

MARKET WATCH

Second Quarter 2025



Worldwide Real Estate Services

Economic Indicators

Unemployment Rate, National	4.1%	↓
Unemployment Rate, New Jersey	4.9%	↑
National Median Existing Home Price	\$435,300	↑
Consumer Confidence Index	93.0%	↑
10 Year Treasury Yield	4.76%	↑
WTI Crude Oil Price	\$66.30	↓

Vacancies Fall, Confidence Rises: Northern NJ's Steady Surge

The second quarter of 2025 revealed a more balanced outlook across Northern New Jersey's commercial real estate market. While challenges persist, leasing momentum, declining vacancies, and strong demand for quality assets are helping to stabilize fundamentals in the office, industrial, and retail sectors.

Office Sector - The office market continued its recovery, with the vacancy rate dropping to 13.1%, its lowest since early 2020. Availability fell to 14.0%, and asking rents rose 2.7%. Net absorption reached 605,000 SF over the past year, fueled by leasing in transit-accessible and upgraded buildings. Obsolete spaces remain challenged, but redevelopment activity is helping rebalance inventory.

Northern New Jersey Key Performance Indicators

	Office	Industrial	Retail
Average Market Rate (PSF)	\$29.69	\$16.10	\$26.06
Average Vacancy Rate	13.1%	5.9%	3.7%
Net Absorption	605,000	197,000	296,000
Total Inventory (Million SF)	151.0	258.0	134.0

Industrial Sector - Northern NJ's industrial sector is cooling off from its historic highs. Vacancy edged up to 5.9%, while rent growth slowed to 3.3%. New deliveries outpaced absorption, with 1.9M SF delivered versus just 197,000 SF absorbed over 12 months. Demand remains strong for small-bay and port-adjacent spaces, while larger footprints face headwinds from rising inventory and cautious expansion.

Retail Sector - Retail continues to outperform, with vacancy at just 3.7% and asking rents up 4.3%. Tight supply and steady population growth are supporting pricing power for landlords. Net absorption totaled 296,000 SF, while only 173,000 SF was delivered. Grocery-anchored centers and necessity retail are driving activity, though national chains are becoming more selective.

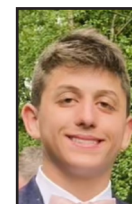
Select Sitar Transactions - Q2 2025

The leasing of 46,000 SF of industrial space from Hilton Properties to TransDev Services, Inc. at 28 Burnett Avenue in Maplewood, New Jersey. Robert Giordano was the broker in this transaction.

The leasing of 37,700 SF of industrial space from Heller Industrial Park to JAS Trading Company at 245 Belmont Drive in Somerset, New Jersey. John Cranley and Bill Sitar Jr. were the brokers in this transaction.

The renewal of 11,500 SF of office space by P&S Transportation at 200 Helen Street in South Plainfield, New Jersey from Nakash 200 Helen Street, LLC. John Cranley and Bill Sitar Jr. were the brokers in this transaction.

Outlook - Northern NJ is showing steady resilience as tenants prioritize quality and flexibility. Office is stabilizing, industrial is recalibrating, and retail remains strong. With new supply slowing and demand evolving, the region is poised for a cautiously optimistic second half of 2025.



By: Nicholas Ruggiero
Summer Intern

Nick has been interning this summer at Sitar Realty Company. This fall he will be entering his Junior year at Villanova University where he is an economics major.

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Large Blocks of Absorption

Office		
Kessler	123,410 SF	135 Greene Street, Jersey City
Walmart	86,443 SF	221 River Street, Hoboken
Haleon	78,635 SF	400 Connell Drive, Berkeley Heights
Industrial		
Undisclosed	574,480 SF	198 Democrat Road, Mickleton
Nissan North American Inc.	519,544 SF	1501 Cottontail Lane, Somerset
Western Carriers	515,421 SF	1 Malcolm Avenue, Teterboro
Retail		
Pickleball Kingdom	39,600 SF	1151 US Highway 22, Watchung
Urban Air Adventure Park	38,000 SF	2495 Brunswick Pike, Lawrence Township
Home Living Furniture	33,000 SF	200-220 Trotters Way, Freehold

Average Sales Prices

	Office PSF	Industrial PSF	Retail PSF	Multi Family Per Unit
Northern New Jersey	\$174	\$192	\$224	\$263,000
Trenton	\$154	\$151	\$188	\$250,000
Atlantic City	\$124	\$76	\$157	\$136,000
Vineland	\$98	\$61	\$157	\$116,000
Ocean City	\$143	\$105	\$245	\$102,000

Net Absorption, SF (Past 12 Months)

	Office	Industrial	Retail
Northern New Jersey	605,000	197,000	296,000
Trenton	550,000	(237,000)	48,100
Atlantic City	(39,900)	(125,000)	(18,000)
Vineland	9,700	311,000	67,000
Ocean City	9,400	8,900	4,600

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FEATURED LISTINGS

Worldwide Real Estate Services



MULTIFAMILY FOR SALE

529-531 & 526-532 Mulberry St.
and 166-170 Emmet St.
Newark, NJ 07114

Please contact:
Office: 732.283.9000

Bill Sitar Jr.
Cell: 973.202.9119
Tatiane Ubagai
Cell: 917.403.9381



APPROVED LAND FOR SALE

779 New Durham Road
Edison, NJ 08817

Please contact:
Office: 732.283.9000

Douglas Sitar
Cell: 732.859.2144



OFFICE/FLEX FOR SALE/LEASE

3310 New Jersey 66
Neptune, NJ 07753

Please contact:
Office: 732.283.9000

Bill Sitar Jr.
Cell: 973.202.9119
Gregg Nowell
Cell: 732.859.5365
Roxanne Bushey
Cell: 732.675.4645

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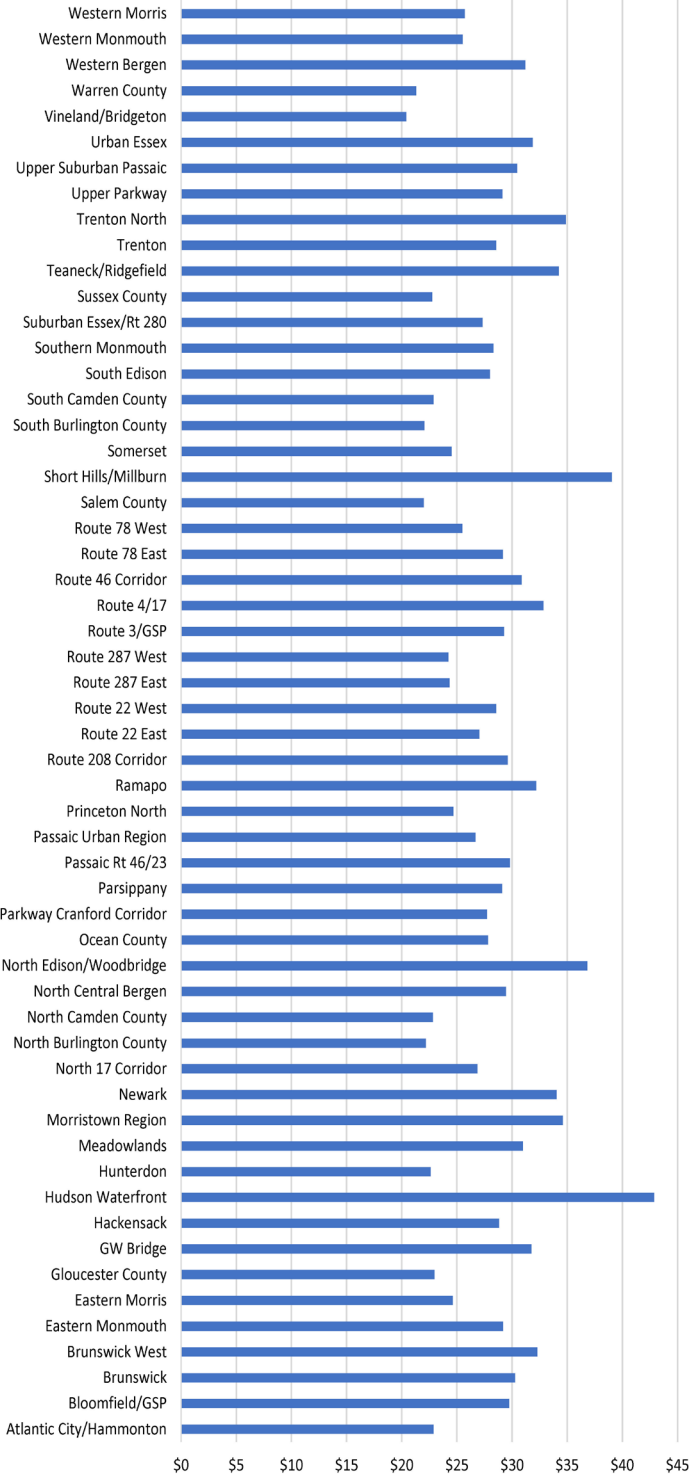
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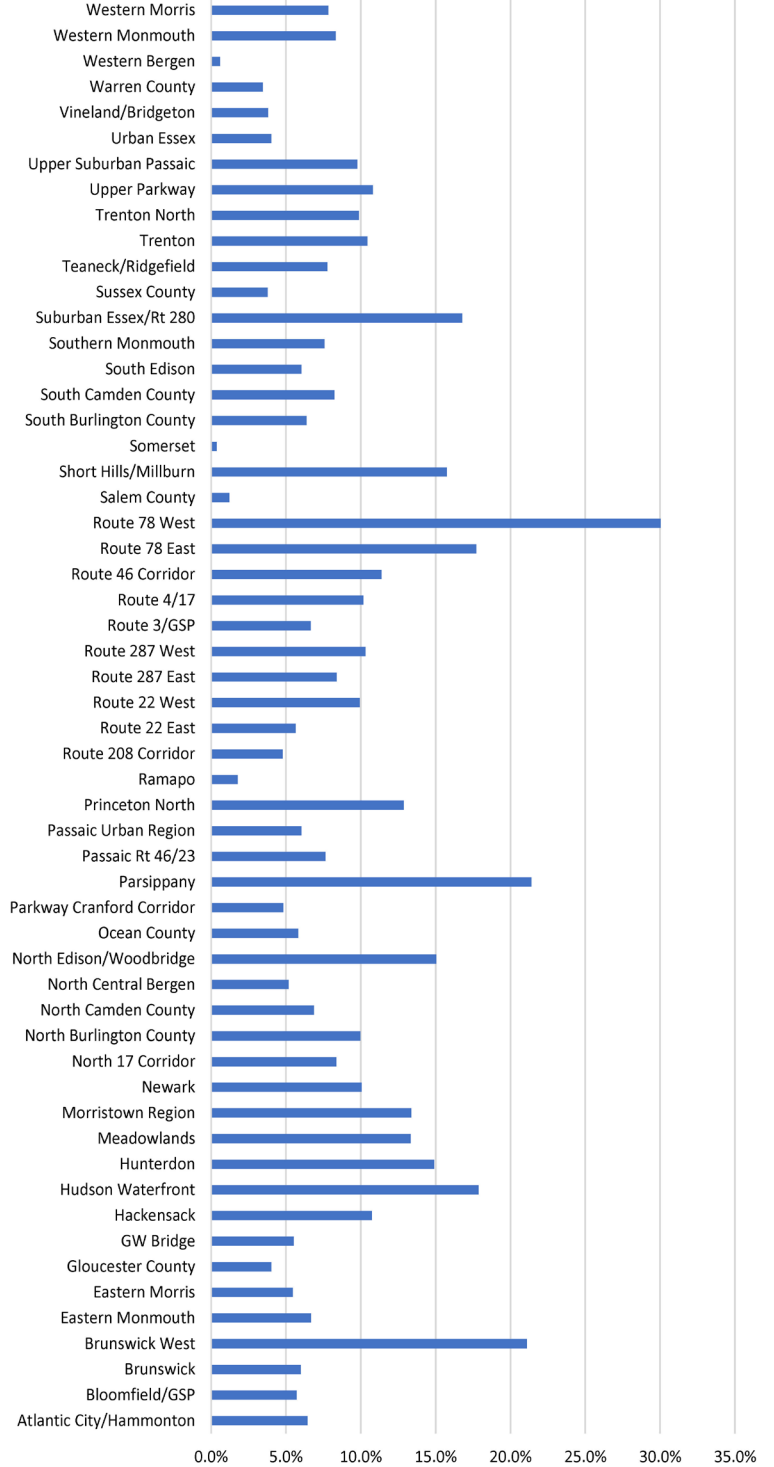


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Office: Quoted Rates by Submarket



Office: Vacancy Rates by Submarket



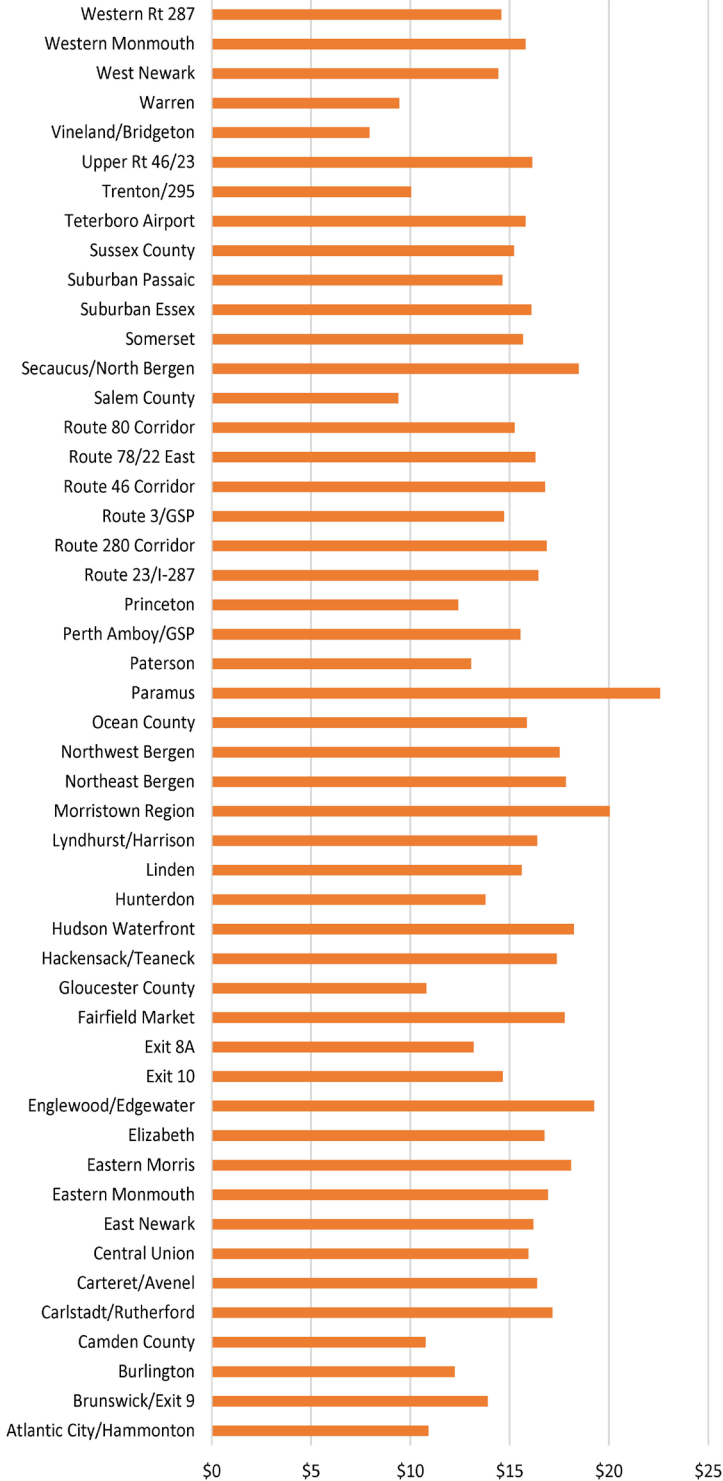
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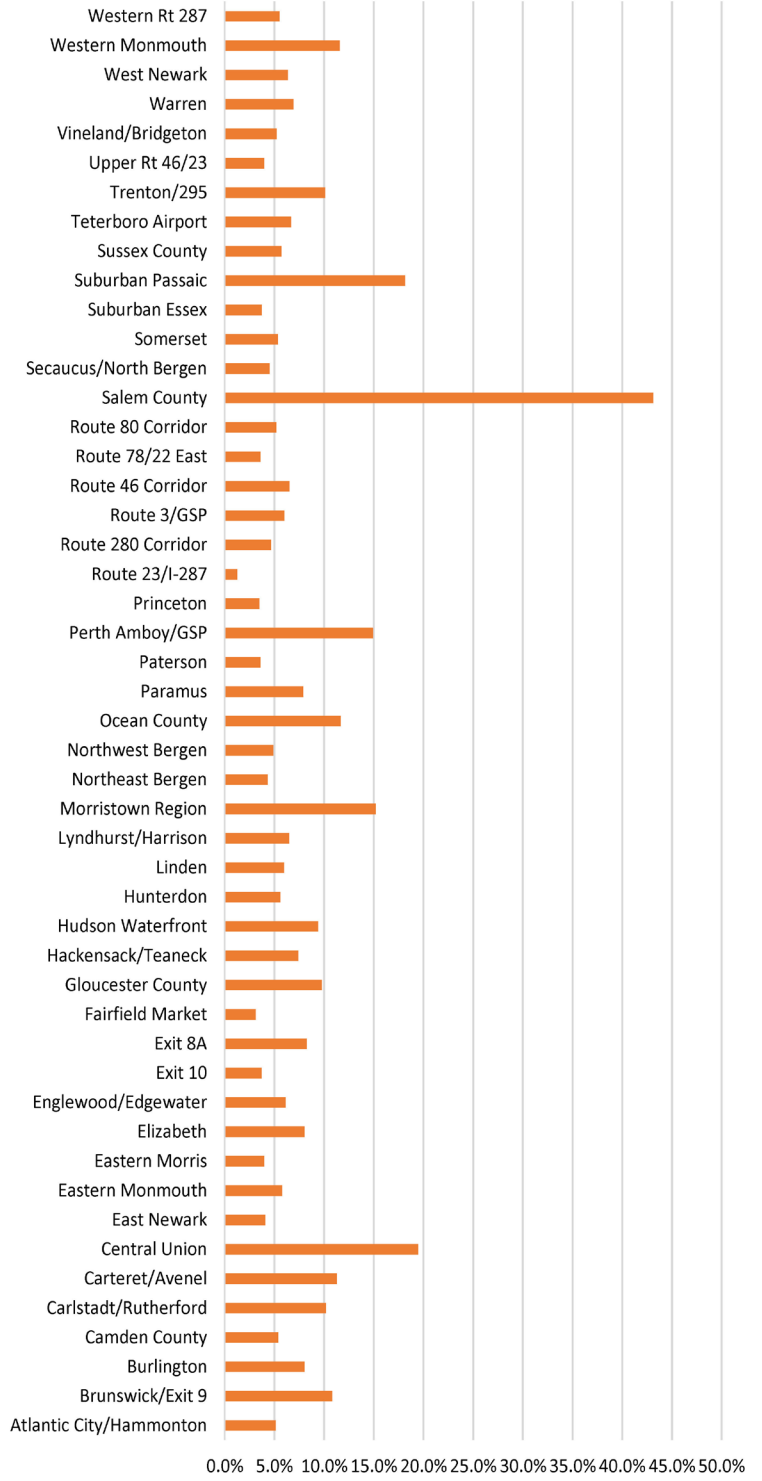


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Industrial: Quoted Rates by Submarket



Industrial: Vacancy Rates by Submarket



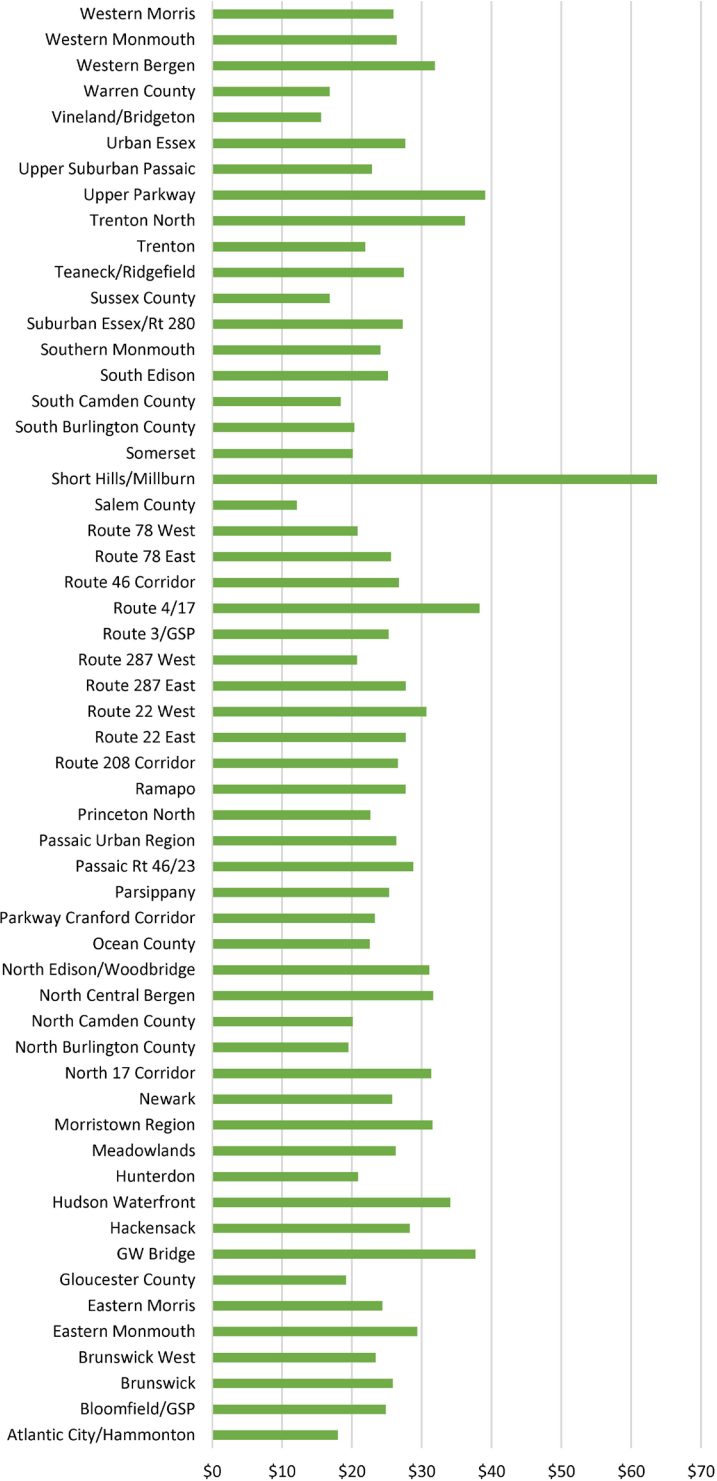
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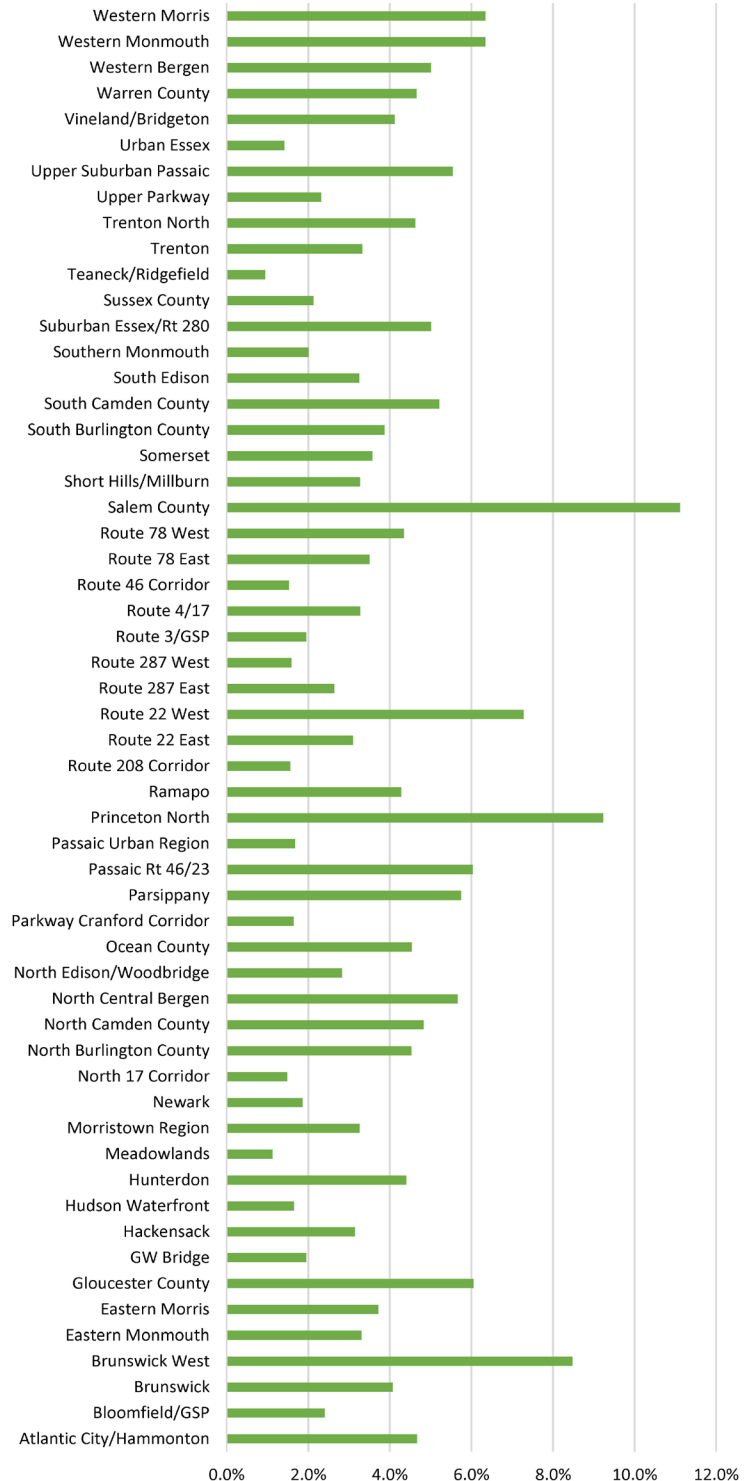


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Retail: Quoted Rates by Submarket



Retail: Vacancy Rates by Submarket



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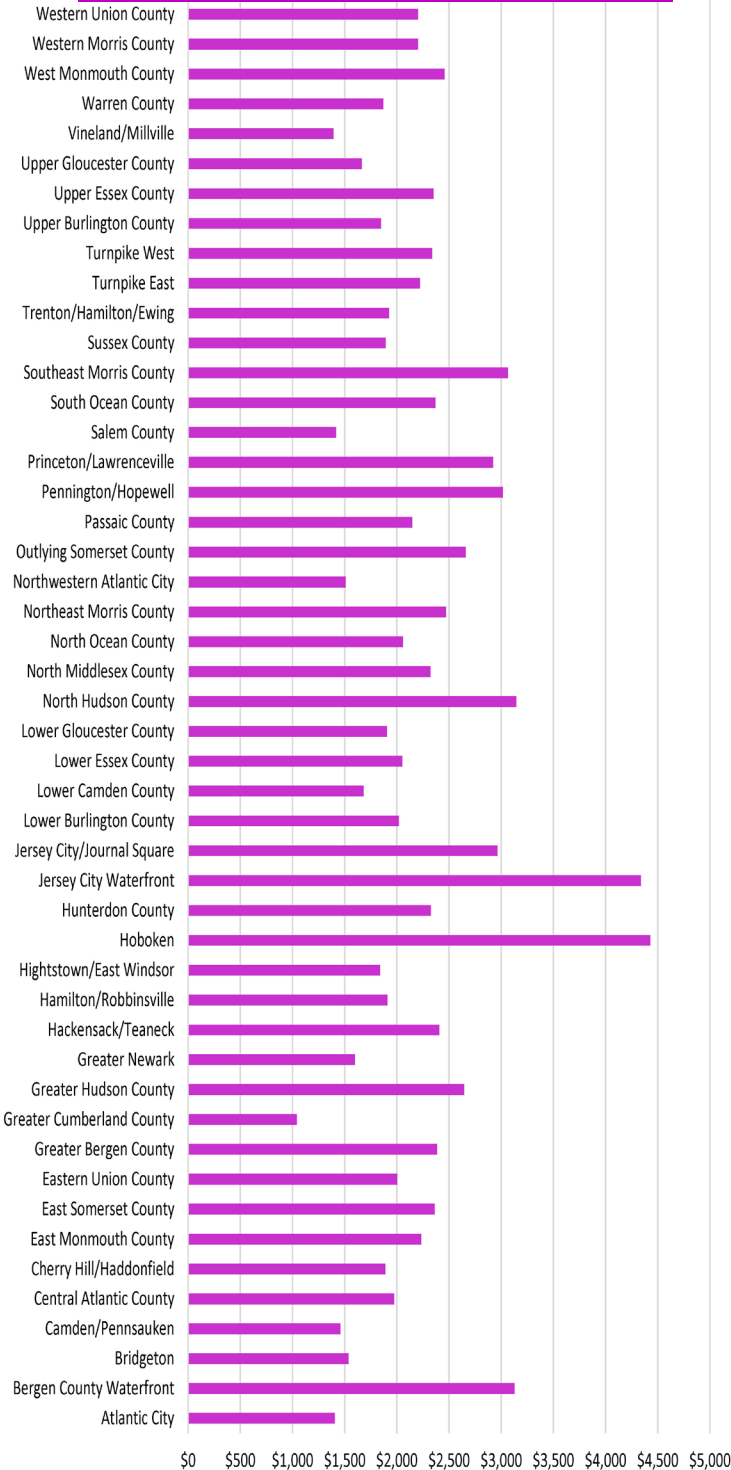
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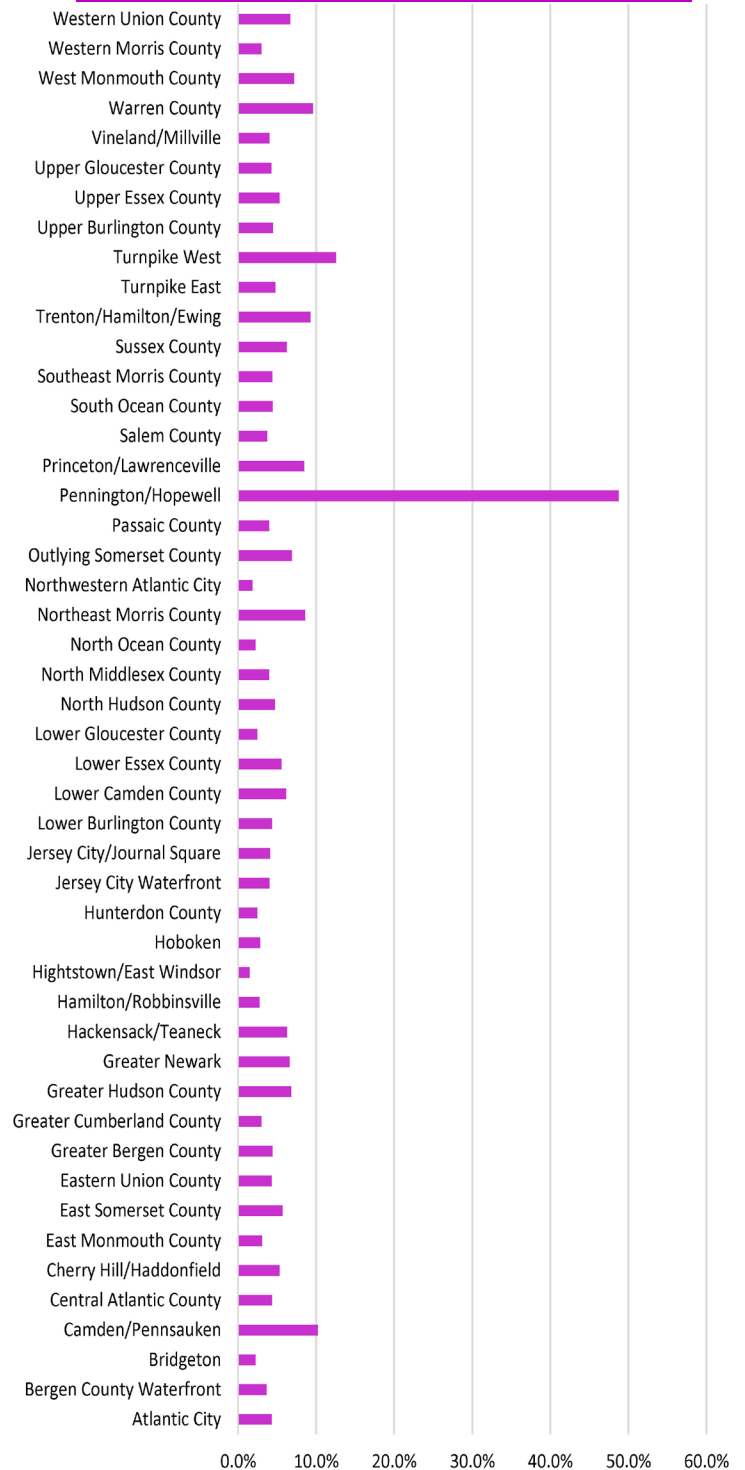


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Multi-Family: Quoted Rates by Submarket



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

2520 Hwy. 35, Unit 101, Manasquan, NJ 08736
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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