

Research Report

# New Jersey Multifamily

Q4 2021

# New Jersey Multifamily

New Jersey's multifamily market closed out 2021 with strong demand and absorption figures, amid a heightened construction pipeline. New Jersey's surging demand can be attributed to the outflow of occupants from higher-priced dense urban housing in the New York Metro area. Occupancy rates posted remained at record levels, despite the record amount of new supply added to the market. At 98.2%, the market occupancy reached its highest level in 20 years, with all submarkets posting occupancy rates over 97%.

## New Jersey Multifamily Statistics

	Q4 2021	Q3 2021	Q4 2020
Inventory	154,909 Units	155,020 Units	154,896 Units
Occupancy Rate	98.2%	97.3%	96.1%
1 Bedroom Rent	\$1,906	\$1,843	\$1,714
2 Bedroom Rent	\$2,508	\$2,429	\$2,249
3 Bedroom Rent	\$3,578	\$3,493	\$3,356
Annual Demand	24,172	15,898	2,582
Annual New Completions	13,701	11,215	7,929
Units Under Construction	28,597	30,449	28,173
12 Month Delivery Schedule	18,367	19,796	13,701

Source: Colliers, RealPage

**6.3%**

New Jersey  
Unemployment  
Rate

December 2021

Source: BLS, US Treasury

**1.514%**

US 10-Year  
Treasury  
Note

December 2021

## Development Leaders

Developer	Units Completed- Last Four Quarters	Units U/C	Total
Capodagli Property Company	530	1,085	1,615
Russo Development	268	1,277	1,545
Accurate Builders & Developers	276	1,129	1,405
Edgewood Properties	340	978	1,318
Kushner Real Estate Group	704	600	1,304

## Recent Transactions



### Arrive Fort Lee

Size: 351 Units  
Sale Price: \$149,150,000  
Date: August 2021



### Sofi Lyndhurst

Size: 328 Units  
Sale Price: \$130,000,000  
Date: October 2021



### Crystal Ridge at Watchung

Size: 334 Units  
Sale Price: \$110,000,000  
Date: December 2021



### The Sheffield at Englewood South

Size: 252 Units  
Sale Price: \$98,500,000  
Date: November 2021

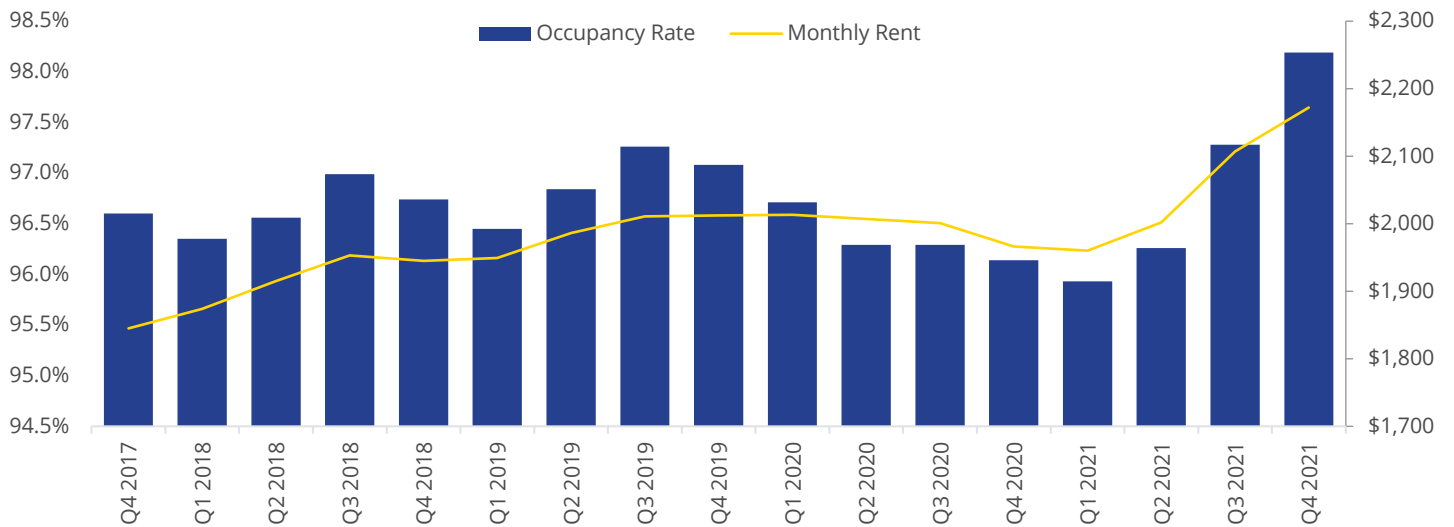
# NJ Multifamily

## Market Fundamentals

The Northern New Jersey multifamily market completed another solid year with occupancy and rents reaching impressive highs. With investment continuing to bloom, the market is in terrific position to have another banner year in 2022.

Rents for new leases in Northern New Jersey continued to increase and was up 8.9% year-over-year and was well above the five-year average of 1.4%. Rent increases occurred in all submarkets, with South Middlesex County experiencing the sharpest year-over-year increase of 18.7% to \$1,860, followed by Jersey City which was up by 12.2% to \$3,083 and Somerset/ Hunterdon Counties, up 11.8% to \$1,983.

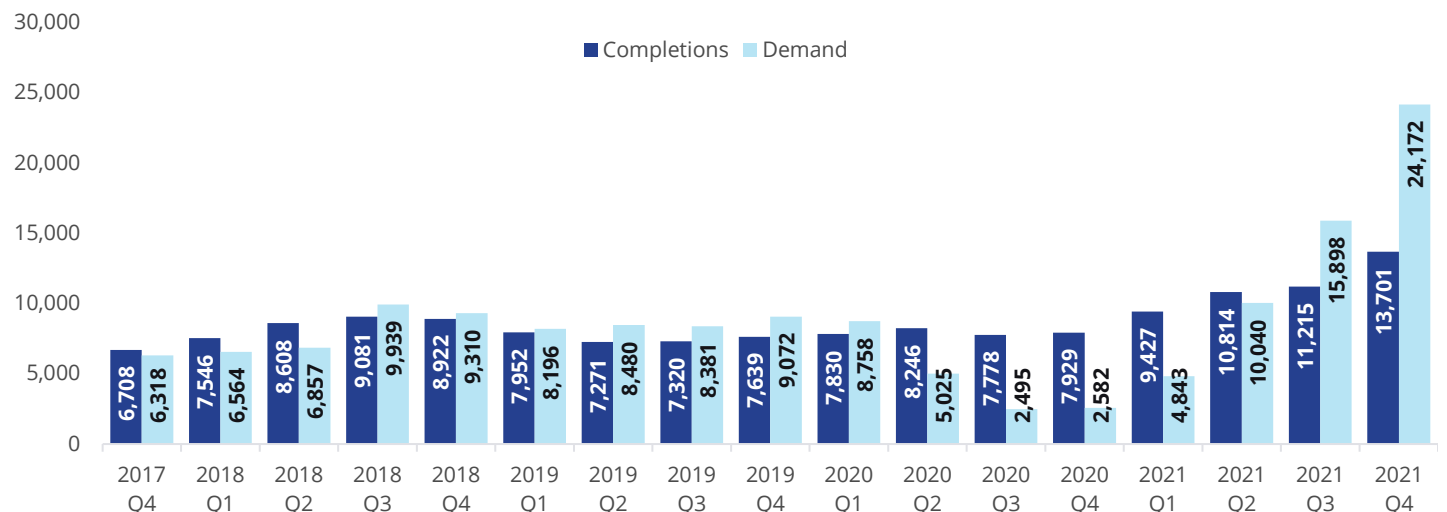
### Monthly Rent vs. Occupancy Rate



## Construction

Northern New Jersey construction pipeline remains robust with 28,597 units under construction of which 18,367 units are anticipated to be delivered over the next year. This pipeline would bring enough new product online to soften any market under typical circumstances, however demand has been equally as strong, with the market absorbing over 24,000 units in 2021. New Jersey's proximity to Manhattan and lower price point make it an attractive market for price-conscious renters.

### Completions & Demand



Source: Colliers, RealPage



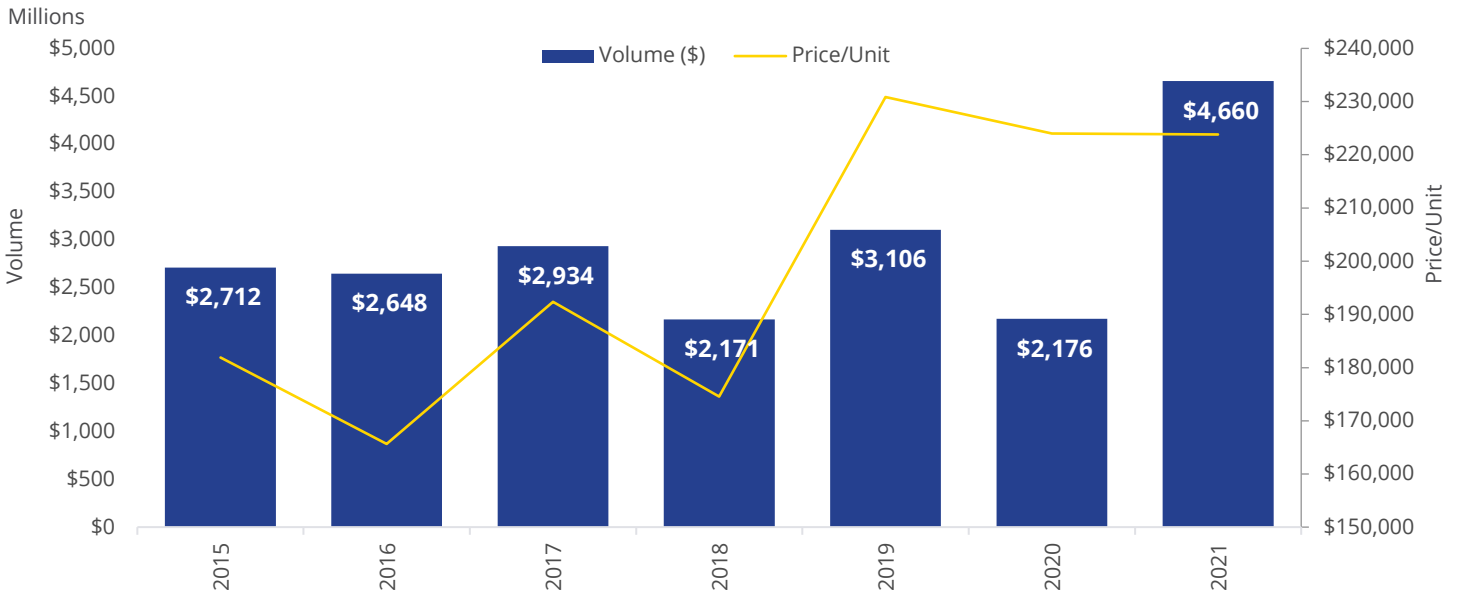
# NJ Multifamily

## Pricing, Sales Volume and Cap Rates

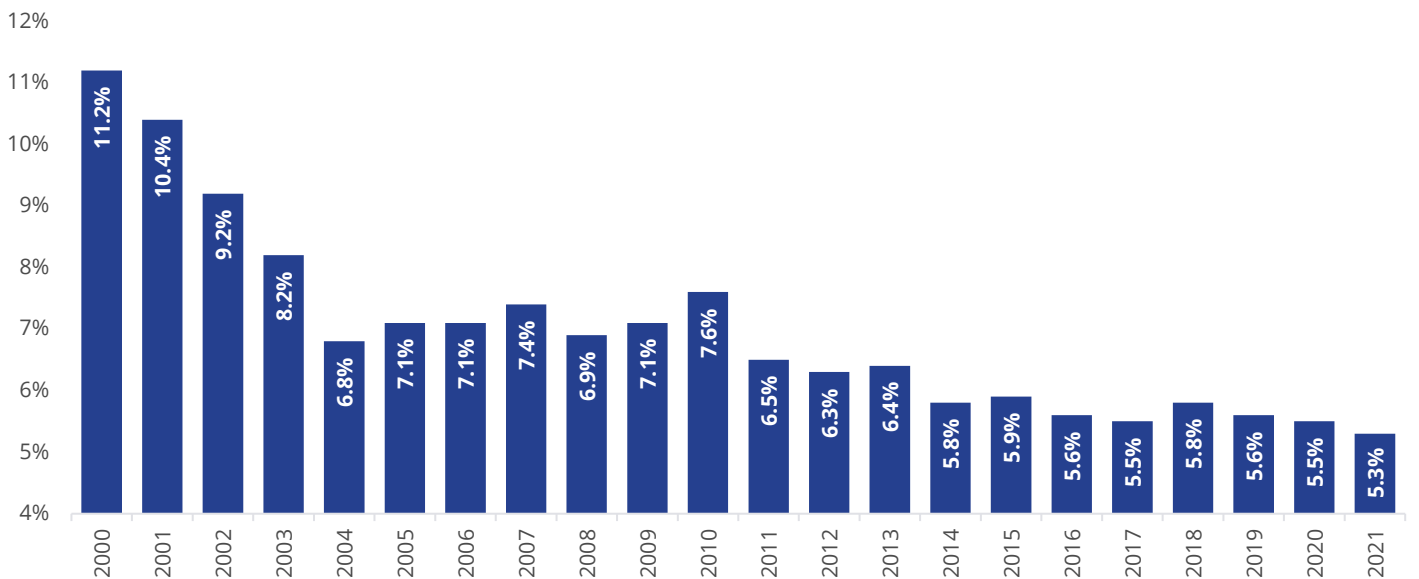
At \$4.7 million, Northern New Jersey’s multifamily investment sales volume increased 114.1% year-over-year and is also up 50.0% from 2019. Additionally, a record number of units were sold in 2021, with 20,820 units traded, compared to 9,716 and 13,457 units in 2020 and 2019, respectively. The average sale price per unit remained flat year-over-year at \$223,801.

As noted earlier, pricing for multifamily assets surged over the past 12 months, while cap rates compressed further. The current average cap rate of 5.3% represents a decline of 20 basis points, year-over-year, as rent growth accelerated across all submarkets in Northern New Jersey.

### Sale Volume & Sale Price/Unit



### Cap Rates



Source: Colliers, CoStar

# NJ Multifamily Submarket Overview

## Monthly Rent by Bedrooms

Submarket Name	Inventory	Occupancy Rate	Total Monthly Rent	Eff	1 BR	2 BR	3 BR	Annual Demand	Annual Completions	Units Under Construction	Deliveries Next 12 Months
Jersey City	21,822	97.2%	\$3,083	\$2,291	\$2,760	\$3,792	\$4,374	6,458	4,370	7,903	4,901
Hoboken/North Hudson County	13,287	97.5%	\$3,000	\$1,943	\$2,582	\$3,632	\$4,986	4,792	2,219	2,261	1,207
Bergen County	16,341	97.8%	\$2,357	\$1,634	\$1,991	\$2,774	\$4,438	2,612	1,800	2,553	1,920
Passaic/Sussex Counties	3,205	98.9%	\$1,741	\$1,178	\$1,645	\$1,948	\$2,527	669	100	784	588
Newark	4,053	99.0%	\$1,545	\$1,084	\$1,544	\$1,985	\$3,229	1,676	554	1,921	1,170
West Essex County	8,975	98.4%	\$1,995	\$1,258	\$1,797	\$2,608	\$3,247	1,908	1,323	1,807	905
Morris County	17,532	98.7%	\$1,952	\$1,844	\$1,730	\$2,308	\$3,108	725	203	2,659	1,056
Union County	9,117	98.6%	\$2,012	\$1,313	\$1,787	\$2,219	\$3,058	2,117	1,199	3,924	2,791
Somerset/Hunterdon Counties	8,774	98.1%	\$1,983	\$1,553	\$1,700	\$2,196	\$2,693	1,103	804	1,697	1,541
Northwest Middlesex County	7,243	98.5%	\$1,791	\$1,208	\$1,666	\$2,027	\$2,095	383	176	332	80
Northeast Middlesex County	7,095	98.1%	\$1,851	\$1,310	\$1,650	\$2,007	\$2,253	429	256	1,219	1,121
Central Middlesex County	14,671	97.6%	\$1,654	\$1,441	\$1,514	\$1,903	\$2,302	848	277	387	387
South Middlesex County	6,107	99.1%	\$1,795	\$1,450	\$1,690	\$2,001	N/A	219	0	0	0
Monmouth County	11,106	99.1%	\$1,871	\$1,855	\$1,653	\$2,151	\$2,778	184	59	444	439
Ocean County	5,581	100.0%	\$1,623	\$1,099	\$1,438	\$1,670	\$2,399	593	361	706	261
<b>Total</b>	<b>154,909</b>	<b>98.2%</b>	<b>\$2,172</b>	<b>\$1,788</b>	<b>\$1,906</b>	<b>\$2,508</b>	<b>\$3,578</b>	<b>24,172</b>	<b>13,701</b>	<b>28,597</b>	<b>18,367</b>

Source: RealPage

# 480 offices in 67 countries on 6 continents

United States: 160  
Canada: 49  
Latin America: 14  
Asia Pacific: 43  
Australia & New Zealand: 54  
EMEA: 108



**\$3.3B**  
in revenue



**2B**  
square feet under management



**18,000 +**  
professionals

## About Colliers

Colliers (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 67 countries, our more than 15,000 enterprising professionals work collaboratively to provide expert advice to real estate occupiers, owners and investors. For more than 25 years, our experienced leadership with significant insider ownership has delivered compound annual investment returns of almost 20% for shareholders. With annualized revenues of \$3.0 billion (\$3.3 billion including affiliates) and \$40 billion of assets under management, we maximize the potential of property and accelerate the success of our clients and our people.

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