

3Q 2018

Meadowlands Industrial Report



Meadowlands 3Q'18 Industrial Report

Meadowlands

At a Glance...

- There are currently 1,014 industrial and flex buildings of 20,000 sf or larger in the Meadowlands submarket.
- The vacancy rate is currently 2.5%.
- The average asking rate is currently \$9.78 psf nnn.

Leasing Activity

There was over 495,000 square feet leased in the third quarter. Average asking rates are up \$0.13 per square foot from the second quarter and up \$0.77 per square foot from the third quarter of 2017. Asking rates ended the third quarter at \$9.47 per square foot while vacancy ended the third quarter at 2.4%, down .4% from the previous quarter and down 1.2% from the third quarter of 2017. Net absorption ended positively with over 374,000 square feet absorbed.

Top lease transactions included Multipet International leasing 111,807 square feet at 55 Madison Circle Drive in East Rutherford; Paradigm Packaging renewing their 83,000 square feet at 1 Passaic Street in Wood-Ridge; Wisdom renewing their 58,000 square feet at 175 Broad Street in Carlstadt; and T3 leasing 46,500 square feet at 50 Cable Drive in Kearny. NAI Hanson facilitated the transaction at 175 Broad Street.

Sales Activity

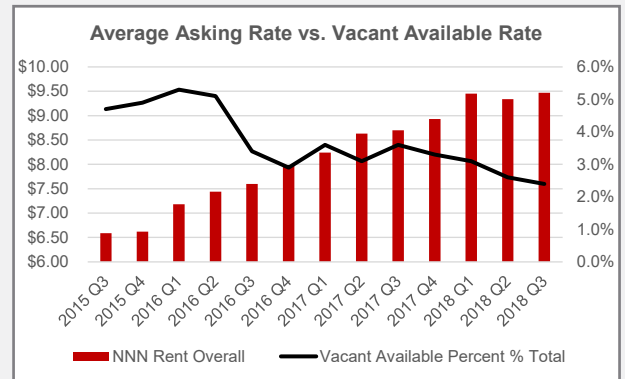
Two top sales for the quarter included 698 Route 46 in Teterboro and 560 Jefferson Avenue in Secaucus.

698 Route 46 in Teterboro sold from TIAA-CREF Investment Management, LLC to Goodman North America. The 616,992 square foot building on 27 acres is fully leased to Amazon, who has approximately 13 years left on their term. Goodman purchased the property for \$149,114,627 or \$242 per square foot.

NAI Hanson recently sold 560 Jefferson Avenue in Secaucus. Gramercy Property Trust, Inc. purchased the 82,000 square foot building from Chaus Realty LLC for \$12,400,000 or \$151 per square foot. The multi-tenanted building is 100% leased.



175 Broad Street, Carlstadt



Top Transactions for 3Q'18

SALES

698 Route 46, Teterboro
616,992 sf sold for \$149,114,627
Buyer: Goodman North America
Seller: TIAA-CREF Investment Mgmt, LLC

560 Jefferson Ave., Secaucus*
82,000 sf sold for \$12,400,000
Buyer: Gramercy Property Trust, Inc.
Seller: Chaus Realty LLC

LEASES

111,807 sf - 55 Madison Circle Dr., E. Rutherford
83,000 sf - 1 Passaic St., Wood-Ridge
58,000 sf - 175 Broad St., Carlstadt*
46,500 sf - 50 Cable Dr., Kearny

*NAI Hanson transaction

EPA approves \$332 million cleanup

Meadowlands

Scott Fallon, North Jersey Record (Published October 2, 2018)

One of the largest toxic waste cleanups ever in New Jersey will begin in two to three years under a \$332 million plan to remove pollution from Berry's Creek in the Meadowlands, federal officials announced Tuesday. The project by the U.S. Environmental Protection Agency calls for dredging sediment 2 feet deep from a long stretch of the waterway long known for having one of the highest concentrations of mercury waste in the world. The cleanup will benefit much of the Meadowlands, since Berry's Creek meanders for 6 miles through several towns.

Harmful levels of PCBs and other contaminants came from several sources, including the Universal Oil Products site in East Rutherford and the Scientific Chemical Processing site in Carlstadt. But much, if not all, of the mercury came from the 40-acre Ventron/Velsicol site in Wood-Ridge, where the toxic metal was removed from discarded lab equipment, batteries and other devices. Berry's Creek is considered part of the Ventron/Velsicol Superfund site. It will take two years to design the dredging project and more than three years to carry it out.

The Hackensack Riverkeeper advocacy group praised the cleanup as an important first step toward ridding the Meadowlands of industrial waste. The New Jersey Sierra Club said more contaminated sediment should be excavated and a cap would eventually fail due to the tidal movement of the waterway.

Properties Under Construction

ADDRESS	SIZE (SF)	COMPLETION	DEVELOPER
5 Ethel Boulevard, Wood-Ridge	193,888	1Q2019	Duke Realty Corporation
Bergen Avenue, Kearny	130,043	4Q2018	Hartz Mountain Industries, Inc.
8250 West Side Avenue, North Bergen	50,967	4Q2018	Royal Highland Realty LLC

Duke Realty recently announced the construction of **5 Ethel Boulevard** in Wood-Ridge. They are currently developing 193,805 square feet. The building will feature 36' clear height, 61' staging bays, 27 dock doors, ample trailer and car parking and other logistics-enhancing features. The property is slated for delivery in February 2019.



NAI Hanson Availabilities

575 N. Midland Avenue, Saddle Brook

Available Space: 166,000 sf Office: 6,789 sf
Ceiling Height: 14'5"-28' Loading: 17 loading docks

450 Commerce Boulevard, Carlstadt

Available Space: 70,133 sf Office: 16,000 sf
Ceiling Height: 22' Loading: 5 loading docks

80 Triangle Boulevard, Carlstadt

Available Space: 36,750 sf Office: 5,000 sf
Ceiling Height: 16'9" Loading: 2 loading docks
1 drive-in

195 North Street, Teterboro

Available Space: 19,000 sf Office: TBD
Ceiling Height: 13' Loading: Multiple loading docks



195 North Street, Teterboro

About Us

NAI James E. Hanson is committed to providing the highest quality commercial real estate services in Northern New Jersey, Southern New York and Eastern Pennsylvania and has been since it was founded in 1955.

We primarily cover Northern New Jersey and Southern New York as well as eastern Pennsylvania.

Our staff 70+ includes: **10** SIOR designees (highest in NJ)
3 CCIM designees
3 MSRE designees (NYU graduates)

We are a part of NAI Global, a managed network of **7,000** professionals with **400** offices in **35+** countries and is one of the largest commercial real estate service providers worldwide with over **425 million** SF of property



- #1 Global CRE Provider (Based on coverage by # of offices)
- #1 Network (Based on performance – Watkins and CRE Service Providers Survey)
- #1 Instructor of the Year SIOR
- #1 Network (Based on transaction volume)
- #3 Brokerage Organization (Based on RE Forum's Forum 100)
- Top Tier Brokerage Organization (National Real Estate Investor)

Meadowlands Team

Tom and Jeff have worked extensively in the Meadowlands submarket since 1999. They are members of NAR, SIOR, The Hackensack Meadowlands Chamber of Commerce, The Coalition of Commercial Real Estate Associations and the Liberty Board of Realtors.

If you are interested in selling your property, or just want to know what it's worth, call Tom or Jeff at 201-488-5800.



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