LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2026
NEW JERSEY, NJ

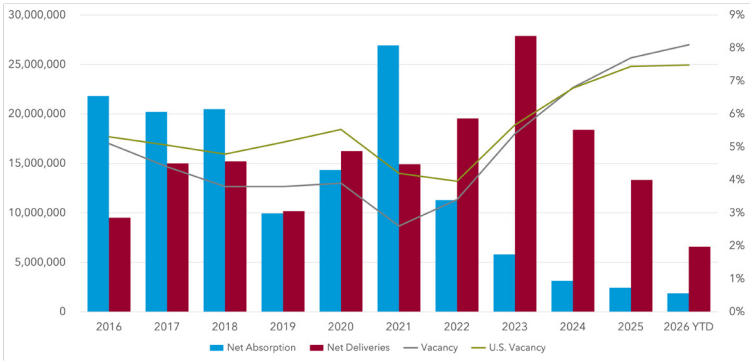
INDUSTRIAL MARKET OVERVIEW

MICHAEL MALMSTONE, *Director of Research and Valuation*

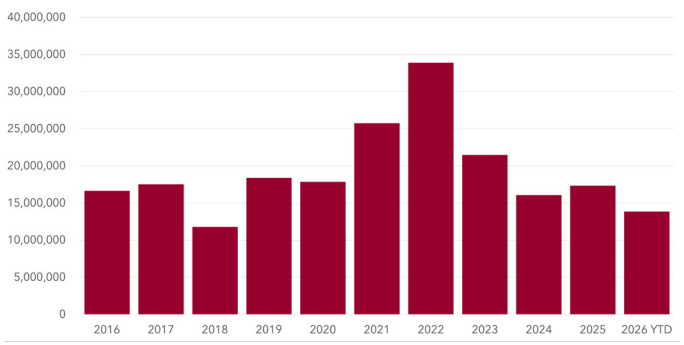
The NJ Industrial market saw tenant demand decrease by 3.8M SF in leasing. Rental growth was up $0.13 PSF QoQ. The largest leases were signed by an array of different user types including not just 3PL's but manufacturers and food handlers. 38 leases over 100k SF were signed totaling 9.3M SF. Available sublet space grew 1M SF QoQ to a new high of 14.7M SF. Net absorption more than tripled QoQ to 1.5M SF, marking the first four consecutive positive quarters in three years. Sales volume fell 62% to $678MM, 46% of the 5-year average. Average pricing grew marginally, up $5 to $195 PSF while average cap rates compressed 70 bps down to 5.6%. 74MM SF is proposed.

MARKET INDICATORS	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
▲ Qtrly Net Absorption SF	1,451,016	418,300	2,220,501	1,583,470	(196,718)
◄ ► Vacancy Rate	8.1%	8.1%	7.7%	7.7%	7.6%
▲ Avg NNN Asking Rate PSF	$13.48	$13.35	$13.29	$13.42	$13.46
▲ Sale Price PSF	$194.96	$190.16	$199.46	$213.56	$254.91
▼ Cap Rate	5.6%	6.3%	6.5%	9.0%	7.4%
▲ Under Construction SF	13,851,162	13,728,253	17,340,616	13,957,584	15,112,404
▲ Inventory SF	1,071,588,576	1,069,665,932	1,065,454,657	1,062,955,688	1,059,413,758

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
62 Flanders Bartley Road Flanders, NJ	308,783 SF	$17,500,000 $56.67 PSF	Garonit Pharmaceutical Siemens Healthineers	Class A
27 Distribution Way South Brunswick, NJ	223,977 SF	$56,900,000 $254.04 PSF	Sagard Real Estate CenterPoint Properties	Class B
505 State Route 33 Millstone, NJ	220,695 SF	$56,600,000 $256.46 PSF	EQT Real Estate Crow Hldgs/Carlyle Grp/2020 Acq.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
8003 Industrial Avenue Carteret, NJ	1,064,515 SF	Prologis	Amazon	Online Retail
1160 State Street Perth Amboy, NJ	800,000 SF	Kurv Industrial	US E-Logistics	Transportation / Warehousing
140 Docks Corner Road Jamesburg, NJ	583,000 SF	BlackRock, Inc.	G-III Apparel Group	Apparel