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CBRE: NEW JERSEY INDUSTRIAL MARKET POSTS HIGHEST ANNUAL NET ABSORPTION SINCE 2001

Saddle Brook, New Jersey – January 14, 2019 – The New Jersey industrial market posted a strong fourth quarter with 6.5 million sq. ft. of leasing velocity and more than four million sq. ft. of net absorption according to CBRE's Q4 Industrial market report. The strong net absorption drove the annual total to 11.6 million sq. ft., the highest figure recorded since CBRE began tracking the market in 2001.

Total available space fell from roughly 56.9 million sq. ft. to 54.3 million sq. ft., a decline of 30 basis points (bps) to 6.6%. At the same time, the overall vacancy rate is just 3.3%, a drop of 20 bps year-over-year.

"The industrial market continued on a hot pace during the fourth quarter – a trend that we don't see abating any time soon," said Thomas Monahan, Vice Chairman, CBRE. "New Jersey benefits not only from its prime location in the northeast corridor, but also from the ever-evolving market dynamics and business requirements by the e-commerce industry."

The market added seven buildings totaling just over two million sq. ft. in the fourth quarter, increasing base inventory to nearly 825 million sq. ft. Last year saw a record number of new completions at 10.3 million sq. ft., and the year ended with 24 buildings under construction, which will add more than seven million sq. ft. to the market upon completion.

Although the average asking rent had risen in each of the first three quarters of the year, the fourth quarter saw a slight reversal with the overall rate falling from \$7.09 to \$7.02 per sq. ft. Direct space had an average rate of \$6.98, while scarce sublease space ended the year with a rate of \$8.19 per sq. ft., the highest posted in 2018.

Notable transactions during the quarter included a 544,518 sq. ft. lease renewal and expansion by Pioneer Commodities at 1665 Jersey Avenue in North Brunswick; a 459,822 sq. ft. lease by Gucci at 150 Totowa Road in Wayne; and a

382,596 sq. ft. new commitment by Caravan Food Products at 700 Union Boulevard in Totowa.

On the investment sales front, investors were once again active in the fourth quarter with 43 sales taking place, exactly matching the total recorded in the previous quarter. Larger properties were most desirable to buyers with 24 of the sales representing buildings equal to or greater than 100,000 sq. ft. Consequently, the total size of all properties that traded exceeded 6.8 million sq. ft., an increase of nearly 13 percent above the third quarter.

To read the full report, click [here](#).

About CBRE Group, Inc.

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