

# Real Estate Ownership: New Jersey

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*A Q&A guide to commercial real estate laws for owners and purchasers in New Jersey. This Q&A addresses state laws and customs that impact the ownership and the purchase and sale of commercial real estate, including real property taxes, transfer taxes, instruments for transferring fee title, execution and recording requirements, necessary disclosures, title insurance matters, and risk of loss. Federal, local, or municipal law may impose additional or different requirements. Answers to questions can be compared across a number of jurisdictions (see [Real Estate Ownership: State Q&A Tool](#)).*

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## Types of Estates and Taxable Real Property

1. When an estate in real property is conveyed, granted, or demised, is it deemed to be transferred as an absolute fee simple estate?

When real property is conveyed, granted, or demised, it is deemed to be transferred as an absolute [fee simple estate](#), subject to the terms of the instrument.

2. Is there specific language which must appear in a deed to convey an absolute fee simple estate?

New Jersey has adopted a statutory short form of deed that governs the required language in a deed for conveying an absolute fee simple estate ([N.J.S.A. 46:4-1](#)).

3. What other freehold estates are permitted? Briefly describe each.

[Life estates](#) are permitted. A life estate is when title to the real property is held for a term that expires on either the death of:

- The fee title owner.
- Another person expressly specified in the instrument creating the life estate.

The life of the owner, or the expressly designated third-party, is the "measuring life" of the life estate.

## Real Property Taxes

4. In relation to real property taxes, please describe:

- The kind of property that is taxable as real property.
- Any kind of real property that is exempt from real property taxes.

- The current rate and nature of the taxes (for example, assessed value or school tax).
- The payment and collection procedures.

## Property Treated as Real Property

All property, real and personal, that is not expressly exempted from taxation is subject to taxation ([N.J.S.A. 54:4-1](#)).

## Exemptions

Certain types and uses of real property may be fully or partially exempt from real property taxation.

Exempt properties include, but are not limited to, real property and improvements used for:

- Non-profit purposes.
- Educational purposes.
- Religious purposes.

([N.J.S.A. 54:4-3.6](#).)

Some real property is exempt from taxation due to the status of its owner, for example, that of a permanently disabled war veteran or the surviving spouse of a service member who died while on wartime active duty ([N.J.S.A. 54:4-3.30](#)).

## Rate and Nature of Taxes

There is no standard tax rate set by the state of New Jersey. Each municipality sets its own aggregate tax rate annually (consisting, typically, of rates for the support of schools, county government, and municipal government) and may have within their boundaries additional rates for individual fire districts or other areas of the municipality.

## Payment and Collection

Payment of real property taxes is made in four quarterly installments on a calendar year basis ([N.J.S.A. 54:4-66](#)). The tax rate for most municipalities is finalized in the summer. Therefore, the first two quarters use an estimated rate and the final quarters contain any necessary corrections to ensure that the total tax bill corresponds to the final tax rate.

Penalties for the failure to pay the required real property taxes include:

- Statutory interest.
- Statutory penalties.
- Sales of tax liens on the property.

([N.J.S.A. 54:4-67](#))

## Instruments and Execution Requirements

5. What deeds (or other instruments) are used to convey fee title and which is most commonly used? Briefly describe each.

In New Jersey, the kinds of deeds that may be used to convey fee title are:

- **Quitclaim deeds.** An executed [quitclaim deed](#) transfers title to the real property without any warranties of title from the grantor to the grantee.
- **Warranty deeds.** In a warranty deed, the grantor warrants to the grantee that the grantor holds clear title to the real property from the beginning of the property's origins.
- **Special warranty deeds.** In a special warranty deed, the grantor warrants to the grantee against claims to title arising during the period of the grantor's ownership of the real property.
- **Bargain and sale deed with covenants against grantor's acts.** The bargain and sale deed with covenants against grantor's acts essentially serves the same purpose as the special warranty deed, but is more commonly used. It has a covenant that the grantor has done no act to encumber the property or allowed anyone to obtain legal rights which affect the property ([N.J.S.A. 46:4-6](#)).

All the forms are in general use. However, deed selection is defined by the circumstances of the transaction.

6. Are there any specific state or local recording requirements necessary to record a deed? In particular, please specify if:

- Specific officers must sign for a corporation or other entity.
- Specific language is required to evidence the authority of a signatory for a corporation or other entity.
- A certificate of authority to do business in your state is required if the grantee on the deed is a foreign company.
- The corporation's seal is required on the signature page.
- There are specific margins or headings required for the deed.
- A cover page is required for recording.
- There are any other requirements.

## Officers

An officer must be authorized to sign the deed, but evidence of authority need not be recorded.

### **Language for Signature Block**

The signature block must contain typed, printed, or stamped names beneath the signatures of:

- Any parties to the instrument.
- The officer before whom it was acknowledged or proved.

All signatures must be acknowledged in accordance with the appropriate acknowledgment form (see [Question 7](#)).

### **Authorization to Do Business**

A certificate of authority is required to do business in New Jersey if the grantee on the deed is a foreign company, but it is not required to be recorded with the deed ([N.J.S.A. 14A:13-3](#)).

### **Corporate Seal**

A corporate seal is not required on the signature page.

### **Margins or Headings**

There are no specific margin or heading requirements.

### **Cover Page**

A cover page or electronic synopsis is required for recording ([N.J.S.A. 46:26A-5](#)). The cover sheet or electronic synopsis must include:

- The nature of the document.
- The date of the document.
- The names of the parties to the document and any other names by which the document is indexed.
- If the document is a deed conveying title to real property:
  - the lot and block number or other real property tax designation of the real property conveyed, or a statement that the information is not available;
  - the consideration for the conveyance; and
  - the mailing address of the grantee.

([N.J.S.A. 46:26A-5\(b\)](#).)

A person who submits a document for recording without a cover sheet or electronic synopsis will be charged an additional fee of \$20 for the added cost of indexing ([N.J.S.A. 46:26A-5\(c\)](#)).

## Other Requirements

A deed must include:

- The name of its preparer.
- The mailing address of the grantee.
- The lot and block number of the property as designated on the tax map of the municipality at the conveyance or the account number of the property.
- If it is subject to the payment of the realty transfer fee:
  - a statement of the true consideration for the transfer;
  - the acknowledgment;
  - the proof of execution; or
  - an appended affidavit by one of the parties to the deed (or that party's legal representative).

(N.J.S.A. 46:26A-3(5) and 46:15-6.)

7. Provide the statutory form of acknowledgment for:

- An individual.
- A corporation.
- A limited liability company.
- A limited partnership.
- A trustee.

The statutory requirements for acknowledgment forms are contained in [Section 46:14-2.1 of the New Jersey Statutes](#).

Officers of New Jersey authorized to take acknowledgments in the state are:

- An attorney-at-law.
- A notary public.
- A county clerk or deputy county clerk.
- A register of deeds and mortgages or a deputy register.
- A surrogate or deputy surrogate.

A seal of the officer does not need to be affixed to the acknowledgment.

Additionally, other authorized officers include:

- Any officer of the United States or of a state, territory, or district of the United States.
- Any officer of a foreign nation authorized at the time and place of acknowledgment to take acknowledgments or proofs.
- A foreign commissioner of deeds for New Jersey within the jurisdiction of the commission.

- A foreign service or consular officer or other United States representative to a foreign nation, within that foreign nation's territory.

(N.J.S.A. 46:14-6.1.)

If an instrument cannot be acknowledged, the instrument may be proved in Superior Court by proof of handwriting or otherwise, to the satisfaction of the court. All parties whose interests may be affected must receive notice of the application (N.J.S.A. 46:14-4.1). A signature in this context includes any mark made on a document:

- By a person who intends to give legal effect to the document.
- On behalf of a person, with that person's authority and to effectuate that person's intent.

(N.J.S.A. 46:14-4.2.)

### Individual

STATE OF NEW JERSEY )  
COUNTY OF [COUNTY] )ss:  
)

I CERTIFY that on [MONTH] [DAY], [YEAR], [NAME] personally appeared before me and acknowledged under oath, to my satisfaction, that [he/she]:

- Is named in and personally signed the attached instrument.
- Signed this instrument as [his/her] own act.

[SIGNATURE]

Name: [AUTHORIZED OFFICER NAME]

Title: [AUTHORIZED OFFICER TITLE]

### Corporation

STATE OF NEW JERSEY )  
COUNTY OF [COUNTY] )ss:  
)

I CERTIFY that on [MONTH] [DAY], [YEAR], [NAME] personally appeared before me and acknowledged under oath, to my satisfaction, that [he/she]:

- Signed the attached instrument as [TITLE] of [CORPORATION NAME], a corporation named in this instrument.

- Is authorized to execute the attached instrument on behalf of such corporation.
- Executed the attached instrument as the act of such corporation.

[SIGNATURE]

Name: [AUTHORIZED OFFICER NAME]

Title: [AUTHORIZED OFFICER TITLE]

**Corporation – Proof by Attesting Witness**  
STATE OF NEW JERSEY )

)ss:

COUNTY OF [COUNTY] )

I CERTIFY that on [MONTH] [DAY], [YEAR], [NAME] personally appeared before me and this person acknowledged under oath, to my satisfaction, that:

- This person is the [Secretary/Assistant Secretary] of [CORPORATION NAME], a corporation of the State of [STATE], named in the attached instrument.
- This person signed the attached instrument as the attesting witness for the proper corporate officer, who is [NAME] the [President/Vice President] of such corporation.
- The said [President/Vice President] was authorized to execute the attached instrument on behalf of such corporation.
- This person witnessed the said [President/Vice President] execute the attached instrument as the act of such corporation.
- This person signed this acknowledgment to attest to the truth of these facts.

[SIGNATURE]

(Attesting Witness)

Signed and sworn to before me on this [MONTH] [DAY], [YEAR].

[SIGNATURE]

Name: [AUTHORIZED OFFICER NAME]

Title: [AUTHORIZED OFFICER TITLE]

**Limited Liability Company – Individual Member**

STATE OF NEW JERSEY )

COUNTY OF [COUNTY] )ss

)



I CERTIFY that on this [MONTH] [DAY], [YEAR], [NAME] personally appeared before me and acknowledged under oath, to my satisfaction, that [he/she] is the managing member of [NAME] L.L.C., a [STATE OF FORMATION] limited liability company, and that [he/she] is authorized to execute the attached instrument on behalf of [NAME] L.L.C., and that [he/she] executed the attached instrument as the act of [NAME] L.L.C.

[SIGNATURE]

Name: [AUTHORIZED OFFICER NAME]

Title: [AUTHORIZED OFFICER TITLE]

**Limited Liability Company – LLC Member**  
STATE OF NEW JERSEY )

)ss:

COUNTY OF [COUNTY] )

I CERTIFY that on this [MONTH] [DAY], [YEAR], before me personally appeared [NAME], who I am satisfied is the individual who executed this instrument and, who being duly sworn by me, did depose and say that:

- [He/she] is the [TITLE] of [NAME] L.L.C., the sole managing member of [NAME] L.L.C., a [STATE OF FORMATION] limited liability company.
- [He/she] is authorized to execute this instrument on behalf of [NAME] L.L.C., the sole managing member of [NAME] L.L.C.
- [He/she] executed this instrument as the act of [NAME] L.L.C., on behalf of [NAME] L.L.C.

[SIGNATURE]

Name: [AUTHORIZED OFFICER NAME]

Title: [AUTHORIZED OFFICER TITLE]

**Limited Partnership – Individual General Partner**

STATE OF NEW JERSEY )

COUNTY OF [COUNTY] )ss:

)

I CERTIFY that on [MONTH] [DAY], [YEAR], [NAME] personally appeared before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

- Is a general partner of the limited partnership named in the attached instrument.
- Personally signed the attached instrument.

- Signed this instrument as his or her own act as such general partner on behalf of, and as the act of, such limited partnership.

[SIGNATURE]

Name: [AUTHORIZED OFFICER NAME]

Title: [AUTHORIZED OFFICER TITLE]

**Limited Partnership – Corporate General Partner**  
STATE OF NEW JERSEY )

)ss:

COUNTY OF [COUNTY] )

I CERTIFY that on [MONTH] [DAY], [YEAR], [NAME] personally appeared before me and this person acknowledged under oath, to my satisfaction, that this person:

- Signed the attached instrument as [OFFICE] of [NAME OF GENERAL PARTNER], a corporation of the State of [STATE], which is a general partner of the limited partnership named in this instrument.
- Was authorized to execute the attached instrument on behalf of such corporation.
- Executed the attached instrument as the act of such corporation on behalf of, and as the act of, such limited partnership.

[SIGNATURE]

Name: [AUTHORIZED OFFICER NAME]

Title: [AUTHORIZED OFFICER TITLE]

**Limited Partnership – Corporate General Partner – Proof by Attesting Witness**  
STATE OF NEW JERSEY )

)ss:

COUNTY OF [COUNTY] )

I CERTIFY that on [MONTH] [DAY], [YEAR], [NAME] personally appeared before me and this person acknowledged under oath, to my satisfaction, that:

- This person is the [Secretary/Assistant Secretary] of [NAME], a corporation of the State of [STATE], which is a general partner of the limited partnership named in the attached instrument.
- This person signed the attached instrument as the attesting witness for the proper corporate officer who is [NAME] the [President/Vice President] of such corporation.
- The said [President/Vice President] was authorized to execute the attached instrument on behalf of such corporation.

- This person witnessed the said [President/Vice President] execute the attached instrument as the act of such corporation on behalf of, and as the act of, such limited partnership.
- This person signed the acknowledgment to attest to the truth of these facts.

[SIGNATURE]

(Attesting Witness)

Signed and sworn to before me on [MONTH] [DAY], [YEAR].

[SIGNATURE]

Name: [AUTHORIZED OFFICER NAME]

Title: [AUTHORIZED OFFICER TITLE]

### **Trustee**

STATE OF NEW JERSEY )

COUNTY OF [COUNTY] )ss:

)

I CERTIFY that on [MONTH] [DAY], [YEAR], [NAME] personally appeared before me and acknowledged under oath, to my satisfaction, that this person, or if more than one, each person:

- Is the trustee of [NAME OF TRUST] named in the attached instrument.
- Personally signed the attached instrument.
- Signed this instrument as his or her own act as said trustee on behalf of, and as the act of [NAME OF TRUST].

[SIGNATURE]

Name: [AUTHORIZED OFFICER NAME]

Title: [AUTHORIZED OFFICER TITLE]

### **Disclosures, Necessary Filings, and Transfer Taxes**

8. Must the ultimate (whether direct or indirect) beneficial owner of an entity that owns real property be publicly disclosed? Briefly describe what is required and in what circumstances.

The beneficial owner of an entity that owns real property in New Jersey does not need to be publicly disclosed.

9. When a corporation is the fee title owner of real property, must it record any documents to evidence a merger, conversion, or name change?

After approval of the plan of merger or consolidation, a certificate of merger or a certificate of consolidation must be executed on behalf of each corporation. and filed with the [New Jersey Department of Treasury's Division of Revenue \(N.J.S.A. 14A:10-4.1 and 52:16-8.1\)](#).

A certificate of amendment of a corporation's certificate of incorporation changing its corporate name must be filed with the Division of Revenue ([N.J.S.A. 14A:9-1 and 52:16-8.1](#)).

These documents are not required to be filed in the county land records where the property is located. However, it is not unusual for the surviving corporation to record a confirmatory deed in the county land records.

10. In connection with state and local transfer, stamp, or similar taxes and direct transfers of real property:

- Describe any taxes which apply when fee title ownership is directly transferred.
- What transfer tax returns (or other documents) must be filed for direct transfers of real property?
- What is the timing for filing the returns and paying the transfer taxes on direct transfers?
- Are transfer taxes customarily paid by the purchaser or the seller in a direct transfer of real property?

### **Applicable Taxes for Direct Transfers**

New Jersey statute requires the payment of a tax (commonly referred to as the realty transfer fee) on direct transfers of real property, based on the consideration for the transfer ([N.J.S.A. 46:15-7.1](#)).

The following transfer fees are imposed on the seller if the total consideration is \$350,000 or less:

- \$2.00/\$500 of consideration or fractional part, not in excess of \$150,000.
- \$3.35/\$500 of consideration or fractional part, in excess of \$150,000 but not in excess of \$200,000.
- \$3.90/\$500 of consideration or fractional part, in excess of \$200,000 but not in excess of \$350,000.

(N.J.S.A. 46:15-7 and 46:15-7.1; [New Jersey Department of the Treasury, NJ Realty Transfer Fees.](#))

The following transfer fees are imposed on the seller if the total consideration is more than \$350,000:

- \$2.90/\$500 of consideration or fractional part, not in excess of \$150,000.
- \$4.25/\$500 of consideration or fractional part, in excess of \$150,000 but not in excess of \$200,000.
- \$4.80/\$500 of consideration or fractional part, in excess of \$200,000 but not in excess of \$550,000.
- \$5.30/\$500 of consideration or fractional part, in excess of \$550,000 but not in excess of \$850,000.
- \$5.80/\$500 of consideration or fractional part, in excess of \$850,000 but not in excess of \$1 million.
- \$6.05/\$500 of consideration or fractional part, in excess of \$1 million.

(N.J.S.A. 46:15-7 and 46:15-7.1; [New Jersey Department of the Treasury, NJ Realty Transfer Fees.](#))

Various types of transfers are partially exempt from the transfer fee. Partial exemptions, where the seller pays a reduced transfer fee, are provided for:

- Senior citizens.
- Blind and disabled persons.
- Low and moderate income housing.

(N.J.S.A. 46:15-10.1)

Total exemptions are provided from the realty transfer fee, including transfers:

- For a consideration of less than \$100.
- By or to the US, the state of New Jersey, or any of their agencies or subdivisions.
- Solely to provide or release security for a debt or obligation.
- That confirm or correct a previously recorded deed.
- Sold for delinquent taxes or assessments.
- To partition the property.
- By a receiver, trustee in bankruptcy or liquidation, or assignee for the benefit of creditors.
- Between husband and wife, or parent and child.
- Conveying a cemetery lot or plot.
- In specific performance of a final judgment.
- Releasing a right of reversion.
- Previously recorded in another county where a full realty transfer fee was paid.
- By an executor or administrator of a decedent to a devisee or heir to distribute the decedent's estate under the provisions of the decedent's will or the intestate laws of New Jersey.
- Recorded within 90 days following the entry of a divorce decree, which dissolves the marriage between grantor and grantee.
- Issued by a cooperative corporation, as part of a conversion of all of the assets of the cooperative corporation into a condominium, to a shareholder when the shareholder surrenders all of its stock in the cooperative corporation and its proprietary lease entitling the shareholder to exclusive occupancy of a portion of the property owned by the corporation.

(N.J.S.A. 46:15-10.)

New Jersey's "mansion tax" imposes a fee on the purchaser of a transfer of real property for consideration over \$1 million if the property is classified as:

- Residential.
- Certain farm property.
- A cooperative unit.
- Commercial properties.

The mansion tax is paid in addition to the standard transfer fee. The tax is assigned to the purchaser; however, customarily the parties may agree that the seller must pay in full or it can be split between the parties. (N.J.S.A. 46:15-7.2.)

## Returns

New Jersey does not require the filing of any formal transfer tax returns. However:

- An [Affidavit of Consideration for Use by Seller](#) (form RTF-1) must be attached to and recorded with all deeds where:
  - the actual consideration is not recited in the deed;
  - a full or partial exemption from payment of the realty transfer fee is claimed; or
  - property classified as commercial property is conveyed.

(N.J.S.A. 46:15-7.2(d)(1).)

- An [Affidavit of Consideration for Use by Buyer](#) (form RTF-1EE) must be attached to and recorded with all deeds where:
  - the grantee claims an exemption from payment of the mansion tax; or
  - consideration is over \$1 million.

(N.J.S.A. 46:15-7.2(d)(2).)

Both affidavits must be fully completed (N.J.S.A. 46:15-7.2(d)(3)).

## Filing and Payment Deadlines

Relevant affidavits of consideration must be filed, and any and all transfer fees and mansion tax owed must be paid concurrently with the recording of the deed.

## Custom

The seller customarily pays the realty transfer fees associated with the direct transfer of real property. The purchaser customarily pays the mansion tax (see [Applicable Taxes for Direct Transfers](#)). However, payment of realty transfer fees and the mansion tax may be allocated according to the terms of the purchase agreement.

11. In connection with state and local transfer, stamp, or similar taxes and indirect transfers of ownership interests in real property:

- Does an indirect transfer of real property ownership interests trigger transfer taxes? For example, would the transfer of corporate or membership interests of an owner of real property trigger transfer taxes?
- What transfer tax returns (or other documents) must be filed for indirect transfers of real property ownership interests?
- What is the timing for filing the returns and paying the transfer taxes on indirect transfers?
- Are transfer taxes customarily paid by the purchaser or the seller in an indirect transfer of real property ownership interests?

### **Applicable Taxes for Indirect Transfers**

A transfer tax of 1% of the consideration paid applies on transfers of a controlling interest in an entity that owns a direct or indirect controlling interest in real property classified as Class 4A commercial property ([N.J.S.A. 54:15C-1](#)). Class 4A commercial property includes any kind of income-producing real property, except for:

- Vacant land.
- Residential property.
- Farm property.
- Industrial properties.
- Apartments.

([N.J.A.C. 18:12-2.2](#).)

A controlling interest transfer as referenced above does not trigger a deed transfer tax as referenced in [Question 10](#).

### **Returns**

On or before the last day of the month following the month when the sale or transfer of a controlling interest was completed, the purchaser must file a return with the Director of the Division of Taxation. Payment of the tax must accompany the return.

A copy of the return must accompany the purchaser's business tax return filed with New Jersey. The purchaser must supply a copy of the [Controlling Interest Transfer Tax Form](#) (Form CITT-1) to the seller and a copy of the return must be attached as an exhibit to the seller's business tax return for the entity filed with New Jersey.

When an exemption box is checked on form CITT-1, Part 6 or Part 7, the purchaser must attach a properly executed [Statement of Waiver](#) (Form CITT-1E) to Form CITT-1 and file both forms. The completed CITT-1E documents and explains why no tax is due and payable. Calculations must be shown on Part 6 or Part 7 of the CITT-1, even if an exemption is claimed.

### **Filing and Payment Deadlines**

The filing requirements and deadlines are the same for indirect transfers as direct transfers (see [Question 10](#)).

### **Customs**

The seller customarily pays all transfer taxes associated with the transfer of a controlling interest in an entity, which controls classified real property, but the parties are free to negotiate otherwise.

### **Recording Interests and Title Insurance**

12. Where are ownership interests recorded and how are they indexed?

Ownership interests are:

- Recorded with the county clerk or register of the county where the real property is located.
- Indexed in the grantor/grantee index of the county where the real property is located.

13. Do title insurance companies or attorneys typically conduct title searches?

Title insurance companies typically conduct [title searches](#).

14. What form of title assurance is available to a purchaser? For example, is an abstract of title, a title insurance policy, or a title opinion more common?



The form of title assurance in New Jersey available to a purchaser is a [title insurance policy](#).

15. Are title insurance premiums or service charges for owners' title insurance policies regulated? Is the cost of title insurance negotiable within a specified range of rates? Are there any discounts available for reissued policies?

Title insurance premiums or service charges for owners' title insurance policies are regulated by the New Jersey Department of Banking and Insurance ([N.J.S.A. 17:46B-1](#) to [17:46B-5](#)).

The cost of title insurance is not negotiable, but title insurance companies may:

- File special rates for certain transactions.
- Provide discounts for reissued policies and certain search costs.

16. List the title endorsements available for an owner's title insurance policy for non-residential property.

The following title endorsements, among others, can be available for an owner's title insurance policy for non-residential property:

- [American Land Title Association](#) (ALTA) 3 - 06 (Zoning Unimproved Land).
- ALTA 3.1 - 06 (Zoning – Completed Structure).
- ALTA 4.1 - 06 (Condominium).
- ALTA 9 - 06 (Restrictions, Encroachments, Minerals).
- ALTA 13 - 06 (Leasehold Owner's Endorsement).
- ALTA 15 - 06 (Non-Imputation-Full Equity Transfer Endorsement).
- ALTA 17 - 06 (Access and Entry).
- ALTA 18 - 06 (Single Tax Parcel).
- ALTA 19 - 06 (Contiguity – Multiple Parcels).
- ALTA 25 - 06 (Same as Survey Endorsement).

- NJ Waiver of Arbitration Endorsement.

## Risk of Loss

17. Is the risk of loss during the contract period typically on the seller or on the purchaser if the contract is silent?

If the contract is silent, the purchaser assumes the risk of loss or destruction that is not due to the neglect or default of the seller in carrying out the contract (*Coolidge v. Sickler*, 80 A.2d 554, 557 (N.J. 1951)). In practice, purchase agreements will typically place the risk of loss on the seller until closing.

## Real Property Investment Vehicles

18. What are the most common forms of investment vehicle for real property and what are the most common entities used?

[Limited liability companies](#) are the most common form of investment vehicles for real property and the most common entities used in New Jersey. [Limited partnerships](#) and corporations are also used to a lesser extent.

19. Are real estate investment trusts (REITs) or similar entities currently permitted? If so, are they common?

[Real estate investment trusts](#) (REITs) are statutorily permitted (N.J.S.A. 14A:1-2.1(q)).

## Regulation and Taxation

20. Is there significant regulation and taxation of real property locally? Is there significant variation in the regulation and taxation?

New Jersey has established a [Tax Court](#) to create a standardized process for regulating of real property taxation in the state.

The tax rates differ in each municipality, but the procedures and deadlines in those municipalities are standard and set by state statute, state administrative code, and state rules of court.