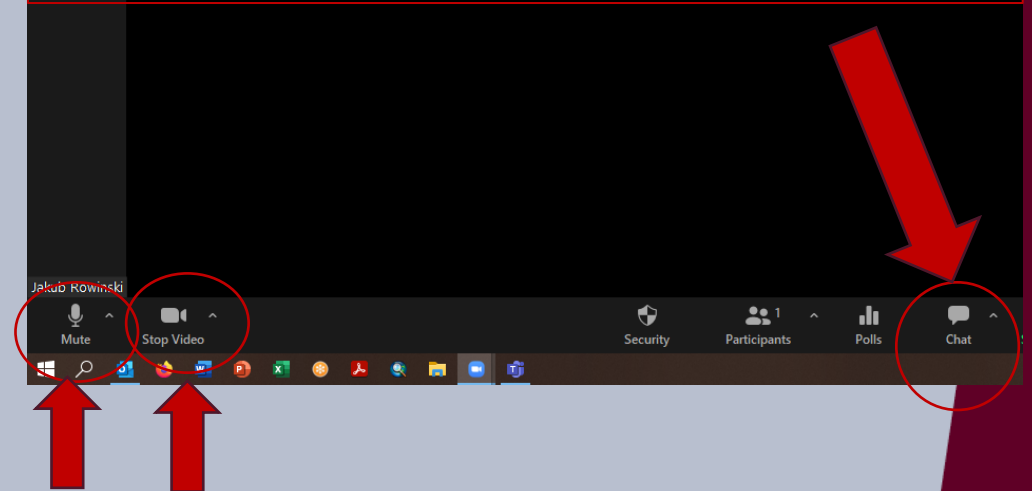


February 17 Freight Initiatives Committee Agenda

- Roll Call
- Approval of Minutes
- Update on NJTPA Freight Division Activities
- Presentations: Industrial Real Estate Update
 - Tom Tucci, Vice Chairman, Cushman and Wakefield
 - Walter Lane, Executive Director, NJ Office of Planning Advocacy
- Two-Minute Reports on Freight Activities from Committee Members
- Next Meeting: Monday, April 20, 2026
- Adjournment

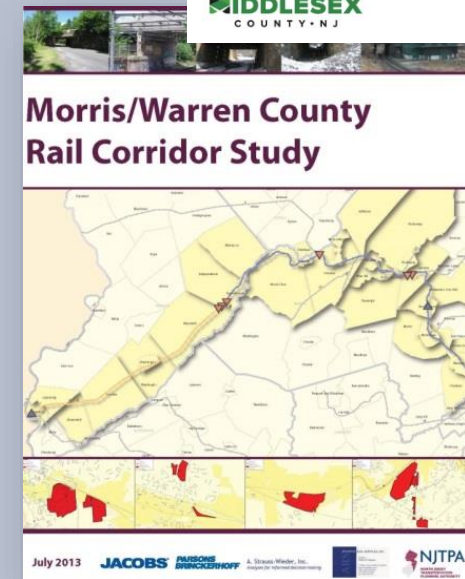
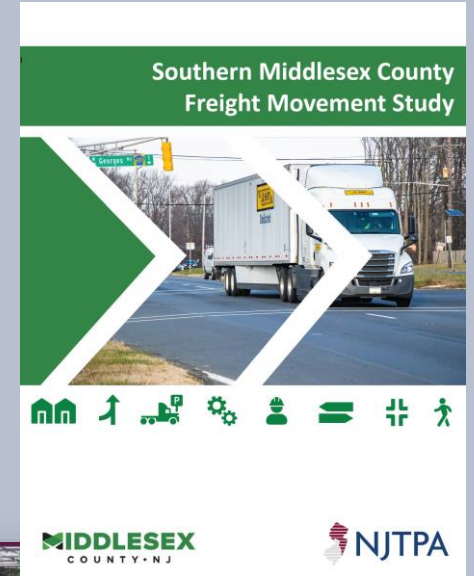
Please use the Chat box to ask questions during the presentations and if requesting credits, please post your name and email, followed by either AICP or PE with your NJ PE license number



Please mute and turn off your video when not speaking.

Freight Concept Development Program

- FY 2025 FCDP Studies
 - Southern Middlesex County North-South Truck Corridor Project in Cranbury, Monroe, and South Brunswick, Middlesex County
 - East Hanover Avenue Bridge Catenary Rail Clearance Project in Morris Plains, Morris Township, and Parsippany, Morris County
 - Preliminary Screening for Plate F Vertical Rail Clearance in Perth Amboy
 - FCDP Support
- Finalizing Base Mapping
- Development of Alternatives Underway
- June 2027 Completion

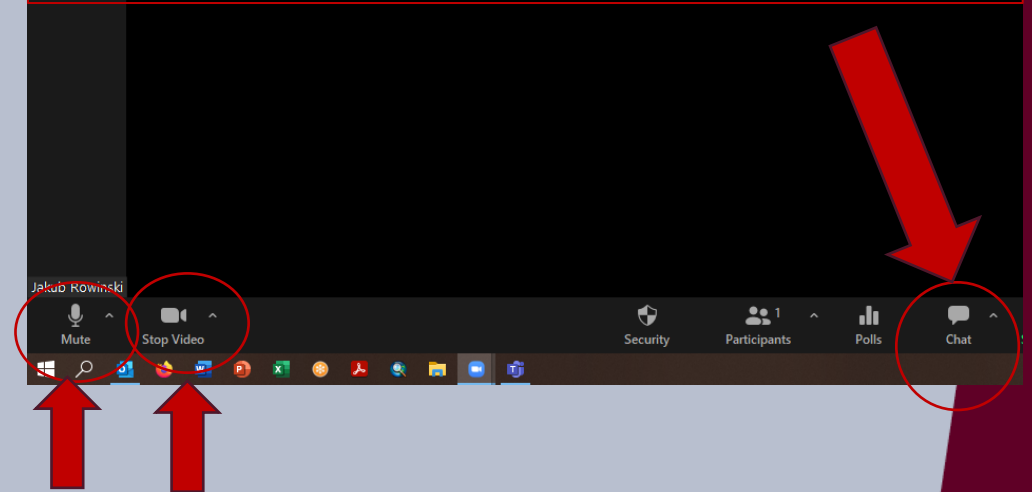


Presentations

Presentations: Industrial Real Estate Update

- Tom Tucci, Vice Chairman, Cushman and Wakefield
- Walter Lane, Executive Director, NJ Office of Planning Advocacy

Please use the Chat box to ask questions during the presentations and if requesting credits, please post your name and email, followed by either AICP or PE with your NJ PE license number



Please mute and turn off your video when not speaking.

NJTPA FREIGHT INITIATIVES COMMITTEE

LOGISTIC REAL ESTATE TRENDS

PRESENTED BY:

Thomas Tucci, SIOR

Vice Chair

+1 201 739 8172

thomas.tucci@cushwake.com





TARIFFS - *OLD NEWS*

Subject to change

Today's discussion will be
wrong tomorrow

Companies muddling
through it

ASIAN -SUPPLIED 3PLS

DRIVING THE MARKET

- STILL GROWING
- INTO LAST MILE NOW
- TIK TOC - TEMU SHEIN ETC
- IF NOT FOR THEM, THE MARKET WOULD BE FAR WORSE

7.9 MSF

2025
New Leasing Activity

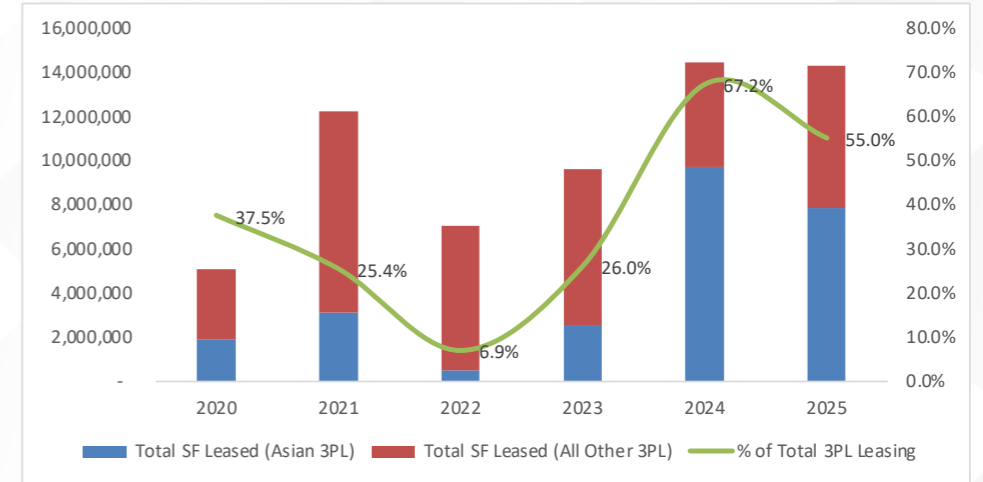
196,347 SF

Average Lease Size
2025

38.8%

of all **Class A** New Leasing Activity 2025
were Asian-Supplied 3PLs

Asian-supplied 3PL Share of Leasing Activity



Year	Asian-Supplied 3PLs			All Other 3PLs			ALL 3PL Leasing	% of Total 3PL Leasing	Total Class A Leasing Activity	Class A Asian 3PL Leasing	All Other Class A Leasing	Asian 3PL % of Class A Leasing
	Number of Leases (Asian 3PL)	Total SF Leased (Asian 3PL)	Average Lease Size (Asian 3PL)	Number of Leases (All Other 3PL)	Total SF Leased (All Other 3PL)	Average Lease Size (All Other 3PL)						
2020	8	1,899,021	237,378	33	3,162,893	95,845	5,061,914	37.5%	19,228,578	1,743,576	17,485,002	9.1%
2021	12	3,106,820	258,902	52	9,127,253	175,524	12,234,073	25.4%	17,935,995	2,678,129	15,257,866	14.9%
2022	6	485,731	80,955	51	6,558,662	128,601	7,044,393	6.9%	14,528,373	152,175	14,376,198	1.0%
2023	17	2,498,171	146,951	49	7,115,434	145,213	9,613,605	26.0%	19,065,404	1,921,572	17,143,832	10.1%
2024	39	9,676,009	248,103	48	4,729,040	98,522	14,405,049	67.2%	17,354,263	8,012,697	9,341,566	46.2%
2025	40	7,853,892	196,347	56	6,426,604	114,761	14,280,496	55.0%	16,838,895	6,541,625	10,297,270	38.8%



INDUSTRIAL TRENDS

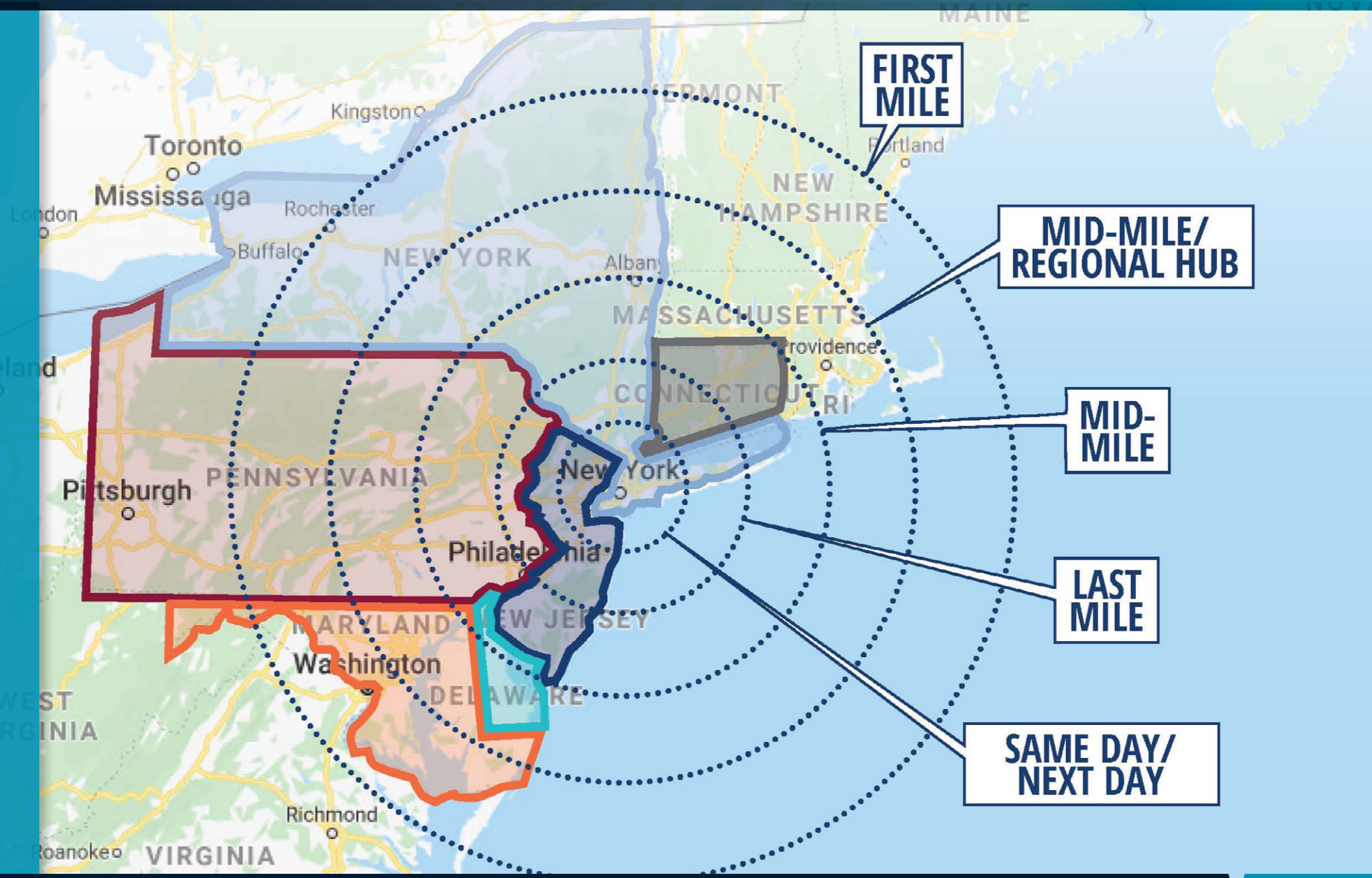
REGIONALIZATION: STILL GROWING TREND

CLASS A RENTS

- NY - \$31 - \$40
- MEADOWLANDS/PORT - \$18 - \$25
- MORRIS - \$13 - \$16
- LINDEN/CARTERET - \$18 - \$21
- EDISON - \$13 - \$16
- EXIT 8A - \$12 - \$16
- EXIT 5 - \$10 - \$12
- EXIT 2 - \$10 - \$11
- WEST & PA - \$8 - \$11

RENTS HIGHEST AS YOU GET CLOSE TO NY & PORT

TENANTS WEIGHING DRAYAGE VS. RENT



WAREHOUSE/DISTRIBUTION VACANCY RATE & AVG. ASKING RENT

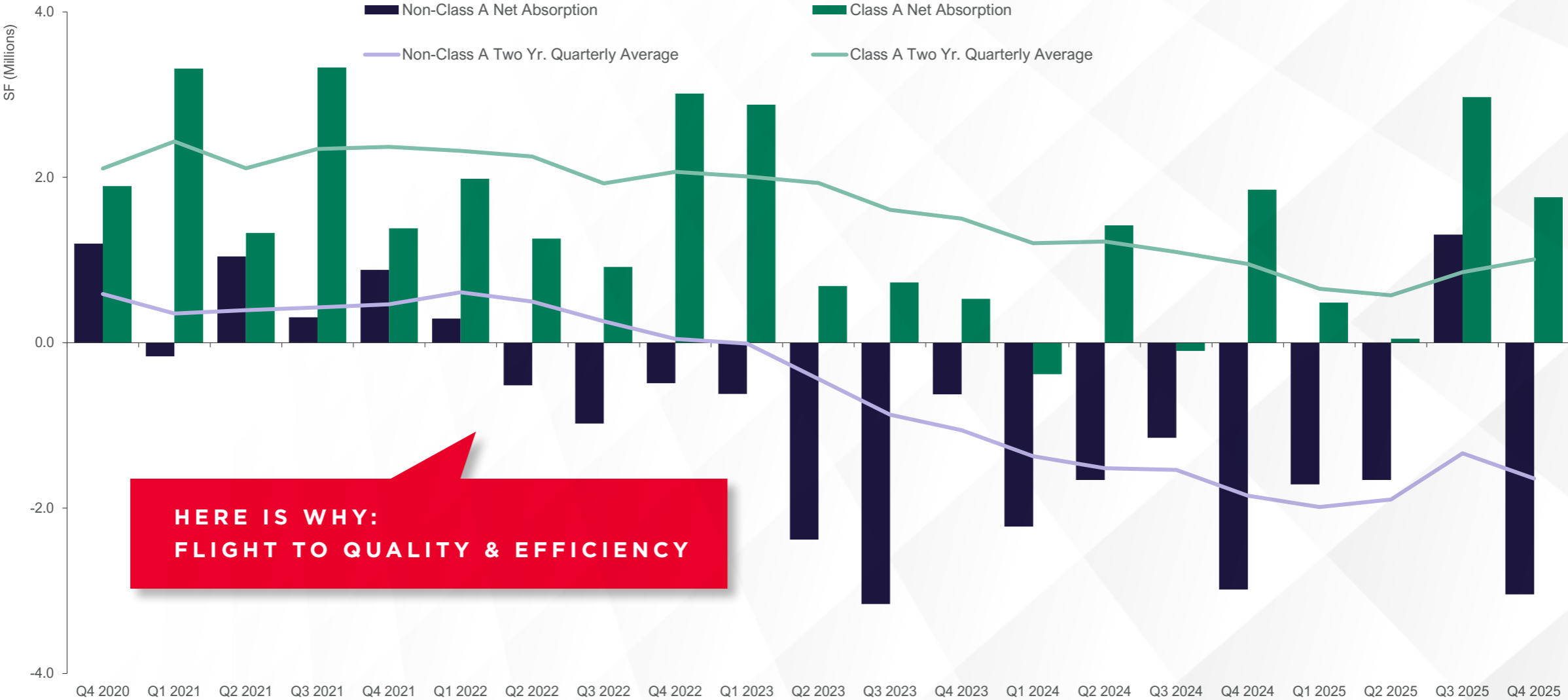
VACANCY RATE INCREASES AS VACANT DELIVERIES ARE ADDED TO INVENTORY



ASKING RATE BOUYED BY ALL THE NEW DELIVERIES | BULLWHIP EFFECT NOW HERE

WAREHOUSE/DISTRIBUTION CLASS A NET ABSORPTION

OCCUPANCY GAINS IN BOTH CLASS A AND NON-CLASS A BUILDINGS



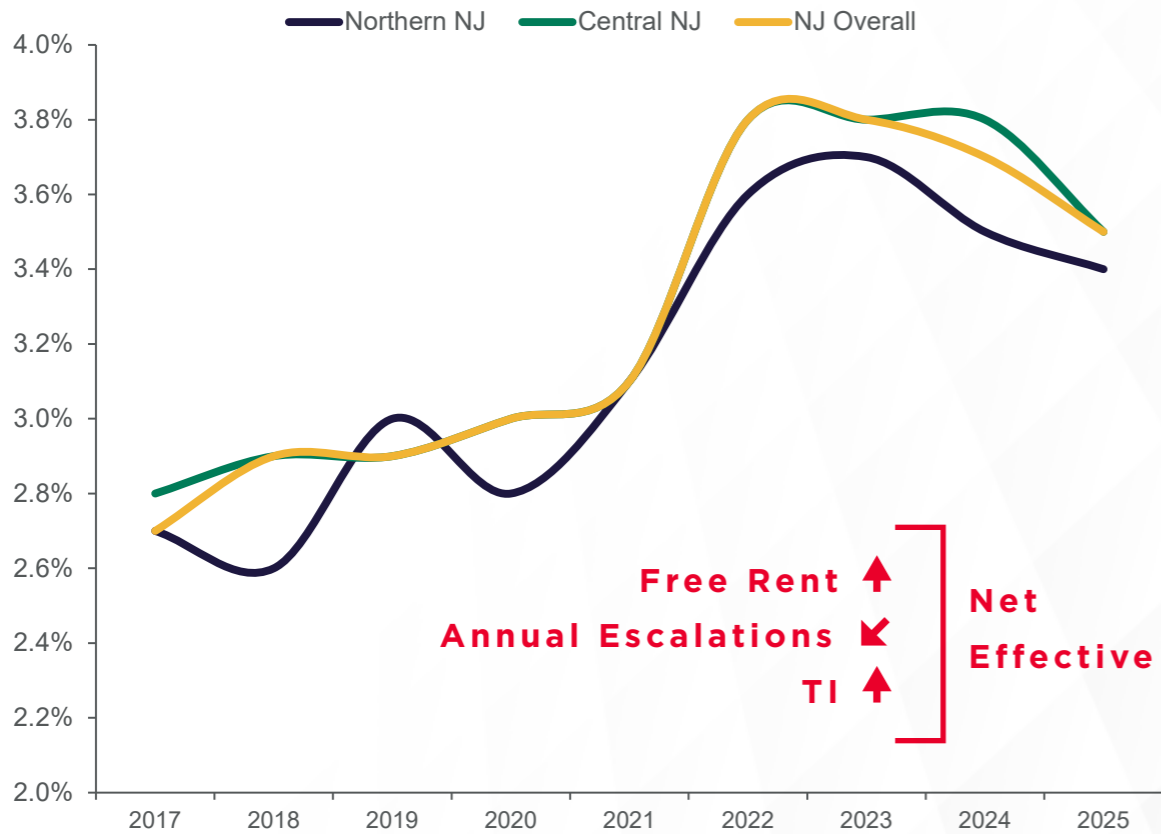
**HERE IS WHY:
FLIGHT TO QUALITY & EFFICIENCY**

W/D DEAL TERMS

ANNUAL ESCALATIONS & FREE RENT TRENDS

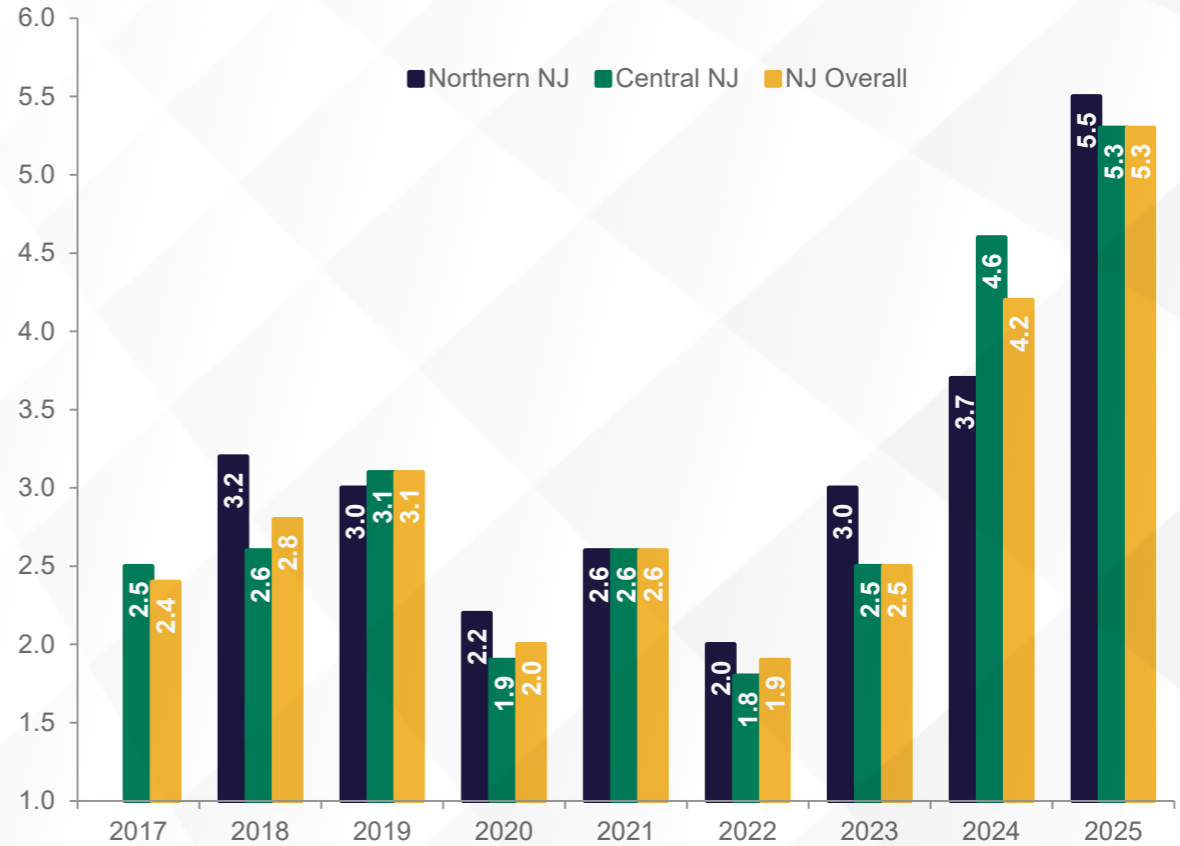
TENANT'S SITTING BACK & WAITING FOR LANDLORDS TO COMPETE WITH EACH OTHER

Historical Average Annual Escalations – Class A Leases Only



AVERAGE ANNUAL ESCALATIONS IS ↓ 3.5%

Historical Average Free Rent (Months) – Class A Leases Only

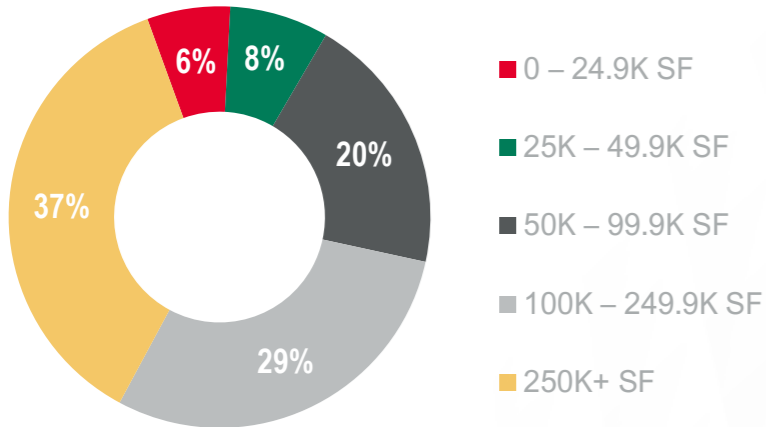


AVERAGE FREE RENT:
2023: 2.5 Months | 2024: 4.2 Months | 2025: 5.3 Months
 9 months not unusual for longer term

WAREHOUSE/DISTRIBUTION SUBLEASE OVERVIEW

SUBLEASE AVAILABLE SPACE TICKS HIGHER

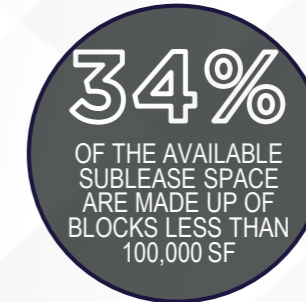
SIZE SEGMENT ANALYSIS:



**CONSOLIDATIONS & ACQUISITIONS
MOVES OUT OF STATE
BANKRUPTCIES & CLOSURES**

By Size Segment	# of Listings	Total SF Avail.	Avg. Months on Market	Avg. Months of Term Remaining
0 – 24.9K SF	47	650,081	8.3	31.2
25K – 49.9K SF	21	716,493	9.2	44.6
50K – 99.9K SF	30	2,118,012	10.5	36.5
100K – 249.9K SF	19	2,863,850	9.8	42.0
250k+ SF	6	3,431,725	15.6	32.4
Total	123	9,780,161	9.6	36.7

Too many subleases can cause strong downward pressure on pricing



SUBLEASE QUICK FACTS:



WAREHOUSE/DISTRIBUTION VACANCY RATE BY BUILDING SIZE

NEWLY DELIVERED PRODUCT IS DRIVING UP VACANCY RATE



HISTORICAL CONSTRUCTION STARTS

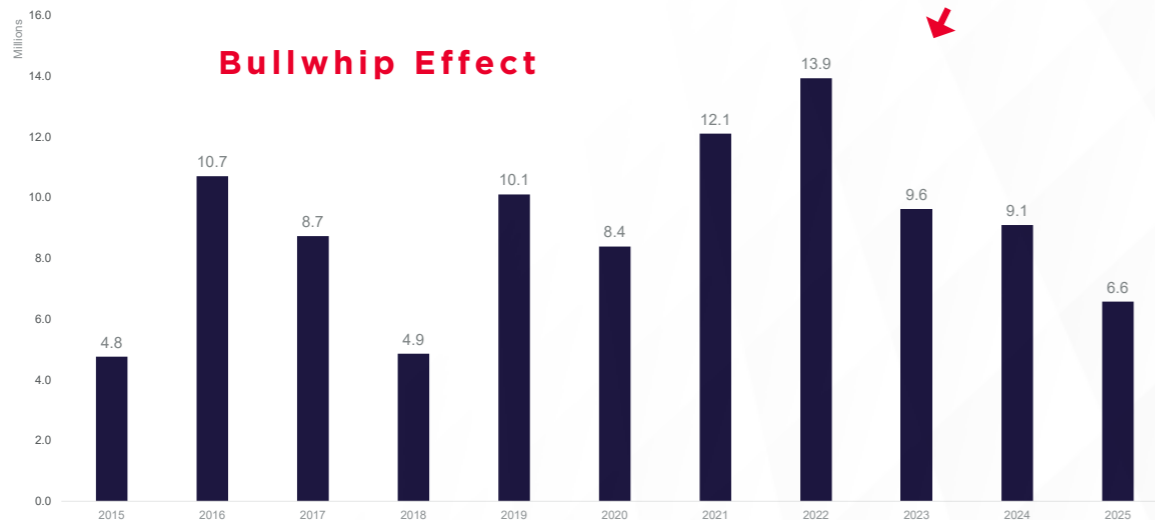
Planned projects continued to break ground, but future pipeline is anticipated to slow

HISTORICAL SQ FT UNDER CONSTRUCTION

Construction Increased in the Fourth Quarter

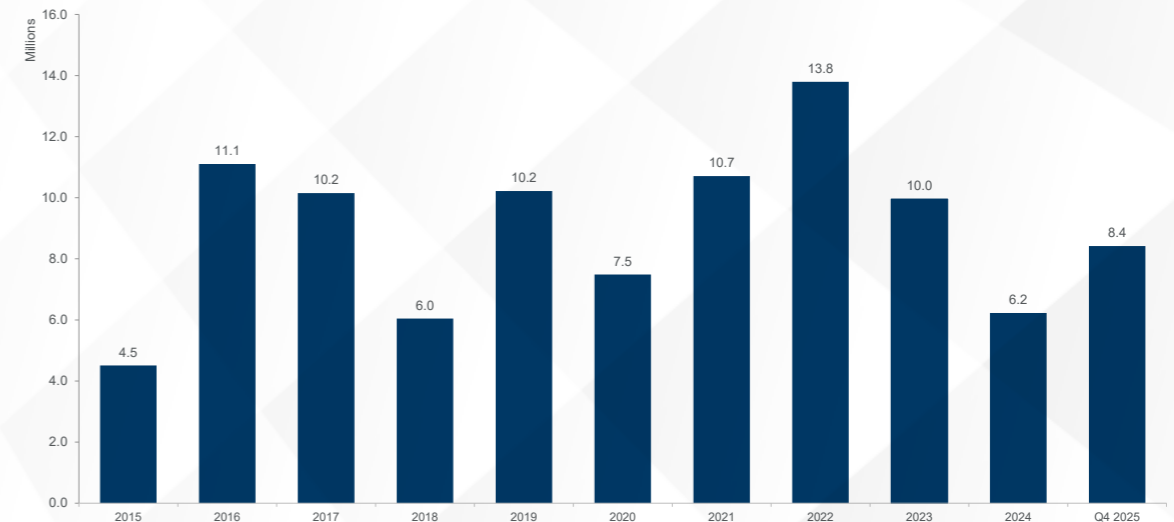
**NEW CONSTRUCTION SLOWING
A LOT OF AVAILABILITY
DIFFICULT TO GET PERMITS**

**Reaction
to Past Year**



**CONSTRUCTION STARTS SLOWING
TREND IS ↓**

OWNERS RELUCTANT TO SPEC



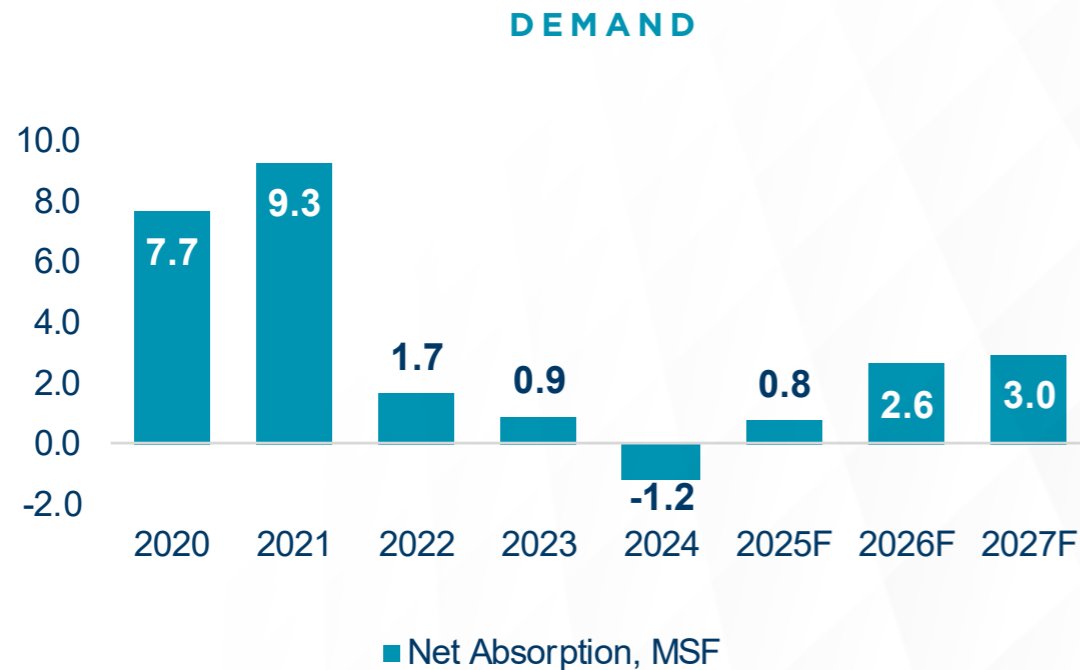
**NEW CONSTRUCTION UP
6.2 MSF Completed in 2024 | 8.4 MSF Under Construction
PRELEASING IN 2024 WAY DOWN AT 8% (NOT GOOD)**

MARKET WILL FAVOR LANDLORDS IN 2025 AND BEYOND

NEW JERSEY FORECAST

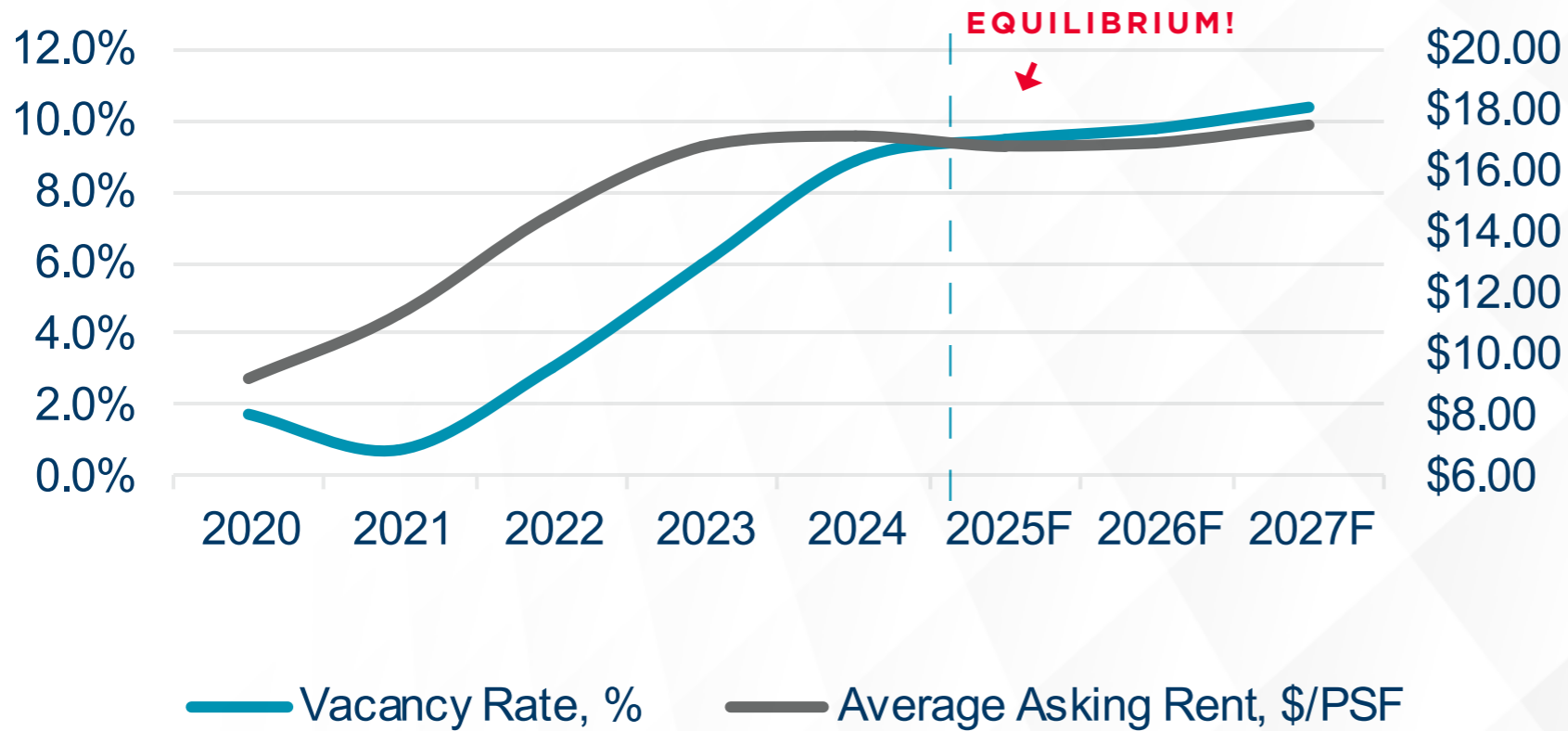
Smart Tenants Taking Advantage of Market

NJ STILL THE BEST LOCATION FOR THE #1 CONSUMER ZONE | PREDICTING STRONG DEMAND



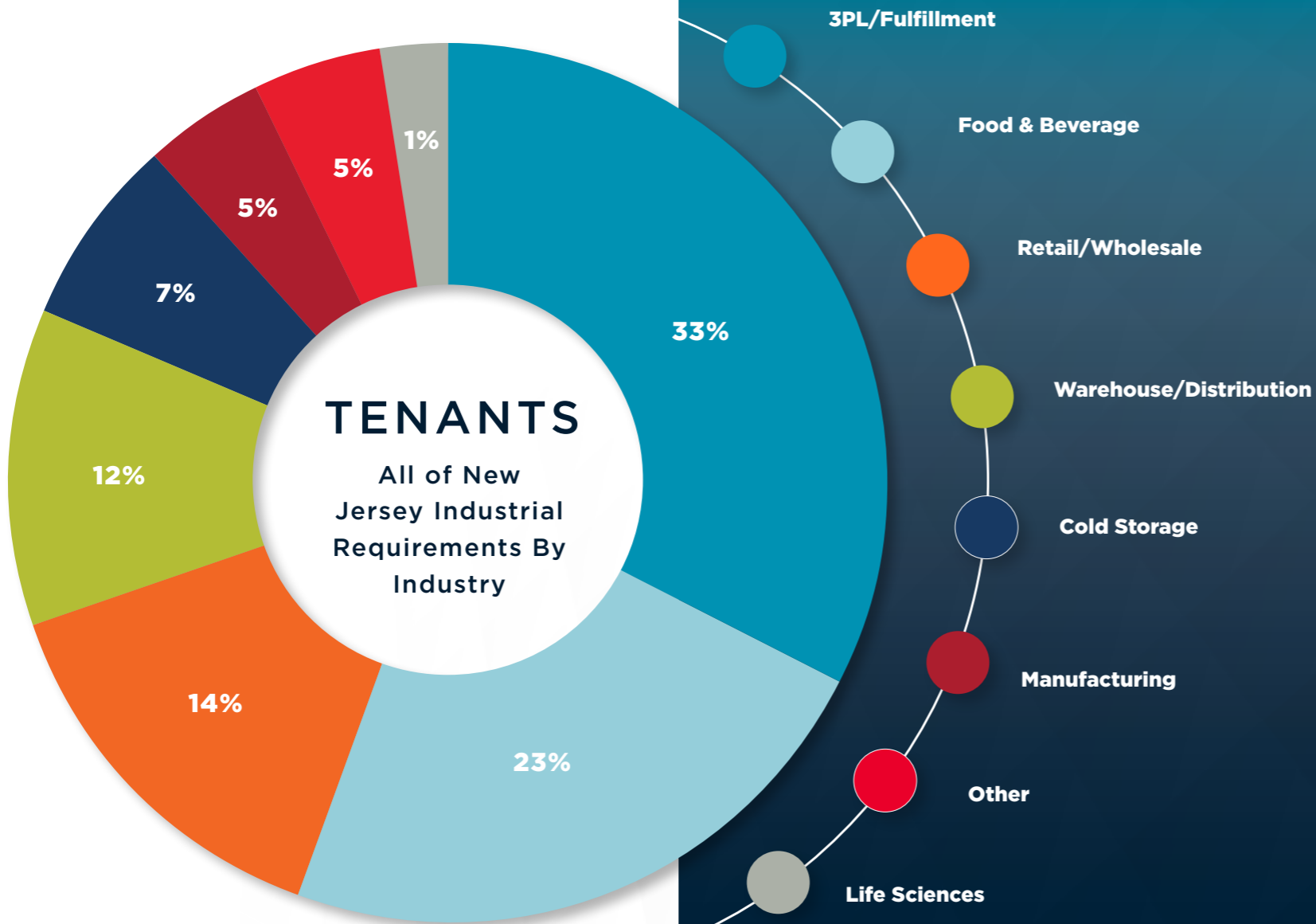
WAREHOUSE/DISTRIBUTION AVG. ASKING RENT & FORECAST

NEW JERSEY



DECLINING NEW SUPPLY AS WE LEASE OUR WAY THROUGH TODAY'S AVAILABILITIES.

NON CLASS A BUILDING FACING DOWNWARD RENTAL RATE PRESSURE



SO, HOW LONG DOES THIS LAST?

ASIAN-SUPPLIED 3PLS

50% of all 3PL is Asian-Supplied

38.8% of Class A Absorption

7.9 MSF

- Huge growth in this sector
- Changes in exemptions coming/here
- Product will need to be stored here
- Using USPS & Fed Gov't to subsidise costs

INDUSTRIAL TRENDS

WHAT DIRECTION IS INDUSTRIAL HEADED?



INDUSTRIAL TRENDS

- Flight to quality
- Tenants relocation from high cost corridors
- Increased concessions such as free rent and TI dollars
- Smaller units in demand
- Deals taking longer to get done
- **USER BUYERS**
- Power ↑



RETAIL/
CONSUMER GOODS

↑
PORT RELATED



NY MIGRATION

↔
3PL
FULFILLMENT
E-COMMERCE
LAST MILE



SPECIALTY
FOOD & BEVERAGE
COLD STORAGE

↔
ASSEMBLY
MANUFACTURING



PHARMA
HIGH END INDUSTRIAL

TRENDS

NEW JERSEY

KEY LEASING TRENDS

- Industrial fundamentals are normalizing amid softening demand and robust new supply
- Vacancy peaked in 2025
- Construction deliveries have/will fall off significantly; Class A markets will be supply constrained by 2027
- Subleases remain the wildcard- sublease vacancy rate ↑
- Demand has picked up and deals are taking longer to close; 3PLs continuing to drive leasing activity
- Location, size and building class continue to matter; Flight to quality will continue
- Class A rent stable; Non Class A rent face downward pressure
- Sale Prices still strong
- Disconnect between leasing and sale markets

TRENDS TO WATCH

- Increased Free Rent
- Larger TI Packages
- Phase-in periods
- Window of Opportunity for companies (especially non-class A)
- Pressure on Rent Escalations; Amazon leading charge
- Landlord Preference for Occupancy over holding out
- Willingness to Demise
- Ethnic and Food & Beverage growth



CUSHMAN &
WAKEFIELD

THANK YOU

Thomas Tucci, SIOR
Vice Chair
+1 201 739 8172
thomas.tucci@cushwake.com



NJBAC | New Jersey
Business
Action Center



The State Development and Redevelopment Plan (SDRP)

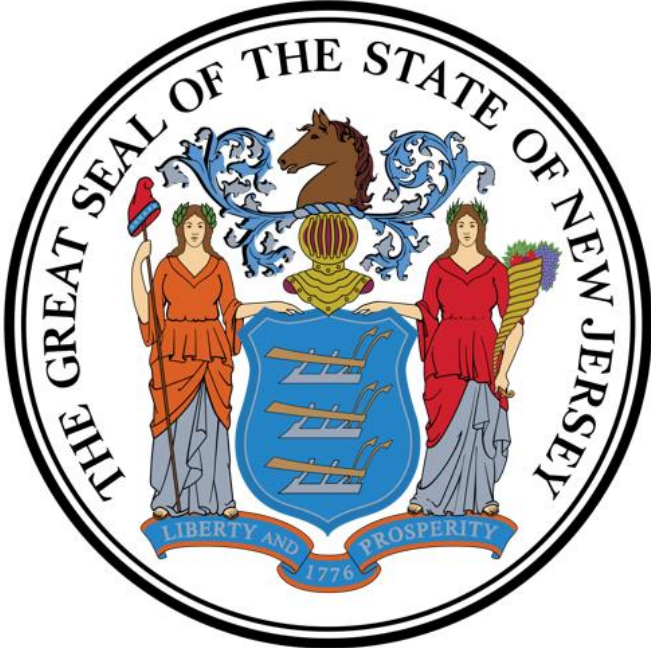
NJTPA Freight Initiatives Committee Meeting

February 17, 2026

Greetings!



Lt. Governor Dr. Dale G. Caldwell
& Secretary of State



NJBAC

New Jersey
Business
Action Center

About the NJ Business Action Center

Mission

To provide exceptional technical assistance, customer service, resources, and information as advocates and mentors for New Jersey businesses of all sizes, categories, and ethnicities.

Vision

We envision a flourishing business community, in which all stakeholders – entrepreneurs, business owners, business leaders, exporters, municipalities, state agencies, elected officials, and organizations – are able to access the vital resources that ultimately strengthen every aspect of doing business in New Jersey.

About the NJ Business Action Center

Provides free, confidential, reliable assistance

- Office of Business Advocacy – Explore
- Office of Export Promotion – Expand
- Office of Small Business Advocacy – Explain
- Office of Planning Advocacy – Enhance
- Cannabis Training Academy – Educate

Supportive services at every stage of business, regardless of size or industry, provided for thousands of businesses each year

The State Plan



NJ State Planning Act (NJSA 52:18A-196 et seq)

- NJSA 52:18A-200: “The State Development and Redevelopment Plan shall be designed to represent a balance of development and conservation objectives best suited to meet the needs of the State...”
 - Protect the natural resources and qualities of the State...
 - Promote development and redevelopment in a manner consistent with sound planning...
 - Consider input from State, regional, county, and municipal entities...
 - Identify areas for growth, limited growth, agriculture, open space conservation...
 - And more...

What the State Plan is NOT....

The State Plan is not designed to overrule, negate, or interfere with existing plans or regulations in communities, but it is intended to provide guidance and foster collaboration among stakeholders.

State agencies implement the State Plan through their functional plans, investment priorities, and administrative rules, while local governments implement it through their own planning objectives.

The Cross Acceptance/Plan Adoption Process

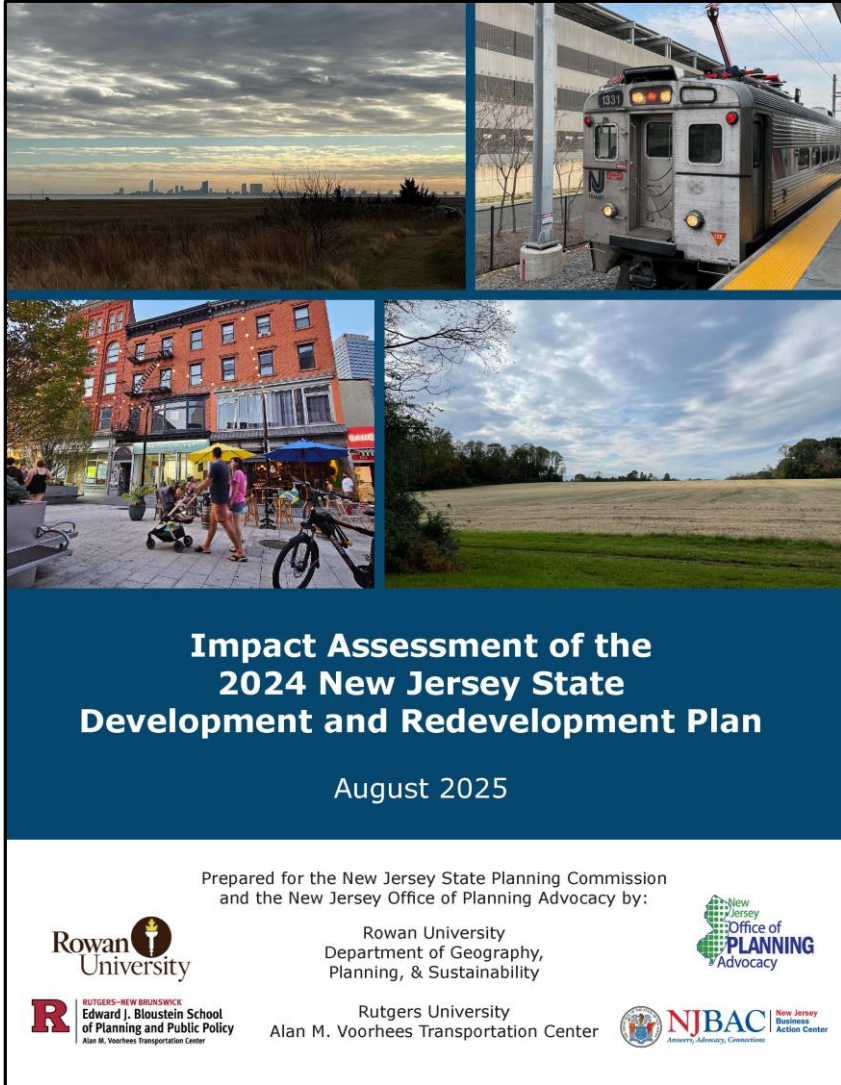
What is Cross Acceptance?

Cross Acceptance is a process of comparing statewide planning policies at all government levels with the purpose of attaining a high level of consistency among municipal, county, regional, and State plans and the State Plan.

- Comparison Phase
 - Release of Preliminary State Development and Redevelopment Plan (SDRP)
 - Twenty-two (22) Public Meetings
 - County Cross Acceptance Responses
- Negotiation Phase
 - Twenty-two (22) Negotiation Sessions
 - Statements of Agreements and Disagreements (Draft & Final)
- Plan Adoption Phase
 - Adoption of the Impact Assessment Report
 - Release of Draft Final SDRP and Draft Infrastructure Needs Assessment (INA)
 - Public Comment Period with six (6) Public Hearings
- SDRP and INA Adopted on December 17, 2025



Impact Assessment



Methodology – Quantitative Analysis

- Growth in Smart Growth Planning Areas
- Growth in Centers-Based Locations
- Growth in Redevelopment & Renewal Projects
- Compact Growth
- Infrastructure Supported Growth
- Low Environmental Impact Development
- Climate Resilient Growth
- Protection of Open Space and Natural Resources

Methodology – Qualitative Analysis

- Economy
- Land Use and Environment
- Climate Change and Resilience
- Equity
- Infrastructure
- Health

The New State Plan

Policies and Strategies

- Two new planning goals: Climate Change and Equity
- Changes to the State Plan Policy Mapping Criteria
 - Climate Change Policy
 - Center Definition
 - Cores
 - Planning Area Criteria
 - Planning Areas 1B and 2B
 - Mapping of Preserved Land (Open Space and Farmland)
 - Critical Environmental Sites and Historic and Cultural Sites
- Special Resource Areas
- “Using This Plan” Section
- Suburban and Rural Planning Strategies



Goals of the New State Plan

2050 Statewide Planning Goals, Priorities, and Strategies

Economic Development: Promote economic growth that benefits all residents of New Jersey

- Government Coordination
- Business Retention and Expansion
- Workforce Development
- Regional Planning

Housing: Provide an adequate supply of housing for residents of all ages and incomes in communities of their choosing that meet their needs and offer ready access to the full range of supportive goods and services

- Housing as a catalyst for Economic Development
- Reducing Barriers to Development
- Health and Environment
- Housing and Transportation

Goals of the New State Plan

2050 Statewide Planning Goals, Priorities, and Strategies

Infrastructure: Economic opportunity through nation leading infrastructure

- Transportation
- Clean Energy

Revitalization and Recentering: Revitalize & recenter the state's underutilized developed areas

- Revitalizing Older Centers
- Recentering Underutilized Developed Areas

Climate Change: Effectively address the adverse impacts of global climate change*

- Decarbonization
- Hazard Mitigation
- Coastal Areas and Riverine Corridors

Goals of the New State Plan

2050 Statewide Planning Goals, Priorities, and Strategies

Natural and Water Resources: Protect, maintain, and restore the state's natural and water resources and ecosystems

- Habitat Preservation
- Agriculture and Food Production
- Air Quality
- Water Quality

Pollution and Environmental Clean-Up: Protect the environment, prevent and clean up pollution

- Brownfields and Lead
- Waste Management and Recycling

Goals of the New State Plan

2050 Statewide Planning Goals, Priorities, and Strategies

Historic and Scenic Resources: Protect, enhance, and improve access to areas with exceptional archeological, historic, cultural, scenic, open space, and recreational value

- Historic Resources, Cultural Resources, and the Arts
- Open Space and Recreation Resources

Equity: Implement equitable planning practices to promote thriving communities for all New Jerseyans*

- Equity and Environmental Justice

Goals of the New State Plan

2050 Statewide Planning Goals, Priorities, and Strategies

Comprehensive Planning: Foster sound and integrated planning and implementation at all levels statewide

- Comprehensive Planning and Design
- Regional Planning and Areas of Critical Concern
- Pinelands
- Hackensack Meadowlands District
- New Jersey Highlands
- Fort Monmouth Economic Revitalization Authority
- Casino Reinvestment Development Authority

2025 State Development and Redevelopment Plan: Economic Development Goal

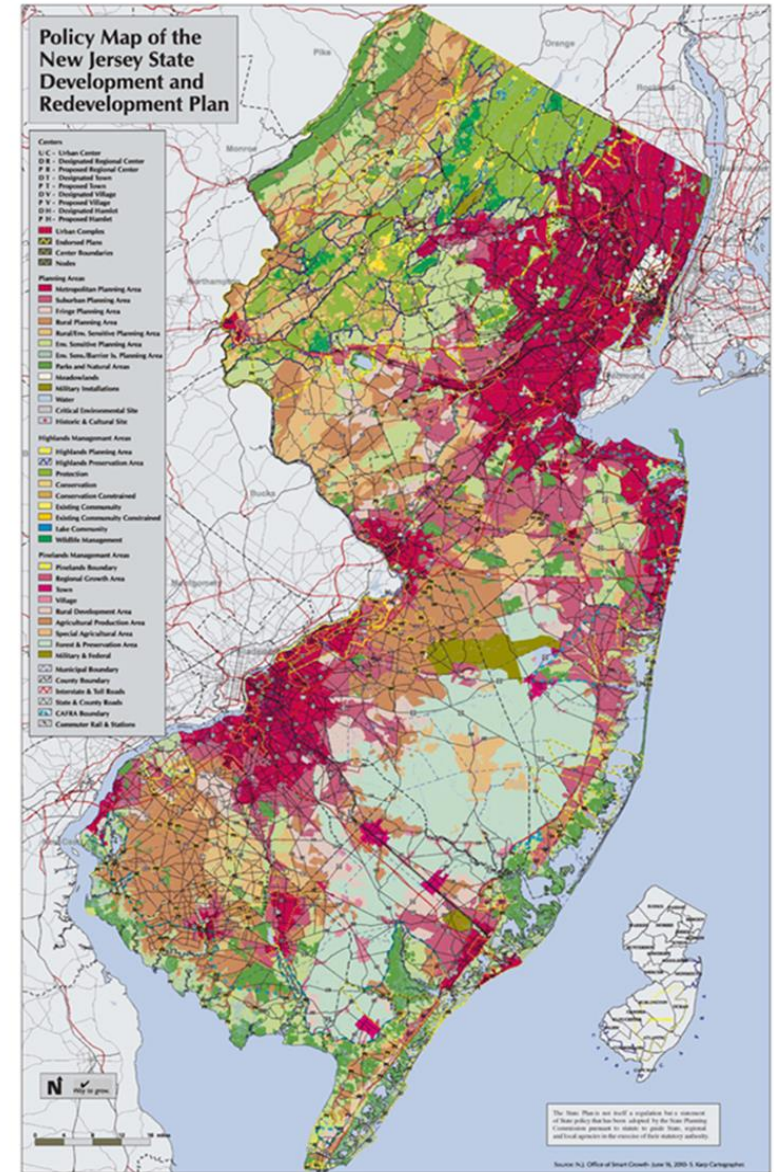
Select Economic Development Strategies

- Promote planning and investments in capital facilities that **move goods safely and efficiently** within and through New Jersey's ports, airports, rail systems, and roads. Support location of **large industrial facilities consistent with the New Jersey Environmental Justice Law (N.J.S.A. 13:1D-157 et seq.) and only where the appropriate transportation infrastructure exists, or will exist, and where the negative impacts of these uses will not adversely affect residential or mixed-use communities.**
- Preserve and enhance the capability of New Jersey's **public-use airports** to support regional economic development and act as a conduit for movement of goods and trade development as a recognized part of interstate commerce.
- Promote planning, investment, and maintenance of **maritime facilities and services including water dependent uses** in ways that balance economic and environmental objectives.

State Plan Policy Map

While the State Planning Act does not address the State Plan Area Policy Map (SPPM or the Map), the Rules require a map.

- A geographic application of the goals, strategies, and policies of the Plan.
- Important in interpreting smart growth areas and areas that need to be protected or preserved.
- No map changes were initiated by the State. Counties and municipalities who proposed map changes during the update process will be reviewed and considered over the course of the coming year.



Infrastructure Needs Assessment



FINAL Infrastructure Needs Assessment: 2024-2030

New Jersey State
Development and Redevelopment Plan

December 2025

Prepared for the New Jersey State Planning Commission
and the New Jersey Office of Planning Advocacy by:

Rutgers University
Alan M. Voorhees Transportation Center

Methodology

- Capital plans, regulatory frameworks, and agency reports

Future Needs

- Demand forecasts, demographic changes, and trends in asset depreciation

Three-Scenario Approach for Projected Infrastructure Needs

- Steady-State Scenario: \$102 billion
- Moderate Progress Scenario: \$214 billion
- Aspirational Scenario: \$317 billion

Distribution Warehousing and Goods Movement Guidelines

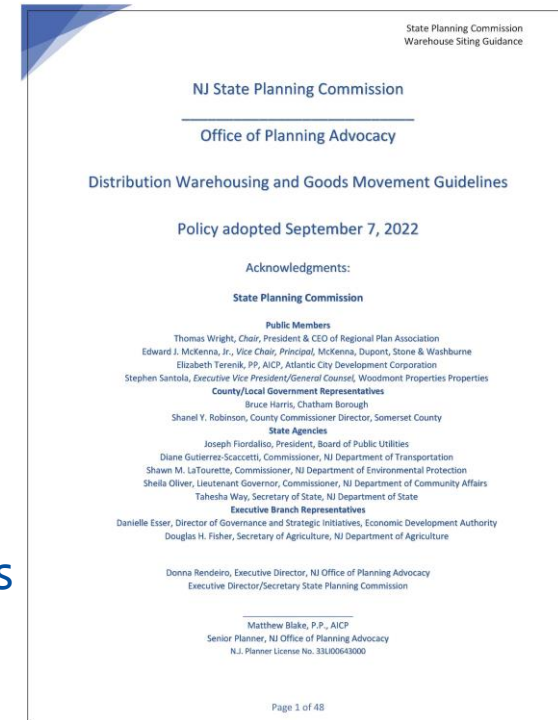
The guidance aims to:

- Facilitate a proactive, rather than a reactive approach;
- Provide municipal factors to consider and balance when developing or updating a master plan and reviewing applications, land use, and development requirements;
- Encourage a regional approach to planning, siting, and facilitating logistics facilities.

The guidance document describes how municipalities can utilize some or all of these areas to holistically address the challenges they face. This includes sections on:

Types of Warehouses
Municipal Considerations
The Role of Redevelopment and Brownfields
Public Health and Overburdened Communities
Transportation, Traffic, and Road Safety
Sustainable Design

Mitigation Best Practices
Community Involvement/Public Engagement
A Regional Approach
Special Resource Areas
The Role of State Agencies



Implementing the New State Plan

Advance the Goals and Strategies the State Development and Redevelopment Plan

Update Existing and Create New Guidance Documents

Plan Endorsement Process and Center Designation

State Plan Policy Map Update

Coordination with State Agencies

Support of Local and Regional Planning Initiatives

Public Outreach and Education



The State Development and Redevelopment Plan

<https://www.nj.gov/state/bac/planning/state-plan/development/>

New State Plan



Warehouse Guidance



Questions can be submitted via email at: ospmail@sos.nj.gov

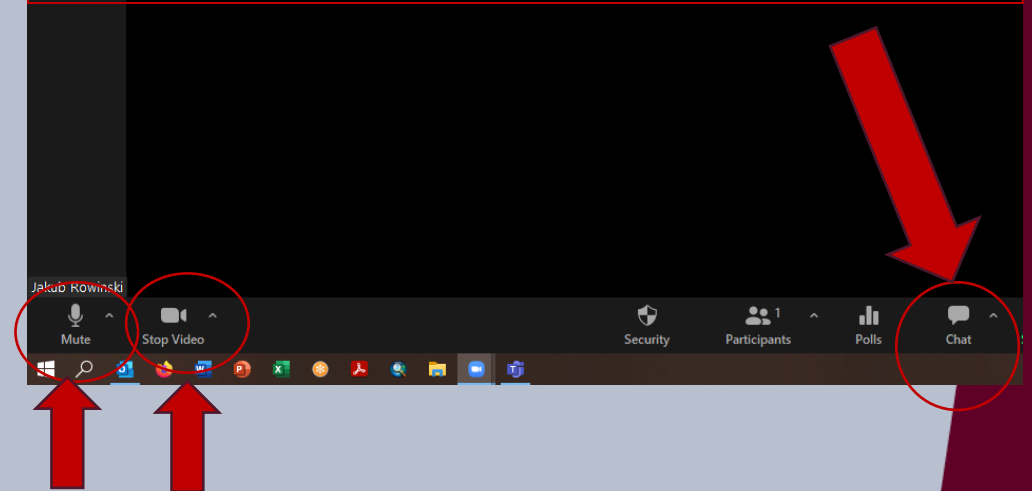
Questions...and Thank you



February Freight Initiatives Committee



Please use the Chat box to ask questions during the presentations and if requesting credits, please post your name and email, followed by either AICP or PE with your NJ PE license number

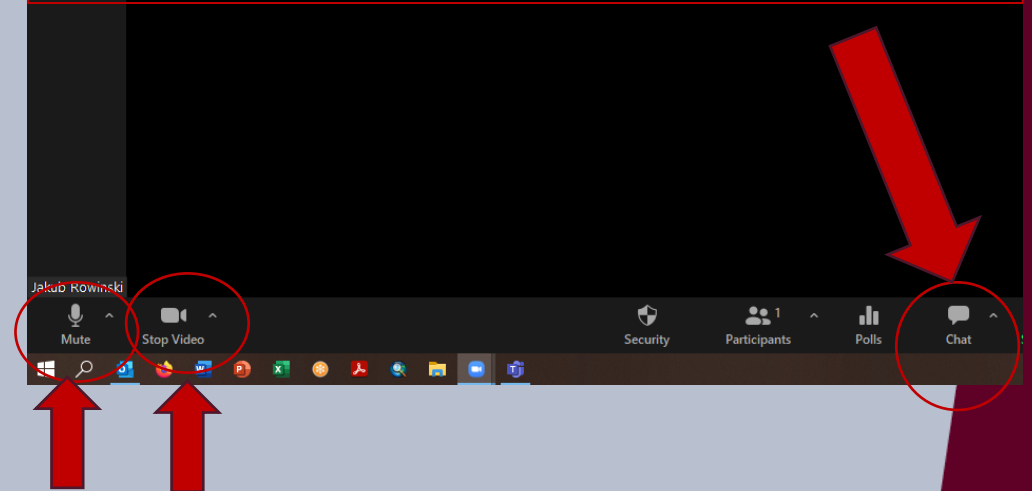


Please mute and turn off your video when not speaking.

February 17 Freight Initiatives Committee Agenda

- Roll Call
- Approval of Minutes
- Update on NJTPA Freight Division Activities
- Industrial Real Estate Update
- Two-Minute Reports on Freight Activities from Committee Members
- Next Meeting: Monday, April 20, 2026
- Adjournment

Please use the Chat box to ask questions during the presentations and if requesting credits, please post your name and email, followed by either AICP or PE with your NJ PE license number



Please mute and turn off your video when not speaking.