



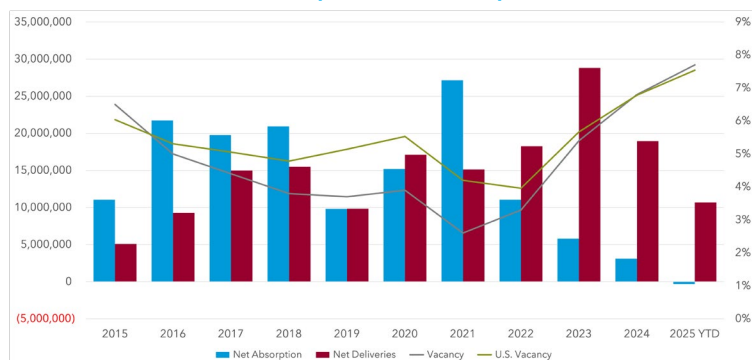
## INDUSTRIAL MARKET OVERVIEW

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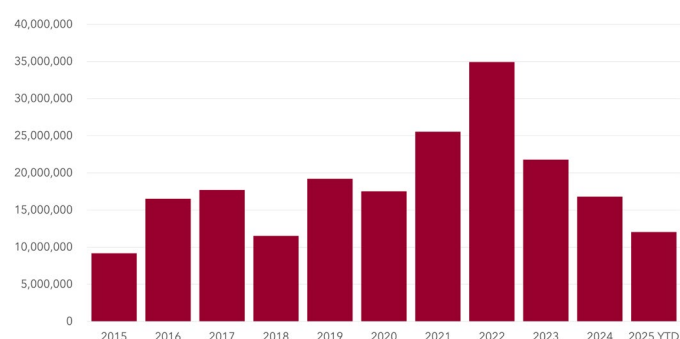
The NJ Industrial market continues to regulate with more availabilities in recently overbuilt submarkets. Rental growth remained nearly flat. Despite record Class A asking rates, effective taking rents show the largest discount off sticker price, especially in tertiary located Class A space, with landlords offering more free rent, now averaging 5+ months. Nearly all the largest leases signed were by logistics users. Leasing fell slightly QoQ, now at 83% of the 5-year average at 10.4MM SF leased; in 6 months on average. 43 leases over 100k SF were signed with the largest gains in the 100k-300k SF tranche. 14 leases totaling 410k SF or 4% of all inked space were subleases, more than halving QoQ. Available sublet space remains at all-time highs at 13.9MM SF, mostly in Exit 8A. Net absorption clocked 718k SF turning positive QoQ. Sales volume finished Q3 at \$663MM, 45% of the 5-year average. Average pricing fell 20% to \$208 PSF while average cap rates decompressed 60 bps up to 8.4% as the Fed lowered its target rates to 4.00% - 4.25%, down 25 bps in September. 74.8MM SF is proposed.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ Qtrly Net Absorption SF	718,358	(53,090)	(978,585)	2,906,666	2,085,865
▲ Vacancy Rate	7.7%	7.5%	7.2%	6.8%	6.7%
▼ Avg NNN Asking Rate PSF	\$13.45	\$13.49	\$13.46	\$13.52	\$13.62
▼ Sale Price PSF	\$207.72	\$261.28	\$208.08	\$186.76	\$183.38
▲ Cap Rate	8.4%	7.8%	6.9%	7.0%	10.1%
▼ Under Construction SF	12,031,706	13,658,954	15,380,375	16,808,232	17,606,987
▲ Inventory SF	1,071,112,042	1,067,734,207	1,064,642,259	1,060,422,035	1,056,484,408

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
500 University Court Blackwood, NJ	275,930 SF	\$36,200,000 \$131.19 PSF	Berkeley Partners Equity Industrial Partners	Class A
333 North Street Teterboro, NJ	221,448 SF	\$74,500,000 \$336.42 PSF	Berkeley Partners Equity Industrial Partners	Class B
2321 High Hill Road Kearny, NJ	197,500 SF	\$26,050,000 \$131.90 PSF	Link Logistics Real Estate EQT Real Estate	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2 Gateway Boulevard Pedricktown, NJ	705,000 SF	Matrix Development	JW Logistics	Logistics
16 Applegate Drive Robbinsville, NJ	480,420 SF	PGIM	Sino Investment	Manufacturer
500 Salt Meadow Road Carteret, NJ	479,700 SF	Broad Range Logistics	Crow Holdings	Logistics

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