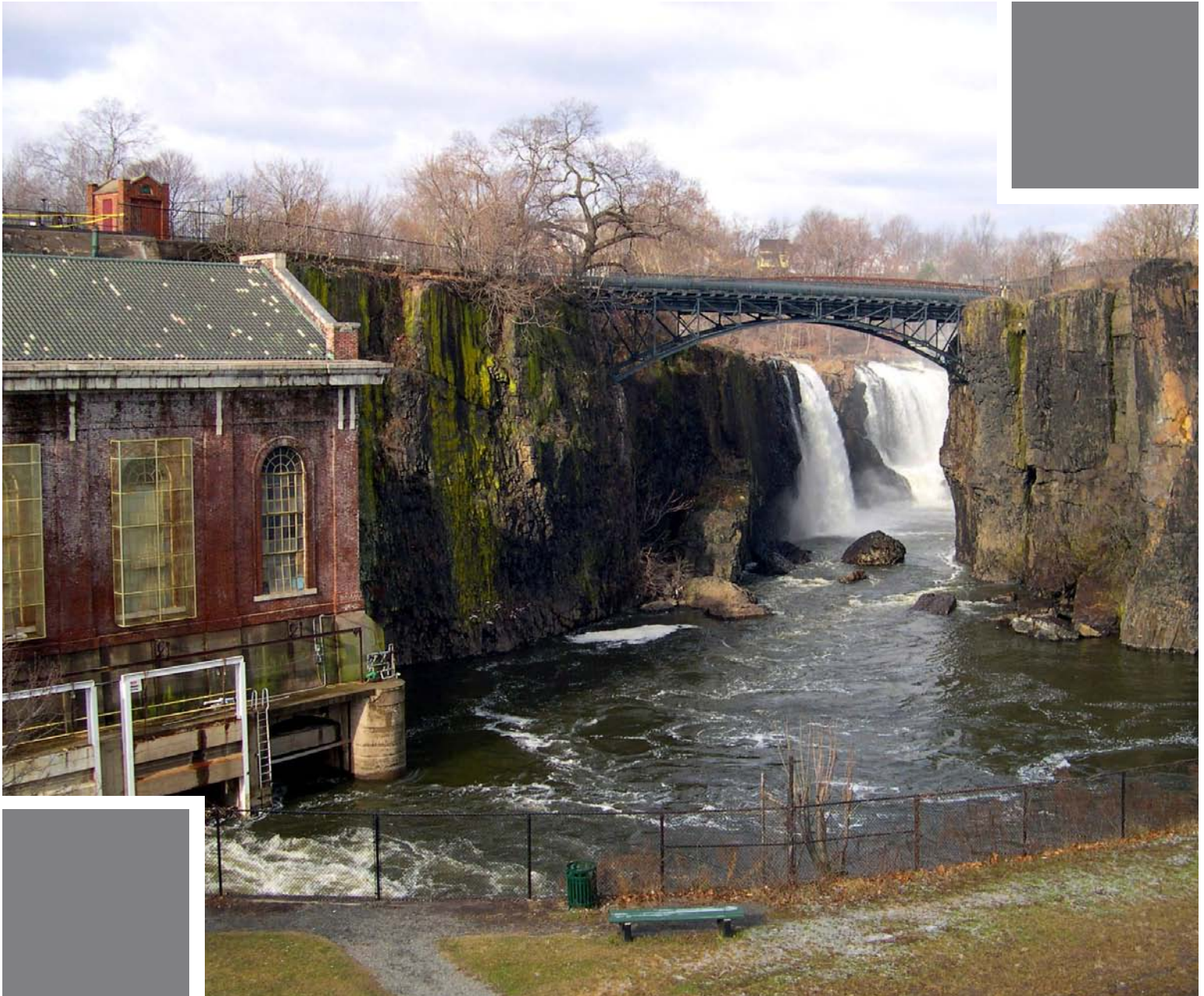


# NAI JAMES E. HANSON

Northern New Jersey Market Report - First Quarter 2008



# NAI James E. Hanson

Office Report | First Quarter 2008

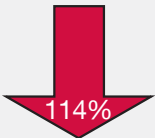


## '08 vs '07:

Vacancy Rate



Net Absorption



New Deliveries



Asking Rents



## OVERVIEW:

### Office A

#### Vacancy

- Hudson County had the lowest vacancy at 7.1%
- Passaic County had the largest vacancy at 20.1%
- Morris County had the most space available with over 3.2 million square feet.
- Bergen County experienced a 39.6% increase in vacancies (660,368 more square feet available).

#### Rates

- Hudson County continues to demand the highest rates with rates at \$32.98
- Essex County had the largest rate increase (5.7%) with rates at \$28.79 (vs. \$27.25 in 2007).

### Office B

#### Vacancy

- Union County had the lowest vacancy rates at 3.9%
- Orange County experienced the largest increase in vacancies, increasing 65% (7.4% to 12.3%).
- Bergen County had the most space available with over 1.5 million square feet available.

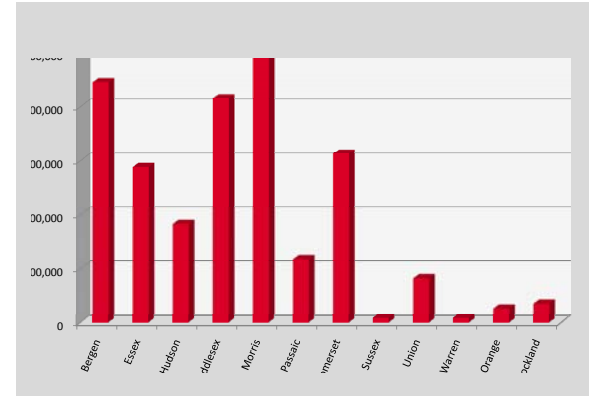
#### Rates

- Hudson County demanded the highest rates at \$23.95 per square foot, but experienced a 1.2% decrease in rates vs. 2007 rates.
- The largest rate increase occurred in Orange County, with rates at \$21.89, an increase of 2.6% versus 2007.

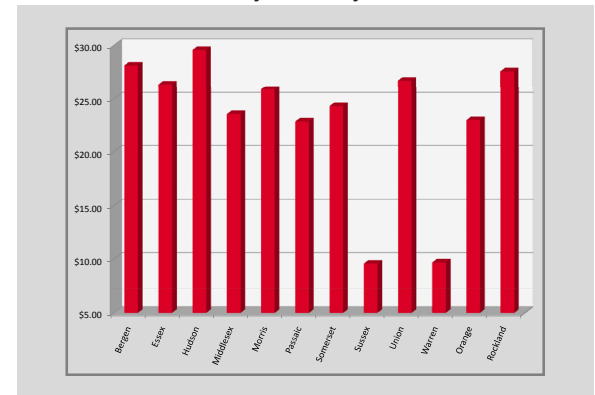
#### Net Absorption

- Net Absorption for Offices A & B (combined) decreased 114%
- Class B's net absorption increased 200%
- Class A's net absorption was the lowest since 2001

Vacancy by County (sf)



Average Asking Rental Rates by County



## Major Lease Transactions

Tenant:	Building:	Size (SF):	Submarket:
Celgene Corporation	Liberty Corner Corp Ctr	39,994	Route 78 East
EMI Capital Records	Harborside Financial Ctr Plaza 10	34,781	Hudson Waterfront
Motorola	5 Paragon Dr	30,848	Upper Parkway
QUALCOMM Incorporated	Somerset Corporate Center - Bldg 5	30,000	Route 22 West
Eisai Medical Research Inc.	UJB Bldg	15,814	Teaneck/Ridgefield

Source: Costar 2008

# NAI James E. Hanson

Office Report | First Quarter 2008



## Class A & B Market Statistics

SUBMARKET	# BLDGS	TOTAL RBA	TOTAL AVAIL (SF)	TOTAL VACANT AVAIL (%)	TOTAL NET (Absorption (SF))	UNDER CONST.	AVG. RATES (\$/SF/YR)
Brunswick	352	7,188,348	1,057,526	14.7%	(48,940)	20,896	\$24.57
GW Bridge	315	8,288,409	931,580	11.2%	(128,415)	80,346	\$29.53
Hackensack	196	4,604,866	469,921	10.2%	(54,849)	-	\$23.77
Hudson Waterfront	508	26,584,669	2,824,901	10.6%	253,743	-	\$31.36
Hunterdon	113	2,132,748	539,881	25.3%	97,781	26,981	\$22.93
Meadowlands	232	8,212,303	1,768,877	21.5%	21,167	-	\$27.30
Monroe	33	520,436	35,387	6.8%	(3,689)	-	\$20.21
Morristown Region	299	14,567,812	1,922,131	13.2%	179,287	15,700	\$29.45
Newark	275	19,465,803	2,168,938	11.1%	(49,034)	-	\$25.20
Newburgh	156	1,672,706	172,960	10.3%	11,151	-	\$22.14
North 17 Corridor	105	3,832,227	304,237	7.9%	(8,934)	-	\$24.27
North Central Bergen	144	1,906,004	103,870	5.4%	4,580	-	\$27.11
North Edison/Woodbridge	159	7,252,357	665,086	9.2%	(61,630)	-	\$32.59
Orangetown	27	2,108,029	162,264	7.7%	9,119	-	\$25.59
Palisades	111	1,357,871	69,547	5.1%	(19,594)	9,000	\$24.64
Parkway Cranford Corridor	394	6,499,525	576,172	8.9%	(15,077)	-	\$23.70
Parsippany	302	18,193,844	2,940,899	16.2%	(40,045)	242,292	\$26.10
Passaic Rt 46/23	281	9,455,991	1,473,784	15.6%	(19,687)	68,640	\$22.27
Passaic Urban Region	73	1,282,521	66,031	5.1%	1,382	-	\$14.94
Princeton North	367	16,298,087	1,916,365	11.8%	(72,592)	-	\$25.08
Princeton South	759	24,682,494	3,317,717	13.4%	147	313,939	\$27.52
Ramapo	43	896,218	47,779	5.3%	(5,900)	24,000	\$28.14
Route 208 Corridor	100	1,766,203	171,488	9.7%	(18,739)	-	\$22.92
Route 22 East	465	6,499,202	583,452	9.0%	(7,096)	-	\$23.49
Route 22 West	249	6,700,633	902,793	13.5%	67,054	-	\$26.04
Route 287	274	14,795,097	3,348,697	22.6%	63,830	-	\$20.42
Route 3/GSP	325	4,947,583	497,203	10.0%	(52,585)	-	\$24.13
Route 4/17	156	6,084,560	769,094	12.6%	(34,830)	65,500	\$27.68
Route 46 Corridor	97	2,750,327	477,175	17.3%	(48,000)	-	\$24.47
Route 78 East	304	19,877,782	2,082,797	10.5%	(138,828)	191,951	\$27.73
Route 78 West	85	3,383,230	252,505	7.5%	132,540	11,739	\$24.06
Short Hills/Millburn	91	2,187,959	120,903	5.5%	122	-	\$32.97
South Edison	384	5,882,772	717,915	12.2%	(29,833)	145,748	\$23.23
Suburban Essex/Rt 280	279	10,996,618	1,374,089	12.5%	(342,536)	-	\$27.69
Teaneck/Ridgefield	73	2,293,834	665,926	29.0%	(2,503)	-	\$33.17
Upper Parkway	78	5,288,504	693,765	13.1%	(64,324)	-	\$30.14
Urban Essex	241	3,477,911	290,397	8.3%	14,429	-	\$19.97
Western Bergen	39	1,928,326	5,584	0.3%	1,266	-	\$20.18
Western Morris	299	4,929,885	1,278,413	25.9%	46,071	16,000	\$22.92
<b>TOTAL MARKET</b>	<b>8,783</b>	<b>290,793,694</b>	<b>37,768,049</b>	<b>13.0%</b>	<b>(363,991)</b>	<b>1,232,732</b>	<b>\$25.37</b>

Source: Costar 2008

# NAI James E. Hanson

Industrial | First Quarter 2008

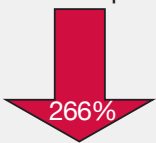


'08 vs. '07:

Vacancy Rate



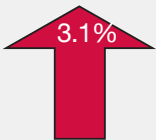
Net Absorption



New Deliveries



Rental Rates



## OVERVIEW:

### Vacancy

- Vacancies averaged 9.4% in the first quarter of 2008.
- The county with the highest vacancy was Sussex County with 23.1% vacancy.
- Essex County had the lowest vacancy at 4.1%.
- The most square footage available was in Middlesex County with over 13.8 million square feet available.
- Exit 8A's vacancy represented 62% of all Northern New Jersey's vacant space with over 8.5 million square feet available.

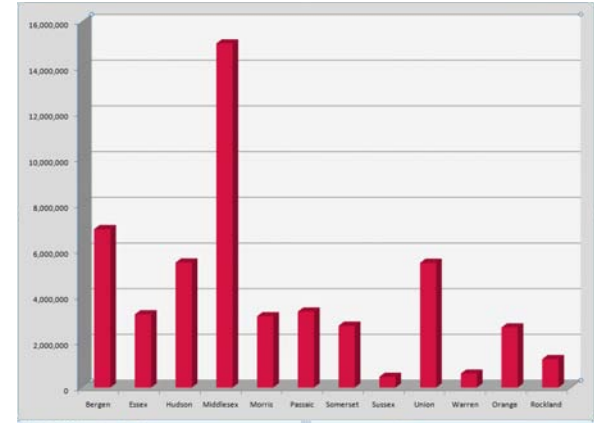
### Rental Rates

- Average Rental rates by County were \$6.67 (vs. \$6.47 in the first quarter of 2007), representing a 3.1% increase.
- Morris County continues to demand the highest rates asking \$8.00 per square foot.
- Warren County's rates increased 10.3% versus 2007.
- The submarket with the highest rate was Paramus with rates of \$14.13 (Paramus only has a .24% share of total vacancies).
- The least expensive rate in the submarkets was the Trenton/295 area with rates at \$4.75 per square foot.

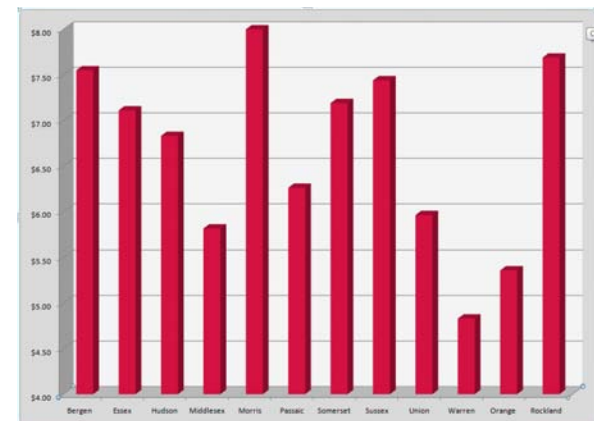
### New Deliveries

- There were 12 **new buildings** (1.6mil sf) delivered during the first quarter of 2008, versus 8 buildings (406,226 sf) in the first quarter of 2007.
- There was a 50% increase in the number of buildings, yet a 291% increase in the square footage, concluding that new deliveries were much larger in size in 2008.
- Deliveries included 7 Nicholas Court, a 200,000 sf building in South Brunswick, a 143,756 sf building in Elizabeth, and 2400 Route 1, a 100,000 sf building in North Brunswick.

Vacancy by County (sf)



Average Asking Rental Rates By County



## Major Lease Transactions

Tenant:	Building:	Size (SF):	Submarket:
APA Logistics	150 Pulaksi Street	225,029 sf	Hudson Waterfront
Breeze-Eastern Corporation*	700 Liberty Ave	168,000 sf	Route 78/22 East
PETCO Animal Supplies Stores, Inc.	1250 S River Rd	142,915 sf	Exit 8A Ind
Aurobindo USA, Inc.	102 Melrich Rd	103,350 sf	Exit 8A Ind
Armstrong Tile	100 Alexander Ave	95,000 sf	Route 23/I-287

\*renewal

Source: Costar 2008

# NAI James E. Hanson

Industrial Report | First Quarter 2008



SUBMARKET/CLASS	# BLDGS	TOTAL RBA	TOTAL AVAIL (SF)	TOTAL % VACANT AVAIL	TOTAL NET (Absorption (SF))	UNDER CONSTRUCTION	QUOTED RATES
Brunswick/Exit 9	346	27,740,824	1,530,808	5.5%	295,721	-	\$5.28
Carlstadt/Rutherford	449	21,702,439	1,265,530	5.8%	(25,113)	-	\$7.18
Carteret/Avenel	235	21,688,981	2,366,827	10.9%	102,060	-	\$6.21
Central Union	286	10,800,256	303,912	2.8%	(39,885)	-	\$6.43
East Newark	394	24,170,745	961,621	4.0%	2,160	-	\$6.29
Eastern Morris	361	21,307,201	1,552,089	7.3%	(27,181)	-	\$8.41
Elizabeth	254	23,240,913	3,481,985	15.0%	(495,428)	-	\$6.14
Englewood/Edgewater	328	11,596,942	769,144	6.6%	(73,555)	-	\$7.34
Exit 10	446	44,317,444	2,067,043	4.7%	201,665	183,392	\$5.61
Exit 8A	349	61,632,779	8,565,080	13.9%	32,561	821,376	\$5.58
Fairfield	362	14,231,046	654,764	4.6%	42,607	-	\$7.97
Hackensack/Teaneck	308	6,778,821	727,681	10.7%	5,875	-	\$7.94
Hudson Waterfront	721	37,228,645	2,912,393	7.8%	430,793	878,564	\$6.24
Hunterdon	88	6,531,106	964,837	14.8%	190,509	-	\$6.16
Linden	277	11,697,496	863,616	7.4%	(213,154)	400,246	\$5.63
Lyndhurst/Harrison	299	23,322,151	1,458,476	6.3%	60,894	-	\$6.24
Morristown Region	107	6,156,359	219,230	3.6%	99,923	-	\$8.24
Northeast Bergen	239	7,204,628	279,216	3.9%	43,582	-	\$9.00
Northwest Bergen	405	19,764,165	1,287,650	6.5%	126,947	-	\$8.12
Orange County	333	22,480,102	2,902,012	12.9%	(63,583)	1,725,440	\$5.47
Paramus	34	1,422,133	99,353	7.0%	12,440	-	\$14.13
Paterson	441	17,498,578	787,464	4.5%	(132,227)	-	\$5.32
Perth Amboy/GSP	286	17,838,962	590,586	3.3%	(101,209)	1,180,894	\$6.92
Princeton	75	5,621,042	150,016	2.7%	27,110	191,726	\$9.42
Rockland County	223	13,486,834	1,366,019	10.1%	(137,151)	-	\$8.96
Route 23/I-287	60	2,504,536	358,119	14.3%	(784)	-	\$6.63
Route 280 Corridor	182	6,931,769	378,304	5.5%	16,161	-	\$7.53
Route 3/GSP	430	21,244,313	1,449,131	6.8%	186,486	-	\$5.81
Route 46 Corridor	368	16,545,609	1,100,599	6.7%	48,979	-	\$5.98
Route 78/22 East	611	24,388,369	1,272,893	5.2%	(107,353)	-	\$5.36
Route 80 Corridor	283	16,225,986	1,326,386	8.2%	143,201	107,748	\$7.36
Secaucus/North Bergen	321	33,813,678	2,010,919	5.9%	494,302	-	\$6.32
Somerset	540	33,716,976	2,758,669	8.2%	(69,430)	86,400	\$8.74
Suburban Essex	213	12,726,452	265,623	2.1%	13,069	-	\$6.64
Suburban Passaic	24	464,108	96,334	20.8%	(36,764)	-	\$5.58
Sussex County	73	1,840,078	459,069	24.9%	(25,427)	-	\$7.30
Teterboro Airport	423	20,655,598	1,708,274	8.3%	(186,391)	140,838	\$7.14
Trenton/295	458	28,895,271	5,213,869	18.0%	417,405	149,804	\$4.75
Upper Route 46/23	215	14,365,024	1,006,822	7.0%	(3,075)	-	\$6.89
Warren	93	5,169,504	676,350	13.1%	(20,000)	156,901	\$5.35
West Newark	490	18,655,632	771,294	4.1%	(79,030)	191,196	\$5.62
Western Rt 287	560	27,873,636	1,899,932	6.8%	344,648	-	\$6.09
<b>MARKET TOTAL</b>	<b>12,990</b>	<b>765,477,131</b>	<b>60,879,939</b>	<b>8.0%</b>	<b>1,502,358</b>	<b>6,214,525</b>	<b>\$6.89</b>

Source: Costar 2008

# Our Listings

at NAI James E. Hanson

Below are several of our new exclusive properties



FOR SALE - 12,500± sf  
19-21 Fenwick Street  
Newark, NJ



FOR SALE/LEASE - 20,653 sf  
608-610 Newark Ave  
Jersey City, NJ



FOR SALE - 13,566 sf  
1194 Main Avenue  
Clifton, NJ



FOR LEASE - 22,400 sf  
17 Edgeboro Drive  
East Brunswick, NJ



FOR LEASE - 1,200 sf  
434 Lakeview Avenue  
Clifton, NJ



FOR SALE/LEASE - 15,000 sf  
10 Malcolm Avenue  
Teterboro, NJ



FOR SALE - 37,500 sf  
30 Corporate Drive  
Orangeburg, NY



FOR LEASE - 7,000 sf  
440 West Street  
Fort Lee, NJ



FOR LEASE - 10,000 sf  
90 Porete Avenue  
North Arlington, NJ



FOR LEASE - 650 sf  
180 Grand Avenue  
Hackensack, NJ

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Our core services include:

- Industrial
- Office
- Retail
- Land
- Investment
- Corporate Services
- Property Management
- Government Services
- Logistics
- Tenant Representation
- Property Valuation
- Financing

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