



Northern & Central NJ

3Q2021  
**INDUSTRIAL**  
REPORT

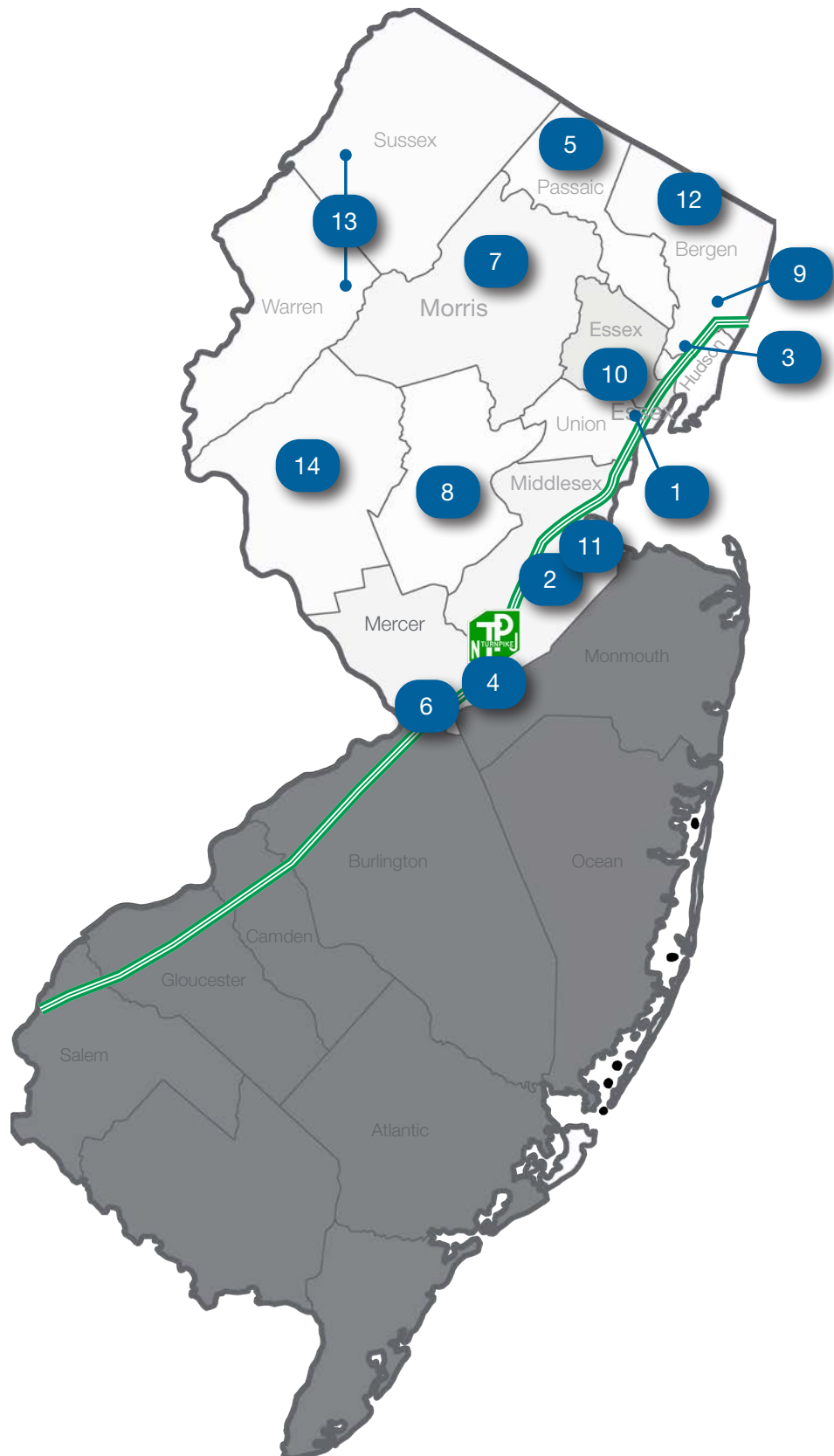
**NAI** James E. Hanson

COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE



## Vacancy Rates by Submarket

#	SUBMARKET	VACANCY
1	PORTS	1.9%
2	EXIT 10/12	0.7%
3	MEADOWLANDS	2.1%
4	EXIT 8A	1.0%
5	ROUTES 46, 23, 3	2.2%
6	EXIT 7A	2.2%
7	MORRIS REGION	6.3%
8	SOMERSET	2.5%
9	CENTRAL BERGEN	2.6%
10	SUBURBAN ESSEX	1.9%
11	BRUNSWICK/EXIT 9	3.2%
12	NORTHERN BERGEN	4.1%
13	WARREN & SUSSEX	8.5%
14	HUNTERDON	2.6%



## County Overview

	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Average Asking Rate
Northern & Central NJ Overall	686,767,503	15,007,800	2.2%	3,437,550	5,850,031	11,552,202	\$10.66
Middlesex	206,814,702	2,218,209	1.1%	796,828	1,155,324	5,199,194	\$9.89
Bergen	90,955,089	2,879,730	3.2%	5,380	780,194	205,194	\$11.95
Hudson	81,204,784	1,744,656	2.1%	598,544	520,236	1,231,203	\$14.75
Essex	64,481,107	1,111,638	1.7%	(88,469)	364,257	1,417,360	\$10.75
Union	64,371,626	745,736	1.2%	1,467,008	1,131,314	1,495,649	\$9.64
Passaic	55,901,927	1,211,138	2.2%	7,375	93,516	335,562	\$11.47
Morris	39,499,333	2,444,662	6.2%	(20,831)	137,331	138,940	\$8.07
Mercer	33,560,164	686,180	2.0%	227,207	193,312	784,970	\$7.14
Somerset	31,456,519	791,637	2.5%	(57,616)	130,544	471,552	\$9.25
Warren	8,733,430	744,620	8.5%	511,200	1,300,479	0	\$6.77
Hunterdon	6,704,602	171,150	2.6%	(52,600)	-	29,978	\$7.95
Sussex	3,084,220	258,444	8.4%	43,524	43,524	242,600	\$6.28
Orange, NY	31,244,181	614,708	2.0%	80,900	80,900	1,876,124	\$7.23
Rockland, NY	15,721,603	606,060	3.9%	(236,564)	27,795	0	\$10.25

## Submarket Overview

	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Average Asking Rate
Ports	151,834,564	2,889,669	1.9%	1,544,119	1,734,106	3,402,220	\$11.13
Exits 10/12	112,881,411	807,517	0.7%	968,834	625,271	3,690,028	\$11.47
Meadowlands	81,000,828	1,740,433	2.1%	625,276	638,421	731,965	\$14.20
Exit 8A	71,593,538	695,884	1.0%	(364,349)	515,645	1,224,434	\$10.46
Route 46, 23, 3 Corridor	55,561,123	1,236,834	2.2%	(44,555)	74,616	335,562	\$11.34
Exit 7A	44,064,865	953,830	2.2%	465,936	233,028	2,151,095	\$8.30
Morris Region	37,701,777	2,390,566	6.3%	14,109	137,331	138,940	\$8.06
Somerset	31,186,340	779,637	2.5%	(57,616)	130,544	471,552	\$9.27
Central Bergen County	25,716,966	680,341	2.6%	105,995	162,649	0	\$11.59
Suburban Essex	22,658,991	426,738	1.9%	(38,025)	72,055	215,221	\$10.37
Brunswick/ Exit 9	22,339,753	714,808	3.2%	192,343	14,408	284,732	\$9.24
Northern Bergen County	21,695,516	895,093	4.1%	(237,912)	207,670	0	\$11.97
Warren & Sussex	11,817,650	1,003,464	8.5%	553,724	1,300,479	242,600	\$6.72
Hunterdon	6,704,602	171,150	2.6%	(52,600)	0	29,978	\$7.95



# Recent Activity & Notable Transactions

## 3Q2021 vs. 3Q2020



## Top LEASE Transactions

**840,203 SF**

600 Linden Logistics Way, Linden  
Peloton

**259,369 SF\***

1 Matrix Drive, Monroe  
Iberia Foods

**157,822 SF\***

700 Bartley Chester Road, Flanders  
Uncommon Logistics

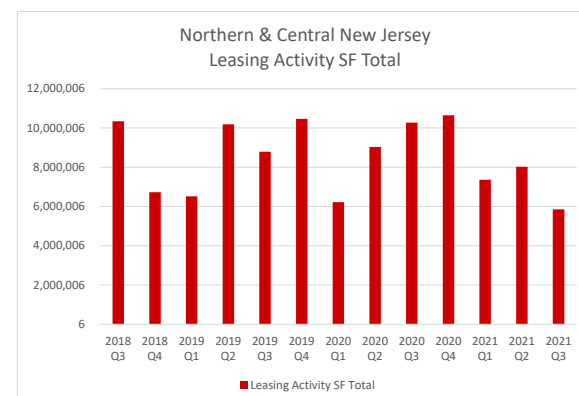
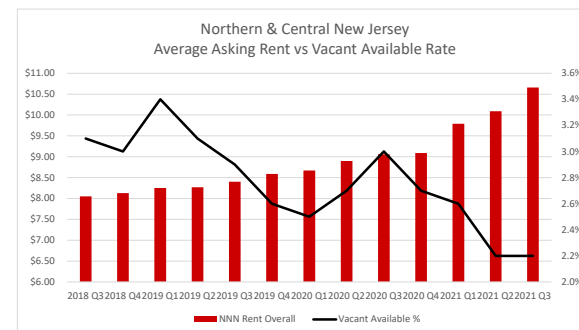
**105,097 SF\*\***

99 Hook Road, Bayonne  
Tramo@homeNY

\*NAI Hanson Renewal  
\*NAI Hanson Transaction

## Leasing Activity

- Leasing activity remained robust during the third quarter with nearly 6.0 million square feet leased, bringing the year-to-date total to 20.1 million square feet.
- Average asking rates continued to rise, crossing the \$10.50 per square foot mark for the first time, ending the quarter at \$10.66 per square foot. Asking rates are up by nearly 18.0% year-over-year.
- With leasing activity unabated, the vacancy rate fell to 2.2%, from 3.0% at the same time last year.
- NAI Hanson facilitated the following transactions: 1 Matrix Drive in Monroe where Iberia Foods leased 259,369 square feet; 700 Bartley Chester Road in Flanders, where Uncommon Logistics renewed for 157,822 square feet and at 99 Hook Road in Bayonne, where Tramo@homeNY leased 105,097 square feet.



## Sale Activity

- Nearly 1.5 million square feet of industrial properties changed hands during the third quarter, with a total dollar volume of \$364 million.
- The average sales price of \$159 per square foot marked a 33.0% increase over the same time last year. The average cap rate was 4.9%, down from 5.3% over 3Q2020.
- 63-65 Stults Road in Dayton was the largest sale of the quarter. CenterPoint Properties purchased the property from Jones Development for \$91.0 million or \$338 per square foot in July.
- NAI Hanson was involved in two of the largest sales for the quarter. Terreno Realty purchased a 5.4 acre site at 97 3rd Street in Kearny for \$26.25 million in September and 245 Paterson Plank Road in Carlstadt for \$17.9 million in August.

## Top SOLD Transactions

**269,204 SF | \$91,000,000**

63-65 Stults Road, Dayton  
Buyer: CenterPoint Properties  
Seller: Jones Development

**5.4 AC | \$26,250,000\***

97 3rd Street, Kearny  
Buyer: Terreno Realty Corporation  
Seller: DH Realty Enterprises LLC

**32,000 SF | \$17,900,000\***

245 Paterson Plank Road, Carlstadt  
Buyer: Terreno Realty Corporation  
Seller: Triple Five Development Corp.

\*NAI Hanson Transaction







## Under Construction

Address	Size (SF)	Completion	Developer	Submarket
42 Military Ocean Term., Bayonne	1,500,000	3Q2022	Lincoln Equities Group	Ports
3 Sigle Lane, South Brunswick	1,166,030	4Q2021	Heller Industrial Parks	Exit 8A
3000 Valley Brook Ave., Lyndhurst	932,168	4Q2023	Russo Development/	Meadowlands
173-268 Doremus Ave., Newark	873,743	4Q2021	The Morris Companies	Ports
1365 Lambertson Rd., Hamilton Twp.	845,078	4Q2023	Hilco Global	Exit 7A
Tremley Point Linden (8 bldgs)	840,203	4Q2022	F. Greek Dev. & Advance Realty	Ports
11 C Court, Edison	699,600	4Q2021	2020 Acquisitions	Exit 10/12
148 Princeton-Hightstown Rd - Bldg. A East Windsor	406,669	4Q2021	Black Creek Group	Exit 7A
1365 Lambertson Rd., Hamilton Twp.	384,895	4Q2023	Hilco Global	Exit 7A
3000 Valley Brook Ave., Lyndhurst	344,110	4Q2023	Russo Development/Forsgate Industrial Partners	Meadowlands
2701 Route 3 East, Secaucus	325,856	4Q2021	Clarion Partners	Meadowlands
481 Blackhorse Ln., North Brunswick	245,232	4Q2021	Adler Development	Brunswick/Exit 9
5 Dedrick Pl. Bldg. A, West Caldwell	134,453	4Q2021	Link Logistics/Hampshire Co	Suburban Essex
49 Rutherford St., Newark*	185,917	4Q2021	CenterPoint Properties	Ports
148 Princeton-Hightstown Rd - Bldg. B East Windsor	167,500	4Q2021	Black Creek Group	Exit 7A
330 S Randolphville Rd., Piscataway	151,748	4Q2021	Transwestern Devel. Co.	Exit 10/12
330 S Randolphville Rd., Piscataway	146,505	4Q2021	Transwestern Devel. Co.	Exit 10/12
357 Wilson Ave., Newark	142,479	2Q2022	Prologis	Ports
590 Belleville Tpke., Kearny	100,700	4Q2021	Alessi Organization	Meadowlands
590 Belleville Tpke., Kearny	91,000	4Q2021	Alessi Organization	Meadowlands
210 Clay Ave., Lyndhurst	90,614	4Q2021	Branca Properties	Meadowlands
590 Belleville Tpke., Kearny	86,625	4Q2021	Alessi Organization	Meadowlands
5 Dedrick Pl. Bldg. B, West Caldwell	80,768	4Q2021	Link Logistics/Hampshire Co	Suburban Essex
120 Frontage Rd., Newark	75,900	4Q2021	The S. Hekemian Group	Ports
701 12th St., Carlstadt/Wood-Ridge	64,390	4Q2021	Link Logistics	Meadowlands



## Recently Completed Buildings

Address	Size (SF)	Tenant	Submarket
2205 Route 27, Edison	900,022	Amazon	Exit 10/12
353 Half Acre Rd., Cranbury	870,950	Crate & Barrel	Exit 7A
150 Old New Brunswick Rd., Piscataway	622,230	Duke Realty Corporation	Brunswick/Exit 9
39 Edgeboro Rd., East Brunswick	513,240	Fedex	Brunswick/Exit 9
39 Strykers Rd., Phillipsburg	511,200	Alan Ritchey	Warren & Sussex
Tremley Point Rd., Linden	480,740	World Distribution Services	Ports
250 Gregg St., Lodi	200,385	Black Creek Group	Central Bergen
2555 Kuser Rd., Hamilton	145,950	Scannell Properties	Exit 7A
5905 West Side Ave., North Bergen	113,623	Western Carriers	Meadowlands
85 New Brunswick Ave., Woodbridge	101,425	Bentley Labs	Exit 10/12
200 Gregg St., Lodi	90,000	Amazon	Central Bergen
750 Jersey Ave., New Brunswick	51,180	Ashley Furniture Distribution Center	Brunswick/Exit 9
864-888 Magnolia Ave., Elizabeth	30,184	Mam Takin	Ports

All buildings at 100% leased

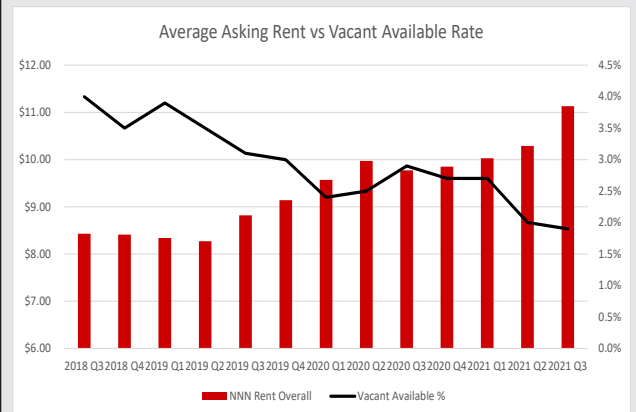


2205 Route 27, Edison

# 3Q2021

## Ports Market Snapshot


Market Size	151,834,564 SF
Vacant Available	2,889,669 SF
Vacant Available %	1.9%
3Q21 Leasing Activity	1,734,106 SF
Total 2021 Leasing Activity	4,420,553 SF
Average Asking Rate	\$11.13 PSF
3Q2021 Net Absorption	1,544,119 SF
Total 2021 Net Absorption	2,673,815 SF
Under Construction	3,402,220 SF
Delivered	1,517,848 SF



### 3Q2021 vs. 3Q2020

 **1.9%**  
Vacancy Rate ↓

 **\$1.36**  
Asking Rate ↑

 **282,756 SF**  
Leasing Activity ↑

### Trends

- Leasing activity reached 1.8 million square feet during the third quarter, pushing the vacancy rate down to 1.9%. In a transaction completed by NAI Hanson, Tramo@homeNY leased 105,097 square feet at 99 Hook Road in Bayonne.
- Average asking rents climbed to \$11.13 per square foot—with several properties asking over \$15.00 per square foot.

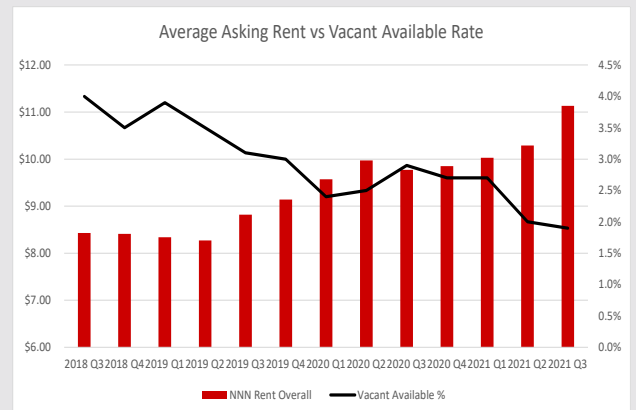
PORTS



# 3Q2021

## Exit 10/12 Market Snapshot

Market Size	112,881,411 SF
Vacant Available	807,517 SF
Vacant Available (%)	0.7%
3Q21 Leasing Activity	625,271 SF
Total 2021 Leasing Activity	2,775,537 SF
Average Asking Rate	\$11.47 SF
3Q2021 Net Absorption	968,834 SF
Total 2021 Net Absorption	1,593,566 SF
Under Construction	3,690,028 SF
Delivered	859,085 SF



### 3Q2021 vs. 3Q2020

 **0.7%**  
Vacancy Rate ↓

 **\$2.42**  
Asking Rate ↑

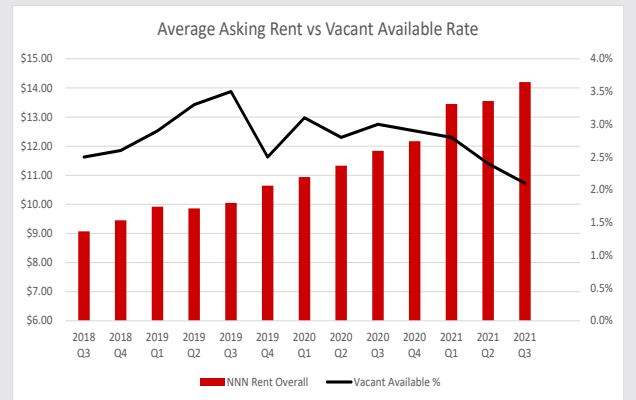
 **33,053 SF**  
Leasing Activity ↑

### Trends

- The largest transaction of the quarter was Performance Team's renewal of 193,000 square feet at 145 Talmadge Road in Edison.
- As the vacancy rate dropped to under 1.0% for the first time, average asking rents approached the \$11.50 per square foot mark, finishing the quarter at \$11.47 per square foot.

## Meadowlands Market Snapshot

Market Size	81,000,828 SF
Vacant Available	1,740,433 SF
Vacant Available (%)	2.1%
3Q21 Leasing Activity	638,421 SF
Total 2021 Leasing Activity	2,411,913 SF
Average Asking Rate	\$14.20 PSF
3Q2021 Net Absorption	625,276 SF
Total 2021 Net Absorption	573,115 SF
Under Construction	731,965 SF
Delivered	71,605 SF



### 3Q2021 vs. 3Q2020

 **2.1%**  
Vacancy Rate ↓

 **\$2.36**  
Asking Rate ↑

 **327,592 SF**  
Leasing Activity ↓

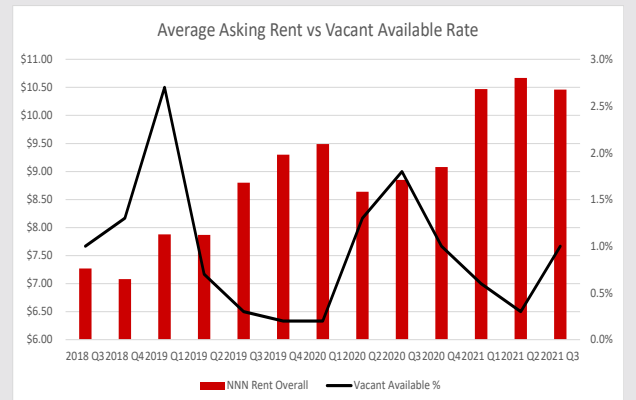
### Trends

- Average asking rates reached another historical high finishing at \$14.20 per square foot during the quarter. Asking rates are up by 20.0% year-over-year.
- Three major leases were facilitated by NAI Hanson including 24,057 square feet at 99 Murray Hill Parkway in Carlstadt and two transactions of 22,800 square feet and 19,200 square feet at 560 Jefferson Avenue in Secaucus.



## Exit 8A Market Snapshot


Market Size	71,593,538 SF
Vacant Available	695,884 SF
Vacant Available (%)	1.0%
3Q21 Leasing Activity	515,645 SF
Total 2021 Leasing Activity	3,542,495 SF
Average Asking Rate	\$10.46 PSF
3Q2021 Net Absorption	(364,349) SF
Total 2021 Net Absorption	1,236,241 SF
Under Construction	1,224,434 SF
Delivered	953,595 SF



### 3Q2021 vs. 3Q2020

 **1.0%**  
Vacancy Rate ↓

 **\$1.61**  
Asking Rate ↑

 **1,176,931 SF**  
Leasing Activity ↑

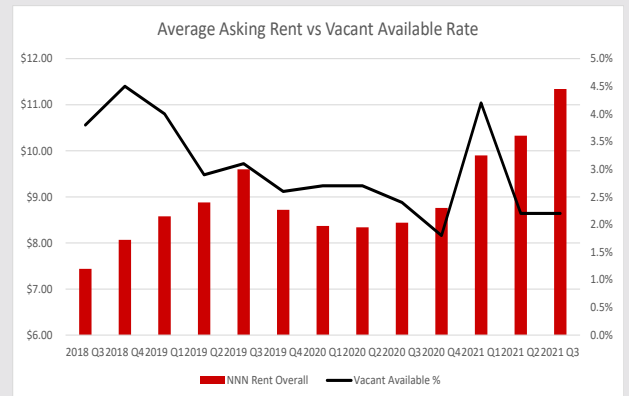
### Trends

- Average asking rents continued to move higher, climbing to \$10.46 per square foot during the quarter, up from \$8.85 at the same time last year.
- One of the largest leases in the submarket was Fleet Distribution at 21 S Middlesex Avenue in Monroe Township for 120,000 square feet.



## Routes 46, 23, 3 Market Snapshot

Market Size	55,561,123 SF
Vacant Available	1,236,834 SF
Vacant Available (%)	2.2%
3Q21 Leasing Activity	74,616 SF
Total 2021 Leasing Activity	991,183 SF
Average Asking Rate	\$11.34 PSF
3Q2021 Net Absorption	(44,555) SF
Total 2021 Net Absorption	(128,581) SF
Under Construction	335,562 SF
Delivered	0



### 3Q2021 vs. 3Q2020

 **2.2%**  
Vacancy Rate ↓

 **\$2.90**  
Asking Rate ↑

 **102,198 SF**  
Leasing Activity ↓

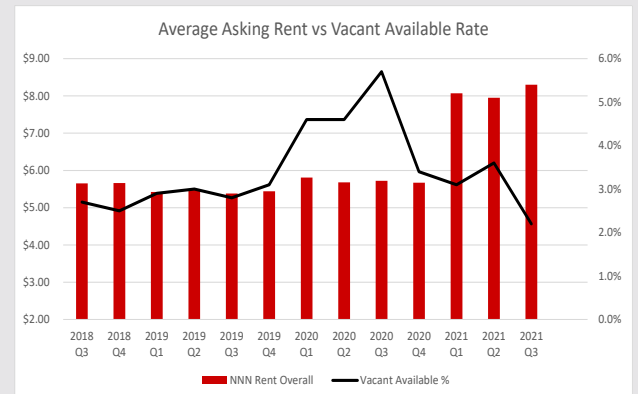
### Trends

- With under 100,000 square feet of leasing measured during the quarter and new space added, the vacancy rate was nearly stationary year-over-year, closing at 2.2%.
- Despite a decline in leasing activity, average asking rents jumped to \$11.34 per square foot. Average rates are up by nearly \$2.00 per square foot from 3Q20.



## Exit 7A Market Snapshot

Market Size	44,064,865 SF
Vacant Available	953,830 SF
Vacant Available (%)	2.2%
3Q21 Leasing Activity	233,028 SF
Total 2021 Leasing Activity	512,801 SF
Average Asking Rate	\$8.30 PSF
3Q2021 Net Absorption	465,936 SF
Total 2021 Net Absorption	1,058,124 SF
Under Construction	2,151,095 SF
Delivered	43,193 SF



### 3Q2021 vs. 3Q2020

 **2.2%**  
Vacancy Rate



 **\$2.27**  
Asking Rate



 **187,512 SF**  
Leasing Activity



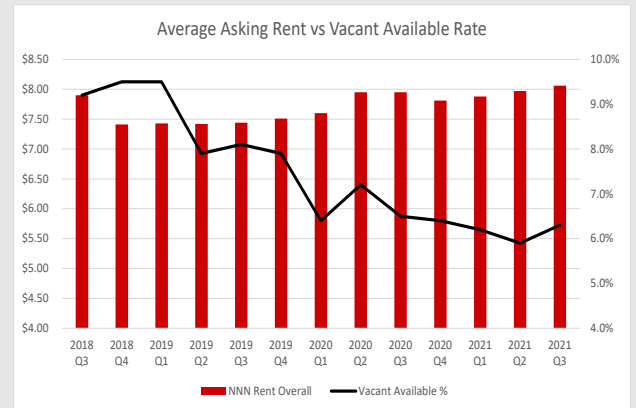
### Trends

- With five consecutive quarters of positive absorption, the vacancy plunged to 2.2%, from 5.7% at the same time last year.
- There were ten sales recorded during the third quarter, with the sale of 165 Route 526 in Allentown, NJ for \$10.2 million, garnering the highest price.



## Morris Region Market Snapshot

Market Size	37,701,777 SF
Vacant Available	2,390,566 SF
Vacant Available (%)	6.3%
3Q21 Leasing Activity	137,331 SF
Total 2021 Leasing Activity	682,934 SF
Average Asking Rate	\$8.06 PSF
3Q2021 Net Absorption	14,109 SF
Total 2021 Net Absorption	261,185 SF
Under Construction	138,940 SF
Delivered	49,700 SF



### 3Q2021 vs. 3Q2020

 **6.3%**  
Vacancy Rate ↓

 **\$0.11**  
Asking Rate ↑

 **632,311 SF**  
Leasing Activity ↓

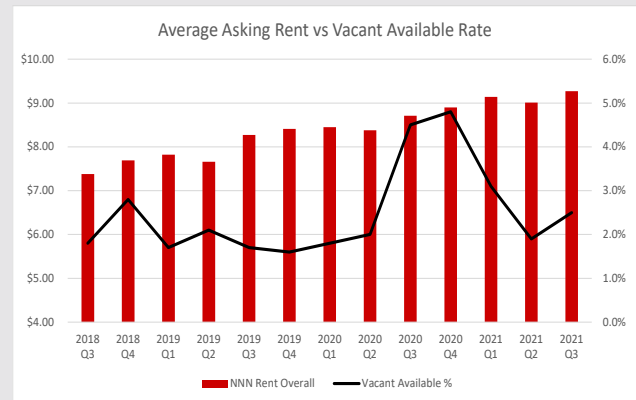
### Trends

- After steadily declining from a high of 9.5% in 4Q2018, the overall vacancy rate was nearly stationary on the year finishing at 6.3%. Average asking rates breached the \$8.00 per square foot market for the first time, finishing at \$8.06.
- At 700 Bartley Chester Road in Flanders, Uncommon Logistics renewed for 157,822 square feet. NAI Hanson represented the landlord.



## Somerset Market Snapshot

Market Size	31,186,340 SF
Vacant Available	779,637 SF
Vacant Available (%)	2.5%
3Q21 Leasing Activity	130,544 SF
Total 2021 Leasing Activity	1,552,839 SF
Average Asking Rate	\$9.27 PSF
3Q2021 Net Absorption	(57,616) SF
Total 2021 Net Absorption	1,044,622 SF
Under Construction	471,552 SF
Delivered	0



### 3Q2021 vs. 3Q2020

 **2.5%**  
Vacancy Rate ↓

 **\$0.56**  
Asking Rate ↑

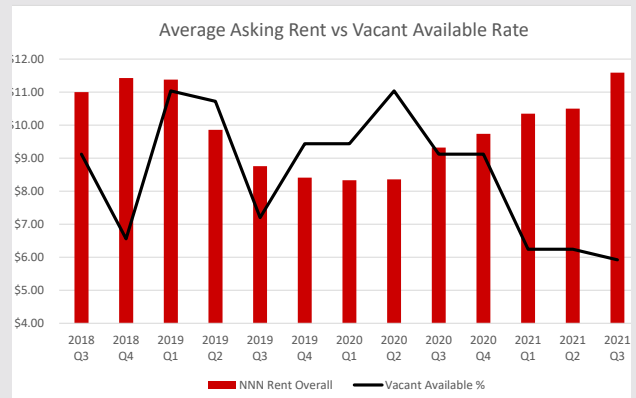
 **483,311 SF**  
Leasing Activity ↓

### Trends

- The overall vacancy rate fell two percentage points year-over-year, dropping to 2.5% but is up from 1.9% in 2Q2021. Space placed on the market pushed absorption to negative 57,616 square feet.
- For the third consecutive quarter, average asking rents closed over \$9.00 per square foot, ending at \$9.27. Year-over-year rates are up by 6.5%

## Central Bergen Market Snapshot

Market Size	25,716,966 SF
Vacant Available (SF)	680,341 SF
Vacant Available (%)	2.6%
3Q21 Leasing Activity	162,649 SF
Total 2021 Leasing Activity	487,881 SF
Average Asking Rate	\$11.59 PSF
3Q2021 Net Absorption	105,995 SF
Total 2021 Net Absorption	630,914 SF
Under Construction	0
Delivered	290,385 SF



### 3Q2021 vs. 3Q2020

 **2.60%**  
Vacancy Rate ↓

 **\$2.27**  
Asking Rate ↑

 **453,061 SF**  
Leasing Activity ↓

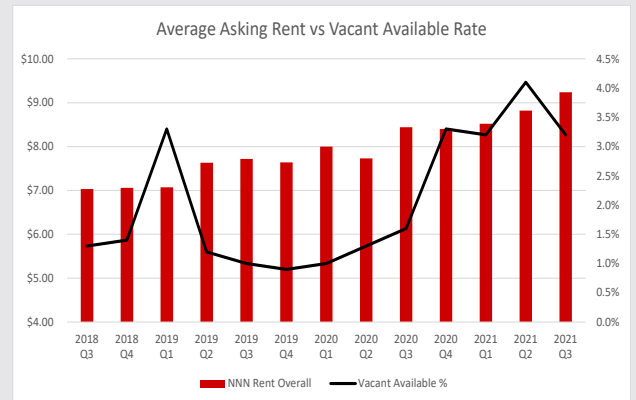
### Trends

- Despite a decrease in leasing activity from the same time last year, the overall vacancy rate maintained downward momentum, finishing at 2.6%, from 3.6% at the same time last year. Average asking rents, meanwhile crossed the \$11.00 per square foot mark, closing at \$11.59.
- The largest lease signed during the quarter was St. Martin Cabinetry at 95 Mayhill Street in Saddle Brook for 66,920 square feet.



## Brunswick/Exit 9 Market Snapshot

Market Size	22,339,753 SF
Vacant Available (SF)	714,808 SF
Vacant Available (%)	3.2%
3Q21 Leasing Activity	14,408 SF
Total 2021 Leasing Activity	593,213 SF
Average Asking Rate	\$9.24 PSF
3Q2021 Net Absorption	192,343 SF
Total 2021 Net Absorption	(29,482) SF
Under Construction	284,732 SF
Delivered	118,380 SF



### 3Q2021 vs 3Q2020

 **3.2%**  
Vacancy Rate 

 **\$0.80**  
Asking Rate 

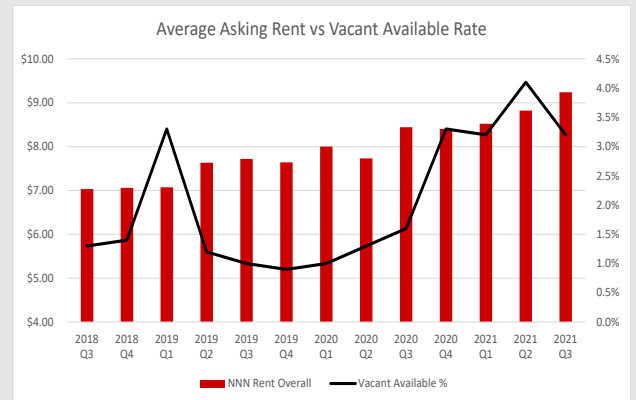
 **22,793 SF**  
Leasing Activity 

### Trends

- The overall vacancy rate rose from the same time last year, to 3.2%, up from 1.6%. The rate, however, is lower from 4.2% at the end of June, as absorption measured 192,343 square feet.
- Average asking rents climbed to a historical high of \$9.24 per square foot, up from \$8.44 at the same time last year.

## Northern Bergen Market Snapshot

Market Size	21,695,516 SF
Vacant Available (SF)	895,093 SF
Vacant Available (%)	4.1%
3Q21 Leasing Activity	207,670 SF
Total 2021 Leasing Activity	497,265 SF
Average Asking Rate	\$11.97 PSF
3Q2021 Net Absorption	(237,912) SF
Total 2021 Net Absorption	(134,179) SF
Under Construction	0
Delivered	0



### 3Q2021 vs 3Q2020

 **4.1%**  
Vacancy Rate ↑

 **\$1.97**  
Asking Rate ↑

 **260,941 SF**  
Leasing Activity ↓

### Trends

- The overall vacancy rate moved higher during the third quarter, ending at 4.1%, up from 2.8% last year as five blocks of space over 40,000 square feet were placed on the market.
- NAI Hanson facilitated the lease of 12,000 square feet to Door Dash at 15-01 Pollitt Drive in Fair Lawn.



THE WORLD’S LARGEST  
COMMERCIAL REAL ESTATE  
NETWORK

43± Countries

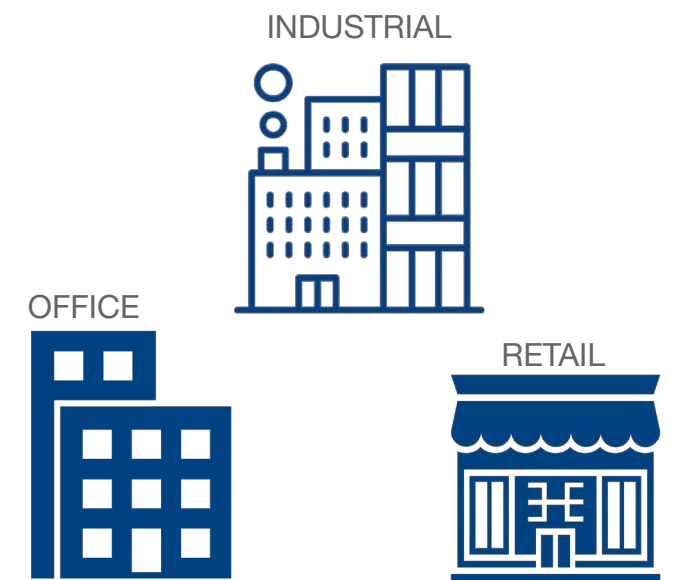
300± Offices

5,100± Market Leaders

NAI James E. Hanson is the largest independently owned commercial real estate firm in the State with over 65 years of experience in the New Jersey industrial market and has one of the largest industrial teams. NAI Hanson currently holds 11 SIOR designations, the most SIORs over any other commercial real estate firm in the State.



NAI Hanson Management currently manages  
over 6.5 million square feet.



“Since NAI Hanson Management has taken over the Meadowlands portfolio, it has gone from one of the most challenging properties to one of the most smoothly and efficiently run properties.”

- L&B Realty Advisors, LLP





For more information,  
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# 3Q2021 INDUSTRIAL REPORT

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