

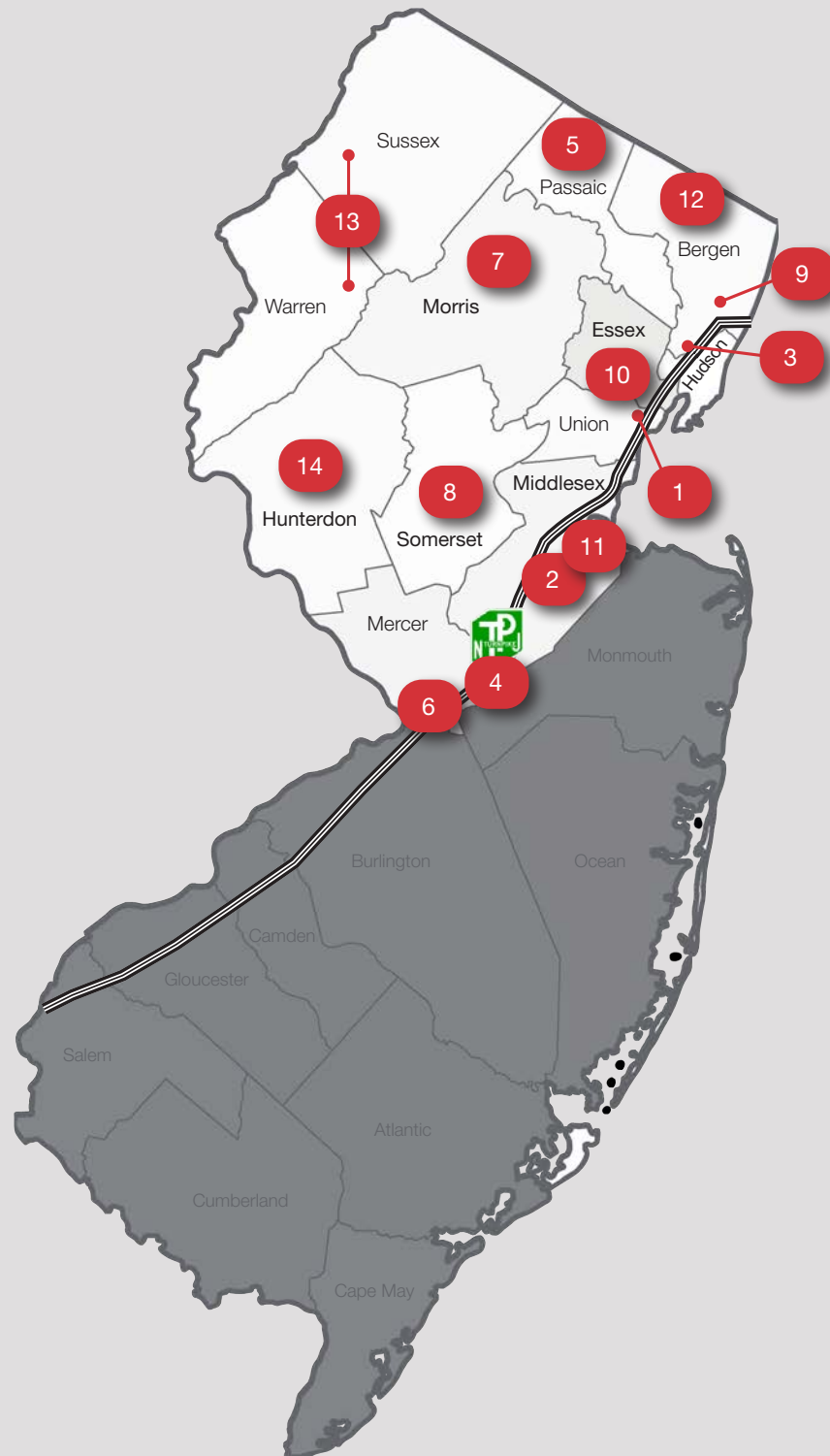
**NAI** James E. Hanson

COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

**4Q**  
**2023**  
**INDUSTRIAL**  
**REPORT**

# Our Submarkets

#	SUBMARKET	2023 VACANCY	2022 VACANCY
1	PORTS	4.8%	1.7%
2	EXIT 10/12	5.5%	1.7%
3	MEADOWLANDS	4.6%	2.5%
4	EXIT 8A	3.3%	1.6%
5	46/23/3 CORRIDOR	4.6%	2.2%
6	EXIT 7A	7.4%	4.3%
7	MORRIS REGION	5.0%	1.2%
8	SOMERSET	3.3%	3.1%
9	CENTRAL BERGEN	6.1%	2.0%
10	SUBURBAN ESSEX	4.2%	3.0%
11	BRUNSWICK/EXIT 9	4.6%	1.8%
12	NORTHERN BERGEN	5.2%	1.8%
13	WARREN & SUSSEX	4.5%	4.8%
14	HUNTERDON	5.2%	4.7%



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# Market Statistics

	Total RBA	Total Vacant Available SF	Total Vacant Available %	YTD Total Net Absorption	YTD Total SF Leased	RBA Under Construction	Average Asking Rate
Northern & Central NJ	719,785,607	33,664,418	4.7%	(2,462,719)	22,535,857	20,529,416	\$13.94
Middlesex	219,018,465	10,083,905	4.6%	142,487	8,143,482	7,459,950	\$15.09
Bergen	92,761,014	5,208,197	5.6%	(1,250,013)	2,728,683	2,875,009	\$14.23
Hudson	83,466,352	4,447,215	5.3%	(444,533)	2,235,559	2,939,074	\$14.15
Essex	67,709,262	2,584,786	3.8%	(905,636)	1,589,516	255,059	\$14.71
Union	70,503,152	2,964,245	4.2%	375,101	2,717,551	1,339,603	\$13.35
Passaic	56,124,750	2,503,615	4.5%	(1,372,281)	918,261	295,500	\$13.70
Morris	40,065,250	2,028,973	5.1%	(425,796)	788,125	1,032,092	\$13.04
Mercer	37,749,723	1,817,173	4.8%	745,078	1,850,517	1,440,162	\$10.12
Somerset	31,750,446	1,049,104	3.3%	645,045	1,101,345	1,206,885	\$13.72
Warren	10,038,691	420,848	4.2%	245,886	419,500	1,249,122	\$6.66
Hunterdon	7,133,972	369,087	5.2%	(163,787)	16,500	0	\$10.90
Sussex	3,464,530	187,270	5.4%	(54,270)	26,818	436,960	\$11.58
Orange, NY	34,960,637	2,324,671	6.6%	313,876	208,280	3,432,755	\$10.87
Rockland, NY	15,959,687	808,952	5.1%	(603,730)	834,563	880,000	\$15.35

Submarket	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Average Asking Rate
Ports	148,740,679	7,184,651	4.8%	(63,109)	4,116,686	2,407,504	\$16.55
Exits 10/12	119,978,970	6,559,829	5.5%	(178,741)	4,275,059	4,612,403	\$16.04
Meadowlands	96,122,684	4,394,277	4.6%	(1,006,813)	2,774,826	2,568,412	\$16.54
Exit 8A	76,256,379	2,480,521	3.3%	490,186	3,276,288	525,532	\$15.84
Route 46/23/3 Corridor	55,381,408	2,570,548	4.6%	(1,374,370)	1,147,836	391,215	\$13.67
Exit 7A	50,608,983	3,761,737	7.4%	986,638	2,380,705	1,048,089	\$11.70
Morris Region	38,481,418	1,910,877	5.0%	(394,869)	784,457	289,435	\$12.05
Somerset	31,450,450	1,049,104	3.3%	645,405	1,101,345	1,400,085	\$13.72
Central Bergen County	25,780,088	1,568,377	6.1%	(345,408)	553,165	394,356	\$14.45
Suburban Essex	23,883,246	1,012,906	4.2%	264	997,614	0	\$14.13
Brunswick/ Exit 9	22,783,116	1,043,555	4.6%	(181,776)	879,195	944,815	\$14.65
Northern Bergen County	22,326,379	1,157,443	5.2%	(476,613)	969,260	0	\$13.85
Warren & Sussex	13,503,221	608,118	4.5%	172,791	446,318	1,249,122	\$11.00
Hunterdon	7,121,872	367,287	5.2%	(163,787)	16,500	0	\$10.90

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# Top Transactions

## Notable 2023 SALES

**1,217,253 SF | \$217,500,000**

151 Ridgedale Ave.  
601 Murray Rd., 901-906 Murray Rd.  
East Hanover  
Buyers: Saxum Real Estate, Morgan Stanley  
Seller: Urban Edge

**768,556 SF | \$144,500,000\***

16 McKee Dr., 70-82 McKee Dr.  
91-97 McKee Dr., 59 Route 17 So  
Mahwah  
1,2,3,5,6 & 7 Pearl Ct.  
Allendale

Buyer: Faropoint Investments  
Sellers: Advance Realty Group,  
Camber RE Partners

**404,713 SF | \$123,500,000**

1 Dedrick Pl., 5 Dedrick Pl.  
West Caldwell  
200 & 250 Federal Blvd., 120 Raskulinecz Rd.  
Carteret  
Buyer: TA Realty  
Sellers: Link Logistics, Hampshire Cos.

## Notable 2023 LEASES

**1,300,000 SF**

3000 Valley Brook Ave (A&B)  
Lyndhurst  
The TJX Companies, Inc.

**886,826 SF**

258 Prospect Plains Rd.  
Cranbury  
LVMH


**845,078 SF**

1365 Lambertson Rd.  
Hamilton Twp.  
DMI, Inc.

**610,949 SF**

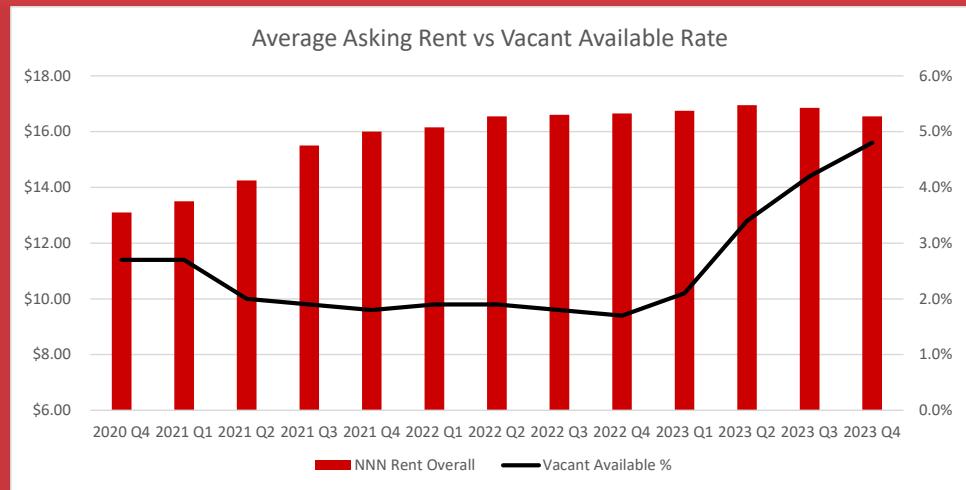
301.321 Herrod Blvd.  
S. Brunswick  
GXA Logistics

\*NAI Hanson is the exclusive listing agent for this portfolio

 <b>TOP 10 NNJ CONSTRUCTION PROJECTS</b>					
ADDRESS	SIZE (SF)	COMPLETION	DEVELOPER	SUBMARKET	
3000 Rand Boulevard, Philipsburg	1,249,122	3Q24	Bridge Development Partners	Warren & Sussex	
3000 Valley Brook Ave (Bldg. A), Lyndhurst	932,168	4Q24	JV Forsgate Industrial Partners & Russo Development	Meadowlands	
Jake Brown Rd (Bldg. 3) (Central Logistics Park), Old Bridge	818,395	3Q24	2020 Acquisitions	Exit 10/12	
1160 State Street (BridgePort II) Bldg 1, Perth Amboy	800,000	1Q24	Bridge Development Partners	Exit 10/12	
85 Main Street (Main St. Logistics Ctr.), Spotswood	654,640	1Q24	Rockefeller Development	Brunswick/Exit 9	
Jake Brown Rd (Bldg. 6) (Central Logistics Park), Old Bridge	495,086	1Q24	2020 Acquisitions	Exit 10/12	
1075 Secaucus Road, Jersey City	490,429	4Q24	1075 Secaucus Road, LLC	Port	
63 Hook Rd, Bayonne	355,580	4Q24	Bridge Development Partners	Port	
300 Salt Meadow Rd (Crow Holdings@Carteret), Carteret	355,100	1Q24	Crow Holdings Industrial	Exit 10/12	
408 Route 202, Raritan	353,830	3Q24	Woodmont Properties	Somerset Region	

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Market Size	148,740,679
Vacant Available	7,184,651
Vacant Available (%)	4.8%
4Q2023 Leasing Activity	922,787
Total 2023 Leasing Activity	4,116,686
Average Asking Rate	\$16.55
4Q2023 Net Absorption	264,260
Total 2023 Net Absorption	(63,109)
Under Construction	2,407,504
Delivered	4,987,065



## 4Q2023 vs. 4Q2022



**3.1%**  
Percentage Point  
Δ for Vacancy Rate



**\$0.10**  
Asking Rate



**278,957 SF**  
Leasing Activity



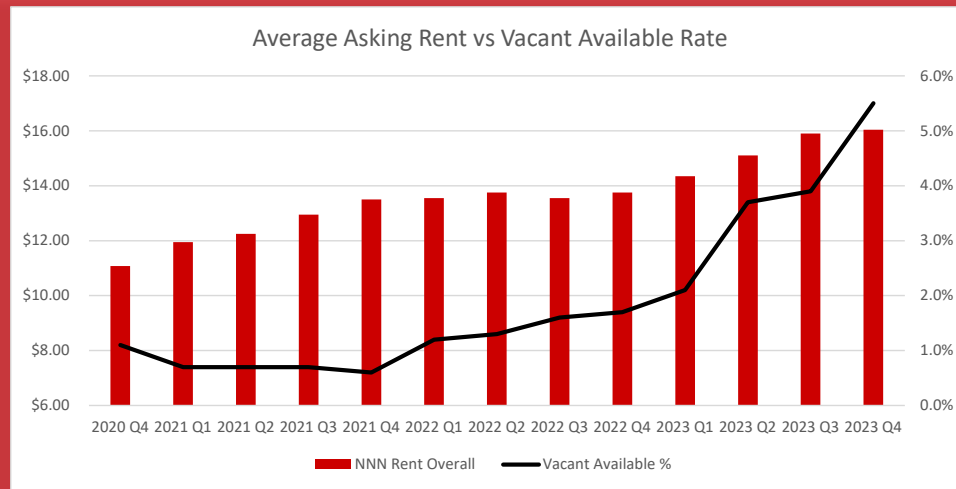
## Trends

- Average asking rents remained stable year over year after a period of sustained increases. Average rates are still above \$16.00 per square foot and are the highest of all the submarkets in Northern New Jersey.
- Nearly 5.0 million square feet of new construction came on the market during in 2023, pushing the vacancy rate up to 4.8%, as 2.5 million square feet was delivered vacant.





Market Size	119,978,970
Vacant Available	6,559,829
Vacant Available (%)	5.5%
4Q2023 Leasing Activity	951,768
Total 2023 Leasing Activity	4,275,059
Average Asking Rate	\$16.04
4Q2023 Net Absorption	(253,499)
Total 2023 Net Absorption	(178,741)
Under Construction	4,612,403
Delivered	4,060,369



### 4Q2023 vs. 4Q2022



**3.8%**  
Percentage Point  
Δ for Vacancy Rate



**\$2.29**  
Asking Rate

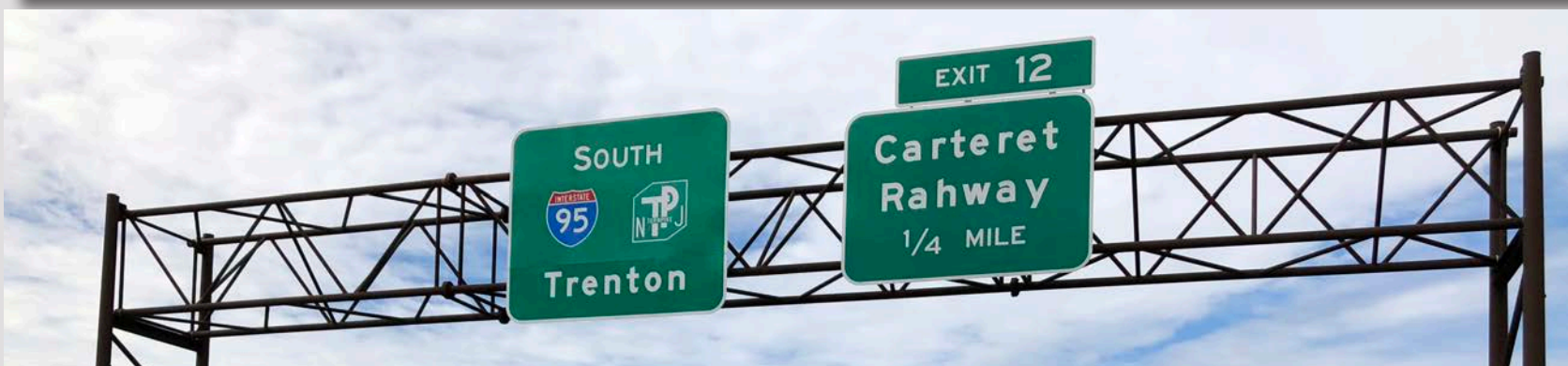


**423,371 SF**  
Leasing Activity

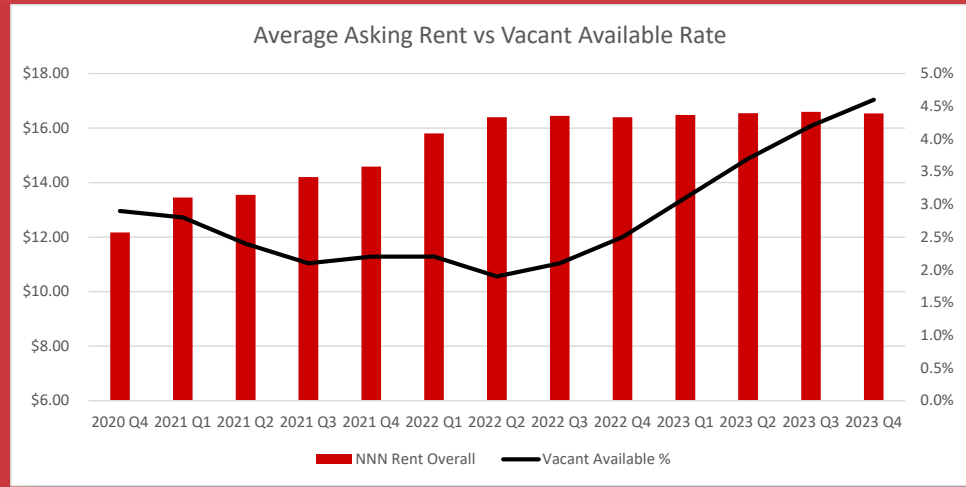


### Trends

- Average asking rents passed the \$16.00 per square foot mark during the fourth quarter for the first time, closing at \$16.04, up from \$13.75 per square foot at the same time last year. Several buildings including 23 Mack Drive and 64 Brunswick Avenue have space listed near or above \$16.00 per square foot.
- The vacancy rate finished the quarter at 5.5%, moving higher from 1.7% at the end of 2022. The rise in vacancy is largely attributable to the addition of more than 4.0 million square feet of new construction.



Market Size	96,122,684
Vacant Available	4,394,277
Vacant Available (%)	4.6%
4Q2023 Leasing Activity	370,308
Total 2023 Leasing Activity	2,774,826
Average Asking Rate	\$16.54
4Q2023 Net Absorption	170,147
Total 2023 Net Absorption	(1,006,813)
Under Construction	2,568,412
Delivered	1,078,008



## 4Q2023 vs. 4Q2022



**2.1%**  
Percentage Point  
Δ for Vacancy Rate



**\$0.14**  
Asking Rate



**2,088,494 SF**  
Leasing Activity



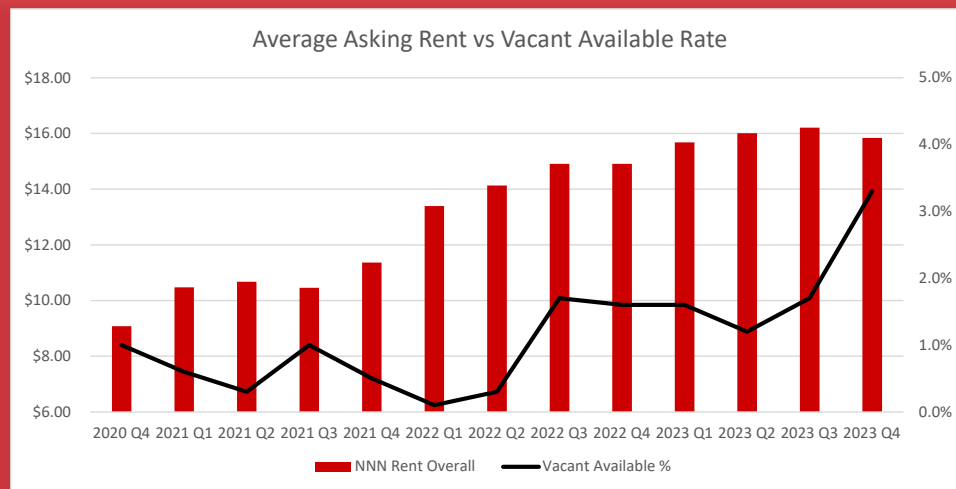
## Trends

- Asking rates finished the year at \$16.54 per square foot, up slightly from \$16.40 during the same period last year. Pricing in the Meadowlands has remained steady over the last seven quarters, after sharp increases during 2021 and the first half of 2022.
- The overall vacancy rate moved higher for the sixth consecutive quarter up to 4.6%, from 2.5% at the end of 2022. As of the end of the year there were eight buildings with more than 200,000 square feet available, including more than 500,000 square feet at the newly-constructed 1 Malcolm Avenue in Teterboro.





Market Size	76,256,379
Vacant Available	2,480,521
Vacant Available (%)	3.3%
4Q2023 Leasing Activity	558,627
Total 2023 Leasing Activity	3,276,288
Average Asking Rate	\$15.84
4Q2023 Net Absorption	(304,609)
Total 2023 Net Absorption	490,186
Under Construction	525,532
Delivered	1,397,315



### 4Q2023 vs. 4Q2022

- 1.7%** Percentage Point  $\Delta$  for Vacancy Rate
- \$0.93** Asking Rate
- 2,928,778 SF** Leasing Activity

### Trends

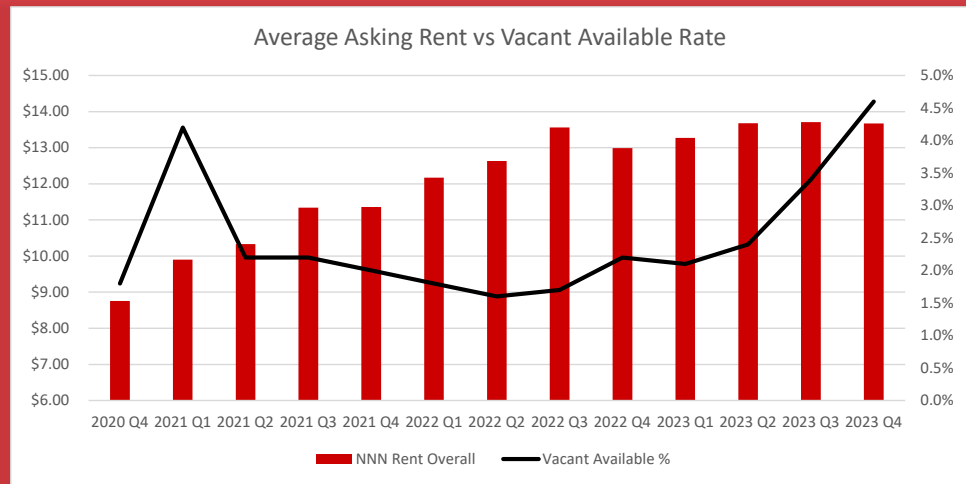
- The overall vacancy rate moved higher year-over-year, closing at 3.3% up from 1.6% at the end of 2022. The completion of 10, 20 and 30 Sigle Lane added 1.3 million square feet of inventory to market, with nearly 1.0 million square feet available.
- After reaching the \$16.00 per square foot mark during the year, average asking rents finished the year at \$15.84. Pricing is up by more than 50.0% over the last two years.





# 46/23/3 CORRIDOR

Market Size	55,381,408
Vacant Available	2,570,548
Vacant Available (%)	4.6%
4Q2023 Leasing Activity	248,742
Total 2023 Leasing Activity	1,147,836
Average Asking Rate	\$13.67
4Q2023 Net Absorption	(833,688)
Total 2023 Net Absorption	(1,374,370)
Under Construction	391,215
Delivered	0



## 4Q2023 vs. 4Q2022



**2.4%**  
Percentage Point  
Δ for Vacancy  
Rate



**\$0.68**  
Asking Rate



**1,174,240 SF**  
Leasing Activity



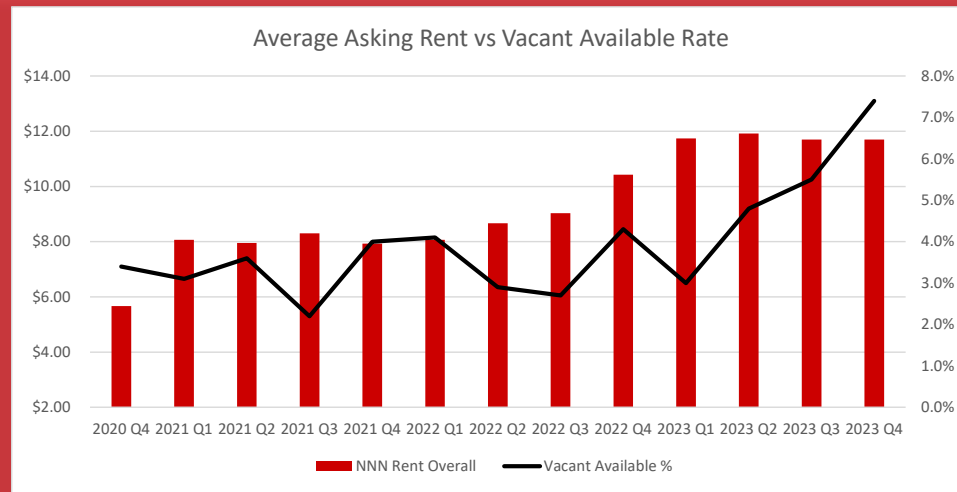
## Trends

- Mirroring the trend of most of the other submarkets, vacancy in the 46/23/3 corridor rose during the year, closing at 4.6%, up from 2.2% at the end of 2022. The addition of available space at 153-215 Linden Street, 297 Getty Avenue and 11 Taft Road contributed to the rise in the vacancy rate.
- Average asking rates closed above the \$13.00 per square foot mark during the year, finishing at \$13.67, up from \$12.99 at the same time last year. Over the last three years, rates have risen by nearly 60.0%.





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Market Size	50,608,983
Vacant Available	3,761,737
Vacant Available (%)	7.4%
4Q2023 Leasing Activity	64,778
Total 2023 Leasing Activity	2,380,705
Average Asking Rate	\$11.70
4Q2023 Net Absorption	(579,419)
Total 2023 Net Absorption	986,638
Under Construction	1,048,089
Delivered	2,426,705



### 4Q2023 vs. 4Q2022

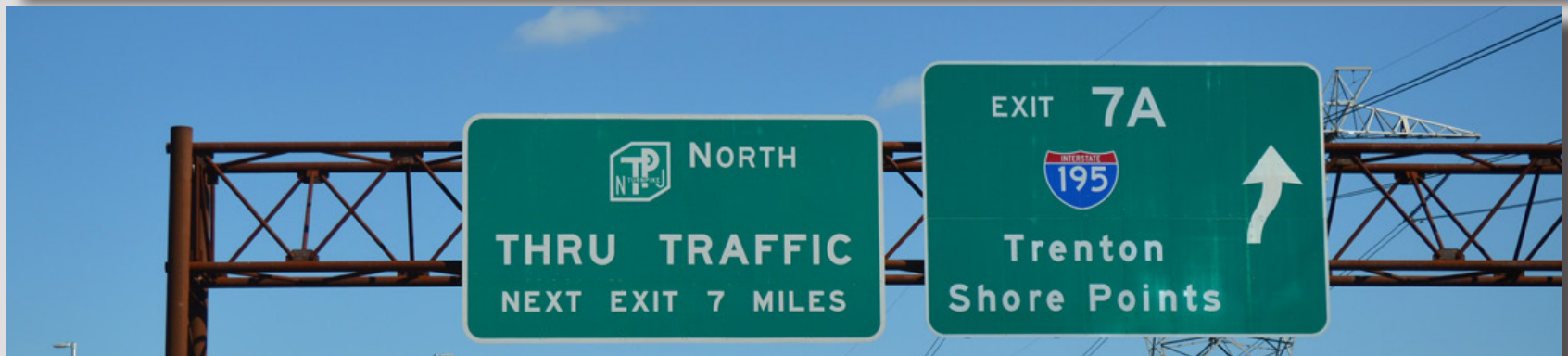
 **3.1%**  
Percentage Point  
Δ for Vacancy Rate 

 **\$1.27**  
Asking Rate 

 **179,342 SF**  
Leasing Activity 

### Trends

- Average asking jumped by nearly \$4.00 per square foot since last year as available space in newly delivered product came onto the market.
- The addition of 2.4 million square feet of new construction pushed the overall vacancy rate to 7.4%, at the end of the year, up from 4.3% last year. The completion 505 State Route 33 (Millstone 8 Logistics Center) and 368 and 400 Fairfield Road added nearly 2.0 million square feet of available space to the submarket.





## NAI Hanson Notable Industrial Transactions for 2023

ADDRESS	CITY, STATE	SIZE (sf)	SALE/LEASE
5 Henderson Drive	West Caldwell, NJ	210,530	Lease
2501 71st St	North Bergen, NJ	165,090	Lease
7777 West Side Ave	North Bergen, NJ	127,000	Sale
111 Central Ave	Teterboro, NJ	125,500	Sale
116 Lehigh Dr	Fairfield, NJ	107,107	Lease
125 Entin Rd	Clifton, NJ	87,280	Lease
2 Dedrick Place	West Caldwell, NJ	80,000	Lease
1099 King Georges Post Road	Edison, NJ	66,015	Lease
100 Demarest Drive	Wayne, NJ	65,000	Lease
100 Demarest Dr	Wayne, NJ	56,000	Lease
1-5 Plant Road	Hasbrouck Heights, NJ	64,829	Lease
82 McKee Dr	Mahwah, NJ	63,261	Lease
150 Western Road, Ste 100	Kearny, NJ	56,200	Lease
31 Industrial Ave	Mahwah, N J	54,000	Sale
106 Harbor Drive	Jersey City, NJ	53,875	Lease
397 Ferry Street	Newark, NJ	48,000	Lease
100 Hollister Drive	Teterboro, NJ	42,985	Lease
66-70 Austin Blvd	Commack, NY	40,000	Lease
91-97 McKee Dr	Mahwah, NJ	36,000	Lease
10 Industrial Ave	Mahwah, NJ	34,370	Lease
275 W. Natick Rd	Warwick, RI	33,000	Lease
1 Pearl Court	Allendale, NJ	32,895	Lease
99 Murray Hill Parkway	East Rutherford, NJ	32,000	Lease
160 Broadway	Cresskill, NJ	32,000	Lease
7 Greek Lane	Edison, NJ	28,800	Lease
235 Murray Hill Pkwy	East Rutherford, NJ	26,900	Lease
100 Christie St	Newark, NJ	25,000	Lease

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# 4Q 2023 INDUSTRIAL REPORT



NAI GLOBAL

65± Countries  
325± Offices  
5,800± Market Leaders

**73** REAL ESTATE PROFESSIONALS

Superior information management and market research capabilities

**44** Agents

12 SIOR'S - THE HIGHEST OF ANY CRE FIRM IN NJ

For more information, please contact:

William C. Hanson, SIOR  
President  
201 488 5800 x145  
whanson@naihanson.com

