



Upper Parkway Winter 2017 Office Report

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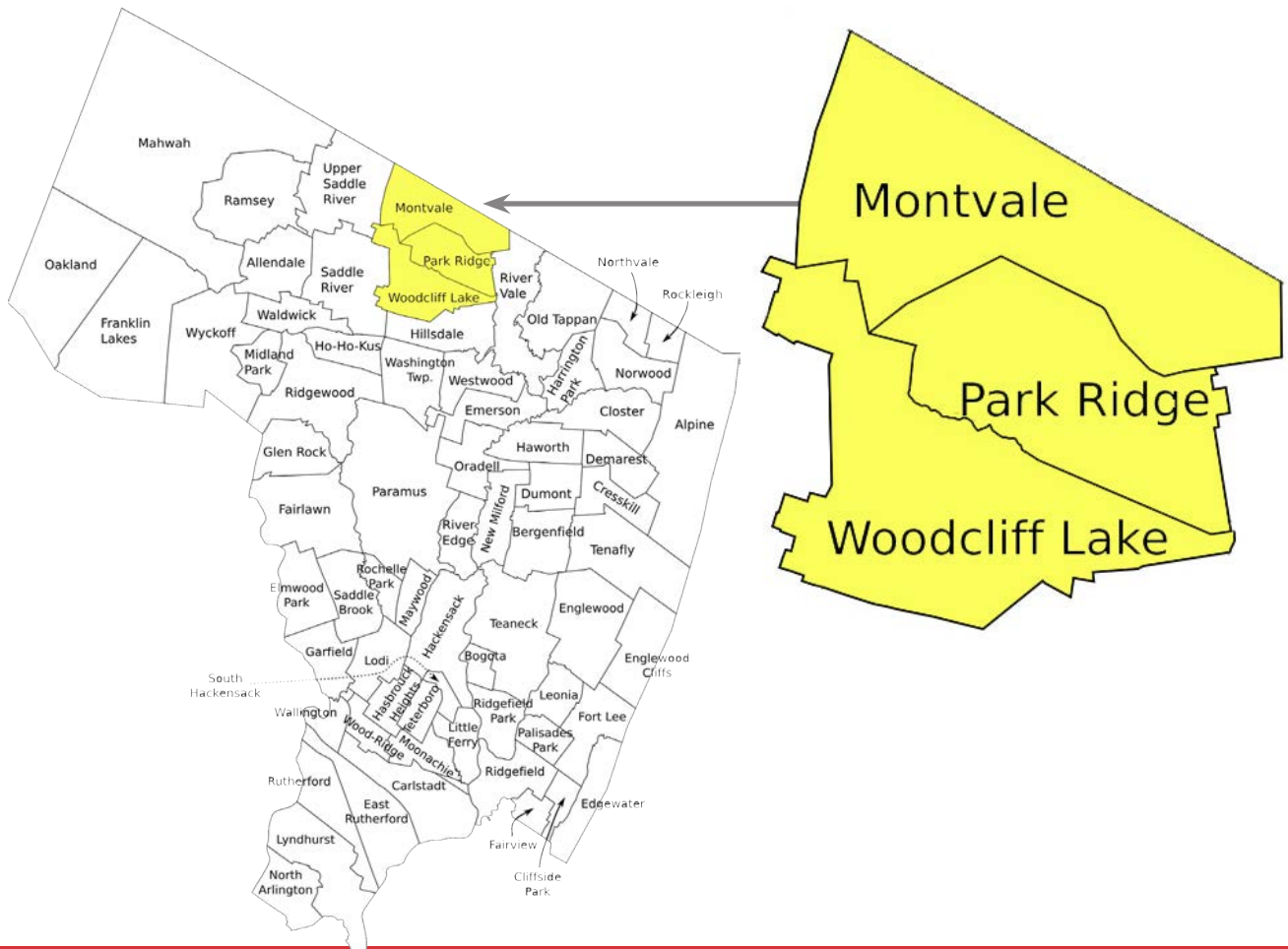
10 Lanidex Plaza West
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Office Market Statistics

Upper Parkway Submarket

The Upper Parkway consists of Montvale, Park Ridge and Woodcliff Lake. Several key statistics of this submarket are highlighted below:

	<u>Existing Inventory</u>	<u># of Buildings</u>	<u>Total Availability</u>	<u>Availability Rate</u>	<u>Quoted Rental Rate</u>
Class A	2,632,069 SF	19	759,989 SF	28.8%	\$25.85 PSF
Class B	2,270,242 SF	41	481,013 SF	21.1%	\$22.19 PSF



Submarket Clusters

Bergen Central:
Bergen East:
Bergen North:

Meadowlands:

Submarkets

Route 208 Corridor
GW Bridge
North 17 Corridor
Western Bergen
Meadowlands

Route 4/17
Hackensack
North Central Bergen

Route 46 Corridor
Teaneck/Ridgefield
Palisades

Upper Parkway

Available Properties

Upper Parkway Submarket



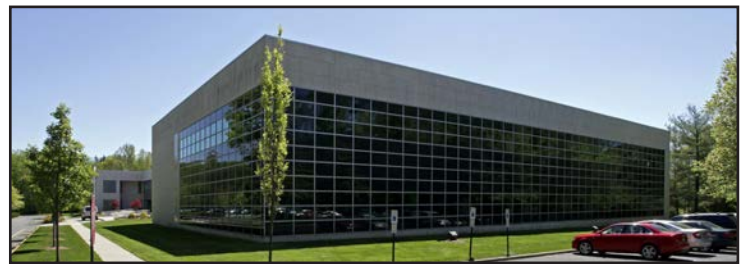
ADDRESS	135 Chestnut Ridge Road, Montvale
CLASS	B
BUILDING RBA	66,150 sf
AVAILABLE SPACE	4,747 sf - 30,937 sf
MAX CONTIGUOUS	16,982 sf
OCCUPANCY RATE	79%
NOTES	Energy Star



ADDRESS	21 Philips Parkway, Montvale
CLASS	B
BUILDING RBA	18,659 sf
AVAILABLE SPACE	3,800 sf - 4,400 sf
MAX CONTIGUOUS	8,200 sf
OCCUPANCY RATE	56%
NOTES	For Sale: \$2,975,000 (Price Reduced)



ADDRESS	3 Paragon Drive, Montvale
CLASS	A
BUILDING RBA	93,916 sf
AVAILABLE SPACE	4,200 sf
MAX CONTIGUOUS	4,200 sf
OCCUPANCY RATE	95.5%
NOTES	Asking Rent: \$25.50



ADDRESS	5 Paragon Drive, Montvale
CLASS	A
BUILDING RBA	119,089 sf
AVAILABLE SPACE	48,226 sf
MAX CONTIGUOUS	41,846 sf
OCCUPANCY RATE	60%
NOTES	Asking Rent: \$26.50



ADDRESS	11 Philips Parkway, Montvale
CLASS	A
BUILDING RBA	65,000 sf
AVAILABLE SPACE	30,000 sf
MAX CONTIGUOUS	30,000 sf
OCCUPANCY RATE	54%
NOTES	Asking Rent: \$22.00



ADDRESS	155 Chestnut Ridge Road, Montvale
CLASS	A
BUILDING RBA	94,172 sf
AVAILABLE SPACE	0 sf
MAX CONTIGUOUS	8,087 sf Sublease
OCCUPANCY RATE	100%
NOTES	Sublease Asking Rent: Withheld

Market Perspective

Upper Parkway Submarket

The Upper Parkway Summer 2016 Office Report made mention of Generation Z. Also referred to as also known as, iGen or Centennials, they are **those born after 1995 to the present. Generation Z'ers came of age during the recession.** As a result, they are more price conscious than millennials. Think of how this might relate to their negotiating an office lease. Will they view rental rates as exorbitant, tenant improvement allowances unreasonable, free rent an assumption? And will they want shorter lease terms to enable greater flexibility?

They are self-aware, self-reliant, innovative, goal-oriented and multi-task better than any other generation before them. Multiple distractions are not the least bit, well, distracting to them. How might this change the flow and layouts of office space? **Would private offices become a thing of the past on their watch?**

Technology, globalization and collaboration have all worked together to create **a generation of entrepreneurs.** It's been said they place a higher priority on how fast you can find the right information rather than on whether or not you know the right information. Gen Z'ers are highly proficient at web-based learning, teaching themselves complex things such as learning to play an instrument to learning how to weed a garden. Could that self-reliance and entrepreneurial mentality affect higher education? Generation Z'ers will tell you that most plan to attend traditional college, but it's as much (if not more) for the social benefits and networking connections as it is for the skills.

However, a full 21% of Gen Z'ers are concerned about the cost of education as compared to 14% of Millennials. It stands to reason then that their self-reliance and entrepreneurial spirit combined with their concern over student debt might drive them down a non-traditional virtual reality education. Could that bring them into the workforce sooner?

It's surprising but Millennials actually had experience with dial-up internet! Generation Z, however, was born into a tech-savvy world and live much of their life online (shopping, interacting with friends). Compared to millennials who spend an average of 14.8 hours/week on their smartphone, Gen Z spends 15.4 hours/week. As we stated in our previous report, **by 2020 they will account for 40% of all consumers.** And by that same time, the oldest of them will be 25 years old and well on their way to making real estate decisions be it commercial or residential. What will their preferred office space look and be like?

In a world of constant updates, their attention span is most likely less than every other generation before them. At the same token, they are more global than every generation that has preceded them. Generation Z easily relates to and connects with people from all around the globe. They are a social bunch and will come to the workforce with the expectation that they will find uniqueness and diversity there.

We must reposition our current stock of older suburban office buildings to include a **plethora of amenities (onsite healthy food, specialty coffee, high-speed elevators).** If not, Generation Z will no doubt find what they are looking for elsewhere.

Please feel free to contact us if you would like any or all of the following:

- Additional information on the current office leasing environment.
- Additional information on the properties featured here or any available property within Bergen County's 12 submarkets.
- To meet with us to determine how we can renegotiate your current lease for you.

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