

# NORTHERN NEW JERSEY

## 2024 MARKET AT A GLANCE

OCCUPANCY RATE  
(Q4 2024)

96.6%



UP 10 BPS YOY

EFFECTIVE RENT  
(Q4 2024)

\$2,723



UP 3.3% YOY

RENT SHARE OF WALLET  
(Q4 2024)

28.3%



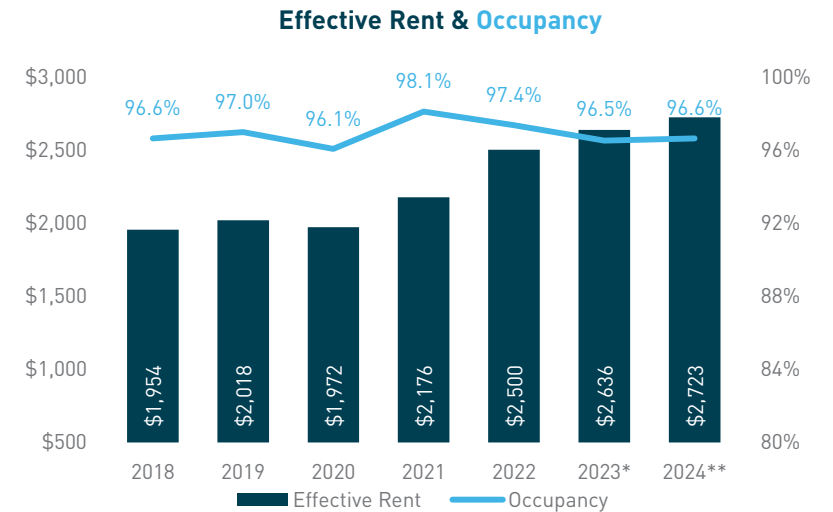
UNCHANGED YOY

## Apartment Absorption to Surpass Supply as Renters Capitalize on Softened Rent Increases

Northern New Jersey's affordability combined with the expectation of high interest rates will keep the apartment market among the top 20 for leasing activity this year. The prime commuter market posted an average effective rent nearly 70% lower than New York-White Plains during the fourth quarter of 2023, making it a haven for budget-conscious renters who work on the other side of the Hudson. Forecasts indicate that this will be the first year since 2021 when apartment demand will outweigh supply, which will be the heaviest volume of new units in the last 20 years. Renters are projected to occupy 18,822 net units as builders complete 18,792, pushing up the average apartment occupancy level 10 basis points annually to 96.6% in the fourth quarter of 2024. Multifamily operators are expected to respond to improved demand with a 3.3% increase in the average effective rent to \$2,723 in the fourth quarter of 2024, 30 basis points above the national average increase. Though apartment renewals in Northern New Jersey have been above the average over the past five years, the gap between the price of renewing and signing a new lease has lowered over the course of 2023. This, along with a 3.3% projected increase in median household income, may prompt multifamily dwellers to sign a new lease at one of the many new luxury communities. As new inventory increases competition in submarkets like Jersey City, where much of the amenity-rich supply is being built, forecasts of high absorption support the likelihood of renters taking the opportunity to lease newer units.

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 2023 are projected values. 2024 figures are forecast projections.

## APARTMENT TRENDS

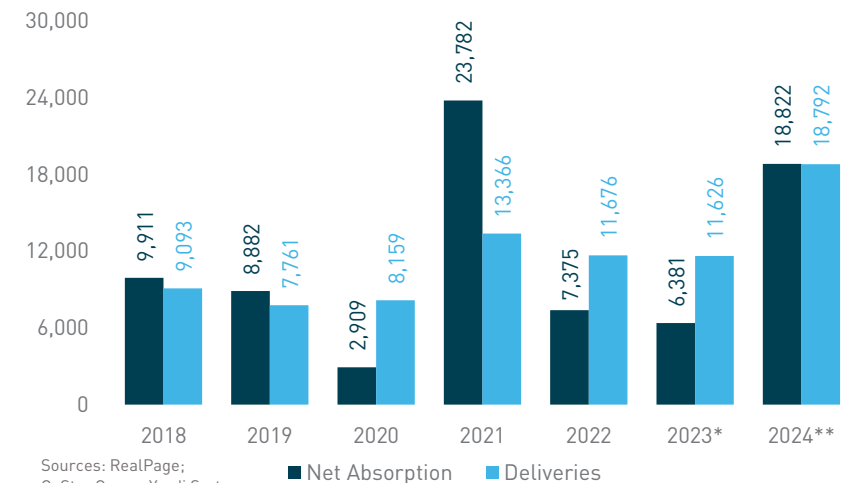


Sources: RealPage; CoStar Group; Yardi Systems

\*Projected \*\*Forecast

Note: 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.

## Absorption & Deliveries



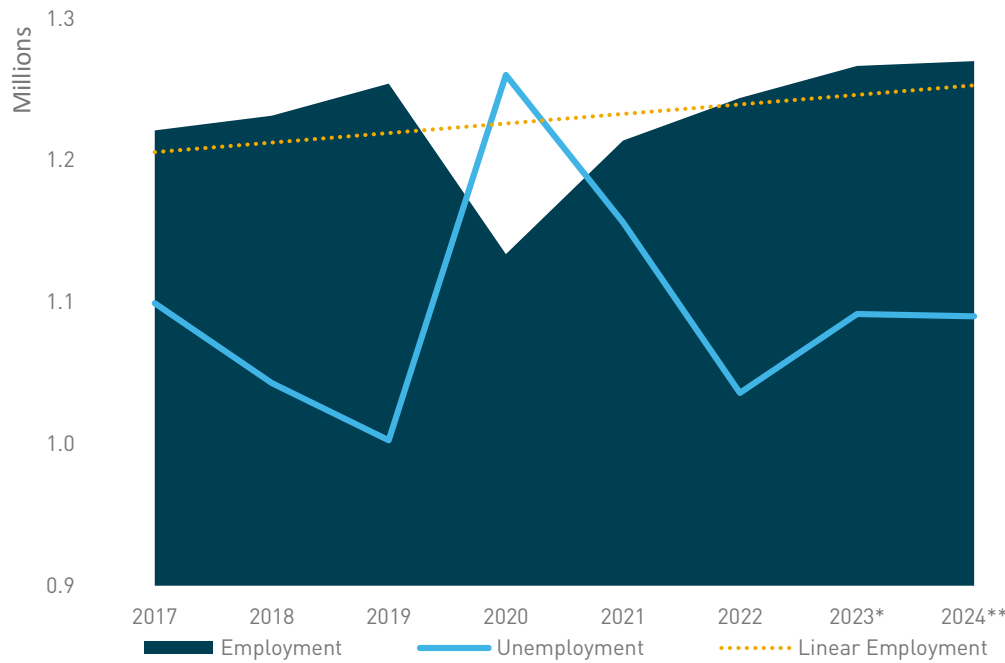
Sources: RealPage; CoStar Group; Yardi Systems

\*Projected \*\*Forecast

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## EMPLOYMENT TRENDS

Market Employment Trends



Source: Moody's Analytics

\*Projected \*\*Forecast

## SALES TRENDS

Price Per Unit & Cap Rate



Sources: Berkadia; CoStar Group; MSCI

\*Projected \*\*Forecast

The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

**EMPLOYMENT**  
(DEC. 2024)

1,269,900



UP 0.3% YOY

**UNEMPLOYMENT**  
(DEC. 2024)

4.3%



DOWN 10 BPS YOY

**MEDIAN HOUSEHOLD INCOME**  
(DEC. 2024 SAAR)

\$115,299



UP 3.3% YOY

**PRICE PER UNIT**  
(2024 AVG.)

\$256,166



DOWN 9.8% YOY

**CAP RATE**  
(2024 AVG.)

5.4%



UP 40 BPS YOY