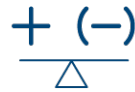


NEW JERSEY

INDUSTRIAL MARKET | Q1 2025



769.7 MSF
Inventory



(351,245) SF
Net Absorption



6.1%
Direct Vacancy



10.9%
Total Availability



10.6 MSF
Under Construction



\$13.63 PSF
Asking Rent

Industrial Leasing Decelerates Amid Economic Uncertainty

Market Observations

- After picking up during the second half of 2024, leasing activity cooled considerably in the New Jersey industrial market to open 2025.
- The level of vacant space more than doubled over the past two years, increasing for the eleventh consecutive quarter. The amount of sublease space returned to the market continued to tick up, representing 13.7% of total availability, rising to a historical high for the 3rd consecutive quarter.
- After peaking at the start of 2024, asking rents for industrial space have declined by nearly 4.0%, dropping to the lowest level in two years.
- The amount of construction has leveled off as new starts have fallen, while only 17% of product under development is pre-leased, providing increased opportunities for tenants. New deliveries continue to outpace occupancy growth.
- While this period of moderation was not unexpected, market players have exercised more caution with tariffs front and center. Coastal industrial markets, including New Jersey, are likely to be the most impacted, with lower port volumes anticipated for the second half of 2025.

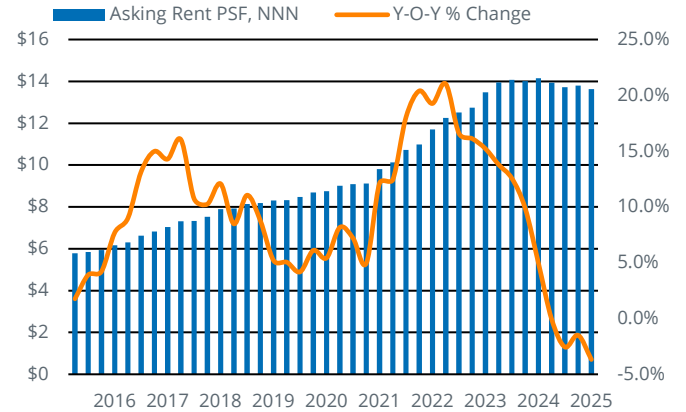




NEW JERSEY INDUSTRIAL MARKET | Q1 2025

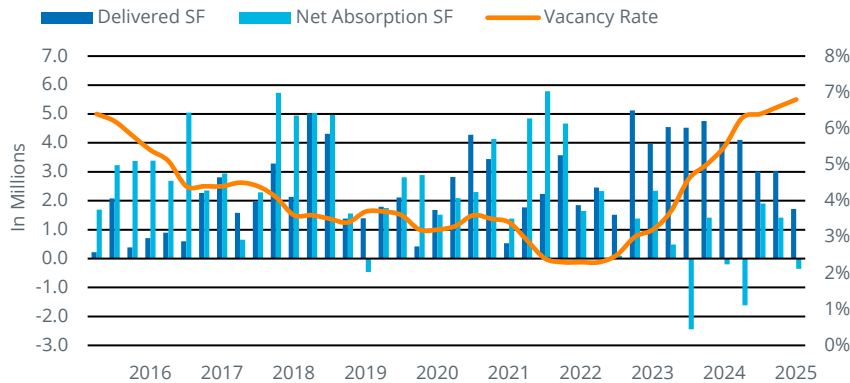
- Net absorption** totaled negative 351,245 SF during the first quarter of 2025, largely impacted by an increase in sublease availability. Despite the quarterly loss, occupancy grew year-over-year, though a recent deceleration in leasing activity will minimize future expansion.
- The **direct vacancy** rate inched up a tenth of a point to 6.1% but is higher by 110 basis points from 5.0% one year ago.
- Asking rents** declined for the third time in four quarters, decreasing 17 cents to \$13.63 PSF. Year-over-year, rents have fallen by 3.7%.
- As of Q1 2025, 10.6 MSF is **under construction**, with 17% of inventory pre-leased, down from 23% at year-end 2024. Construction starts dropped following increases in the previous two quarters. New deliveries outpaced occupancy growth for the 13th consecutive quarter.

ASKING RENT



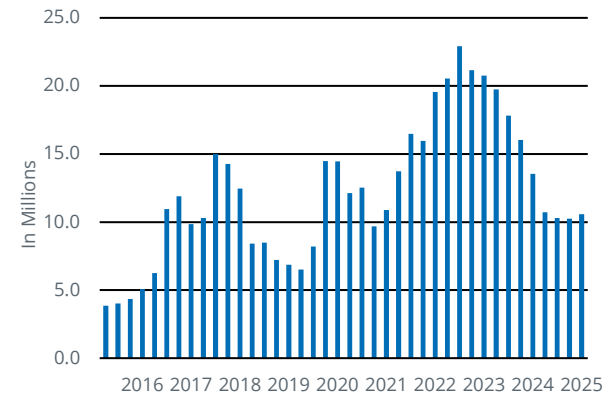
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



NEW JERSEY INDUSTRIAL MARKET | Q1 2025

MARKET INDICATORS TABLE

All Classes of Space | Q1 2025

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	TOTAL AVAILABILITY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
Bergen Central	26,272,759	1,868,594	7.1%	10.3%	154,240	(2,899)	142,352	\$16.61
Bergen North	21,473,104	924,655	4.3%	7.4%	0	64,275	396,799	\$15.36
Exit 7A/Trenton-I295	30,176,642	2,593,534	8.6%	15.5%	720,624	(147,614)	(627,861)	\$8.93
Exit 8/Princeton-Hightstown	8,249,834	178,500	2.2%	3.7%	69,213	(121,500)	1,114	\$12.50
Exit 8A	77,244,383	3,210,444	4.2%	13.0%	737,980	(1,338,964)	(1,945,507)	\$11.61
Exit 9/Brunswick	23,765,492	2,284,691	9.6%	12.9%	0	(192,330)	7,391	\$12.74
Exit 10/Edison	45,199,647	1,605,902	3.6%	7.7%	0	(254,785)	(207,550)	\$16.21
Exit 11/Perth Amboy/GSP	26,542,860	3,429,585	12.9%	18.2%	437,842	537,380	862,581	\$10.52
Exit 12/Carteret-Avenel	21,337,763	3,163,344	14.8%	16.4%	0	455,988	337,946	\$14.59
Exit 13/Linden	26,396,796	1,353,575	5.1%	9.4%	100,000	(1,113)	1,125,588	\$16.71
Exit 13A/Elizabeth	20,097,675	1,726,909	8.6%	13.4%	0	(35,024)	(361,162)	\$13.73
Exit 14/Newark East	24,972,575	812,228	3.3%	6.5%	30,000	1,442	(372,479)	\$15.39
Fairfield	12,956,145	329,212	2.5%	6.6%	10,558	(20,209)	5,155	\$16.21
Hudson Waterfront	34,901,713	3,162,207	9.1%	14.3%	426,275	237,749	476,728	\$15.17
Hunterdon County	6,075,009	541,424	8.9%	5.9%	0	39,555	174,177	\$13.08
Meadowlands	95,888,897	5,234,403	5.5%	10.7%	750,926	663,759	329,664	\$15.46
Monmouth	22,113,282	1,519,224	6.9%	11.7%	898,399	(200,759)	810,718	\$14.47
Morris East	25,056,132	1,287,210	5.1%	9.3%	833,114	52,532	458,980	\$14.93
Morris West	16,834,497	835,839	5.0%	13.9%	1,449,096	(87,304)	(156,710)	\$14.04
Newark West	17,580,856	1,288,105	7.3%	9.0%	75,254	42,275	(100,178)	\$12.24
Ocean County	14,655,365	1,867,851	12.7%	18.7%	1,022,419	15,982	266,085	\$14.04
Route 22/I-78 East	20,006,581	577,122	2.9%	5.5%	0	150,483	163,258	\$13.37
Route 280/Suburban Essex	11,050,027	578,526	5.2%	7.4%	204,407	(71,848)	274,175	\$13.65
Route 287 West	34,093,700	1,574,169	4.6%	8.1%	321,000	(190,326)	(163,819)	\$14.10
Route 46/23/3	53,673,465	2,519,021	4.7%	6.1%	33,342	21,763	(806,025)	\$11.82
Somerset	31,899,609	1,671,958	5.2%	9.8%	929,169	323,506	855,263	\$13.30
Sussex County	3,497,317	247,856	7.1%	8.8%	144,000	-	(82,270)	\$8.62
Union Central	7,246,308	196,590	2.7%	8.1%	151,676	(7,720)	(30,606)	\$12.23
Warren County	10,444,634	458,309	4.4%	16.5%	1,075,900	(285,539)	(424,809)	\$9.28
Total	769,703,067	47,040,987	6.1%	10.9%	10,575,434	(351,245)	1,408,998	\$13.63
Warehouse/Distribution	639,984,518	42,131,042	6.6%	11.8%	10,575,434	(54,102)	1,762,394	\$13.79
Manufacturing	129,718,549	4,909,945	3.8%	6.4%	0	(297,143)	(353,396)	\$12.64
Total	769,703,067	47,040,987	6.1%	10.9%	10,575,434	(351,245)	1,408,998	\$13.63

Source: CoStar, Transwestern



Research Methodology

The information in this report is the result of a compilation of information on industrial properties located in northern and central New Jersey. This report includes properties 10,000 square feet and larger.

About Transwestern

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and @Transwestern

For more Information

Matthew Dolly

Research Director, Strategic Accounts
National Industrial Research Leader
Matthew.Dolly@transwestern.com
973.947.9244

Copyright © 2025 Transwestern. All rights reserved. No part of this work may be reproduced or distributed to third parties without written permission of the copyright owner. The information contained in this report was gathered by Transwestern from CoStar and other primary and secondary sources.

