



COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

NEW JERSEY CHAPTER

Priorities for New Jersey's Next Governor

NAIOP NJ's core purpose is to position commercial real estate (CRE) leaders to build vibrant spaces that create an enduring, positive impact on communities throughout the State of NJ. When CRE projects are designed, financed and constructed at a pace that meets market demands, the entire state sees the benefits.



Commercial real estate development
is a powerful economic engine in
New Jersey.

\$11.2 billion in contributions
to the state economy (GDP).

\$3.3 billion in wages and
salaries generated.

51,477 jobs created and
supported.

Source: Economic Impacts of Commercial
Real Estate, 2025 U.S. Edition.



[View the full report](#)

NAIOP RESEARCH
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CELEBRATING 25 YEARS

NAIOP NJ stands ready to work with the next Governor, who we believe should prioritize actions that promote a thriving market for all CRE asset classes. To accomplish this, our next Governor should:

Reset how the State Engages with the CRE Community: Meaningful collaboration between state government and private entities enhances community development efforts statewide. This starts with the next Governor and the leaders whom they choose to lead critical functions of the Executive Branch of state government and various state authorities. With affordability being the critical factor in determining if economic development opportunity should proceed, the next Governor must:

- Select leaders to run state agencies and authorities that understand that New Jersey is already a high-cost state (including costs for environmental remediation) with great market variability from north to south. These leaders should openly acknowledge these challenges and avoid “one size fits all” approaches to problem solving.

- Respect improved regional planning efforts that compliment reexamined municipal planning and zoning and avoid aggressive statewide land use directives that supplant local decision making.
- Resist advice to buy into calls by NIMBY activists for statewide limitations on any CRE asset class, especially not for critical projects that serve the logistics industry.¹
- Require state employees serving in regulatory roles to be present in offices and be available in person for meeting with applicants for permit coordination. The combination of the effects of the pandemic (remote working) and state worker retirements and other attrition in key state agencies have impeded permit review and the flow of projects getting out of ground. The next generation of state employee needs to be trained and required to engage with the regulatory community in person not via TEAMS.

Revisit Relevant State and Local Regulations: The next Governor must advocate for reduced bureaucratic processes and expedited permitting at the state, regional and municipal levels of government to encourage timely project development and provide predictability and certainty to private sector capital providers. At a minimum, the next Governor should apply leadership to ensure that:

- Any attempts to reform existing regulations are based on evidence-based science. Land use and infrastructure rule changes that are based on unsound science leads to market confusion, anxiety and the decision to invest in another state or country.
- Positive progress at agencies like the DCA continues and is expanded with programs that allow for more third-party reviews at the state level and development plan reviews under local government by private licensed engineers and architects.²
- A comprehensive review of all DEP rules is conducted, including a thorough evaluation of the impact of recently adopted rules on the ability of local governments to fulfill affordable housing obligations and achieve other economic development goals. There needs to be accountability from DEP and a laser focus on addressing permit and other approval backlogs. The next Governor needs to give more consideration of the relationship between staffing levels and the DEP's ability to deliver on increasing unfunded administrative mandates being directed to them by the Legislature. Surgical reviews of functions of other state agencies (E.G., DOT – Access Code Permits) are also warranted. Correcting broken critical regulatory programs and concurrently seeking private sector assistance to reduce backlogs should be a first-year priority.
- The State Development & Redevelopment Plan (the “State Plan”) and the Office for Planning Advocacy sticks to their core function of identifying and solving issues between state agencies so that local governments and the private sector have a clear signal from Executive Branch on the basic question: ***Exactly where is the State encouraging development and redevelopment to occur?***
- Common sense amendments to the Municipal Land Use Law are proposed and proactively supported to minimize arbitrary delays, unjust challenges to approvals and exorbitant fees now required for applications for the multitude of approvals necessary to develop or redevelop property in too many local jurisdictions in NJ.

¹ <https://re-nj.com/developers-business-groups-launch-circulate-nj-coalition-to-tout-logistics-industry-amid-pushback-to-warehouse-projects/>

² <https://re-nj.com/getting-a-building-permit-in-new-jersey-is-about-to-get-easier/>

Reconstruct NJ's Energy Policy: The energy supply and transmission capacity in New Jersey is inadequate to meet our state's future needs. This constrains our ability to compete within a global / regional market. While it's true NJ faces risks related to climate change, the risk of not having reliable, diversified, and affordable supplies of energy to drive our State's key industries is an immediate risk.³

The next Governor must overhaul current planning and policies with data and ideas that are not driven solely by a singular focus on electrification. We must address our inadequate energy supply and transmission infrastructure to ensure that more renewables can come into our market mix in a way that does not bankrupt our citizens and businesses with an open mind to the various ways to achieve carbon reduction. It is net positive that New Jersey's solar energy portfolio grew from 2.41 GW at the end of 2017 to 5 GW by December 2024. Much of this progress has come from roof top solar projects on industrial properties through the "community solar" program. This progress should be continued and expanded. NAIOP NJ's Energy Position paper has been published to clearly communicate energy priorities for CRE.⁴

Rapidly changing CRE markets, including data centers with quantum computing, reshoring / onshoring of manufacturing, energy storage and the need for specialized logistics facilities like cold storage has placed energy capacity needs and the energy grid improvements and expansion front and center in driving a 21st century economy. New Jersey is geographically located to take advantage of this emerging market only if we can figure out the energy variable in the overall equation.

Continue to Improve Programs that Incentivize Development & Redevelopment: The next Governor needs to continue to reform and improve the terms and administration of state tax incentives for new construction and renovation of existing properties to attract investment. The state can be a great catalyst for leveraging economic development inducements to spur redevelopment projects. In this post-pandemic market, targeted state inducements and benefits can ignite growth, especially in targeted areas where there has been significant infrastructure investment. Powerful economic development tools can re-imagine depressed neighborhoods into creative multiple mixed-use destination areas and not just in urban centers. The next Governor should:

- Oppose, early in the legislative or regulatory process, any reform that would greatly diminish the value of long-term alternative property tax payment structures (for example, PILOTs). These powerful redevelopment tools are available to municipalities and allows them to negotiate property tax payment schedules with developers to make CRE projects possible.

³ <https://njbiz.com/naiop-nj-2035-electrification-mandate-is-unrealistic/>

⁴ <https://naiopnj.org/resources/Documents/NAIOP%20NJ%20-%20EMP%20Position%20Paper%20-%20Rev%20Oct%202024.pdf>

Accelerate Infrastructure Investment: The next Governor should continue to prioritize funding for essential infrastructure improvements, including transportation, energy, water, and telecom, that support not just CRE projects but the best interests of all NJ residents and businesses. At a minimum, the next Governor should apply leadership that drives:

- Public-private partnerships for infrastructure projects, including supplementing design and permitting functions in state government with outside professionals to accelerate the work.
- Accelerated project delivery for port infrastructure, including major transportation investments in roads and waterways to meet the future demands at our ports.
- Improvement to transit operations and capital programs, in concert with collaboration with the CRE community for more opportunities for joint investment.

Support Voluntary Sustainability Initiatives: The next Governor should refine programs that promote green building practices and sustainable development policies to ensure ***voluntary*** participation and creative application so that the commercial real estate sector can play its role in reducing environmental impact and advance energy efficiency.

Advance Education and Training Programs: The next Governor should invest in education and training initiatives to prepare the workforce for careers that do not just require a four-year degree. This includes construction management, logistics industry support and other related careers that are not currently viewed by the State of New Jersey as a priority.

For example, there is a growing national trend to expand public service with third party providers as there is a real lack of a sustainable public service labor force. The pandemic accelerated decreases through attrition and workers entering other fields of work. Over the last year, legislation was enacted to supplement local construction inspections using third party consultants who are licensed by the DCA. In addition, legislation was enacted to establish a DCA program to licensed professionals to certify building permits. These are all important measures to maintain the economic development flow. Community colleges can play a critical role in building a labor force of inspectors that are not public employees to meet this critical employment need.

By addressing these key areas, the next governor can foster a supportive environment for the CRE industry, driving opportunity and community development statewide.

NAIOP NJ's members feel a [sense of optimism](#) as we look forward to working with the next Governor, including the opportunity to work with our Congressional delegation to prioritize NAIOP's three federal legislative priorities for 2025:

- Tax policy: extending CRE provisions from the 2017 Tax Cuts and Jobs Act such as Section 1031s, carried interest, section 198A of the tax code, capital gains, etc.
- Adaptive Reuse: encouraging Congress to pass the NAIOP-supported, bipartisan H.R. 9002 – The Revitalizing Downtowns and Main Streets Act.
- Energy Infrastructure and Demand

To learn more about NAIOP NJ's focus for the future, please review our new [Strategic Plan](#).