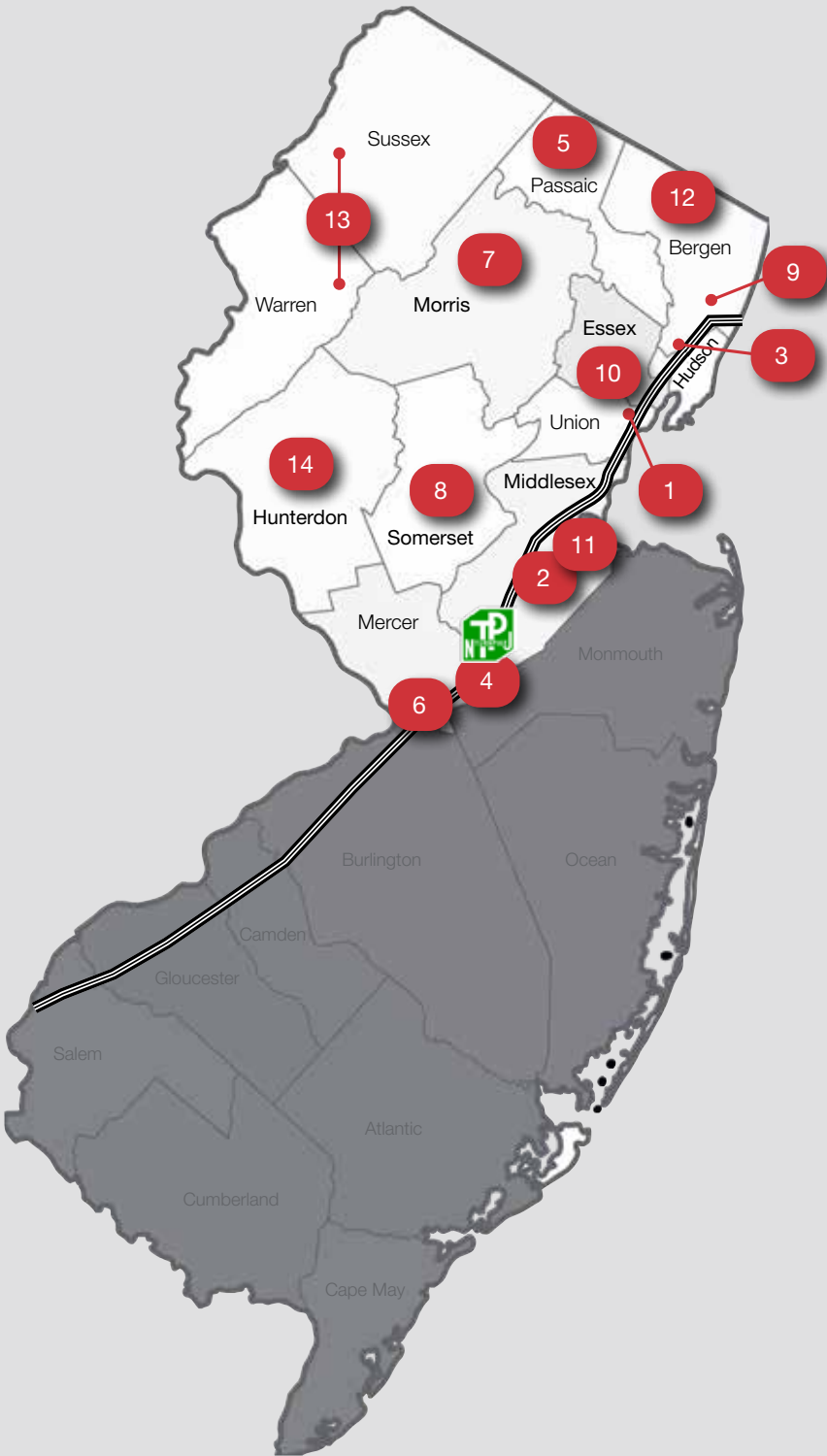




20
2025
INDUSTRIAL
REPORT

Our Submarkets

#	SUBMARKET	VACANCY
1	PORTS	6.4%
2	EXIT 10/12	7.3%
3	MEADOWLANDS	5.6%
4	EXIT 8A	6.7%
5	46/23/3 CORRIDOR	5.2%
6	EXIT 7A	9.0%
7	MORRIS REGION	5.5%
8	SOMERSET	5.6%
9	CENTRAL BERGEN	7.0%
10	SUBURBAN ESSEX	3.1%
11	BRUNSWICK/EXIT 9	9.4%
12	NORTHERN BERGEN	4.5%
13	WARREN & SUSSEX	6.2%
14	HUNTERDON	4.6%



2Q 2025 INDUSTRIAL REPORT



Economic Overview



The U.S. economy remained resilient during the first half of 2025 despite many challenges including moderating job growth, stubborn inflation and wavering tariff policies. During the first six months of the year job growth was steady with the unemployment rate hovering in the 4.0%-4.2% range. Constant changes in trade policy, however, have done little to lower concerns about inflation which remains persistent and above the Federal Reserve's target of 2.0%. Consumer confidence rebounded slightly in June after reaching a near-historical low in May, which may be a positive indicator for the second half of the year.



New Jersey's unemployment rate has remained higher than the national average for more than two years, moving between 4.5%-4.8% for much of last 24 months. According to the New Jersey Department of Labor, most gains in employment during the last year have been in private education and health services, government, financial services and manufacturing. Other bright spots included growth in high-value sectors such as life sciences and technology. While there have been positive gains in the government sector over the last year, federal layoffs could have a potential impact in the latter half of 2025.

Market Overview

The issues affecting the national economy during the first half of the year, also influenced trends in the New Jersey industrial market. The shifting policy on tariffs have made decision making difficult for both businesses and consumers—casting uncertainty on leasing activity for the second half of the year. Although transaction velocity was on par with last year, the time to complete deals has lengthened. Demand from logistics and distribution firms and 3PL companies, however, has helped to temper a spike in vacancy. The construction pipeline beyond 2025 shows a dramatic drop in the number of planned deliveries. Over the longer term the reduction in the amount of square footage from speculative construction coupled with any increase in activity could reverse the rising trend in vacancy.

Vacancy rates continue to rise in most submarkets. After reaching a historical low of 2.0% in 2022, the overall rate has slowly but consistently risen, reaching 5.9% at mid-year. In response to the rising vacancy rate, average asking rents have stalled and have even softened a bit in some submarkets. Asking rates remain the highest for submarkets in and around Bergen County.

Market Statistics

	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Average Asking Rate
Northern & Central NJ	731,034,167	43,217,113	5.9%	(750,092)	10,936,123	6,403,182	\$13.92
Middlesex	229,204,020	13,744,851	6.0%	(356,132)	4,278,314	419,610	\$13.76
Bergen	92,606,271	5,883,301	6.4%	188,764	1,299,812	917,151	\$15.89
Hudson	83,242,579	5,615,050	6.7%	(76,106)	713,094	426,275	\$15.57
Essex	67,485,753	2,934,404	4.3%	33,764	679,604	406,354	\$13.69
Union	71,274,612	3,874,535	5.4%	153,459	1,114,827	151,676	\$13.75
Passaic	56,430,595	3,015,322	5.3%	(154,991)	374,519	33,342	\$12.77
Morris	40,698,207	2,169,351	5.3%	(12,013)	333,840	1,941,218	\$15.67
Mercer	38,132,687	3,041,679	8.0%	(603,149)	333,390	529,237	\$9.89
Somerset	31,958,807	1,800,438	5.6%	(7,111)	1,426,288	663,419	\$13.30
Warren	10,439,210	618,996	5.9%	(198,226)	52,190	770,900	\$8.65
Hunterdon	6,064,109	279,430	4.6%	273,549	320,994	-	\$11.15
Sussex	3,497,317	239,756	6.9%	8,100	9,251	144,000	\$7.96
Orange, NY	36,754,445	3,050,046	8.3%	(611,420)	284,866	1,074,178	\$10.14
Rockland, NY	15,529,423	520,516	3.4%	10,589	11,112	1,401,800	\$14.76

	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Average Asking Rate
Ports	731,034,167	9,573,052	6.4%	(148,232)	2,165,101	962,351	\$14.96
Exits 10/12	127,532,106	9,290,087	7.3%	1,483,482	2,681,182	256,000	\$14.03
Meadowlands	95,340,363	5,336,432	5.6%	331,506	1,216,470	917,151	\$15.58
Exit 8A	77,987,237	5,220,082	6.7%	(1,836,213)	989,185	-	\$13.86
Route 46/23/3 Corridor	55,884,841	2,921,749	5.2%	(140,820)	337,459	33,342	\$12.64
Exit 7A	51,491,886	4,629,469	9.0%	(1,028,756)	600,499	974,641	\$11.19
Morris Region	39,154,435	2,152,983	5.5%	(14,513)	331,340	1,941,218	\$13.65
Somerset Region	31,958,807	1,800,438	5.6%	(7,111)	1,426,288	663,419	\$13.30
Central Bergen County	26,084,548	1,824,068	7.0%	9,592	168,232	-	\$16.61
Suburban Essex	24,014,938	734,040	3.1%	49,750	159,787	21,954	\$14.52
Brunswick/ Exit 9	23,684,677	2,235,342	9.4%	(3,401)	607,947	163,610	\$13.02
"Northern Bergen County"	21,483,105	961,639	4.5%	(3,406)	177,307	-	\$15.35

Top Transactions

Top YTD Sales

600,000 SF | \$197,700,000

Atlantic Realty NJ Portfolio (2 Properties)
201 Middlesex Center Blvd., Dayton
773 Cranbury S River Road., Dayton
Buyer: Prologis
Seller: Atlantic Realty

519,544 SF | \$145,100,000

1501 Cottontail Lane, Somerset
Buyer: North Haven Net REIT
Seller: Nissan North America

577,360 SF | \$111,100,000

Lovett NJ Industrial Portfolio (18 Properties)
Bridgewater, Bound Brook & Martinsville
Buyer: Thor Equities
Seller: Lovett Industrial JV SREIT

Top YTD Leases

519,544 SF

1501 Cottontail Lane
Somerset
Tenant: Nissan North America (Renewal)

515,421 SF

1 Malcolm Ave, Teterboro
Tenant: Western Carriers


479,700 SF

500 Salt Meadow Road
Carteret
Tenant: Broad Range

Top YTD Sublease

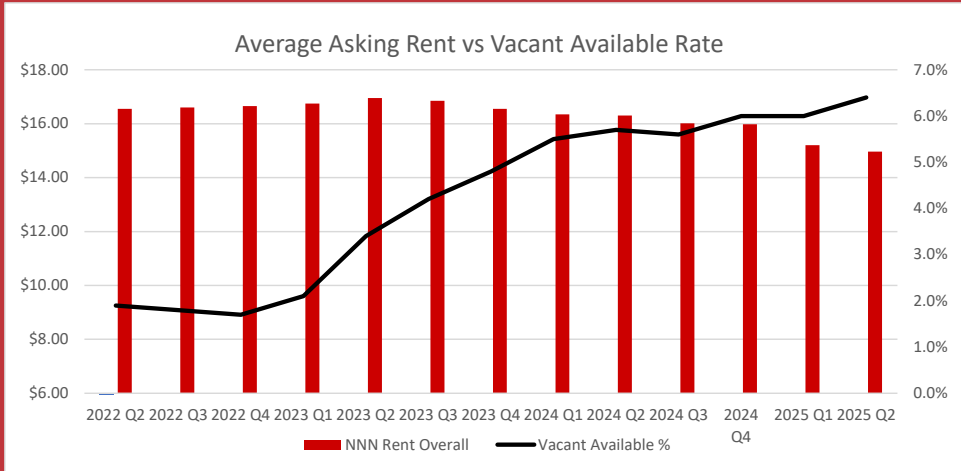
480,770 SF

500 Linden Logistics Way
Linden
Tenant: E-Logistics



TOP 10 CONSTRUCTION PROJECTS				
ADDRESS	SIZE (SF)	COMPLETION	DEVELOPER	SUBMARKET
2000 Valley Brook Avenue, Lyndhurst	1,286,241	1Q27	Forsgate Industrial Partners	Meadowlands
45 State Route 10, East Hanover	600,000	1Q26	Related Fund Management/ Onyx Equities/Russo Development	Morris Region
3000 Continental Drive (Matrix Logistics) Mount Olive	585,000	3Q25	Matrix Development	Morris Region
5 Edge Road, Alpha	450,000	1Q26	Brookfield Properties	Warren & Sussex
395 Elizabeth Avenue, Somerset	438,960	3Q25	Prologis	Somerset Region
145 Industrial Drive (Liberty Commerce Ctr.) Jersey City	426,275	3Q25	Brookfield	Ports
825 Sloan Avenue, Hamilton	420,024	4Q25	PGIM	Exit 7A
128 Iron Mountain Road, Mine Hill	393,335	4Q25	Brookfield	Morris Region
105-161 Hyatt Avenue, Newark	354,400	2Q26	Link Logistics Real Estate	Ports
3000 Valley Brook Avenue (Bldg. B), Lyndhurst	344,110	4Q25	JV Forsgate Industrial Partners & Russo Development	Meadowlands

Market Size	149,853,687 SF
Vacant Available	9,573,052 SF
Vacant Available (%)	6.4%
2Q2025 Leasing Activity	952,550 SF
Total 2025 Leasing Activity	2,165,101 SF
Average Asking Rate	\$14.96 PSF
2Q2025 Net Absorption	(467,724) SF
Total 2025 Net Absorption	(148,232) SF
Under Construction	962,351 SF
Delivered	901,502 SF



2Q2025 vs. 2Q2024



.7%
Percentage Point
Δ for Vacancy Rate



\$1.34
Asking Rate



642,597 SF
Leasing Activity

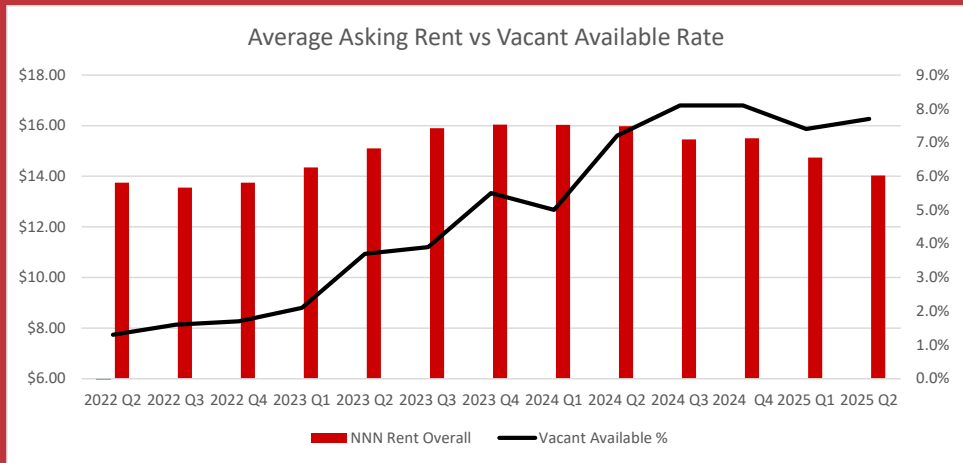


Trends

- After peaking at nearly \$17.00 per square foot in mid-2023, average asking rents have slowly trended downward, finishing the second quarter at \$14.96. While rents have eased in the submarket, they are still among the highest in Northern New Jersey.
- The overall vacancy rate moved higher from the same time last year, closing at 6.4%, up from 5.7%. There were several large availabilities added during the first half of the year which pushed vacancy higher, including space at 169 Pulaski Street in Bayonne and 63-265 Bay Avenue in Elizabeth.



Market Size	127,532,106 SF
Vacant Available	9,290,087 SF
Vacant Available (%)	7.3%
2Q2025 Leasing Activity	924,452 SF
Total 2025 Leasing Activity	2,681,182 SF
Average Asking Rate	\$14.03 PSF
2Q2025 Net Absorption	455,525 SF
Total 2025 Net Absorption	1,483,482 SF
Under Construction	256,000 SF
Delivered	1,224,523 SF



2Q2025 vs. 2Q2024



.1%
Percentage Point
Δ for Vacancy Rate



\$1.95
Asking Rate



797,673 SF
Leasing Activity

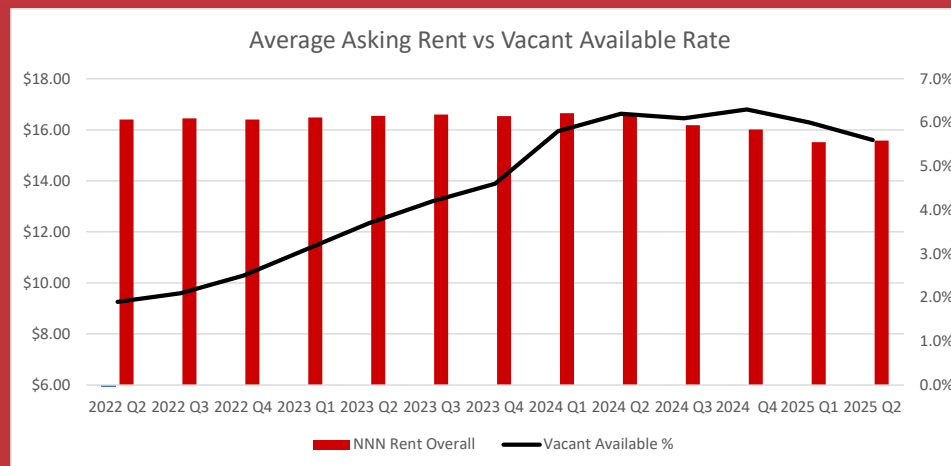


Trends

- Asking rents dropped below \$15.00 per square foot during the second quarter, after remaining relatively flat for much of 2024. Rents are down by \$2.00 per square foot from their peak levels reached at the end of 2023.
- The vacancy finished the second quarter at 7.3%, up from 7.2% at the same time last year but slightly lower than the peak of 8.1% at the close of 2024. Leasing activity was up from last year. Larger deals such as Nestle (Ryder) at 1115 W. Middlesex Avenue in Port Reading, for 405,256 square feet space helped boost activity.



Market Size	95,340,363 SF
Vacant Available	5,336,432 SF
Vacant Available (%)	5.6%
2Q2025 Leasing Activity	733,274 SF
Total 2025 Leasing Activity	1,216,470 SF
Average Asking Rate	\$15.58 PSF
2Q2025 Net Absorption	165,579 SF
Total 2025 Net Absorption	331,506 SF
Under Construction	917,151 SF
Delivered	128,491 SF



2Q2025 vs. 2Q2024



.6%
Percentage Point
Δ for Vacancy



\$1.00
Asking Rate



26,192 SF
Leasing Activity

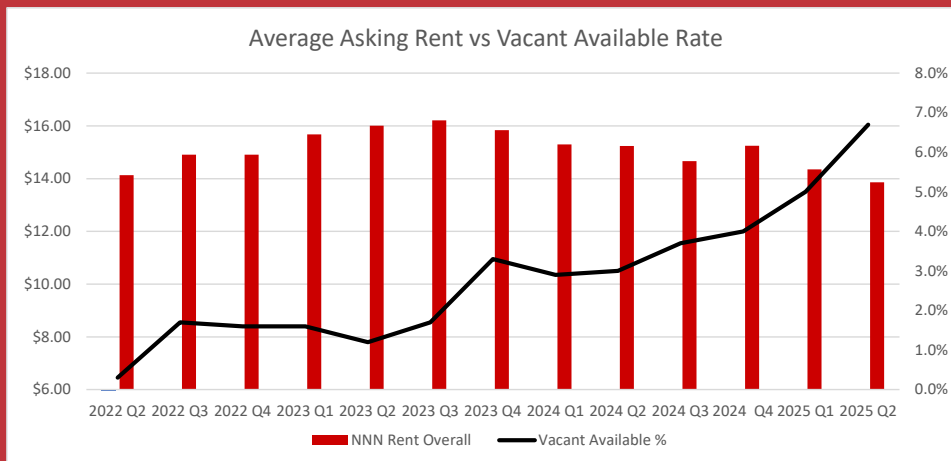


Trends

- The Meadowlands was only one of five submarkets that posted positive absorption at mid-year, allowing the vacancy rate to remain relatively flat at 6.1%. The only new building to deliver during the first half of the year was 200 Murray Hill Parkway in East Rutherford. The 128,491-square foot building was more than half leased upon completion.
- After remaining above the \$16.00 per square foot mark for the last 11 quarters, rents dropped to \$15.58 at the close of the second quarter. Rates are off by 6.0% from a high reached in late 2023.



Market Size	77,987,237 SF
Vacant Available	5,220,082 SF
Vacant Available (%)	6.7%
2Q2025 Leasing Activity	313,026 SF
Total 2025 Leasing Activity	989,185 SF
Average Asking Rate	\$13.86 PSF
2Q2025 Net Absorption	(275,349) SF
Total 2025 Net Absorption	(1,836,213) SF
Under Construction	0 SF
Delivered	737,980 SF



2Q2025 vs. 2Q2024



3.7%
Percentage Point
Δ for Vacancy Rate



\$1.38
Asking Rate



522,977 SF
Leasing Activity

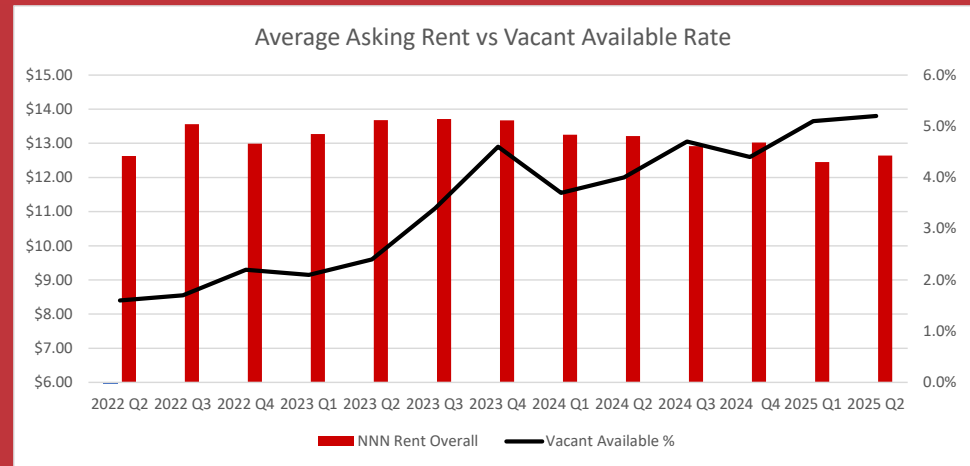


Trends

- Overall vacancy finished the year at 6.7%, up sharply from 3.0% at the same time last year. The rise in vacancy was due in part to the addition of more than 400,000 square feet from the delivery of 265 Rhode Hall Road and the marketing of 418,300 square feet at 113 Interstate Boulevard—both in Monroe Township.
- Average asking closed the second quarter at \$13.86 per square foot, down from \$15.24 at mid-year 2024. With no new construction slated for delivery over the next 12-24 months, rents could reverse direction with sustained demand.



Market Size	55,884,841 SF
Vacant Available	2,921,749 SF
Vacant Available (%)	5.2%
2Q2025 Leasing Activity	142,652 SF
Total 2025 Leasing Activity	337,459 SF
Average Asking Rate	\$12.64 PSF
2Q2025 Net Absorption	(108,083) SF
Total 2025 Net Absorption	(140,820) SF
Under Construction	33,342 SF
Delivered	0 SF



2Q2025 vs. 2Q2024



1.2%
Percentage Point
Δ for Vacancy Rate



\$0.57
Asking Rate



158,651 SF
Leasing Activity

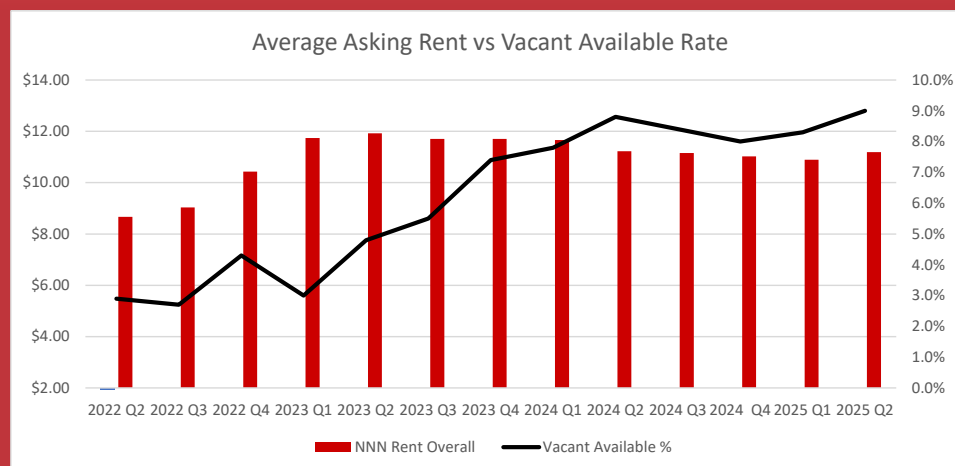


Trends

- The overall vacancy rate measured 5.2% at the end of the second quarter, up from 4.0% at the same time last year. Space added to the market since the beginning of the year included 240,000 square feet at 261 River Road in Clifton. At the end of the second quarter, the only new project underway was 162 Railroad Avenue in Paterson.
- Average asking rates in the 46/23/3 Corridor have had less volatility than most of the other larger submarkets in Northern New Jersey. Rents have remained in the \$12.50-\$13.50 per square foot range for much of the last 12 quarters.



Market Size	51,491,886 SF
Vacant Available	4,629,469 SF
Vacant Available (%)	9.0%
2Q2025 Leasing Activity	406,100 SF
Total 2025 Leasing Activity	600,499 SF
Average Asking Rate	\$11.19 PSF
2Q2025 Net Absorption	(480,686) SF
Total 2025 Net Absorption	(1,028,756) SF
Under Construction	974,641 SF
Delivered	330,540 SF



2Q2025 vs. 2Q2024



1.2%
Percentage Point
Δ for Vacancy Rate



\$0.57
Asking Rate



158,651 SF
Leasing Activity



Trends

- After a sharp rise between 2021-2023, asking rates in the submarket have stabilized. Rents ended the quarter at \$11.19 per square foot, essentially flat from \$11.15 per square foot at the same time last year.
- Vacancy rate reached a high of 9.0% at the end of the quarter, up slightly from 8.8% over the same period one year ago. Year-to-date absorption, meanwhile, registered negative 1.0 million square feet with large availabilities added to the market at 24 Applegate Drive in Robbinsville (500,528 square feet) and 13 Applegate Drive (231,850 square feet)



2025 INDUSTRIAL REPORT

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TRANSACTIONS IN 2024

\$848

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