

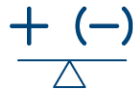
# NEW JERSEY

## INDUSTRIAL MARKET | Q2 2025



**768.4 MSF**

Inventory



**(549,927) SF**

Net Absorption



**6.5%**

Direct Vacancy



**11.4%**

Total Availability



**10.0 MSF**

Under Construction



**\$13.75 PSF**

Asking Rent

## Unoccupied Construction Deliveries Continue to Drive up Vacancy

### Market Observations

- After recording gains during the final two quarters of 2024, the New Jersey industrial market opened 2025 with consecutive quarters of occupancy losses for the first time since Q3/ Q4 2023.
- The overall vacancy rate increased to the highest level in nearly 12 years. On a brighter note, manufacturing buildings recorded positive net absorption, perhaps a harbinger of tariff-related growth to come.
- While new construction has slowed, it continues to offset leasing activity as most of the new space is delivered empty. Rents have stabilized but near-record averages are holding due to high asking rates in new buildings.
- Though the overall picture for the first half of 2025 indicates a softening, a high level of negative net absorption in some of the larger submarkets offset growth that occurred in more than half of the region. Third-party logistics firms remain active.
- The Port of New York and New Jersey recorded an increased amount of cargo thus far in 2025, and was the busiest U.S. port in May, as importers front-load cargo ahead of potential tariffs.

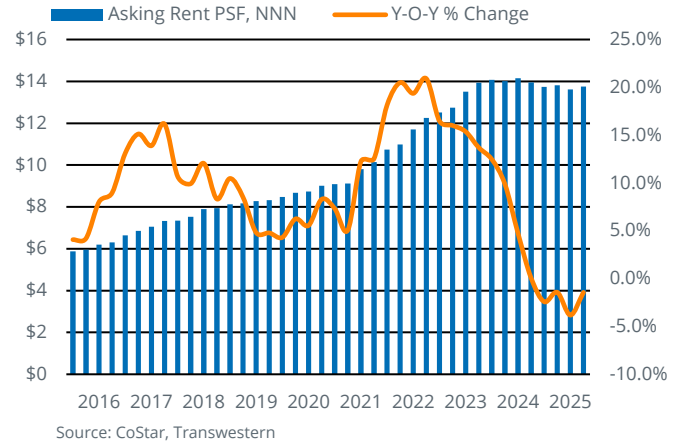




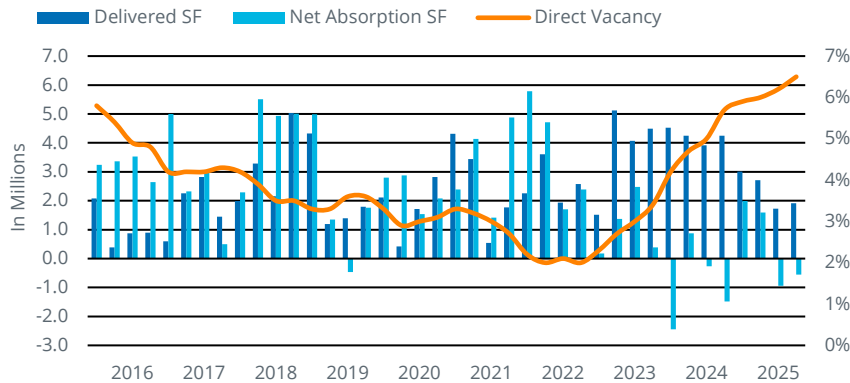
# NEW JERSEY INDUSTRIAL MARKET | Q2 2025

- Net absorption** totaled negative 549,927 SF during the second quarter of 2025, largely impacted by new deliveries and continued increases in sublease availability. Leasing activity improved in Q2, boding well for future expansion.
- The **direct vacancy** rate increased 30 basis points to 6.5%, a slightly faster pace than Q1, and is higher by 80 basis points from one year ago, an improvement from the annual occupancy loss when compared to Q1.
- Asking rents** rose for the second time in three quarters, increasing 14 cents to \$13.75 PSF. Year-over-year, rents have fallen by 1.4%.
- As of Q2 2025, nearly 10.0 MSF is **under construction**, with 70% of inventory available (80% when removing the largest property which is preleased), down from 93% at year-end 2024. New deliveries outpaced occupancy growth for the 14<sup>th</sup> consecutive quarter.

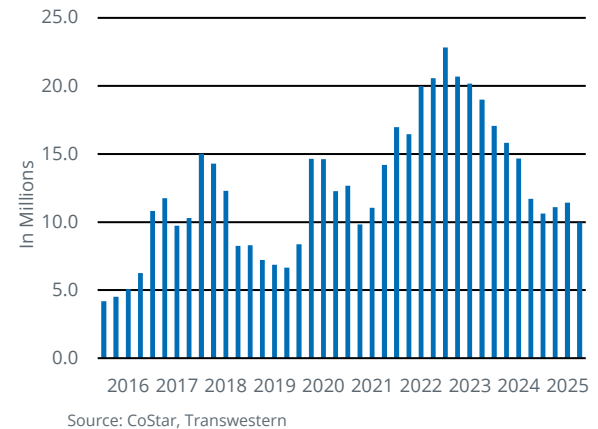
## ASKING RENT



## DELIVERY IMPACT ON KEY INDICATORS



## UNDER CONSTRUCTION





# NEW JERSEY INDUSTRIAL MARKET | Q2 2025

## MARKET INDICATORS TABLE

All Classes of Space | Q2 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 NNN
Bergen Central	26,051,421	1,626,130	5.6%	11.7%	154,240	31,715	139,234	\$16.85
Bergen North	21,406,264	1,005,601	4.8%	8.1%	0	(76,944)	246,458	\$15.30
Exit 7A/Trenton-I295	30,068,152	3,099,869	9.2%	17.2%	627,024	(345,035)	(159,376)	\$9.82
Exit 8/Princeton-Hightstown	8,234,905	167,500	2.0%	4.4%	68,525	11,000	(113,200)	\$11.50
Exit 8A	77,761,508	4,735,067	5.8%	15.2%	172,000	(943,817)	(2,591,442)	\$13.60
Exit 9/Brunswick	23,674,687	2,202,268	8.4%	12.5%	0	66,489	194,744	\$13.10
Exit 10/Edison	45,211,650	1,658,245	2.7%	7.8%	0	33,962	(191,542)	\$16.17
Exit 11/Perth Amboy/GSP	24,745,452	3,781,007	14.0%	19.9%	0	56,420	259,344	\$10.00
Exit 12/Carteret-Avenel	23,534,032	2,641,283	12.1%	16.9%	0	725,486	1,797,347	\$14.89
Exit 13/Linden	25,658,609	1,589,153	5.8%	8.4%	0	(52,078)	1,270,037	\$16.85
Exit 13A/Elizabeth	19,750,851	1,524,926	7.0%	10.9%	0	399,630	60,504	\$12.83
Exit 14/Newark East	24,986,171	903,772	3.6%	9.3%	354,400	(176,544)	(174,035)	\$14.54
Fairfield	12,992,067	310,159	2.0%	8.4%	21,954	6,193	14,903	\$16.84
Hudson Waterfront	34,819,508	3,673,261	9.7%	16.6%	426,275	(511,054)	55,030	\$15.28
Hunterdon County	6,074,330	318,280	4.6%	7.9%	0	223,144	(70,153)	\$13.41
Meadowlands	95,706,119	6,019,703	4.8%	10.3%	1,564,566	(57,214)	23,551	\$15.58
Monmouth	22,123,696	1,571,298	6.2%	10.7%	595,973	144,032	952,248	\$14.08
Morris East	25,086,957	1,450,463	3.4%	10.6%	833,114	(144,953)	327,469	\$15.76
Morris West	16,733,755	901,803	5.5%	15.3%	1,330,818	(85,964)	(264,322)	\$16.18
Newark West	17,676,851	1,192,264	6.7%	7.5%	75,254	125,841	(26,070)	\$12.48
Ocean County	14,820,817	1,902,406	12.6%	18.5%	867,724	56,517	414,194	\$14.09
Route 22/I-78 East	19,758,452	599,260	2.5%	6.2%	142,660	(101,588)	(94,178)	\$13.22
Route 280/Suburban Essex	11,069,642	451,142	4.4%	6.8%	204,407	127,384	349,140	\$13.16
Route 287 West	34,072,245	1,802,356	5.3%	8.2%	321,000	(178,723)	(272,312)	\$13.75
Route 46/23/3	53,319,486	2,375,191	4.1%	6.0%	33,342	159,113	(68,560)	\$12.67
Somerset	31,958,807	1,568,309	3.6%	8.8%	802,359	(119,087)	249,069	\$13.32
Sussex County	3,479,051	239,756	5.0%	8.3%	144,000	8,100	(16,315)	\$6.78
Union Central	7,164,572	218,100	2.6%	8.7%	151,676	(28,265)	55,452	\$11.88
Warren County	10,456,210	361,996	2.5%	16.4%	1,075,900	96,313	(279,222)	\$10.74
<b>Total</b>	<b>768,396,267</b>	<b>49,890,568</b>	<b>6.5%</b>	<b>11.4%</b>	<b>9,967,211</b>	<b>(549,927)</b>	<b>2,087,997</b>	<b>\$13.75</b>
<b>Warehouse/Distribution</b>	<b>638,875,193</b>	<b>44,877,471</b>	<b>7.0%</b>	<b>12.4%</b>	<b>9,902,211</b>	<b>-790,575</b>	<b>1,940,487</b>	<b>\$13.94</b>
<b>Manufacturing</b>	<b>129,521,074</b>	<b>5,013,097</b>	<b>3.9%</b>	<b>6.3%</b>	<b>65,000</b>	<b>240,648</b>	<b>147,510</b>	<b>\$12.56</b>
<b>Total</b>	<b>768,396,267</b>	<b>49,890,568</b>	<b>6.5%</b>	<b>11.4%</b>	<b>9,967,211</b>	<b>(549,927)</b>	<b>2,087,997</b>	<b>\$13.75</b>

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.

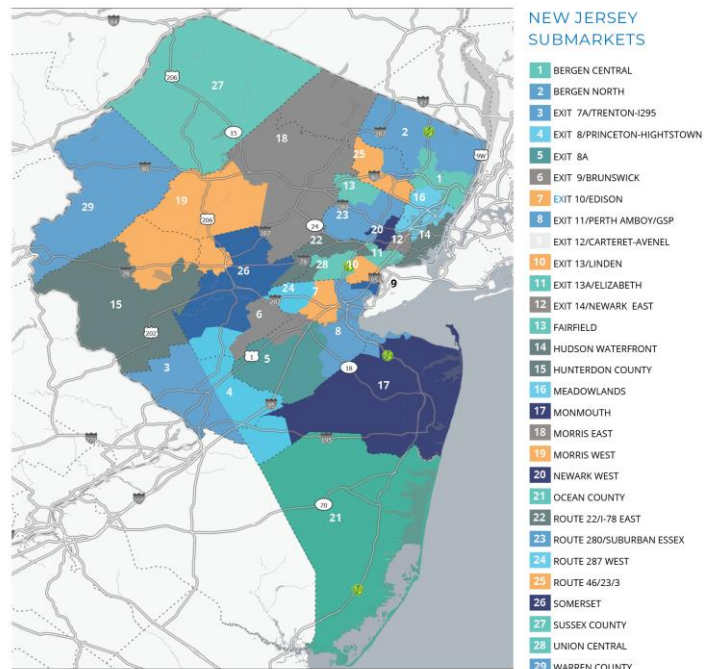
## About Transwestern

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