

NORTHERN NEW JERSEY

2023 MARKET AT A GLANCE

Occupancy Rate

97.1%



DOWN 50 BPS YOY

Effective Rent

\$2,557



UP 3.6% YOY

Rent Share of Wallet

28.9%



DOWN 10 BPS YOY

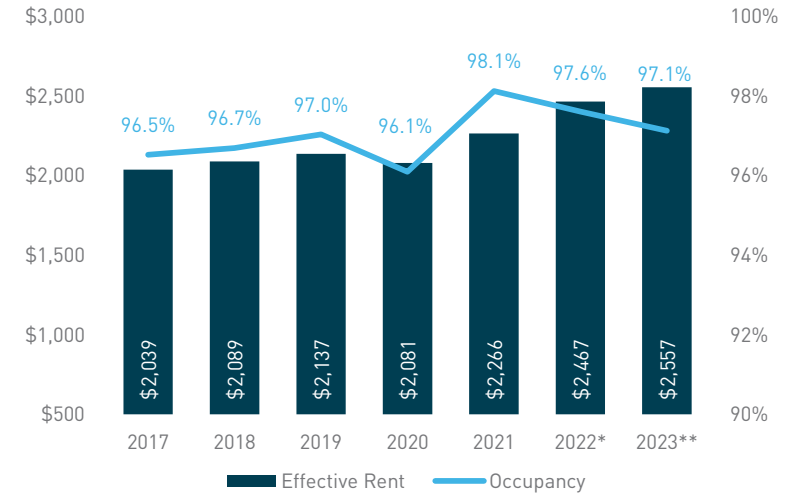
Jersey City to See Large-Scale Apartment Construction Boom in 2023

Northern New Jersey is increasingly able to attract leading financial institutions, tech companies, media, and many other new businesses. This trend will continue to benefit the apartment market, with developers forecast to bring more than 13,800 apartment units online in 2023, the highest annual deliveries since 2006. A significant share of the scheduled deliveries is in the Jersey City submarket, with more than 4,300 units. A substantial portion of these new units are accounted for in the Emerson Lofts project. Emerson Lofts is a 2 million-square-foot, mixed-use development that will feature more than 1,000 residential units. The recently completed first phase of the property is currently 95% leased, and the second phase is under construction. This property is one of many other Class A projects coming online across Northern New Jersey that allow renters an attractive alternative to purchasing amid continuously rising homeownership costs. For prospective renters, Jersey City is attractive because it is relatively affordable, while still being convenient to all the culture, shopping, entertainment, and various other amenities New York City offers. As a result of this demand, leasing activity in the market is predicted to remain brisk with net absorption projected to surpass 10,800 units. Apartment operators are expected to advance average effective rent 3.6% annually to \$2,557 a month in the fourth quarter. The large influx of new units will set occupancy back slightly to an average of 97.1% in the fourth quarter, though still above the 2010 to 2019 pre-pandemic annual average of 96.4%.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2022 are projected values. 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

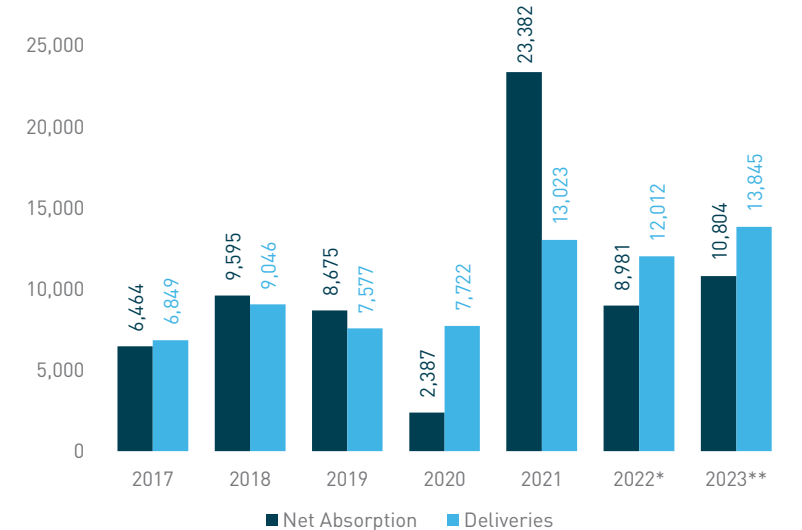
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

Absorption & Deliveries

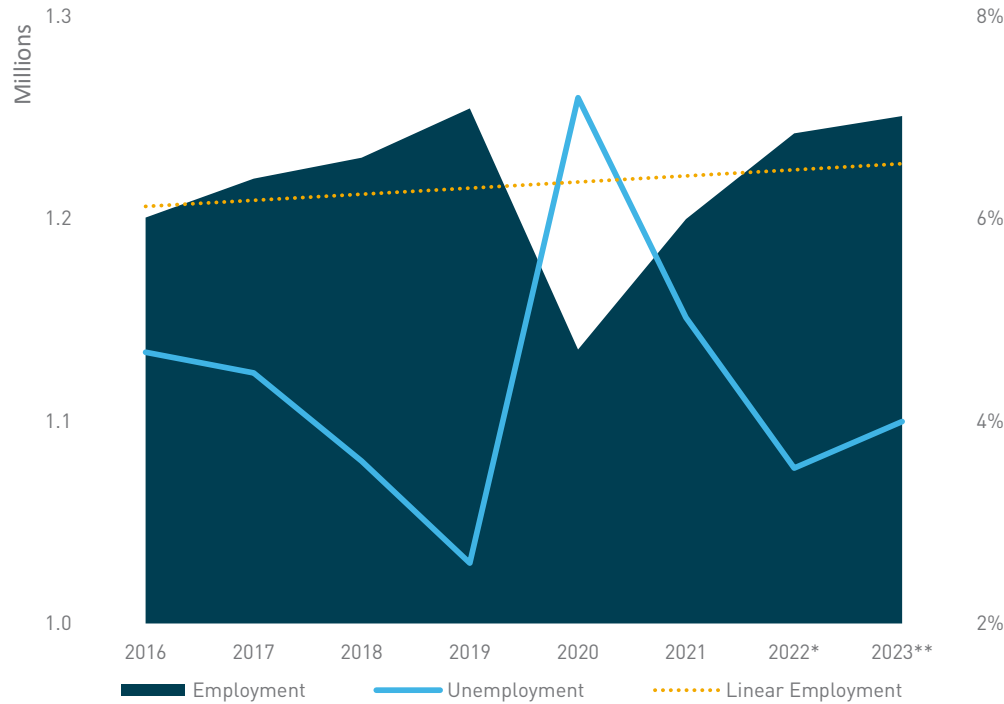


*Projected **Forecast

NORTHERN NEW JERSEY

Employment Trends

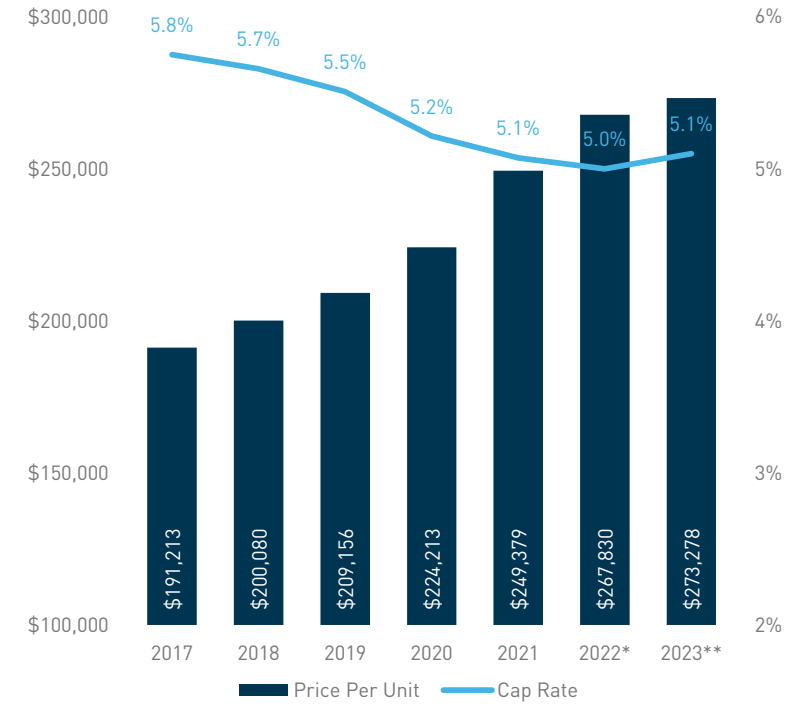
Market Employment Trends



*Projected **Forecast

Sales Trends

Price Per Unit & Cap Rate



*Projected **Forecast

<p>Employment</p> <p>1,250,700</p> <p>↑</p> <p>UP 0.7% YOY</p>	<p>Unemployment</p> <p>4.0%</p> <p>↑</p> <p>UP 50 BPS YOY</p>	<p>Median Household Income</p> <p>\$106,024</p> <p>↑</p> <p>UP 3.9% YOY</p>
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<p>Price Per Unit</p> <p>\$273,278</p> <p>↑</p> <p>UP 2.0% YOY</p>	<p>Cap Rate</p> <p>5.1%</p> <p>↑</p> <p>UP 10 BPS YOY</p>
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