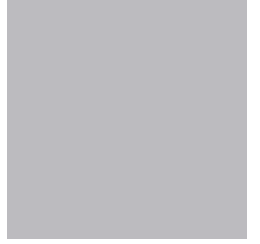


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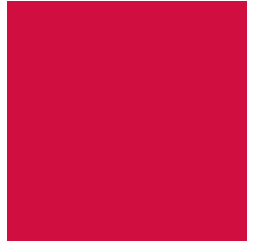
Northern New Jersey Market Report | First Quarter 2011



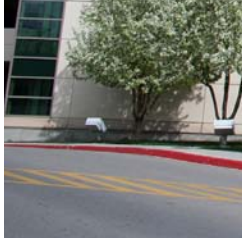
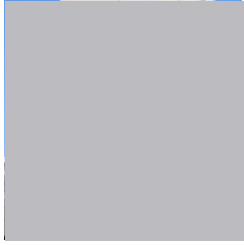
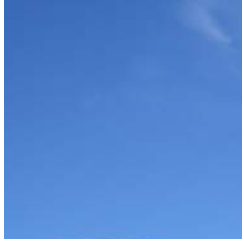
NAI Hanson wins Costar Power Broker awards for one of the Top Leasing and Sales firms!



Ronald Fotiu, of NAI Hanson wins Costar Power Broker award for a Top Leasing Broker!



Overall, vacancies are down for Industrial and Retail, but are up for Offices A & B.



There is over 116.8 million sq. ft. of commercial space available in Northern NJ.



NAI JAMES E. HANSON

Northern New Jersey Market Report | First Quarter 2011



500 Corporate Drive



3 FLEX BUILDING SOLD IN MAHWAH

270 Rt. 17 - 50,000 sf
 330 Franklin Turnpike - 29,050 sf
 500 Corporate Drive - 38,500 sf
 Kenneth D. Lundberg, SIOR

RETAIL LEASE

15,000 sf
 Route 17 North
 Ramsey, NJ
 Ronald A. Fotiu



INVESTMENT

9001 Woody Terrace
 Clinton, MD
 38,222 sf - "Clinton Gardens"

Hal B. Messer



NAI Hanson Deals of the Quarter



LAND SALE

5 acres
 Lackawanna Ave
 Woodland Park, NJ

Thomas W. Ryan



LAND LEASE

1.18 acres
 Pittstown & Frontage Rds
 Clinton, NJ

Joan Genicola

RETAIL SALE

4,036 sf
 13 Upper Mtn Ave
 Rockaway, NJ

Joan Genicola



J. Levering



B. Cohorsky

INDUSTRIAL SALE

27,600 sf
 6 Aspen Drive
 Randolph, NJ

Josh Levering, SIOR
 Barry Cohorsky



6 Aspen Drive

OTHER NOTABLE TRANSACTIONS

97 Linden Ave
 Elmwood Park, NJ
 6,120 sf office lease
 Darren Lizzack & Hal Messer

266 State Street
 Hackensack, NJ
 7,700 sf ind sale
 Dominic Fittizzi

200 Inman Ave
 Avenel, NJ
 14,790 sf ind lease
 Mike Walters, SIOR & Russ Verducci

85A Walnut Ave
 Montclair, NJ
 7,500 sf lease
 Gary Sauerborn

255 Highland Cross
 Rutherford, NJ
 22,100 sf ind sale
 Scott Perkins, SIOR

340 & 342 Seventh Street
 Jersey City, NJ
 5,000 sf multi-family sale
 Enn Kunnapas

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 | First Quarter 2011



'11 vs '10:

Office A
Vacancy

2.6%

Office B
Vacancy

4.9%

Office A
Rates

3.5%

Office B
Rates

2.3%

OVERVIEW FOR OFFICE A & B: 1st Qtr. '11 vs. '10

OFFICE A

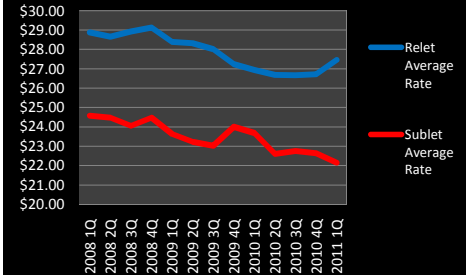
- There was over 20.2 million sq. ft. of space available, an increase of 2.6% versus 2010.
- Vacancy was 15.2%, up from 14.9% in 2010.
- Middlesex County, with the most space available at 4.8 million sq. ft., also has the highest vacancy at 22.2%.
- There was 1.7 million sq. ft. leased, a decrease of 9.7% versus 2010 when 1.9 million sq. ft. was leased.
- Net absorption was 6,978 sq. ft., versus -78,860 sq. ft. in 2010.
- Bergen County had the highest absorption with 67,255 sq. ft. absorbed, versus the lowest absorption in 2010 with -132,011 sq. ft.
- Average asking rates were \$27.48 per sq. ft., up 3.5% from rates of \$26.54 per sq. ft. in 2010.
- Rockland County demanded the highest rates at \$30.92 per sq. ft.
- Morris, Somerset and Union counties all experienced decreases in rates, while Orange County's rates increased 21.4% to \$29.80 per sq. ft.

OFFICE B

- There was over 11 million sq. ft. available versus 10.6 million sq. ft. in 2010, an increase of 4.9%
- Vacancy was at 12.5% versus 11.9% in 2010
- Bergen County had the most space available with almost 2.3 million vacant sq. ft.
- There was 522,720 sq. ft. leased, a decrease of 33.2% versus 2010 when 782,856 sq. ft. was leased.
- Overall, absorption was -5,661 sq. ft. with Essex County a the primary contributor with -55,843 sq. ft. absorbed.
- Average asking rates were \$20.86 per sq. ft., a decrease of 2.3% versus 2010 when rates were \$21.35. Hudson County still demands the highest asking rates at \$25.49 per sq. ft., which is down 2.2% versus 2010.

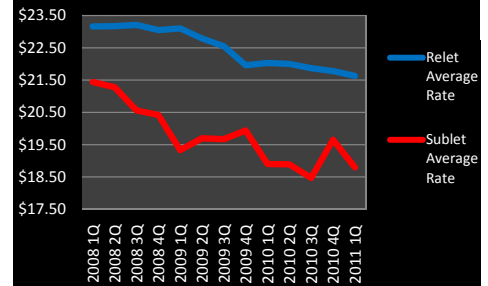
Office A

Average Asking Rates



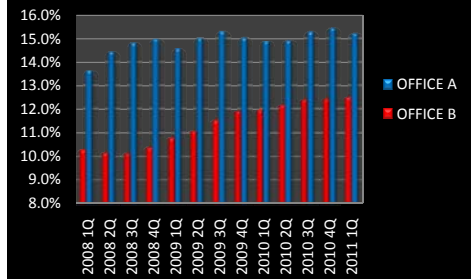
Office B

Average Asking Rates



Vacancy A&B

Vacancy 2008-2011



*Northern NJ Market includes Rockland and Orange County NY

Major Office Transactions

Tenant	Size (SF)	Address	City
Celgene	77,566 & 43,146	Connell Corp Ctr 3	Berkeley Heights
Atlantic Health System	189,999	Southgate Corporate Ctr.	Morristown
Fidelity	181,225	499 Washington Blvd	Jersey City
L'Oreal	77,795	50 Connell Drive	Berkeley Heights

Source: Costar 2011

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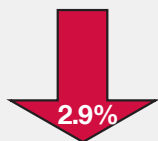
Northern NJ* Industrial Report | First Quarter 2011



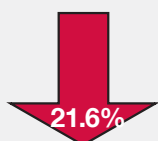
'11 vs. '10:

OVERVIEW FOR INDUSTRIAL: 1st Qtr. '11 vs. '10

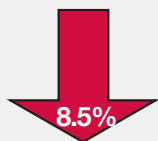
Ind. Direct Vacancy



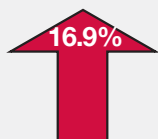
Ind. Sublet Vacancy



Ind. Direct Rates

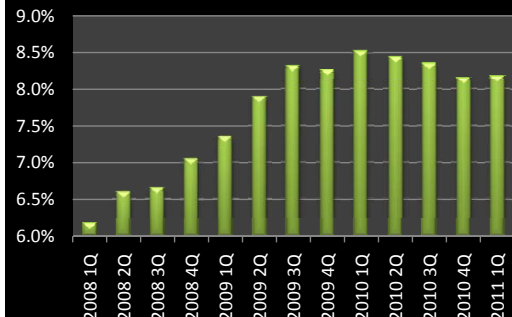


Ind. Sublet Rates

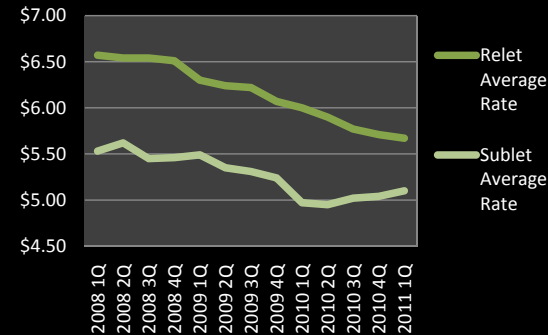


- During the 1st quarter of 2011, there was over 60.9 million sq. ft. of vacant space, down 4% versus 2010.
- Over 30% of the vacant space in Northern NJ is in Middlesex County, which had over 18.8 million sq. ft. available.
- Vacancy was at 8.2%, down from 8.5% in 2010.
- Net absorption was -1.5 million sq. ft. versus -2.4 million sq. ft. in 2010, an 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.
- 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 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.

Vacancy 2008- 2011



Average Asking Rates



*Northern NJ Market includes Rockland and Orange County NY

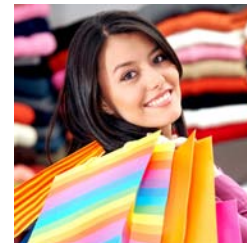
Major Industrial Transactions

Tenant	Size (SF)	Address	City
I/O Data Center	830,000	Turnpike 10 Commerce Center	Edison
Joshen Paper	202,705	45 Distribution Blvd	Edison
Drive Medical	160,042	Docks Corner SG Phase II	So. Brunswick
Circle Glass, Inc.	159,000	AMB Franklin Commerce Center	Somerset
Prologis	125,736	Int'l Trade Center	Mt. Olive

Source: Costar 2011

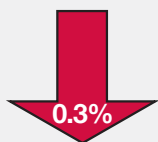
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Northern NJ* Retail Report | First Quarter 2011



'11 vs '10:

Retail Direct Vacancy



Retail Sublet Vacancy



Retail Direct Rates



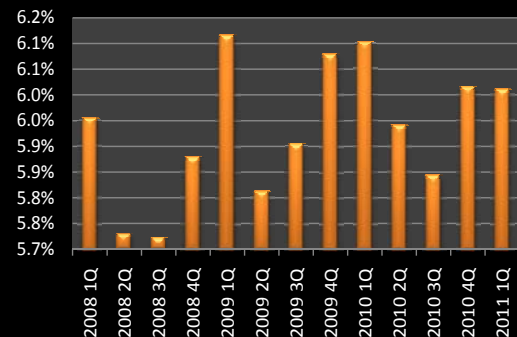
Retail Sublet Rates



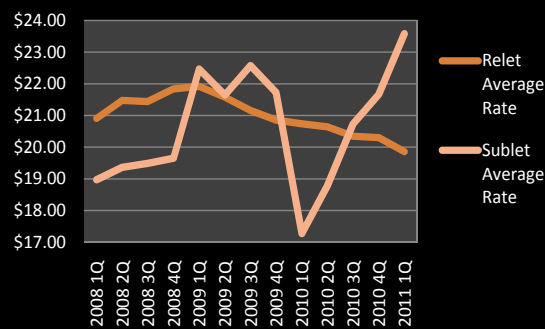
OVERVIEW FOR RETAIL: 1st Qtr. '11 vs. '10

- There was 15.6 million sq. ft. of vacant retail space in the 1st quarter of 2011, down slightly from 15.8 million sq. ft. in 2010.
- Bergen & Middlesex Counties continue to have the most space available with 2.0 and 2.5 million sq. ft. respectively.
- Vacancy rates overall changed slightly (6.0% versus 6.1%), however the largest changes in vacancy were for Hudson County, which experienced a 27.6% change (had almost 400,000 less sq. ft. available) and Middlesex County, which had over 278,000 *more* sq. ft. available (change of 12.3%).
- Hudson County has the lowest vacancy with only 3.2% of its space vacant, the lowest on record.
- Middlesex County has the highest vacancy with 7.1% of its space vacant, up from 5.9% in 2010.
- Total net absorption was 331,548 sq. ft. versus a -1,878 sq. ft. in 2010.
- Passaic and Sussex Counties were the only counties which leased more space in 2011 versus 2010.
- Bergen County leased the most space with 116,051 sq. ft. leased.
- Average asking rates were at \$18.87 per sq. ft., down 4.2% versus 2010.
- Relet rates were \$18.83 per sq. ft. down 5% versus 2010.
- Sublet rates at \$22.38 were up 10% versus 2010.
- Bergen County, with the highest retail rates, had average asking rates of \$24.42 per sq. ft., down 4.3% versus 2010 when rates were \$25.53 per sq. ft. These are the lowest rates since 2006, when rates were as low as \$21.99 per sq. ft.

Vacancy 2008-2011



Average Asking Rates



*Northern NJ Market includes Rockland and Orange County NY

Major Retail Transactions

Tenant	Size (SF)	Address	City
Michael's	25,144	1099 Route 46	Parsippany
Deal\$	18,200	Bloomfield Plaza	Bloomfield
Compare Foods	16,000	Clifton Plaza	Clifton
Bazooka Gym	10,000	6401 Kennedy Blvd	West New York
Dollar General	9,500	Riverside Shopping Center	Paterson

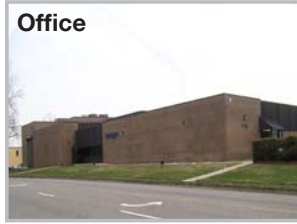
Source: Costar 2011

Featured Properties



Warehouse

LEASE - 157,822 sf
700 Bartley Chester Road
Mt. Olive (Flanders), NJ



Office

SALE - 41,000 sf
100 Moonachie Ave
Moonachie, NJ



Learning Experience Facility

INVESTMENT - 10,000 sf
2176 Route 206
Montgomery Twp, NJ



Approved for 64 Garden Apts

INVESTMENT
18-35 River Road
Fair Lawn, NJ



Signalled intersection

RETAIL LAND LEASE
Corner of Route 24 & 206
Chester, NJ



Warehouse

LEASE 70,588 sf
343 Walsh Drive
Parsippany, NJ



Brand New- 3 Bldgs

SALE - 1,500-16,000 sf
111 Route 31 South
Raritan, NJ



Retail

UEZ - 3.5% tax

SALE - 8,300 sf
5905 Kennedy Blvd
North Bergen, NJ



MULTI-FAMILY FOR SALE
7 apts + retail-Paterson, NJ
6 apts + retail-Union City, NJ



Multi-Family

INVESTMENT - 22 apts.
619 Fairview Ave
Fairview, NJ

**NJ LAND FOR SALE: Mine Hill: 80 acres zoned Industrial.
Close to Route 10. Only a few parcels of this type left in area!**

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

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