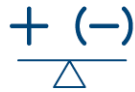


NEW JERSEY

INDUSTRIAL MARKET | Q3 2025



763.3 MSF
Inventory



1.1 MSF
Net Absorption



6.6%
Direct Vacancy



10.7%
Total Availability



9.4 MSF
Under Construction



\$13.76 PSF
Asking Rent

Large Deals Along the New Jersey Turnpike Drive Market Rebound

Market Observations

- After returning space during the first two quarters of 2025, the New Jersey industrial market rebounded, absorbing 1.1 million square feet during the third quarter, fueled by large leases along the New Jersey Turnpike in the central part of the State.
- The overall vacancy rate was unchanged during Q3, remaining at a 12-year high. Sublease space decreased for the first time since Q4 2023; however, it still represents 13.9% of total availability.
- Construction levels continue lower, and while new deliveries continue to outpace occupancy growth, the gap narrowed. Rents have completely leveled off, unchanged when compared YoY.
- The Port of New York and New Jersey recorded an increased amount of cargo thus far in 2025, including its second busiest August ever, as importers front-loaded early holiday orders ahead of potential tariffs.
- While a strong summer is a good sign, it may also be an anomaly as the market continues to find an equilibrium. Players remain prudent amid national economic uncertainty and an upcoming gubernatorial election that could significantly impact the State's real estate sector.

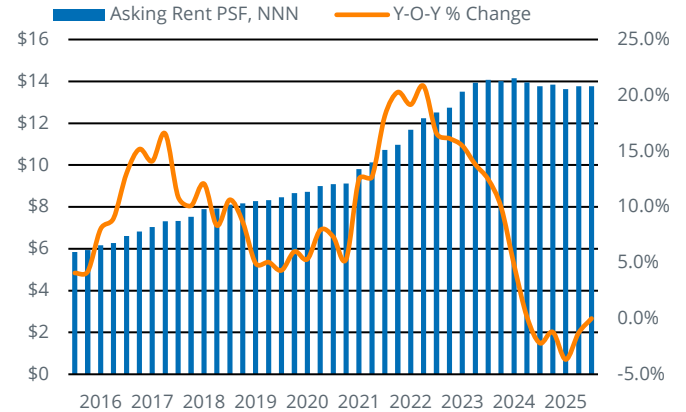




NEW JERSEY INDUSTRIAL MARKET | Q3 2025

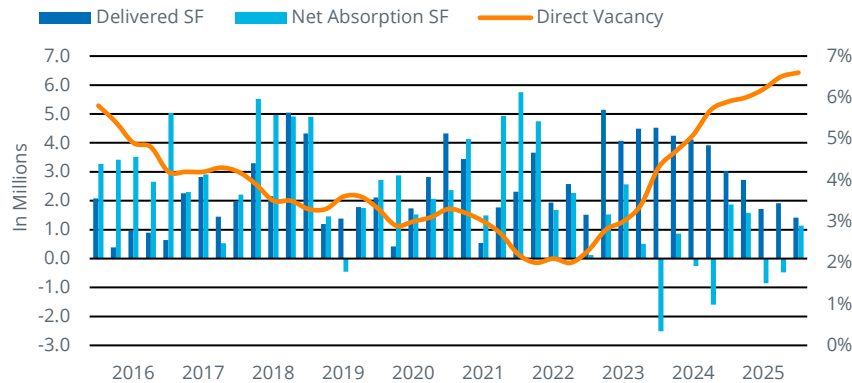
- Net absorption** totaled 1.1 MSF during the third quarter of 2025, boosted by an increase in commitments by larger tenants, led by third party logistics firms, in higher quality buildings along the New Jersey Turnpike in central New Jersey.
- The **direct vacancy** ticked up 10 basis points to 6.6%, the smallest increase in three quarters, and is higher by 70 basis points from one year ago, a slight improvement from the annual occupancy loss when compared to Q2.
- Asking rents** were essentially unchanged, decreasing one cent to \$13.76 PSF, finishing Q3 at the same level as a year ago.
- As of 3Q 2025, 9.4 MSF is **under construction**, with 70% of inventory available, the same as the previous quarter and down from 87% year-over-year. New deliveries outpaced occupancy growth for the 15th consecutive quarter.

ASKING RENT



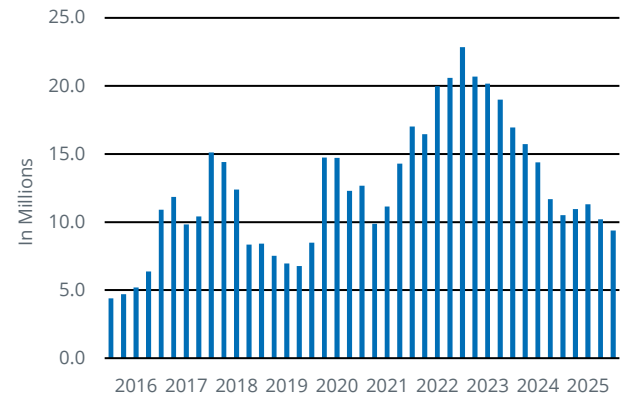
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



NEW JERSEY INDUSTRIAL MARKET | Q3 2025

MARKET INDICATORS TABLE

All Classes of Space | Q3 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	25,964,152	1,707,601	6.6%	11.0%	154,240	(115,126)	(49,896)	\$16.89
Bergen North	21,194,974	859,662	4.1%	7.9%	0	119,897	167,590	\$15.19
Exit 7A/Trenton-I295	29,969,178	2,510,809	8.4%	14.9%	626,624	588,922	460,859	\$9.53
Exit 8/Princeton-Hightstown	8,283,430	212,025	2.6%	3.7%	20,000	(56,000)	(169,862)	\$11.63
Exit 8A	77,730,751	5,147,636	6.6%	15.1%	200,000	(691,517)	(3,062,402)	\$13.59
Exit 9/Brunswick	23,609,887	2,136,046	9.0%	12.1%	0	65,656	56,446	\$13.34
Exit 10/Edison	45,159,906	1,230,924	2.7%	7.1%	0	354,821	36,346	\$16.30
Exit 11/Perth Amboy/GSP	24,470,713	3,903,939	16.0%	15.8%	0	(122,932)	380,412	\$10.00
Exit 12/Carteret-Avenel	23,403,780	1,917,045	8.2%	15.1%	0	739,953	2,308,937	\$13.51
Exit 13/Linden	25,592,534	1,302,623	5.1%	6.2%	0	284,530	704,181	\$17.00
Exit 13A/Elizabeth	19,656,654	1,579,164	8.0%	8.9%	0	(54,238)	(22,973)	\$10.51
Exit 14/Newark East	24,887,327	683,440	2.7%	8.0%	354,400	220,332	32,023	\$13.72
Fairfield	12,941,920	341,430	2.6%	8.6%	21,954	(31,598)	(107,882)	\$16.24
Hudson Waterfront	33,680,035	3,985,594	11.8%	14.8%	0	119,942	(38,015)	\$14.96
Hunterdon County	6,137,868	340,528	5.5%	7.9%	0	(22,248)	(60,750)	\$12.76
Meadowlands	95,589,559	6,544,586	6.8%	9.8%	1,397,841	(369,978)	(233,949)	\$15.20
Monmouth	22,173,201	1,983,864	8.9%	10.6%	1,075,387	84,675	796,656	\$14.75
Morris East	24,879,581	1,377,449	5.5%	11.8%	959,095	123,908	8,435	\$16.19
Morris West	16,615,219	892,031	5.4%	15.1%	1,364,068	62,115	(120,365)	\$15.45
Newark West	17,638,692	982,884	5.6%	7.4%	0	284,634	575,265	\$12.35
Ocean County	14,850,071	1,992,837	13.4%	18.7%	680,000	23,962	(105,151)	\$13.67
Route 22/I-78 East	19,760,399	695,756	3.5%	6.1%	142,660	(108,296)	(52,151)	\$13.57
Route 280/Suburban Essex	11,242,904	790,749	7.0%	7.8%	0	(140,250)	149,580	\$12.94
Route 287 West	33,311,507	2,014,268	6.0%	7.9%	256,000	(168,135)	(276,797)	\$13.94
Route 46/23/3	51,549,331	2,489,896	4.8%	5.9%	0	(144,875)	(76,562)	\$13.45
Somerset	31,761,809	1,553,510	4.9%	9.0%	802,359	43,566	335,460	\$13.90
Sussex County	3,479,787	164,810	4.7%	4.4%	144,000	74,946	109,845	\$6.90
Union Central	7,168,749	249,692	3.5%	7.1%	151,676	4,551	(38,903)	\$12.57
Warren County	10,548,939	461,023	4.4%	17.0%	1,026,357	(29,027)	(314,624)	\$10.97
Total	763,252,857	50,051,821	6.6%	10.7%	9,376,661	1,142,190	1,391,753	\$13.76
Warehouse/Distribution	633,362,082	44,749,775	7.1%	12.4%	9,163,521	1,531,802	1,765,484	\$13.98
Manufacturing	129,890,775	5,302,046	4.1%	6.7%	213,140	(389,612)	(373,731)	\$12.66
Total	763,252,857	50,051,821	6.6%	10.7%	9,376,661	1,142,190	1,391,753	\$13.76

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

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