Bethlehem on Sept. 29-30.

Ponsen presented data showing the Lehigh Valley is the No. 1 metro area in the U.S. for proximity to population within a four-hour truck drive, being able to reach just shy of 50 million people.

In the Lehigh Valley office market, the vacancy rate was 6.8%, with a total inventory of about 29 million square feet.

The Lehigh Valley's rates for industrial and office space continued to remain lower than in the Philadelphia suburbs and northern and central New Jersey.

SNAPSHOT

LEHIGH VALLEY COMMERCIAL REAL ESTATE MARKET

MARKET SUMMARY

INDUSTRIAL/FLEX 155.1 Million SF

Vacancy Q3 2025	8.1%
Average Asking Rent (NNN) Q3 2025	\$9.31
Rent Change from Q3 2024	-4.0%
Deliveries	16,000
Net Absorption Q3 2025	-446,020
SF Under Construction	1,156,229

Source: CoStar; Note: Lehigh Valley is defined as Lehigh and Northampton counties.

RENT COMPARISON

Lehigh Valley	\$11.66
Northern New Jersey	\$18.87
Central New Jersey	\$16.92
Southeastern Pennsylvania	\$13.06

Source: CBRE Q3 2025. The industrial rates reflect NNN per square foot. The office rates are full-service rents per square foot.
Note: Lehigh Valley is defined as Berks, Lehigh, and Northampton counties.

OFFICE

29.3 Million SF

Vacancy Q3 2025	6.8%
Average Asking Rent (NNN) Q3 2025	\$16.16
Rent Change from Q3 2024	-5.9%
Deliveries	60,000
Net Absorption Q3 2025	38,131
SF Under Construction	10,000

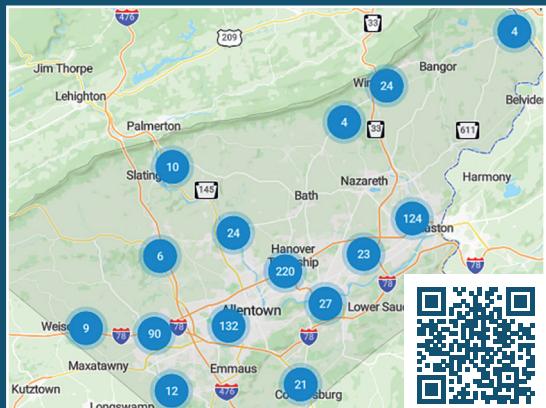
LEHIGH VALLEY INDUSTRIAL REAL ESTATE DEMAND



Construction of new industrial space in the Lehigh Valley picked up during Q3, with over 1.1M square feet underway. Average asking rent rose slightly as well, to \$9.31 per square foot.

Source: CoStar; Note: Lehigh Valley is defined as Lehigh and Northampton counties..

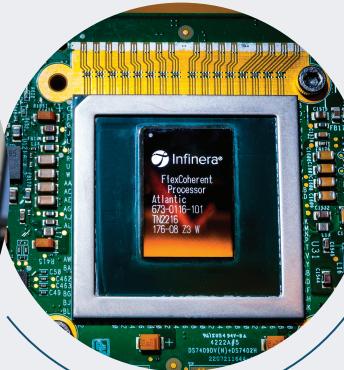
FIND A SITE IN LEHIGH VALLEY, PA



Companies looking for a site in Lehigh Valley can search hundreds of listings for free using the Find a Site tool on LVEDC's website. The database provides direct access to information about industrial, office, land, and retail properties for sale or lease. The database and map are produced by REsimplifi®, a nationwide commercial real estate listing data service.

LEHIGH VALLEY'S ECONOMY IS

DRIVEN BY MOVERS & MAKERS



The biodegradable containers that carry leftovers home after a night on the town. The medical devices that deliver life-saving fluids. The gummy worms that sweeten childhood memories.

The new factories and expansions of Ecopax, B. Braun, and Kervan are making the products that touch every corner of American life, fueling manufacturing growth that has propelled the Lehigh Valley into one the nation's top mid-sized markets and a powerhouse of American production.

The Lehigh Valley's economy has long been powered by its movers and makers — the manufacturers and distributors who drive growth, innovation, and opportunity across the region. Today, that legacy is stronger than ever, with new manufacturers investing and employment growing at three times the national rate.

More people now work in making and moving goods than in any other sector of the region's diverse economy — nearly 74,000 workers in all.

That employment has grown by 70.9% since 2010, the start of the rebound from the Great Recession, compared to 23.2% nationally.

Global brands made in the Lehigh Valley include Crayola, Mack Trucks, Martin Guitars, and Peeps.

"The Lehigh Valley is a manufacturing success story in America," said Don Cunningham, President & CEO of Lehigh Valley Economic Development Corporation (LVEDC). "Not only has the region rebuilt its manufacturing base back to being the largest part of our economy, but we've outpaced national manufacturing job creation by three times."

**Top 15%
Manufacturing Market**
~700 Manufacturers
\$9B GDP

Manufacturing makes up 16% of the Lehigh Valley's economy, compared to 12% nationally.

Nearly 700 manufacturers collectively produce an output of \$9 billion annually, placing the Lehigh Valley among the top 15% of manufacturing markets nationwide based on Gross Domestic Product.

Manufacturers recognize the Lehigh Valley's winning formula — a skilled workforce, prime location, and business environment that supports growth.

"We are growing in the Lehigh Valley and in Pennsylvania because we have a long history here and of finding skilled workers, high-quality suppliers, training partners, and a business environment that enables us to compete and win in the marketplace," Rob Albert, CEO of B. Braun of the Americas, Inc., said in September as the company announced a \$20 million expansion that will create 200 new jobs at its plant in Hanover Township, Lehigh County.

"Lehigh Valley also has the quality of life and the culture we need to retain our talent. Our people love living and working here," said Albert, who is a member of LVEDC's Board of Directors.



MADE IN Lehigh Valley PENNSYLVANIA

Based in Germany, B. Braun chose the Lehigh Valley as its U.S. headquarters in 1979. It now has multiple facilities here.

Pennsylvania Gov. Josh Shapiro announced the expansion – the company's second in three years – during a visit to the B. Braun plant. The state contributed \$1.5 million to support the expansion and workforce training, citing the company's role in the state's economy.

In August, another German manufacturer, Bosch Rexroth Corporation, broke ground on a \$20 million, 50,000-square-foot logistics center adjacent to its North American hydraulics manufacturing hub in Bethlehem.

"This building is a statement – we believe in the future here," said Dr. Christina Franke, Executive Board Member for Production & Quality Management at Bosch Rexroth, which has operated in the Lehigh Valley since 1967.

Within a day's drive of one-third of the U.S. population, the Lehigh Valley offers a strategic location for manufacturing and distribution.

Interstate highways, rail service, international airports, and nearby ports provide multiple options for getting products to market quickly.

The region's factory floors are fueled by a skilled workforce of 1.8 million within an hour's drive, supported by 11 colleges and universities that foster innovation and industry partnerships.

"This location made perfect sense – proximity to the ports and the workforce. We saw a big opportunity. All this made the Lehigh Valley a great location to make this investment," said Gokhan Kacmaz, Chief Financial Officer of Kervan USA.

In June, the Turkish candy company broke ground on a \$20 million facility in Bethlehem and Lower Nazareth townships that initially will be used for its U.S. headquarters and packaging and distribution, then will expand to manufacturing.

Other manufacturers that have expanded recently include Phoenix Tube (metal production), FLSmidth Cement (industrial equipment), and Bronkhorst USA (liquid and gas flow instruments).

Filter King (HVAC filters) and Myers Emergency & Power Systems (battery systems) opened new factories. Kerry Group (coffee roasting and extraction) announced plans for a new factory.

These investments underscore the Lehigh Valley's manufacturing diversity – encompassing semiconductors and technology, pharmaceuticals and diagnostics, metals, food and beverages, consumer goods, chemicals, and components for national defense, among other products.

"Lehigh Valley is unique in America," Cunningham said. "The region has rebuilt a manufacturing economy. We found a formula for Made in the USA."

And that formula continues to drive success. With deep industrial roots, world-class infrastructure, and a culture of innovation, the Lehigh Valley's movers and makers are proving why the Lehigh Valley is an anchor for the return of American manufacturing.

Photos L-R: OraSure Technologies Inc., Infinera, Mack Trucks, Lehigh Heavy Forge, Freshpet, Martin Guitar

MADE IN LEHIGH VALLEY: WHY MANUFACTURERS ARE INVESTING HERE

A strategic location. A skilled workforce. Quality of life.

Those are among the top reasons why manufacturing executives said they chose Lehigh Valley to open new facilities or expand existing ones this year. From medical technology to candy to industrial equipment, a wide array of producers announced new operations.

B. Braun

**\$20M expansion
200 new jobs**



"We have a long history here and of finding skilled workers, high-quality suppliers, training partners, and a business environment that enables us to compete and win in the marketplace."

Rob Albert

Chief Executive Officer,
B. Braun of the Americas

Bosch Rexroth

**\$20M expansion
50K SF logistics center**



"This building is a statement – we believe in the future here. We are preparing for growth."

Dr. Christina Franke

Executive Board Member,
Production & Quality Management,
Bosch Rexroth

Filter King

**61.6K SF new manufacturing facility
Up to 120 jobs**



"Lehigh Valley Industrial Park's central location and outstanding logistics infrastructure make it an ideal base for manufacturing and distribution."

Rick Hoskins

CEO and Founder,
Filter King

Kervan USA

**\$20M new manufacturing facility
90K SF**

"This location made perfect sense, both proximity to the ports and the workforce. We saw a big opportunity. All this made the Lehigh Valley a great location to make this investment."

Gokhan Kacmaz

Chief Financial Officer,
Kervan USA

Kerry Group

**New coffee roasting/extraction facility
61 jobs**

"Bethlehem is the right place to grow our coffee business and deepen our commitment to sustainable nutrition and local community development."

John Cahalane

President and CEO,
Kerry North America

NOTABLE SALES

Address	Price	Buyer	Class
1200 Conroy Pl., Forks Twp.	\$7,000,000	Easton Coach Company	Office
2450 Butler St., Wilson	\$6,635,000	Four Corners Property Trust	Office
10 McFadden Rd., Palmer Twp.	\$5,876,325	Palmer Industrial Park	Industrial
1541 Alta Dr., Whitehall Twp.	\$5,000,000	Sunburst Office Plaza	Office
2290 Avenue A, Bethlehem	\$4,222,500	Serfass Construction Company	Industrial

Sources: CoStar, Property Records, Published Reports, LVEDC Research

NOTABLE LEASES

Address	SF	Tenant	Class
700 Cesanek Rd., Allen Twp.	298,499	Sonepar USA	Industrial
757 Hellertown Rd., Bethlehem	216,000		Industrial
157 Commerce Park Dr., Bethlehem Twp. & Lower Nazareth Twp.	108,100		Flex
4730 Hanoverville Rd., Lower Nazareth Twp.	97,500	Cold Chain Technologies	Industrial
4730 Hanoverville Rd., Lower Nazareth Twp.	65,000	Shift4	Industrial
1010 Harvard Ave., Bethlehem	53,704		Industrial
2300 City Line Rd., Bethlehem	50,000	Bosch Rexroth	Industrial
5000 Township Line Rd., Hanover Twp. (Northampton)	48,600	Kerry Group	Industrial

LEHIGH VALLEY WORKS

Why Iconic Global Brands Call Lehigh Valley Home

Some of the most recognized brands around the world have deep roots in the Lehigh Valley, including some who landed here more than a century ago. They have stayed and grown because of the Lehigh Valley's advantages.



"What makes the Lehigh Valley location attractive for any business is there's an incredible talent pool. There is good infrastructure that allows business to happen."

Thomas Ripsam
President & CEO,
C. F. Martin & Co.

OLYMPUS®

"The Lehigh Valley is in a location that makes it easy for our customers to come to us."

Richard Reynolds
President,
Medical Systems Group,
Olympus Corporation
of the Americas

LUTRON®

"You've got great school districts, top ranked colleges, universities, technical schools, innovative health care, arts and culture, outdoor recreation."

Brian Donlon
Vice President and General Manager
of Sales Operations,
Lutron Electronics

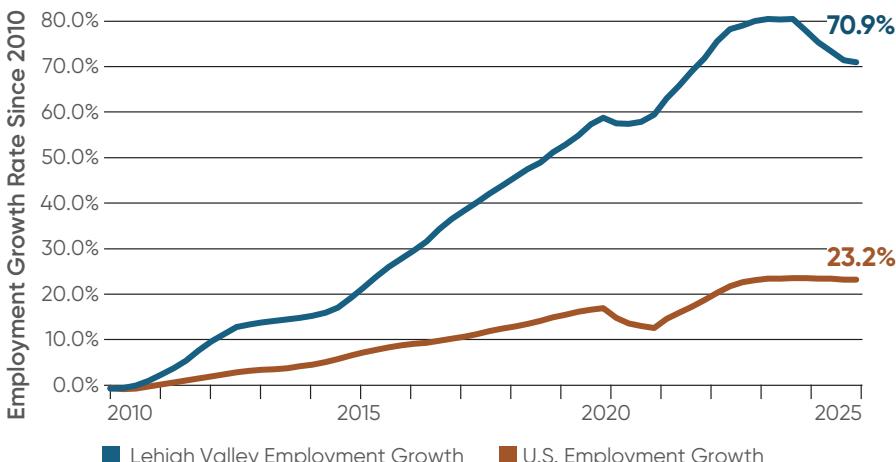
Strengthening the Nation's Industrial Core

Makers & Movers

The Lehigh Valley added industrial jobs at
3X the rate as the nation as a whole

Source: JobsEQ 2010-2025
Manufacturing & Logistics

Industrial Job Growth



COMPETITIVE LEHIGH VALLEY

Real-Time Median Annual Wages

	Lehigh Valley	NYC/Newark Metro	Suburban Philadelphia
Shipping/Receiving Clerks	\$38,500	\$40,100	\$39,600
Production Supervisors	\$58,100	\$69,000	\$64,000
Assemblers	\$35,600	\$37,200	\$36,400
Quality Control Inspectors	\$46,300	\$48,800	\$45,800
Maintenance Mechanics	\$58,600	\$64,000	\$63,500

Source: Chmura Economics JobsEQ job postings for Q3 2025

Lehigh Valley

ECONOMIC DEVELOPMENT

Our Mission

The mission of the Lehigh Valley Economic Development Corporation is to market the economic assets of the Lehigh Valley and to create partnerships to support the recruitment, growth and retention of employers and the creation of jobs for people of all skill and education levels.

Our Vision

Our vision is of a diverse Lehigh Valley economy that provides economic growth and opportunity for people of all skill and education levels and strengthens all our cities, boroughs, and townships.

Our Location Advantage



520 N. New St., Bethlehem, PA 18018
Phone: 610-266-6775

lehightvalley.org

