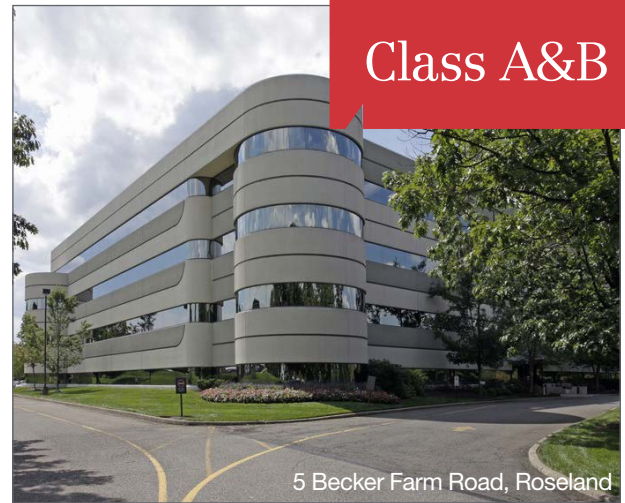


# Northern & Central New Jersey 1Q'18 Office Report

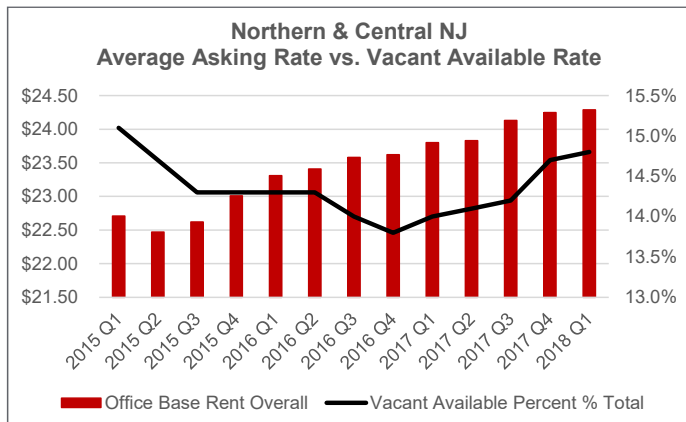
Class A&B



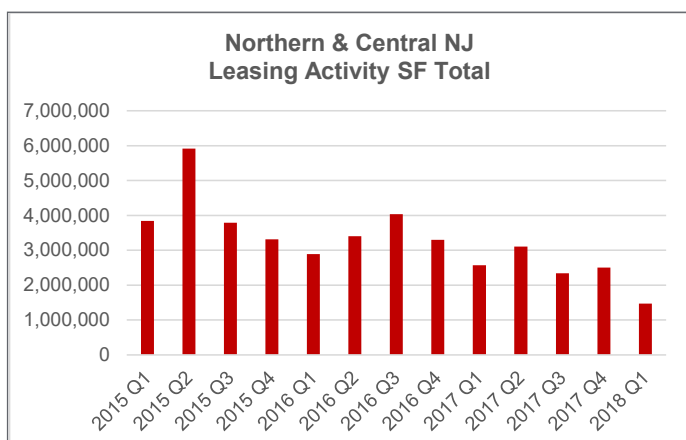
The Northern and Central New Jersey Class A and B office market consists of 232,552,115 square feet in 12 counties. Average asking rates ended the first quarter at \$24.29 per square foot, a slight increase of \$0.04 from the previous quarter. Rates are up \$0.49 per square foot from the first quarter of 2017, and up \$0.98 per square foot from the first quarter of 2016.

Vacancy ended the first quarter at 14.8%, an increase of 0.1% from the previous quarter. The rate is up 0.8% from the first quarter of 2017 and up 0.5% from the first quarter of 2016. There was over 1,400,000 square feet leased in the first quarter and approximately -231,000 square feet absorbed.

Top lease transactions included Standard Chartered PLC, McLaren Engineering Group, Northern Trust and Comodo Security Solutions, Inc.



Standard Chartered PLC renewed 46,250 square feet at 2 Gateway Center in Newark; McLaren Engineering Group leased 45,359 square feet at 530 Chestnut Ridge Road in Woodcliff Lake; Northern Trust leased 35,000 square feet at 3 2nd Street in Jersey City; and Comodo Security Solutions, Inc. leased 22,022 square feet at 5 Becker Farm Road in Roseland.



Top sale transactions included 35 Waterview Boulevard in Parsippany and 100 Enterprise Drive in Rockaway. Mack-Cali Realty Corporation sold 35 Waterview Boulevard in Parsippany to YMP Real Estate Management LLC. The 172,498 square foot Class A property sold for \$28,150,000 or \$163.19 per square foot. At the time of sale, the property was 95.7% leased. Sun Chemical, who leases 66,065 square feet, is the major tenant in the building and has under 12 years of term remaining on their lease.

100 Enterprise Drive in Rockaway sold from Lincoln Equities Group LLC to Northbridge Investment Management, Inc., a Toronto based company. The 264,000 square foot Class A property sold for \$13,000,000 or \$49.23 per square foot. At the time of the sale, the property was 68% leased, but at the

end of the first quarter of 2018, Allergen, the major tenant in the building, had a lease rolling which would bring the occupancy rate to approximately 28%.

# Northern & Central New Jersey 1Q'18 Office Report

Class A&B

## County Overview:

County	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Total Average Asking Rate
NJ Overall	232,552,115	34,471,546	14.8	(231,205)	1,467,455	1,492,756	\$24.29
Morris	38,043,466	7,252,558	19.1	(94,166)	208,250	26,224	\$24.70
Bergen	31,829,256	4,201,782	13.2	172,573	254,776	360,000	\$25.46
Essex	31,567,611	5,032,555	15.9	(182,660)	143,331	467,532	\$26.41
Middlesex	30,304,315	4,973,473	16.4	(66,919)	341,374	0	\$23.24
Hudson	26,018,482	3,486,651	13.4	71,470	148,165	285,000	\$27.62
Somerset	24,678,347	3,571,552	14.5	(190,201)	107,802	90,000	\$21.54
Mercer	23,348,642	2,196,373	9.4	(31,290)	109,700	232,000	\$24.74
Union	13,038,455	981,864	7.5	59,766	88,876	0	\$24.77
Passaic	7,609,782	1,108,459	14.6	(21,636)	31,803	32,000	\$19.13
Hunterdon	5,103,985	1,580,317	31.0	46,543	7,208	0	\$13.88
Sussex	612,783	40,312	6.6	5,315	26,170	0	\$12.44
Warren	396,991	45,650	11.5	0	0	0	\$20.62
Rockland, NY	3,776,275	549,514	14.6	(39,934)	42,070	32,595	\$22.41
Orange, NY	3,288,599	438,390	13.3	13,827	4,611	0	\$15.76

## Significant Lease Transactions:

Tenant	Address	Size (SF)	County
Standard Chartered PLC (Renewal)	2 Gateway Center, Newark	46,250	Essex
McLaren Engineering Group	530 Chestnut Ridge Road, Woodcliff Lake	45,359	Bergen
Northern Trust	3 2nd Street, Jersey City	35,000	Hudson
Country Silk	2147 State Route 27 S, Edison	24,600	Middlesex
NRG Yield	300 Carnegie Center Drive, Princeton	22,414	Mercer
Melinta Therapeutics	44 Whippany Road, Morristown	22,160	Morris
Comodo Security Solutions, Inc.	5 Becker Farm Road, Roseland	22,022	Essex
Imperial PFS	30 Montgomery Street, Jersey City	19,516	Hudson

## Significant Sale Transactions:

Address	Size (SF)	Price	Buyer	Seller
35 Waterview Boulevard, Parsippany	172,498	\$28,150,000	YMP Real Estate Management LLC	Mack-Cali Realty Corporation
100 Enterprise Drive, Rockaway	264,059	\$13,000,000	Northbridge Investment Mgmt	Lincoln Equities Group LLC

\*NAI Hanson Deal

All information comes from sources deemed reliable from NAI James E. Hanson. Numbers are based on buildings 20,000 + sf