



Downtown Newark's Rental Apartment Market



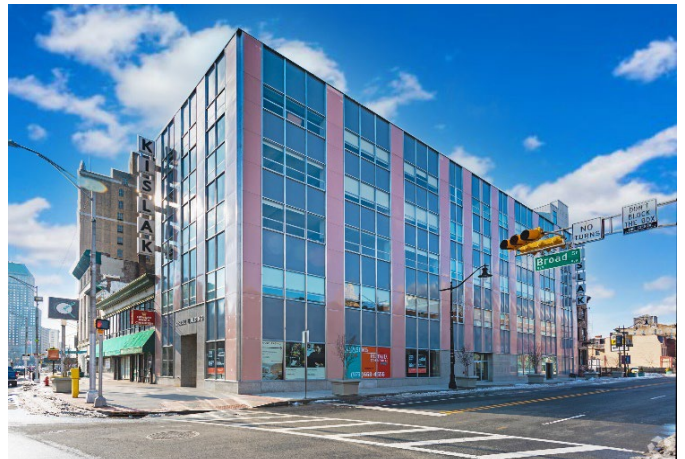
Penn Station – Eleven80



SoMa – William Flats



NJPAC – 50 Rector Park



NoMa – Kislak Building

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Photos to the Left:

- Richardson Lofts – Penn Station
- Teachers Village – SoMa
- 26 Halsey Street – NoMa
- One Theater Square - NJPAC



Newark Downtown District

About the NDD:

The Newark Downtown District (NDD), Newark's special improvement district (SID) of the central business area, is a privately funded 501(c)(3) non-profit organization, dedicated to enhancing cleanliness, safety, and beautification in Downtown Newark, while preserving and enriching culture, commerce, and community.

NDD works hard to enrich the quality of life for those who live, labor, and leisure in Newark by providing supplemental cleaning and quality of life services, as well as physical improvements, marketing, and event programs. These efforts make downtown Newark attractive to residents, businesses, students, tourists, and shoppers.

The NDD is funded through a special assessment on district commercial and residential properties, and is overseen by a Board of Trustees consisting of business and property owners within the District, representatives of non-profit organizations, as well as municipal officials and staff.

The NDD defines downtown Newark as the area generally bounded by I280 to the north, the Passaic River and the New Jersey Transit and AMTRAK rail to the east, Franklin Street and Hill Street to the south, and University Avenue to the west. The adjacent map shows the specific boundaries as defined by the NDD. Property statistics in this report represent properties in the NDD special improvement district.

This report relies heavily (but not solely) on Costar as a data source for the downtown apartment inventory. The NDD makes every effort to include all apartment communities in the downtown in our inventory.



Executive Summary

Downtown Newark's Apartment Markets:

- We segment downtown Newark into two primary markets with two neighborhoods in each primary market for a total of four distinct areas (see map on following page).
- We delineate the two primary markets into the northern and southern downtown with Market Street and Raymond Boulevard corridors segmenting the two.
- The southern downtown rental market is concentrated in the proximity of Newark Penn Station and William Street/Halsey Street south of Market Street (SoMa).
- The northern downtown is delineated by the New Jersey Performing Arts Center (NJPAC) and by Broad Street and Halsey Street north of Market Street (NoMa).

In 2021, Operating Performance was Strong with the Easing of Quarantine Measures!

- Average downtown occupancy increased 6.1% to 95.4% in the fourth quarter of 2021 versus 89.3% in the fourth quarter of 2020.
- Average effective rent increased 7.1% to \$2,196 per unit versus \$2,051 per unit.
- Development and redevelopment activity prior to the pandemic led to a total of 518 units coming on line, which represented a 26% increase in apartment stock. Leasing of newly developed apartments was very apparent just prior to the pandemic's onset with occupancy increasing in the second half of 2019 followed by a strong increase in 2021.
- With the easing of quarantine measures, three of Newark's largest developers - Boraie Development, L+M Development Partners, and Paramount Assets - have large apartment buildings under development!

Newark Downtown Multifamily Operating Statistics

	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	YOY* Chg
Occupancy	90.0%	82.1%	81.7%	83.7%	87.1%	89.9%	88.9%	89.3%	87.3%	91.5%	95.3%	95.4%	6.1%
Effective Rent	\$2,168	\$2,154	\$2,142	\$2,184	\$2,127	\$2,122	\$1,986	\$2,051	\$2,004	\$2,054	\$2,171	\$2,196	7.1%
Net Deliveries	0	264	206	48	19	0	84	20	63	0	0	0	

Source: CoStar. *(YOY) Year-Over-Year.

Downtown Newark's Apartment Markets



Newark Penn Station/South of Market Street (SoMa)

- Access to Newark Penn Station – a key Transit Village.
- Development concentrated on Market Street and surrounding blocks and William Street/Teachers Village.
- Eleven80 largest tower with easy access to Penn Station.
- Clinton Flats on Clinton Street and RockPlaza Lofts (The Bowers, The Madison, and the Columbian) on Market Street at the foot of Onyx Equities' soon-to-be-opened "The Junction" pedestrian corridor.
- Several office towers (i.e., Onyx Equities' [Gateway Newark](#)), RBH Group with 203 apt units and 3 charter schools at Teachers Village.
- *Locations of individual apartment communities are numbered on the map below and listed in the table on the following page. Links are provided in the table to the Internet sites of apartment communities with Internet pages.*



Newark Penn Station/South of Market Street (SoMa)

Newark Penn Station			
Number	Property Address	Property Name/Link	Units
1	11-15 Clinton Street	Clinton Street Lofts	63
2	30-40 Clinton Street	Clinton Flats	46
3	49 Columbia Street	49 Columbia Street	24
4	50-60 Columbia Street	Richardson Lofts	67
5	189-191 Market Street	The Bowers	12
6	192 Market Street	192 Market Street	13
7	194 Market Street	194 Market Street	3
8	196-198 Market Street	196-198 Market Street	19
9	216 Market Street	The Madison	48
10	224 Market Street	The Columbian	8
11	218 Mulberry Street	218 Mulberry Street	4
12	1180 Raymond Blvd	Eleven80	316
13	1225-1227 Raymond Blvd	Halston Flats	16
14	71-73 Walnut Street	71-73 Walnut Street	7
South of Market Street (SoMa)			
15	915 Broad Street	915 Broad	84
16	49-51 Hill Street	49-51 Hill Street	24
17	35 Maiden Ln	Teachers Village	21
18	15 William Street	William Flats	37
19	17 William Street	Teachers Village	80
20	42 William Street	Teachers Village	40
21	45-53 William Street	The William	63
22	260 Washington Street	260 Washington Street	10
23	245 Halsey Street	Teachers Village	62
Total			1,067

NJPAC/North of Market Street (NoMa)

- Northern part of downtown into neighborhoods surrounding NJPAC to the east.
- Anchored by two towers: One Theatre Square and 50 Rector Park.
- NJPAC has plans for a [pedestrian village](#) along Center Street and McCarter Hwy; a key component will be to extend Mulberry Street as a pedestrian walkway.
- The City of Newark also has a major [Riverfront](#) project in this area, which will add a pedestrian corridor and other amenities along the Passaic River.
- The second apartment concentration north of Market Street (NoMa) is along Broad Street, which is the key corridor in the northern downtown with both apartment buildings and office towers, while Halsey Street serves as a gateway to Rutgers University's Newark campus.
- We view the area as a second Transit Village with convenient access to Newark Broad Street Station and Newark Penn Station. Both stations also have New Jersey Transit Light Rail train stations connecting the commuter hubs in the northern downtown.
- *Locations of individual apartment communities are numbered on the map below and listed in the table on the following page. Links are provided in the table to the Internet sites of apartment communities with Internet pages.*



NJPAC/North of Market Street (NoMa)

Broad Street/Halsey Street

Number	Property Address	Property Name/Link	Units
1	540 Broad St	Walker House	264
2	10 Central Ave	Kislak Building	40
3	53 University Ave	53 University Ave	n/a
4	26 Halsey Street	26 Halsey Street	6
5	50 Halsey Street	Hahne & Co	96
6	95 Halsey Street	95 Halsey Street	6

New Jersey Performing Arts Center (NJPAC)

7	2 Center Street	One Theater Square	245
8	15-17 Fulton Street	15-17 Fulton Street	8
9	19 Fulton Street	19 Fulton Street	5
10	23 Fulton Street	23 Fulton Street	10
11	47 Fulton Street	47 Fulton Street	4
12	50 Rector Street	50 Rector Park	169
13	35 Mulberry Street	35 Mulberry Street	15

Total			868
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2022: Development Projects Underway and Planned Projects

Three Projects Underway:

- Largest - 777 McCarter. Boraie Development, in affiliation with Newark native Shaquille O'Neal, is undertaking their second tower (50 Rector Park is their first) at 777 McCarter (informally dubbed "Shaq Tower II"). At 33 stories and 370 units, this large tower will serve as an additional anchor in the immediate vicinity to Newark Penn Station in Newark's Four Corners.
- Second - L+M Development Partners is redeveloping an 18-story 249-unit tower in the immediate vicinity to Rutgers University's Newark campus.
- Finally - Newark-based Paramount Assets is undertaking the historic renovation of the Chamber of Commerce building on 20-24 Branford Place.
- The three projects serve different areas in the downtown: Newark Penn Station, NoMa, and SoMa.

Looking ahead, all of Newark's downtown areas include projects that are planned to be built over the next several years.

- The key Broad Street Newark train stop includes the largest development site – the former Newark Bears Stadium site.
- Accurate Builders and Developers recently acquired the site from the former developer, which includes potential development of 4,200 units in several apartment buildings. Accurate expects to break ground on Phase One with two towers in the Spring of 2022.
- We view the Broad Street train stop as underdeveloped and expect it is only a matter of time before we have a vibrant apartment Transit Village around the train stop.

We have listed the projects in a table and map on the following pages. The numbers in the table correspond with the locations on the map.

2022: Development Projects Underway and Planned Projects

Under Construction

	Property Address	Property Name/Link	Area	Units	Developer
1	155 Washington Street	Newark Urby	NoMa	249	L+M Development Partners
2	777 McCarter Highway	777 McCarter	Penn Station	370	Boraie Development
3	20-24 Branford Place	20-24 Branford Place	SoMa	80	Paramount Assets

Planned

	Property Address	Property Name/Link	Area	Units	Developer
4	451 Broad Street	CitySquare	Broad Street	4,200	Accurate Bldrs & Developers
5	81-93 Orange Street	The Portnow	Broad Street	350	81-93 Investments, LLC
6	75-83 Central Avenue	Museum Parc	NoMa	250	L+M Development Partners
7	17-21 Halsey Street	Kawaida Towers	NoMa	66	Omni America, Mid-Atlantic Alliance, National Action Ntwk
8	193-195 Market Street	193-195 Market Street	SoMa/Halsey	241	RBH Group
9	Center & Mulberry Street	Center & Mulberry	NJPAC	350	Center Street Owners
10	22 Fulton Street	22 Fulton	NJPAC	396	Berger Organization
11	930 McCarter Highway	930 McCarter	NJPAC	333	Boraie Development
12	900 Broad Street	900 Broad Street	SoMa	552	Broad Street LLC
13	289-301 Washington Street	The Halo	SoMa	949	Acier Holdings
14	William & Halsey Street	The Vibe	SoMa	270	Strategic Development Ptnrs
15	101-103 Market Street	The Paramount	Penn Station	226	RBH Group

2022: Development Projects Underway and Planned Projects



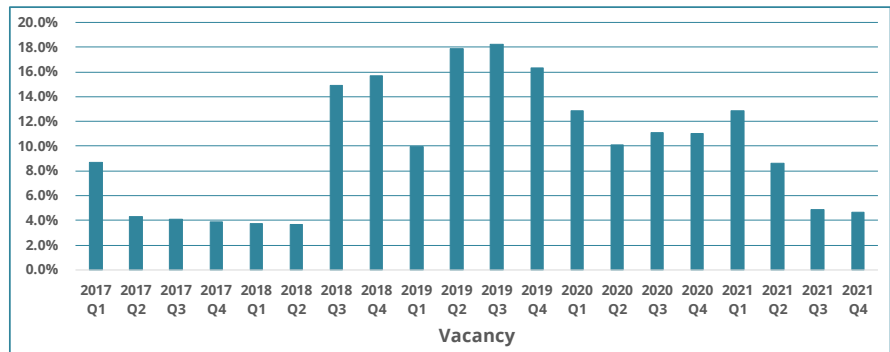
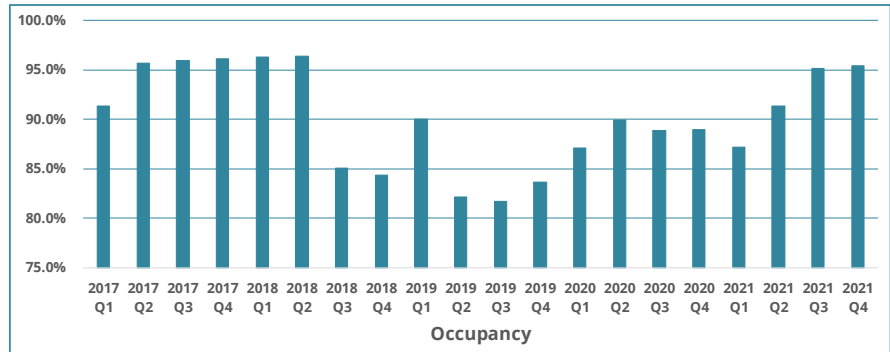
L+M Development Partners' Projects in the Downtown

- Affordable housing developer L+M Development Partners has undertaken significant redevelopment projects in Newark's northern downtown.
- Its first redevelopment was the historic restoration of the Hahne & Co building into a mixed-use residential and retail building: (key retailers include Whole Foods, Barnes & Noble, Marcus BP Newark, and CityMed).
- Redevelopment of Hahne & Co triggered its second major redevelopment – the conversion of NJ Bell headquarters into the mixed-use project, Walker House.
- It currently has the 18-story parking structure previously owned by Rutgers University under redevelopment into Newark Urby.
- Finally, it added to its development pipeline to build a mixed-use complex adjacent to the Newark Museum of Art in an affiliation with the Museum.
- We view Newark's northern downtown – currently underdeveloped with residential communities – as a very attractive Transit Village with its excellent access to alternative transit modes throughout the metropolitan area, along with appealing neighborhood and cultural amenities and a large college student population.

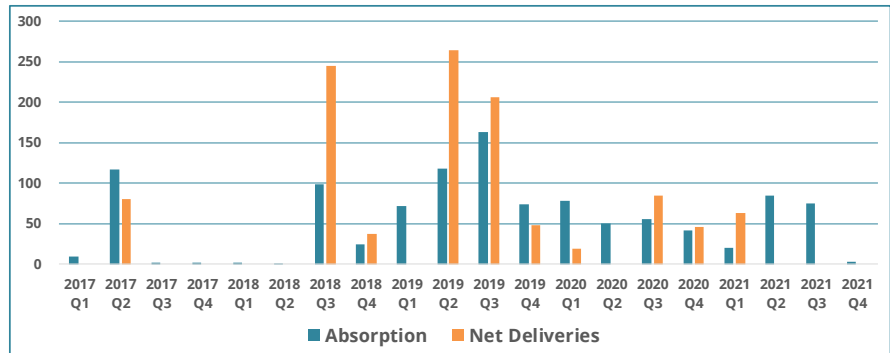
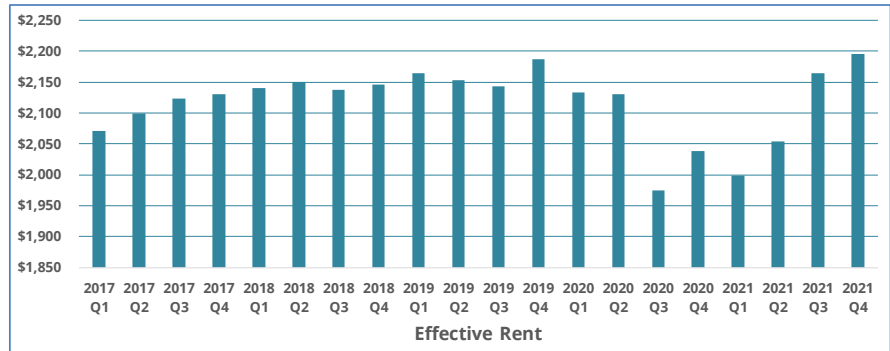


Multifamily Operating Fundamentals Support Continued Growth

Prior to the beginning of the pandemic, deliveries drove down multifamily occupancy to 83.7% in the fourth quarter of 2019, which rebounded strongly to 95.4% in the fourth quarter of 2021.



Effective rents strengthened to \$2,184 per unit per month in the fourth quarter of 2021 from \$2,183 in the fourth quarter of 2019.

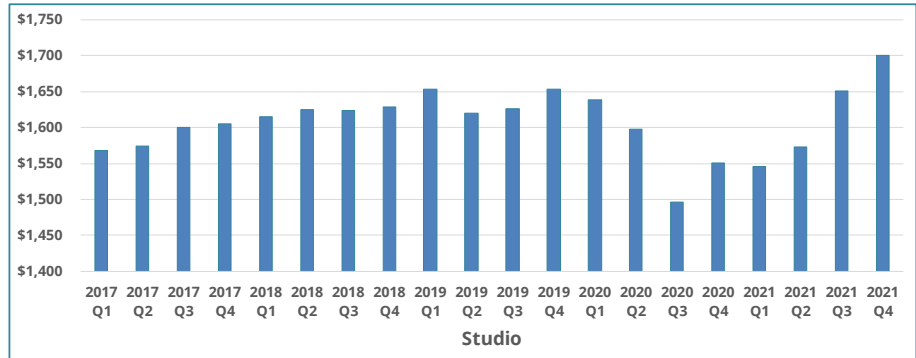


Development deliveries prior to the pandemic drove up

Absorption is space leased. Deliveries prior to the pandemic drove up vacancies.

Newark's Downtown Apartment Rents are Affordable

*Studio:
\$1,700 per month*



*One Bedroom:
\$2,033 per month*



*Two Bedroom:
\$2,507 per month*

