

# Northern & Central New Jersey 4Q'18 Office Report

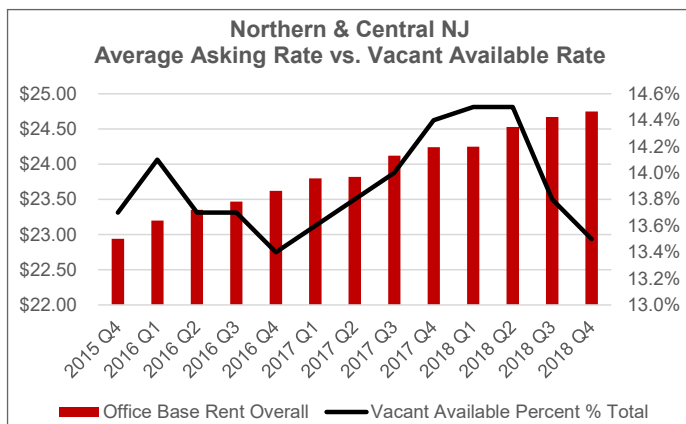
Class A&B



115 W Century Road, Paramus

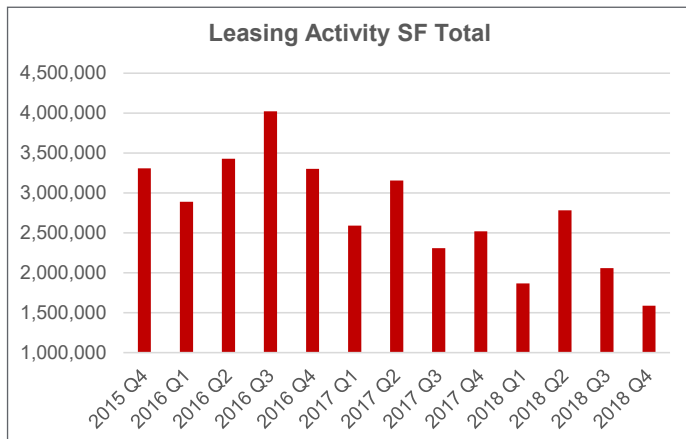
The Northern and Central New Jersey Class A and B office market consists of 232,898,172 square feet in 12 counties. Average asking rates ended the quarter at \$24.75 per square foot. Rates are up \$0.51 per square foot from the fourth quarter of 2017 and up \$1.13 per square foot from the fourth quarter of 2016.

Vacancy ended the quarter at 13.5%. Compared to the fourth quarter of 2017, the rate is down 0.9% and compared to the fourth quarter of 2016, the rate is up 0.1%. There was over 1,500,000 square feet leased in the fourth quarter and over 8,300,000 leased for the year. Fourth quarter net absorption ended with over 494,000 square feet absorbed and there was over 1,900,000 square feet absorbed for the year.



Top lease transactions included Jacobs Engineering leasing 43,005 square feet at 412 Mount Kemble Avenue in Morristown; OwnBackup leasing 30,763 square feet at 940 Sylvan Avenue in Englewood Cliffs; and Nisivoccia LLP renewing their 23,000 square foot space at 200 Valley Road in Mount Arlington.

Top sale transactions included 115 W Century Road in Paramus; 41 S Spring Street in New Providence; and 39 Hudson Street in Hackensack.



115 and 117 W Century Road in Paramus were purchased by Premium Capital Resources LLC from a joint venture between Garrison Investment Group and Onyx Equities LLC. The properties combined are 303,777 square feet and were 97% leased at the time of the sale. Garrison Investment Group and Onyx Equities LLC originally purchased the properties in 2015 and invested \$3,200,000 into the buildings. The properties, which sit on 19.77 acres, sold for \$74,000,000 or \$243.60 per square foot.

41 S Spring Street in New Providence, a 170,519 square foot Class B building, sold from Mountain Development Corporation to Shelbourne Global Solutions LLC. The property was purchased for \$23,000,000 or \$134.88 per square foot.

Mountain Development purchased the property in 2017 and stabilized the property. At the time of sale, the vacancy was approximately 88% and a deal was pending for the remaining 20,362 square feet.

NAI Hanson has sold 39 Hudson Street in Hackensack, a 34,304 square foot multi-tenanted office building on 6.23 acres located across the street from the Bergen County Courthouse. The County of Bergen had been a long standing tenant within the building with the Probation Department occupying over 21,000 square feet. They purchased the building for \$3,175,000 from HAMM Associates LLC.

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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	232,898,172	31,368,323	13.5%	494,001	1,590,101	1,493,937	\$24.75
Morris	38,543,497	7,459,771	19.4%	133,392	291,337	64,000	\$25.83
Bergen	31,731,253	3,179,826	10.0%	100,634	224,444	360,000	\$25.04
Essex	31,716,219	4,262,991	13.4%	194,020	171,574	507,532	\$26.17
Middlesex	30,086,954	3,981,304	13.2%	72,667	122,152	0	\$23.55
Hudson	26,168,343	3,774,228	14.4%	(35,679)	355,562	465,000	\$31.92
Somerset	24,633,932	3,567,621	14.5%	65,979	164,633	0	\$21.34
Mercer	23,532,818	2,585,219	11.0%	(96,974)	68,751	97,405	\$24.51
Union	12,979,247	955,324	7.4%	60,482	162,273	0	\$24.10
Passaic	7,457,150	1,068,492	14.3%	15,908	26,375	0	\$19.91
Hunterdon	5,038,985	512,377	10.2%	(20,228)	200	0	\$14.63
Sussex	612,783	21,170	3.5%	3,800	2,800	0	\$11.40
Warren	396,991	0	0.0%	0	0	0	\$22.20
Rockland, NY	3,919,149	523,575	13.4%	29,035	28,113	32,595	\$23.08
Orange, NY	3,287,710	393,227	12.0%	44,466	1,720	0	\$16.48

## Significant Lease Transactions:

Tenant	Address	Size (SF)	County
Jacobs Engineering	412 Mount Kemble Avenue, Morristown	43,005	Morris
OwnBackup	940 Sylvan Avenue, Englewood Cliffs	30,763	Bergen
Nisivoccia LLP (Renewal)	200 Valley Road, Mount Arlington	23,000	Morris
The Clarion Group	41 S Spring Street, New Providence	20,362	Union
Greenbaum Rowe Smith Davis LLP (Renewal)	75 Livingston Avenue, Roseland	17,500	Essex
Office NJ	371 Hoes Lane, Piscataway	13,500	Middlesex
Allstate Insurance	20 Commerce Drive, Cranford	12,706	Union
Wainscot Media*	1 Maynard Drive, Park Ridge	7,874	Bergen

## Significant Sale Transactions:

Address	Size (SF)	Price	Buyer	Seller
115 & 117 W Century Rd., Paramus	303,777	\$74,000,000	Premium Capital Resources LLC	Garrison Investment Group JV Onyx Equities LLC
41 S Spring St., New Providence	170,519	\$23,000,000	Shelbourne Global Solutions, LLC	Mountain Development Corp.
39 Hudson St., Hackensack*	34,304	\$3,175,000	County of Bergen	HAMM Assoc. LLC

\*NAI Hanson Deal

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