# NEW JERSEY
## INDUSTRIAL MARKET | Q4 2025

**764.6 MSF**
Inventory

**990 KSF**
Net Absorption

**6.6%**
Direct Vacancy

**11.7%**
Total Availability

**13.3 MSF**
Under Construction

**$13.74 PSF**
Asking Rent

## Second Half Rebound Recharges New Jersey Industrial Market

### Market Observations

- Following occupancy losses during the first two quarters, New Jersey's industrial real estate market expanded during the second half of 2025, swinging net absorption positive for the 16th consecutive calendar year.
- Despite the rebound, new deliveries continued to outpace absorption totals throughout 2025, pushing availabilities higher.
- Higher availability rates contributed to more favorable rents for tenants, dropping the average asking rate to its lowest level of the year.
- Cargo volumed remained elevated through most of 2025 at the Port of New York and New Jersey, which was the second busiest U.S. container port in November. In December, the PANYNJ signed a 33-year lease extension with Maher Terminals, its largest and busiest facility.
- With improved leasing activity, a less volatile tariff environment, and 75-bps interest rate cuts to close the year, development is ramping back up. New construction starts during Q4 outpaced the first three quarters combined, perhaps promising another period of industrial expansion.

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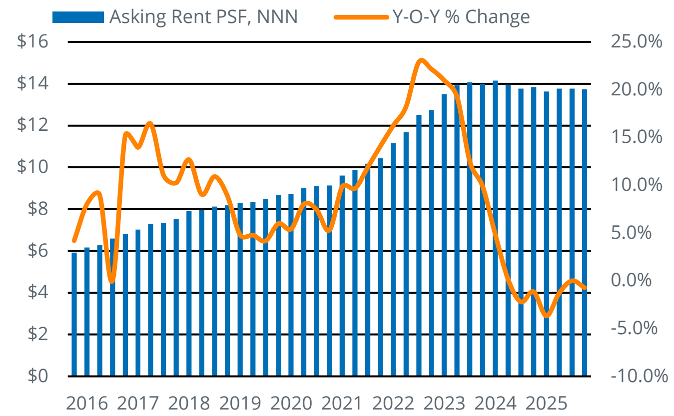
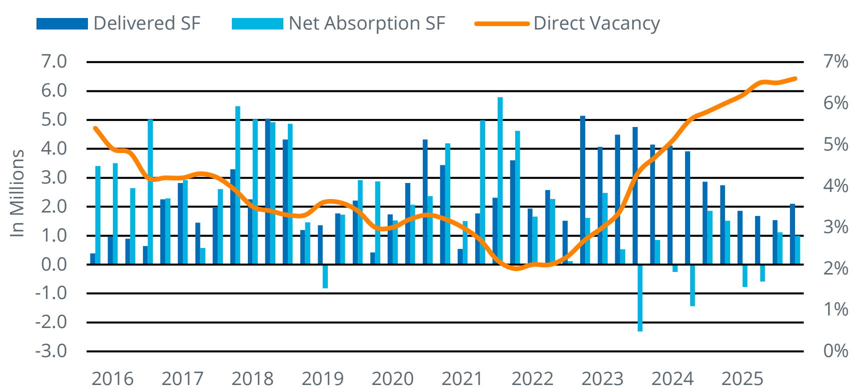
- **Net absorption** totaled just under 1 MSF during the fourth quarter, boosted by large commitments signed by transportation and warehousing companies and retailers. Activity was spread geographically as nine submarkets were represented in the top 10 leases.
- The **direct vacancy** ticked up 10 basis points (bps) to 6.6%, rising from 6.0% a year ago. This was a significant improvement from the 130-bps YoY increase at the close of 2024.
- **Asking rents** continued to level off, falling slightly for the second consecutive year, finishing 0.7% lower than a year ago.
- As of 4Q 2025, 13.3 MSF is **under construction**, the highest level since Q1 2024, with 80% of inventory available, an increase from 70% the previous quarter. New deliveries has outpaced occupancy growth during every quarter for the past four years.

## ASKING RENT



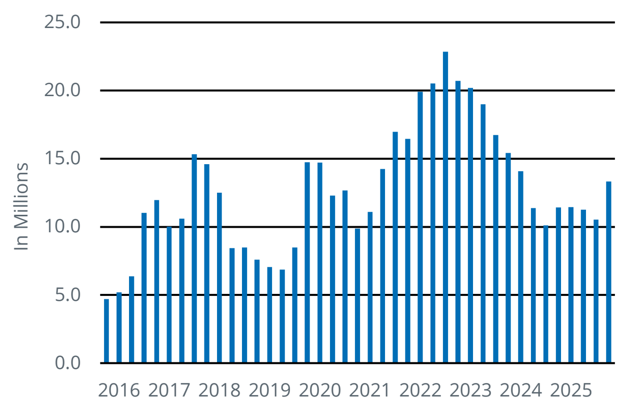

Source: CoStar, Transwestern

## DELIVERY IMPACT ON KEY INDICATORS




Source: CoStar, Transwestern

## UNDER CONSTRUCTION




Source: CoStar, Transwestern

# **NEW JERSEY** INDUSTRIAL MARKET | Q4 2025

## MARKET INDICATORS TABLE

### All Classes of Space | Q4 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 | 26,136,700 | 1,846,565 | 7.1% | 10.7% | 154,240 | (138,698) | (218,455) | $16.73 |
| Bergen North | 21,083,847 | 727,017 | 3.4% | 8.2% | 0 | (37,331) | 43,535 | $15.05 |
| Exit 7A/Trenton-I295 | 30,091,278 | 2,507,674 | 8.3% | 18.2% | 1,519,145 | 3,135 | 134,417 | $9.40 |
| Exit 8/Princeton-Hightstown | 8,042,044 | 428,765 | 5.3% | 11.4% | 0 | (82,500) | (249,000) | $11.61 |
| Exit 8A | 77,809,248 | 5,638,357 | 7.2% | 15.3% | 200,000 | (212,306) | (3,073,884) | $14.75 |
| Exit 9/Brunswick | 23,527,301 | 1,989,246 | 8.5% | 12.4% | 359,031 | 142,950 | 69,615 | $13.35 |
| Exit 10/Edison | 44,448,852 | 1,838,915 | 4.1% | 8.1% | 0 | (141,324) | (145,326) | $15.29 |
| Exit 11/Perth Amboy/GSP | 24,491,866 | 2,958,425 | 12.1% | 22.0% | 2,428,183 | 945,514 | 1,006,476 | $10.06 |
| Exit 12/Carteret-Avenel | 23,057,707 | 1,998,045 | 8.7% | 15.6% | 0 | (81,000) | 2,250,333 | $13.31 |
| Exit 13/Linden | 25,590,834 | 1,059,087 | 4.1% | 6.7% | 0 | 112,189 | 345,528 | $15.55 |
| Exit 13A/Elizabeth | 19,739,033 | 1,610,254 | 8.2% | 11.6% | 0 | (31,090) | 280,978 | $11.12 |
| Exit 14/Newark East | 25,051,495 | 874,193 | 3.5% | 8.3% | 354,400 | (60,753) | (12,823) | $13.16 |
| Fairfield | 12,965,617 | 379,847 | 2.9% | 7.9% | 0 | (47,323) | (60,068) | $16.45 |
| Hudson Waterfront | 34,531,252 | 3,931,743 | 11.4% | 14.6% | 0 | 51,851 | (96,212) | $14.29 |
| Hunterdon County | 5,937,453 | 278,148 | 4.7% | 7.6% | 70,637 | (620) | 284,431 | $12.80 |
| Meadowlands | 93,798,427 | 6,804,031 | 7.3% | 10.9% | 2,226,156 | (401,998) | (743,363) | $16.43 |
| Monmouth | 22,077,485 | 1,660,414 | 7.5% | 11.6% | 1,297,859 | 204,650 | 221,848 | $13.23 |
| Morris East | 24,704,189 | 1,370,100 | 5.5% | 11.7% | 1,028,704 | 52,115 | 135,302 | $15.95 |
| Morris West | 17,009,099 | 1,562,457 | 9.2% | 15.6% | 900,998 | (248,140) | (333,391) | $14.31 |
| Newark West | 20,393,305 | 989,609 | 4.9% | 6.0% | 0 | (16,585) | 416,025 | $13.53 |
| Ocean County | 14,945,724 | 1,110,100 | 7.4% | 12.1% | 680,000 | 933,737 | 1,072,776 | $13.69 |
| Route 22/I-78 East | 19,837,239 | 951,714 | 4.8% | 7.0% | 0 | (97,298) | (207,799) | $13.90 |
| Route 280/Suburban Essex | 11,232,512 | 782,874 | 7.0% | 7.8% | 0 | 7,875 | (76,839) | $12.78 |
| Route 287 West | 32,368,807 | 1,663,065 | 5.1% | 7.3% | 155,272 | 591,903 | 73,219 | $13.81 |
| Route 46/23/3 | 51,568,719 | 2,557,792 | 5.0% | 6.2% | 0 | (16,266) | 3,775 | $13.76 |
| Somerset | 32,061,283 | 1,294,714 | 4.0% | 10.9% | 1,009,286 | 351,026 | 541,244 | $13.62 |
| Sussex County | 3,702,002 | 167,474 | 4.5% | 2.1% | 0 | 41,336 | 132,982 | $7.27 |
| Union Central | 7,366,035 | 354,357 | 4.8% | 8.7% | 0 | 111,915 | 80,481 | $12.63 |
| Warren County | 11,022,619 | 908,796 | 8.2% | 27.6% | 945,900 | (946,516) | (1,164,769) | $12.29 |
| **Total** | **764,591,972** | **50,243,778** | **6.6%** | **11.7%** | **13,329,811** | **990,448** | **711,036** | **$13.74** |
| | | | | | | | | |
| Warehouse/Distribution | 631,486,871 | 44,205,165 | 7.0% | 12.7% | 12,987,171 | 794,050 | 924,721 | $14.03 |
| Manufacturing | 133,105,101 | 6,038,613 | 4.5% | 7.1% | 342,640 | 196,398 | (213,685) | $12.61 |
| **Total** | **764,591,972** | **50,243,778** | **6.6%** | **11.7%** | **13,329,811** | **990,448** | **711,036** | **$13.74** |

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

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