

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Atlantic City-Hammonton, NJ

Core-Based Statistical Area Code: 12100

The Atlantic City-Hammonton, NJ commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 44.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is stronger than nationally.
 The office property market is stronger than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Atlantic City-Hammonton, NJ			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	130	129	115	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	14	13	(16)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	12.3%	11.3%	-12.2%	4.6%	4.7%	-4.4%	Job creation is stronger than nationally
Unemployment rate (%)	6.1%	7.7%	10.6%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$894	\$889	\$912	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	-2.0%	0.0%	11.5%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-11.2%	2.8%	-0.1%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(0.7)	(0.5)	(2.1)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	274	264	264	331,501	328,330	326,838	
Population growth (%)	4.00%	-0.13%	-0.55%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
	Vacancy rate	1.8%	1.6%	5.2%	4.9%	4.8%	
Absorption of units over the quarter	(15)	(22)	197	58,097	61,951	187,113	
Absorption of units in past 12 months	334	546	543	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	3.4%	5.5%	5.7%	3.3%	4.1%	3.0%	The area has stronger absorption than nationally
Market asking rent per unit	\$1,445	\$1,394	\$1,274	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	13.4%	13.2%	8.6%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,440	\$1,391	\$1,268	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	13.6%	14.3%	8.5%	12.2%	12.2%	1.8%	Rents are rising faster than nationally
Rent as a percent of 2-person annual wage income	18.5%	18.0%	16.0%	16.5%	16.3%	15.4%	Renting is less affordable than nationally
Supply indicators							
Inventory	9,908	9,923	9,576	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	(12)	(12)	262	387,022	391,271	417,342	
Net delivered units, as % of inventory	-0.1%	-0.1%	2.7%	2.2%	2.3%	2.5%	
Units under construction	-	-	-	774,864	744,997	732,144	
Units under construction, as % of inventory	-	-	-	4.5%	4.3%	4.4%	
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	(1,183.3)	(1,091.7)	(61.1)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$0	\$3	\$4	\$50,395	\$113,844	\$30,199	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$/8,000	\$50,000	\$100,381	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	5.8%	5.7%	5.8%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
	Vacancy rate	7.4%	7.3%	9.4%	12.2%	12.1%	
Absorption in sq.ft. over the quarter	(2,787)	116,572	1,361	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	150,668	154,816	28,952	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	2.3%	2.3%	0.4%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$22.5	\$22.5	\$22.3	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.0%	0.8%	0.6%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	(0.2)	0.7	(0.9)	1,153	1,161	(283)	Stronger office job creation than nationally
Supply indicators							
Inventory in sq. ft.	6,690,786	6,693,573	6,540,118	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	-	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	6,000	6,000	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.1%	0.1%	-	2.0%	2.0%	2.1%	Construction activity is slower than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$4	\$9	\$8	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$56	\$65	\$143	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	8.8%	8.9%	8.7%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

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Atlantic City-Hammonton, NJ

Core-Based Statistical Area Code:

12100

IV. Industrial

	Atlantic City-Hammonton, NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	1.3%	2.1%	3.4%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	69,570	11,970	112,144	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	188,266	230,840	203,943	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	2.2%	2.7%	2.4%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$8.7	\$8.5	\$8.0	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	8.4%	8.0%	6.0%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	8,610,826	8,541,256	8,422,560	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	-	-	25,000	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-	-	0.3%	1.9%	1.8%	1.8%	
Under construction in sq.ft.	60,000	-	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	0.7%	-	-	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$12	\$24	\$4	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$120	\$94	\$14	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	7.2%	7.3%	7.3%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

V. Retail

	Atlantic City-Hammonton, NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	5.2%	5.9%	6.3%	4.5%	4.7%	5.1%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	120,253	(30,231)	106,655	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	210,105	196,507	224,611	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	1.3%	1.2%	1.4%	0.8%	0.7%	-0.2%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$16.0	\$15.9	\$15.6	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.3%	2.3%	1.5%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	2.00	1.60	(0.40)	570.90	382.90	(187.70)	The area has weaker retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	16,794,676	16,674,423	16,584,571	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	5,000	3,140	-960	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	0.0%	0.0%	0.0%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	62,636	57,636	62,636	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.4%	0.3%	0.4%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$14	\$159	\$19	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$271	\$151	\$162	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	7.6%	7.6%	8.0%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	37.5	36.7	28.9	14,939	14,804	12,876	
Y/Y change ('000)	8.6	7.0	(9.8)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	29.0%	28.4%	25.1%	10.0%	9.8%	9.0%	Higher fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

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Allentown-Bethlehem-Easton, PA-NJ

Core-Based Statistical Area Code: 10900

The Allentown-Bethlehem-Easton, PA-NJ commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 32.0

Overall economic conditions are not as strong than nationally.
The apartment property market is not as strong than nationally.
The office property market is not as strong than nationally.
The industrial property market is about the same than nationally.
The retail property market is not as strong than nationally.
The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Allentown-Bethlehem-Easton, PA-NJ			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	380	385	364	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	16	21	(14)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	4.4%	5.9%	-3.6%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	4.7%	5.5%	6.9%	4.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$905	\$939	\$943	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	-4.0%	-5.2%	2.0%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-4.3%	4.0%	1.1%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	0.5	(0.4)	0.6	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	862	844	843	331,501	328,330	326,838	
Population growth (%)	2.05%	0.13%	0.56%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Allentown-Bethlehem-Easton, PA-NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	2.6%	1.6%	1.5%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	79	104	366	58,097	61,951	187,113	
Absorption of units in past 12 months	228	515	1,292	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	0.7%	1.6%	4.1%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,465	\$1,439	\$1,315	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	11.4%	10.9%	5.9%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,460	\$1,435	\$1,310	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	11.5%	10.9%	5.7%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	18.6%	17.6%	16.0%	16.5%	16.3%	15.4%	Renting is less affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	31,971	31,892	31,751	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	581	392	687	387,022	391,271	417,342	
Net delivered units, as % of inventory	1.8%	1.2%	2.2%	2.2%	2.3%	2.5%	
Units under construction	1,444	1,507	1,181	774,864	744,997	732,144	
Units under construction, as % of inventory	4.5%	4.7%	3.7%	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	27.5	54.3	(19.9)	17.1	17.2	(15.9)	More jobs per delivered units than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$20	\$20	\$10	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$132,347	\$78,333	\$131,841	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	6.0%	6.0%	6.0%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Allentown-Bethlehem-Easton, PA-NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	8.9%	9.2%	8.8%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	58,290	(46,763)	(178,167)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(53,625)	(290,082)	(213,364)	5,610,472	(41,726,112)	(119,807,672)	The area has lower absorption than nationally
Absorption in past 12 months as % of inventory	-0.2%	-1.0%	-0.8%	0.1%	-0.6%	-1.7%	
Market rent per sq.ft.	\$20.2	\$20.1	\$20.0	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	0.9%	0.7%	-0.7%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	1.9	3.1	0.1	1,153	1,161	(283)	Stronger office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	27,795,092	27,736,804	27,848,718	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	(28,223)	3,064	116,964	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	-0.1%	0.0%	0.4%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	1,020,473	1,020,473	630,200	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	3.7%	3.7%	2.3%	2.0%	2.0%	2.1%	Construction activity is more robust than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$35	\$38	\$12	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$75	\$85	\$132	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	9.4%	9.4%	9.3%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

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Allentown-Bethlehem-Easton, PA-NJ

Core-Based Statistical Area Code: 10900

IV. Industrial

	Allentown-Bethlehem-Easton, PA-NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	4.9%	4.4%	6.3%	4.1%	4.2%	5.3%	The area has higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	562,108	544,181	1,493,625	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	8,902,170	9,833,687	3,372,077	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	6.1%	6.8%	2.5%	3.1%	3.1%	1.6%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$7.3	\$7.1	\$6.6	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	10.3%	9.5%	7.2%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	145,997,216	145,435,104	137,095,056	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	7,201,362	8,263,072	6,566,364	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	4.9%	5.7%	4.8%	1.9%	1.8%	1.8%	More deliveries relative to inventory than nationally
Under construction in sq.ft.	7,703,804	6,642,566	8,358,023	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	5.3%	4.6%	6.1%	3.5%	3.2%	2.4%	More delivered space relative to inventory than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$309	\$469	\$68	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$191	\$173	\$68	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	5.9%	5.9%	6.0%	6.3%	6.3%	6.3%	Cap rates are lower than nationally
V. Retail							
Demand indicators							
Vacancy rate	5.2%	5.3%	5.7%	4.5%	4.7%	5.1%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	(28,108)	28,730	(235,101)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	205,329	(1,664)	(353,052)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.4%	0.0%	-0.8%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$15.7	\$15.5	\$15.3	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.1%	1.7%	1.4%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg. in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.90	1.10	(1.10)	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	46,429,856	46,457,960	46,224,524	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-62,445	18,360	62,285	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	-0.1%	0.0%	0.1%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	122,247	122,832	112,585	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.3%	0.3%	0.2%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$57	\$83	\$24	\$22,755	\$33,245	\$12,773	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$127	\$133	\$85	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	9.0%	9.1%	8.9%	6.8%	6.8%	6.8%	Cap rates are higher than nationally
VI. Hotel/Lodging							
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	33.8	32.6	28.6	14,939	14,804	12,876	
Y/Y change ('000)	5.2	5.7	(6.6)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	8.9%	8.5%	7.9%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

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NAR Commercial Real Estate Metro Market Report | 2022.Q1

Newark NJ-PA MetDiv

Core-Based Statistical Area Code: 35084

The Newark NJ-PA MetDiv commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 36.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is not as strong than nationally.
 The industrial property market is stronger than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Newark NJ-PA MetDiv			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	1,206	1,210	1,142	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	64	64	(77)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	5.6%	5.6%	-6.3%	4.6%	4.7%	-4.4%	Job creation is stronger than nationally
Unemployment rate (%)	4.4%	5.3%	7.1%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$1,179	\$1,179	\$1,172	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	0.6%	-0.7%	7.1%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-5.2%	2.2%	3.1%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(216.8)	(194.5)	(198.7)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	20,096	19,232	19,289	331,501	328,330	326,838	
Population growth (%)	4.49%	-0.30%	-0.18%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Newark NJ-PA MetDiv			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.0%	4.0%	4.4%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	1,080	839	611	58,097	61,951	187,113	
Absorption of units in past 12 months	4,297	3,828	3,460	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	3.0%	2.7%	2.5%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,845	\$1,812	\$1,724	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	7.0%	6.3%	2.6%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,836	\$1,803	\$1,710	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	7.4%	6.9%	2.4%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	17.9%	17.6%	16.8%	16.5%	16.3%	15.4%	Renting is less affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	143,306	142,228	139,020	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	3,790	3,206	2,597	387,022	391,271	417,342	
Net delivered units, as % of inventory	2.6%	2.3%	1.9%	2.2%	2.3%	2.5%	
Units under construction	7,947	8,493	8,007	774,864	744,997	732,144	
Units under construction, as % of inventory	5.5%	6.0%	5.8%	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	16.9	19.9	(29.8)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$230	\$567	\$342	\$50,395	\$113,844	\$30,199	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$165,416	\$199,119	\$169,089	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	5.2%	5.2%	5.2%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Newark NJ-PA MetDiv			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	13.1%	13.1%	13.3%	12.2%	12.1%	11.7%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	16,539	227,423	(1,154,935)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	324,926	(846,548)	(3,458,637)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	0.2%	-0.6%	-2.6%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$26.7	\$26.6	\$26.1	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	2.5%	3.0%	-1.3%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	11.2	15.1	(2.8)	1,153	1,161	(283)	Stronger office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	134,388,528	134,371,984	134,063,600	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	18,008	137,237	136,696	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	0.0%	0.1%	0.1%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	626,870	625,749	333,586	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.5%	0.5%	0.2%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$408	\$230	\$140	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$191	\$109	\$138	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	8.0%	8.2%	8.1%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Newark NJ-PA MetDiv

Core-Based Statistical Area Code:

35084

IV. Industrial

	Newark NJ-PA MetDiv			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	2.5%	2.8%	4.0%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	1,608,237	1,257,073	578,199	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	6,434,536	5,404,498	2,456,766	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	2.7%	2.3%	1.1%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$12.9	\$12.3	\$11.1	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	16.2%	14.2%	8.0%	11.0%	9.3%	5.5%	Rents are rising faster than nationally
Supply indicators							
Inventory in sq. ft.	239,217,920	237,609,680	232,770,880	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	2,880,706	2,016,613	2,415,317	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	1.2%	0.8%	1.0%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	4,547,876	4,716,097	3,663,744	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	1.9%	2.0%	1.6%	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$254	\$1,009	\$133	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$201	\$174	\$96	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	5.8%	5.8%	6.1%	6.3%	6.3%	6.3%	Cap rates are lower than nationally

V. Retail

	Newark NJ-PA MetDiv			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	4.6%	4.7%	4.8%	4.5%	4.7%	5.1%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	228,853	(140,469)	403,830	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	410,915	585,892	68,894	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.3%	0.5%	0.1%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$22.5	\$22.5	\$22.8	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	-1.1%	-1.2%	-0.6%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	3.90	0.20	(7.00)	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	127,804,880	127,576,024	127,393,968	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	160,435	598,522	691,401	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	0.1%	0.5%	0.5%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	887,396	915,234	556,578	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.7%	0.7%	0.4%	0.5%	0.5%	0.5%	Construction activity is more robust than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$188	\$298	\$194	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$222	\$187	\$165	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	7.0%	7.0%	7.0%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	89.1	88.3	71.1	14,939	14,804	12,876	
Y/Y change ('000)	18.0	18.8	(24.7)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	7.4%	7.3%	6.2%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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NAR Commercial Real Estate Metro Market Report | 2022.Q1

Ocean City, NJ

Core-Based Statistical Area Code:

36140

The Ocean City, NJ commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index*

37.5

Overall economic conditions are stronger than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is stronger than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is not as strong than nationally.

I. Economic and Demographic

Economic	Ocean City, NJ			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	35	37	33	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	2	1	(1)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	5.7%	3.9%	-4.0%	4.6%	4.7%	-4.4%	Job creation is stronger than nationally
Unemployment rate (%)	6.4%	7.1%	9.0%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$774	\$786	\$711	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	8.9%	15.0%	19.1%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-6.2%	1.2%	0.4%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(0.2)	0.2	(0.2)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	95	92	93	331,501	328,330	326,838	
Population growth (%)	3.07%	-0.39%	-0.73%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Ocean City, NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	1.7%	1.7%	1.8%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	0	0	0	58,097	61,951	187,113	
Absorption of units in past 12 months	-	-	-	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	0.0%	0.0%	0.0%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,033	\$1,028	\$1,017	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	1.6%	4.5%	6.3%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,030	\$1,025	\$1,015	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	1.5%	4.4%	6.3%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	15.3%	15.0%	16.4%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	681	681	681	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	-	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	-	2.2%	2.3%	2.5%	
Units under construction	-	-	-	774,864	744,997	732,144	
Units under construction, as % of inventory	-	-	-	4.5%	4.3%	4.4%	
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	-	17.1	17.2	(15.9)	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$1	\$6	-	\$50,395	\$113,844	\$30,199	
Transaction sales price per unit	\$127,273	\$197,333	-	\$220,078	\$227,367	\$157,676	
Market cap rate	6.7%	6.7%	6.6%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Ocean City, NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	5.8%	6.6%	6.0%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	10,301	308	(1,009)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	2,794	(8,516)	(46,039)	5,610,472	(41,726,112)	(119,807,672)	The area has stronger absorption than nationally
Absorption in past 12 months as % of inventory	0.3%	-0.8%	-4.1%	0.1%	-0.6%	-1.7%	
Market rent per sq.ft.	\$21.8	\$21.8	\$21.6	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.0%	0.8%	0.6%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	-	-	-	1,153	1,161	(283)	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	1,117,056	1,106,755	1,114,262	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	-	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$3	\$0	\$3	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$192	\$106	\$125	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	8.7%	8.7%	8.6%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Ocean City, NJ

Core-Based Statistical Area Code:

36140

IV. Industrial

	Ocean City, NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	0.2%	0.2%	0.0%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	0	(1,500)	2,000	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	(1,500)	500	8,020	521,957,216	515,712,512	267,819,536	The area has lower absorption than nationally
Absorption in past 12 months as % of inventory	-0.2%	0.1%	1.1%	3.1%	3.1%	1.6%	
Market rent per sq.ft.	\$10.3	\$10.1	\$9.5	\$10.2	\$9.9	\$9.2	Rent growth is slower than nationally
Market rent growth, y/y % chg.	8.0%	7.5%	5.9%	11.0%	9.3%	5.5%	
Supply indicators							
Inventory in sq. ft.	737,762	737,762	739,262	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	-	-	-	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-	-	-	1.9%	1.8%	1.8%	
Under construction in sq.ft.	-	-	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	-	3.5%	3.2%	2.4%	
Sales transactions							
Total investment acquisitions (in million \$)	-	\$0	\$1	\$21,817	\$51,629	\$16,323	
Transaction sale price per sq.ft.	-	\$78	\$78	\$140	\$136	\$105	Cap rates are higher than nationally
Market cap rate	7.4%	7.4%	7.4%	6.3%	6.3%	6.3%	

V. Retail

	Ocean City, NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	4.4%	2.7%	4.3%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(104,594)	(7,184)	(20,625)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	(5,562)	78,407	(45,643)	94,035,968	73,627,144	(22,757,808)	The area has lower absorption than nationally
Absorption in past 12 months as % of inventory	-0.1%	1.3%	-0.7%	0.8%	0.7%	-0.2%	
Market rent per sq.ft.	\$21.5	\$21.5	\$21.0	\$22.9	\$22.6	\$22.0	Rent growth is slower than nationally
Market rent growth, y/y % chg.	2.3%	3.0%	1.0%	3.9%	3.1%	1.1%	The area has stronger retail trade job creation than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	(0.10)	0.30	0.10	570.90	382.90	(187.70)	
Supply indicators							
Inventory in sq. ft.	6,114,706	6,219,300	6,120,268	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-	-17,091	-17,091	19,624,738	21,905,704	37,703,262	
Net delivered units, as % of inventory	-	-0.3%	-0.3%	0.2%	0.2%	0.3%	
Under construction in sq.ft.	7,500	7,500	-	54,194,816	56,052,512	54,297,696	Construction activity is slower than nationally
Under construction, as % of inventory	0.1%	0.1%	-	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$18	\$6	\$16	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$131	\$97	\$120	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	7.3%	7.3%	7.0%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	6.9	7.7	6.0	14,939	14,804	12,876	
Y/Y change ('000)	0.9	0.2	(0.4)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	19.5%	20.8%	18.0%	10.0%	9.8%	9.0%	Higher fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at <https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



NAR Commercial Real Estate Metro Market Report | 2022.Q1

Philadelphia-Camden-Wilmington, PA-NJ-DE-MD

Core-Based Statistical Area Code: 37980

The Philadelphia-Camden-Wilmington, PA-NJ-DE-MD commercial real estate market is not as strong compared to the overall U.S. market. NAR Commercial Real Estate Market Conditions Index* 28.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is not as strong than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is stronger than nationally.

I. Economic and Demographic

Economic	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	2,924	2,947	2,811	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	114	132	(155)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	4.0%	4.7%	-5.2%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	4.8%	5.5%	7.1%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$1,117	\$1,128	\$1,100	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	1.5%	1.5%	7.2%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-4.0%	1.6%	1.6%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(10.8)	(11.1)	(14.1)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	6,242	6,105	6,097	331,501	328,330	326,838	
Population growth (%)	2.25%	0.13%	0.24%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	3.8%	3.7%	5.1%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	688	1,220	3,193	58,097	61,951	187,113	
Absorption of units in past 12 months	10,224	12,729	8,589	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	3.2%	4.0%	2.8%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,579	\$1,551	\$1,437	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	9.8%	10.1%	3.7%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,571	\$1,543	\$1,420	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	10.7%	11.1%	3.0%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	16.2%	15.7%	14.9%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	320,494	319,818	310,335	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	5,978	6,021	6,336	387,022	391,271	417,342	
Net delivered units, as % of inventory	1.9%	1.9%	2.0%	2.2%	2.3%	2.5%	
Units under construction	15,812	12,702	12,052	774,864	744,997	732,144	
Units under construction, as % of inventory	4.9%	4.0%	3.9%	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	19.0	21.9	(24.4)	17.1	17.2	(15.9)	More jobs per delivered units than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$516	\$1,300	\$161	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$179,343	\$212,336	\$107,715	\$220,078	\$227,367	\$157,676	Prices are rising faster nationally
Market cap rate	5.2%	5.2%	5.3%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	10.2%	9.9%	9.8%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(1,023,670)	443,984	(1,436,158)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(1,007,976)	(1,420,464)	(4,628,156)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	-0.3%	-0.5%	-1.6%	0.1%	-0.6%	-1.7%	The area has lower absorption than nationally
Market rent per sq.ft.	\$26.8	\$26.8	\$26.5	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.1%	1.0%	0.2%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	25.1	20.5	(6.9)	1,153	1,161	(283)	Stronger office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	289,940,928	290,964,608	290,939,680	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	484,458	376,969	4,892	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	0.2%	0.1%	0.0%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	2,571,873	2,419,568	3,030,429	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.9%	0.8%	1.0%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$752	\$705	\$570	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$233	\$139	\$261	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	8.0%	8.0%	7.9%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Philadelphia-Camden-Wilmington, PA-NJ-DE-MD

Core-Based Statistical Area Code:

37980

IV. Industrial

Demand indicators	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.3%	4.4%	5.0%	4.1%	4.2%	5.3%	The area has higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	2,152,734	1,687,882	1,500,688	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	15,767,836	15,115,790	6,147,704	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	2.8%	2.7%	1.1%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$9.1	\$8.8	\$8.0	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	13.1%	12.3%	8.3%	11.0%	9.3%	5.5%	Rents are rising faster than nationally
Supply indicators							
Inventory in sq. ft.	556,230,272	554,077,504	540,462,400	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	12,530,668	11,472,708	2,650,959	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	2.3%	2.1%	0.5%	1.9%	1.8%	1.8%	More deliveries relative to inventory than nationally
Under construction in sq.ft.	22,111,944	21,441,358	19,330,724	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	4.0%	3.9%	3.6%	3.5%	3.2%	2.4%	More delivered space relative to inventory than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$383	\$2,606	\$475	\$21,817	\$51,629	\$16,323	Sales transactions are not rising as fast as nationally
Transaction sale price per sq.ft.	\$77	\$118	\$75	\$140	\$136	\$105	Prices are not rising as fast than nationally
Market cap rate	6.5%	6.5%	6.6%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

V. Retail

Demand indicators	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.8%	4.9%	5.3%	4.5%	4.7%	5.1%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	291,283	948,613	(87,651)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	1,531,519	1,152,585	(2,561,258)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.5%	0.4%	-0.8%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$20.9	\$20.9	\$20.7	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	1.0%	1.5%	1.8%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	8.40	11.30	(6.90)	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	318,583,424	318,292,128	317,053,888	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-229,389	-885,451	-435,903	19,624,738	21,905,704	37,703,262	Relatively more units delivered than nationally
Net delivered units, as % of inventory	-0.1%	-0.3%	-0.1%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	623,664	620,368	928,634	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.2%	0.2%	0.3%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$549	\$896	\$263	\$22,755	\$33,245	\$12,773	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$172	\$176	\$150	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	7.1%	7.1%	7.1%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	235.1	240.6	197.9	14,939	14,804	12,876	
Y/Y change ('000)	37.2	55.4	(61.4)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	8.0%	8.2%	7.0%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

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NAR Commercial Real Estate Metro Market Report | 2022.Q1

Trenton, NJ

Core-Based Statistical Area Code:

45940

The Trenton, NJ commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index*

36.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is not as strong than nationally.
 The industrial property market is about the same than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Trenton, NJ			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	280	282	268	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	12	10	(12)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	4.6%	3.8%	-4.4%	4.6%	4.7%	-4.4%	Job creation is stronger than nationally
Unemployment rate (%)	3.6%	4.4%	5.9%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$1,175	\$1,198	\$1,181	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	-0.5%	3.5%	10.6%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-1.5%	11.6%	2.6%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(2.7)	(3.0)	(2.5)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	387	368	369	331,501	328,330	326,838	
Population growth (%)	5.08%	-0.18%	0.06%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Trenton, NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	6.3%	7.1%	6.1%	4.9%	4.8%	6.0%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	151	93	191	58,097	61,951	187,113	
Absorption of units in past 12 months	387	427	383	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	2.1%	2.3%	2.1%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,865	\$1,828	\$1,682	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	10.9%	10.7%	4.0%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,846	\$1,804	\$1,656	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	11.5%	9.8%	2.8%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	18.1%	17.3%	16.1%	16.5%	16.3%	15.4%	Renting is less affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	18,811	18,661	18,428	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	462	1,299	977	387,022	391,271	417,342	
Net delivered units, as % of inventory	2.5%	7.0%	5.3%	2.2%	2.3%	2.5%	
Units under construction	109	109	571	774,864	744,997	732,144	
Units under construction, as % of inventory	0.6%	0.6%	3.1%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	26.8	8.0	(12.6)	17.1	17.2	(15.9)	More jobs per delivered units than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$11	\$276	\$5	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$102,568	\$300,930	\$104,340	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	4.7%	4.6%	5.0%	5.1%	5.1%	5.2%	Cap rates are lower than nationally

III. Office

Demand indicators	Trenton, NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	8.5%	10.0%	8.8%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(64,746)	76,495	91,352	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(41,779)	114,319	(261,714)	5,610,472	(41,726,112)	(119,807,672)	The area has lower absorption than nationally
Absorption in past 12 months as % of inventory	-0.1%	0.4%	-0.9%	0.1%	-0.6%	-1.7%	
Market rent per sq.ft.	\$28.5	\$28.4	\$28.3	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	0.9%	0.6%	0.6%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	1.8	1.2	(0.4)	1,153	1,161	(283)	Slower office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	29,352,494	29,417,240	29,394,272	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	(175,403)	450,000	4,080	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	-0.6%	1.5%	0.0%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	450,000	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	1.5%	2.0%	2.0%	2.1%	
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$92	\$16	\$59	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$178	\$41	\$187	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	8.3%	8.4%	8.3%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Trenton, NJ

Core-Based Statistical Area Code:

45940

IV. Industrial

	Trenton, NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	4.0%	4.2%	5.2%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	635,125	(169,978)	(155,590)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	1,167,240	376,525	94,155	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	3.0%	1.0%	0.2%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$8.7	\$8.5	\$8.0	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	9.1%	8.8%	7.0%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	39,424,992	38,789,864	38,257,752	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	704,999	130,000	325,917	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	1.8%	0.3%	0.9%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	1,500,048	1,229,969	683,225	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	3.8%	3.2%	1.8%	3.5%	3.2%	2.4%	More delivered space relative to inventory than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$27	\$214	\$8	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$60	\$122	\$73	\$140	\$136	\$105	Prices are not rising as fast than nationally
Market cap rate	6.1%	6.1%	6.2%	6.3%	6.3%	6.3%	Cap rates are lower than nationally
V. Retail							
Demand indicators							
Vacancy rate	4.5%	4.8%	5.6%	4.5%	4.7%	5.1%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	72,599	(2,725)	(199,237)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	269,707	(2,129)	(278,553)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	1.3%	0.0%	-1.4%	0.8%	0.7%	-0.2%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$20.6	\$20.4	\$20.2	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	1.8%	1.7%	1.2%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.60	(0.20)	(1.40)	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	20,809,446	20,736,848	20,539,740	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	42,463	26,262	20,038	19,624,738	21,905,704	37,703,262	Relatively more units delivered than nationally
Net delivered units, as % of inventory	0.2%	0.1%	0.1%	0.2%	0.2%	0.3%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	10,000	26,201	36,262	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.0%	0.1%	0.2%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$29	\$39	\$30	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$185	\$149	\$303	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	8.2%	8.2%	7.7%	6.8%	6.8%	6.8%	Cap rates are higher than nationally
VI. Hotel/Lodging							
2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)		
Leisure and hospitality payroll workers ('000)	12.6	12.7	10.9	14,939	14,804	12,876	
Y/Y change ('000)	1.7	1.9	(3.7)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	4.5%	4.5%	4.1%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

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The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at <https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



NAR Commercial Real Estate Metro Market Report | 2022.Q1

Vineland-Bridgeton, NJ

Core-Based Statistical Area Code: 47220

The Vineland-Bridgeton, NJ commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index* 24.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is not as strong than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is not as strong than nationally.

I. Economic and Demographic

Economic	Vineland-Bridgeton, NJ			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	59	60	58	149,912	150,352	143,308	
Y/Y chg. in nonfarm payroll employment ('000)	1	2	(2)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	2.1%	3.7%	-3.0%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	5.7%	7.0%	8.2%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$932	\$914	\$880	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	5.9%	2.8%	8.0%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-3.1%	-0.9%	3.6%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(2.3)	(1.5)	(1.7)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	154	149	150	331,501	328,330	326,838	
Population growth (%)	3.26%	-0.85%	-0.58%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Vineland-Bridgeton, NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	1.7%	1.8%	2.1%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	2	3	19	58,097	61,951	187,113	
Absorption of units in past 12 months	11	28	55	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	0.4%	0.9%	1.8%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,118	\$1,104	\$1,038	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	7.8%	7.2%	3.7%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,115	\$1,101	\$1,035	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	7.7%	7.2%	3.8%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	13.8%	13.9%	13.5%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	2,990	2,989	2,979	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	-	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	-	2.2%	2.3%	2.5%	
Units under construction	-	-	-	774,864	744,997	732,144	
Units under construction, as % of inventory	-	-	-	4.5%	4.3%	4.4%	
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	-	17.1	17.2	(15.9)	
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$12	-	\$4	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$152,190	-	\$48,171	\$220,078	\$221,367	\$157,676	Prices are rising faster nationally
Market cap rate	6.2%	6.1%	6.6%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Vineland-Bridgeton, NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	6.3%	5.0%	5.0%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(32,331)	24,017	(6,638)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(31,443)	(5,750)	35,266	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	-1.3%	-0.2%	1.5%	0.1%	-0.6%	-1.7%	The area has lower absorption than nationally
Market rent per sq.ft.	\$18.1	\$18.1	\$18.0	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.0%	0.9%	0.5%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg. in professional/business services jobs ('000) (as of latest available month of the quarter)	(0.4)	0.0	0.5	1,153	1,161	(283)	Stronger office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	2,371,141	2,403,472	2,402,584	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	-	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$4	\$3	\$4	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$84	\$156	\$99	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	9.0%	8.9%	8.9%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Vineland-Bridgeton, NJ

Core-Based Statistical Area Code:

47220

IV. Industrial

	Vineland-Bridgeton, NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	6.2%	5.5%	3.9%	4.1%	4.2%	5.3%	The area has higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	(115,122)	304,355	198,250	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	(404,963)	(91,591)	241,605	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	-2.4%	-0.5%	1.4%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$5.9	\$5.7	\$5.3	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	10.8%	10.2%	7.5%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	16,819,908	16,935,030	17,224,872	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	-	156,000	156,000	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-	0.9%	0.9%	1.9%	1.8%	1.8%	
Under construction in sq.ft.	-	-	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	-	3.5%	3.2%	2.4%	
Sales transactions							
Total investment acquisitions (in million \$)	\$40	\$15	\$3	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$44	\$50	\$18	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	6.7%	7.0%	7.0%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

V. Retail

	Vineland-Bridgeton, NJ			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	5.1%	5.3%	5.6%	4.5%	4.7%	5.1%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	14,632	(4,545)	52,878	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	59,394	97,640	(28,195)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.8%	1.3%	-0.4%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$13.9	\$13.8	\$13.6	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.7%	2.7%	1.2%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.50	0.40	(0.10)	570.90	382.90	(187.70)	The area has weaker retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	7,743,035	7,728,403	7,683,641	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	22,884	28,484	5,600	19,624,738	21,905,704	37,703,262	Relatively more units delivered than nationally
Net delivered units, as % of inventory	0.3%	0.4%	0.1%	0.2%	0.2%	0.3%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	-	-	22,884	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	-	-	0.3%	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$15	\$65	\$7	\$22,755	\$33,245	\$12,773	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$180	\$144	\$147	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	6.7%	6.6%	7.0%	6.8%	6.8%	6.8%	Cap rates are lower than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	3.5	3.6	3.2	14,939	14,804	12,876	
Y/Y change ('000)	0.3	0.7	(0.4)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	6.0%	6.1%	5.6%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

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