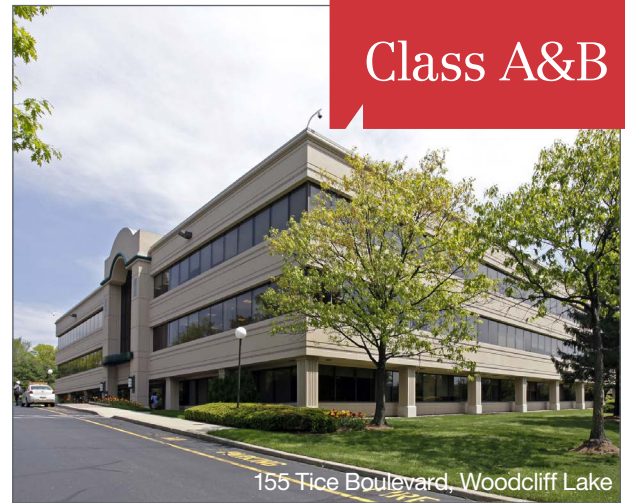


# Northern & Central New Jersey 2Q'19 Office Report

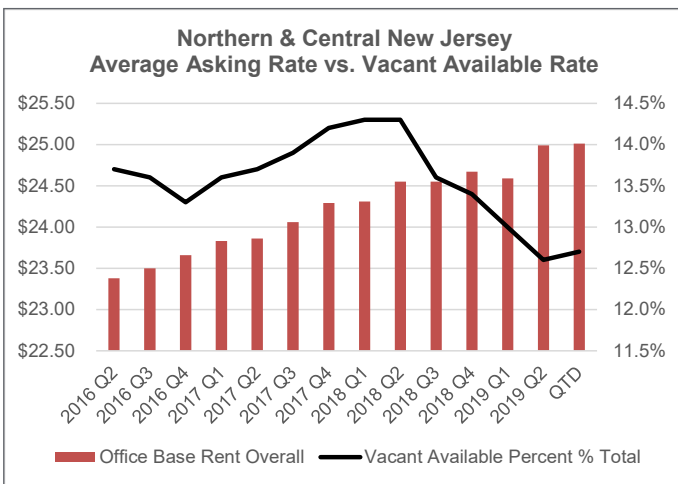
Class A&B



155 Tice Boulevard, Woodcliff Lake

The Northern and Central New Jersey Class A and B office market consists of 234,560,947 square feet. Average asking rates ended the quarter at \$24.99 per square foot, an increase of \$0.40 per square foot from the previous quarter. Compared to a year prior, rates are up \$0.44 per square foot.

Vacancy decreased slightly ending the second quarter at 12.6%. Compared to the second quarter of 2018, the vacancy rate is down 1.7%. Leasing declined and ended the quarter with over 1,800,000 square feet leased. Looking a year earlier, there was over 3,200,000 square feet leased.



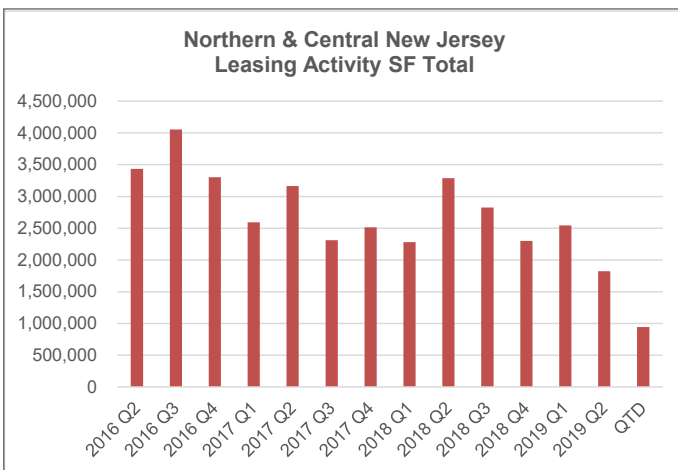
Among the top lease transactions were IBM Business Continuity and Resiliency Services renewing 153,394 square feet at 194 Wood Avenue South in Iselin; Atlantic Healthcare leasing 98,003 square feet at 630 Route 10 in Livingston; Genmab US, Inc. leasing 90,000 square feet at 777 Scudders Mills Road in Plainsboro; St. Joseph's Health leasing 60,000 square feet at 169 Minnisink Road in Totowa; and Wiss & Co. leasing 41,513 square feet at 100 Campus Drive in Florham Park.

The top sale transaction this quarter was 175 Park Avenue in Madison. FD Stonewater purchased the building from The Hampshire Companies in June for \$115,000,000, or \$426 per square foot. The Hampshire Companies previously relocated their headquarters office to the 270,000 square-foot space in 2012 from Parsippany.

155 Tice Boulevard in Woodcliff Lake was sold to Sheila Properties, Inc. from Hartz Mountain Industries, Inc. in May. The Class-A, single-tenant space was purchased for \$36,000,000, or \$304.85 per square foot. Eisai, Inc. currently occupies the full building on a long-term basis.

1 Tower Center Boulevard in East Brunswick was purchased by American Equity Partners, Inc. from Boston Properties,

Inc. for \$38,000,000, or \$91.00 per square foot, which was 39% leased at the time of sale. American Equity has plans to upgrade the Class A, 417,500 square foot building. Presently, the property is the tallest office complex in central New Jersey, spanning 23 stories.



# Northern & Central New Jersey 2Q'19 Office Report

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
Northern & Central NJ Overall	234,560,947	29,475,740	12.6%	1,419,359	1,823,608	1,114,000	\$24.99
Morris	38,250,236	6,809,821	17.8%	256,329	312,088	64,000	\$26.44
Essex	32,200,649	4,004,833	12.4%	486,299	333,232	165,000	\$26.08
Bergen	32,198,715	3,364,672	10.4%	6,303	172,892	360,000	\$25.05
Middlesex	30,239,296	3,877,202	12.8%	32,496	489,375	60,000	\$23.41
Hudson	26,712,853	3,901,166	14.6%	171,715	83,508	465,000	\$31.58
Somerset	24,691,540	3,183,237	12.9%	121,474	122,283	0	\$22.54
Mercer	23,547,671	2,169,442	9.2%	227,169	149,484	0	\$24.80
Union	12,841,306	761,494	5.9%	118,689	119,389	0	\$24.36
Passaic	7,806,891	897,936	11.5%	(18,354)	38,912	0	\$20.10
Hunterdon	5,035,224	484,767	9.6%	14,139	2,445	0	\$17.43
Sussex	612,783	21,170	3.5%	0	0	0	\$11.50
Warren	423,783	0	0.0%	3,100	0	0	-
Rockland, NY	4,046,881	588,605	14.5%	(7,317)	8,105	74,052	\$22.76
Orange, NY	3,377,466	373,504	11.1%	3,318	5,827	0	\$17.23

## Significant Lease Transactions:

Tenant	Address	Size (SF)	County
IBM Business Continuity & Resiliency Services (Renewal)	194 Wood Ave. S, Iselin	153,394	Middlesex
Atlantic Healthcare*	630 Route 10, Livingston	98,003	Essex
Genmab US, Inc.	777 Scudders Mill Rd., Plainsboro	90,000	Middlesex
US Immigration & Customs Enforcement	3 Gateway Ctr., Newark	80,697	Essex
St. Joseph's Health	169 Minnisink Rd., Totowa	60,000	Passaic
DeCotiis, FitzPatrick, Cole & Giblin LLP	61 S Paramus Rd., Paramus	42,000	Bergen
Wiss & Co.	100 Campus Dr., Florham Park	41,513	Morris
Matheson Tri Gas	3 Mountainview Rd., Warren	35,000	Somerset

## Significant Sale Transactions:

Address	Size (SF)	Price	Buyer	Seller
175 Park Ave., Madison	270,000	\$115,000,000	FD Stonewater	The Hampshire Companies, LLC
1 Tower Ctr Blvd., E Brunswick	417,534	\$38,000,000	American Equity Partners, Inc.	Boston Properties, Inc.
155 Tice Blvd., Woodcliff Lake	435,600	\$36,000,000	Sheila Properties, Inc.	Hartz Mountain Industries, Inc.

\*NAI Hanson Deal

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