



Faropoint acquires two industrial parks in northern New Jersey for \$144.5 million

October 17, 2023 - National News

Hoboken, NJ Faropoint has acquired industrial parks in Allendale and Mahwah totaling 770,064 s/f. The industrial centers, located in the North Bergen County submarket, were acquired for a combined \$144.5 million.

Allendale Shallow-Bay Industrial Park, located at 1-3, 5-7 Pearl Ct. and 59 Rte. 17, spans 35.1 acres and includes seven industrial buildings totaling 370,064 s/f.

Mahwah Industrial Center at 16, 70-82, 91-97 McKee Dr. is a three-building portfolio totaling 400,000 s/f across 33 acres.

Both parks offer direct access to major thoroughways including Rte.17, I-278, I-87, Rte. 208/4, Rte. 202, and the Garden State Pkwy.

North Bergen County is one of the tightest industrial submarkets in the state and continues to demonstrate positive market rent growth, leasing velocity and compelling fundamentals that make it a vital area for investment,” said Orry Michael, Faropoint director of acquisitions in greater New York. “Faropoint has and continues to recognize a compelling opportunity within the light industrial and shallow bay arena, distinguishing itself from the conventional larger box industrial developments prevalent in the NYC metro and Northern New Jersey (NNJ) industrial markets. These high-quality buildings offer much-needed flexibility, divisibility, and functionality desired by a broad spectrum of infill and last-mile users seen in the market today.”

Strong job and population growth in North Bergen County, coupled with the region’s unparalleled connectivity to major transportation and employment hubs, makes it an ideal market for industrial investment. Both industrial parks present myriad attractive opportunities for investment.

Allendale Shallow-Bay Industrial Park, built in the 1970s-80s, is core-plus real estate with unique shallow bay design that offers divisibility and functionality sought by a diverse array of infill and last-touch users in the Northern New Jersey area. Its accommodating design and shallow bay product allows for greater leasing flexibility, resulting in higher rental rates. The park is currently 100% leased to 18 tenants spanning a variety of industries including auto manufacturing, healthcare, and last-mile food and beverage.

Mahwah Industrial Center was built in the 1960s with strong lease terms in place that provide steady

cash flow at an attractive basis. The center offers an abundance of parking – 1,463 spaces total – an extremely desirable and rare feature in the submarket. The campus is currently 100% leased to seven tenants in industries including technical education and distribution. Both industrial parks have an average tenant tenure of over a decade.

“Faropoint’s relationship-centric strategy, reliable funding and use of proprietary data and technology is what allows our investment teams to transact with accuracy and certainty when vetting and underwriting potential deals,” said Adir Levitas, CEO and Founder of Faropoint. “The urban infill industrial product we specialize in has gained popularity in recent years due to the sector’s incredibly strong fundamentals, and we look forward to continuing to pursue similar opportunities in supply-constrained markets across the country in the years to come.”

Faropoint entered the northern New Jersey market with its first transaction in the winter of 2021. Since then, the firm has deployed roughly \$300 million in capital across the region. Faropoint’s success in the highly competitive Northern New Jersey industrial market is a testament to the firm’s demonstrated execution capabilities amid recent economic disruptions.

“The fact that both facilities are 100% leased to reputable, credit-worthy tenants offers an opportunity to generate sustainable long-term returns, aligning perfectly with our investment strategy which emphasizes growth and stability at an irreplaceable basis,” said Itay Ron, Northeast Market Office at Faropoint. “These industrial parks offer a unique combination of flexible warehouse space in a central location that serves a range of high value tenants in the Northern New Jersey region. We look forward to continuing to strengthen our relationship with the owners and operators who serve this region in the future.”

Cushman & Wakefield’s Gary Gabriel, Kyle Schmidt, Ryan Larkin and Seth Zuidema facilitated the transaction, representing the sellers.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540