



OFFERING
MEMORANDUM



18 APARTMENT UNITS | 32 OFF-STREET PARKING SPACES
BETHLEHEM, PENNSYLVANIA | LEHIGH VALLEY REGION



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Stabilized 18-Unit Multifamily Asset

Fully occupied two-bedroom community offering immediate in-place income with measurable upside through loss-to-lease recapture and continued rent growth

Oversized, High-Demand Unit Mix

All two-bedroom layouts - many over 1,000 SF - provide superior livability compared to newer Class A product and attract long-term, reliable tenants

Prime North Bethlehem Location

Walkable access to Downtown Bethlehem, Moravian University, St. Luke's Hospital, and the City's retail, dining, and cultural amenities

Strong Regional Market Fundamentals

Located in the thriving Lehigh Valley, one of the fastest-growing regions in the Northeast, supported by expanding healthcare, logistics, and education employment drivers

Attractive Core-Plus Opportunity

Proven operations, low expense load, and market-supported rent potential make the Property a compelling long-term investment in a supply-constrained submarket

523 2ND AVENUE & 526 3RD AVENUE

INVESTMENT OVERVIEW

Global Real Estate Advisors (GREA) extends to well-qualified investors the unique opportunity to acquire the fee simple interest in 523 2nd Avenue and 526 3rd Avenue, an 18-unit multifamily community located in the heart of Bethlehem, Pennsylvania. Bethlehem sits at the center of the rapidly expanding Lehigh Valley, one of the fastest-growing regions in the Northeast, supported by strong employment anchors, several higher-education institutions, and a vibrant cultural landscape. The Region's sustained economic expansion and continued revitalization activity have driven robust housing demand across all product types, positioning 523 2nd Avenue and 526 3rd Avenue as an attractive and durable long-term investment.

The Property is a well-maintained community featuring (18) spacious two-bedroom units across a mix of 1.5-bath, 2-bath, and 2.5-bath configurations. These oversized layouts, many approaching or exceeding 1,000 square feet, provide exceptional livability relative to newer products and appeal strongly to renters seeking additional space and comfort. Units command strong proposed market rents, supported by modernized interiors, efficient layouts, and stable occupancy. The Property is currently 100% occupied, reflecting both the desirability of the unit mix and the depth of rental demand in this submarket.

Located in Lehigh County, the Property offers immediate access to major transportation routes, including Interstates 78 and 476, Routes 33 and 378, and U.S. Highway 22. This strategic positioning provides residents seamless connectivity to the Region's largest employers, such as St. Luke's University Health Network, Lehigh Valley Health Network, Wind Creek Casino & Resort, Amazon, and Lehigh University. Its proximity to Bethlehem's historic downtown - home to an array of dining, retail, entertainment, and cultural destinations - further enhances the property's appeal and reinforces its long-term rental strength.

With strong in-place income, proven rent performance, and measurable upside from loss-to-lease capture, 523 2nd Avenue and 526 3rd Avenue are positioned as a compelling stabilized core-plus asset. The Lehigh Valley's limited new multifamily supply, combined with consistent demand from working professionals and households seeking quality two-bedroom housing, supports continued rent appreciation and durable long-term cash flows.

523 2nd Avenue and 526 3rd Avenue represent a rare opportunity to acquire a fully stabilized, high demand multifamily asset in one of Pennsylvania's most resilient and economically vibrant submarkets. Investors will benefit from the property's strong fundamentals, desirable unit mix, and the continued growth trajectory that has made the Lehigh Valley a premier destination for multifamily investment.

\$4,500,000

Offering Price

6.61%

Pro Forma
CAP Rate

18

Apartment
Units

\$250,000

Price per Unit

34,628± SF

Total
Building Size

22,390± SF

Total
Lot Size

LOWE'S

Price Rite
MARKETPLACE



378

Bethlehem

steel
stacks

WIND CREEK
BETHLEHEM

412

St Luke's

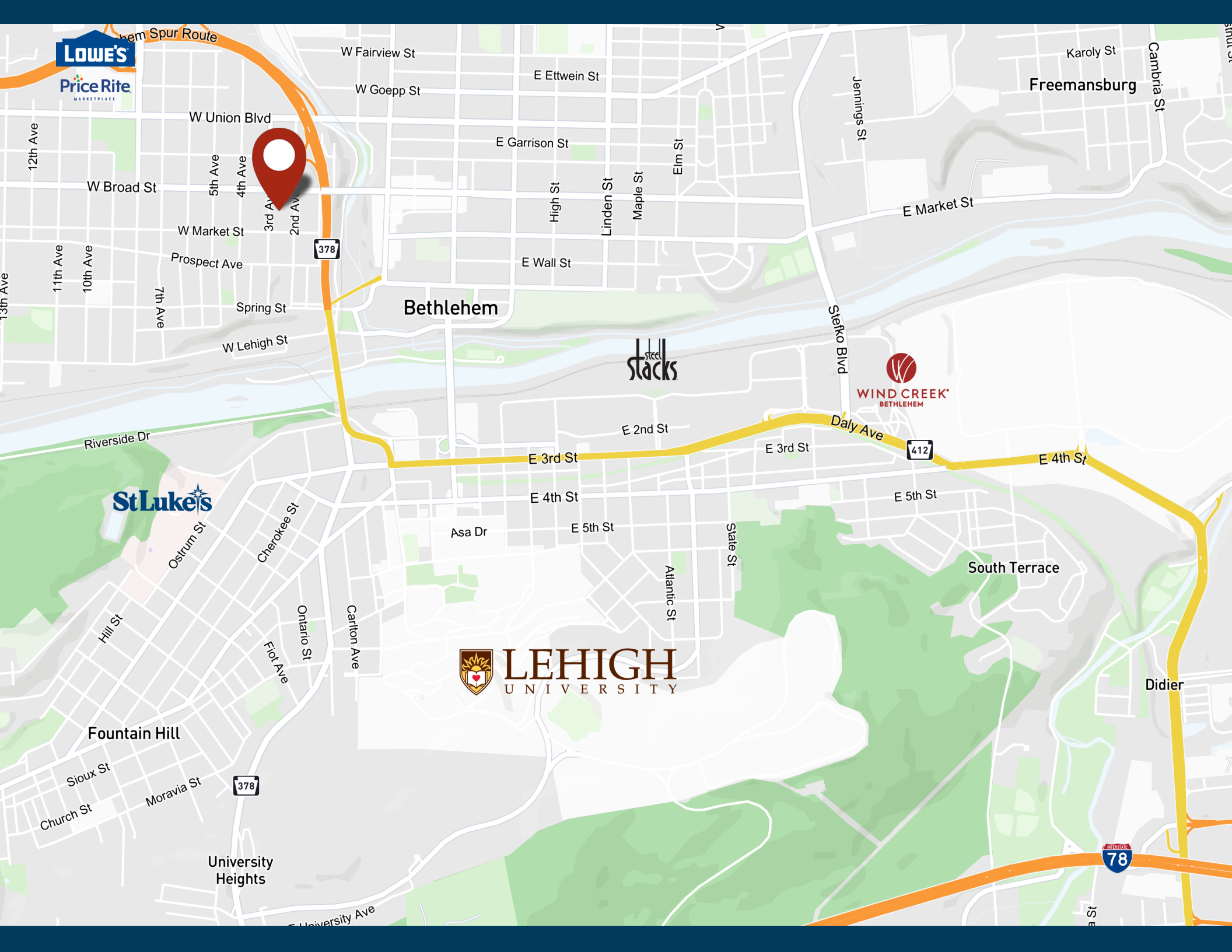
 **LEHIGH**
UNIVERSITY

Fountain Hill

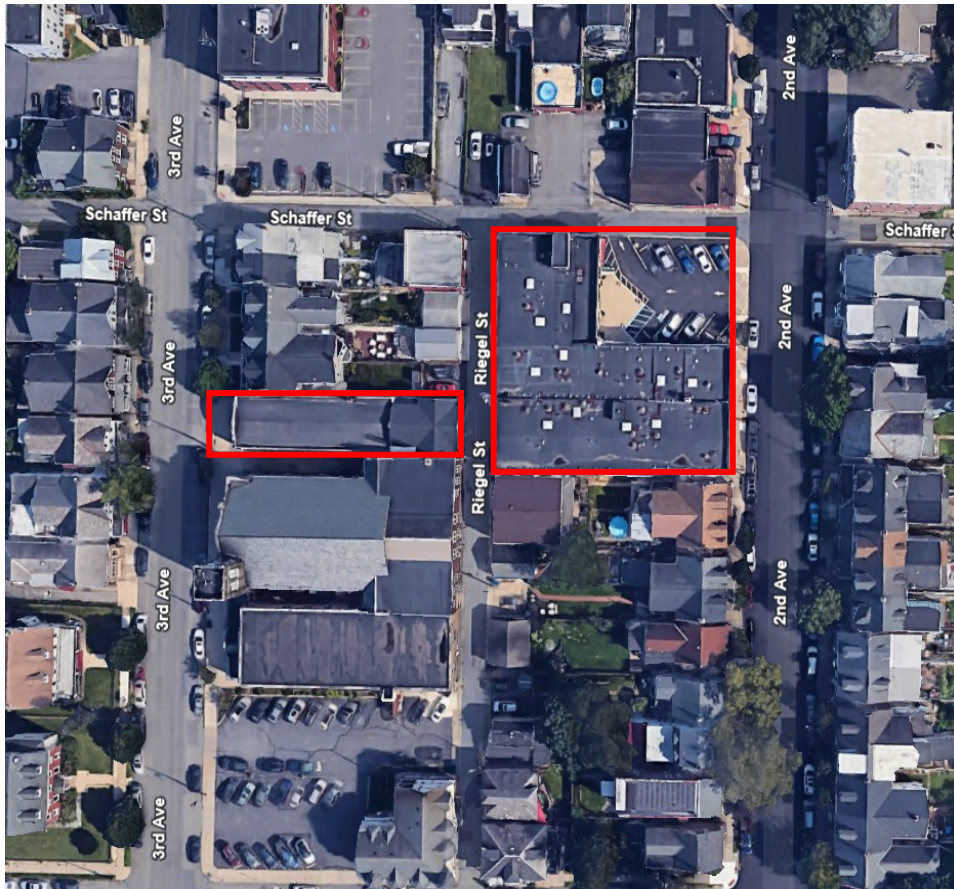
378

University Heights

INTERSTATE
78



523 2ND AVENUE & 526 3RD AVENUE PROPERTY DETAILS



Not drawn to size. For reference only.

523 2ND AVENUE & 526 3RD AVENUE

Address	523-535 2nd Avenue; Bethlehem, PA 18018
County	Lehigh County
Submarket	Lehigh Valley Region
School District	Bethlehem Area School District
Parcel No.	642748303909-1
Zoning	RT
Property Type	Low-Rise Apartments
Property Class	C
Lot Size	0.42 Acres / 18,208± SF
Built	1930
Building Size	30,105± GSF
Floors	2
Total Units	18
Parking	9 Surface Spaces; 17 Covered Spaces
Elevator	1 Passenger Elevator

Address	526 3rd Avenue; Bethlehem, PA 18018
County	Lehigh County
Parcel No.	642748106548-1
Zoning	RT
Lot Size	0.10 Acres / 4,182± SF
Built	1926
Building Size	4,523± GSF
Floors	1
Parking	6 Covered Spaces

523 2ND AVENUE & 526 3RD AVENUE

PROPERTY DETAILS

523-535 2nd Avenue

Units	18
Parking	9 Surface Spaces; 17 Covered Spaces

CONSTRUCTION

Foundation	Concrete; Masonry (with Basement)
Exterior	Masonry
Framing	Metal Stud; Wood Joists/Beams
Roof	EPDM Rubber Membrane Roof System with Carlisle Golden Seal (20-Year Total System Warranty; Expires 2035)

MECHANICAL

HVAC	Central Forced-Air; Gas Heat (Tenant Metered)
Electric	Tenant Metered
Plumbing	Municipal Water & Sewer
Fire & Safety	Fully Sprinklered Building with Centrally Monitored Fire Alarm System
Elevator	Hydraulic Passenger Elevator

AMENITIES

Fitness Center	Commercial Laundry Facilities
Bicycle Storage	ButterflyMX Intercom System
Additional Storage	CCTV Surveillance (Dec 2025)





526 3rd Avenue

4,182± GSF

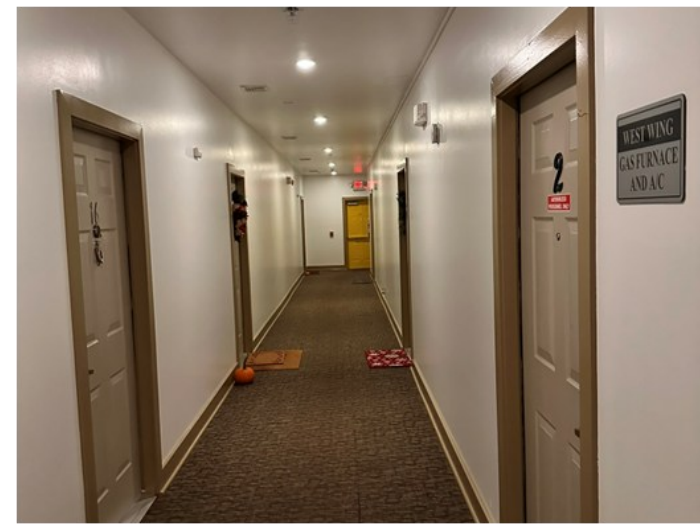
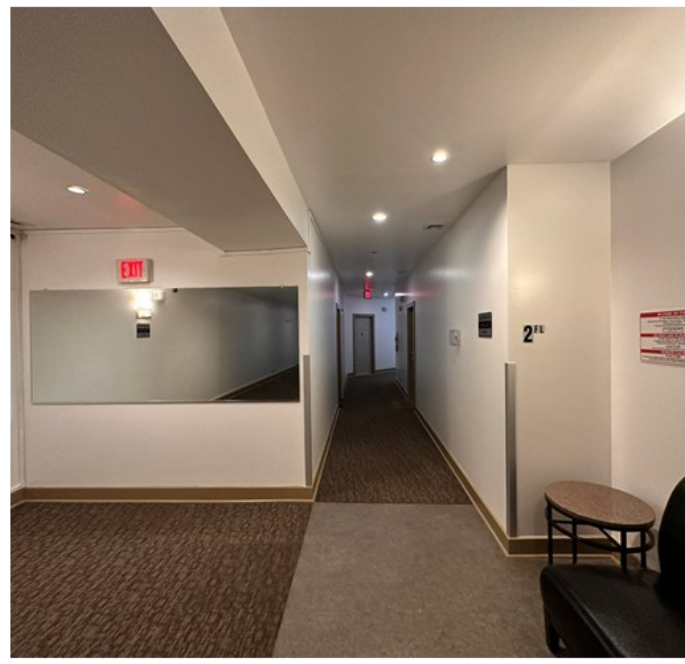
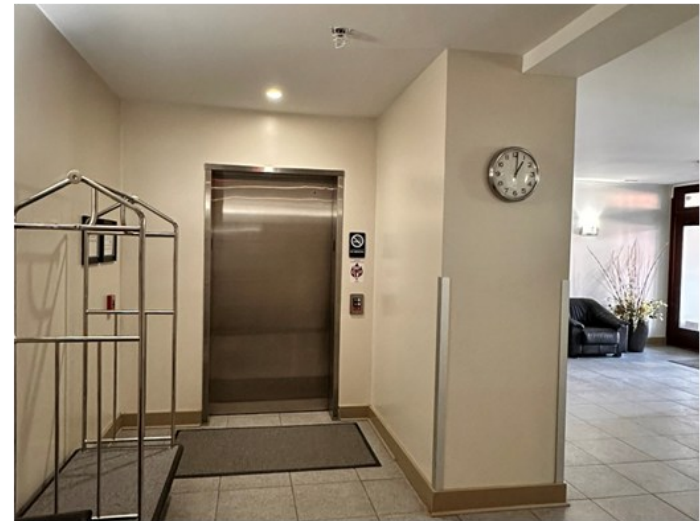
6 Covered Parking Spaces

CONSTRUCTION

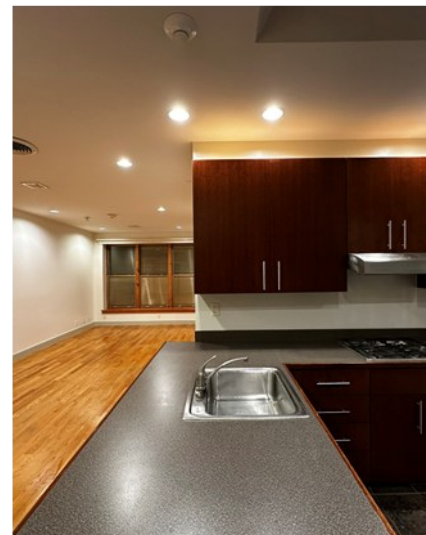
Exterior Masonry

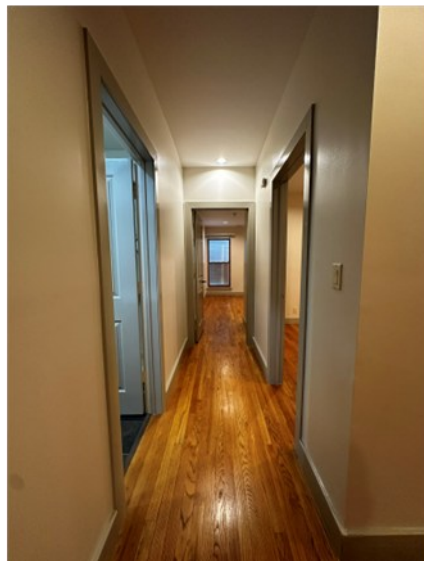
Roof - Pitched Roof with Architectural Asphalt Shingle System (GAF Timberline HD; Replaced 2021)
 - EPDM Single-Ply Membrane Roof System with Versico 20-Year Total System Warranty (Expires 2040)













523 2ND AVENUE & 526 3RD AVENUE

PRO FORMA ANALYSIS

523 2nd Avenue,
526 3rd Avenue
Bethlehem, PA
18 Apartments Units

	2025 Income & Expenses	2027 Pro Forma	Per Unit	Percent	Pro Forma Assumptions & Comments
INCOME					
Apartment Income					
Total Rent		\$429,000	\$23,833	101.4%	Total Proposed Rent per Rent Roll dated 2/17/26 (\$35,750 x 12 Months)
Less: Loss to Lease		0	0	0.0%	0% Estimate (11.26% per Rent Roll dated 2/17/26)
Less: Vacancy		(21,450)	(1,192)	(5.1%)	5% Estimate (0% per Rent Roll dated 2/17/26)
Net Rent	\$356,629	\$407,550	\$22,642	96.3%	
Other Income					
Laundry Income	\$2,943	\$2,943	\$164	0.7%	2025 Income and Expenses
Utility Reimbursement	0	10,800	\$600	2.6%	2026 Estimate
Other Income	1,745	1,745	\$97	0.4%	2025 Income and Expenses
Total Other Income	\$4,688	\$15,488	\$860	3.7%	
TOTAL INCOME	\$361,317	\$423,038	\$23,502	100.0%	
EXPENSES					
Fixed Expenses					
Real Estate Taxes - 523 2nd Avenue	\$38,155	\$38,254	\$2,125	9.0%	Per 2026 RealQuest Assessed Values X 2025 Millage Rate (\$1,300,700 x 0.02941)
Real Estate Taxes - 526 3rd Avenue	2,346	2,394	\$133	0.6%	Per 2026 RealQuest Assessed Values X 2025 Millage Rate (\$81,400 x 0.02941)
Electric - 523 2nd Avenue	6,902	7,144	\$397	1.7%	2025 Actual with 3.5% Increase
Electric - 526 3rd Avenue	2,770	2,867	\$159	0.7%	2025 Actual with 3.5% Increase
Gas	801	829	\$46	0.2%	2025 Actual with 3.5% Increase
Water / Sewer	9,999	10,349	\$575	2.4%	2025 Actual with 3.5% Increase
Trash	5,729	5,930	\$329	1.4%	2025 Actual with 3.5% Increase
Elevator	3,357	3,474	\$193	0.8%	2025 Actual with 3.5% Increase
Fire / Safety	2,017	2,088	\$116	0.5%	2025 Actual with 3.5% Increase
Insurance	13,496	13,968	\$776	3.3%	2025 Actual with 3.5% Increase
Licenses & Permits	978	1,012	\$56	0.2%	2025 Actual with 3.5% Increase
Total Fixed Expenses	\$86,550	\$88,309	\$4,906	20.9%	
Variable Expenses					
Management Fee	\$0	\$21,152	\$1,175	5.0%	5% Estimate
Repairs, Maintenance & Admin	44,436	9,000	\$500	2.1%	\$500 per Apartment Unit Estimate
Landscaping & Snow Removal	4,260	2,700	\$150	0.6%	\$150 per Apartment Unit Estimate
Total Variable Expenses	\$48,696	\$32,852	\$1,825	7.8%	
TOTAL EXPENSES	\$135,246	\$121,160	\$6,731	28.6%	
NET OPERATING INCOME	\$226,071	\$301,878	\$16,771	71.4%	
Capital Reserves	\$0	(\$4,500)	(250)	(1.1%)	\$250 per Apartment Unit Estimate
NET OPERATING INCOME LESS RESERVES	\$226,071	\$297,378	\$16,521	70.3%	

523 2ND AVENUE & 526 3RD AVENUE RENT SCHEDULE



Rent Roll

Unit Count	Unit No.	Unit Type	Unit SF	Unit Status	Proposed Rent	In-Place Rent	Vacant Rent
1	1	2 BR 2 BA	1,085	Occupied	\$2,000	\$1,575	
2	2	2 BR 2 BA	1,413	Occupied	\$2,000	\$1,600	
3	3	2 BR 2 BA	937	Occupied	\$2,000	\$1,900	
4	4	2 BR 2 BA	891	Occupied	\$2,000	\$1,750	
5	5	2 BR 2 BA	937	Occupied	\$2,000	\$1,900	
6	6	2 BR 2 BA	1,025	Occupied	\$2,000	\$1,825	
7	7	2 BR 2 BA	1,265	Occupied	\$2,000	\$1,900	
8	8	2 BR 1.5 BA	712	Occupied	\$1,950	\$1,800	
9	9	2 BR 2 BA	1,100	Occupied	\$2,000	\$1,900	
10	10	2 BR 1.5 BA	906	Occupied	\$1,950	\$1,900	
11	11	2 BR 2 BA	938	Occupied	\$2,000	\$1,900	
12	12	2 BR 2 BA	1,027	Occupied	\$2,000	\$1,800	
13	13	2 BR 1.5 BA	983	Occupied	\$1,950	\$1,750	
14	14	2 BR 2 BA	1,060	Occupied	\$2,000	\$1,550	
15	15	2 BR 1.5 BA	956	Occupied	\$1,950	\$1,650	
16	16	2 BR 1.5 BA	883	Occupied	\$1,950	\$1,750	
17	17	2 BR 1.5 BA	900	Occupied	\$1,950	\$1,625	
18	18	2 BR 2.5 BA	927	Occupied	\$2,050	\$1,900	
Total					\$35,750	\$31,975	\$0

Unit Mix with Rent Analysis

Unit Type	Count	Percent	Unit SF	Proposed Rent	In-Place Rent	Low Rent	High Rent
2 BR 1.5 BA	6	33%	890	\$1,950	\$1,746	\$1,625	\$1,900
2 BR 2 BA	11	61%	1062	\$2,000	\$1,782	\$1,550	\$1,900
2 BR 2.5 BA	1	6%	927	\$2,050	\$1,900	\$1,900	\$1,900
Total/Average	18	100%		\$1,986	\$1,776		
				11.8% Increase			

Rent Roll Summary

Units	Count	Percent	Rent
Total Occupied	18	100%	\$31,975
Total Vacant	0	0%	\$0
Gross Potential Rent	18	100%	\$31,975
Total Proposed Rent			\$35,750
Loss-to-Lease		-10.56%	(\$3,775)

523 2ND AVENUE & 526 3RD AVENUE

MARKET RENT SURVEY

Property / Address	Units	Built	Two Bedroom			Occupancy Rate	W/D	Utilities - Paid By				
			Average In-Place Rent	BA	Average Unit SF			Average RPSF	Electric	Heat	Hot Water	Cold Water
523 2nd Avenue	18	1930	\$1,746	2.5	927	\$1.88	100%	On Site	Tenant	Tenant	Tenant	Owner
526 3rd Avenue			\$1,782	2	1,062	\$1.68						
Bethlehem, PA			\$1,900	1.5	890	\$2.13						

Competitive Rental Properties

Property / Address	Units	Built	Two Bedroom			Occupancy Rate	W/D	Utilities - Paid By				
			Street Rent	BA	Average Unit SF			Average RPSF	Electric	Heat	Hot Water	Cold Water
The Armory 305 Prospect Avenue Bethlehem, PA	70	2022	\$2,980	2	1,458	\$2.04	97%	Yes	Tenant	Tenant	Tenant	Tenant
			\$2,965	1	1,294	\$2.29						
			\$2,150	1.5	905	\$2.38						
The Marshall Valley 117 E 4th Street Bethlehem, PA	76	2025	\$2,498 - \$2,850	2	800	\$3.12 - \$3.56	95%	Yes	Tenant	Tenant	Tenant	Owner
Market Street Flats 250 E Broad Street Bethlehem, PA	88	2014	\$2,244	2	1,096	\$2.05	93%	Yes	Tenant	Tenant	Tenant	Tenant
			\$2,144	2	1,037	\$2.07						
HH Saucon Square Apartments 910 Fire Lane Bethlehem, PA	33	2023	\$2,550	2	1,245	\$2.05	94%	Yes	Tenant	Tenant	Tenant	Owner
			\$2,175-\$2,300	2	1,110	\$1.95-\$2.07						
The Wilbur Views 225 Cherokee Street Bethlehem, PA	50	2022	\$2,950	2	1,367	\$2.16	98%	Yes	Tenant	Tenant	Tenant	Tenant
			\$2,575	2	1,181	\$2.18						
			\$2,125	2	1,001	\$2.12						
Five 10 Flats 510 E 3rd Street Bethlehem, PA	95 <i>Units Currently Down</i>	2019	\$2,395	2	1,168	\$2.05	100%	Yes	Tenant	Tenant	Tenant	Tenant
Laros Lofts 650 E North Street Bethlehem, PA	116	2022	\$2,200	2	1,173	\$1.88	98%	On-Site	Tenant	Tenant	Tenant	Tenant
			\$1,875	1	955	\$1.96						
Six Ten Flats 610 E 3rd Street Bethlehem, PA	75	2023	\$2,554	2	1,233	\$2.07	93%	Yes	Tenant	Tenant	Tenant	Tenant
			\$2,375	2	1,109	\$2.14						
			\$2,371	2	1,099	\$2.16						
The Mills at Lehigh 2080 Westgate Drive Bethlehem, PA	44	2019	\$2,290	2	1,276	\$1.79	91%	Yes	Tenant	Tenant	Tenant	Owner
			\$2,235	2	1,276	\$1.75						

523 2ND AVENUE & 526 3RD AVENUE MARKET RENT SURVEY

Property / Address	Units	Built	Two Bedroom				Occupancy Rate	W/D	Utilities - Paid By			
			Average In-Place Rent	BA	Average Unit SF	Average RPSF			Electric	Heat	Hot Water	Cold Water
523 2nd Avenue	18	1930	\$1,746	2.5	927	\$1.88	100%	On Site	Tenant	Tenant	Tenant	Owner
526 3rd Avenue			\$1,782	2	1,062	\$1.68						
Bethlehem, PA			\$1,900	1.5	890	\$2.13						

Competitive Rental Properties

Property / Address	Units	Built	Two Bedroom				Occupancy Rate	W/D	Utilities - Paid By			
			Street Rent	BA	Average Unit SF	Average RPSF			Electric	Heat	Hot Water	Cold Water
River Pointe Townhomes 1416 Livingston Street Bethlehem, PA	211	1971	\$2,002	1	960	\$2.09	93%	Yes	Tenant	Tenant	Tenant	Tenant
938 E 4th Street Bethlehem, PA	24	2023	\$2,150	1	871	\$2.47	95%	On Site	Tenant	Tenant	Tenant	Owner
810 Monocacy Street Bethlehem, PA	25	1910 2023	\$2,150	1	782	\$2.75	95%	On Site	Tenant	Tenant	Tenant	Owner
Woodmont Mews 1345 Martin Court Bethlehem, PA	204	2008	\$2,165 \$2,055	2 2	1,310 1,173	\$1.65 \$1.75	95%	Yes	Tenant	Tenant	Tenant	Tenant
The Pinnacle @ 65 65 E Elizabeth Avenue Bethlehem, PA	48	1967	\$2,030	2	1,073	\$1.89	100%	Yes	Tenant	Tenant	Tenant	Tenant
The Dodson 528 N New Street Bethlehem, PA	21	1900	\$2,125	1	1,248	\$1.70	95%	On Site	Tenant	Tenant	Tenant	Owner
The Bungalow 124-128 W Union Boulevard Bethlehem, PA	23	1920	\$2,000	2	936	\$2.14	91%	Yes	Tenant	Tenant	Tenant	Owner
10 W Goepf 10 W Goepf Street Bethlehem, PA	12	2022	\$1,975	1	962	\$2.05	75%	Hookups	Tenant	Tenant	Owner	Owner
Northfield Apartments 1825 Center Street Bethlehem, PA	77	1966	\$2,020 \$1,975	2 1	1,100 950	\$1.84 \$2.08	95%	On Site	Tenant	Owner	Owner	Owner

523 2ND AVENUE & 526 3RD AVENUE

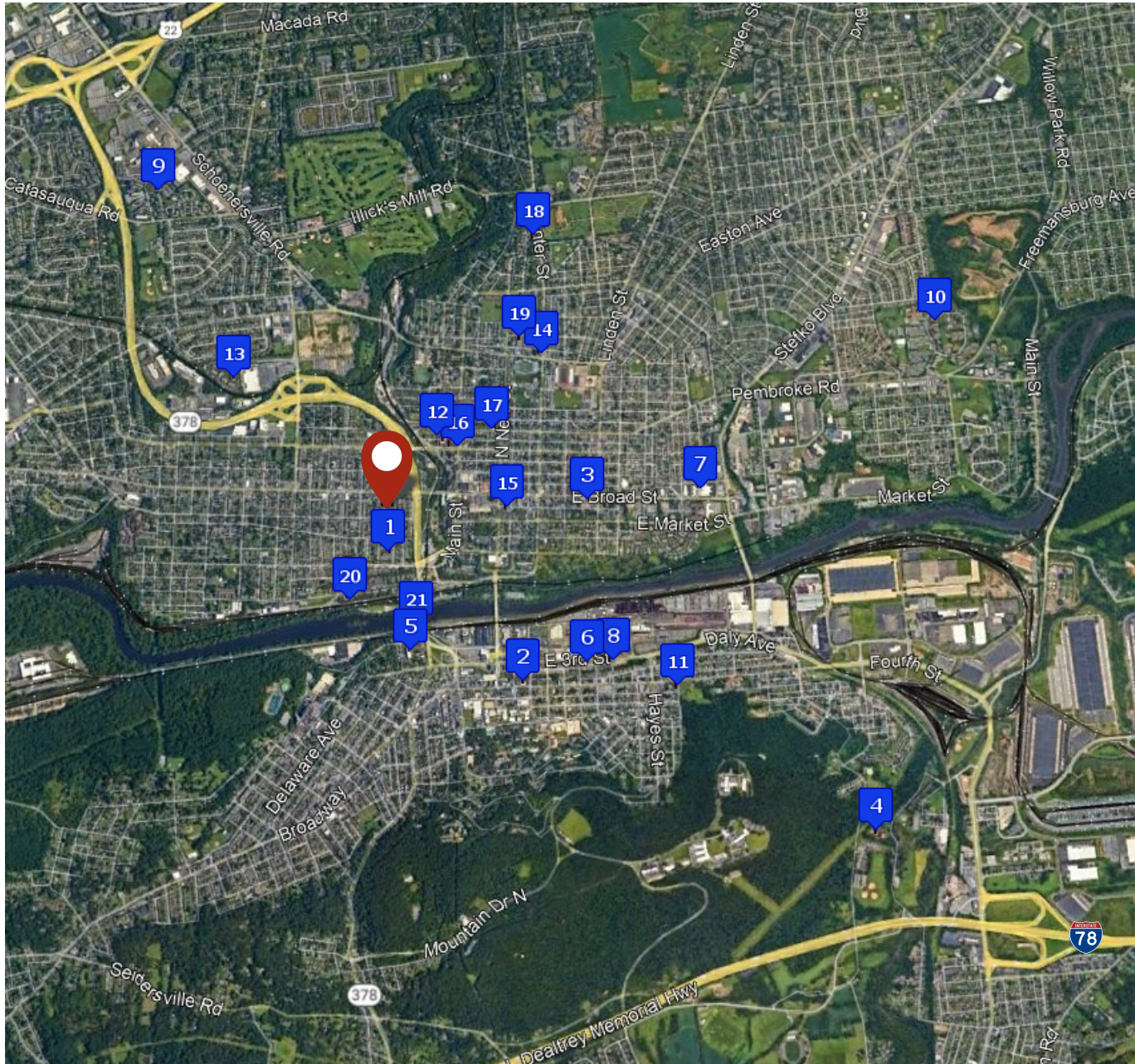
MARKET RENT SURVEY

Property / Address	Units	Built	Two Bedroom				Occupancy Rate	W/D	Utilities - Paid By			
			Average In-Place Rent	BA	Average Unit SF	Average RPSF			Electric	Heat	Hot Water	Cold Water
523 2nd Avenue	18	1930	\$1,746	2.5	927	\$1.88	100%	On Site	Tenant	Tenant	Tenant	Owner
526 3rd Avenue			\$1,782	2	1,062	\$1.68						
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Competitive Rental Properties

Property / Address	Units	Built	Two Bedroom				Occupancy Rate	W/D	Utilities - Paid By			
			Street Rent	BA	Average Unit SF	Average RPSF			Electric	Heat	Hot Water	Cold Water
Northfield Apartments 1825 Center Street Bethlehem, PA	77	1966	\$2,020	2	1,100	\$1.84	95%	On Site	Tenant	Owner	Owner	Owner
			\$1,975	1	950	\$2.08						
Chelsea Commons 1325 Chelsea Avenue Bethlehem, PA	30	2017	\$1,975	2	1,228	\$1.61	97%	Yes	Tenant	Tenant	Tenant	Tenant
			\$1,895	2	1,184	\$1.60						
Riverview West Apartments 565 W Lehigh Street Bethlehem, PA	30	N/A	\$1,795 - \$2,195	2	1,220 - 1,275	\$1.47 - \$1.72	95%	Yes	Tenant	Tenant	Tenant	Tenant
			\$1,750 - \$1,895	1	1,175 - 1,225	\$1.49 - \$1.55						
Brighton Court 425 Brighton Street Bethlehem, PA	32	N/A	\$1,625	2	N/A		97%	Yes	Tenant	Tenant	Tenant	Tenant

523 2ND AVENUE & 526 3RD AVENUE MARKET RENT SURVEY



- SP 523 2nd Avenue & 526 3rd Avenue
- 1 The Army: 305 Prospect Avenue
- 2 The Marshall Valley: 117 E 4th Street
- 3 Market Street Flats: 250 E Broad Street
- 4 HH Saucon Square Apartments: 910 Fire Lane
- 5 The Wilbur Views: 225 Cherokee Street
- 6 Five 10 Flats: 510 E 3rd Street
- 7 Laros Lofts: 650 E North Street
- 8 Six Ten Flats: 610 E 3rd Street
- 9 The Mills at Lehigh: 2080 Westgate Drive
- 10 River Pointe Townhomes: 1416 Livingston Street
- 11 938 E 4th Street
- 12 810 Monocacy Street
- 13 Woodmont Mews: 1345 Martin Court
- 14 The Pinnacle @ 65: 65 E Elizabeth Avenue
- 15 The Dodson: 528 N New Street
- 16 The Bungalow: 124-128 W Union Boulevard
- 17 10 W Goepp Street
- 18 Northfield Apartments: 1825 Center Street
- 19 Chelsea Commons: 1325 Chelsea Avenue
- 20 Riverview West Apartments: 565 W Lehigh Street
- 21 Brighton Court: 425 Brighton Street



LEHIGH VALLEY REGION

CITY OF BETHLEHEM

Affordable Housing & Cost of Living

Housing in Bethlehem is less expensive compared to larger nearby cities. Median home price is approximately \$275,000, with 66% owning their homes. Neighborhoods offer various housing types from historic downtown rowhomes to suburban styles such as Cape Cods and ranches, generally priced about 20% lower than other Lehigh Valley cities and more than 50% below the national average.

Unique Character & Rich History

Founded by Moravian settlers, Bethlehem is known for its colonial architecture and history. The Historic Moravian Bethlehem District is a UNESCO World Heritage Site, and Bethlehem Waterworks, the oldest pump-powered water system in America, is a National Historic Landmark. Bethlehem is well known for its festive traditions as the country's "Christmas City" .

Strong Education & Economic Base

Lehigh University, Moravian University, and the International Institute for Restorative Practices support education and jobs. The Lehigh Valley economy is growing fast, with a \$55.7 billion GDP and strong sectors such as manufacturing, healthcare, and transportation. Unemployment was low at 3.2% in mid-2025, while the population has grown 2.8% since 2020.

Culture, Festivals & Arts

The cultural landscape is exemplified by venues such as SteelStacks that presents concerts, complimentary performances, film series, and festivals. Notably, Musikfest ranks among the nation's largest free music festivals and draws more than one million attendees annually. Complementing the arts community are The Banana Factory, Zollner Arts Center, and the Touchstone Theatre.

Convenient Location & Connectivity

Located just 80 minutes from New York City and one hour from Philadelphia, Bethlehem provides convenient access to major urban centers while offering a more cost-effective environment. The city features a robust infrastructure, including major highways (Route 22 and I-78), and public transit via the LANTA bus system.

Parks, Trails & Outdoor Life

Monocacy Park, Monocacy Creek trails, Sand Island Park, and the D&L Trail provide opportunities for walking, biking, and other forms of recreation.

LEHIGH VALLEY REGION

FAST-GROWING REGION

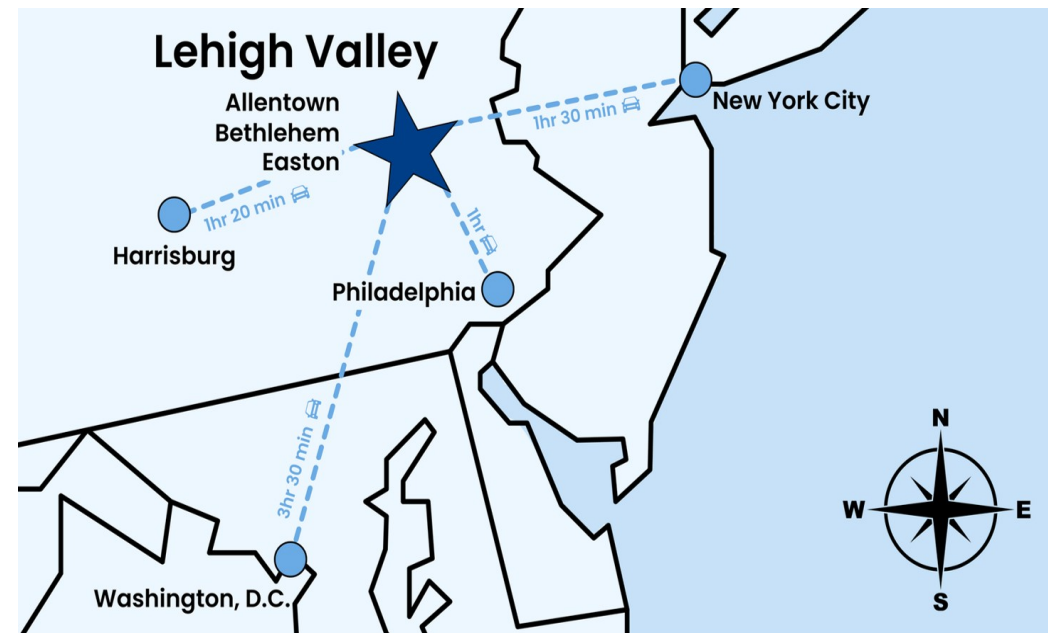
The Lehigh Valley is located about 60 miles north of Philadelphia, 80 miles northeast of Harrisburg, and 90 miles west of New York City. The area is **one of the fastest growing regions in Pennsylvania**, due in part to its growing popularity as a **bedroom community for the highly populated neighboring regions** of Philadelphia, New Jersey, and New York City, as well as for its favorable business climate and much lower cost of living in comparison to surrounding areas.

Demographic trends reveal **robust growth**, consistently ranking among Pennsylvania's fastest growing metropolitan areas. Population has become increasingly diverse, attracting domestic **migration from New York/New Jersey and international residents**. The median household income averages \pm \$86,000 with significant variation between urban and suburban areas. Housing affordability, while facing pressure from recent growth, remains favorable compared to nearby major metros.

Infrastructure development supports real estate opportunities. Major projects include Route 22 improvements, terminal expansion at Lehigh Valley International Airport and intermodal improvements. The Region's rail infrastructure provides crucial logistics capabilities such as Norfolk Southern's intermodal facility.

The Lehigh Valley offers **competitive development incentives**, notably Allentown's NIZ program, Keystone Opportunity Zones, Local Economic Revitalization Tax Assistance (LERTA) programs, and various state and local initiatives. Allentown's NIZ Program continues driving downtown revitalization. Bethlehem's former steel site has evolved into **thriving mixed-use developments**, including SteelStacks and Lehigh Valley Industrial Park VII.

The Region's **strong higher education presence**, including Lehigh University, Moravian University, and Lafayette College, supports workforce development and innovation.



POSITIVE OUTLOOK

Lehigh Valley Region is supported by a continued logistics demand, manufacturing innovation, health care expansion, and its emergence as a lower-cost alternative to major Northeast metros. The Region has demonstrated resilience in economic cycles, supported by its diversifying economic base and locational advantages.

FUTURE OPPORTUNITIES

Various opportunities in the Region include expanding life sciences, leveraging the demand for growing logistics, and capitalizing on growing migration from higher-cost markets. The Region's strategic location, economic diversity, and affordability positions it well for continued growth while maintaining its distinctive character and quality of life.



Lehigh Valley Region is One of Pennsylvania's Strongest Multifamily Markets

The Lehigh Valley is the third largest apartment market in Pennsylvania, featuring over 38,000 units. The majority of the inventory is concentrated in Central Lehigh County, Bethlehem/Western Northampton County, and East Lehigh County. Recent development activity has been particularly robust in Downtown Allentown and Southeastern Northampton County, continuing the growth initiated by the Neighborhood Improvement Zone (NIZ) established in 2009.

In recent years, the multifamily market in the Lehigh Valley has flourished due to several factors. Population growth, especially since 2020, has driven increased demand for apartments. Additionally, strong hiring trends in the trade, transportation, and healthcare sectors have supported healthy household formation. This demographic shift is particularly noticeable in Allentown, which has recently been recognized as the second fastest growing city in Pennsylvania, extending to emerging logistics hubs like Easton.

The Lehigh Valley's rise as a central logistics hub in the Mid-Atlantic Region further bolsters its multifamily market. The influx of jobs created by large warehouses and shipping centers is attracting a growing workforce, including laborers relocating from nearby areas. This trend is reflected in consistently low vacancy rates and steady rent growth within the market. Notably, the recent addition of luxury apartments.

**±1,090
Delivered
Units**

**822 Units
Absorption
Rate**

**5%
Vacancy
Rate**

**2%
Asking Rent
Growth**

** Based on past 12 months
January 2026; CoStar*

LEHIGH VALLEY REGION

STRONG MULTIFAMILY MARKET

SALES

Over the past year, investment activity in the Lehigh Valley has totaled ±\$80M. Institutional and private buyers have played nearly equal roles in driving this performance, each accounting for about half of the overall sales volume. The number of active multifamily listings increased from just 20 at the end of 2024 to 36 in the second half of 2025. This growing inventory of available assets signals a resurgence in sales volume over the coming quarters.

RENTS

Demand for rentals peaked this spring, with quarterly absorption at an all-time high as more than 500 units were leased. For the most recent 12 months, annual net absorption climbed to 820 as of the 4th Quarter. Since 2020, rent growth has notably outpaced the national average, with Lehigh Valley's rent gains totaling 25.7% in five years, compared to 16.7% nationally.

VACANCY

The Lehigh Valley Region remains undersupplied, with vacancy averaging 3.6% over the past 5 years, an indication that available apartments are in short supply relative to the Region's growing population. Rising demand from new residents and a growing workforce have pushed apartment vacancies to levels not seen since the early 2000s.

CONSTRUCTION

Ongoing construction could lead to even higher absorption in the coming year, as another 2,000 units are underway. Among the largest projects under development is Trailside Village in Easton. When completed, the project will add 420 apartments and 27,000 SF of retail space, representing the most significant pipeline addition in the Region.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Construction Units
4 & 5 Star	8,570	7.1%	\$2,049	\$2,020	132	6	858
3 Star	15,370	5.8%	\$1,796	\$1,783	25	0	1,128
1 & 2 Star	14,188	3.2%	\$1,459	\$1,453	(17)	0	0
Market	38,128	5.1%	\$1,754	\$1,739	140	6	1,986

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.6% (YOY)	4.8%	5.1%	6.4%	2016 Q1	1.6%	2021 Q3
Absorption Units	822	453	811	1,383	2021 Q1	(38)	2012 Q3
Delivered Units	1,087	475	786	1,780	2022 Q3	0	2014 Q4
Demolished Units	0	2	4	48	2013 Q1	0	2025 Q3
Asking Rent Growth (YOY)	2.0%	2.5%	2.2%	10.3%	2022 Q1	-2.8%	2009 Q4
Effective Rent Growth (YOY)	1.7%	2.5%	2.1%	10.5%	2022 Q1	-2.8%	2009 Q4
Sales Volume	\$79.3M	\$72M	N/A	\$262.8M	2019 Q3	\$0	2006 Q4

CoStar; January 2026

LEHIGH VALLEY REGION

ROBUST ECONOMY

The Lehigh Valley MSA (Allentown–Bethlehem–Easton), encompassing Lehigh and Northampton Counties, has emerged as one of Pennsylvania's **fastest-growing regions** and a crucial **Northeast logistics hub**. The market has transformed from its industrial heritage, anchored by Bethlehem Steel, into a diverse economy with particular strength in manufacturing, logistics, healthcare, and financial services. The Lehigh Valley Planning Commission estimates a **current housing deficit of ±9,000 units**, with population growth expected to outpace projections over the next several years. These trends are confirmed by recent rental market reports, which show **15 renters competing for each unit** and a 96% regional occupancy rate, making Lehigh Valley the second most competitive small rental market in the U.S. in 2025 (*CoStar*).

The Region's **strategic position** near New York City and Philadelphia and low operating costs have benefited the area. Located along the I-78/I-476 Corridors, the Region offers exceptional access to major Northeast markets while maintaining substantially lower real estate and labor costs than nearby metros.

A **400,000± workforce** is supported by a strong white-collar sector, where professional and business services, government, and finance collectively account for nearly 30% of employment. Additionally, the education and healthcare sectors, which typically require physical office space, represent around 20% of the workforce.

Lehigh Valley Health Network stands out as the largest employer in the area, with nearly 8,000 employees. Other notable office tenants include ADP, Guardian Life, AtWork, Dun & Bradstreet, and various local school districts. Downtown Allentown has experienced significant revitalization through the Neighborhood Improvement Zone program, attracting firms like ADP and Truist. The suburban market, namely along Route 22 and in Bethlehem, maintains steady performance with a growing healthcare and professional services presence. An emergence of mixed-use sites such as City Center Allentown have created a new Class A inventory attracting regional and national tenants.

Trade, transportation, and utilities account for a similar 22%, while manufacturing accounts for 10%, with concentrations in food and beverage processing, medical devices, and advanced materials. These industrial sectors continue to play a central role in Lehigh Valley Region's local economy. Subsequently, the industrial real estate sector has performed exceptionally well, positioning Lehigh Valley as **one of the leading logistics markets in the Northeast**. Major operators such as Amazon, FedEx, Walmart, and a wide range of consumer goods companies maintain significant distribution and fulfillment operations in the area. **Development along the I-78 Corridor** remains active, with both speculative and build-to-suit projects, and the market consistently ranks among the nation's strongest in terms of absorption and new construction.

Lehigh County Top Employers

Lehigh Valley Hospital Center
 Saint Luke's Hospital
 Amazon.com Services Inc
 Lehigh Valley Physician Group
 Mack Trucks Inc
 Saint Luke's Physician Group Inc
 Air Products and Chemicals Inc
 B Braun Medical Inc
 Lutron Electronics Co Inc
 Giant Food Stores LLC
 AtWork
 Weis Market Inc
 Wal-Mart Associates Inc
 Health Network Laboratories
 ADP Inc
 Home Depot USA Inc.

Northampton County Top Employers

Wal-Mart Associates Inc
 United Parcel Service Inc
 Lehigh University
 FedEx Ground Package System Inc
 C&S Wholesale Grocers Inc
 Wind Creek
 Giant Food Stores LLC
 Saint Luke's Hospital
 Crayola LLC
 Amazon.com Services Inc
 Lafayette College
 Wegmans Food Markets Inc
 Stitch Fix Inc
 Universal Protection Service LLC
 Guardian Life Insurance Co.
 Northampton Area School District
 Saint Luke's Physician Group Inc.

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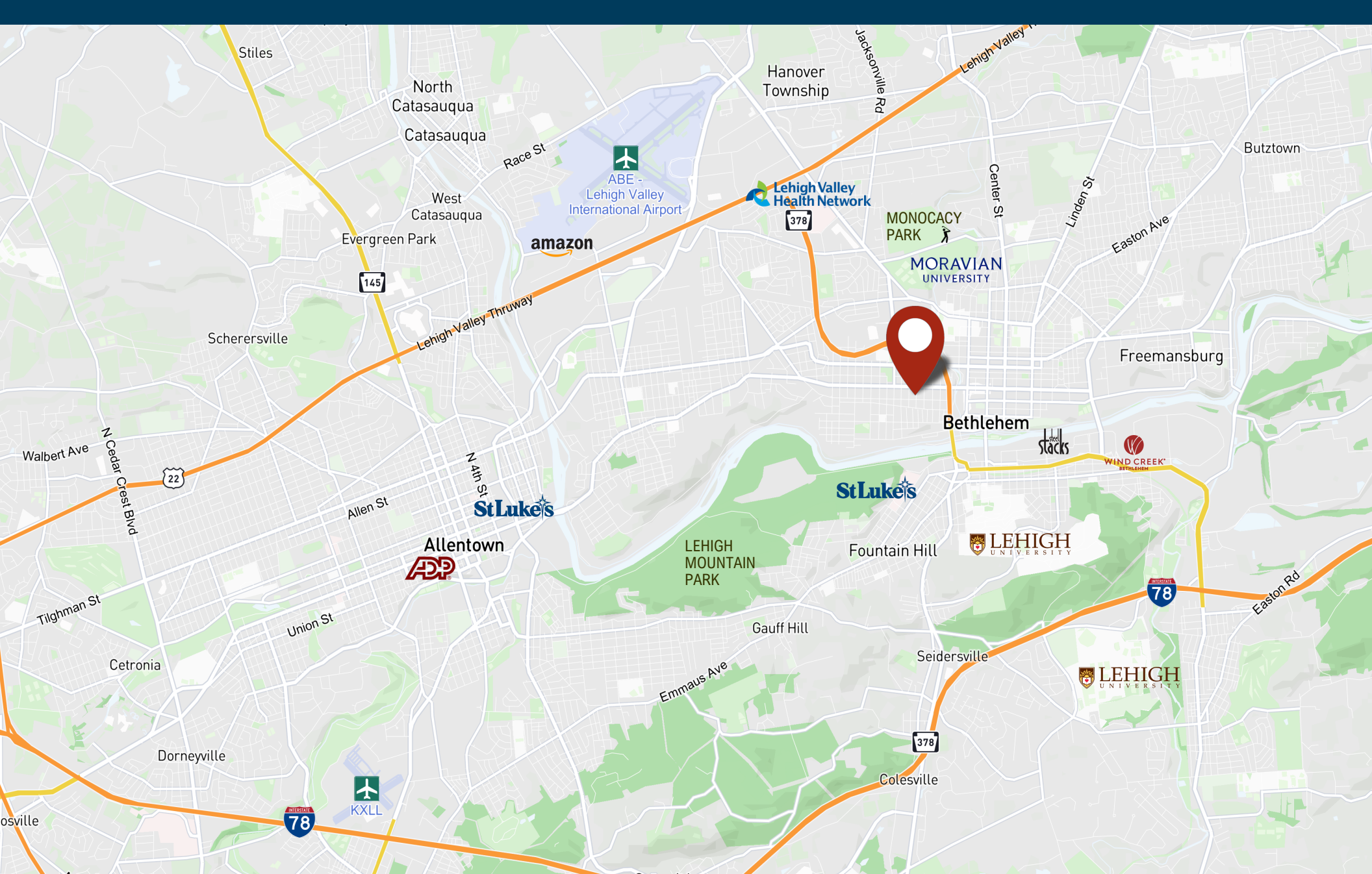
amazon



Martin & Co.
EST. 1833



With a **GDP of ±\$50 billion**, larger than that of the entire states of Wyoming and Vermont, the Lehigh Valley is **home to over 15,000 businesses** including both **Fortune 500 companies** and a numerous nationally-recognized brands. Located about a **90-minute drive west of New York City** or a **60-minute drive north of Philadelphia**, Lehigh Valley is the perfect location for companies seeking to operate along the East Coast. ADP opened its largest sales center in the world in Allentown in 2019, leasing more than 243,000 square feet of the Five City Center Tower. ADP consolidated its 850 employees across three Lehigh Valley sites into Five City Center.



Prime Location for Access & Connectivity

- ▽ **Healthcare & Higher Education** (Lehigh University, Moravian University, St. Luke's Hospital & Lehigh Valley Health Network)
- ▽ **Eateries & Shops** ("Main Street", the Downtown District, East 3rd Street Corridor & More)
- ▽ **Entertainment** (PPL Center, Steel Sacks, Wind Creek)
- ▽ **Essential Shopping** (Giant, Weis, Wawa, Price Rite, Walgreens)
- ▽ **Parks & Recreation** (Lehigh Mountain Park, Monocacy Park, Monocacy Creek Walking Trail, Saucon Park)
- ▽ **Major Employers** (Wind Creek, St. Luke's Hospital, Lehigh University, Lehigh Valley Health, ADP & Amazon)

LEHIGH VALLEY REGION

EXPANDING HEALTH CARE CENTERS

The **Lehigh Valley Health Network (LVHN)** is comprised of 8 hospital campuses in addition to separate health centers, physician practices, rehabilitation locations, ExpressCARE sites, and other outpatient care locations in Lehigh Valley and the surrounding areas.

- Lehigh Valley Hospital - Cedar Crest, Allentown: This flagship LVHN hospital was built in 1974 in Salisbury Township, a suburban area adjacent to Allentown. It serves as the hub for many of its specialty services. LVH-Cedar Crest boasts a Level I Trauma Center; a Children's ER, comprehensive stroke center; the Lehigh Valley Reilly Children's Hospital; the John and Dorothy Morgan Cancer Center; and more.
- Lehigh Valley Hospital - Muhlenberg, Bethlehem: This location serves residents of both Lehigh and Northampton Counties, as well as nearby communities in New Jersey. This campus includes behavioral health services; a primary stroke center; Level II NICU; a LVHN Cancer Center; and more.
- Lehigh Valley Hospital - 17th Street, Allentown: The site of LVHN's original hospital, the former Allentown Hospital is located in an area adjacent to the Allentown Fairgrounds. This center provides care to community members who reside in nearby neighborhoods as well as those throughout Lehigh and Northampton Counties.

St. Luke's University Health Network is headquartered in Bethlehem and is a fully integrated, regional, non-profit network of more than 15,000 employees providing services at 11 hospitals and more than 300 outpatient sites. St. Luke's campus located in Bethlehem (Fountain Hill), is one of the network's largest with 480 beds.



LEHIGH VALLEY REGION CONNECTIVITY

Many Fortune 500 companies have established distribution centers and manufacturing facilities in the Lehigh Valley Region, including Coca-Cola, Air Products, PPL, B. Braun, Ocean Spray, Samuel Adams, Nestle, and Olympus. Each has taken advantage of the Lehigh Valley's location and extensive infrastructure network.



The Lehigh Region enjoys access to three major interstates: Interstate-78 (East/West), Interstate-80 (East/West), and the Northeast Extension of the Pennsylvania Turnpike (North/South) as well as easy access to the ports of Philadelphia, New Jersey and New York.

The Lehigh and Northampton Public Transportation Authority (LANTA) operates a network of close to 30 fixed-bus routes and 10 special routes throughout the Lehigh Valley Region, providing daily and weekend services. More than 5.6 million rides are taken on public transit in the Lehigh Valley annually.

Lehigh Valley International Airport (ABE) is the fourth-largest airport in Pennsylvania. ABE is situated in close proximity to Easton, Allentown, and Bethlehem, and offers daily flights to 14 destinations around the world. Other airports providing service to the Region include the Philadelphia International Airport (75 Minutes) and Newark Liberty International Airport (90 Minutes)

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