

MARKET WATCH

Second Quarter 2024



Worldwide Real Estate Services

Economic Indicators

Unemployment Rate, National	4.1%	↑
Unemployment Rate, New Jersey	4.6%	↓
National Median Existing Home Price	\$426,900	↑
Consumer Confidence Index	100.4%	↓
10 Year Treasury Yield	4.36%	↓
WTI Crude Oil Price	\$82.83	↓

NORTHERN NJ CRE TRENDS

The Northern New Jersey commercial real estate market faced varied challenges across its industrial, retail, and office sectors in 2023. The industrial market saw a decline in sales volume to \$1.2 billion from over \$2 billion, with leasing activity slowing and vacancy rates rising to 5.1%. Rent growth cooled to 4.4% from over 14% in 2023. New construction delivered 4.2 million SF, but developers are cautious due to high vacancy rates and shifting tenant preferences. The largest sale was a 559,000 SF distribution center in Parsippany for \$115.5 million.

In the retail market, high consumer spending drove strong demand, with median household incomes exceeding the national average by \$20,000. The vacancy rate fell to 3.9%, indicating a competitive leasing environment. Rent growth is expected to recover, with average asking rent projected at \$25.50 per square foot by year-end. New construction is limited to 600,000 SF, mainly in Morris and Bergen counties. Sales activity dropped to \$460 million, but investor interest remains strong in densely populated areas.

The office market faced a supply-demand imbalance, with vacancy rates rising to 13.9% and leasing activity decreasing by 13% as companies adopted hybrid work models. Rent growth was modest, with high-end properties slowing. Minimal new construction reflected developers' hesitance amid rising vacancies. Sales volumes and prices both dropped, indicating a cautious investment environment. Despite challenges, strong demographics and high median incomes support overall market stability, particularly in the retail sector.

Northern New Jersey Key Performance Indicators

	Office	Industrial	Retail
Average Market Rate (PSF)	\$28.88	\$15.58	\$24.22
Average Vacancy Rate	13.8%	5.1%	4.0%
Net Absorption	(2,500,000)	(1,200,000)	805,000
Total Inventory (Million SF)	155.0	258.0	138.0

Select Sitar Transactions - 2Q 2024

The leasing of 22,588 sq. ft. of office space at 1 Corporate Place South in Piscataway from 52 Paterson Partners, LLC to Synechron, Inc. Robert Bogash and Douglas Sitar were the brokers in this transaction.

The sale of 3.71 acres of land at 1659 Washington Avenue in Piscataway, New Jersey from Paramount Realty to Asset Realty & Construction Group, Inc. The sales price was \$4,375,000. Bill Sitar Jr. and Andrew Burachinsky were the brokers in this transaction.

Over 14,700 sq. ft of new and renewal leasing activity at 242 Old New Brunswick Avenue in Piscataway, New Jersey. Robert Bogash and Douglas Sitar were the brokers in these transactions.

The sale of 0.87 acres of land at 1020 Morton Avenue in Chester, Pennsylvania from Paramount Realty to Asset Realty & Construction Group, Inc. The sales price was \$3,400,000. Bill Sitar Jr. and Andrew Burachinsky were the brokers in this transaction.



By: Jack MacCutcheon
Sitar Sales Associate

Jack specializes in the retail sector of commercial real estate. Known for his strategic acumen and unwavering commitment to excellence,

Jack has a profound understanding of market dynamics and a track record of insightful analysis. He can be reached at 732-515-0915 or emailed at maccutcheon@sitarcompany.com.

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Large Blocks of Absorption

Office		
Regeneration	157,546 SF	300 Warren Corporate Center, Warren
New Jersey Institute of Technology	74,356 SF	494 Broad Street, Newark
Day Pitney	55,000 SF	8 Sylvan Way, Parsippany
Industrial		
JW Fulfillment	342,371 SF	99 Callahan Boulevard, Sayreville
Undisclosed	326,500 SF	100 Porete Avenue, North Arlington
United Distribution Services	299,000 SF	8 Santa Fe Way, Cranbury
Retail		
Floor & Décor	65,000 SF	5901 Route 42, Blackwood
Floor & Décor	60,000 SF	1099-1159 Route 46, Parsippany
Hmart	54,860 SF	1 American Dream Way, East Rutherford

Average Sales Prices

	Office PSF	Industrial PSF	Retail PSF	Multi Family Per Unit
Northern New Jersey	\$175	\$194	\$217	\$231,000
Trenton	\$147	\$159	\$186	\$238,000
Atlantic City	\$129	\$79	\$158	\$130,000
Vineland	\$102	\$65	\$164	\$102,000
Ocean City	\$139	\$109	\$220	\$102,000

Net Absorption, SF (Past 12 Months)

	Office	Industrial	Retail
Northern New Jersey	(2,500,000)	(1,200,000)	805,000
Trenton	(1,100,000)	(1,400,000)	324,000
Atlantic City	25,600	71,700	200,000
Vineland	(28,000)	(108,000)	(130,600)
Ocean City	(2,400)	(21,200)	(34,000)

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Sitar
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FEATURED LISTINGS

Worldwide Real Estate Services



OFFICE /MULTI FAMILY FOR SALE

22A & 24A Joyce Kilmer Ave N.
New Brunswick, NJ 08901

Please contact:
Office: 732.283.9000

Joseph Hayford
Cell: 571.337.6058

Gregg Nowell
Cell: 732.859.5365



OFFICE FOR LEASE

80 Cottontail Lane
Franklin Township, NJ 08873

Please contact:
Office: 732.283.9000

Robert Bogash
Cell: 732.319.4680

Gregg Nowell
Cell: 732.859.5365

Douglas Sitar
Cell: 732.859.2144



MEDICAL/OFFICE FOR SALE

168 Main Street
Woodbridge, NJ 07095

Please contact:
Office: 732.283.9000

Luan "Lun" Kichen
Cell: 908.902.8788

Ronald Schrader Jr.
Cell: 732.859.1781

1481 Oak Tree Road, Iselin, NJ 08830
732-283-9000
www.sitarcompany.com

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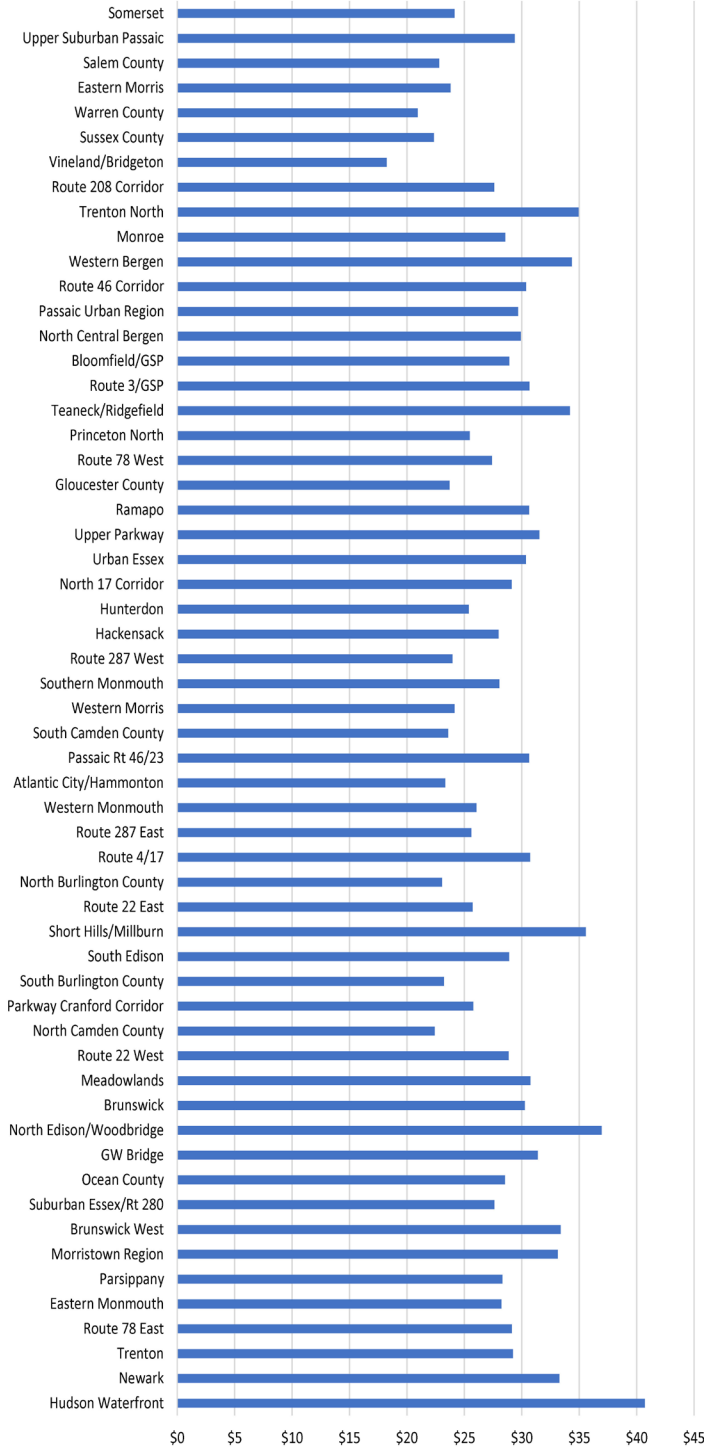
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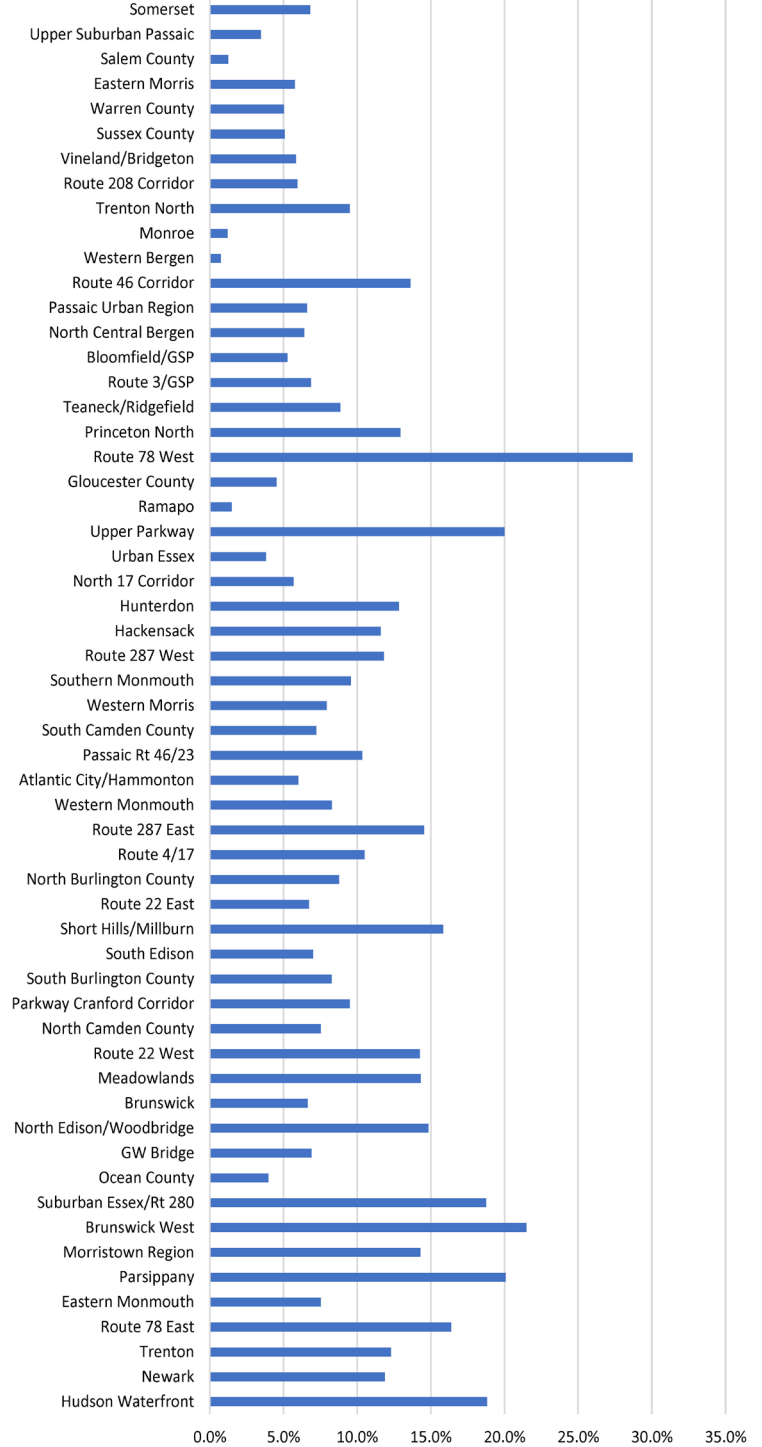


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Office: Quoted Rates by Submarket



Office: Vacancy Rates by Submarket



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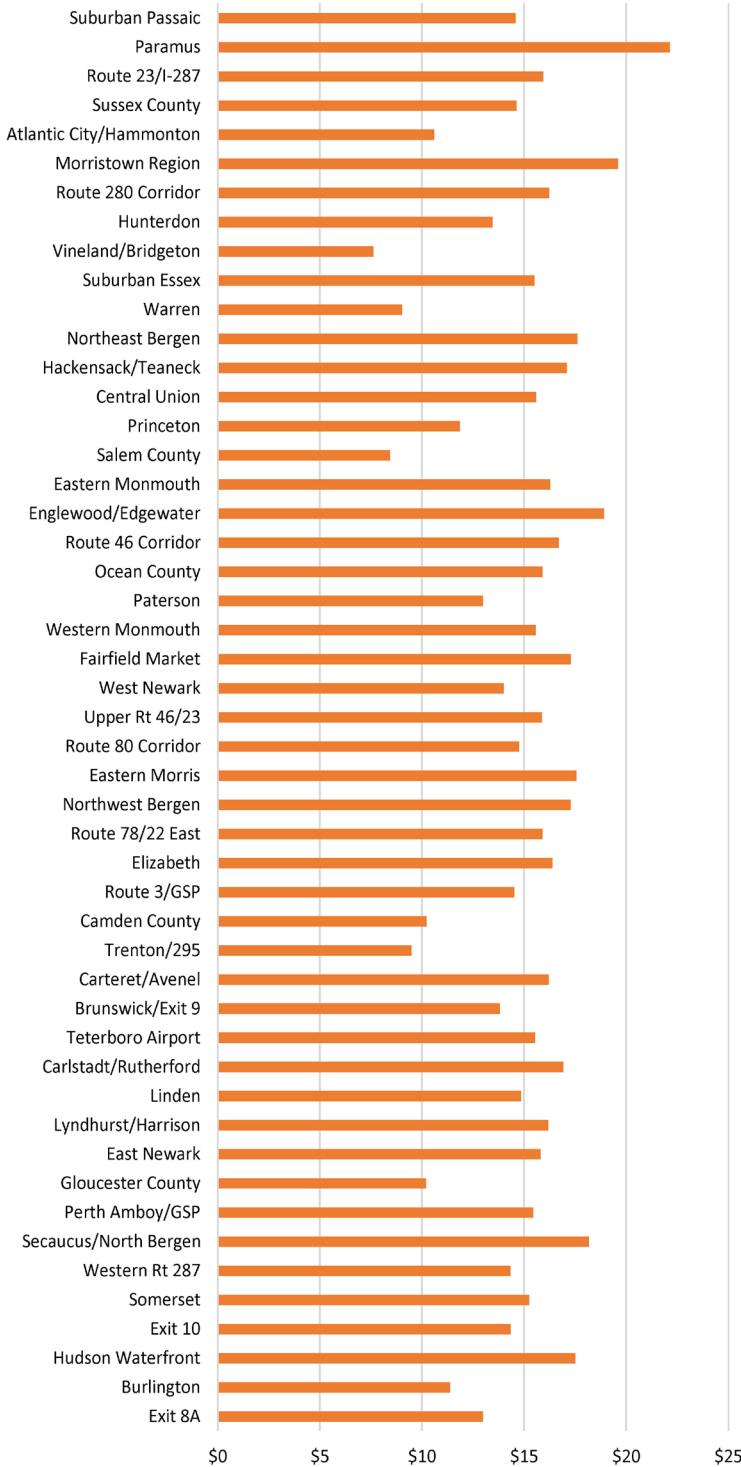
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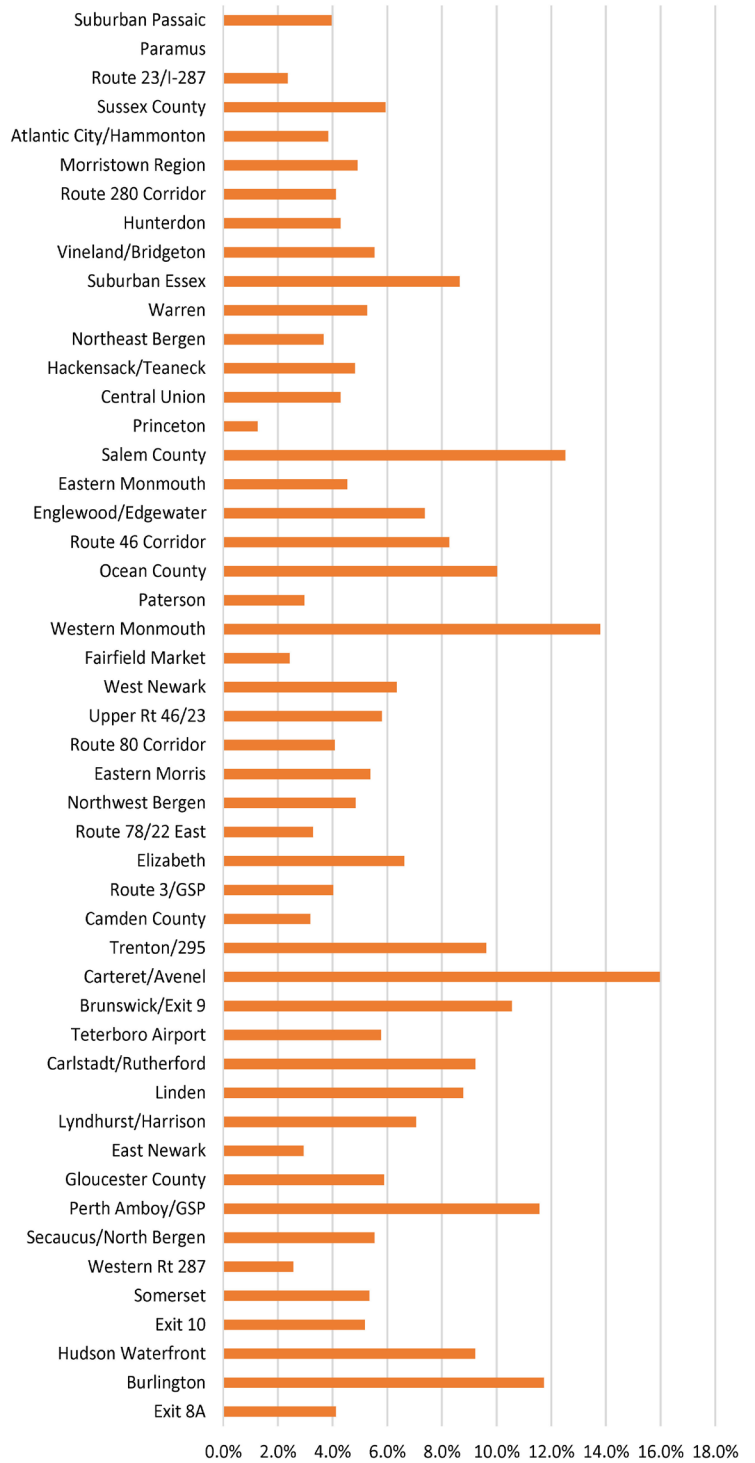


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Industrial: Quoted Rates by Submarket



Industrial: Vacancy Rates by Submarket



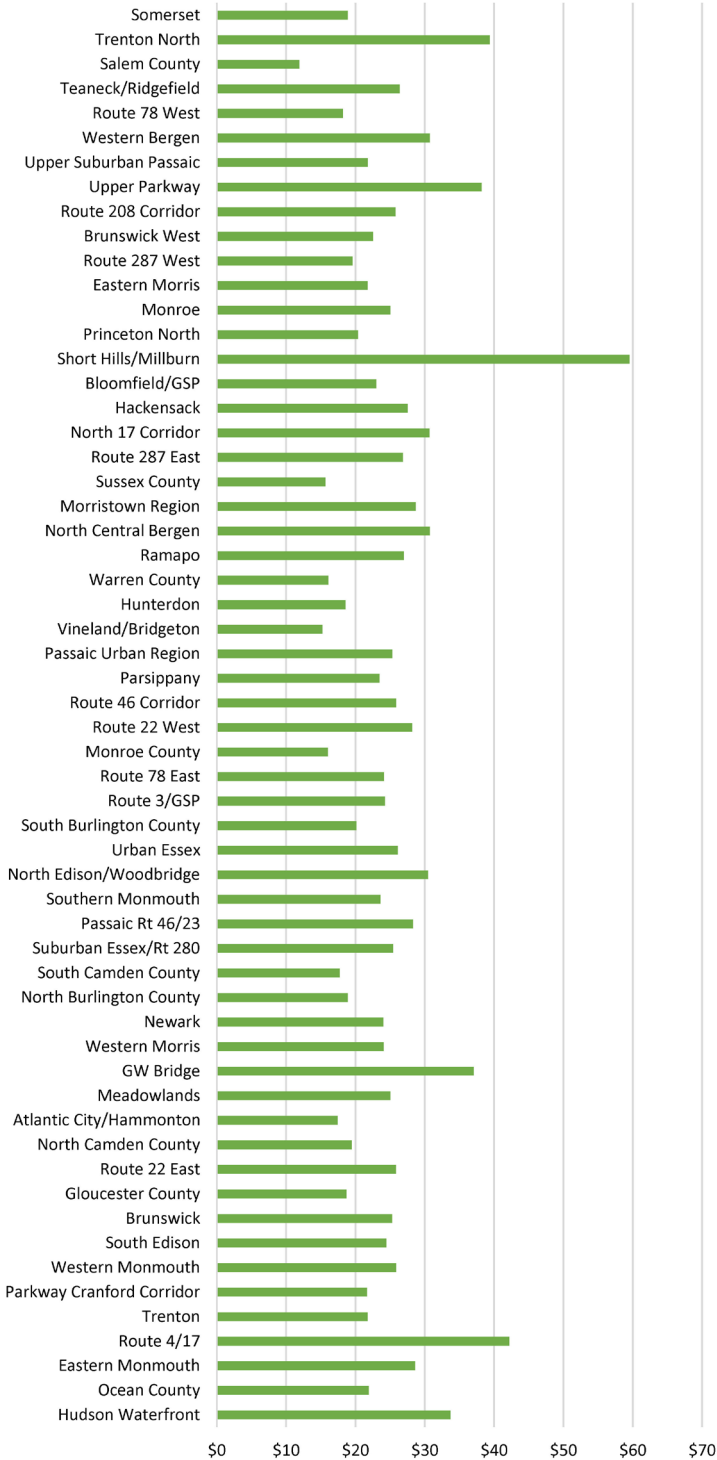
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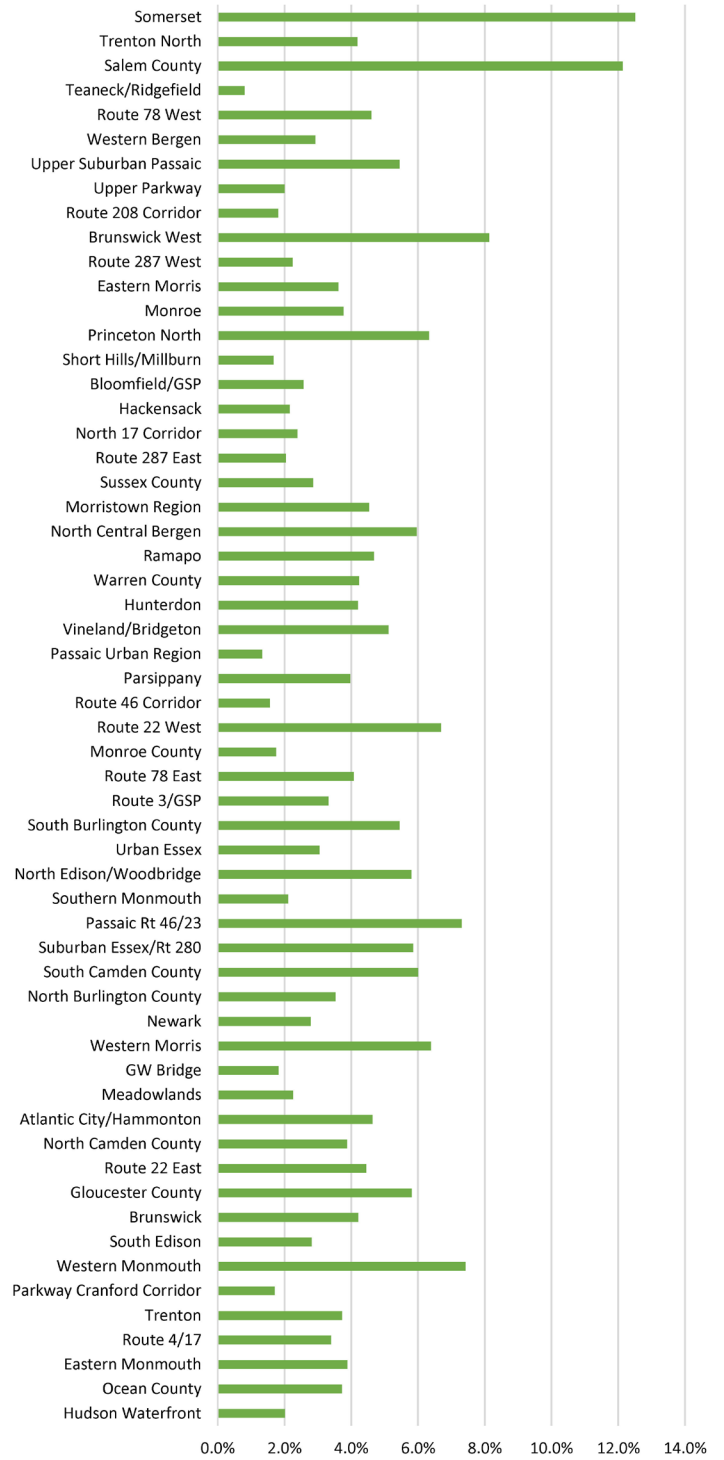


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Retail: Quoted Rates by Submarket



Retail: Vacancy Rates by Submarket



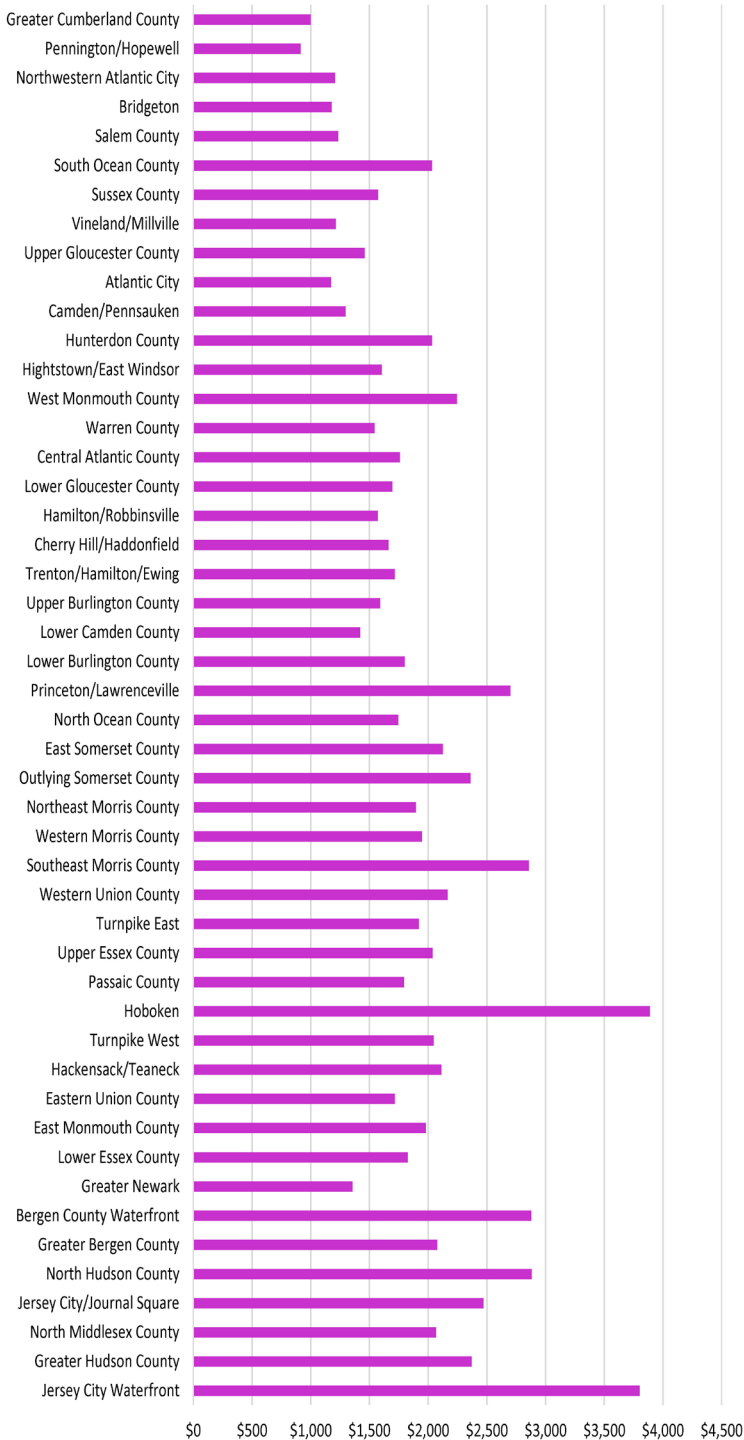
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Multi-Family: Quoted Rates by Submarket



Multi-Family: Vacancy Rates by Submarket



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Since 1978

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About Sitar Realty Company

One of the greatest strengths of the Sitar Realty Company is our ability to offer experience and expertise in all forms of real estate brokerage. Among our specialties are office and industrial leasing and sales, property disposition, consulting for acquisitions, investments, joint ventures and asset management. We are active in tenant representation as well as owner representation for exclusive agencies. Our intimate knowledge of the New Jersey real estate market has often meant a shorter lease-up period for exclusive properties. Most of our brokerage activity takes place in the New Jersey and New York metropolitan area and Pennsylvania. Yet, our repeated success with corporations seeking space in other states has assured these firms of the Sitar Realty Company's strong brokerage network throughout the country. Time is critical in today's market. Whether the requirement is 2,000 or 800,000 square feet, Sitar Realty Company's personnel utilize the resources available to fulfill the requirement thoroughly and professionally. From site selection through data analysis, advice, negotiation, and closing, Sitar Realty Company offers a turnkey solution to each transaction. Our goal is to provide the vital services our clients need and expect in an expeditious and comprehensive manner.

Sitar Realty Company Services

- Commercial Brokerage Leasing and Sales
- Investment Services
- Property Tax Consulting & Appeals
- Property Management Services
- Rent Receiver Services
- Award-Winning Research
- Consulting and Advisory
- IRA Real Estate
- Residential Division



Corporate Mission

Our mission is to provide the finest, most professional real estate services to our clients, exceeding their expectations and delivering total satisfaction. Our approach maximizes the value of real estate while minimizing client costs. We combine creativity, real estate specialists, total market expertise, and integrity to achieve comprehensive solutions to real estate needs. Our salespeople have access to reliable resources and the latest technology and support systems available in the industry.

Our vision is to create an environment of constant improvement, resulting in an ever-increasing quality of our services. We will continuously seek to improve every activity and process in the company. We believe that as good as we are today, we must be better tomorrow. Our drive to improve is both continuous and relentless. We strive to be the unsurpassed standard of comparison.

Our commitment is to listen to the voice of the client, understanding their perspective to implement the real estate plan, and to satisfy their needs at a cost that represents real value. We at Sitar Realty Company believe that the complexities of real estate demand a total approach to client needs and space requirements combining ever-improving creativity and multi-functional skills. Our initiatives meet this challenge three ways: in-depth needs assessment, timely information, and dynamic solutions that create long-term value.

We believe the only real test of performance is the quality of services that we provide to the clients we represent. Over the long term, we must consistently exceed their expectations.

Finally, and perhaps most importantly, we will conduct ourselves in an exemplary manner with all our clients and customers, both large and small, thereby creating long-term relationships with them, whether the service is brokerage, consulting, market research, or corporate investments.

Sitar Realty Company Locations

Sitar Realty Company specializes in servicing all real estate markets in New Jersey. The Company is headquartered in Middlesex County, New Jersey with an additional office located in Monmouth County, NJ.

1481 Oak Tree Road, Iselin, NJ 08830
Tel: 732-283-9000 Fax: 732-283-3103

503 Washington Blvd., Sea Girt, NJ 08750
Tel: 732-449-2000 Fax: 732-449-2828

TCN Worldwide

In 2011, Sitar Realty Company was selected to become a member of TCN Worldwide. TCN Worldwide is comprised of more than 5,000 commercial real estate professionals serving more than 200 markets worldwide. With \$58.6 billion in annual transactions and over 445 million square feet of space under management, TCN Worldwide ranks as one of the largest service providers in the industry. As a member of the TCN worldwide system, we are able to provide corporate real estate services to our clients in national and international markets utilizing the best local expertise.

The data collected herein has been derived from Dept. of Labor, Dept. of Commerce, The Federal Reserve, CoStar, Sitar Realty Company, U.S. Census Bureau of Labor Statistics, Port Authority of NY & NJ and NJEDA. Data may not reflect what was previously reported due to new information coming available. The information gathered is deemed reliable, but no warranty or representations are made as to the accuracy thereof and is submitted subject to any errors or omissions. The ideas and opinions expressed in this market report reflect the views of Sitar Realty Company.

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