

Northern & Central New Jersey *2Q'15 Industrial Report*



Northern & Central New Jersey 2Q'15 Industrial Report

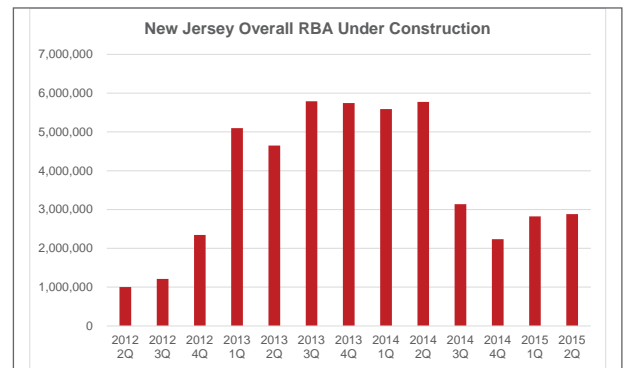
Industrial

The Northern and Central New Jersey industrial market consists of 12 counties with 652,978,421 square feet. Average asking rates increased by \$0.04 per square foot from the previous quarter and are up \$0.12 per square foot from the second quarter of 2014. Vacancy, which ended the second quarter at 6.7%, is down 0.2% from the previous quarter and absorption has stayed positive at 888,141 square feet. There was 6,275,812 square feet leased, an increase of 1,390,803 square feet from the first quarter of 2015.



8003 Industrial Avenue, Carteret

The largest lease transaction for the quarter was Amazon leasing the entire 1,064,515 square feet at 8003 Industrial Avenue in Carteret. The Class A industrial warehouse has 36' ceilings, 173 loading docks and 4 drive-ins. This is the second 1,000,000 square foot fulfillment center for Amazon in New Jersey. The anticipated move date will be November 2015. Wakefern Food Corp was the most recent tenant in the building owned by KTR Capital Partners.



Prologis, under a joint venture with Norges Bank Investment Manager, bought KTR Capital for \$5.9 billion in the second quarter and acquired 60 million square feet in 322 properties in California, New Jersey, Florida, Chicago, Seattle and Dallas. The portfolio also includes 3.6 million square feet currently under construction and a 6.8 million square feet development site. Four of the bigger properties in New Jersey include 3003 Woodbridge Avenue in Edison (1,392,000 square feet), 8001 Industrial Avenue in Carteret (1,264,000 square feet), 50 New Canton Way in Robbinsville (1,048,925 square feet) and 380 Middlesex Avenue in Carteret (859,000 square feet). 50 New Canton Way in Robbinsville is home to Amazon's Fulfillment Center, who moved into the space in June 2014.



699 Kapkowski Road, Elizabeth

At the end of the second quarter, there was 2,882,545 square feet under construction, an increase of 411,059 square feet from the first quarter of 2015. 275 Blair Road in Woodbridge, a 190,000 square foot building with 21 loading docks and 1 drive-in, was the only building delivered in the second quarter. The class A refrigeration/cold storage building is fully leased by Preferred Freezer, who signed in the fourth quarter of 2014. This is their 8th cold storage facility in New Jersey and 35th worldwide.

Trends for 2Q15

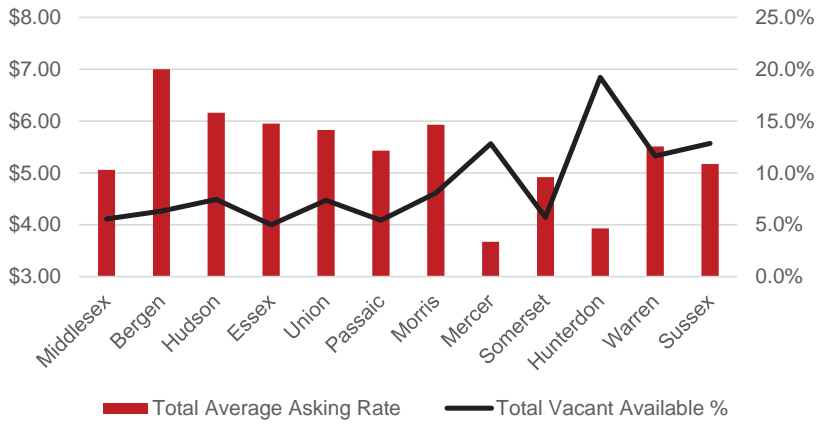


Compared to 1Q2015

Northern & Central New Jersey 2Q'15 Industrial Report

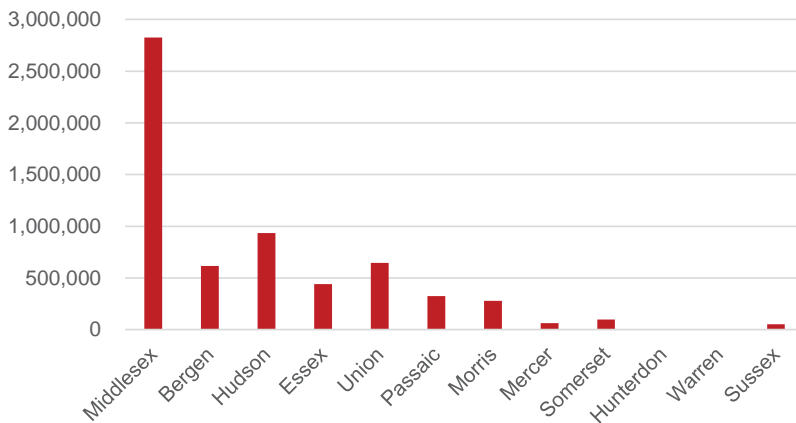
Industrial

Average Asking Rate vs. Vacancy 2Q2015



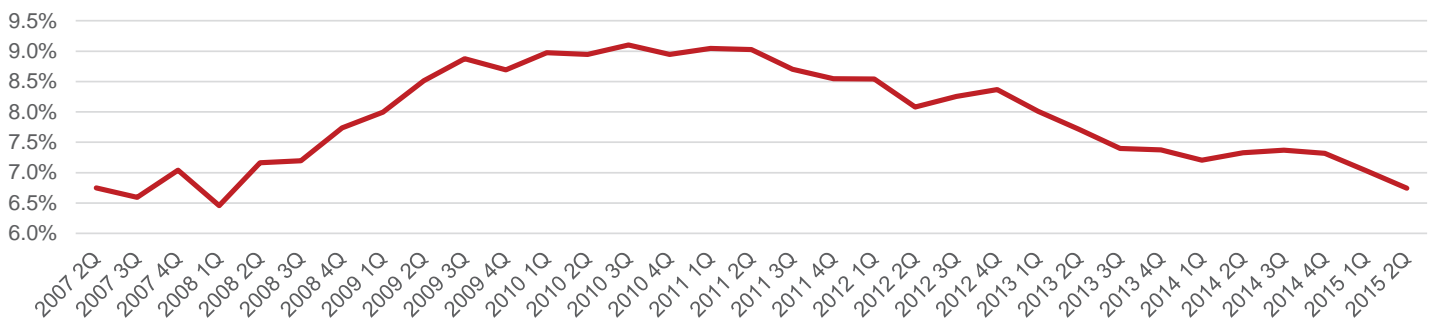
Artist's Rendering of the Kingsland redevelopment site

Leasing Activity 2Q2015



8001 Industrial Avenue, Carteret

Northern & Central New Jersey Overall Vacancy



*All information comes from sources deemed reliable from NAI James E. Hanson. Numbers are based on transactions 10,000 + sf

Northern & Central New Jersey 2Q'15 Industrial Report

Industrial

County Overview:

	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Total Average Asking Rate
NJ Overall	652,978,421	44,039,088	6.7%	888,141	6,275,812	2,882,545	\$5.60
Middlesex	181,855,227	10,120,572	5.6%	277,172	2,825,752	1,879,099	\$5.06
Bergen	91,603,586	5,772,036	6.3%	349,547	615,216	434,035	\$7.00
Hudson	83,200,266	6,202,318	7.5%	459,360	932,732	315,000	\$6.16
Essex	68,086,218	3,398,863	5.0%	(144,785)	439,182	0	\$5.95
Union	59,861,959	4,411,183	7.4%	165,495	644,924	74,411	\$5.83
Passaic	53,302,280	2,893,562	5.4%	(115,788)	324,854	0	\$5.43
Morris	39,534,820	3,182,489	8.0%	(53,179)	278,579	180,000	\$5.93
Mercer	31,929,583	4,092,849	12.8%	356	63,800	0	\$3.67
Somerset	27,829,656	1,588,578	5.7%	(55,127)	98,773	0	\$4.92
Hunterdon	6,704,299	1,289,050	19.2%	34,674	0	0	\$3.93
Warren	6,520,896	759,749	11.7%	(52,500)	0	0	\$5.51
Sussex	2,549,631	327,839	12.9%	22,916	52,000	0	\$5.17
Orange, NY	25,095,999	1,699,370	6.8%	(20,878)	0	0	\$5.39
Rockland, NY	14,363,122	902,621	6.3%	96,752	3,159	0	\$7.44

Significant Lease Transactions:

Tenant	Address	Size (SF)
Amazon.com, Inc.	8003 Industrial Avenue, Carteret	1,064,515
ShipCo *Renewed & Expanded	699 Kapkowski Road, Elizabeth	238,700
National Packaging Services, Inc.	1000 New County Road, Secaucus	200,000
Moda Express of USA, Inc. (Renewal)	900 Secaucus Road, Secaucus	164,232
Renaissance Wholesale	400-490 Heller Park Court, Dayton	143,508
Packaging & Distribution Resources	40-50 Saw Mill Pond Road, Edison	138,658
Just Packaging	450 Oak Tree Avenue, South Plainfield	104,519
National Packaging Services, Inc. (Renewal)	900 Secaucus Road, Secaucus	100,000
Kubra	30 Knox Drive, Piscataway	96,361
Central Garden and Pet	121 Herrod Boulevard, South Brunswick	83,017
Eva Logistics Solutions	1045 Centennial Avenue, Piscataway	81,500
Pochet of America *Renewal	415 Hamburg Turnpike, Wayne	73,000
CNC Global	301 Pleasant Street, Linden	67,590
Wisdom USA, LLC*	175 Broad Street, Carlstadt	58,000
AIT Worldwide Logistics*	900 Hart Street, Rahway	44,000

*NAI Hanson Deal

Significant Sale Transactions:

Address	Sale Price	Size (SF)	Price/SF	Buyer	Seller
3003 Woodbridge Avenue, Edison	\$127,307,307	1,392,000	\$91.46	Prologis JV Norges Bank Invst Mgmt	KTR Capital
8001 Industrial Avenue, Carteret	\$115,667,925	1,264,733	\$91.46	Prologis JV Norges Bank Invst Mgmt	KTR Capital
200 Miiik Street, Carteret	\$49,500,000	232,134	\$213.24	TIAA-CREF	The Hampshire Companies
250 Ridge Road, Dayton	\$15,450,000	206,000	\$75.00	Industrial Property Trust	Nelson Consortium LLC
130 Docks Corner Road, Dayton	\$14,400,000	212,335	\$67.82	Prologis	Colony Capital
7-9 Vreeland Road, Florham Park	\$10,312,894	156,000	\$66.11	Lone Star Funds	Equity Commonwealth
55 Shepherds Lane, Totowa	\$8,927,000	172,351	\$51.80	Sitex Group	55 Shepherds Realty LLC

*All information comes from sources deemed reliable from NAI James E. Hanson. Numbers are based on transactions 10,000 + sf