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NORTHERN NEW JERSEY

MULTIFAMILY MARKET REPORT | MID-YEAR

2025

Jobs Added / Lost

LAST 12 MONTHS
6,400

0.6% YOY

Unemployment

JUNE 2025
5.0%

30 BPS YOY

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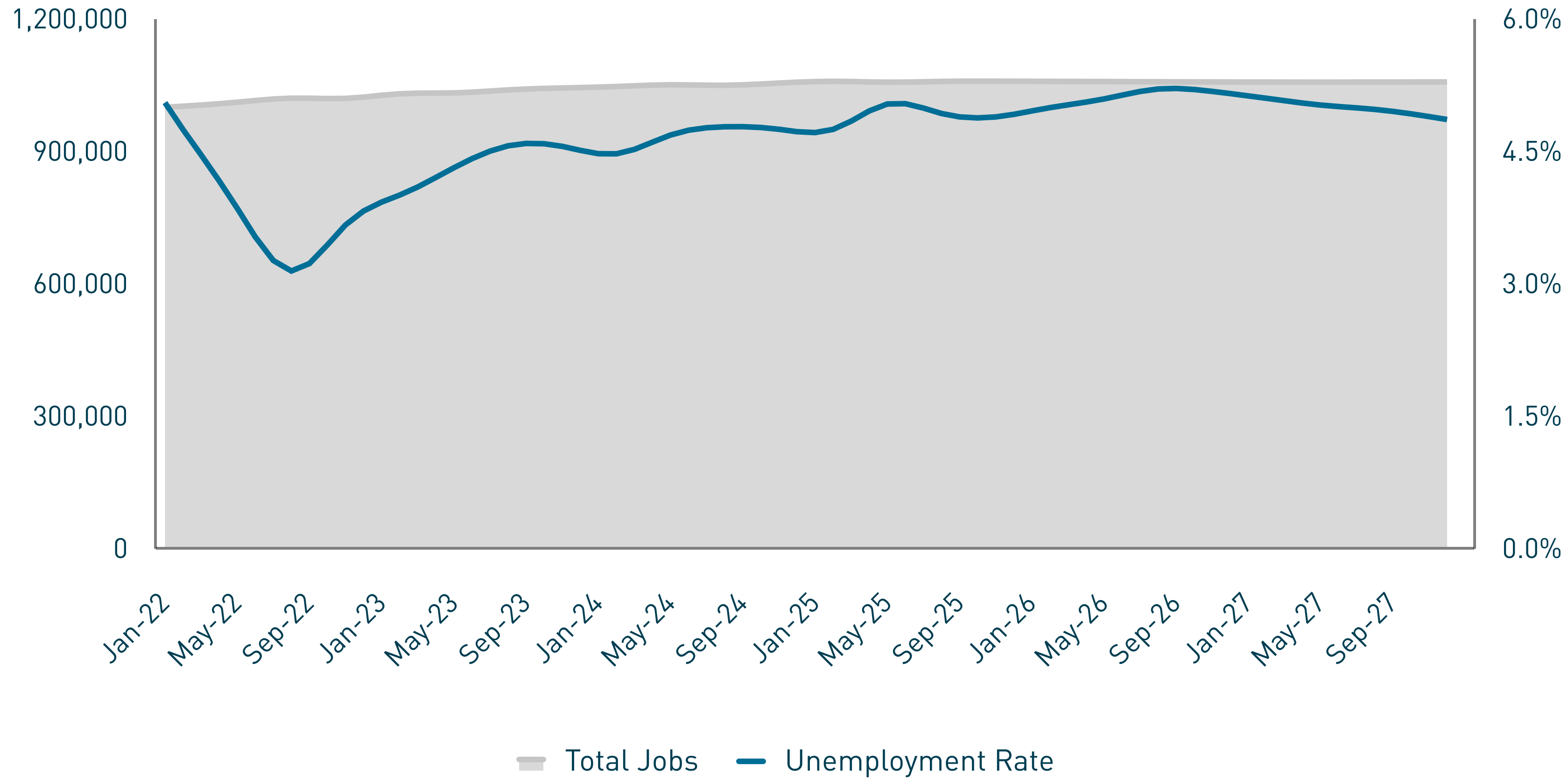
Source: Moody's Analytics

Employment

Northern New Jersey's economy is a dynamic and diverse powerhouse, driven by a mix of industries including finance, healthcare, technology, and logistics. As one of the largest employment sectors, the private education and healthcare sector led hiring last year. Institutions added 9,100 net personnel to private education and healthcare payrolls, marking a 5.1% annual growth since mid-2024. The healthcare subsector is bolstered by renowned hospitals and research facilities, providing employment and innovation opportunities. Notably, the recent opening of the Jack and Sheryl Morris Cancer Center, a partnership between RWJBarnabas Health and Rutgers Cancer Institute, added a 12-story, 510,000-square-foot facility to the region. The industry is set to grow further with the $50 million expansion of Hackensack Meridian Palisades' emergency department in 2026. Beyond healthcare, education and research institutions enhance the region's economic landscape, fostering a skilled workforce and driving innovation. An educated workforce has been essential to the growth of the advanced manufacturing industry. The market hosts a variety of advanced manufacturing sectors, including pharmaceuticals, biotechnology, aerospace, and electronics. These employers contributed to a 1.9% annual expansion in the manufacturing sector, resulting in 1,200 additional workers over the last 12 months.

Employment Trends



Source: Moody's Analytics

In the News

$400M mixed-use development breaks ground in Jersey City
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Construction begins on new entry point to EWR train station
Read More

$331M secured for second phase of 50 Hudson Street development
Read More

Deliveries & Absorption

2025 Year to Date

DELIVERIES
8,289 UNITS

ABSORPTION
12,010 UNITS

2025 Total*

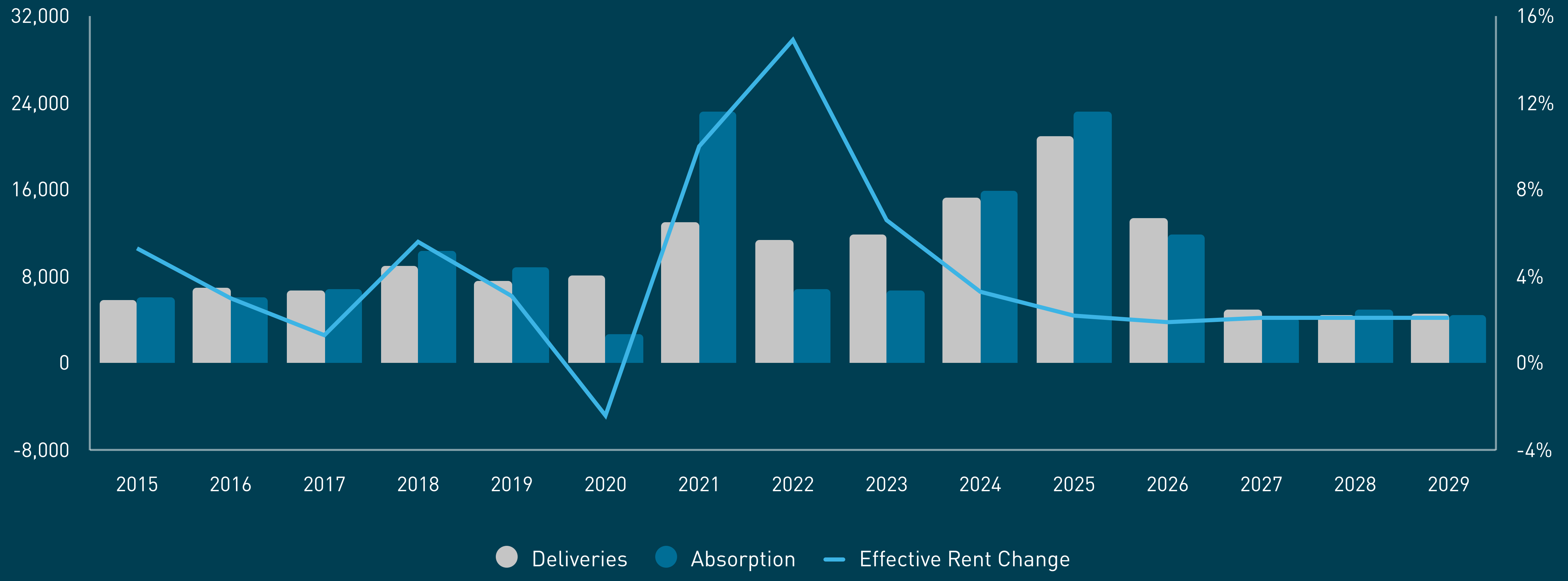
DELIVERIES
20,932 UNITS

ABSORPTION
23,152 UNITS

**Projected*
Source: RealPage

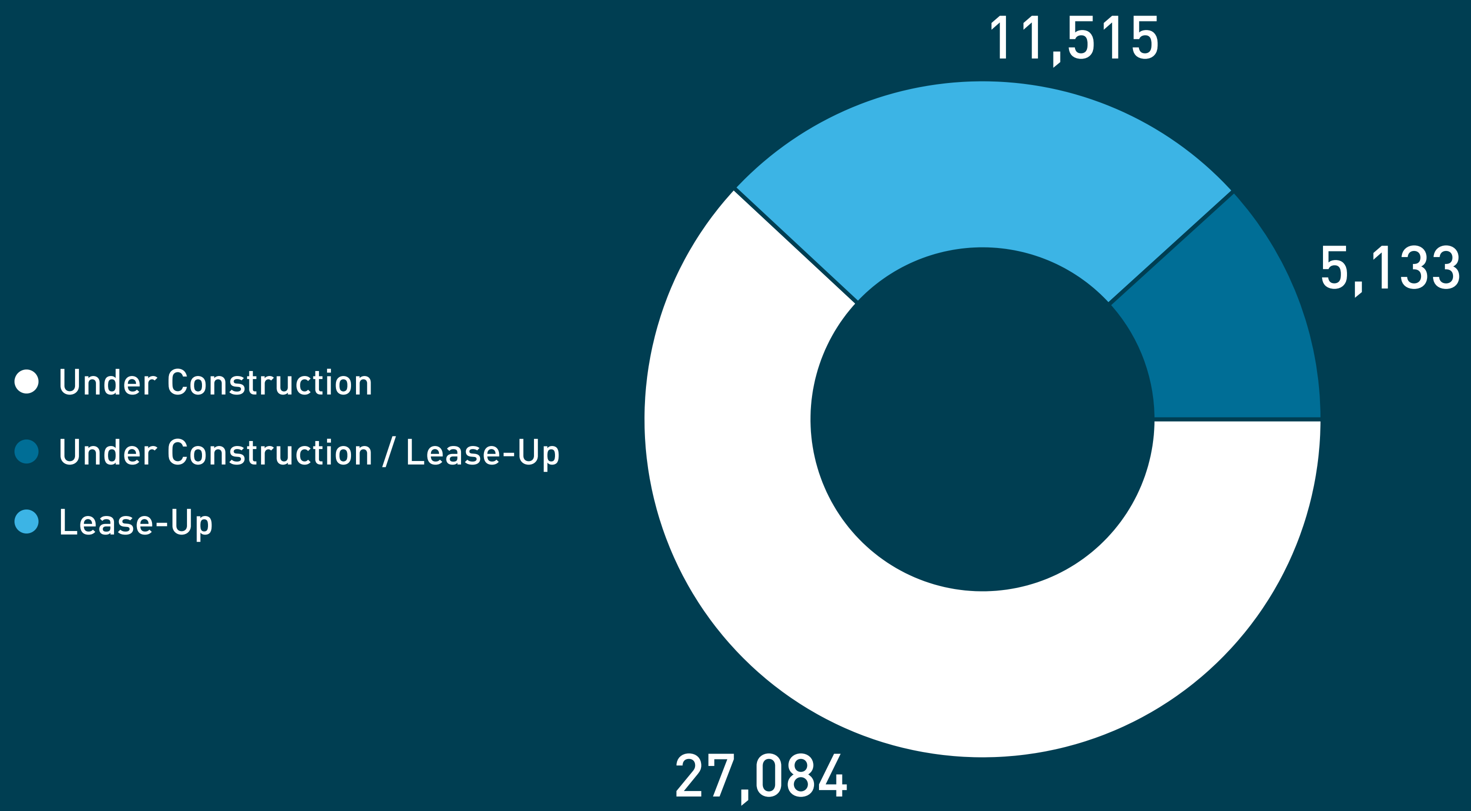
Jersey City remained a focal point for apartment development, with a market-leading 4,433 units coming online in the submarket over the past year. The area's strategic position across the Hudson River from Manhattan makes it an attractive alternative location, while Jersey City's revitalization efforts have contributed to a surge in apartment development. From transforming the waterfront to improving transportation infrastructure, the submarket has become a vibrant urban hub, attracting young professionals and families. Developers are capitalizing on this demand by constructing modern, amenity-rich apartment complexes that cater to a diverse population. Another factor driving the uptick in activity has been local government incentives and zoning changes allowing for higher-density developments, particularly in areas like the waterfront and Journal Square. Even with the metro-leading additions last year, supply trailed demand as 5,747 net units were absorbed across Jersey City. Sustained demand will be essential as more than 11,200 units were under construction in the submarket by mid-2025. Economic growth in Jersey City, driven by the finance, technology, and healthcare sectors, has increased job opportunities, further fueling housing demand. The supply and demand imbalance in Jersey City was reflected across Northern New Jersey. Developers brought 18,431 units online since mid-2024, which could not keep up with housing demand. Annual net absorption totaled 24,159 units across the market.

Deliveries, Absorption, & Effective Rent Change



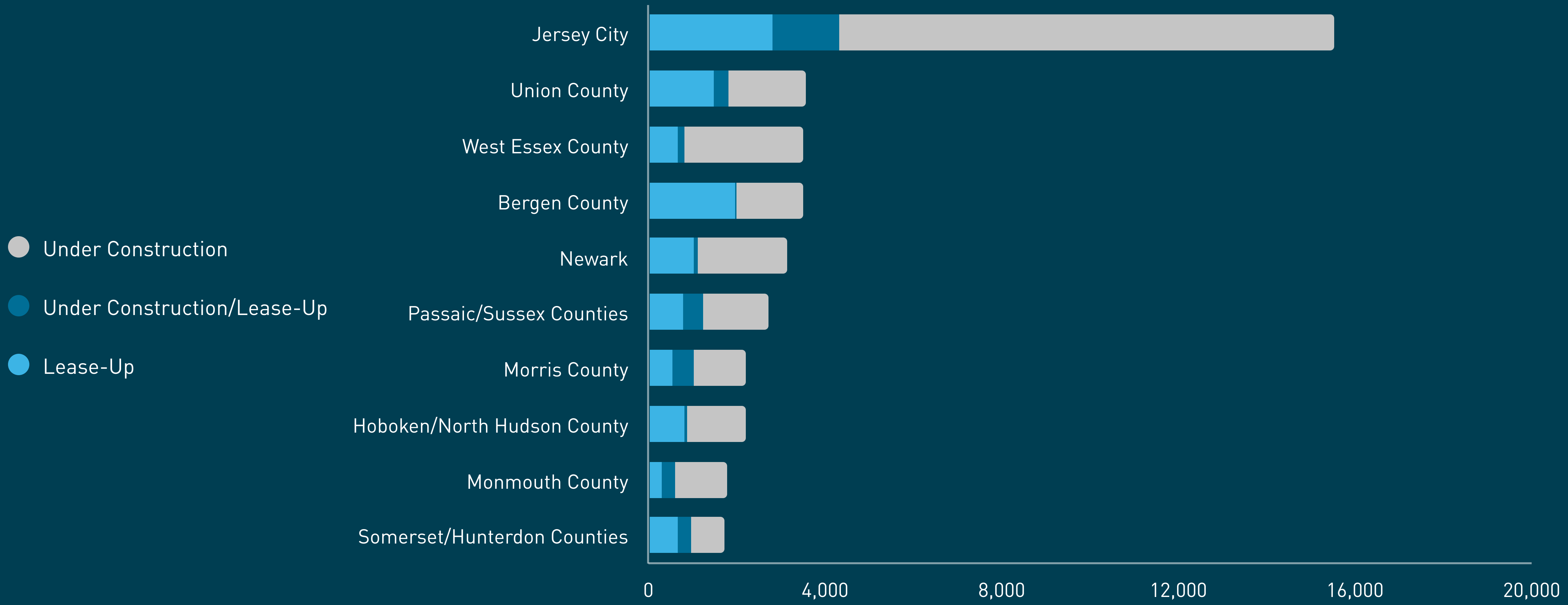
Source: RealPage

Northern New Jersey Pipeline



Source: RealPage

Largest Submarket Pipelines



Source: RealPage

Effective Rent

Q2 2025
$2,812

3.6% YOY

Occupancy

Q2 2025
97.4%

130 BPS YOY

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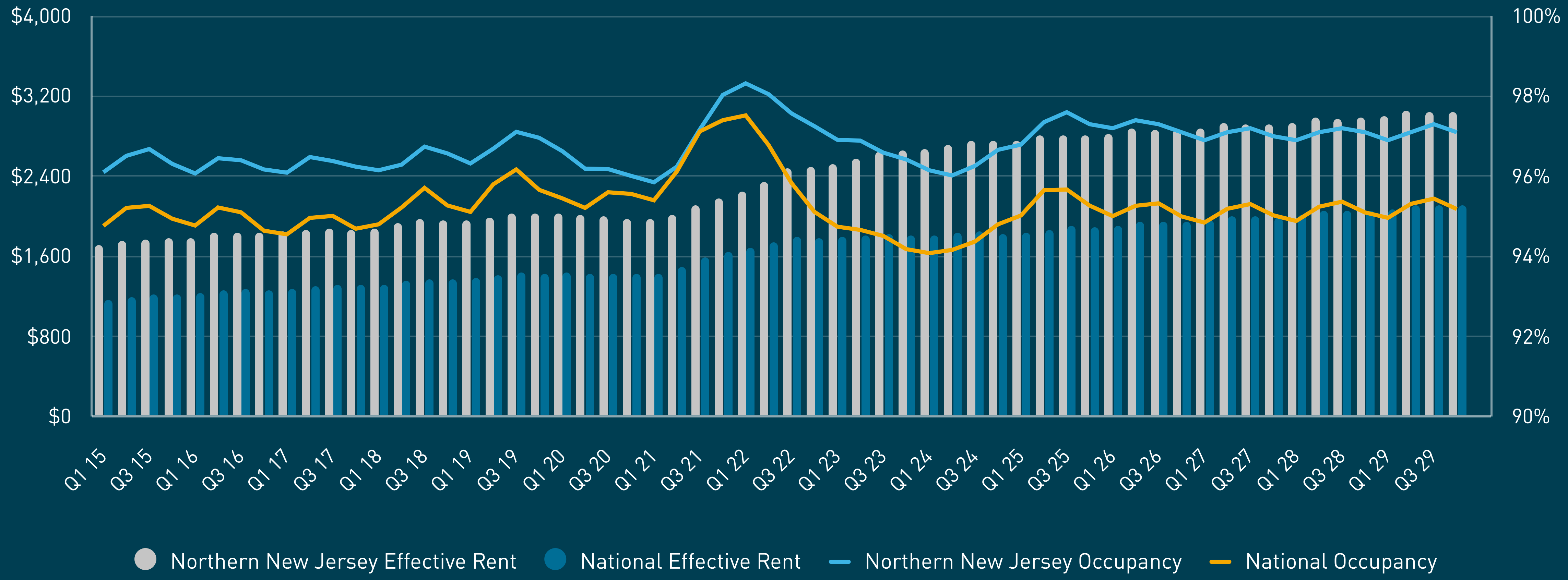
Source: RealPage

Rent & Occupancy

A surge in rental demand across Northern New Jersey boosted apartment fundamentals over the past year. Following two years of muted activity, leasing activity skyrocketed over the last four quarters. Underpinning the rising housing demand was a positive swing in net migration. With sustained hiring and lower rents compared to New York, approximately 29,100 more people moved to Northern New Jersey than moved out in 2024. This trend has continued this year, with net migration remaining positive. Robust housing demand led to increased apartment occupancy in all submarkets over the last year. Market-wide, occupancy rose 130 basis points year over year to an average of 97.4% in the second quarter of 2025. With occupancy rising amid a healthy construction pipeline, many apartment operators decided to reduce the use of concessions as well as concession levels. The share of units offering concessions dropped 140 basis points over the last year. At the same time, average concessions decreased from 6.2% one year ago to 6.0% in the second quarter of 2025. These moves contributed to a positive shift in rent over the last quarters. Effective rent advanced 1.3% since mid-2024, more than offsetting the 0.9% reduction during the previous year. Some of the strongest gains were among Class C communities, where occupancy was tighter on average than Class A or Class B products.

Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Northern New Jersey vs. National Effective Rent & Occupancy



Source: RealPage

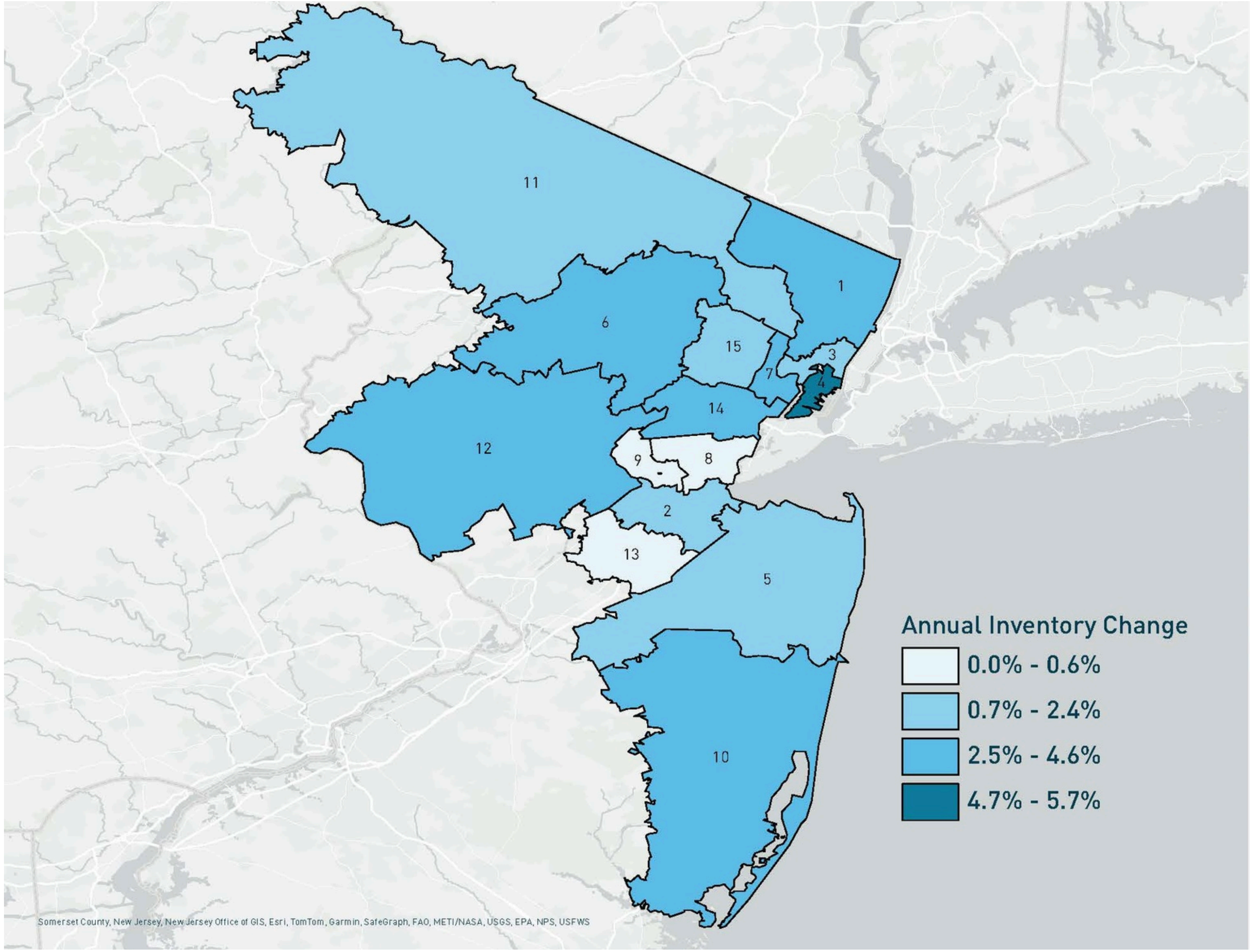
Rent & Occupancy

Submarket Performance

Submarket Name	Q2 25 Occupancy	YOY (BPS)	Q2 25 Effective Rent	YOY
Bergen County	97.0%	70	$2,901	1.7%
Central Middlesex County	97.7%	90	$2,234	7.7%
Hoboken/North Hudson County	97.2%	90	$3,588	0.9%
Jersey City	97.2%	190	$3,790	1.3%
Monmouth County	97.5%	100	$2,395	4.0%
Morris County	97.7%	120	$2,568	5.7%
Newark	96.0%	180	$2,258	9.2%
Northeast Middlesex County	97.2%	210	$2,470	5.0%
Northwest Middlesex County	97.5%	60	$2,296	4.5%
Ocean County	98.8%	80	$2,155	5.5%
Passaic/Sussex Counties	98.1%	250	$2,311	10.7%
Somerset/Hunterdon Counties	97.6%	190	$2,458	5.4%
South Middlesex County	98.3%	310	$2,103	2.2%
Union County	96.8%	90	$2,535	5.9%
West Essex County	97.1%	120	$2,472	5.1%

Source: RealPage

Submarket Mid-Year 2025 Annual Inventory Change

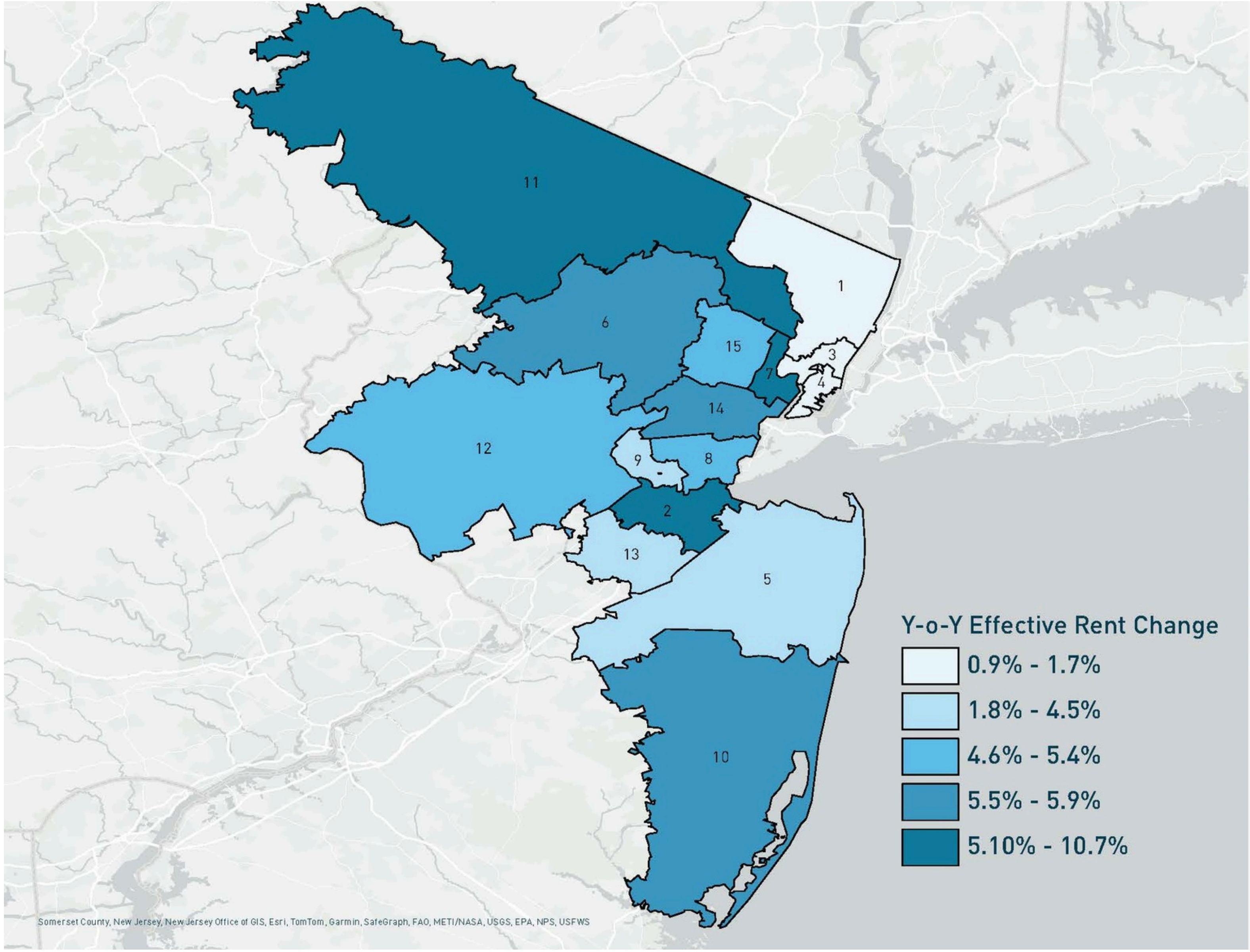


SUBMARKET BOUNDARIES

1. Bergen County
2. Central Middlesex County
3. Hoboken / North Hudson County
4. Jersey City
5. Monmouth County
6. Morris County
7. Newark
8. Northeast Middlesex County
9. Northwest Middlesex County
10. Ocean County
11. Passaic / Sussex Counties
12. Somerset / Hunterdon Counties
13. South Middlesex County
14. Union County
15. West Essex County

Source: RealPage

Submarket Mid-Year 2025 Annual Effective Rent Change



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Source: RealPage

Sales

2025 Year to Date*		What's Trading?*	
Volume $1.2B	**Price Per Unit (Avg)** $250,221	**Units (Avg)** 61	**Year Built (Avg)** 1960s
Transactions 68	**Cap Rate (Avg)** 5.6%	**Buildings (Avg)** 2	**Acres (Avg)** 1.89

$2.5M+ Transactions

Sources: MSCI Real Capital Analytics; CoStar Group; Berkadia Research

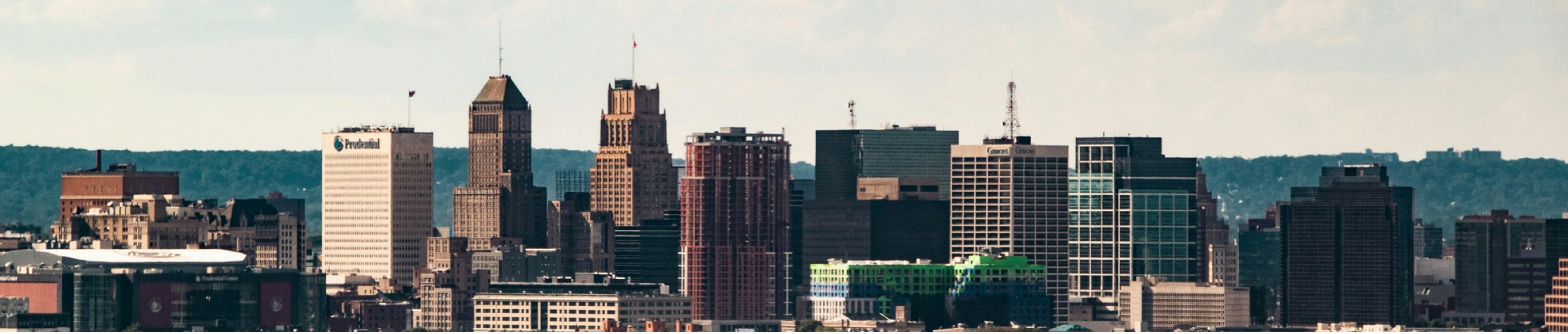
Sales

Top Buyers*	
Buyer	**Location**
Cammeby's	New York, NY
Inland Real Estate Group of Companies	Oak Brook, IL
Tishman Speyer	New York, NY
Cantor Fitzgerald	New York, NY
Tower Management	River Edge, NJ

Top Sellers*	
Seller	**Location**
AvalonBay	Arlington, VA
Fidelco Realty Group	Millburn, NJ
Diversified Properties	Montville, NJ
Ironstate Development Company	Hoboken, NJ
Brookfield Properties	Toronto, CAN

$2.5M+ Transactions

Sources: MSCI Real Capital Analytics; CoStar Group; Berkadia Research



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