LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2026
NEW JERSEY, NJ

OFFICE MARKET OVERVIEW

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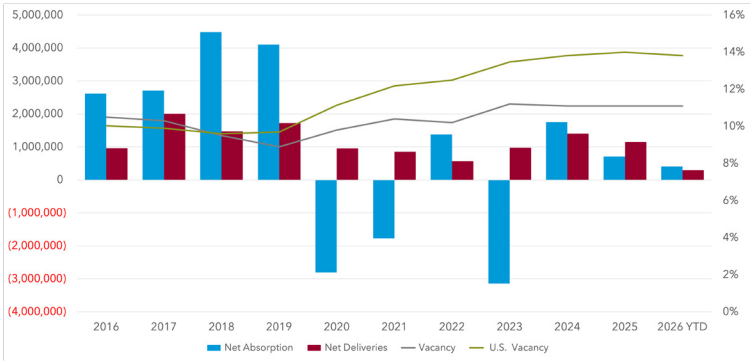
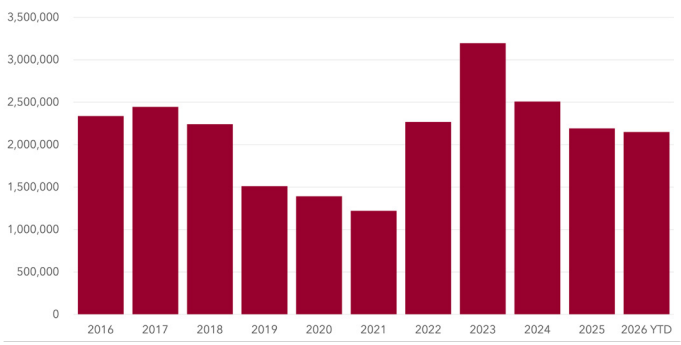
Q2 leasing activity rose 22% QoQ to 2.6M SF, 76% of the 5-year average. Large leases were led by healthcare, insurance, and banking tenants. Lease-up time shortened nearly a month to 8.7 months. Gross asking rents edged up $0.01 QoQ to $28.93 PSF. The market lost 178k SF of occupied space, pushing vacancy up 10 bps to 11.1%. Preliminary June data showed NJ unemployment at 4.5%, down 20 bps MoM and 90 bps YoY. Sales volume rose 47% QoQ to $449MM, 70% of the 5-year average. Average pricing fell 14% to $104 PSF, while cap rates increased 40 bps to 8.1%. Troubled assets and office properties targeted for industrial or multifamily conversion comprised most sales. The proposed pipeline totaled 8.8M SF, including 1.2M SF of medical space.

MARKET INDICATORS	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
▼ Qtrly Net Absorption SF	(177,500)	587,705	1,125,189	(909,956)	(218,730)
▲ Vacancy Rate	11.1%	11.0%	11.1%	11.3%	11.1%
▲ Avg GRS Asking Rate PSF	$28.93	$28.92	$28.82	$28.54	$28.58
▼ Sale Price PSF	$103.87	$120.09	$122.63	$115.74	$165.43
▲ Cap Rate	8.1%	7.7%	7.8%	7.4%	7.2%
▲ Under Construction SF	2,149,409	2,148,431	2,191,636	2,484,624	2,046,761
▲ Inventory SF	411,151,792	410,952,770	410,853,679	410,560,691	410,296,491

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
30 Knightsbridge Road Piscataway, NJ	650,721 SF	$56,537,082 $86.88 PSF	Saadia Group Keystone Development & Investment	Class B
2 Gatehall Drive Parsippany, NJ	389,288 SF	$21,000,000 $53.94 PSF	Siemens Corporation The Birch Group	Class A
30 Montgomery Street Jersey City, NJ	368,049 SF	$52,000,000 $141.29 PSF	Real Capital Solutions, Inc. | Lamar Co's American Realty Advisors | Wells Fargo	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
500 Plaza Drive Secaucus, NJ	131,000 SF	Signature Acquisitions	Quest Diagnostics	Health Care Services
10 Exchange Place Jersey City, NJ	117,280 SF	Manulife US REIT	ACE American Insurance (Chubb)	Insurance
2 Tower Center Boulevard East Brunswick, NJ	91,915 SF	BHN Associates	PNC Bank	Finance