LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q1 2025
NEW JERSEY, NJ

INDUSTRIAL MARKET OVERVIEW

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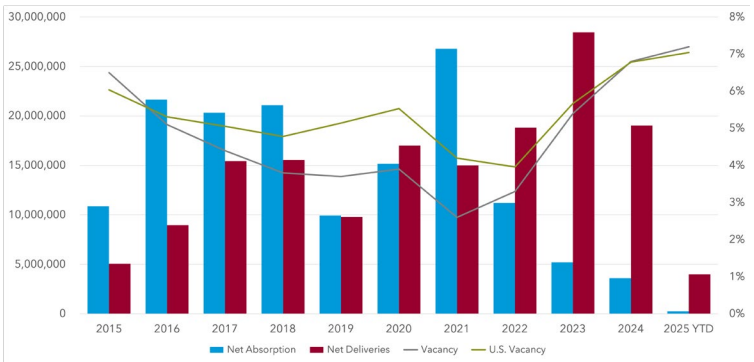
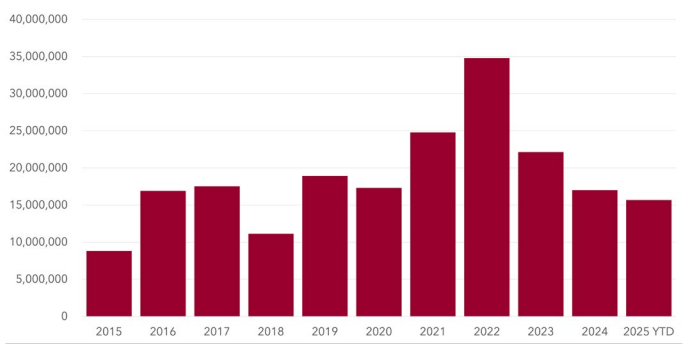
The NJ Industrial market reacted to new tariffs, with many global 3PL's signing sizable footprints in the Ports just before Q2. Nearly half of the largest leases signed were by manufacturers. Rental growth continued negatively for the fourth consecutive quarter. Despite record Class A asking rates, effective taking rents show the largest discount off sticker price in at least a cycle as owners offer more generous free rent. Amid uncertainty of a changing economic climate, 7.2MM SF was leased in 6 months on average, the lowest quarter in 29 years. 29 leases over 100k SF were signed. 10 leases totaling 321k SF or 4% of all inked space were subleases. Available sublet space hit another consecutive new record of 13.7MM SF, mainly in Exit 8A submarket. Net absorption clocked just 247k SF, only 6.5% of the 10-year average. Sales volume finished Q1 at $660MM, 49% of the 5-year average.

MARKET INDICATORS	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
▼ Qtrly Net Absorption SF	246,504	2,645,794	2,263,647	(1,305,737)	1,582
▲ Vacancy Rate	7.2%	6.8%	6.7%	6.3%	5.8%
▼ Avg NNN Asking Rate PSF	$13.45	$13.48	$13.59	$13.61	$13.65
▲ Sale Price PSF	$198.82	$182.64	$192.52	$167.74	$241.92
▼ Cap Rate	6.8%	7.0%	10.1%	5.9%	6.8%
▼ Under Construction SF	15,674,457	17,014,621	18,260,583	20,860,387	21,019,745
▲ Inventory SF	1,073,054,330	1,069,060,081	1,064,879,935	1,058,850,136	1,054,402,126

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
201 Middlesex Center Boulevard Monroe, NJ	600,000 SF	$166,825,000 $278.04 PSF	Prologis Atlantic Realty Development Corp.	Class A
1735 Jersey Avenue North Brunswick, NJ	360,000 SF	$74,300,000 $206.39 PSF	Taconic Partners Saadia Group LLC	Class B
500 Halls Mill Road Freehold, NJ	204,780 SF	$36,000,000 $175.80 PSF	Camber Real Estate / Invesco Treetop Development	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1115 W. Middlesex Avenue Port Reading, NJ	405,256 SF	Prologis	Nestle	Food Manufacturing
4259 US-130 Edgewater Park, NJ	400,950 SF	GIC Real Estate & EQT Real Estate	JD.com	3PL
30 Sigle Lane Dayton, NJ	338,721 SF	Heller Industrial Parks	Shaw Industries Group	Carpet & Rug Manufacturing