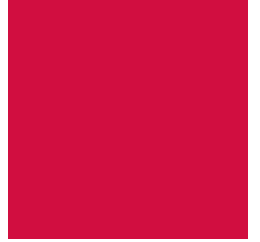
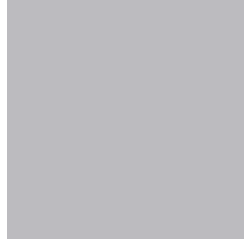
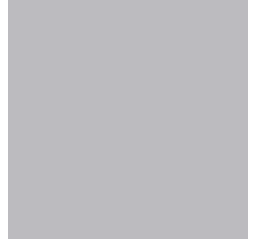
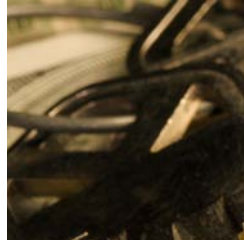
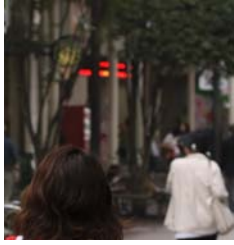
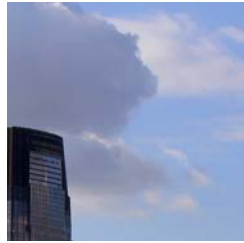


NAI JAMES E. HANSON

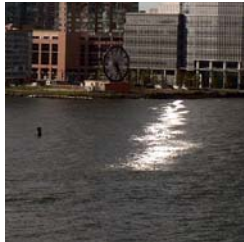
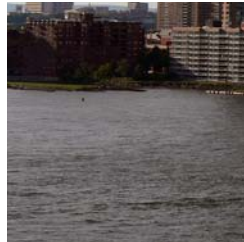
Northern New Jersey Market Report | Third Quarter 2011



Is now a good
time to refinance?

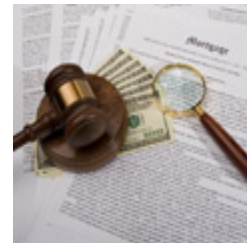


In TOUCH
with
Greg James



In TOUCH

with Greg James
Director of Capital Markets
NAI James E. Hanson



What is happening in the finance arena for Commercial Real Estate?

Now is the optimum time for owners to consider refinancing their properties. Interest rates are the lowest they have been in over 30 years and there are several finance options available for property owners.

What sources of financing are available to property owners?

Financing for commercial real estate properties offer more options than that of a traditional home loan. There are basically four (4) primary resources available for commercial real estate loans:



Gregory M. James
Mortgage Banker

Banks. Commercial and/or savings banks. This is the primary source of financing for most commercial real estate loan transactions. Banks currently offer terms between 5 and 10 years with a 25 year amortization and lend between \$1 million to \$20 million. Bank loans are currently between 4-5% depending on the term.

CMBS (Commercial Mortgage-Backed Security). CMBS loans are real estate loans that place your mortgage into a trust with other real estate loans and then are sold as bonds to investors. In our current economy, these are basically closed due to the fact that the rates are too high at 6.5%. Loans are typically made for \$5 million and up and offer 30 year amortization.

Life Insurance Companies. Life insurance companies primarily focus on financially strong borrowers with real estate assets that are "Best in Class". Loans typically are \$5 million to \$30 million and they offer low interest rates that are similar to the bank's rates of 4-5%. Loans with a 50% LTV or lower can receive sub 4% rates.

"Now is the
Best Time for a
Commercial Real
Estate Owner to
Refinance."

Multi-Family. The two primary lenders are still Fannie Mae and Freddie Mac, although banks and insurance companies have become competitive with the federal agencies in their pricing and terms and conditions during the 3rd and 4th quarter of 2011. These lenders provide the longest amortization with 30 year loans available. The typical loan is 10 years. Rates are currently between 3.75 - 4.5%. Lenders typically will provide loans up to 75% leverage.

The typical loan for a commercial property is underwritten at a 70% LTV, although lenders will go higher based on the credit worthiness of the tenant and the financial strength of the borrower.

What are the benefits of using a Commercial Real Estate Mortgage Banker instead of going directly to a bank?

Mortgage bankers have a deep knowledge of the financial market as well as the commercial real estate market and have many contacts with various loan institutions and are able to search for the best loan that suits their client. Owners can save a substantial amount of money using a mortgage banker when they are considering refinancing their properties.



NAI James E. Hanson

Northern NJ* Office Report | Third Quarter 2011

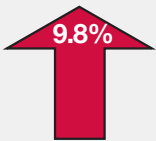


'11 vs '10:

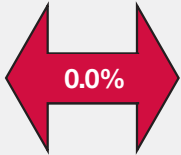
Office A
Vacancy



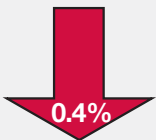
Office B
Vacancy



Office A
Rates



Office B
Rates



OVERVIEW FOR OFFICE A & B: 3rd Qtr. '11 vs. '10

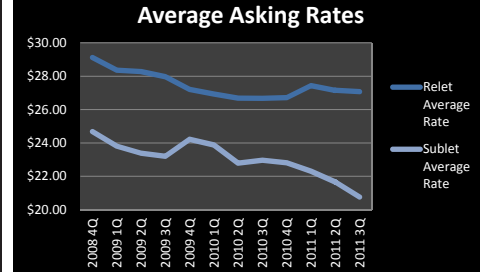
OFFICE A

- There was over 20 million sq. ft. of vacant space, a decrease of 2.3% versus 2010.
- Morris County had the most space available with 4.7 million sq. ft. vacant.
- Vacancy rates stood at 15.2%, down from 15.6% in 2010.
- Middlesex County had the highest vacancy with 19.2% of its space vacant, down from a 22.3% vacancy in 2010.
- Union County, with 284,836 sq. ft. available, had the lowest vacancy at 6.1%, down from 14.8% in 2010.
- There was over 1.7 million sq. ft. leased, a decrease of 32.4% versus 2010 when almost 2.6 million sq. ft. was leased.
- Total net absorption was 291,754 sq. ft. versus -626,163 sq. ft. in 2010, an increase of over 917,000 sq. ft.
- Rates averaged \$26.11, flat versus 2010. Rockland County demanded the highest rates at \$30.64 per sq. ft. while the lowest rates were in Somerset County at \$23.93 per sq. ft.

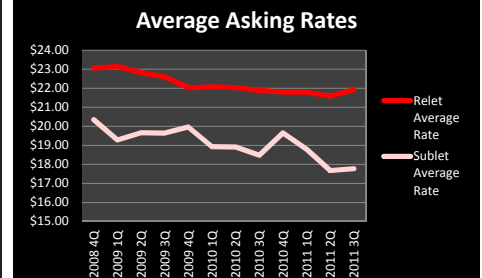
OFFICE B

- There was over 12.5 million sq. ft. of vacant space, up from 11.4 million sq. ft. in 2010, an increase of 9.8%.
- Bergen County had the most vacant space with over 2.6 million sq. ft. of available space, up 2.5% versus 2010.
- Vacancy rates were at 14.2%, up from 12.9% in 2010.
- Passaic County had the highest vacancy with 19.9% of its space vacant.
- Union County had the lowest vacancy with 7.3% of its space vacant.
- Total net absorption was -153,875 sq. ft. versus -149,638 in 2010.
- There was 487,546 sq. ft. leased, down 8.4% versus 2010.
- Morris County leased the most space with 134,730 sq. ft. leased, almost 28% of the total space leased in Northern NJ.
- Average rental rates were \$21.66 per sq. ft., down slightly from 2010's rental rates of \$21.74 per sq. ft.
- Hudson County demanded the highest rates with asking rates of \$25.13 per sq. ft.

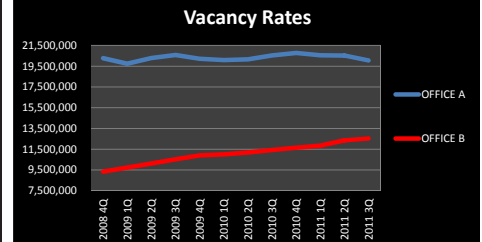
Office A



Office B



Vacancy A&B



*Northern NJ Market includes Rockland and Orange County NY

Major Office Transactions

Tenant	Size (SF)	Address	City
LifeCell Corporation	122,000	95 Corporate Drive	Bridgewater
nelnet	34,628	461 From Road	Paramus
Eaton Corp	25,000	1115 Globe Avenue	Mountainside
Hursco	16,000	22-08 State Route 208	Fair Lawn
Juniper Networks	18,119	200 Somerset Corporate Blvd	Bridgewater

*Represented by NAI James E. Hanson

Source: Costar 2011

NAI James E. Hanson

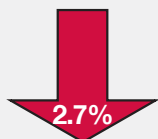
Northern NJ* Industrial Report | Third Quarter 2011



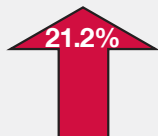
'11 vs. '10:

OVERVIEW FOR INDUSTRIAL: 3rd Qtr. '11 vs. '10

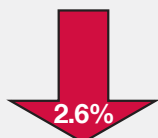
Ind. Direct
Vacancy



Ind. Sublet
Vacancy



Ind. Direct
Rates

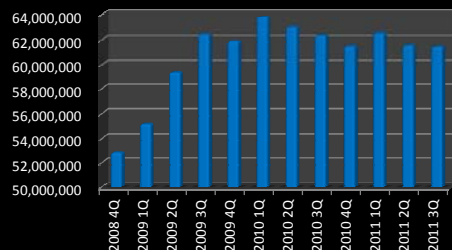


Ind. Sublet
Rates

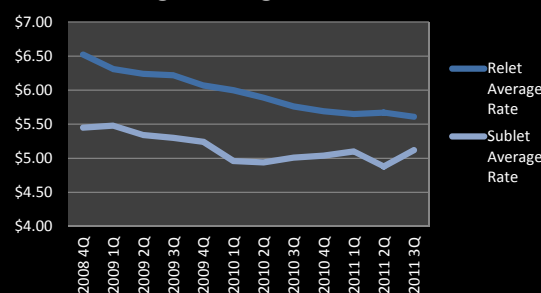


- There was over 61.4 million sq. ft. of vacant space, down 1.5% versus 2010 when there was over 62.3 million sq. ft. of vacant space.
- Middlesex County continues to have the most vacant space with over 17 million sq. ft. of space available. It has 8.1% less vacant space than it had in 2010 when there was 18.5 million sq. ft. vacant.
- Union County, with 5.7 million sq. ft. of vacant space, experienced the highest change with a 15.4% decrease in space available versus 2010 when it had 6.8 million sq. ft. of vacant space.
- Vacancy rates overall were at 8.2%, flat versus 2010.
- Sussex County had the least amount of vacant space with almost 650,000 sq. ft. available, but also had the highest vacancy of 20.6%.
- Essex County had the lowest vacancy rates with only 5.7% of its 81.6 million sq. ft. vacant.
- Rates averaged at \$5.58 per sq. ft., a decrease of 2.1% versus 2010's rates of \$5.70 per sq. ft. Relet rates averaged \$5.61 per sq. ft. and sublet rates averaged \$5.12 per sq. ft.
- Morris County's rates were the highest averaging \$6.68 per sq. ft. while Warren County's rates were lowest at \$4.36 per sq. ft.
- Rockland County experienced the largest change in asking rates with rates at \$6.71 per sq. ft. being over 20% lower than last year's rates of \$8.43 per sq. ft..
- In Northern NJ. there was a total of 6 million sq. ft. leased versus 9.2 million sq. ft. in 2010, a decrease of 34%.
- Middlesex County leased almost 2 million less sq. ft., in 2011, leasing almost 1.9 million sq. ft. versus 3.8 million in 2010.
- Total net absorption was 417,627 sq. ft., down 53% versus 2010. Hudson County had -811,752 sq. ft. absorbed, versus a -211,695 sq. ft. absorption in 2010.
- Middlesex County had the highest net absorption with almost 1.4 million sq. ft. absorbed.

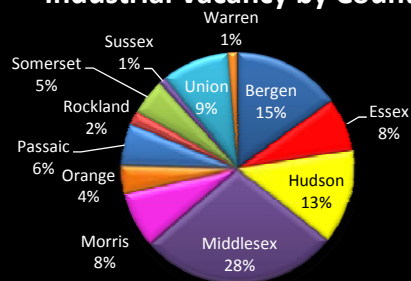
Total Vacant Industrial Space (sq. ft.)



Average Asking Rates - Industrial



Industrial Vacancy by County



*Northern NJ Market includes Rockland and Orange County NY

Major Industrial Transactions

Tenant	Size (SF)	Address	City
Carville	260,000	40 Western Road	Kearny
Walong Marketing	180,308	99 Caven Point Road	Jersey City
Ferrara Trucking	105,000	1319 N. Broad Street	Hillside
Goya*	83,825	80 Seaview Drive	Secaucus
Paradigm Packaging*	39,832	472 Barell Avenue	Carlstadt

*Represented by NAI James E. Hanson

Source: Costar 2011

NAI James E. Hanson

Northern NJ* Retail Report | Third Quarter 2011



'11 vs '10:

Retail Direct Vacancy

5.8%

Retail Sublet Vacancy

2.0%

Retail Direct Rates

4.2%

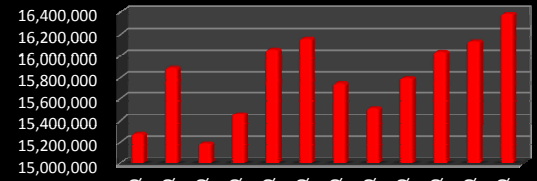
Retail Sublet Rates

8.4%

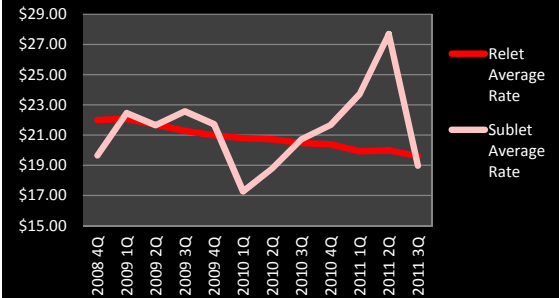
OVERVIEW FOR RETAIL: 3rd Qtr. '11 vs. '10

- There was 16.3 million sq. ft. of space available versus 15.5 million sq. ft. in 2010, an increase of 5.6 %.
- Vacancy rates averaged 6.2%, up slightly from 2010 when rates were at 5.9%. Orange County had the highest vacancy rates with 9.3% of its space vacant.
- Hudson County had the lowest vacancy rate with only 3.1% of its 35.1 million sq. ft. vacant.
- Middlesex County had the most space available with almost 2.5 million sq. ft. of vacant space. It had 18.9% more vacant space than in 2010.
- There was 773,156 sq. ft. leased with Union County leasing the most space. Union County leased 133,288 sq. ft. in 2011, a 57.8% increase vs. 2010 when only 84,477 sq. ft. was leased.
- The only other county that experienced increases in leased space was Essex County. It leased 89,338 sq. ft. versus 59,074 sq. ft. in 2010, an increase of 51.2%.
- Total net absorption was -197,812 sq. ft. with 7 out of the 12 Northern NJ counties experiencing negative absorptions. Somerset and Warren Counties had the lowest net absorptions with -107,782 sq. ft. and -121,112 sq. ft. absorbed respectively.
- Hudson County had the highest net absorption with 84,239 sq. ft. absorbed, an increase of 44.9% versus 2010 when its absorption was 58,156 sq. ft.
- Overall, total average asking rates were at \$19.60 per sq. ft. with relet rates averaging \$19.62 per sq. ft. and sublet rates at \$18.98 per sq. ft.
- Bergen County had the highest asking rates with rates averaging \$23.66 per sq. ft., a decrease of 6% versus 2010 when rates averaged \$25.18 per sq. ft.

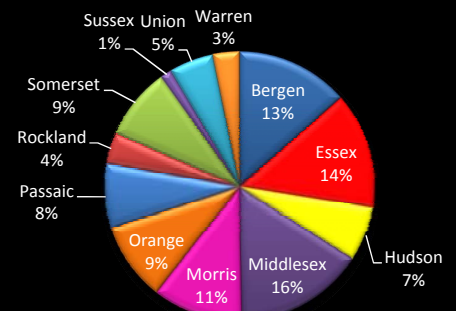
Total Vacant Retail Space (sq. ft.)



Average Asking Rates - Retail



Retail Vacancy by County



*Northern NJ Market includes Rockland and Orange County NY

Major Retail Transactions

Tenant	Size (SF)	Address	City
Dicks Sporting Goods	43,378	2700 Route 22 East	Union
Equinox Fitness	30,000	776 Route 17	Paramus
Hobby Lobby	26,745	400 Route 211 East	Middletown (NY)
Buddy's Small Lots*	13,700	1234 Route 46	Ledgewood
Jennifer Convertibles	12,000	275 Route 10 East	Roxbury

*Represented by NAI James E. Hanson

Source: Costar 2011

Featured Properties

Third Quarter 2011



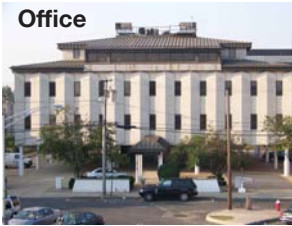
Office
LEASE - 28,601 sf
333 Route 46
Mountain Lakes, NJ



Office
SALE - 10,782 sf
469 Morris Avenue
Summit, NJ



Retail
LEASE - 17,043 sf
693 Broadway
Westwood, NJ



Office
LEASE - 1,635-5,726 sf
15 Warren Street
Hackensack, NJ



Warehouse/Flex
LEASE - 20,685 sf
135 Algonquin Parkway
Whippany, NJ



Warehouse
LEASE - 50,000 sf
1835 Burnet Avenue
Union, NJ



Warehouse
LEASE - 79,750 sf
50 Lackawanna Avenue
Parsippany, NJ



Multi-Family
SALE - 8 unit multi-family
316 Mt. Prospect Avenue
Newark, NJ



Warehouse
LEASE - 13,000 sf
18 Stefanic Avenue
Elmwood Park, NJ



Retail
LEASE - 15,000 sf pad site
Mathistown Rd/Center St.
Little Egg Harbor, NJ

**LAND AVAILABLE: 34 acres waterfront - East Otis, Berkshire County, MA ▪ 10 acres - Newton, NJ
▪ 20,000 & 36,926 sf - Paterson, NJ ▪ 14,341 & 17,797 sf - Newark, NJ ▪ 20 acres - Hampton Twp, 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:

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

NAI James E. Hanson

Commercial Real Estate Services, Worldwide.

NJ Offices: Hackensack ▪ 201 488 5800 | Parsippany ▪ 973 463 1011 | Clark ▪ 732 827 0100 | www.naihanson.com

NAI JAMES E. HANSON

Northern New Jersey Market Report | Third Quarter 2011

NAI Hanson hires industry veteran Steve De Mattheis to oversee Property Management Division.

Steve De Mattheis is our new Chief Executive Officer of NAI Hanson Management LLC, a subsidiary of NAI James E. Hanson. In addition to the 3.9 million sq. ft. of assets Hanson currently manages, Steve will be responsible for growing this division to include non-performing asset management for banks, equity funds and asset management companies.



Other senior members of NAI Hanson Management LLC are Ivette Correa, Chief Operating Officer and Virginia Conrad, Chief Financial Officer.



INDUSTRIAL SALE

125-200 Central Ave
Teterboro, NJ
209,000 sf

Gary Sauerborn, Jeff DeMagistris & Tom Vetter



Deals of the Quarter



RETAIL LEASE

1234 Route 46
Ledgewood, NJ
13,700 sf

John Schilp



J. Schilp



OFFICE LEASE

461 From Road
Paramus, NJ
34,628 sf

Mike Walters, SIOR
Russell Verducci



R. Verducci



D. Lizzack



L. Suskin



MORTGAGE NOTE SOLD
Darren Lizzack & Leonard Suskin

20 Craig Road Montvale, NJ
29,989 sf office building

INVESTMENT DEALS - Hal Messer

521 Sandy Lane
Warwick, RI

488 Bernardston Road
Greenfield, MA

332 South Main Street
Colchester, CT

106 North Main Street
Branford, CT



H. Messer

OTHER NOTABLE TRANSACTIONS

45 Mayhill Street
Saddle Brook, NJ
132,000 sf ind lease
Tom Vetter & Jeff DeMagistris

Liberty Street
Little Ferry, NJ
17,000 & 24,000 sf ind leases
Gary Sauerborn

80 Seaview Drive
Secaucus, NJ
83,825 sf ind lease
Tom Vetter & Jeff DeMagistris

4 Barrett Ave
Moonachie, NJ
21,000 ind lease
Tom Vetter & Jeff DeMagistris

619 Fairview Avenue
Fairview, NJ
Multi-Family Sale
Enn Kunnapas

472 Barell Avenue
Carlstadt, NJ
39,832 sf ind lease
Tom Vetter & Jeff DeMagistris

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5,000 professionals

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