

NEW JERSEY OFFICE MARKET

Yardi® Matrix

Market Analysis

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Strength in the Suburbs



New Jersey has entered a modest expansion mode driven by growth in the life sciences and tech sectors. Despite New York City's strong economic influence, the market is taking its first big step toward diversifying its business climate. Many of the tax incentive programs aimed at attracting companies to New Jersey expired in June 2018, but this doesn't mean the market is closed for business. Other incentives such as the Angel Investor Tax program, the Edison Innovation Fund and the NJ CoVest Fund managed to retain companies such as CIT Bank, Everest Re. Group and Ricoh USA, and will attract more companies in upcoming quarters.

The professional and business services sector led the way in job gains with 10,300 new positions over the 12 months ending in September 2019, signaling heightened business confidence in the New York-Newark-Jersey City metro. The information sector added 4,200 jobs over the same period. Coworking continued to expand on par with the tech sector, propelling growth in tech and life sciences shared-space locations such as Bell Works' CoLab, which is powered by the NJ Ignite program.

Some 276,000 square feet was under construction as of October. Development activity has been tempered mostly because landlords are opting to renovate existing properties and obsolete office campuses in the suburbs, aided by the 21st Century Redevelopment Program.