Transwestern

New Jersey

Industrial Market | Q1 2026

Leasing Accelerates as Supply Stabilizes

Market Observations

- Leasing activity rebounded considerably, led by 3PLs, retailers, and the return of big-box leasing by e-commerce and related companies, resulting in the second largest quarterly total in the post-pandemic era.
- The market continued to balance as strong activity was offset by new deliveries, albeit slightly, keeping the vacancy rate unchanged.
- Average asking rents have seemingly bounced off this cycle's bottom, increasing YoY for the first time in seven quarters boosted by occupiers' prioritization of more modern facilities.
- New Jersey's industrial market is expected to stabilize and gradually tighten through 2026, as occupiers grow more comfortable operating amid tariff uncertainty, ongoing Middle East conflict, and elevated—but more understood—interest rates. A sharply reduced development pipeline allows demand to catch up with existing supply.

841.0 MSF
Inventory

1.7 MSF
Net Absorption

5.9%
Direct Vacancy

11.2%
Total Availability

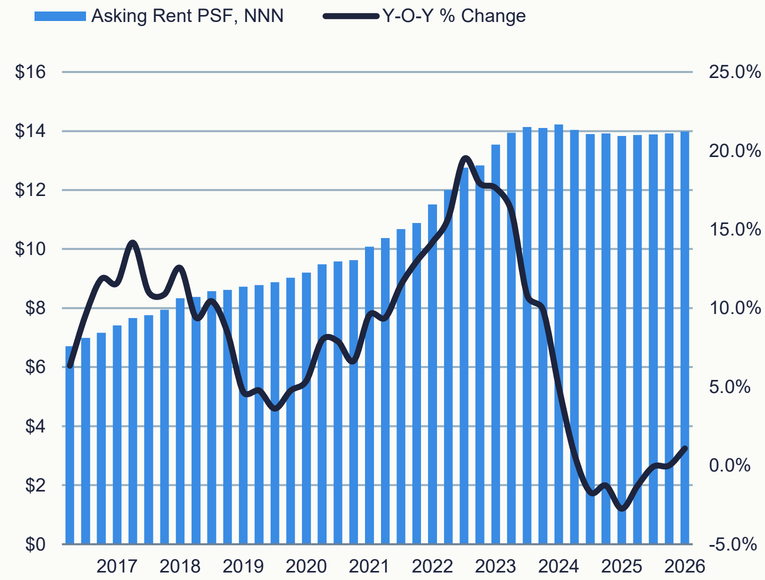
12.2 MSF
Under Construction

$13.98 PSF
Asking Rent, NNN

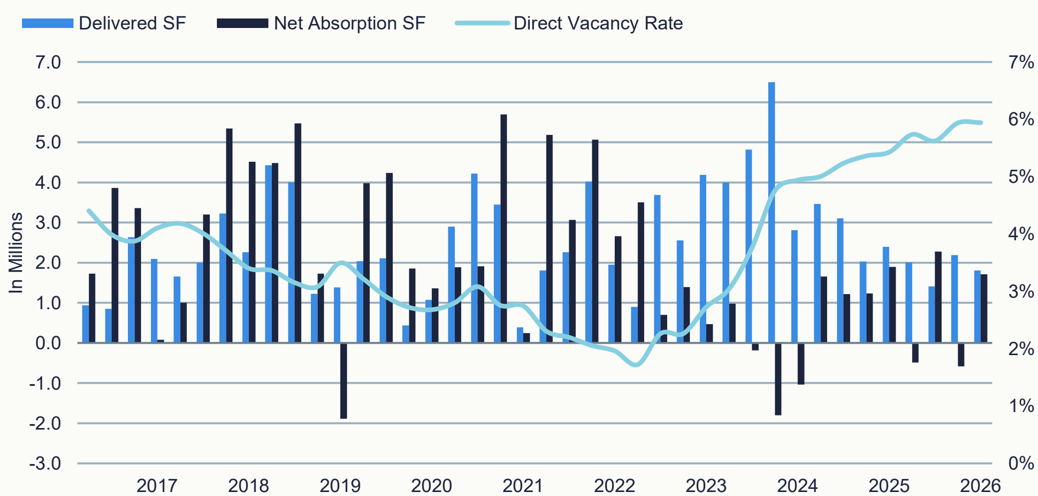
New Jersey

- After climbing higher for the better part of the past three years, the **direct vacant available** rate stabilized at 5.8% during the first quarter of 2026. **Total availability**, space being marketed for lease, inched up to 11.2%, and experienced a 50-basis point increase year-over-year.
- Positive **net absorption** occurred in 16 of 29 submarkets during the quarter and in more than two-thirds of the region YoY.
- Top quality assets are commanding premium **rents**, especially in port markets and in central New Jersey along the Turnpike, as tenants seek accessible, top quality modern facilities with higher ceilings and increased power. The overall market average has increased only modestly, being weighed down by lagging availability in older buildings.
- The development pipeline has settled in to a level which is at more of an equilibrium with leasing activity. More than three-quarters of the 12.2 MSF **under construction** at the close of Q1 2026 is available for lease, still high but a significant decrease from 91% two years ago.

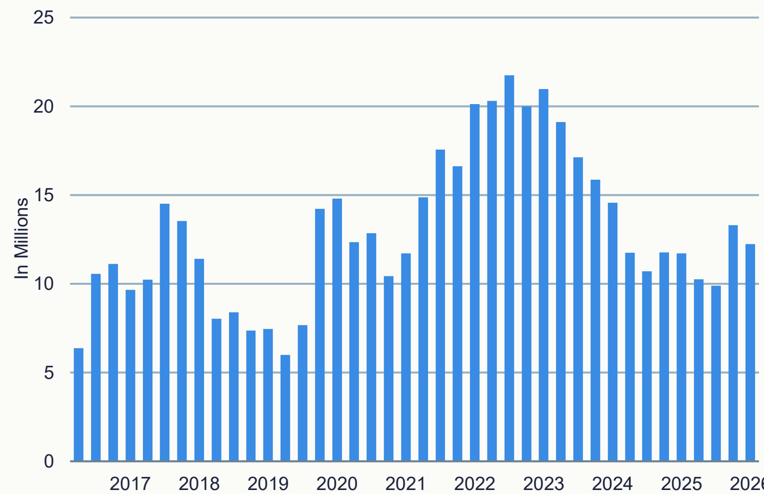
Asking Rent



Delivery Impact On Key Indicators



Under Construction



New Jersey

Market Indicators Table

All Classes of Space | Q1 2026

Submarket	Inventory SF	Direct Vacant SF	Direct Vacancy Rate	Overall Availability Rate	Under Construction SF	Net Absorption SF	Y-O-Y Net Absorption SF	Asking Rent PSF, NNN
Bergen Central	28,626,445	1,497,562	5.2%	8.2%	154,240	438,369	89,655	$16.44
Bergen North	25,677,505	1,022,223	4.0%	7.4%	0	(49,944)	133,953	$14.76
Exit 7A/Trenton-I295	33,945,031	2,637,528	7.8%	16.7%	1,553,899	252,172	631,928	$9.70
Exit 8/Princeton-Hightstown	9,732,870	236,466	2.4%	9.7%	20,000	(59,312)	41,262	$12.56
Exit 8A	78,749,835	5,178,466	6.6%	13.7%	273,774	379,680	(1,333,257)	$15.20
Exit 9/Brunswick	26,606,433	1,907,531	7.2%	11.4%	359,031	70,954	179,999	$13.12
Exit 10/Edison	48,311,904	2,118,928	4.4%	9.5%	0	(293,971)	(675,777)	$15.57
Exit 11/Perth Amboy/GSP	26,574,740	3,217,491	12.1%	23.7%	2,428,183	(437,631)	182,130	$10.50
Exit 12/Carteret-Avenel	22,010,105	2,085,621	9.5%	15.1%	0	(87,576)	576,099	$13.47
Exit 13/Linden	26,027,052	1,139,034	4.4%	9.4%	277,818	(277,267)	173,080	$15.64
Exit 13A/Elizabeth	19,913,032	1,466,219	7.4%	11.8%	0	14,273	(131,287)	$11.49
Exit 14/Newark East	33,455,765	1,318,547	3.9%	7.6%	354,400	86,962	137,285	$13.20
Fairfield	15,301,877	351,417	2.3%	7.9%	0	7,461	23,592	$16.30
Hudson Waterfront	36,814,299	3,625,101	9.8%	14.2%	935,000	(83,588)	(513,718)	$14.08
Hunterdon County	6,753,653	417,756	6.2%	10.1%	70,637	(67,400)	(4,588)	$13.20
Meadowlands	98,626,832	4,875,988	4.9%	9.4%	1,598,336	280,175	608,169	$16.33
Monmouth	29,006,866	2,011,110	6.9%	12.6%	1,070,154	188,433	815,854	$13.76
Morris East	32,109,662	2,081,628	6.5%	12.6%	1,130,090	(199,866)	(581,195)	$15.77
Morris West	17,757,736	997,761	5.6%	12.6%	35,200	589,881	413,023	$13.63
Newark West	10,913,465	582,363	5.3%	8.6%	0	(14,126)	308,884	$13.18
Ocean County	16,643,110	782,658	4.7%	10.4%	779,941	228,781	1,313,868	$13.85
Route 22/I-78 East	27,664,376	1,540,231	5.6%	10.1%	0	655,020	(611,980)	$14.21
Route 280 Suburban Essex	12,765,539	726,544	5.7%	7.0%	0	57,710	71,851	$12.32
Route 287 West	36,595,704	1,309,996	3.6%	6.1%	0	205,210	538,298	$13.69
Route 46/23/3	57,841,612	2,650,343	4.6%	6.3%	0	(131,607)	(168,572)	$13.70
Somerset	39,815,971	2,388,088	6.0%	12.5%	847,676	(723,246)	(103,436)	$14.13
Sussex County	5,019,822	242,148	4.8%	5.7%	0	646,130	738,856	$8.10
Union Central	5,155,629	177,443	3.4%	8.8%	0	41,102	5,304	$12.62
Warren County	12,555,509	1,388,369	11.1%	25.9%	353,525	(2,570)	64,756	$10.92
Total	**840,972,379**	**49,974,560**	**5.9%**	**11.2%**	**12,241,904**	**1,714,209**	**2,924,036**	**$13.98**

Source: CoStar, Transwestern

Research Methodology

The information in this report is the result of a compilation of information on flex and industrial properties located in northern and central New Jersey. This report includes properties 10,000 square feet and larger. To continually improve the content provided to our clients, starting at Q4 2025, Transwestern Research has revised its methodology which may shift current and historical data in our market reporting. Please reach out to the research contact(s) noted in this report with any questions

About Transwestern

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1 Includes all Transwestern enterprise assets and its RAUM as of April 1, 2026

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