



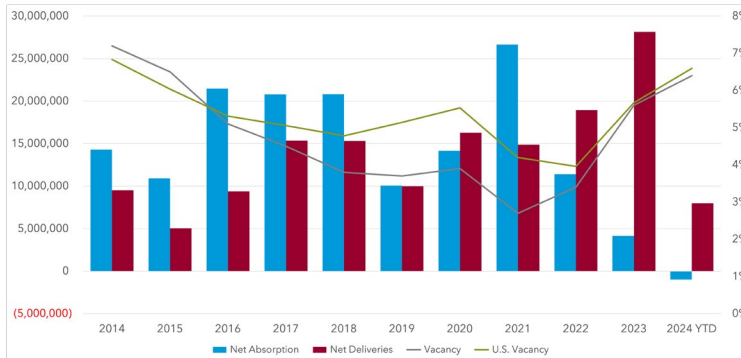
INDUSTRIAL MARKET OVERVIEW

MICHAEL MALMSTONE, *Director of Research and Valuation*

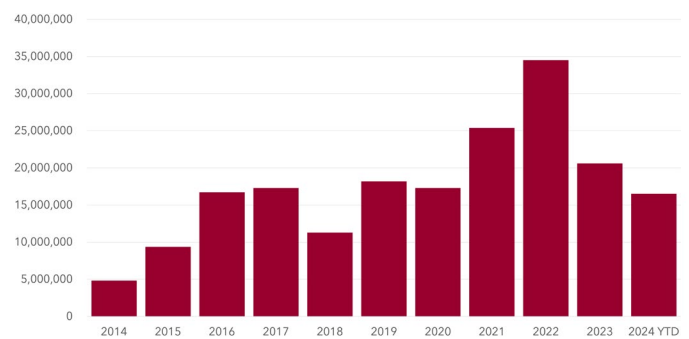
The NJ Industrial market continues a shift to normalizing as more landlords move to a more competitive tune in negotiations. Q2 rental growth dipped negatively, losing nearly a nickel with rents at \$13.61 PSF NNN. 8.3MM SF was leased in 5 months on average, a month shorter QoQ. 28 leases over 100k SF were signed. 24 leases totaling 904k SF or 11% of all inked space were subleases. Available sublet space continued to grow to 9.2MM SF, about double the 5-year average and the highest since 2009. Net absorption finished (559k) SF, marking the third negative quarter of the trailing four. Sales volume made marginal gains, up 27% to \$632MM, less than half of the 5-year average. Median pricing also up marginally at \$164 PSF. 69.6MM SF is proposed, the majority of which is in Gloucester, Salem and Mercer Counties.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▼ Qtrly Net Absorption SF	(558,790)	(429,911)	1,242,460	(1,698,091)	1,156,478
▲ Vacancy Rate	6.4%	5.9%	5.6%	5.1%	4.1%
▼ Avg NNN Asking Rate PSF	\$13.61	\$13.65	\$13.46	\$13.55	\$13.52
▼ SF Under Construction	16,528,547	19,539,747	20,620,145	24,259,718	30,210,952
▲ Inventory SF	1,052,830,028	1,048,255,202	1,044,844,409	1,038,583,843	1,029,081,609

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3091 US Highway 22 Branchburg, NJ	311,040 SF	\$65,310,000 \$209.97 PSF	Abaline Supply Company Transwestern Development Co.	Class A
1 Gateway Boulevard Pedricktown, NJ	247,220 SF	\$28,850,000 \$116.70 PSF	Galvanize Real Estate STAG Industrial, Inc.	Class B
370 Essex Street Lodi, NJ	169,205 SF	\$29,200,000 \$172.57 PSF	AAA Wholesale Cash and Carry Urban Edge Properties	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
500 Salt Meadow Road Carteret, NJ	479,700 SF	Crow Holdings	DSV	Transportation and Warehousing
300 Salt Meadow Road Carteret, NJ	355,100 SF	Crow Holdings	DSV	Transportation and Warehousing
99 Callahan Boulevard Sayreville, NJ	342,371 SF	Trammell Crow Company	JW Fulfillment	Transportation and Warehousing