LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q1 2026
NEW JERSEY, NJ

OFFICE MARKET OVERVIEW

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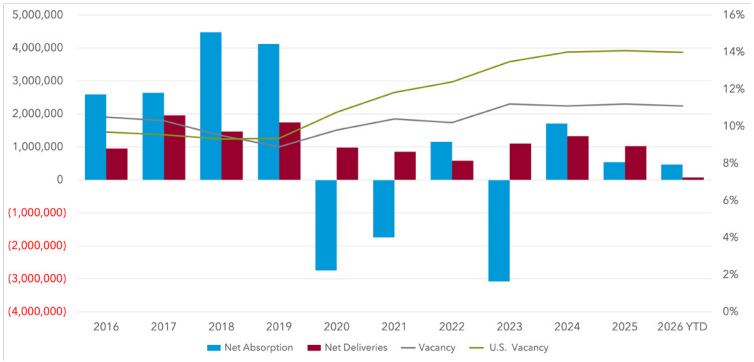
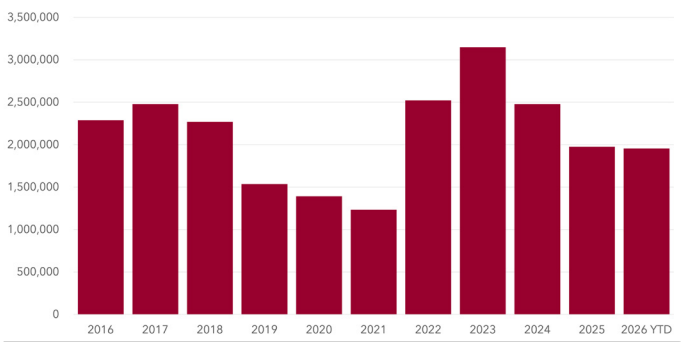
Q1 leasing activity fell 10% QoQ to 2.2MM SF, 67% of the 5-year average. 18 20k+ SF leases were inked, of which 4 were renewals. Many newly inked leases belonged to biotech, government, banks, and law firm users. Lease-up time grew a month, up to 10 months. Rental rates grew $0.11 QoQ to $28.94 PSF gross. 0.5MM SF of occupied space was gained during Q1, the 9th positive quarter in the last 5 years. As of January, NJ unemployment fell to 5.2%, down 20 bps from December but up 30 bps YoY. Sales volume more than halved QoQ down to $224MM, nearly a third of the 5-year average. Average pricing was flat at $115 PSF as mostly troubled assets traded, most under $100 PSF, while average cap rates were flat at 7.8%. 8.9MM SF is approved, 1.1MM SF being medical.

MARKET INDICATORS	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025
▼ Qtrly Net Absorption SF	467,047	1,058,620	(929,660)	(257,357)	664,929
▼ Vacancy Rate	11.10%	11.20%	11.40%	11.10%	11.00%
▲ Avg GRS Asking Rate PSF	$28.94	$28.83	$28.56	$28.61	$28.62
▼ Sale Price PSF	$114.53	$120.38	$114.91	$158.79	$160.54
▼ Cap Rate	7.80%	7.90%	7.40%	7.20%	8.10%
▼ Under Construction SF	1,954,736	1,975,385	2,168,373	2,035,870	2,043,555
▲ Inventory SF	410,520,495	410,443,960	410,250,972	409,986,772	409,891,873

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
290 W. Mount Pleasant Avenue Livingston, NJ	385,966 SF	$26,000,000 $67.36 PSF	Livingston Circle Associates Eastman Management Corporation	Class A
700 Edwin L. Ward Sr. Memorial Hwy Rutherford, NJ	256,000 SF	$31,000,000 $121.09 PSF	Russo Development Citigroup Technology	Class B
959 US Route 46 E Parsippany, NJ	131,346 SF	$10,000,000 $76.13 PSF	Bhagirath P. Maheta Bauer Family	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
800 Corporate Drive Mahwah, NJ	84,240 SF	Sitex Group	Nobel Biocare USA	Dental Equipment Manufacturing
777 Scudders Mill Road Plainsboro, NJ	78,391 SF	Trawler Capital Management	Sandoz	Medicinal & Botanical Manufacturing
90 Woodbridge Center Drive Woodbridge, NJ	73,500 SF	Atlantic Realty Development Corp.	Wilentz, Goldman & Spitzer P.A.	Law

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