

Northern & Central New Jersey 2Q'15 Retail Report



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Retail

The Northern and Central New Jersey retail market consists of 88,185,124 square feet. Average asking rates decreased slightly from \$21.37/nnn per square foot in the first quarter to \$21.33/nnn per square foot in the second quarter. Leasing activity increased slightly and ended the quarter at 454,347 square feet leased while vacancy decreased from 6.6% to 6.7% from the first to second quarter. Net absorption increased dramatically from being in the negative to over 448,000 square feet being absorbed in the second quarter.

Some of the larger lease transactions for the quarter include LA Fitness leasing 58,652 square feet at 175 Passaic Avenue in Kearny and Ollie's Bargain Outlet leasing 35,000 square feet at 2465 S Broad Street in Hamilton. There continues to be urgent cares moving from office space to retail space and having more of a store front appeal. NAI Hanson helped to facilitate the leasing of First Healthcare River Edge. They moved into 7,500 square feet at 91 Route 4 E in River Edge.

55 and 75 Mayhill Street in Saddle Brook was the most significant sale for the quarter. The buildings sold for \$20,200,000 or \$189 per square foot from Greenfield Partners to Vision Real Estate Partners. Madison Avenue Realities LLC had a couple significant purchases for the quarter. The company purchased 556 Route 17 N in Paramus for \$15,100,000 or \$719 per square foot and 454 Elizabeth Avenue in Franklin Township for \$14,825,000 or \$343 per square foot. Pearle Vision and The Vitamin Shoppe are two of the tenants in the Paramus shopping center.

Although construction numbers were down for the quarter, there is construction on the horizon. Midland Park's Godwin Plaza will see major renovation. The center, which is currently 644,658 square feet, will include second floor apartment renovations, repaving, new landscaping among other improvements.

Riverside Square Mall in Hackensack is set for a makeover. With the departing of Saks Fifth Avenue in Hackensack, rumored plans for the space include an AMC movie theater and an Italian restaurant that has bowling and bocce. Construction is expected to start in the summer and projected to be completed by 2016. Saks Fifth Avenue occupied about 100,000 square feet and according to plans the movie theater and the restaurant will take up about 75,000 square feet.



556 N State Route 17, Paramus



75 Mayhill Street, Saddle Brook

Trends for 2Q15

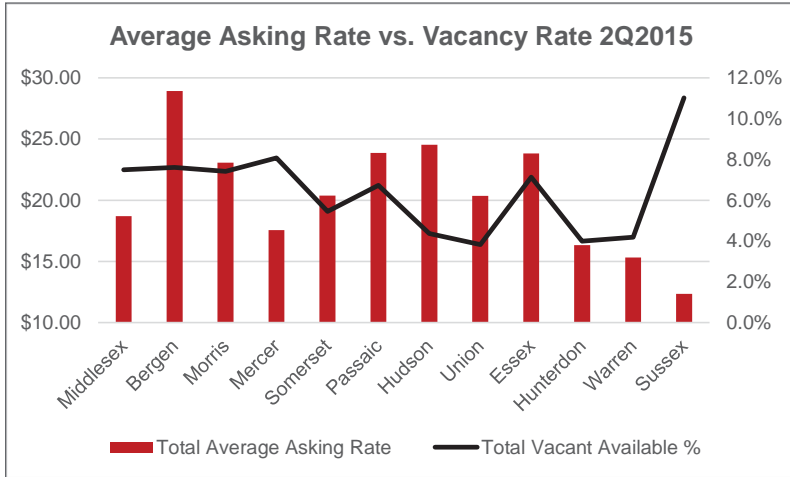
VACANCY RATE
NET ABSORPTION

ASKING RATE
LEASING

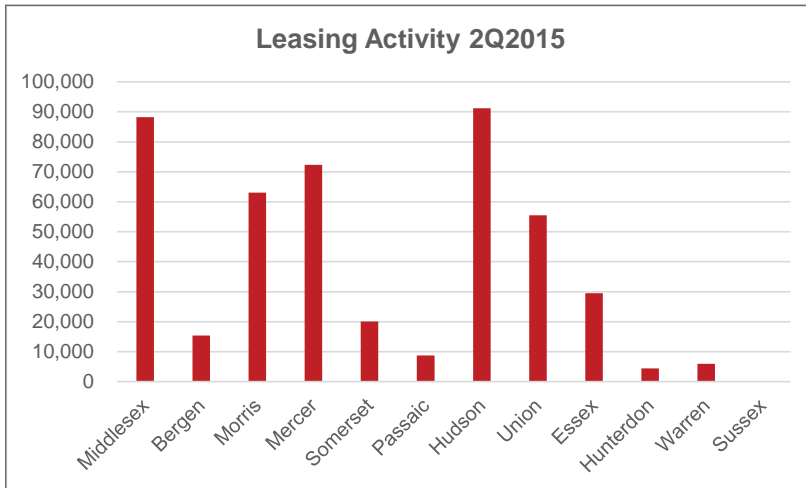
Compared to 1Q2015

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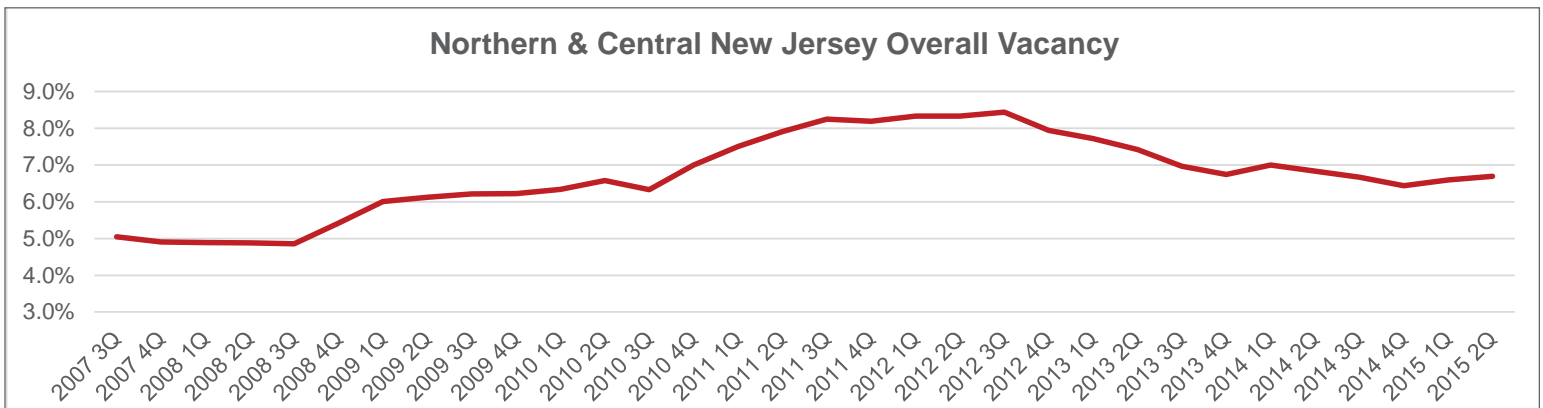
Retail



175 Passaic Avenue, Kearny



2465 S Broad Street, Hamilton



*All information comes from sources deemed reliable from NAI James E. Hanson. Numbers are based on transactions 2,500 + sf

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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	88,185,124	5,905,508	6.7%	448,384	454,347	352,085	\$21.33
Middlesex	16,034,027	1,201,747	7.5%	5,170	88,274	51,300	\$18.70
Bergen	12,985,259	988,539	7.6%	351,019	15,368	0	\$28.93
Morris	11,070,118	820,931	7.4%	(5,172)	63,039	0	\$23.08
Mercer	9,207,131	743,568	8.1%	5,194	72,321	171,134	\$17.56
Somerset	8,802,324	479,833	5.5%	(20,452)	20,036	29,785	\$20.38
Passaic	6,717,119	451,942	6.7%	3,774	8,775	0	\$23.87
Hudson	5,656,649	247,148	4.4%	(23,025)	91,167	3,000	\$24.54
Union	5,570,341	213,397	3.8%	171,353	55,504	0	\$20.36
Essex	5,056,639	360,674	7.1%	(23,949)	29,500	96,866	\$23.83
Hunterdon	2,815,215	112,491	4.0%	(17,051)	4,440	0	\$16.34
Warren	2,713,367	113,690	4.2%	1,523	5,923	0	\$15.33
Sussex	1,556,935	171,548	11.0%	0	0	0	\$12.36
Orange, NY	8,147,755	795,369	9.8%	(111,013)	9,924	0	\$12.89
Rockland, NY	4,295,309	487,433	11.3%	(87,223)	29,860	0	\$19.09

Significant Lease Transactions:

Tenant	Address	Size (SF)
LA Fitness	175 Passaic Avenue, Kearny	58,652
Ollie's Bargain Outlet	2465 S Broad Street, Hamilton	35,000
Bed Bath & Beyond (Renewal)	110-220 Enterprise Drive, Rockaway	33,000
Marshalls	2401 US Highway 22 W, Union	26,784
India Grocers	1665 Oak Tree Road, Edison	25,970
Michaels	400 Mill Creek Drive, Secaucus	21,500
Tuesday Morning	6305 Hadley Road, South Plainfield	21,297
Daminis Indian Clothing	1665 Oak Tree Road, Edison	15,000
Intrepid Gym	464 W Mt. Pleasant Avenue, Livingston	12,600
Bassett Furniture	310-312 Bloomfield Avenue, Montclair	6,100
Customers Bank	318-378 Highway 33, Trenton	6,087
WaWa	2960 US Highway 1, Lawrenceville	5,067
Leisure Fitness	320 State Route 10, East Hanover	4,800
Express Urgent Care	2100 88th Street, North Bergen	4,556
Kay Jewelers	543 River Road, Edgewater	3,966

Significant Sale Transactions:

Address	Sale Price	Size (SF)	Price/SF	Buyer	Seller
55 & 75 Mayhill Street, Saddle Brook	\$20,200,000	106,843	\$189	Vision Real Estate Partners	Greenfield Partners
556 Route 17 N, Paramus	\$15,100,000	21,000	\$719	Madison Avenue Realities LLC	Cofinance
454 Elizabeth Avenue, Franklin Township	\$14,825,000	43,200	\$343	Madison Avenue Realities LLC	Atkins Management Co.
330 Rues Lane, East Brunswick	\$8,150,000	31,107	\$262	Cyzner Properties	Mironov Brothers
1016 Main Avenue, Clifton	\$5,800,000	30,000	\$193	Jolly Clifton LLC	Progressive Companies
1375 16th Street, Fort Lee*	\$4,000,000	10,000	\$400	Urstadt Biddle	Roebling Investment Co.
28 Diamond Spring Road, Denville	\$2,600,000	8,820	\$295	Orkins Premier Properties LLC	Becrett LLC

*NAI Hanson Deal

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