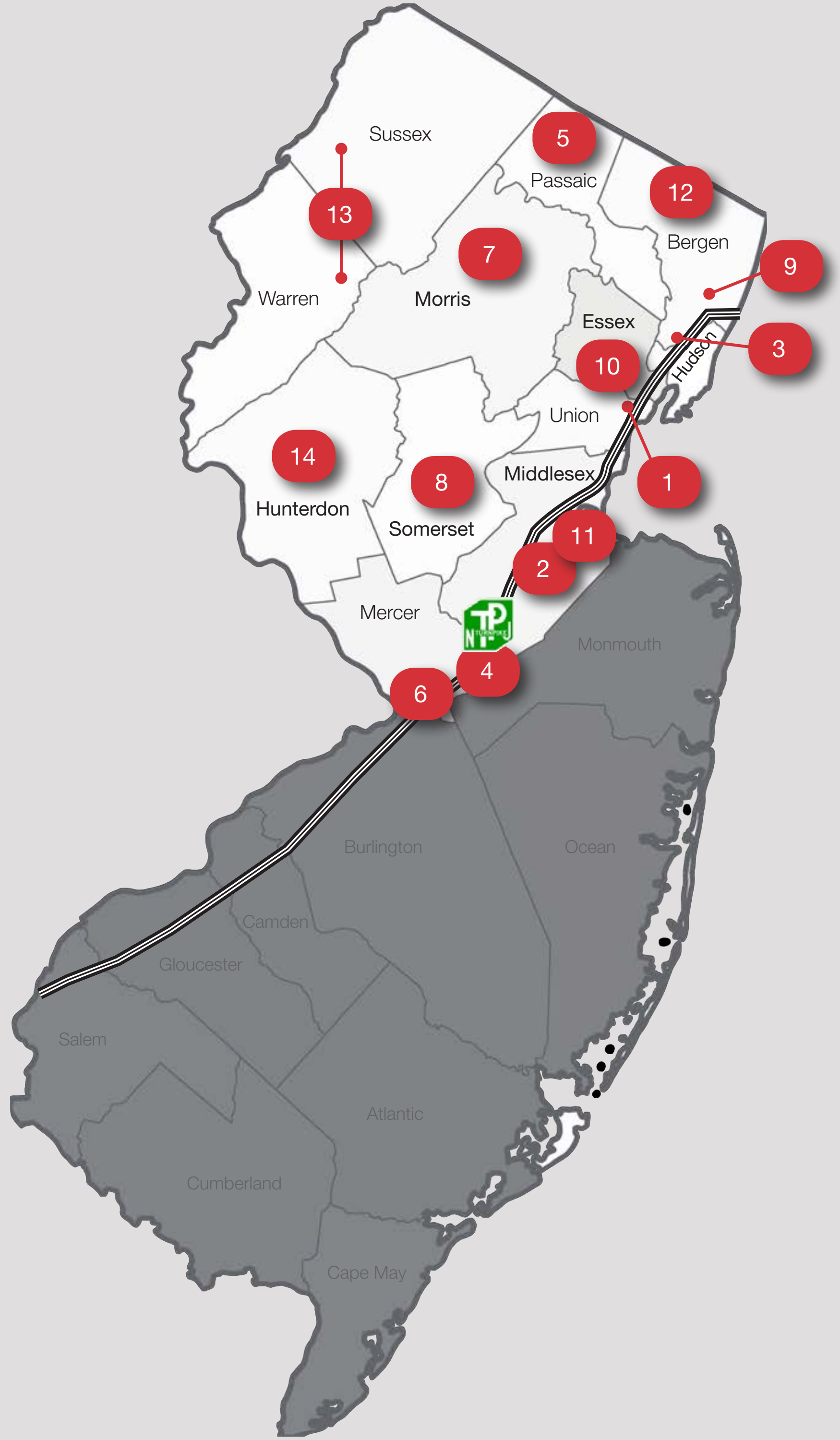
NAI James E. Hanson

COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

2Q 2026 INDUSTRIAL REPORT

Our Submarkets

#	SUBMARKET	VACANCY
1	PORTS	6.6%
2	EXIT 10/12	6.4%
3	MEADOWLANDS	6.0%
4	EXIT 8A	7.5%
5	46/23/3 CORRIDOR	5.4%
6	EXIT 7A	12.3%
7	MORRIS REGION	9.8%
8	SOMERSET	8.9%
9	CENTRAL BERGEN	4.8%
10	SUBURBAN ESSEX	4.5%
11	BRUNSWICK/EXIT 9	8.3%
12	NORTHERN BERGEN	5.2%
13	WARREN & SUSSEX	17.5%
14	HUNTERDON	6.8%



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Economic Overview

Economic indicators were mixed during the first half of the year. The labor market proved resilient with job growth outpacing expectations in the second quarter. The unemployment rate has been steady hovering at or near 4.3% for the last year. Upward revisions for data released earlier in the year show a stronger job market than expected. While the job market has been a bright spot, inflation has been stubborn. The recent conflict with Iran and tensions in the Middle East led to higher inflation during the second quarter. After remaining under 3.0% during the first quarter, inflation moved to 3.8% in April and breached 4.0% in May, reaching a three-year high. Rising energy prices have been the main pressure point for consumers. A strong jobs report and a surge in inflation have created uncertainty but the Federal Reserve has left interest rates unchanged for now.

New Jersey's unemployment rate has remained higher than the national average for more than two years, moving between 4.5%-5.0%. According to the New Jersey Department of Labor, jobs have been primarily in private education and health services, government, financial services and manufacturing. Other bright spots for the Garden State included growth in high-value sectors such as life sciences and technology.

Market Overview

Northern New Jersey's overall vacancy has increased steadily from the historical lows seen during the pandemic, but at 7.1%, the rate remains well-below the national level. Demand for well-located, Class A product with high ceilings has been the main driver of leasing through the first half of the year. Large users and 3PL firms have been especially active in that segment of the market. Through June, there were 12 transactions over 300,000 square feet completed, boosting year-to-date leasing volume to 14 million square feet.

The level of new construction deliveries continues to slow. During the first six months of the year there were 3.9 million square feet delivered with 1.5 million square feet available. Comparatively, there were 4.6 million square feet delivered over the same period last year, with 3.4 million square feet available. As of mid-year, there were 7.6 million square feet under construction with delivery expected by the end of the year.

Average asking rents are still high by historical standards but have leveled after recent spikes. There are some segments of the market, however, where starting rents have exceeded $20.00 per square foot.

Market Statistics

	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Class A Average Asking Rate	Overall Average Asking Rate
Northern & Central NJ	749,446,348	53,522,623	7.1%	(609,753)	13,901,474	9,901,074	$16.25	$13.87
Middlesex	225,024,206	15,689,552	7.0%	500,858	5,849,288	3,181,920	$16.22	$14.11
Bergen	92,175,235	5,083,523	5.5%	298,405	1,943,504	470,402	$19.41	$16.19
Hudson	80,789,846	6,223,598	7.7%	739,507	1,464,906	851,912	$18.97	$15.46
Essex	69,252,948	3,150,583	4.5%	(195,887)	582,228	354,400	$15.28	$13.86
Union	70,288,220	4,312,676	6.1%	(773,726)	1,291,778	277,818	$19.68	$13.68
Passaic	54,400,043	2,976,174	5.5%	(370,204)	851,432	0	$13.08	$13.32
Morris	41,881,961	3,290,046	7.9%	424,402	472,841	1,601,199	$14.88	$14.73
Mercer	38,890,266	5,229,902	13.4%	(644,148)	512,482	1,008,075	$13.68	$11.00
Somerset	33,353,631	2,954,809	8.9%	(547,335)	648,963	572,386	$14.57	$13.46
Monmouth	22,068,719	1,519,628	6.9%	(48,206)	67,350	1,158,800	$15.09	$13.55
Warren	11,639,669	2,623,269	22.5%	108,122	110,584	353,525	$11.01	$10.81
Hunterdon	5,966,744	403,022	6.8%	(164,774)	40,222	70,637	$0.00	$13.15
Sussex	3,714,860	65,841	1.8%	63,233	65,896	0	$9.14	$7.40
Rockland, NY	37,187,219	3,704,091	10.0%	115,291	318,234	1,554,486	$11.64	$8.58
Orange, NY	16,141,564	1,888,194	11.7%	(109,281)	197,728	160,000	$14.50	$14.50

	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Class A Average Asking Rate	Overall Average Asking Rate
Ports	149,303,719	9,816,034	6.6%	(242,250)	2,367,606	632,218	$21.53	$13.73
Exits 10/12	124,976,507	8,012,573	6.4%	378,403	2,308,920	2,722,889	$19.50	$14.07
Meadowlands	94,321,476	5,649,131	6.0%	274,881	1,696,678	1,087,095	$21.95	$16.24
Exit 8A	77,171,357	5,767,521	7.5%	82,219	4,247,194	100,000	$16.75	$15.68
Route 46/23/3 Corridor	53,917,095	2,926,473	5.4%	(288,141)	885,100	0	$18.84	$16.02
Exit 7A	52,714,870	6,459,519	12.3%	(732,994)	566,982	2,166,875	$14.38	$12.07
Morris Region	40,306,686	3,937,511	9.8%	424,402	433,173	1,601,199	$14.88	$14.63
Somerset Region	33,353,631	2,954,809	8.9%	(547,335)	648,963	572,386	$14.57	$13.46
Central Bergen County	25,508,738	1,218,211	4.8%	352,478	384,606	154,240	$16.11	$15.58
Suburban Essex	24,207,035	1,085,057	4.5%	14,862	354,755	0	$0.00	$14.53
Brunswick/ Exit 9	22,876,342	1,893,443	8.3%	184,819	229,622	359,031	$14.02	$12.94
Northern Bergen County	21,087,776	1,090,179	5.2%	(303,566)	484,771	80,979	$15.51	$15.45
Warren & Sussex	15,354,529	2,689,110	17.5%	5,355	145,353	353,525	$10.84	$10.16
Hunterdon	5,966,744	403,022	6.8%	(164,774)	40,222	70,637	$0.00	$13.15

Top Transactions

Top YTD Sales

1,700,000 SF | $360,000,000
200 Rt 1
Newark
Buyer: Goodman North America Management, LLC
Seller: Anheuser-Busch

450,330 SF | $138,500,000
1065 Cranbury South River Road
South Brunswick
Buyer: Property Reserve, Inc.
Seller: Morgan Stanley

470,044 SF | $129,300,000
1879 Route 46
Landing
Buyer: U.S. Immigration & Customs Enforcement
Seller: Dalfen Industrial | The Goldman Sachs Group, Inc.

220,695 SF | $56,000,000
505 State Route 33
Millstone
Buyer: EQT Real Estate
Seller: Crow Holdings Industrial | The Carlyle Group | 2020 Acquisitions

Top YTD Leases

800,000 SF
1160 State Street
Perth Amboy
GoFo, Inc.

700,000 SF
207 Route 73 South
Palmyra
Creative Innovation

695,073 SF
25-53 Talmadge Road
Edison
FedEx (Renewal)

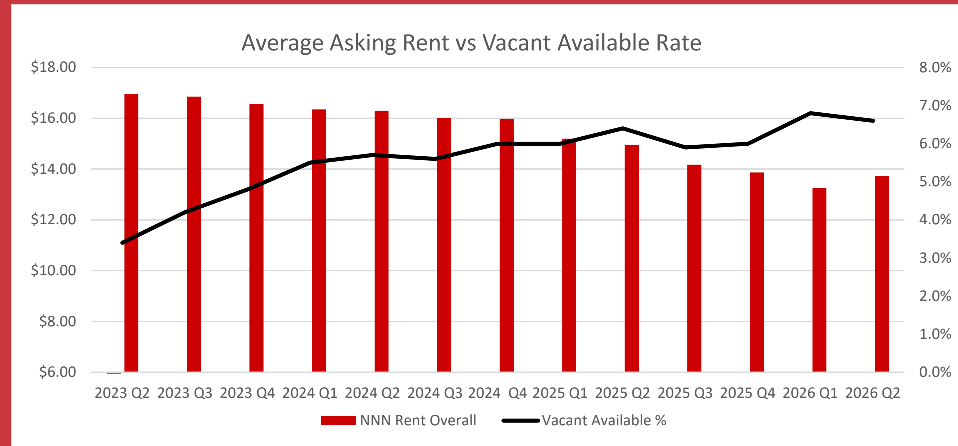
600,000 SF
201 Middlesex Center Blvd.
Monroe
DSV

TOP 10 CONSTRUCTION PROJECTS

ADDRESS	SIZE (SF)	COMPLETION	DEVELOPER	SUBMARKET
577 Smith Street	973,395	4Q26	Brookfield Properties	Exits 10/12
201 Jake Brown Road	808,510	4Q26	2020 Acquisitions	Exits 10/12
100 Paterson Plank Road	775,000	2Q27	Hartz Mountain Industries, Inc.	Meadowlands
40 Jake Brown Road	646,278	4Q26	2020 Acquisitions	Exits 10/12
111 Route 10	602,409	3Q26	Russo Development, Related Fund Management, Onyx Equities	Morris Region
105-161 Hyatt Avenue	354,400	3Q26	Link Logistics Real Estate	Port
120 Manunka Chunk Road	353,525	3Q26	Krame Development Co., Inc.	Warren & Sussex
740 Corporate Boulevard	333,580	4Q26	Johnson Development Associates	Exit 7A
203B State Route 33	302,250	4Q27	EQT Real Estate	Exit 7A
203A State Route 33	294,500	4Q26	EQT Real Estate	Exit 7A

PORTS

Market Size	149,303,719 SF
Vacant Available	9,816,034 SF
Vacant Available (%)	6.60%
2Q2026 Leasing Activity	1,666,413 SF
Total 2026 Leasing Activity	2,367,606 SF
Average Asking Rate	$13.173 PSF
2Q2026 Net Absorption	363,082 SF
Total 2026 Net Absorption	(242,250) SF
Under Construction	632,218 SF
Delivered	142,660 SF



2Q2026 vs. 2Q2025

.2%
Percentage Point
Δ for Vacancy Rate

$0.95
Asking Rate

1.1 MSF
Leasing Activity

Trends

- Overall average asking rents trended downward for much of 2025 but have since leveled. The demand for Class A properties, however, has led to a nearly $8.00 per square foot gap for prime buildings versus the broader market.
- After reaching a historical low of just over 3.0% in 2023. the overall vacancy has moved higher but has remained in the 6.0%-6.5% range since the first quarter of 2025. Vacancy is likely to tighten over the next year, with only 632,218 square feet of new construction underway.

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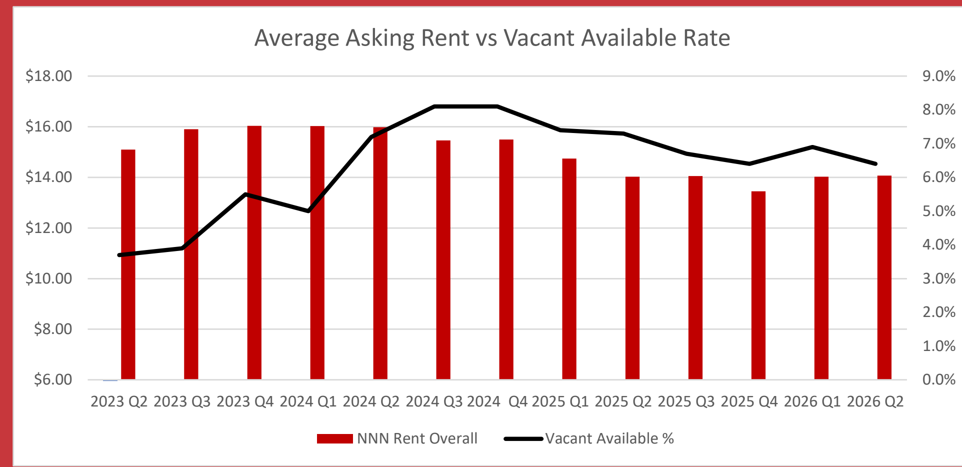
EXIT 10/12

Market Size	124,976,507 SF
Vacant Available	8,012,573 SF
Vacant Available (%)	6.40%
2Q2026 Leasing Activity	1,269,325 SF
Total 2026 Leasing Activity	2,308,920 SF
Average Asking Rate	$14.07 PSF
2Q2026 Net Absorption	(277,795) SF
Total 2026 Net Absorption	378,403 SF
Under Construction	2,722,454 SF
Delivered	72,000 SF



2Q2026 vs. 2Q2025

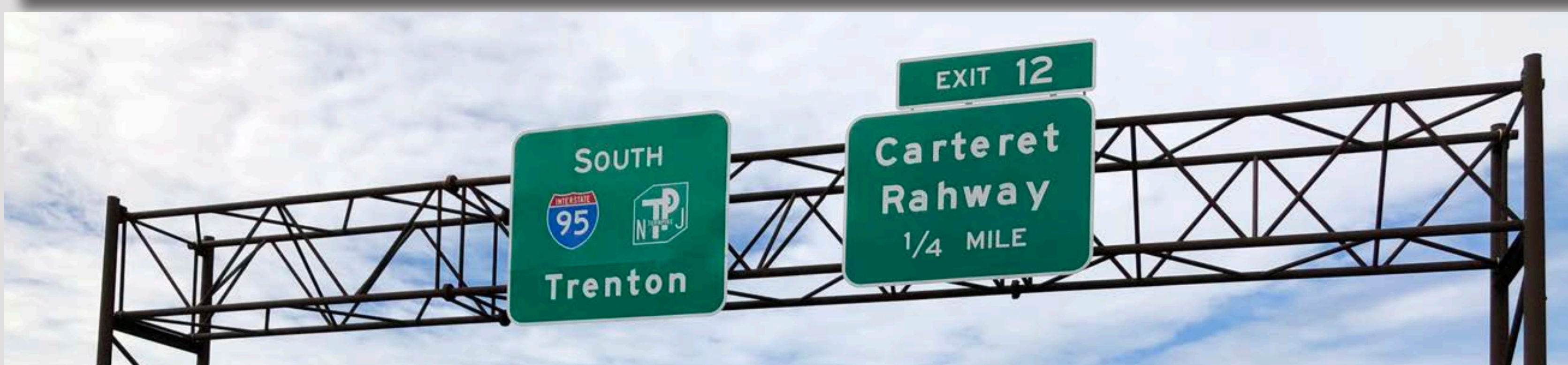
.9%
Percentage Point
Δ for Vacancy Rate

$0.04
Asking Rate

1.1 MSF
Leasing Activity

Trends

- Asking rents dropped below $14.00 per square foot during the fourth quarter of 2025 but have since leveled. Year-over-year rates were relatively flat, finishing at $14.07 per square foot, from $14.03 at mid-year 2025.
- The vacancy moved lower over the last 12 months, down to 6.4%. Despite a drop off in the amount of leasing activity compared to last year, absorption was positive. The largest lease of the quarter, GoFo, Inc.'s for 800,000 square foot deal at 1160 State Street in Perth Amboy, occurred in the submarket.



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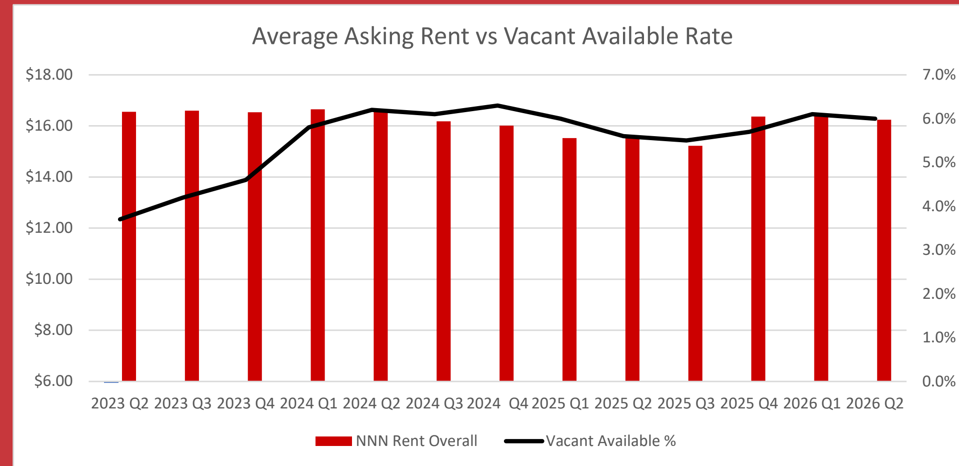
MEADOWLANDS

Market Size	94,321,476 SF
Vacant Available	5,649,131 SF
Vacant Available (%)	6.00%
2Q2026 Leasing Activity	765,802 SF
Total 2026 Leasing Activity	1,696,678 SF
Average Asking Rate	$16.24 PSF
2Q2026 Net Absorption	(73,015) SF
Total 2026 Net Absorption	274,881 SF
Under Construction	1,087,095 SF
Delivered	1,286,241 SF



2Q2026 vs. 2Q2025

.4%
Percentage Point
Δ for Vacancy

$0.66
Asking Rate

166,416 SF
Leasing Activity

Trends

- Overall vacancy finished the second quarter at 6.0%. A drop off in new product deliveries over the last 18 months has allowed the vacancy rate to remain relatively stable. The only new construction project delivered this year was 2000 Valley Brook Avenue in Lyndhurst, which was fully leased upon completion by TJX Companies.
- After briefly dropping below $16.00 per square foot in 2025, average asking rents rebounded at the end of the last year and finished the second quarter at $16.24 per square foot. Rates in the Meadowlands are among the highest in Northern New Jersey.

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EXIT 8A

2Q 2026
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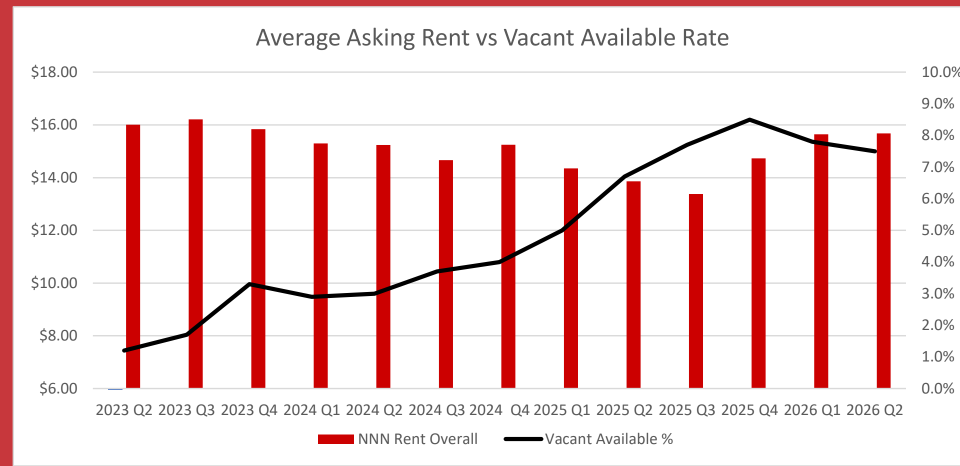
Market Size	77,171,357 SF
Vacant Available	5,767,521 SF
Vacant Available (%)	7.50%
2Q2026 Leasing Activity	1,331,892 SF
Total 2026 Leasing Activity	4,247,194 SF
Average Asking Rate	$15.68 PSF
2Q2026 Net Absorption	(75,584) SF
Total 2026 Net Absorption	82,819 SF
Under Construction	100,000 SF
Delivered	0 SF



2Q2026 vs. 2Q2025

.8%
Percentage Point
Δ for Vacancy Rate

$1.82
Asking Rate

2.7 MSF
Leasing Activity

Trends

- Overall vacancy finished the second quarter at 7.5%, from 6.7% at the same time last year despite a substantial increase in leasing activity. There were five leases in excess of 200,000 square feet signed during the first half of the year. The largest was DSV at 201 Middlesex Center Boulevard in Monroe for 600,000 square feet.
- Average asking closed the year at $15.68 per square foot, up from $13.86 at the same time last year. With only 100,000 square feet of new construction slated for delivery over the next 12 months upward movement on rents could continue with sustained demand.

46/23/3 CORRIDOR

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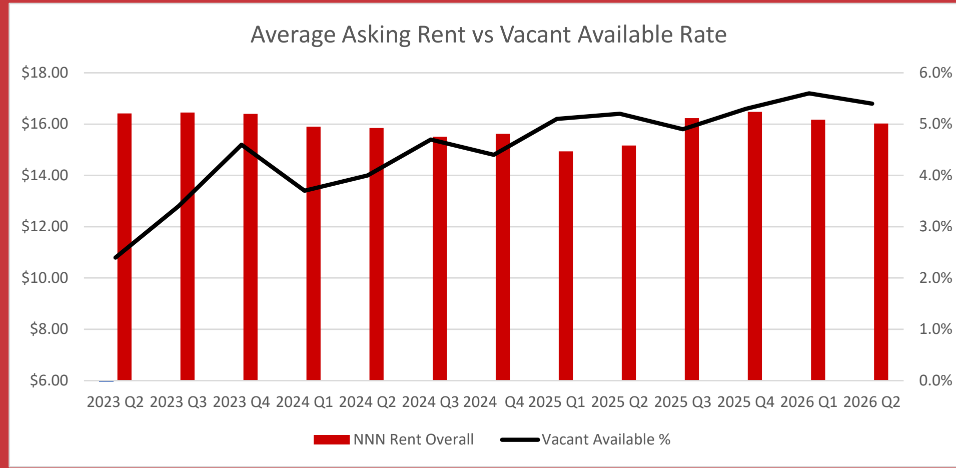
Market Size	53,917,095 SF
Vacant Available	2,926,473 SF
Vacant Available (%)	5.40%
2Q2026 Leasing Activity	183,960 SF
Total 2026 Leasing Activity	885,100 SF
Average Asking Rate	$16.02 PSF
2Q2026 Net Absorption	(120,368) SF
Total 2026 Net Absorption	(288,141) SF
Under Construction	0 SF
Delivered	0 SF



2Q2026 vs. 2Q2025

.2%
Percentage Point
Δ for Vacancy Rate

$0.16
Asking Rate

373,635 SF
Leasing Activity

Trends

- The overall vacancy rate has remained relatively stable over the last 18 months, closing at 5.4%. A lack of new construction has allowed the rate to remain under 6.0% for the last three years. Since 2023, only 450,000 square feet have been delivered and there are no new projects currently underway.

- Average asking rates in the 46/23/3 Corridor have, similarly, been remarkably stable ranging between $15.50-$16.50 per square foot range for the last 14 quarters. Class A rents are averaging near $19.00 per square foot par with the other larger submarkets.

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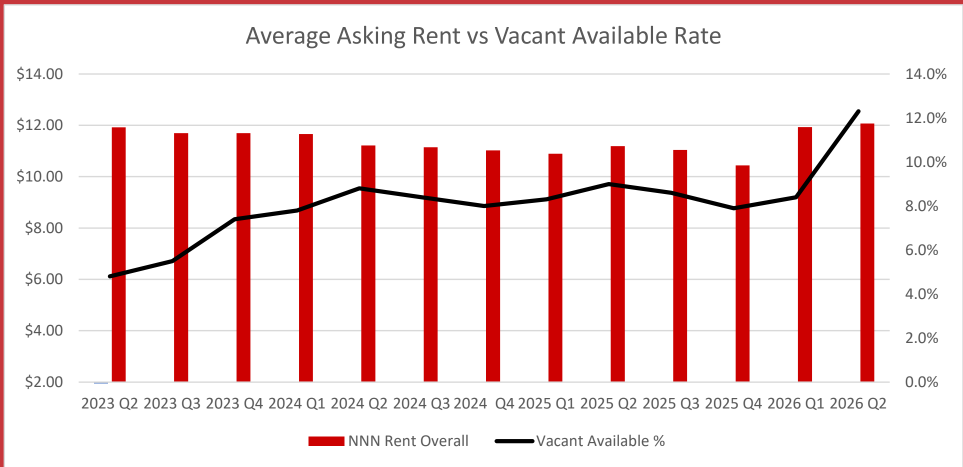
EXIT 7A

Market Size	52,714,870 SF
Vacant Available	6,459,519 SF
Vacant Available (%)	12.30%
2Q2026 Leasing Activity	41,541 SF
Total 2026 Leasing Activity	566,982 SF
Average Asking Rate	$12.07 PSF
2Q2026 Net Absorption	(781,742) SF
Total 2026 Net Absorption	(734,994) SF
Under Construction	2,3166,875 SF
Delivered	618,624 SF



2Q2026 vs. 2Q2025

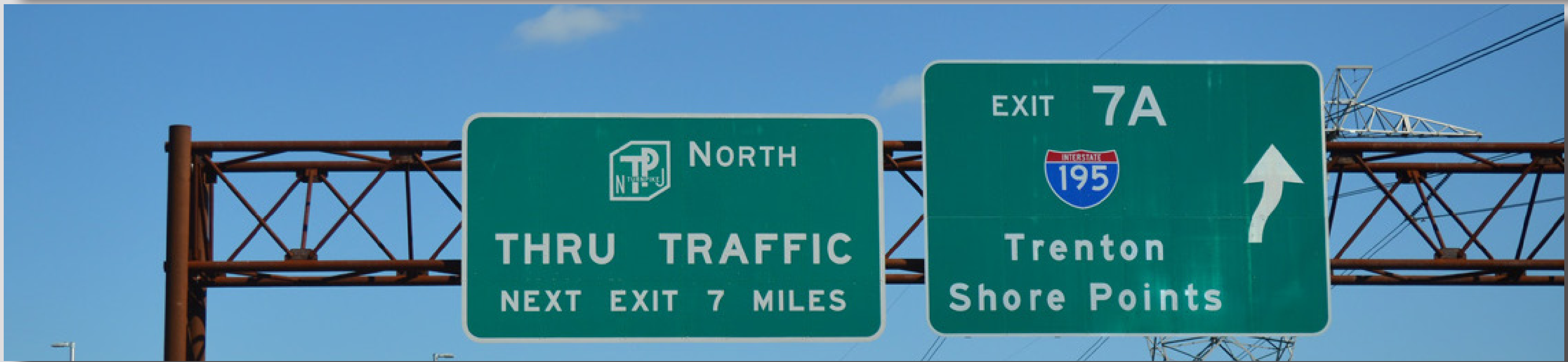
3.3%
Percentage Point
Δ for Vacancy Rate

$0.88
Asking Rate

221,267 SF
Leasing Activity

Trends

- Average asking rents have risen over the last two quarters, closing at $12.07 per square foot. Rates in the submarket has hovered between $11.00-$12.00 per square foot for the last 13 quarters. Class A rates averaging more than $2.00 per square foot more than the overall market.
- The overall vacancy rate reached a recent high of 12.3% at the close of the quarter 850,000 square feet was placed on the market at 1376 Lamberton Road in Hamiton Township. Other The largest lease signed so far this year was SunRun's lease of 231,850 square feet at 13 Applegate Drive in Mercer County.



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COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

NAI GLOBAL

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

85 REAL ESTATE PROFESSIONALS

Superior information management and market research capabilities

52 Agents

SIOR

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

251 TRANSACTIONS IN 2025

$752 MILLION - VALUE OF TRANSACTIONS IN 2025

Consistently ranked as Top "Power Broker" by Costar Group

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