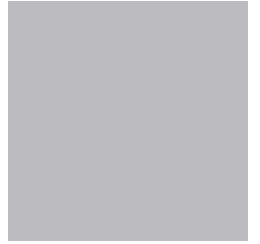


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Northern New Jersey Market Report | Second Quarter 2011



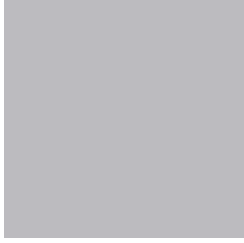
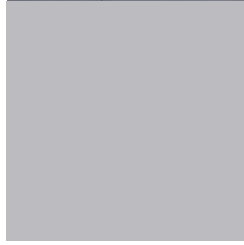
Hudson County's Retail vacancy rates decreased 26.7% versus 2010.



Hudson County had the highest absorption for Office A with 354,429 sq. ft. absorbed.



Bergen County's Industrial rates were down 10.9% the lowest since 2000.



For Office B, there was 437,004 sq. ft. leased, a decrease of 33.7% versus 2010.



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Northern New Jersey Market Report | Second Quarter 2011



OFFICE LEASE

17-17 Route 208
Fair Lawn, NJ
12,225 sf

Darren M. Lizzack, MSRE



D. Lizzack



INDUSTRIAL LEASE

490 Huyler Street
South Hackensack, NJ
34,700 sf

Mike Walters, SIOR, Jeff DeMagistris & Tom Vetter

T. Vetter

Deals of the Quarter

INDUSTRIAL LEASE

1050 Valley Brook Ave
Lyndhurst, NJ
17,790 sf

Louis Tapia



L. Tapia



S. Leitner

LAND SALE

Tormee Drive
Tinton Falls, NJ
3.326 acres
Steve Leitner



J. Cenicola

OFFICE SALE

299 Morris Ave
Summit, NJ
3,720 sf

Joan Cenicola



LAND SALE

1028 Fairview Lake Rd.
Stillwater, NJ
1.4 acres
John Schilp



B. Cohorsky



J. Schilp

INDUSTRIAL LEASE

961 Route 10 East
Randolph, NJ
10,495 sf

Barry Cohorsky
& John Schilp



OTHER NOTABLE TRANSACTIONS

1680 Route 23
Wayne, NJ
10,243 sf medical office lease
Paul Lockner

38 Morris Turnpike
Summit, NJ
4,300 sf kennel sale
Tom Ryan

9001 Woody Terrace
Clinton, MD
Retail Investment
Hal Messer, MSRE

684 Mt. Prospect Ave
Newark, NJ
Multi-Family Sale
Joan Cenicola

252 Newbury Street
Danvers, MA
Retail Investment
Hal Messer, MSRE

86-110 Orchard Street
Hackensack, NJ
3 ind. leases 7,000-8,400 sf
Tom Vetter & Jeff DeMagistris

We are a part of NAI Global, a managed network of:

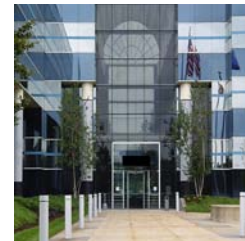
5,000 professionals

350 offices

55 countries

NAI James E. Hanson

Northern NJ* Office Report | Second Quarter 2011



'11 vs '10:

Office A
Vacancy

1.4%

Office B
Vacancy

7.8%

Office A
Rates

0.6%

Office B
Rates

2.4%

OVERVIEW FOR OFFICE A & B: 2nd Qtr. '11 vs. '10

OFFICE A

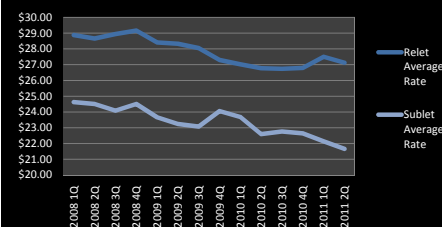
- There was over 20.5 million sq. ft. of space available, an increase of 1.4% versus 2010.
- Vacancy was 15.5%, flat versus 2010.
- Middlesex County, with the most space available at 5.0 million sq. ft., also has the highest vacancy at 23.3%.
- There was 1.3 million sq. ft. leased, a decrease of 22.9% versus 2010 when 1.7 million sq. ft. was leased.
- Net absorption was -23,439 sq. ft., versus 112,768 sq. ft. in 2010.
- Hudson County had the highest absorption with 354,429 sq. ft. absorbed, versus one of the lowest absorptions in 2010 with -52,114 sq. ft. absorbed.
- Average asking rates were \$26.30 per sq. ft., up only .6% versus 2010 rates of \$26.14 per sq. ft.
- Rockland County, with the lowest vacancy at 6.7%, continues to demand the highest rates at \$30.50 per sq. ft.
- Rockland County experienced the largest increase in rates with a 14.3% increase. Middlesex County rates increased 7.3% to \$25.28 per sq. ft. Largest decrease in rates was for Orange County which rates at \$24.47 decreased 5.2%

OFFICE B

- There was over 11.9 million sq. ft. available versus 11.1 million sq. ft. in 2010, an increase of 7.8%
- Vacancy was at 13.5% versus 12.6% in 2010
- Bergen County had the most space available with almost 2.6 million vacant sq. ft.
- There was 437,004 sq. ft. leased, a decrease of 33.7% versus 2010 when 658,789 sq. ft. was leased.
- Overall, net absorption was -437,942 sq. ft. with Morris County as the primary contributor with -391,113 sq. ft. absorbed.
- Average asking rates were \$21.28 per sq. ft., a decrease of 2.4% versus 2010 when rates were \$21.80. Rockland County demands the highest asking rates at \$24.82 per sq. ft., up 2.3% versus 2010.

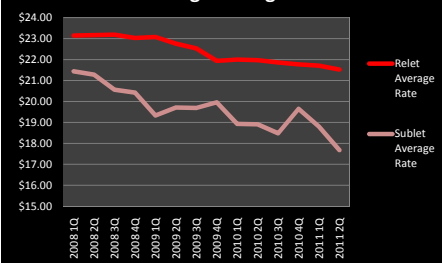
Office A

Average Asking Rates



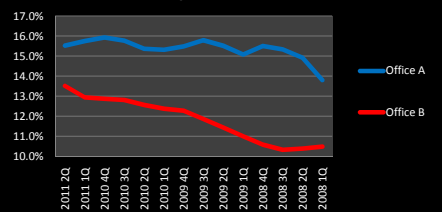
Office B

Average Asking Rates



Vacancy A&B

Vacancy Rates 2008-2011



*Northern NJ Market includes Rockland and Orange County NY

Major Office Transactions

Tenant	Size (SF)	Address	City
Celgene	203,652	Connell Corp Ctr 3 & 4	Berkeley Heights
Evonik Degussa Corporation	150,500	299 Jefferson Road	Parsippany
URS Engineering	53,000	1255 Broad Street	Clifton
Scivantage	42,606	Newport Office Center 3	Jersey City
Atlantic Health Systems	40,800	465 South Street	Morristown

Source: Costar 2011

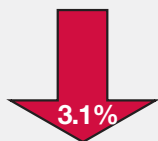
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Northern NJ* Industrial Report | Second Quarter 2011

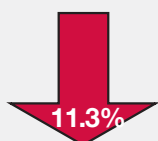


'11 vs. '10: OVERVIEW FOR INDUSTRIAL: 2nd Qtr. '11 vs. '10

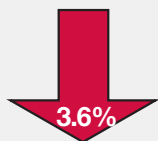
Ind. Direct Vacancy



Ind. Sublet Vacancy



Ind. Direct Rates

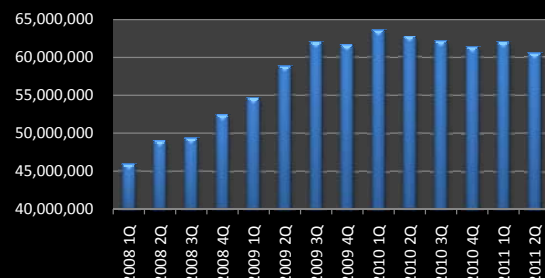


Ind. Sublet Rates

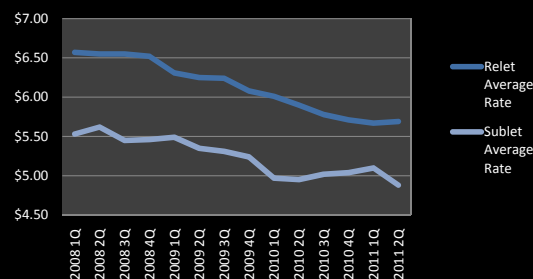


- During the 2nd quarter of 2011, there was over 60.9 million sq. ft. of vacant space, down 4% versus 2010.
- Over 30% of the vacant space in Northern NJ is in Middlesex County, which had over 18.8 million sq. ft. available.
- Vacancy was at 8.2%, down from 8.5% in 2010.
- Net absorption was -1.5 million sq. ft. versus -2.4 million sq. ft. in 2010, a difference of over 961,000 sq. ft.
- Bergen County had the highest absorption with 550,264 sq. ft. absorbed.
- Middlesex County had the lowest absorption with -1.46 million sq. ft. absorbed, but an improvement versus -524,476 sq. ft. in 2010.
- Over 6.5 million sq. ft. was leased in 2011, down 13.7% versus 2010 when 7.5 million sq. ft. was absorbed.
- Union County experienced the largest change, leasing 68.4% less space in 2011 (284,782 sq. ft. in 2011 vs. 901,812 sq. ft. in 2010).
- Rockland County leased twice as much space in 2011 (115,400) than in 2010 (57,455 sq. ft.)
- Average asking rates were \$5.62 per sq. ft., down 7.59% versus 2010's rates of \$6.08 per sq. ft.
- Rates decreased in all counties except Passaic County (up 5.8%) and Hudson County (up 1.7%).
- Rockland County experienced a 20.9% decrease in rates with current rates at \$6.60 per sq. ft. versus \$8.34 per sq. ft. in 2010. These rates are the lowest since the first quarter of 2006 when they were \$6.01 per sq. ft.
- Bergen County's rates were down 10.9% at \$6.37 per sq. ft., the lowest since 2000.

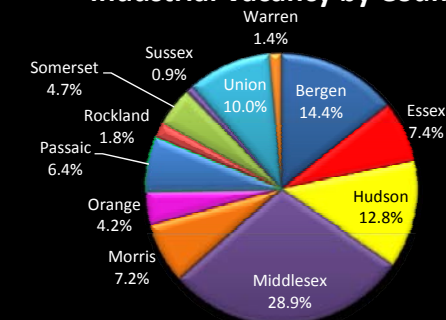
Total Vacant Industrial Available Sq. Ft.



Average Industrial Asking Rates



Industrial Vacancy by County



*Northern NJ Market includes Rockland and Orange County NY

Major Industrial Transactions

Tenant	Size (SF)	Address	City
Wakefern Food Corporation	1,064,515	8003 Industrial Ave - I-Port	Carteret
Hankook Tire	411,070	18 Thatcher Road	South Brunswick
350 Logistics	208,904	International Trade Ctr - Bldg B	Mt. Olive
Meadowlands Warehousing	184,967	35 Henry Street	Secaucus
Agfa Corporation*	102,570	Heller Park	South Brunswick
Pan Oceanic Eyewear	66,581	201 Mac Lane	Woodbridge

*renewal

Source: Costar 2011

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Northern NJ* Retail Report | Second Quarter 2011



'11 vs '10:

Retail Direct Vacancy

3.8%

Retail Sublet Vacancy

9.7%

Retail Direct Rates

3.4%

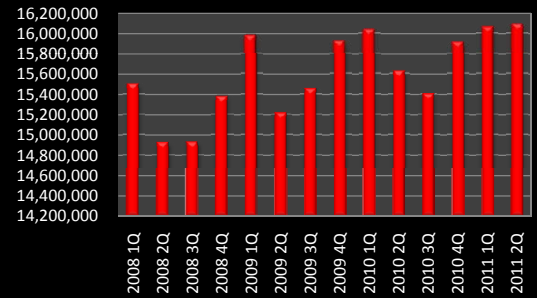
Retail Sublet Rates

47.4%

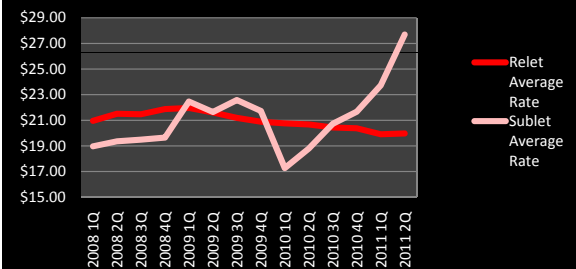
OVERVIEW FOR RETAIL: 2nd Qtr. '11 vs. '10

- There was 16.1 million sq. ft. of vacant retail space, up 3.3% from the 15.5 million that was vacant in 2010.
- Bergen & Middlesex Counties continue to have the most space available with 2.1 and 2.5 million sq. ft. respectively.
- Vacancy rates overall changed slightly (6.1% versus 5.9%).
- Somerset County had the highest vacancy rate at 8.4% (up from 7.7% in 2010).
- The largest changes in vacancy were for Hudson County, which experienced a 26.7% change in vacant space. Their current 4.1% vacancy rate increased greatly from their 3% vacancy rate in 2010.
- Essex County had 16.4% more vacant space versus 2010 (2.1 million sq. ft. versus 1.8 million in 2010).
- Net absorption was only 13,067 sq. ft., versus 399,137 sq. ft. in 2010.
- Hudson County had the highest net absorption with 150,286 sq. ft. absorbed, compared to Somerset County which had -100,145 sq. ft. absorbed.
- Middlesex County leased the most space with 141,911 sq. ft. leased.
- Union County leased 60,904 more sq. ft. versus 2010, an increase of 127%.
- Of the 12 counties Hanson represents, 7 of these counties leased less space than 2010 and 5 leased more space.
- Average asking rates were at \$18.87 per sq. ft., down 4.2% versus 2010.
- Relet rates were \$19.97 per sq. ft. down 3.4% versus 2010.
- Sublet rates were \$27.69 per sq. ft. up 47.4% versus 2010.
- Bergen County, with the highest retail rates, had average asking rates of \$24.68 per sq. ft., down 3.1% versus 2010 when rates were \$25.47 per sq. ft.

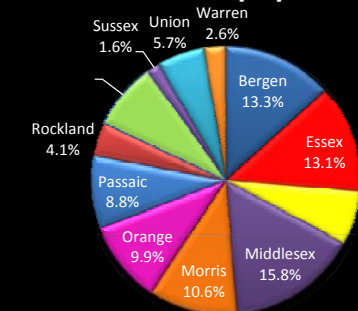
Total Vacant Retail Available Sq. Ft.



Average Retail Asking Rates



Retail Vacancy by County



*Northern NJ Market includes Rockland and Orange County NY

Major Retail Transactions

Tenant	Size (SF)	Address	City
Burlington Coat Factory	78,904	449 Green Street	Woodbridge
Garden Sk8	17,270	321 Changebridge Road	Pine Brook
Tiny Turtles Academy	10,800	544-560 Allen Road	Basking Ridge
Rite Aid	10,000	117 Kinderkamack Road	Park Ridge
Hibachi Grill	9,253	3600 Park Ave	South Plainfield

Source: Costar 2011

Featured Properties



Investment
SALE - 8 units
316 Mount Prospect Avenue
Newark, NJ



Medical Office
LEASE - 115,000 sf (div)
1225 McBride Ave
Woodland Park, NJ



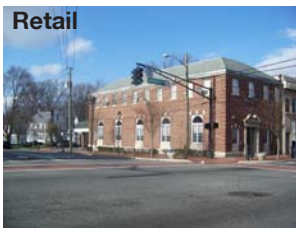
Warehouse
LEASE - 74,853 sf
233 Central Avenue
Hawthorne, NJ



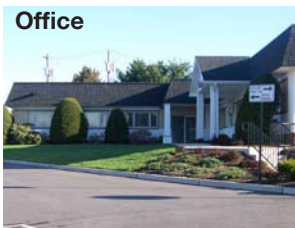
Retail
LEASE - 6,050 sf
193 Route 17 South
Paramus, NJ



Office
LEASE - 29,298 sf
245 Main Street
Chester, NJ



Retail
LEASE - 3,200 sf
1882 Springfield Avenue
Maplewood, NJ



Office
LEASE - 4,000 sf
295 West Grand Avenue
Montvale, NJ



Office
LEASE - 3,395 sf
59 South Finley Avenue
Basking Ridge, NJ



Warehouse
SALE/LEASE - 8,840 sf
59 Liberty Street
Passaic, NJ



Investment
INVESTMENT - 10,417 sf
400 70th Street
Guttenberg, NJ

NJ LAND FOR SALE: 14,341 sf - Newark, NJ ▪ 17,797 sf - Newark, NJ ▪ 20,000 sf - Paterson, NJ
27.55 acres (16 lots) - Little Egg Harbor, NJ ▪ 36,926 sf - Paterson, NJ ▪ 80 acres - Mine Hill, NJ

About NAI James E. Hanson

We are committed to providing the highest quality commercial real estate services in New Jersey and have been since we were founded in 1955 by James E. Hanson. Through our affiliation with NAI Global, we are part of a managed network of 5,000 professionals and 350 offices in 55 countries throughout the world.

Our core services include:

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- Retail
- Land
- Multi-Family
- Medical/Health Care Representation
- Tenant Representation
- Capital Markets
- Investment
- Corporate Services
- Property Management
- Government Services
- Logistics
- Property Valuation
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