

# NEW JERSEY



## OVERVIEW

Northern NJ's office market continues to reinvent itself as many new players have entered the arena as Landlords. NJ's largest owner Mack-Cali has paved the way by divesting in suburban office buildings; once controlling 20 million square feet now down to 8 million. Additionally, the Investment boom shows more than \$1 billion of buildings have traded in each of the last 4 years.

The leasing market is trending slightly upward as new ownerships are investing significant capital into outdated buildings to attract and maintain tenants. Gross rents continue to increase as vacancy decreases at similar levels.

Jersey City, Hoboken and the Hudson Waterfront buildings that are positioned near train lines continue to thrive with the desire to have easy access to NYC.

## FUNDAMENTALS

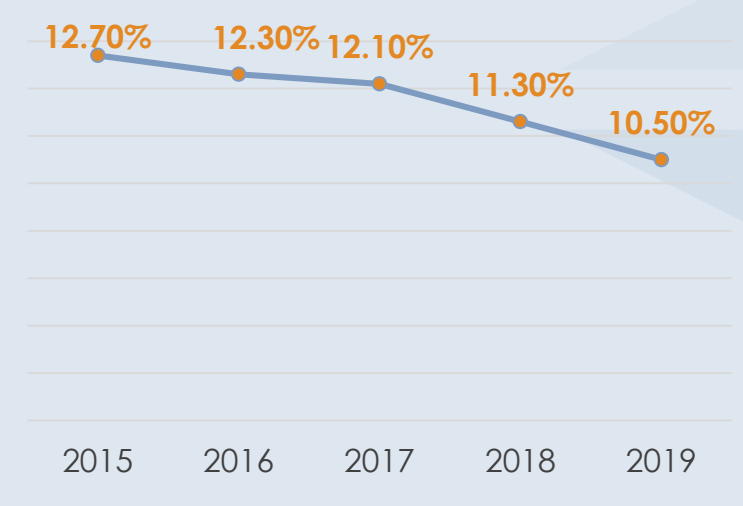
Forecast

YTD net absorption	1,857,717	▼
Under construction	11,694,624	▼
Average asking rent (gross)	\$26.20	▲
Concessions	Flat	▶

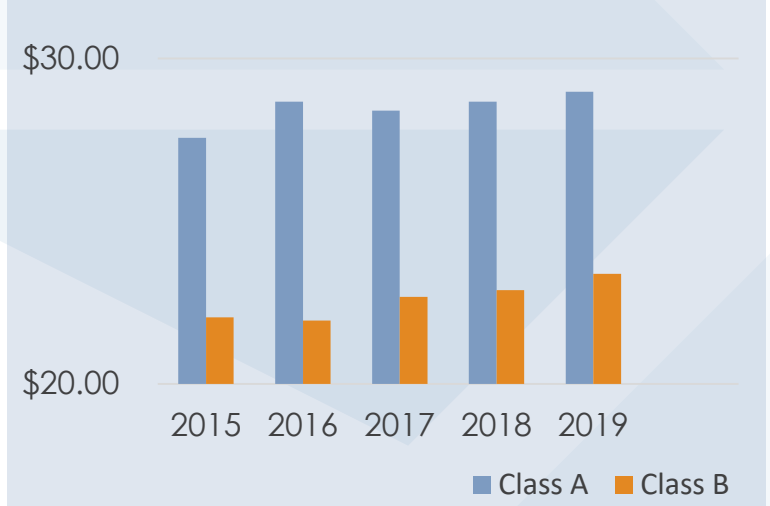
  

<p><b>Market Size</b> 375,581,761</p>	<p><b>Largest Office Deal</b> 157,517</p>	<p><b>Total Vacancy</b> 10.5</p>
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## TOTAL VACANCY



## AVERAGE ASKING RENTS



## OUTLOOK

The NJ market has undergone a major transformation since the financial crisis. Suburban office buildings will likely continue to be renovated or redeveloped into residential. The strong labor market should contribute to a decreasing vacancy rate. Consolidations in the pharmaceutical industry created some vacancies but biotech and TAMI companies will likely continue to absorb some of the space.

As always, NJ benefits from a strong relationship with NY. Many companies open offices along the NJ waterfront. In the past NJ used tax incentives to lure companies into the state. Currently, the governor and legislature are fighting how the program should be restructured.

Net absorption continues strongly with tenants including Everest Reinsurance 315,000 sf and Mars at 150,000 sf signing leases commencing 1Q of 2020.

**For more information, please contact:**

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