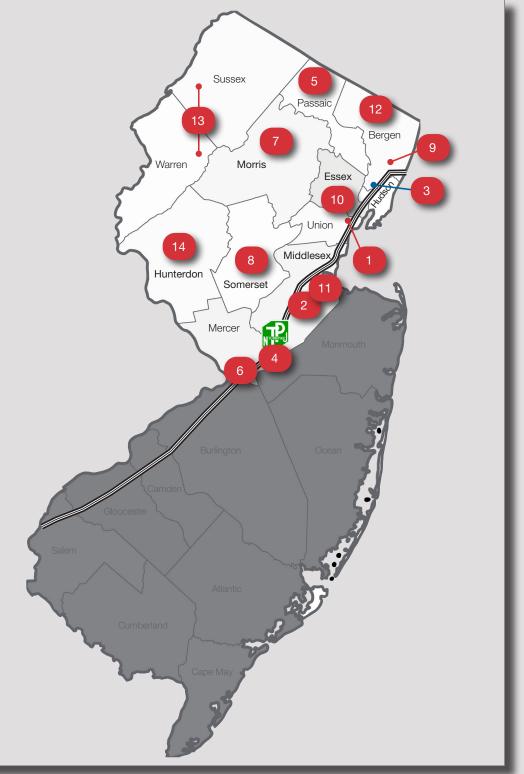


2022 INDUSTRIAL REPORT N James E. Hanson

Our Submarkets

#	SUBMARKET	VACANCY
1	PORTS	1.9%
2	EXIT 10/12	1.3%
3	MEADOWLANDS	1.9%
4	EXIT 8A	0.3%
5	46/23/3 CORRIDOR	1.6%
6	EXIT 7A	2.9%
7	MORRIS REGION	2.6%
8	SOMERSET	1.5%
9	CENTRAL BERGEN	2.7%
10	SUBURBAN ESSEX	1.5%
11	BRUNSWICK/EXIT 9	1.0%
12	NORTHERN BERGEN	2.3%
13	WARREN & SUSSEX	7.0%
14	HUNTERDON	1.4%



2022 INDUSTRIAL REPORT Names E. Hanson

Market Statistics

County	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Average Asking Rate
Northern & Central NJ	692,913,228	12,247,050	1.8%	107,412	4,326,012	16,545,117	\$11.91
Middlesex	209,980,503	1,902,228	0.9%	(216,655)	1,159,904	4,953,367	\$11.94
Bergen	90,508,110	2,103,134	2.3%	86,551	731,560	1,821,911	\$13.19
Hudson	81,520,874	1,777,907	2.2%	(146,981)	59,546	2,219,751	\$16.36
Essex	66,732,756	915,554	1.4%	139,481	258,589	895,289	\$12.02
Union	64,421,811	1,186,783	1.8%	(172,910)	233,172	2,277,717	\$11.96
Passaic	56,314,519	859,331	1.5%	306,779	375,815	0	\$12.66
Morris	39,400,277	994,546	2.5%	(64,826)	975,609	63,440	\$10.20
Mercer	34,421,466	1,109,790	3.2%	54,787	174,218	2,041,383	\$7.92
Somerset	30,712,732	453,662	1.5%	246,878	275,420	850,041	\$10.17
Warren	8,725,095	724,870	8.3%	(184,300)	23,571	1,408,200	\$6.92
Hunterdon	6,890,886	99,078	1.4%	32,655	32,655	0	\$10.11
Sussex	3,284,199	120,167	3.7%	25,953	25,953	14,018	\$8.12
Orange, NY	32,130,433	1,836,867	5.7%	141,674	141,674	3,370,170	\$9.05
Rockland, NY	15,804,287	656,275	4.2%	(106,345)	34,027	23,000	\$14.90

Submarket	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Average Asking Rate
Ports	140,096,316	2,656,646	1.9%	(59,452)	300,822	4,639,584	\$16.55
Exits 10/12	113,571,535	1,433,821	1.3%	(101,977)	189,682	3,170,504	\$13.75
Meadowlands	94,977,926	1,840,588	1.9%	223,295	364,689	1,922,611	\$16.40
Exit 8A	73,493,180	233,949	0.3%	61,952	720,623	1,539,963	\$14.13
Route 46/23/3 Corridor	55,925,786	870,827	1.6%	300,279	325,279	0	\$12.63
Exit 7A	45,077,655	1,321,812	2.9%	289,042	310,250	3,476,203	\$8.67
Morris Region	37,652,606	974,450	2.6%	(53,326)	975,609	63,440	\$10.20
Somerset	30,712,732	453,662	1.5%	246,878	275,420	850,041	\$10.17
Central Bergen County	25,819,911	687,512	2.7%	(138,859)	327,021	0	\$12.44
Suburban Essex	23,298,047	358,461	1.5%	(41,817)	105,118	652,473	\$12.91
Brunswick/ Exit 9	22,915,788	234,458	1.0%	(176,630)	249,599	242,900	\$11.47
Northern Bergen County	21,290,260	479,051	2.3%	(14,356)	57,746	0	\$11.60
Warren & Sussex	12,009,294	845,037	7.0%	(158,347)	23,571	1,422,218	\$7.44
Hunterdon	6,890,886	99,078	1.4%	32,655	32,655	0	\$10.11



Top Transactions

Top SALE Transactions

581,000 SF | \$110,400,000 Chimney Rock Road, Bridgewater

Chimney Rock Road, Bridgewater Buyer: SREIT Seller: Terreno Realty

212,239 SF | \$62,000,000

329 New Brunswick Avenue, Rahway Buyer: EverWest RE Investors Seller: Tryad Group

171,269 SF | \$55,100,000

539 Route 130, Hámilton Buyer: CommercialEdge Information Seller: Penwood Real Estate Investment Management & Metrix Real Estate Services

117,340 SF | \$27,500,000*

100 Demarest Drive, Wayne Buyer: Centerpoint Properties Seller: 100 Demarest LLC

Top LEASE Transactions

248,611 SF

1165 Cranbury South Road South Brunswick Yami

83,085 SF

2 Bell Drive Ridgefield Bollore, Inc

67,567 SF

621 US Highway 1 North Brunswick Pro Tapes & Specialties

58,000 SF*

230 W Crescent Avenue Allendale Elgen Manufacturing

*NAI Hanson Transaction

TOP 10 CONSTRUCTION PROJECTS	SIZE (SF)	COMPLETION	DEVELOPER	SUBMARKET
1000-2000 Rand Blvd	1,408,200	3Q22	Bridge Development Partners	Warren & Sussex
904 Cranbury South River Rd	1,281,000	3Q22	JV Brookfield & Sansone Group	Exit 8A
1289 Rahway Ave	1,215,238	4Q22	The Morris Companies	Exit 10/12
505 State Route 33	1,000,000	3Q22	Crow Holdings	Exit 7A
3000 Valley Brook Ave	932,168	3Q23	JV Forsgate & Russo	Meadowlands
42 Military Ocean Term	886,256	4Q22	Lincoln Equities Group LLC	Port
1365 Lamberton Rd	845,078	3Q22	Hilco Global	Exit 7A
700 Linden Logistics Way	735,220	4Q22	JV Greek Dev. & Advance Realty	Port
200 Linden Logistics Way	516,600	2Q23	JV Greek Dev. & Advance Realty	Port
300 Salt Meadow Rd	479,700	3Q22	Crow Holdings Industrial	Exit 10/12



Market Size	140,096,316 SF
Vacant Available	2,656,646 SF
Vacant Available (%)	1.9%
2Q2022 Leasing Activity	300,822 SF
Total 2022 Leasing Activity	1,399,309 SF
Average Asking Rate	\$16.55 PSF
2Q2022 Net Absorption	(59,452) SF
Total 2022 Net Absorption	998,492 SF
Under Construction	4,639,584 SF
Delivered	1,194,400 SF

	Average Asking Rent vs Vacant Available Rate			
\$18.00		4.0%		
\$16.00		3.5%		
\$14.00		3.0% 2.5%		
\$12.00		2.0%		
\$10.00		1.5%		
\$8.00		0.5%		
\$6.00	2019 Q2 2019 Q3 2019 Q4 2020 Q1 2020 Q2 2020 Q3 2020 Q4 2021 Q1 2021 Q2 2021 Q3 2021 Q4 2022 Q1 2022 Q2	0.0%		
	NNN Rent Overall ——Vacant Available %			



0.1% Vacancy Rate



§

\$2.30Asking Rate





2,227,002 SFLeasing Activity

- After breeching the \$16.00 per square foot mark in early 2021, average asking rents continued to move higher, jumping by more than \$2.00 per square foot over the last year. The Ports submarket has the highest asking rates in Northern New Jersey.
- Leasing volume was down considerably year-over,year, but it is important to note that with a vacancy rate under 2.0%, there is not much space to lease.
 Despite the drop in activity, year-to-date absorption reached close to 1.0 million square feet.





INDUSTRIAL REPORT

N James E. Hanson

Market Size	113,571,535 SF
Vacant Available	1,433,821 SF
Vacant Available (%)	1.3%
2Q2022 Leasing Activity	189,682 SF
Total 2022 Leasing Activity	1,682,257 SF
Average Asking Rate	\$13.75 PSF
2Q2022 Net Absorption	(101,977) SF
Total 2022 Net Absorption	(539,285) SF
Under Construction	3,170,504 SF
Delivered	151,708 SF

	Average Asking Rent vs Vacant Available Rate				
\$15.00		3.0%			
\$14.00		2.5%			
\$13.00		2.5%			
\$12.00		2.0%			
\$11.00		1.5%			
\$10.00		1.5%			
\$9.00		1.0%			
\$8.00		0.5%			
\$7.00		0.570			
\$6.00	2019 Q2 2019 Q3 2019 Q4 2020 Q1 2020 Q2 2020 Q3 2020 Q4 2021 Q1 2021 Q2 2021 Q3 2021 Q4 2022 Q1 2022 Q2	0.0%			
	NNN Rent Overall ——Vacant Available %				



0.6% Vacancy Rate







\$1.50Asking Rate





2,394,194 SF Leasing Activity

- Average asking rents have risen consistently for the last 13 quarters, finishing 2Q2022 at \$13.75 per square foot, up by more than 64% over the period.
- The vacancy rate finished the quarter at 1.3%, staying under the 2.0% mark, where it has remained since 3Q2019. Currently, there are more 3.2 million square feet under construction in the submarket with nearly all of it expected to deliver before the end of the year.





Market Size	94,977,926 SF
Vacant Available	1,840,588 SF
Vacant Available (%)	1.9%
2Q2022 Leasing Activity	364,689 SF
Total 2022 Leasing Activity	2,230,165 SF
Average Asking Rate	\$16.40 PSF
2Q2022 Net Absorption	223,295 SF
Total 2022 Net Absorption	539,228 SF
Under Construction	1,922,611 SF
Delivered	490,461 SF

	Average Asking Rent vs Vacant Available Rate			
\$18.00		4.0%		
\$16.00		3.5%		
\$14.00		3.0% 2.5%		
\$12.00		2.0%		
\$10.00		1.5%		
\$8.00		1.0% 0.5%		
\$6.00	2019 Q2 2019 Q3 2019 Q4 2020 Q1 2020 Q2 2020 Q3 2020 Q4 2021 Q1 2021 Q2 2021 Q3 2021 Q4 2022 Q1 2022 Q2	0.0%		
	NNN Rent Overall ——Vacant Available %			



0.5% Vacancy Rate





\$2.85Asking Rate





32,621 SF Leasing Activity

- At \$16.40 per square foot, the Meadowlands is second only to the Ports submarket for the highest asking price. Average rates been have moved steadily higher over the last several years and more than doubled since 2017.
- NAI James E Hanson was involved in the sale of 455 Barell Avenue in Carlstadt. The 26,112-square foot building sold for \$6.0 million in May. The property was purchased by Southpeak Group from SNS Rugs. NAI Hanson Management was recently awarded the management of the property.





Market Size	73,493,180 SF
Vacant Available	233,949 SF
Vacant Available (%)	0.3%
2Q2022 Leasing Activity	720,623 SF
Total 2022 Leasing Activity	1,586,067 SF
Average Asking Rate	\$14.13 PSF
2Q2022 Net Absorption	61,952 SF
Total 2022 Net Absorption	128,290 SF
Under Construction	1,539,963 SF
Delivered	0 SF

	Average Asking Rent vs Vacant Available Rate	
\$15.00		2.0%
\$14.00		1.8%
\$13.00		_ 1.6%
\$12.00		1.4%
\$11.00		1.2%
\$10.00		1.0%
\$9.00		0.8%
		0.6%
\$8.00		0.4%
\$7.00		0.2%
\$6.00	2040 03 2040 03 2040 04 2020 04 2020 03 2020 03 2020 04 2024 04 2024 03 2024 03 2024 04 2022 04	0.0%
	2019 Q2 2019 Q3 2019 Q4 2020 Q1 2020 Q2 2020 Q3 2020 Q4 2021 Q1 2021 Q2 2021 Q3 2021 Q4 2022 Q1 2022 Q2	<u>.</u>
	NNN Rent Overall ——Vacant Available %	



0.% Vacancy Rate



§

\$3.46Asking Rate





2,703,088 SF Leasing Activity

Trends

- The overall vacancy rate was steady yearover-year, finishing at 0.3%. Exit 8A has the lowest vacancy rate of any submarket, with only 233,949 square feet available to lease. The submarket currently has 1.5 million square feet of new product under construction, with 904 Cranbury Road South accounting for 1.2 million square feet.
- Average asking rates marked another record high, closing the quarter at \$14.13 per square foot, up by more than 32.0% year-over-year.



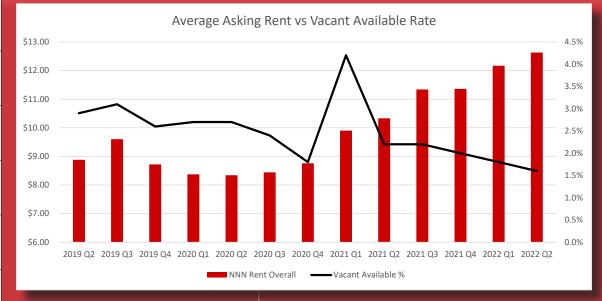
32 TO 130

Jamesburg
Cranbury





Market Size	55,925,786 SF
Vacant Available	870,827 SF
Vacant Available (%)	1.6%
2Q2022 Leasing Activity	325,279 SF
Total 2022 Leasing Activity	678,739 SF
Average Asking Rate	\$12.63 PSF
2Q2022 Net Absorption	300,279 SF
Total 2022 Net Absorption	46,552 SF
Under Construction	0 SF
Delivered	205,350 SF





0.6% Vacancy Rate





\$2.30 **Asking Rate**



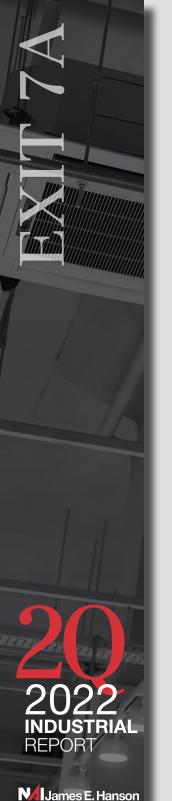


233,085 SF Leasing Activity >



- The overall vacancy rate fell steadily over the last four quarters, finishing 2Q2022 at 1.6%. As a result, askng rates crossed the \$12.00 per square foot mark for the first time, ending the quarter at \$12.63.
- The largest sale recorded, in terms of price, during the second quarter was 100 Demarest Drive in Totowa for \$27.5 million. NAI James E Hanson was involved in the transaction, where CenterPoint Properties bought the property from Joseph L Muscarelle, LLC.





Market Size	45,077,655 SF
Vacant Available	1,321,812 SF
Vacant Available (%)	2.9%
2Q2022 Leasing Activity	310,250 SF
Total 2022 Leasing Activity	930,696 SF
Average Asking Rate	\$8.67 PSF
2Q2022 Net Absorption	289,042 SF
Total 2022 Net Absorption	926,861 SF
Under Construction	3,476,203 SF
Delivered	654,999 SF

Average Asking Rent vs Vacant Available Rate			
\$10.00		6.0%	
\$9.00		5.0%	
\$8.00			
\$7.00		4.0%	
\$6.00		3.0%	
\$5.00		2.0%	
\$4.00			
\$3.00		1.0%	
\$2.00		0.0%	
2019 Q2 2019 Q3 2019 Q4 2020 Q1 2020 Q2 2020 Q3 2020 Q4 2021 Q1 2021 Q2 2021 Q3 2021 Q4 2022 Q1 2022 Q2 NNN Rent Overall ——Vacant Available %			
	With Neit Overall Vacalit Available //		



0.7% Vacancy Rate





\$0.72 Asking Rate





101,914 SF Leasing Activity



- Average asking rents finished the first half of the year at \$8.67 per square foot, up from \$7.95 at the same time last year. Over the last three years, rates are up by just over \$3.00 per square foot.
- In one of the most notable sales during the quarter, 539 Route 130 in Hamilton, sold for \$55.1 million. The property which is fully leased by Amazon, was purchased by CommercialEdge Information from developers Penwood Real Estate Investment Management and Metrix Real Estate.



2022 INDUSTRIAL REPORT



NAI GLOBAL

 $43\pm$ Countries $300\pm$ Offices $5,100\pm$ Market Leaders

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