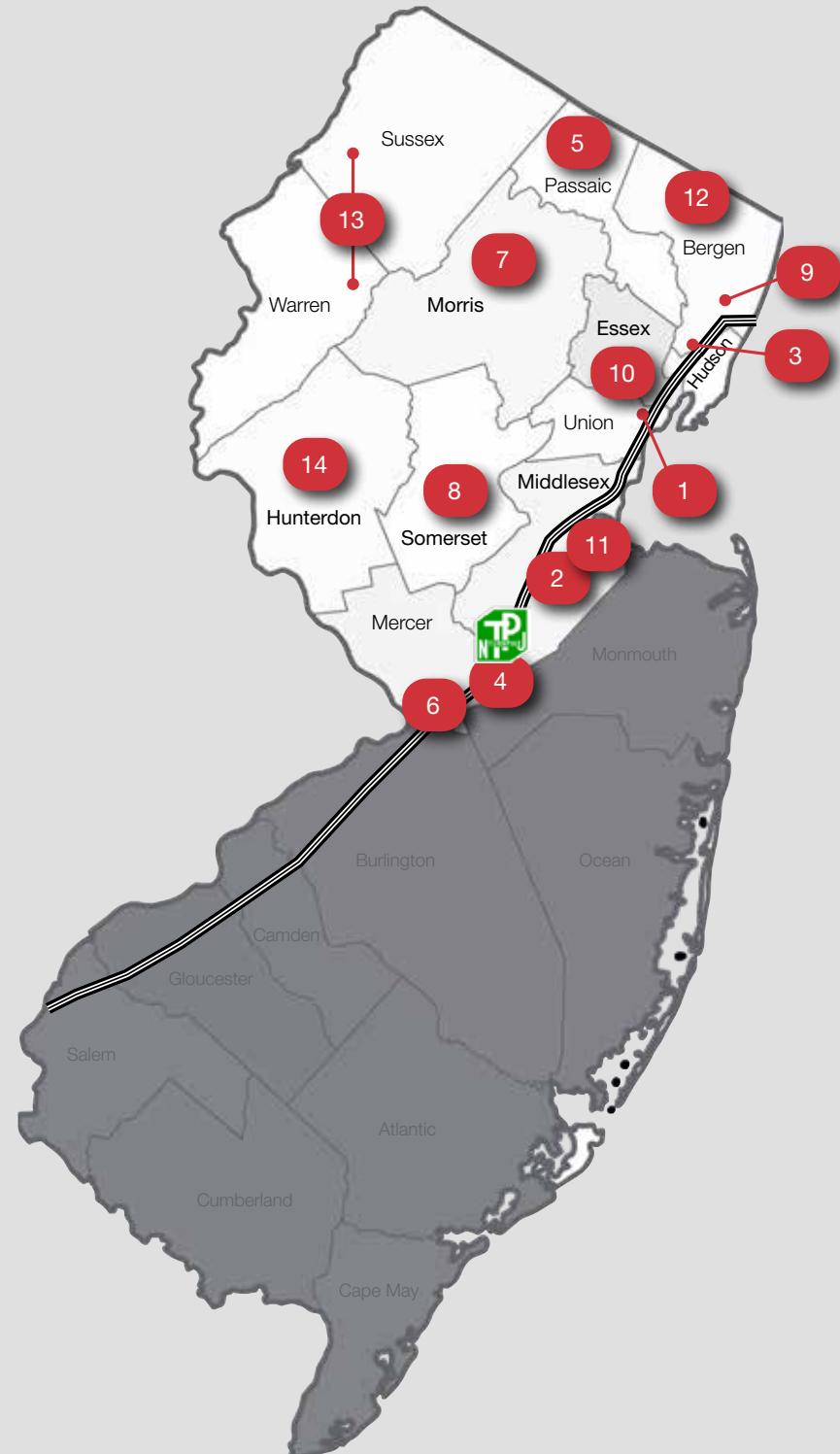




# 20 2025 INDUSTRIAL REPORT

## 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

**NAI**James E. Hanson  
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

## 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

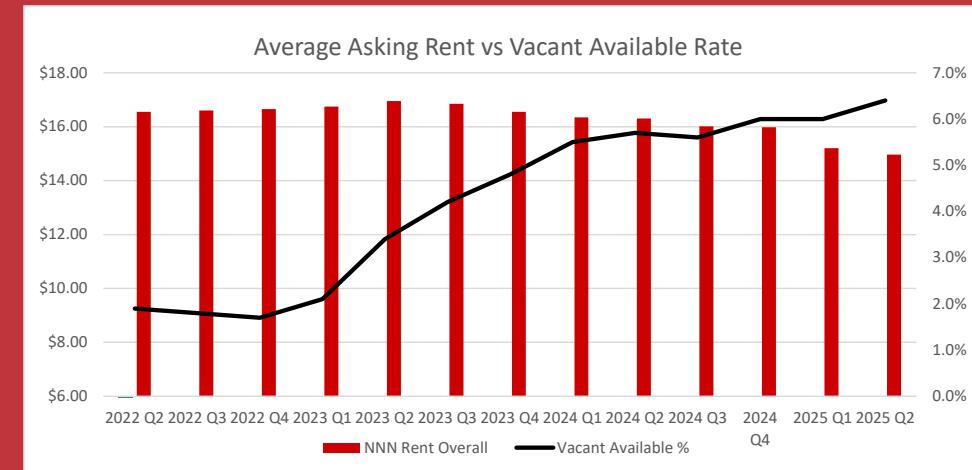
#### 480,770 SF

500 Linden Logistics Way  
Linden  
Tenant: E-Logistics



| TOP 10<br>CONSTRUCTION PROJECTS                             |  | SIZE (SF) | COMPLETION | DEVELOPER   | SUBMARKET       |
|---|--|-----------|------------|---|-----------------|
| ADDRESS   |  |           |            |   |                 |
| 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/<br>Onyx Equities/Russo Development | Morris Region   |
| 3000 Continental Drive (Matrix Logistics)<br>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.)<br>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<br>& 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

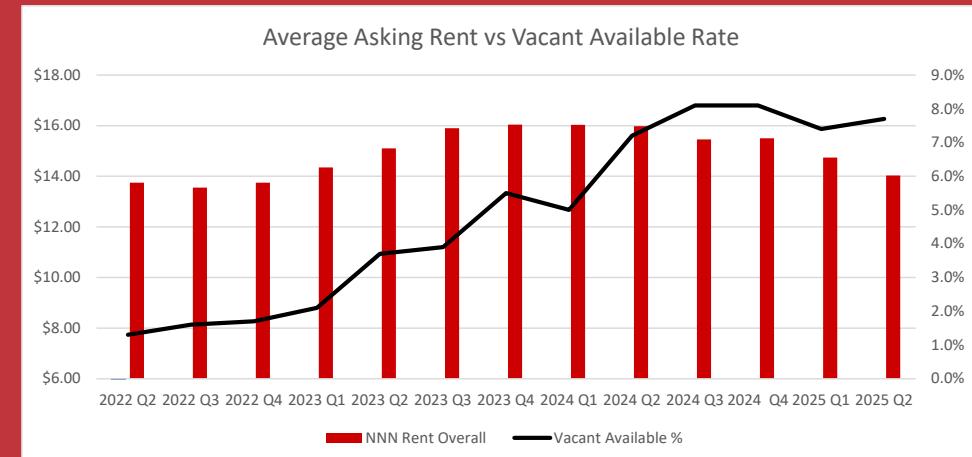


## Trends

- 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



## Trends

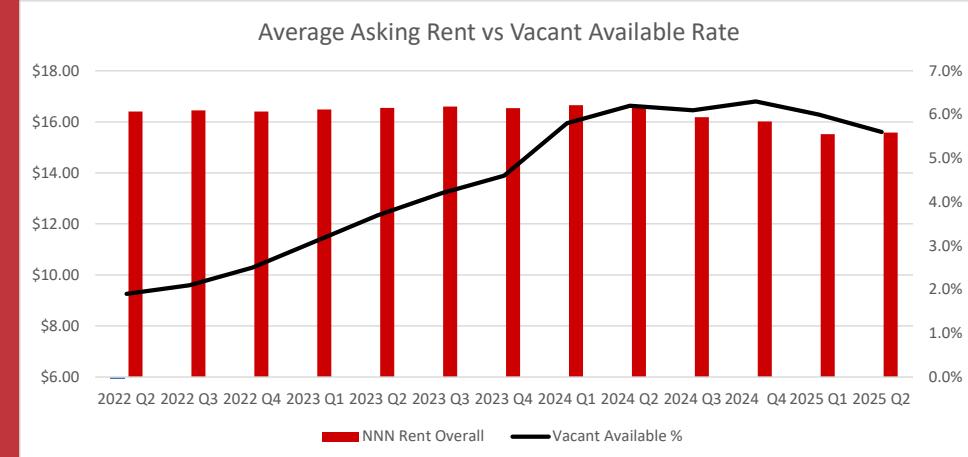
- Asking rents dropped below \$15.00 per square foot during the second quarter, after remaining relatively flat for much of 2024. Rents are down by \$2.00 per square foot from their peak levels reached at the end of 2023.
- The vacancy finished the second quarter at 7.3%, up from 7.2% at the same time 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.



# MEADOWLANDS

20  
2025  
INDUSTRIAL  
REPORT

|                             |               |
|-----------------------------|---------------|
| 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

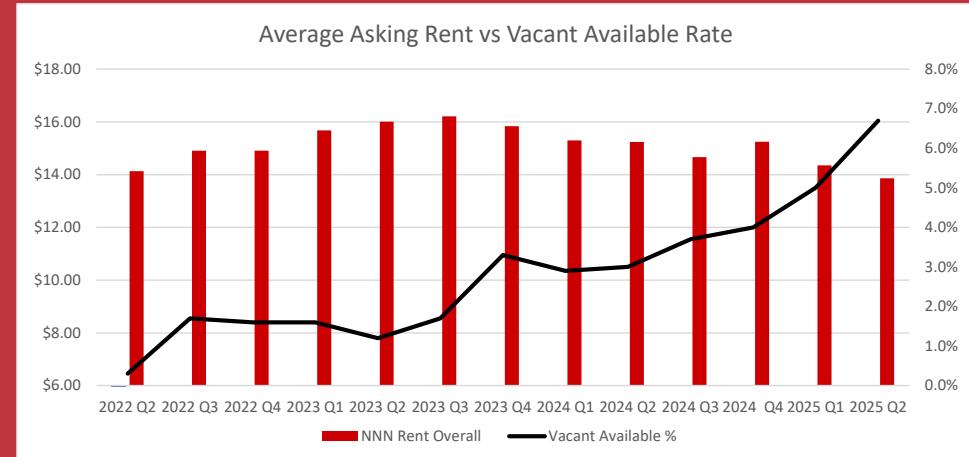


## Trends

- 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



## Trends

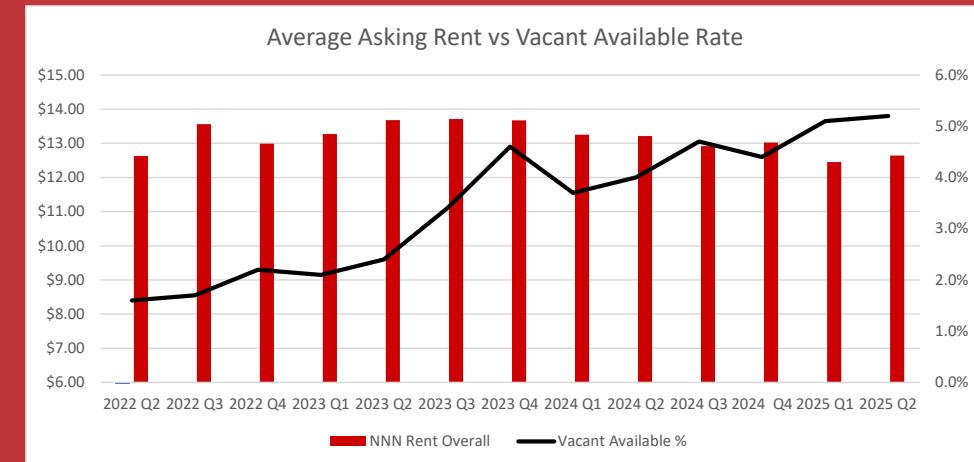
- Overall vacancy finished the year at 6.7%, up sharply from 3.0% at the same time last year. The rise in vacancy was due in part to the addition of more than 400,000 square feet from the delivery of 265 Rhode Hall Road and the marketing of 418,300 square feet at 113 Interstate Boulevard—both in Monroe 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.



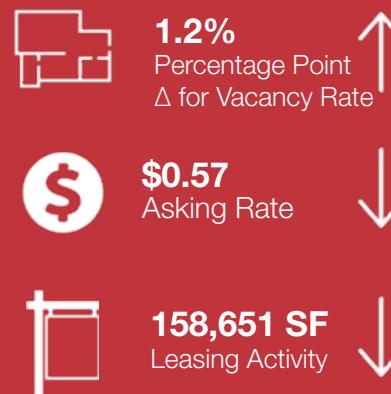
# 46/23/3 CORRIDOR

## 2025 INDUSTRIAL REPORT

|                             |               |
|-----------------------------|---------------|
| 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

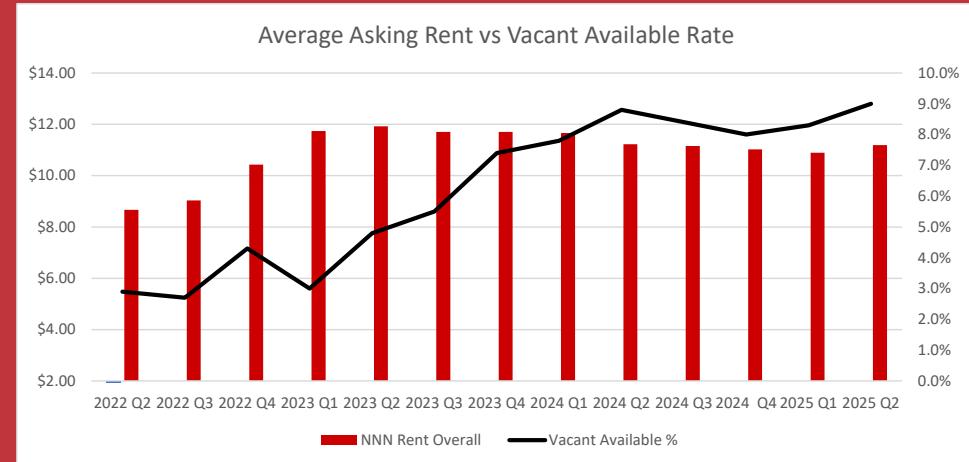


## Trends

- 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



## 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)



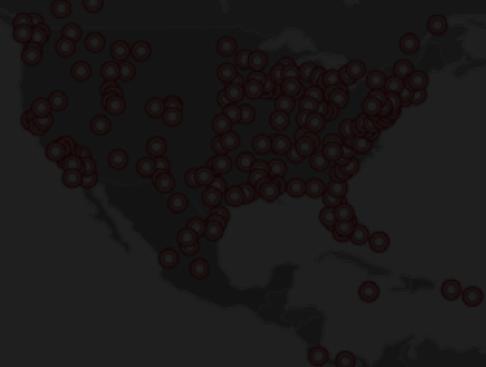
# 2Q 2025 INDUSTRIAL REPORT

NAI GLOBAL

**65±** Countries

**325±** Offices

**5,800±** Market Leaders



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**222**

TRANSACTIONS IN 2024

**\$848**

MILLION - VALUE OF  
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