

4Q 2019

Northern & Central New Jersey Industrial Report



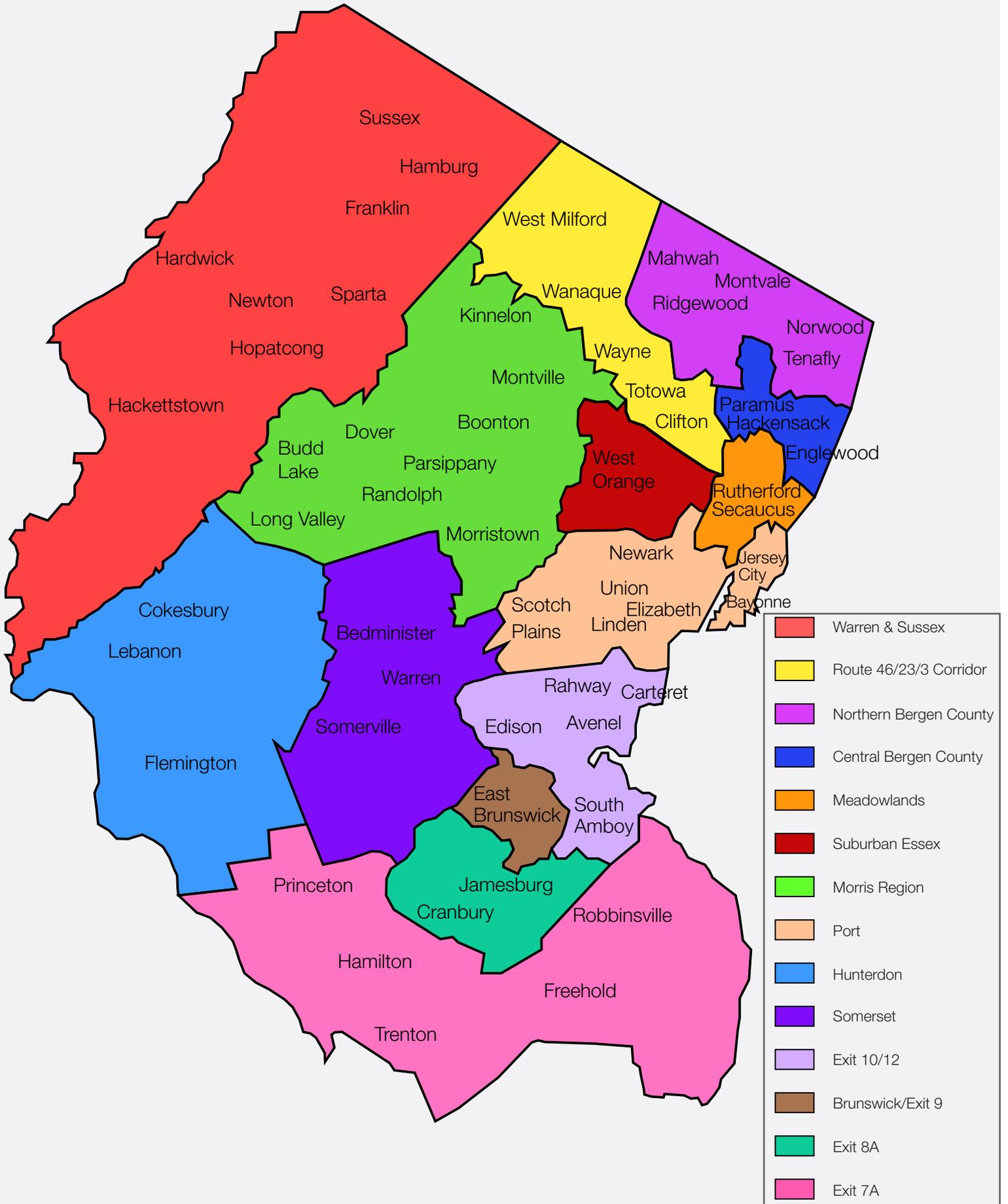
NAI Hanson sold 7300 West Side Avenue in North Bergen and is currently handling the leasing.

4Q 2019 **Edition**



Submarket Map

4Q2019



Northern & Central 4Q2019

4Q2019

Market Snapshot

County Overview

	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Total Average Asking Rate
Northern & Central NJ Overview	673,963,175	17,244,481	2.6%	2,714,164	7,475,301	12,932,568	\$8.65
Middlesex	199,954,484	2,480,212	1.2%	1,604,060	3,331,812	4,697,480	\$8.88
Bergen	90,889,093	3,206,652	3.5%	(295,906)	1,172,876	1,276,278	\$9.57
Hudson	81,286,371	2,276,124	2.8%	(165,735)	800,560	717,499	\$11.06
Essex	65,022,703	1,346,335	2.1%	(127,944)	349,207	804,713	\$9.31
Union	63,477,023	1,476,964	2.3%	474,066	151,393	1,612,842	\$7.88
Passaic	55,892,789	1,690,595	3.0%	698,848	357,662	15,300	\$9.12
Morris	38,547,557	2,952,636	7.7%	186,601	144,557	0	\$7.52
Mercer	33,788,890	782,004	2.3%	218,062	12,491	486,350	\$4.76
Somerset	28,753,795	432,126	1.5%	158,729	1,076,903	1,114,574	\$8.47
Hunterdon	6,919,626	185,920	2.7%	(63,100)	27,000	29,978	\$7.29
Warren	6,467,108	210,018	3.2%	(2,800)	0	2,177,554	\$5.72
Sussex	2,963,736	204,895	6.9%	29,283	50,840	0	\$6.84
Orange, NY	29,379,681	991,760	3.4%	(133,252)	306,096	0	\$6.41
Rockland, NY	15,483,190	956,005	6.2%	(90,150)	126,053	16,000	\$9.40

Submarket Overview

	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Total Average Asking Rate
Ports	138,047,312	3,514,365	2.5%	723,815	487,336	2,605,898	\$8.69
Exit 10/12	108,831,449	1,772,141	1.6%	436,190	2,085,426	2,204,415	\$8.89
Meadowlands	93,853,584	2,409,868	2.6%	(225,688)	1,570,649	1,805,434	\$10.82
Exit 8A	69,129,910	511,461	0.7%	1,091,586	1,203,978	2,125,865	\$9.31
Route 46/23/3 Corridor	55,527,307	1,671,049	3.0%	736,954	362,662	15,300	\$9.02
Exit 7A	43,936,128	1,332,282	3.0%	146,204	42,296	580,975	\$5.55
Morris Region	36,822,493	2,909,102	7.9%	176,234	139,557	0	\$7.51
Somerset	28,580,783	419,126	1.5%	158,729	1,076,903	1,114,574	\$8.47
Central Bergen County	25,751,754	921,163	3.6%	(202,420)	129,660	0	\$8.33
Suburban Essex	23,314,003	563,740	2.4%	(239,271)	218,639	0	\$9.41
Northern Bergen County	22,005,721	973,019	4.4%	(199,694)	67,752	0	\$9.46
Brunswick/Exit 9	21,993,125	196,610	0.9%	76,284	42,408	367,200	\$7.64
Warren & Sussex	9,430,844	414,913	4.4%	26,483	50,840	2,177,554	\$5.93
Hunterdon	6,853,276	185,920	2.7%	(63,100)	27,000	29,978	\$7.29

Source: CoStar 10,000 + sf - All information comes from sources deemed reliable by NAI James E. Hanson. Numbers from CoStar do not include withheld rents and may be deflated.

Leasing Activity

4Q2019

The Northern and Central New Jersey market saw over 7,475,000 square feet leased in the fourth quarter of 2019. This ends the year with over 29,900,000 square feet leased. Average asking rates increased by \$0.19 per square foot from the previous quarter to end the year at \$8.65 per square foot. Compared to a year prior in the fourth quarter of 2018, rates are up \$0.56 per square foot. The vacancy rate continues to decline and ended the year at 2.6%.

The Exit 10/12 submarket was the most active with over 2,085,000 square feet leased followed by the Meadowlands submarket with over 1,570,000 square feet leased and the Exit 8A submarket with over 1,203,000 square feet leased.

Top lease transactions included LG Electronics USA, Cooper Friedman Electric Supply Company and Amazon.

The top transaction for the quarter was LG Electronics USA signing for 926,392 square feet at 50 Veronica Avenue in Somerset. They will be occupying the entire building for 7 years. Crow Holdings is currently under construction with the building and it is estimated to be completed in the first quarter of 2020. The building features 40' clear ceiling heights, 159 docks, 4 drive-in ramps, 170 trailer parking spaces and 394 car parking.



Other top transactions included Cooper Friedman Electric Supply Company and Amazon. Cooper Friedman leased 649,801 square feet at 315 Half Acre Road in Cranbury and Amazon was active in the Meadowlands submarket executing 3 leases. They leased 488,569 square feet at 600 Washington Avenue in Carlstadt; 415,533 square feet at 50 Central Boulevard in Kearny; and 220,883 square feet at 125 North Street in Teterboro. After the writing of this report, it was also reported that they leased 661,741 square feet at 429 Delancy Street in Newark; 132,225 square feet at 81 International Drive S in Mount Olive; and 76,972 square feet at 720 Belleville Turnpike in Kearny.

NAI Hanson represented top transactions at 343 Murray Hill Parkway in East Rutherford and 30 Wesley Street in South Hackensack. Axis Global leased 53,361 square feet at 343 Murray Hill Parkway and NJ Label renewed 20,155 square feet at 30 Wesley Street.

Top renewals included The Gilbert Company renewing their 697,500 square feet at 1000 Riverside Drive in Keasbey; Berje, Inc. renewing 234,325 square feet at 700 Blair Road in Carteret; and Coregistics renewing 232,886 square feet at 260 Prospect Plains Road in Cranbury.



\$0.56

ASKING RATE



0.4%

VACANCY RATE



721,198 SF

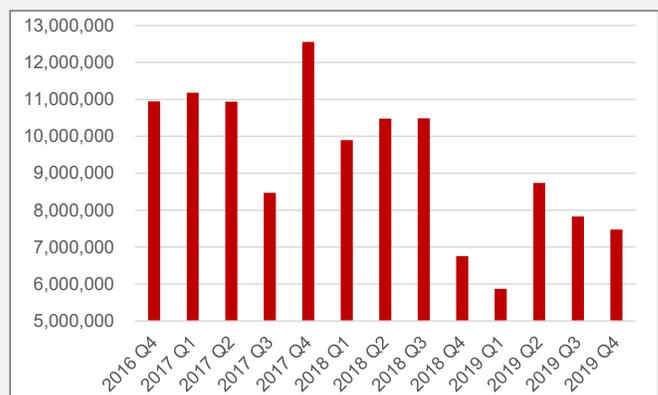
LEASING ACTIVITY

*Compared to 4Q18

Northern & Central NJ
Average Asking Rate vs. Vacant Available Rate



Northern & Central NJ
Leasing Activity



There was over \$476,000,000 in sales volume in the fourth quarter of 2019. The average price per square foot was \$107.81. This number excludes portfolio sales. This is up \$18.81 per square foot from the previous quarter.

It was announced this quarter that Prologis will be acquiring Liberty Property Trust for \$12.6 billion. The acquisition includes a portfolio comprising of 107 million square feet, 5.1 million square feet of development in progress and 1,684 acres of land for future development. Their New Jersey portfolio is comprised of 8.15 million square feet in 46 buildings in addition to 201 acres for development. The transaction is scheduled to close in the first quarter of 2020.

In December, Blackstone completed their transaction of Colony Capital. They purchased Colony for \$5.7 billion and acquired a portfolio consisting of 60 million square feet in 465 assets across 26 markets, highly concentrated in Dallas, Atlanta, Chicago, Florida and New Jersey.

The top single transaction was the sale of 1 Malcolm Avenue in Teterboro. Quest Diagnostics sold 1 Malcolm Avenue to Hartz Mountain Industries for \$91,500,000. Quest is relocating to the former Hoffman-La Roche site in Clifton. They plan to relocate 754 jobs from Teterboro as well as provide an additional 384 jobs.

Quest executed a short term leaseback and Hartz plans to redevelop the site and build 420,000 square feet on the 14.27 acre site.

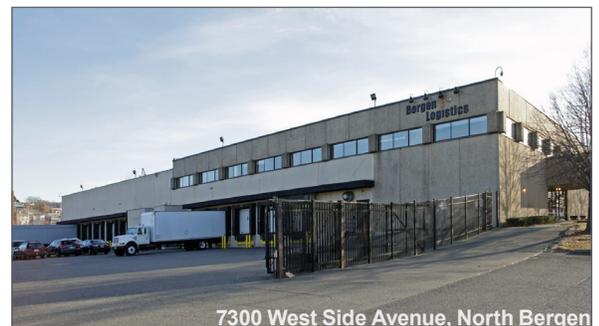


Another top single transaction included the sale of 18 Van Veghten Drive in Bridgewater. Olivia Miller, Inc. purchased the 220,929 square foot building from Fiderne Associates. The building sits on 8.61 acres and is currently occupied by Brook Warehousing Systems. Olivia Miller, Inc. purchased

the property for \$28,000,000 or \$126.74 per square foot.

LBA Logistics purchased a 7 building portfolio sale from Greek Development. The properties comprised of 3 Chris Court, Dayton (67,200 sf); 182 Ridge Road, South Brunswick (62,400 sf); 9 Chris Court, South Brunswick (52,800 sf); 178 Ridge Road, South Brunswick (48,000 sf); 5 Chris Court, Dayton (43,200 sf); 174 Ridge Road, South Brunswick (28,800 sf); and 7 Chris Court, South Brunswick (28,800 sf). LBA purchased the properties for \$48,500,000 or \$146.44 per square foot.

Link Industrial Properties purchased both 1501-1525 W. Blancke Street and 2401 E. Linden Avenue in Linden, both of which were fully occupied. The properties sold from Penwood Real Estate Investment Management for \$33,600,000 or \$168.71 per square foot. Link Industrial Properties also purchased 7300 West Side Avenue in North Bergen. NAI Hanson represented them in the sale of the 130,000 square foot warehouse. They purchased the building for \$22,000,000 or \$169.23 per square foot from Bergen Logistics. Bergen Logistics is leasing the building back



until February 2020 and NAI Hanson currently has the space on the market for lease. The building sits on 3.53 acres and features 19 exterior docks, 120 parking spaces, is fully air conditioned and has 24' ceilings.

Significant Leases & Sales

4Q2019

Significant Leases

Tenant	Address	Size (SF)	Submarket
LG Electronics USA	50 Veronica Avenue, Somerset	926,392	Somerset
The Gilbert Company (Renewal)	1000 Riverside Drive, Keasbey	697,500	Exit 10/12
Cooper Friedman Electric Supply Co.	315 Half Acre Road, Cranbury	649,801	Exit 8A
Amazon	600 Washington Avenue, Carlstadt	488,569	Meadowlands
Amazon	50 Central Avenue, Kearny	415,533	Meadowlands
Arizona Iced Tea	21 Constitution Avenue, Piscataway	288,115	Exit 10/12
Cappy Brothers Transport's	20-30 Continental Drive, Wayne	275,000	Route 46/23/3 Corridor
Romark Logistics	145 Talmadge Road, Edison	249,853	Exit 10/12
Berje, Inc. (Renewal)	700 Blair Road, Carteret	234,325	Exit 10/12
Coregistics (Renewal)	260 Prospect Plains Road, Cranbury	232,886	Exit 8A
Amazon	125 North Street, Teterboro	220,883	Meadowlands
Case Medical	50 West Street, Bloomfield	71,500	Suburban Essex
Mane Concept	5 Ethel Boulevard, Wood-Ridge	69,168	Meadowlands
Axis Global*	343 Murray Hill Parkway, East Rutherford	53,361	Meadowlands
Regi USA (Renewal)	8 Fairfield Crescent, West Caldwell	34,900	Suburban Essex
NJ Label* (Renewal)	30 Wesley Street, South Hackensack	20,155	Meadowlands

Significant Sales

Address	Size (SF)	Price	Buyer	Seller
1 Malcolm Avenue, Teterboro	420,000	\$91,500,000	Hartz Mountain Industries	Quest Diagnostics, Inc.
7 Property Portfolio Sale in South Brunswick and Dayton	331,200	\$48,500,000	LBA Logistics	Greek Development
215 Waterloo Valley Rd., Budd Lake	228,755	\$37,800,000	Cabot Properties	Scannell Properties
1501-1525 W. Blancke St., Linden & 2401 E. Linden Ave., Linden	199,155	\$33,600,000	Link Industrial Properties	Penwood Real Estate Investment Mgmt.
18 Van Veghten Dr., Bridgewater	220,929	\$28,000,000	Olivia Miller, Inc.	Finderne Associates
7300 West Side Ave., North Bergen*	130,000	\$22,000,000	Link Industrial Properties	Bergen Logistics
190 Wood Ave. S., Iselin	154,788	\$19,350,000	LBA Realty	AIG
3 & 5 Finderne Ave., Bridgewater	204,000	\$17,800,000	Camber Real Estate Partners LLC	United Land Resources, USLR
101 Linden Ave. E., Jersey City	74,304	\$13,350,000	CenterPoint Properties	Anheuser-Busch
46 Whelan Rd., East Rutherford	50,000	\$12,000,000	Terreno Realty	Sorelle Furniture
10 Charles St., Westwood	120,000	\$10,500,000	Treetop Development	Paul V. Profeta & Associates, Inc.

Under Construction

4Q2019



3000 Valley Brook Avenue, Lyndhurst



50 Veronica Avenue, Somerset

Address	Size (SF)	Completion	Developer	Submarket
Kingsland Ave., Lyndhurst (6 building development site)	2,854,638	4Q2021	Russo Development/Forsgate Industrial Partners	Meadowlands
42 Military Ocean Term., Bayonne	1,500,000	4Q2020	Lincoln Equities Group	Ports
Weston Canal Rd., Somerset	1,065,689	2Q2020	Bridge Development Partners	Somerset
942 Memorial Pkwy., Phillipsburg (7 building development site)	975,761	1Q2020	Bridge Development Partners	Warren & Sussex
343 Half Acre Rd., Cranbury	953,595	4Q2020	Alfieri LLC	Exit 8A
3000 Valley Brook Ave., Lyndhurst	932,168	3Q2020	Russo Development/Forsgate Industrial Partners	Meadowlands
50 Veronica Ave., Franklin Township	926,392	1Q2020	Crow Holdings	Somerset
225 Elm St., Perth Amboy	921,085	3Q2020	Duke Realty Corporation	Exit 10/12
2205 Route 27, Edison	900,022	3Q2020	Rockefeller Group	Exit 10/12
353 Half Acre Rd., Cranbury	870,950	4Q2020	Alfieri LLC	Exit 8A
173-268 Doremus Ave., Newark	870,640	2Q2020	The Morris Companies	Ports
Tremley Point Rd., Linden (8 building development site)	840,203	1Q2021	F. Greek Dev. & Advance Realty	Ports
11 C Court, Edison	699,600	4Q2020	2020 Acquisitions	Exit 10/12
429 Delancy St., Newark	661,741	1Q2020	Duke Realty Corporation/ Bridge Development Partners	Ports
942 Memorial Pkwy., Phillipsburg	607,279	2Q2020	Bridge Development Partners	Warren & Sussex
39 Edgeboro Rd., East Brunswick	513,240	2Q2020	IDI Logistics	Brunswick/Exit 9
Tremley Point Rd., Linden	481,770	1Q2021	F. Greek Dev. & Advance Realty	Ports
942 Memorial Pkwy., Phillipsburg	419,459	2Q2020	Bridge Development Partners	Warren & Sussex
50 Central Ave., Kearny	415,533	1Q2020	Seagis Property Group	Meadowlands
3000 Valley Brook Ave., Lyndhurst	344,110	3Q2020	Russo Development/Forsgate Industrial Partners	Meadowlands
Baekeland Ave., Middlesex	400,000	2Q2020	Rockefeller Group	Exit 10/12
10 Princess Rd., Lawrenceville	340,400	2Q2020	Penwood Real Estate Investment Mgmt JV Metrix Real Estate Svcs.	Exit 7A
225 Elm St., Perth Amboy	332,808	2Q2020	Duke Realty Corporation	Exit 10/12
Weston Canal Rd., Somerset	308,550	2Q2020	Bridge Development Partners	Somerset

Under Construction

4Q2019



1600 Livingston Avenue, North Brunswick



480 Elizabeth Avenue, Somerset

Address	Size (SF)	Completion	Developer	Submarket
Weston Canal Rd., Somerset	308,550	2Q2020	Bridge Development Partners	Somerset
Farrington Blvd., Monroe Twp.	301,320	2Q2020	Black Creek Group	Exit 8A
1600 Livingston Ave., North Brunswick	300,000	1Q2020	1600 Building B LLC (BTS)	Brunswick/Exit 9
481 Blackhorse Ln., North Brunswick	245,232	4Q2020	Adler Development	Brunswick/Exit 9
99 Avenue A, Bayonne	188,343	1Q2020	WPT Industrial REIT	Ports
942 Memorial Pkwy., Phillipsburg	175,055	2Q2020	Bridge Development Partners	Warren & Sussex
1 State Route 17 N., Lodi	169,388	1Q2021	Urban Edge Properties	Route 46/23/3 Corridor
2555 Kuser Rd., Hamilton	145,950	2Q2020	Scannell Properties	Exit 7A
357 Wilson Ave., Newark	142,972	3Q2020	Liberty Property Trust	Ports
201 Tabor Rd., Morris Plains (6 buildings 33,400-135,000 sf)	135,000	2Q2021	Vision Real Estate Partners	Morris Region
4050 Tremley Point Rd., Linden	132,685	2Q2020	EverWest Real Estate Investors LLC	Ports
1580 Lower Rd., Linden	125,000	2Q2020	Linden Warehouse Group	Ports
150 Whitman Ave., Edison*	124,560	3Q2020	Bridge Development Partners	Exit 10/12
100 Essex Ave., Avenel	122,100	3Q2020	Black Creek Group	Exit 10/12
480 Elizabeth Ave., Somerset	118,182	1Q2020	Vision Hardware, Inc. (BTS)	Somerset
5903 West Side Ave., North Bergen	113,623	3Q2020	Bergen Logistics	Meadowlands
590 Belleville Tpke., Kearny	100,700	2Q2021	Alessi Organization	Meadowlands
590 Belleville Tpke., Kearny	91,000	2Q2021	Alessi Organization	Meadowlands
590 Belleville Tpke., Kearny	86,625	2Q2021	Alessi Organization	Meadowlands
120 Frontage Rd., Newark	75,900	4Q2020	The S. Hekemian Group	Ports
520 Jersey Ave., New Brunswick	67,200	1Q2020	Wakefield Realty Co., Inc.	Brunswick/Exit 9
701 12th St., Carlstadt/Wood-Ridge	64,390	4Q2020	The Blackstone Group	Meadowlands

4Q Deliveries

Address	Size (SF)	Leased	Tenant(s)
140 Central Avenue, Kearny	73,872	100%	Freemans Holding Group

*NAI Hanson is handling the leasing.

Market Snapshot

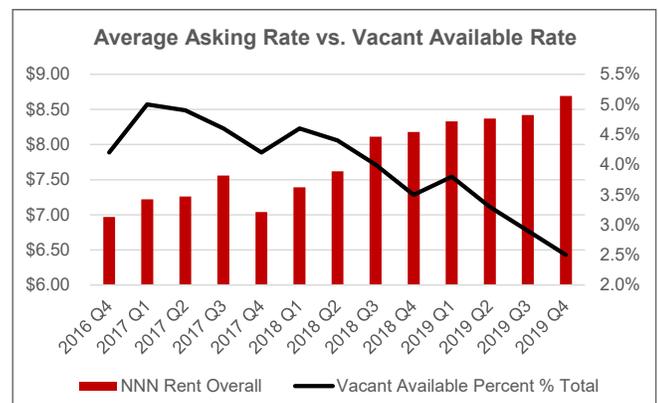
MARKET SIZE	138,047,312 SF	AVERAGE ASKING RATE	\$8.69 PSF
VACANT AVAILABILITY (SF)	3,514,365 SF	4Q19 NET ABSORPTION	723,815 SF
VACANT AVAILABILITY (%)	2.5%	TOTAL 2019 NET ABSORPTION	1,468,330 SF
4Q19 LEASING ACTIVITY	487,336 SF	UNDER CONSTRUCTION	2,605,898 SF
TOTAL 2019 LEASING ACTIVITY	2,475,391 SF	DELIVERED	0 SF

4Q2019 vs. 4Q2018



Trends

- Vacancy declined 1% from a year prior in the fourth quarter of 2018 and is down 1.7% from two years prior in the fourth quarter of 2017.
- The average asking rate has been gradually increasing and ended the quarter at \$8.69 per square foot. Rates are up \$0.51 per square foot from a year prior and are up \$1.65 per square foot from two years prior.
- There was over 487,000 square feet leased in the quarter to end with over 2,475,000 square feet leased in 2019. Top transactions included Anixter leasing 160,575 square feet at 99 Avenue A in Bayonne and Mam Takin leasing 30,184 square feet at 864-888 Magnolia Avenue in Elizabeth.
- The top sale transaction included a multi-property sale which consisted of 1501-1525 W. Blancke Street, 115,935 square feet, and 2401 E. Linden Avenue, 83,220 square feet, in Linden, both of which were fully occupied. The properties sold to Link Industrial Properties from Penwood Real Estate Investment Management for \$33,600,000 or \$168.71 per square foot.



99 Avenue A, Bayonne

Market Snapshot

MARKET SIZE	108,831,449 SF	AVERAGE ASKING RATE	\$8.89 PSF
VACANT AVAILABILITY (SF)	1,772,141 SF	4Q19 NET ABSORPTION	436,190 SF
VACANT AVAILABILITY (%)	1.6%	TOTAL 2019 NET ABSORPTION	2,510,723 SF
4Q19 LEASING ACTIVITY	2,085,426 SF	UNDER CONSTRUCTION	2,204,415 SF
TOTAL 2019 LEASING ACTIVITY	4,880,967 SF	DELIVERED	0 SF

4Q2019 vs. 4Q2018



Trends

- Vacancy ended the quarter at 1.6%, which is up 0.4% from the fourth quarter of 2018, but down 1.6% from the fourth quarter of 2017.
- Average asking rates have risen \$0.57 per square foot from a year prior and are up \$0.96 per square foot from two years prior.
- The Exit 10/12 submarket saw the most activity this quarter with over 2,085,000 square feet leased. There was over 4,880,000 square feet leased for the year. Top transactions included The Gilbert Company renewing their 697,500 square feet at 1000 Riverside Drive in Keasbey, which was the top renewal for the quarter; Arizona Iced Tea leasing 288,115 square feet at 21 Constitution Avenue in Piscataway; and Romark Logistics leasing 249,853 square feet at 145 Talmadge Road in Edison.
- A significant sale for the quarter included 190 Wood Avenue South in Iselin. AIG Global Asset Management Holdings Corporation sold the 154,788 square foot warehouse on 7.72 acres to LBA Realty. LBA purchased the recently renovated property for \$19,350,000 or \$125.01 per square foot. CBS Broadcasting occupies the building.



21 Constitution Avenue, Piscataway

Market Snapshot

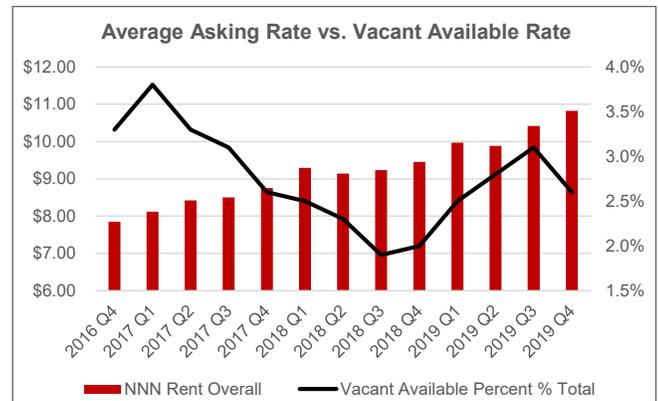
MARKET SIZE	93,853,584 SF	AVERAGE ASKING RATE	\$10.82 PSF
VACANT AVAILABILITY (SF)	2,409,868 SF	4Q19 NET ABSORPTION	(225,688) SF
VACANT AVAILABILITY (%)	2.6%	TOTAL 2019 NET ABSORPTION	(1,554,162) SF
4Q19 LEASING ACTIVITY	1,570,649 SF	UNDER CONSTRUCTION	1,805,434 SF
TOTAL 2019 LEASING ACTIVITY	3,881,369 SF	DELIVERED	73,872 SF

4Q2019 vs. 4Q2018



Trends

- Vacancy at the end of the quarter was 2.6%. The rate is up 0.6% from the fourth quarter of 2018 and remains unchanged from the fourth quarter of 2017.
- Average asking rates are highest in this submarket and ended the quarter at \$10.82 per square foot. The rate is up \$1.37 per square foot from a year prior and up \$2.07 per square foot from two years prior.
- The Meadowlands submarket followed the Exit 10/12 submarket with the most leasing activity. The Meadowlands saw over 1,570,000 square feet leased and over 3,881,000 square feet leased for the year. Amazon was very active in this submarket and leased 488,569 square feet at 600 Washington Avenue in Carlstadt; 415,533 square feet at 50 Central Avenue in Kearny; and 220,883 square feet at 125 North Street in Teterboro.
- The top sale transaction included 1 Malcolm Avenue in Teterboro. The 420,000 square foot building sold from Quest Diagnostics to Hartz Mountain Industries. Hartz purchased the property for \$91,500,000 or \$218 per square foot. The property is going to be redeveloped.



125 North Street, Teterboro

Market Snapshot

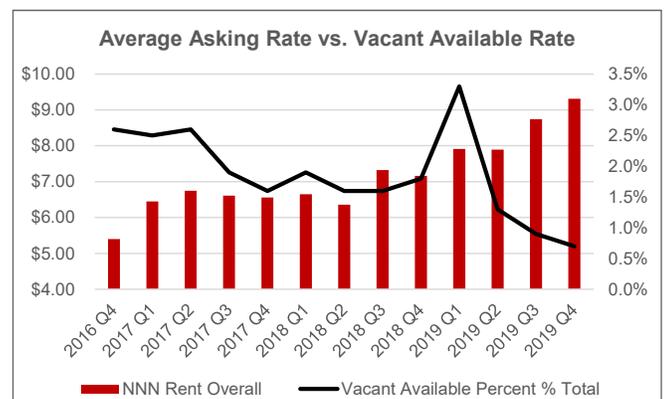
MARKET SIZE	69,129,910 SF	AVERAGE ASKING RATE	\$9.31 PSF
VACANT AVAILABILITY (SF)	511,461 SF	4Q19 NET ABSORPTION	1,091,586 SF
VACANT AVAILABILITY (%)	0.7%	TOTAL 2019 NET ABSORPTION	1,959,452 SF
4Q19 LEASING ACTIVITY	1,203,978 SF	UNDER CONSTRUCTION	2,125,865 SF
TOTAL 2019 LEASING ACTIVITY	5,281,983 SF	DELIVERED	0 SF

4Q2019 vs. 4Q2018



Trends

- The vacancy rate is the lowest in the Exit 8A submarket. The rate ended at 0.7%, which is down 1.1% from the fourth quarter of 2018 and down 0.9% from the fourth quarter of 2017.
- Average asking rates ended the quarter at \$9.31 per square foot. The rate has been steadily increasing and is up \$2.15 per square foot from the fourth quarter of 2018 as well as being up \$2.75 per square foot from the fourth quarter of 2017.
- There was over 1,203,000 square feet leased in the fourth quarter and over 5,281,000 square feet leased in 2019. Top transactions included Cooper Friedman Electric Supply Company leasing 649,801 square feet at 315 Half Acre Road in Cranbury; Corelogistics renewing 232,886 square feet at 260 Prospect Plains Road in Cranbury; and CMIC CMO USA leasing 223,936 square feet at 270 Prospect Plains Road in Cranbury.
- The portfolio sale consisting of 7 properties in Dayton and South Brunswick sold from Greek Development to LBA Logistics. The properties totaled 331,200 square feet and sold for \$48,500,000 or \$146.44 per square foot.



315 Half Acre Road, Cranbury

Market Snapshot

MARKET SIZE	36,822,493 SF	AVERAGE ASKING RATE	\$7.51 PSF
VACANT AVAILABILITY (SF)	2,909,102 SF	4Q19 NET ABSORPTION	176,234 SF
VACANT AVAILABILITY (%)	7.9%	TOTAL 2019 NET ABSORPTION	780,771 SF
4Q19 LEASING ACTIVITY	139,557 SF	UNDER CONSTRUCTION	0 SF
TOTAL 2019 LEASING ACTIVITY	775,146 SF	DELIVERED	0 SF

4Q2019 vs. 4Q2018

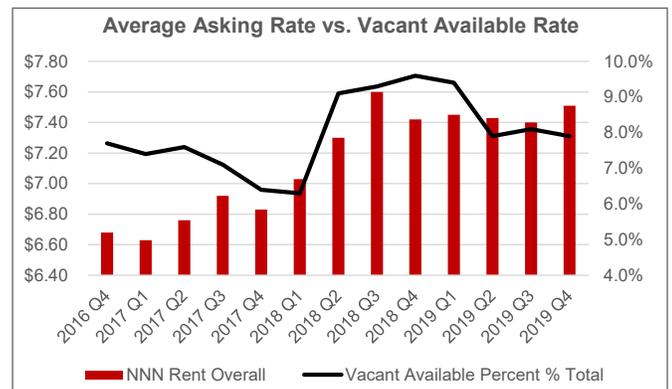

1.7%
VACANCY RATE


\$0.09
ASKING RATE


65,197 SF
LEASING ACTIVITY

Trends

- The Morris Region has the highest vacancy rate among all the submarkets. The rate ended the quarter at 7.9%, which is down 1.7% from the fourth quarter of 2018, but is up 1.5% from the fourth quarter of 2017.
- Average asking rates are up \$0.09 per square foot from a year prior and are up \$0.68 per square foot from two years prior.
- There was over 139,000 square feet leased in the quarter and over 775,000 square feet leased in 2019. Top transactions included a tenant leasing 24,977 square feet at 21-25 Riverside Drive in Pine Brook and Publishers Circulations Fulfillment leasing 19,476 square feet at 1 Apollo Drive in Whippany.
- The newly constructed building at 215 Waterloo Valley Road in Budd Lake sold from Scannell Properties to Cabot Properties. The 228,755 square foot building sold for \$37,800,000 or \$165.24 per square foot.



21-25 Riverside Drive, Pine Brook

Market Snapshot

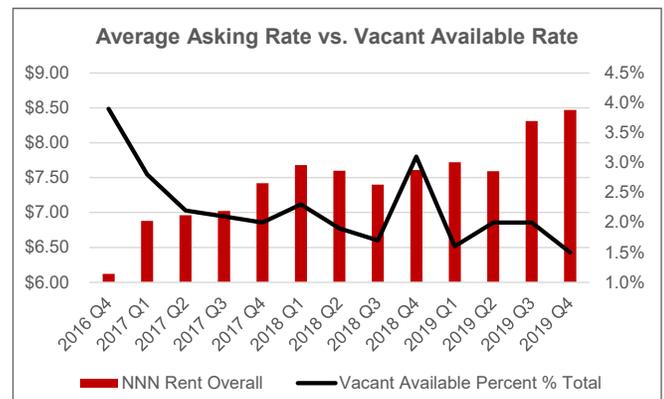
MARKET SIZE	28,580,783 SF	AVERAGE ASKING RATE	\$8.47 PSF
VACANT AVAILABILITY (SF)	419,126 SF	4Q19 NET ABSORPTION	158,729 SF
VACANT AVAILABILITY (%)	1.5%	TOTAL 2019 NET ABSORPTION	218,201 SF
4Q19 LEASING ACTIVITY	1,076,903 SF	UNDER CONSTRUCTION	1,114,574 SF
TOTAL 2019 LEASING ACTIVITY	2,122,248 SF	DELIVERED	0 SF

4Q2019 vs. 4Q2018



Trends

- The vacancy rate at the end of the quarter was 1.5%. Compared to the fourth quarter of 2018, the rate is down 1.6% and compared to the fourth quarter of 2017, the rate is down 0.5%.
- Average asking rates ended the quarter at \$8.47 per square foot. The rate is up \$0.86 per square foot from the fourth quarter of 2018 as well as being up \$1.05 per square foot from the fourth quarter of 2017.
- This submarket also had high activity with over 1,076,000 square feet leased in the quarter and over 2,122,000 square feet leased for the year. Top transactions included LG Electronics USA leasing 926,392 square feet at 50 Veronica Avenue in Somerset, which was the top transaction for the quarter; and Hestrongns, Inc. leasing 72,311 square feet at 50 Jiffy Road in Somerset. 50 Veronica Avenue is currently under construction and should be completed in the first quarter of 2020.
- The top sale transaction included the sale of 18 Van Veghten Drive in Bridgewater. Olivia Miller, Inc. purchased the 220,929 square foot building from Fiderne Associates. The building sits on 8.61 acres and is currently occupied by Brook Warehousing Systems. Olivia Miller, Inc. purchased the property for \$28,000,000 or \$126.74 per square foot.



50 Veronica Avenue, Somerset

Market Snapshot

MARKET SIZE	25,751,754 SF	AVERAGE ASKING RATE	\$8.33 PSF
VACANT AVAILABILITY (SF)	921,163 SF	4Q19 NET ABSORPTION	(202,420) SF
VACANT AVAILABILITY (%)	3.6%	TOTAL 2019 NET ABSORPTION	(60,716) SF
4Q19 LEASING ACTIVITY	129,660 SF	UNDER CONSTRUCTION	0 SF
TOTAL 2019 LEASING ACTIVITY	508,877 SF	DELIVERED	0 SF

4Q2019 vs. 4Q2018



Trends

- The Central Bergen County submarket ended with a vacancy rate of 3.6%. The rate is up 0.9% from the fourth quarter of 2018, but is down 1.4% from the fourth quarter of 2017.
- Average asking rates ended the quarter at \$8.33 per square foot. The rate is down \$2.64 per square foot from the fourth quarter of 2018 and is down \$0.65 per square foot from the fourth quarter of 2017.
- This submarket saw over 129,000 square feet leased in the quarter and over 508,000 square feet leased for the year. Top transactions included 48,500 square feet leased at 95 Mayhill Street in Saddle Brook; 26,660 square feet leased at 343 S River Street in Hackensack; and 18,000 square feet leased at 211 S Newman Street in Hackensack. NAI Hanson facilitated the leasing at 211 S Newman Street.
- 55 Railroad Avenue in Ridgefield, a 39,896 square foot warehouse, sold from Qualimax LLC to Brookfield Property Group. The 100% occupied building was purchased for \$10,000,000 or \$250.65 per square foot.



211 S Newman Street, Hackensack

Market Snapshot

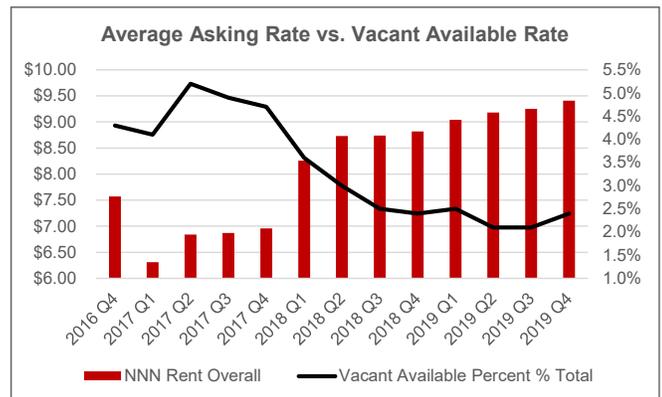
MARKET SIZE	23,314,003 SF	AVERAGE ASKING RATE	\$9.41 PSF
VACANT AVAILABILITY (SF)	563,740 SF	4Q19 NET ABSORPTION	(239,271) SF
VACANT AVAILABILITY (%)	2.4%	TOTAL 2019 NET ABSORPTION	(245,560) SF
4Q19 LEASING ACTIVITY	218,639 SF	UNDER CONSTRUCTION	0 SF
TOTAL 2019 LEASING ACTIVITY	608,640 SF	DELIVERED	0 SF

4Q2019 vs. 4Q2018



Trends

- The vacancy rate has remained unchanged compared to a year prior in 2018, but is down 2.3% compared to two years prior in 2017.
- Average asking rates ended the quarter at \$9.41 per square foot. The rate is up \$0.59 per square foot from a year prior and up \$2.45 per square foot from two years prior.
- There was over 218,000 square feet leased in the quarter and over 608,000 square feet leased for the year. Top transactions included Case Medical leasing 71,500 square feet at 50 West Street in Bloomfield and Regi USA renewing 34,900 square feet at 8 Fairfield Crescent in West Caldwell.
- 3 Oak Road in Fairfield sold from RDR Properties to an individual. The 53,100 square foot multi-tenanted warehouse sold for \$7,420,000 or \$139.74 per square foot. The property features 9 exterior docks and has a 22' ceiling height.



50 West Street, Bloomfield

Market Snapshot

MARKET SIZE	22,005,721 SF	AVERAGE ASKING RATE	\$9.46 PSF
VACANT AVAILABILITY (SF)	973,019 SF	4Q19 NET ABSORPTION	(199,694) SF
VACANT AVAILABILITY (%)	4.4%	TOTAL 2019 NET ABSORPTION	105,142 SF
4Q19 LEASING ACTIVITY	67,752 SF	UNDER CONSTRUCTION	0 SF
TOTAL 2019 LEASING ACTIVITY	585,007 SF	DELIVERED	0 SF

4Q2019 vs. 4Q2018

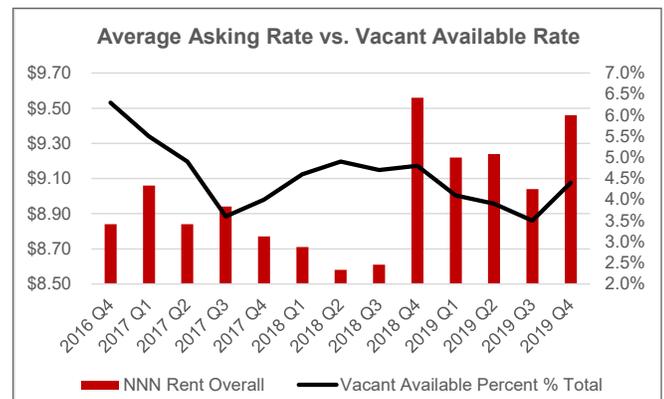
0.4%
VACANCY RATE

\$0.10
ASKING RATE

99,066 SF
LEASING ACTIVITY

Trends

- The vacancy rate at the end of the quarter was 4.4%. The rate is down 0.4% from the fourth quarter of 2018, but is up 0.4% from the fourth quarter of 2017.
- The Northern Bergen County submarket has one of the highest average asking rates at \$9.46 per square foot. The rate is down \$0.10 per square foot from the fourth quarter of 2018, but is up \$0.69 per square foot from the fourth quarter of 2017.
- Over 67,000 square feet was leased in the quarter and over 585,000 square feet was leased for the year. Top transactions included 24,800 leased at 300 Corporate Drive in Mahwah; 14,920 square feet leased at 140 Walnut Street in Northvale; and Publishers Circulation Fulfillment leasing 14,400 square feet at 22 Hollywood Avenue in Ho-Ho-Kus.
- Treetop Development LLC purchased 10 Charles Street in Westwood from Paul V. Profeta & Associates, Inc. The 120,000 square foot building, which sits on 6.5 acres, was vacant at the time of sale and sold for \$10,500,000 or \$87.50 per square foot. The buyer plans on renovating the property.



10 Charles Street, Westwood

- Lease Administration
- Planned Maintenance Programs
- Security Analysis
- Risk Management
- Energy Conservation Strategies
- Accounting Services
- Construction Management Services
- Facility Audits



NAI Hanson Management currently manages over 6.8 million square feet.

OFFICE



10 buildings
290,383 sf

INDUSTRIAL



71 buildings
4,711,518 sf

RETAIL



65 buildings
1,864,252 sf



“Since NAI Hanson Management has taken over the Meadowlands portfolio, it has gone from one of the most challenging properties to one of the most smoothly and efficiently run properties.”

- L&B Realty Advisors, LLP

4Q 2019

Industrial Market Update

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