

## Besides E-Commerce, What Trends or Market Forces Are Impacting Retail Real Estate in New Jersey

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We assembled a panel of industry experts to tackle our recent roundtable question.

Here's what they had to say.

Lee Holtzman, partner, McCarter & English LLP (Newark)

Property tax appeals will benefit, the retail subsector, as owners of retail property, whose assets have lost value due to the proliferation of e-commerce and other reasons, can obtain relief.

1) The overall number of tax appeals filed this year in New Jersey declined from the previous few years, but anecdotally, we saw an increase in appeals in retail, and we expect that trend line to continue and even sharpen. Owners of retail space continue to see their tenants demanding rent reductions or prematurely vacating leased premises. 2) Largely to bolster their municipalities' finances, tax assessors tend to be slow to lower assessments in struggling subsectors, making those asset classes ripe for appeal. 3) As the decline in retail continues, office space is soft, and we're carefully watching multifamily housing, where valuations remain strong but where rent concessions and stagnation could be the first signs of an oversaturated market and more appeals.