

Northern & Central New Jersey 1Q'19 Office Report

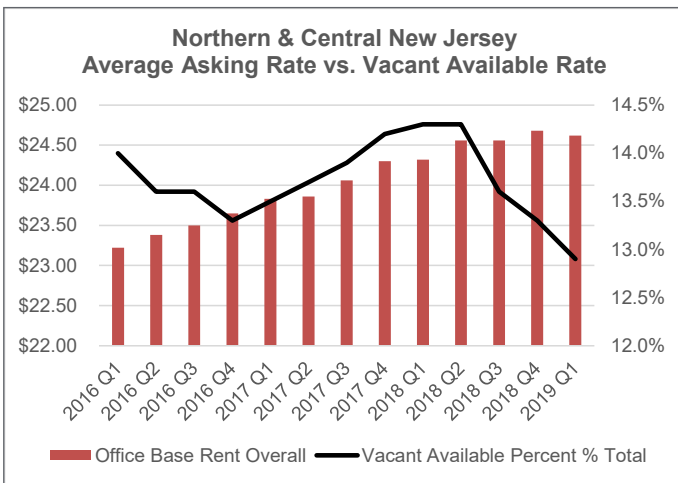
Class A&B



300 Kimball Drive, Parsippany

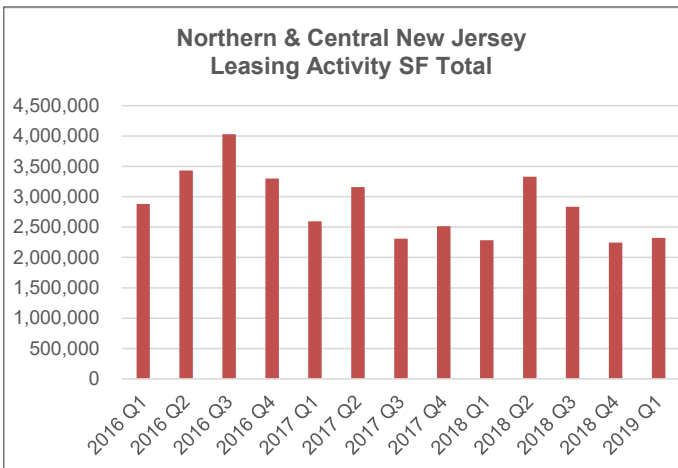
The Northern and Central New Jersey Class A and B office market consists of 233,962,611 square feet. Average asking rates ended the quarter at \$24.62 per square foot. Compared to the first quarter of 2018, the rate is up \$0.30 per square foot and compared to the first quarter of 2017, the rate is up \$0.79 per square foot.

The vacancy rate at the end of the quarter was 12.9%. The rate has been on the decline. Compared to the first quarter of 2018, the rate is down 1.4% and compared to the first quarter of 2017, the rate is down 0.6%.



Top lease transactions included Depository Trust and Clearing Corporation renewing their 415,164 square feet at 570 Washington Avenue in Jersey City; Celularity leasing 147,215 square feet at 170 Park Avenue in Florham Park; Sumitomo Bank leasing 94,629 square feet at 200 Hudson Street in Jersey City; and Newark Public Schools leasing 72,000 square feet at 765-769 Broad Street in Newark.

The top sale transaction was 570 Washington Boulevard in Jersey City. iStar Financial, Inc. purchased the 430,239 square foot Class A building from LeFrak. Prior to the sale, the Depository Trust and Clearing Company renewed their space. They are currently in all of the office space at the building. The building sold for \$170,000,000 or \$395.13 per square foot.



300 Kimball Drive in Parsippany was purchased by Sovereign Partners LLC from State Farm Mutual Automobile Insurance Company. Sovereign Partners purchased the 400,147 square foot Class A property for \$66,000,000 or \$164.94 per square foot and it was 78% leased at the time of sale. State Farm formerly occupied the full building after it was built in 2001, but decided to vacate in 2013 and renovate to accommodate multiple tenants.

120 Eagle Rock Avenue in East Hanover was purchased by Northeast Capital Group from Boxer Property. The 177,820 square foot Class A building on 15.24 acres was 80% leased at the time of sale and sold for \$20,850,000 or \$117.25 per square foot. Significant capital improvements were made to the property prior to the sale.

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Class A&B

County Overview:

County	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Total Average Asking Rate
NJ Overall	233,962,611	30,269,416	12.9%	382,004	2,322,640	1,516,532	\$24.62
Morris	38,533,372	7,030,410	18.2%	171,977	421,356	64,000	\$25.51
Bergen	32,184,509	3,251,091	10.1%	(164,839)	449,114	360,000	\$25.33
Essex	31,613,846	4,206,432	13.3%	51,470	199,351	567,532	\$25.69
Middlesex	30,175,984	4,053,225	13.4%	36,759	115,603	60,000	\$23.44
Hudson	26,436,037	3,883,461	14.7%	(325,829)	700,375	465,000	\$31.07
Somerset	24,678,512	3,223,743	13.1%	98,975	192,833	0	\$21.52
Mercer	23,721,227	2,371,618	10.0%	215,648	77,643	0	\$24.56
Union	12,838,217	847,147	6.6%	102,074	140,061	0	\$24.24
Passaic	7,736,148	882,852	11.4%	209,321	6,097	0	\$20.27
Hunterdon	5,034,985	498,267	9.9%	(13,552)	20,207	0	\$17.06
Sussex	612,783	21,170	3.5%	0	0	0	\$10.93
Warren	396,991	0	0.0%	0	0	0	-
Rockland, NY	4,024,926	576,597	0.143%	(36,976)	22,183	0	\$22.76
Orange, NY	3,287,710	393,227	12.0%	44,466	1,720	0	\$16.48

Significant Lease Transactions:

Tenant	Address	Size (SF)	County
Depository Trust & Clearing Corp. (Renewal)	570 Washington Boulevard, Jersey City	415,164	Hudson
Celularity	170 Park Avenue, Florham Park	147,215	Morris
Sumitomo Bank	200 Hudson Street, Jersey City	94,629	Hudson
Newark Public Schools	765-769 Broad Street, Newark	72,000	Essex
Amarin Pharma, Inc.	440 Route 22 E, Bridgewater	67,747	Somerset
SK Life Science, Inc. (Sublease)*	461 From Road, Paramus	58,150	Bergen
Ricoh USA	2 Gatehall Drive, Parsippany	55,893	Morris
Health Monitor Network	11 Philips Parkway, Montvale	46,800	Bergen

Significant Sale Transactions:

Address	Size (SF)	Price	Buyer	Seller
570 Washington Blvd., Jersey City	430,239	\$170,000,000	iStar Financial, Inc.	LeFrak
300 Kimball Dr., Parsippany	400,147	\$66,000,000	Sovereign Partners	State Farm Mutual Automobile Co.
120 Eagle Rock Ave., East Hanover	177,820	\$20,850,000	Northeast Capital Group	Boxer Property

*NAI Hanson Deal

All information comes from sources deemed reliable from NAI James E. Hanson. Numbers are based on buildings 20,000 + sf