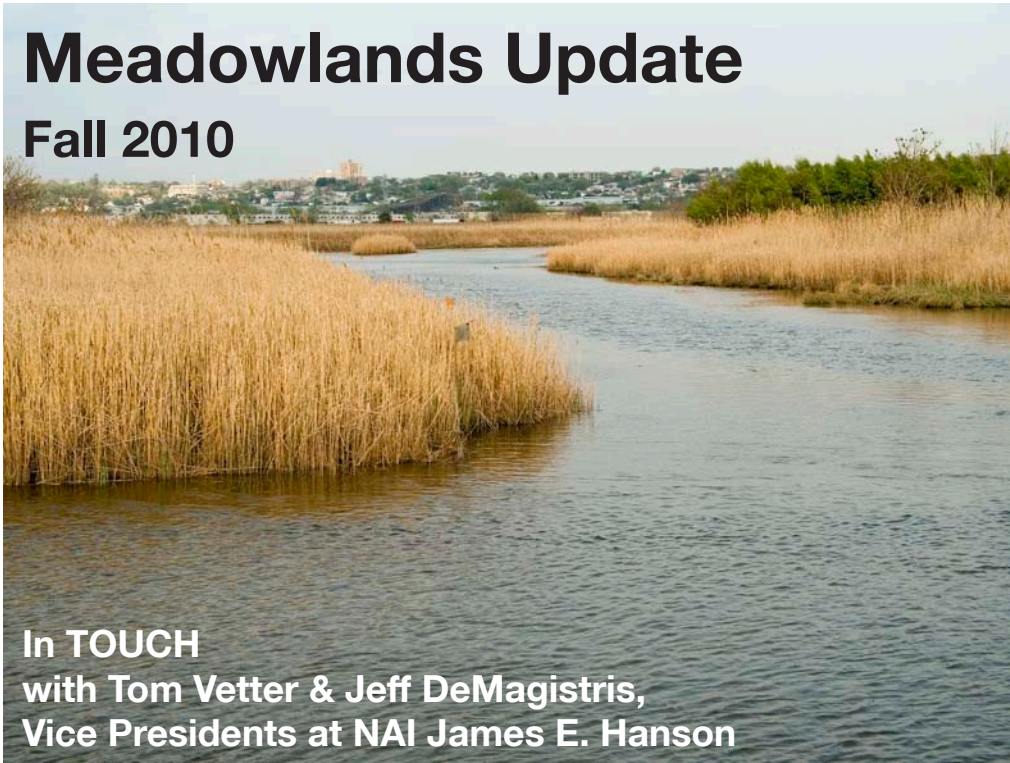


# Meadowlands Update

Fall 2010



**In TOUCH**  
with Tom Vetter & Jeff DeMagistris,  
Vice Presidents at NAI James E. Hanson



## How is the leasing activity in the Meadowlands year to date in 2010?

Leasing activity in the Meadowlands industrial market has shown steady improvement throughout the year with a solid increase in the number of transactions completed compared to a year ago. More important than the number of transactions, is the length of the leases. In 2009 many of the transactions were short term leases, extensions of existing leases, and reduction of space. This year there are more long term commitments and more companies willing to move. This is a positive sign for the economy on the whole, although some of it may be attributed to a reduction in price. At the end of the third quarter 2009 the average asking rental rate for industrial buildings in the Meadowlands was \$6.65 per square foot compared to \$5.90 per square foot a year later.

“ Landlords are understandably reluctant to commit long term using today’s rental rates and prefer instead to make short term deals”

## How does activity compare to last year’s activity?

It has definitely improved. Last year, companies were reluctant to make long term real estate decisions. The uncertainty on Wall Street, and the economy in general had companies focused on their core businesses. Most companies did not have enough confidence to do any long term planning with their real estate. In 2010 we’ve seen some of last year’s pent-up demand hit the industrial market. While fear and uncertainty still exists with regard to our national economy, the number of deals completed during the first two quarters of 2010 versus the same period in 2009 shows a positive trend. Net absorption (total sq. ft. leased less total sq. ft. vacated) for the first half of 2010 was a negative 847,000 square feet, however it is an improvement compared to the negative 2,385,386 square feet during the same time period a year ago.

An interesting dynamic we are seeing between landlords and tenants is that many of the tenants in the market are trying to lock in today’s lower rental rates for long term leases. It’s not in every case, but if a company is doing well and has confidence that it will continue to do so, as well as confidence in the business climate, it will often try to capitalize on today’s reduced rates. Landlords are understandably reluctant to commit long term using today’s rental rates and prefer instead to make short term deals (i.e. two or three year leases).

# Overview



## Are there any particular concessions that need to be made to complete deals these days?

Many landlords understand the difficult times we are experiencing and are offering more free rent. It is not unusual for a landlord to give a tenant three or four months of free rent at the start of a new lease. Before the economy turned, in the fall of 2008, landlords would typically give a month or two free for a good credit tenant. The idea of free rent is not new it's just an area where landlords have learned to be more flexible in order to complete deals.

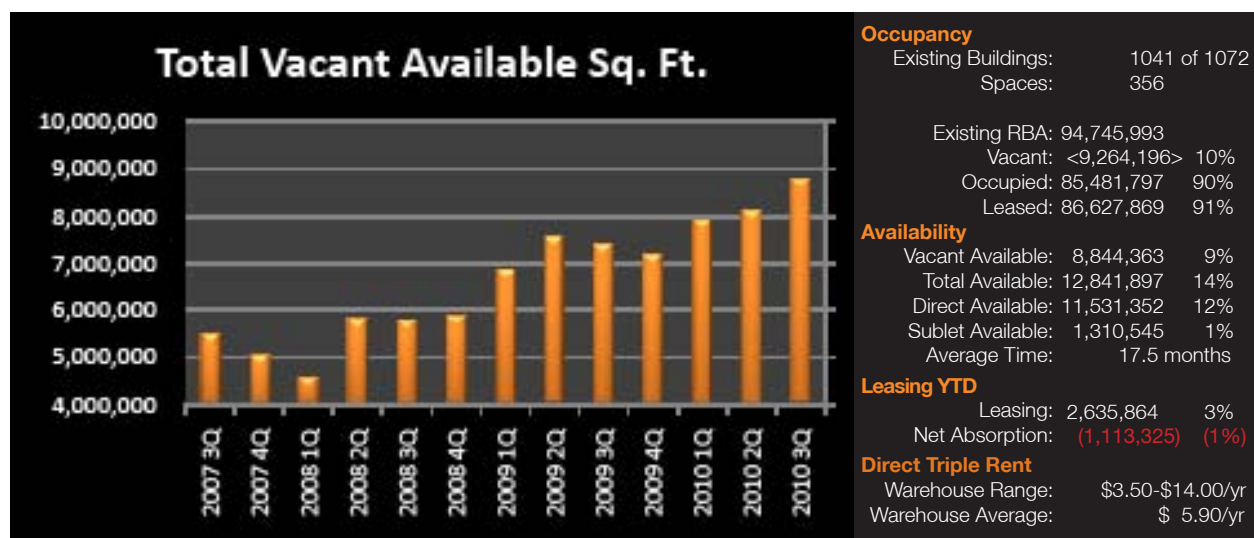
## Have you always specialized in the Meadowlands area, or did this evolve from something else?

When we came into the business almost 11 years ago, we came in as a team. At that time Bill Hanson felt that NAI James E. Hanson needed a stronger presence in the Meadowlands Market. Bill's instructions, when he hired us, were to learn about the "players" in the Meadowlands Market, get to know them and get them to think of us whenever they have a real estate need. We have been friends for years, so the prospect of introducing ourselves to the 2,000 plus business owners in the Meadows was far less daunting as a team.

The roster of businesses in the Meadowlands is forever changing, and there will always be tremendous competition to service all the companies in the Meadowlands. We've made great progress in the last ten years and intend to make even more progress in the next ten.

## Do you think the new Giant's Stadium and Xanadu will have any impact on the commercial real estate sector?

I don't think the new stadium will have much of an impact since we've had a stadium in the Meadowlands since 1976. I think in the long run, Xanadu, now called "The Meadowlands", may be a different story. While it's impossible to say now just how much of an impact "The Meadowlands" will have, I don't think you can open a retail & entertainment complex of two million square feet & *not* have it impact the local real estate market. However, I do not think it's wise to try to invest in Meadowlands properties today with the sole hope of cashing in on "The Meadowlands" down the road.

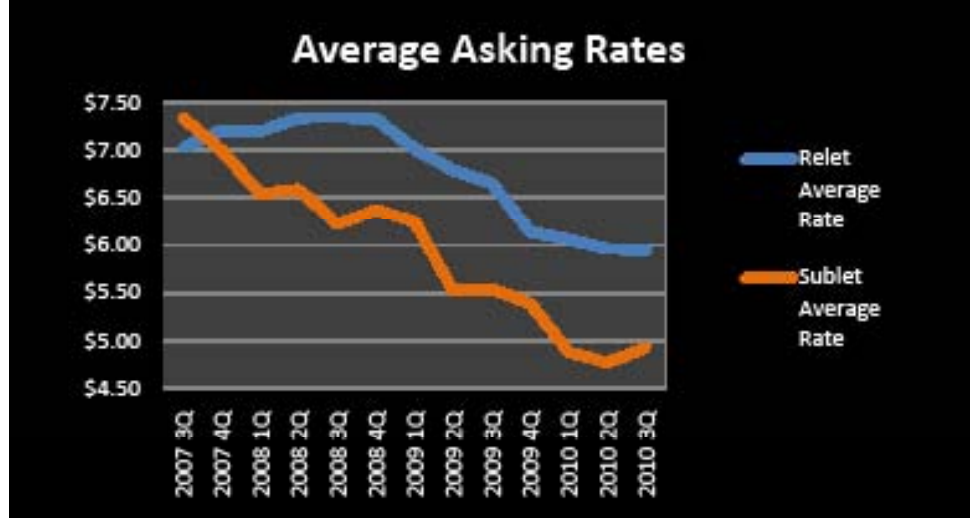
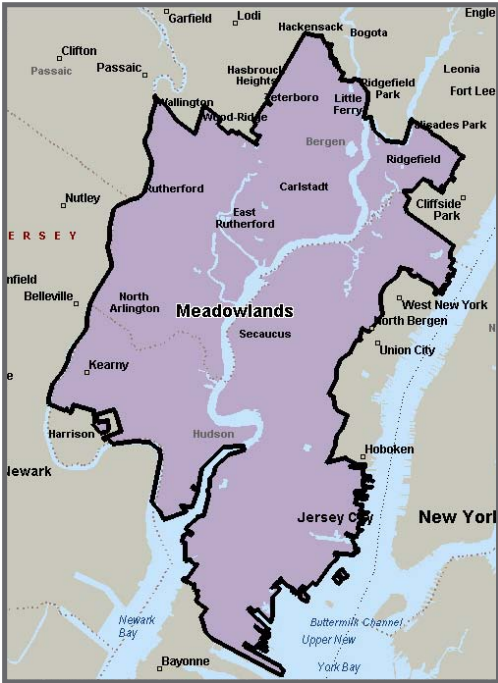


Costar 2010 - based on buildings 20,000-5,000,000 sq. ft.



# Meadowlands Area

## Asking Rates and Current Availabilities



Costar 2010 - based on buildings 20,000-5,000,000 sq. ft.

### Our 2010 Meadowlands Transactions



472 Barell Ave	Carlstadt	39,832 sq. ft.
7 Purcell Court	Moonachie	28,843 sq. ft.
131 W. Commercial Avenue	Moonachie	27,413 sq. ft.
165 Chubb Avenue	Lyndhurst	24,448 sq. ft.
165 Chubb Avenue	Lyndhurst	21,080 sq. ft.
390 Starke Road	Carlstadt	19,225 sq. ft.
600 Huyler Street	South Hackensack	9,500 sq. ft.

### Our Availabilities



125-200 Central Avenue	Teterboro	209,512 sq. ft.
490 Huyler Street	South Hackensack	71,000 sq. ft.
131 W. Commercial Avenue	Moonachie	24,586 sq. ft.
482 Barell Avenue	Carlstadt	35,636 sq. ft.
95 Broad Street	Carlstadt	30,000 sq. ft.
30 Wesley Street	South Hackensack	27,093 sq. ft.
131 W. Commercial Avenue	Moonachie	23,754 sq. ft.
275 Huyler Street	South Hackensack	22,000 sq. ft.
205 Chubb Avenue	Lyndhurst	20,479 sq. ft.
60 Saddle River Avenue	South Hackensack	15,000 sq. ft.



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**Background & Experience:**

Tom and Jeff have successfully represented several prominent Meadowlands landlords including Russo Development, The Hampshire Companies and Joseph L. Muscarelle, Inc. They have both been recognized by Prologis Trust Corporation as one of its “Brokers Of The Year.” They also received the organization’s “Significant Transaction” award in 2001. In 2009 they were both voted the Salesmen of the Year by NAI James E. Hanson and were recently promoted to Vice Presidents.

They were finalists for the 2009 NAIOP Deal of the Year.

**Professional Affiliations & Designations:** National Association of Realtors  
 Hackensack Meadowlands Chamber of Commerce  
 Coalition of Commercial Real Estate Associations  
 Hudson County Board of Realtors

**About NAI James E. Hanson**

NAI James E. Hanson is committed to providing the highest quality commercial real estate services in New Jersey and has been since it was founded in 1955. NAI James E. Hanson delivers the people, services and knowledge best suited to the needs of each unique client. Our priority is to know your business, how changing factors in the marketplace can affect it, and the opportunities that the new world of real estate presents every day.

We primarily cover Northern New Jersey and Southern New York, but our recent acquisition of Schilp & Co. has allowed us to intensify our coverage into the counties of Somerset, Hunterdon and Sussex, as well as Pennsylvania. Through NAI Global, we are a part of a managed network of 5,000 professionals and 325 offices in 55 countries and have the ability to service clients nationwide and worldwide.



**Peter & Bill Hanson**

Our core services include:

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

