Navigating New Challenges Along the Road to Warehouse Development in New Jersey

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In recent years, New Jersey has seen a significant surge in warehouse development, driven largely by the rise of e-commerce and the state's prime location near major highways, ports, and population centers. However, this growth has prompted a wave of local responses, with many municipalities imposing new restrictions on warehouse development through temporary moratoria or amended zoning ordinances.

On the State level, proposed Senate Bill No. 4048 would prohibit counties and municipalities from approving the construction of large warehouses—defined as 100,000 square feet or more—on lots within 1,000 feet of designated historic districts listed on both the National and New Jersey Registers of Historic Places. However, local planning boards with jurisdiction over a historic district have the ability to grant a waiver of this prohibition upon petition by a developer. The bill applies prospectively to warehouse development proposals that have not yet received a complete construction permit application as of its effective date.

These local actions are largely motivated by concerns over traffic congestion, perceived environmental impacts, and the compatibility of large-scale industrial uses with surrounding residential or rural communities. Some towns have adopted temporary pauses on new warehouse applications so as to conduct broader land use reviews, while others have implemented permanent changes that limit facility size, restrict location, or impose more rigorous permitting requirements.

As a result, developers and investors operating in the industrial sector must contend with an increasingly complex and uneven regulatory landscape. In areas where warehouse projects once faced little opposition, developers are now encountering extended review periods, protracted public hearings with organized opposition, and, in some cases, outright denials.

Despite these headwinds, warehouse development remains a critical part of New Jersey's economy and infrastructure. According to the New Jersey Department of Labor & Workforce Development, the Transportation, Logistics, and Distribution sector plays a major economic role in the state, supporting over 400,000 jobs and employing approximately 12% of the private workforce. The industry accounts for 12.7% of private sector wages, pays an average annual salary of $75,000, and contributes approximately $62.5 billion—or 10%—to the state's gross domestic product.

Moreover, many warehouse proposals offer tangible benefits beyond job creation and tax revenue. These include the productive reuse of obsolete office parks, shuttered retail centers, and former contaminated industrial manufacturing sites that may otherwise remain vacant or underutilized. In many cases, warehouse development facilitates environmental remediation and long-term reinvestment in stagnant properties.

As this landscape evolves, successful navigation will depend on early, proactive engagement with municipal officials, community outreach, and a deep understanding of state and local regulatory trends. Developers should remain alert to

changes in zoning ordinances and comprehensive master plans, consider adapting project design and scale to meet local concerns, and explore jurisdictions that continue to support industrial growth through balanced and predictable policies.

Staying informed and aligned with both economic and community objectives will be essential for bringing projects to completion in a more restrictive and highly scrutinized development environment.

Porzio's real estate and land use attorneys are actively advising clients across the state on warehouse entitlements, permitting, and redevelopment strategies. We are available to assist with site evaluation, local, county, and state approvals, and strategic planning in response to the shifting regulatory climate.