

1Q 2019

Northern & Central New Jersey Industrial Report



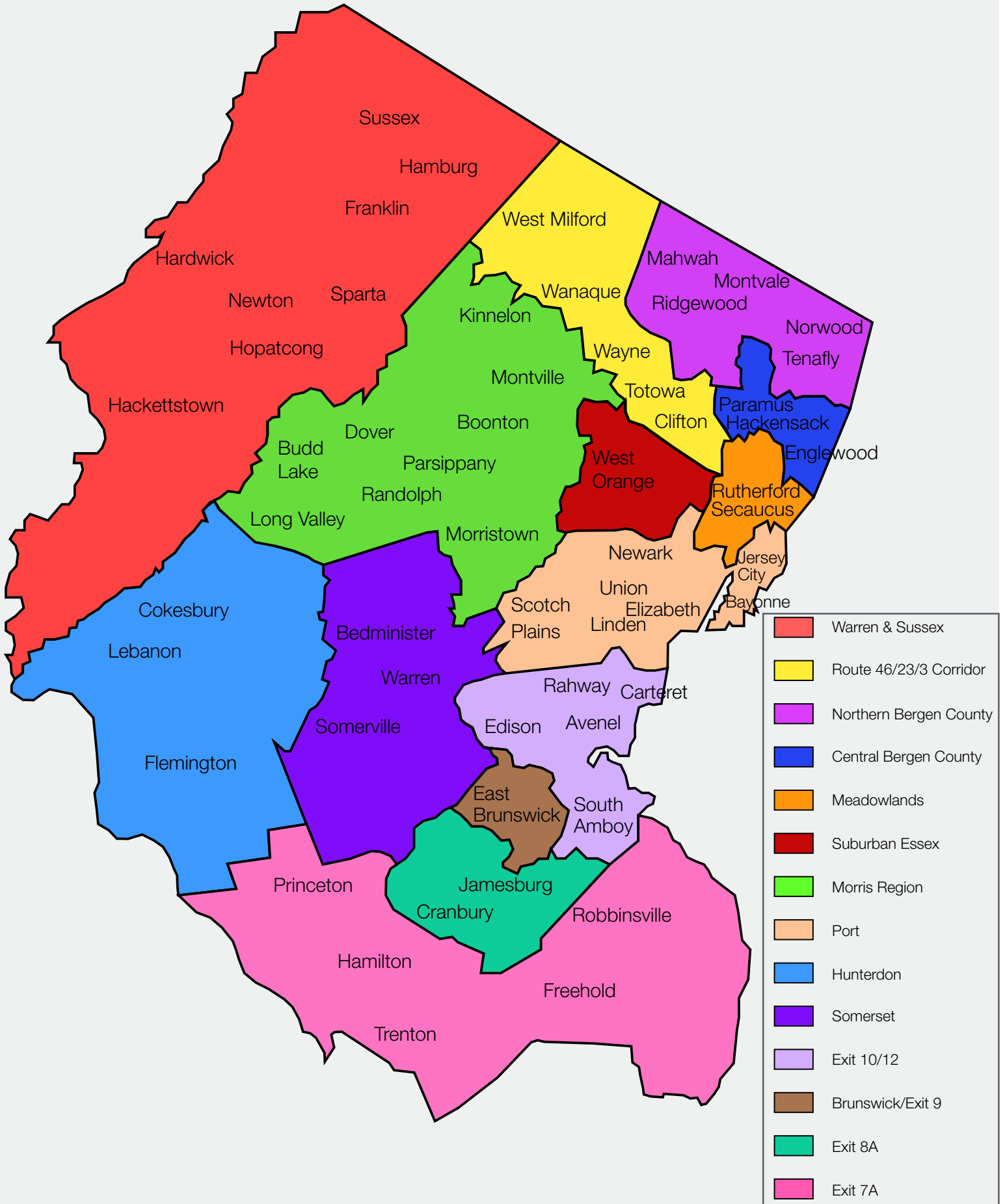
NAI Hanson sold 200 Maltese Drive in Totowa, a 208,000 square foot building.

1Q2019 **Edition**



# Submarket Map

1Q2019



# Northern & Central 1Q2019

1Q2019

## Market Snapshot

### 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	674,698,952	22,207,143	3.3%	171,138	4,532,278	7,732,512	\$8.33
Middlesex	198,642,939	3,892,739	2.0%	723,680	1,228,912	2,839,486	\$8.15
Bergen	91,381,729	3,407,554	3.7%	(239,592)	954,651	223,888	\$9.85
Hudson	81,963,743	2,232,027	2.7%	(66,799)	136,040	831,233	\$10.51
Essex	66,178,165	1,698,220	2.6%	(111,403)	230,325	828,880	\$8.44
Union	63,587,604	2,644,177	4.2%	74,398	252,414	132,685	\$7.78
Passaic	55,673,426	2,607,229	4.7%	(303,665)	501,349	0	\$8.22
Morris	38,765,894	3,509,703	9.1%	130,559	132,827	194,576	\$7.79
Mercer	33,523,719	1,057,336	3.2%	76,254	261,536	386,028	\$4.71
Somerset	28,772,601	772,662	2.7%	(124,024)	808,015	118,182	\$7.56
Hunterdon	6,903,298	23,000	0.3%	3,210	17,709	0	\$7.77
Warren	6,438,030	227,468	3.5%	21,980	0	2,177,554	\$5.32
Sussex	2,867,804	135,028	4.7%	(13,460)	8,500	0	\$8.43
Orange, NY	29,089,370	778,817	2.7%	121,334	69,475	12,000	\$5.94
Rockland, NY	15,822,839	729,184	4.6%	216,026	9,480	0	\$9.58

### Submarket Overview

	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Total Average Asking Rate
Ports	139,168,036	5,132,683	3.7%	107,039	539,225	1,248,393	\$8.36
Exit 10/12	108,240,336	1,432,206	1.3%	1,296,065	438,168	1,975,766	\$8.31
Meadowlands	94,580,683	2,392,509	2.5%	(284,578)	573,717	738,293	\$10.05
Exit 8A	68,728,462	1,775,156	2.6%	(113,939)	333,126	251,288	\$7.91
Route 46/23/3 Corridor	55,369,600	2,614,001	4.7%	(258,165)	461,628	0	\$8.23
Exit 7A	43,479,424	1,471,270	3.4%	31,829	352,955	532,278	\$5.57
Morris Region	36,996,830	3,466,626	9.4%	126,780	129,827	194,576	\$7.77
Somerset	28,599,589	757,662	2.6%	(124,024)	808,015	118,182	\$7.55
Central Bergen County	26,114,271	829,483	3.2%	(161,521)	130,724	30,000	\$10.92
Suburban Essex	23,462,726	757,198	3.2%	(84,954)	50,754	0	\$9.04
Northern Bergen County	22,065,053	921,410	4.2%	38,897	321,731	0	\$9.39
Brunswick/Exit 9	21,674,141	685,377	3.2%	(458,446)	457,618	612,432	\$7.07
Warren & Sussex	9,305,834	362,496	3.9%	8,520	8,500	2,177,554	\$5.60
Hunterdon	6,836,948	23,000	0.3%	3,210	17,709	0	\$7.77

Source: CoStar 10,000 + sf - All information comes from sources deemed reliable by NAI James E. Hanson. Numbers from CoStar do not include withheld rents and may be deflated.

# Leasing Activity

1Q2019

The Northern and Central New Jersey market saw over 4,500,000 square feet leased in the first quarter of 2019. Average asking rates ended the quarter at \$8.33 per square foot. Rates are up \$0.17 per square foot compared to the previous quarter and compared to a year prior, the rates are up \$0.62 per square foot. Vacancy rose slightly, by 0.4%, from the previous quarter ending the first quarter at 3.3%, however, the rate is down 0.1% compared to the first quarter of 2018. Net absorption ended with over 171,000 square feet absorbed.

13 out of the 14 submarkets had a vacancy rate under 5%. The lowest vacancy rates can be found in Hunterdon (0.3%), Exit 10/12 (1.3%) and Meadowlands (2.5%) submarkets. The Morris Region ended with the highest vacancy rate of 9.4%. Highest average asking rates were seen in Central Bergen County (\$10.92 per square foot), Meadowlands (\$10.05 per square foot) and Northern Bergen County (\$9.39 per square foot) submarkets while the Somerset and Meadowlands submarkets saw the most leasing activity with over 800,000 square feet and 570,000 square feet respectively.



Top lease transactions included Ceva Logistics; Capacity LLC; Dynamic Marketing, Inc.; and Cannabis Cultivation. Ceva Logistics leased 331,000 square feet at 152 Route 206 in Hillsborough. The 700,000 square foot building was recently delivered in December 2018 and features 56 exterior docks and 6 drive-ins on 80 acres. Capacity LLC is constructing a

build-to-suit at 1601 Livingston Avenue in North Brunswick. The 300,000 square foot building is scheduled to deliver in the first quarter of 2020. Dynamic Marketing, Inc. leased 189,000 square feet at 400 Cabot Drive in Hamilton and Cannabis Cultivation leased 168,000 square feet at 297 Getty Avenue in Paterson.

Top renewals included Preferred Freezer Services renewing their 167,812 square feet at 20 Tower Road in South Brunswick; GMI Management, Inc. renewing their 100,800 square feet at 60 Clyde Road in Somerset; and Precision Metal Machining, Inc. renewing their 35,000 square feet at 800 Central Boulevard in Carlstadt. NAI Hanson facilitated the transaction at 800 Central Boulevard.



**\$0.62**

ASKING RATE



**0.1%**

VACANCY RATE

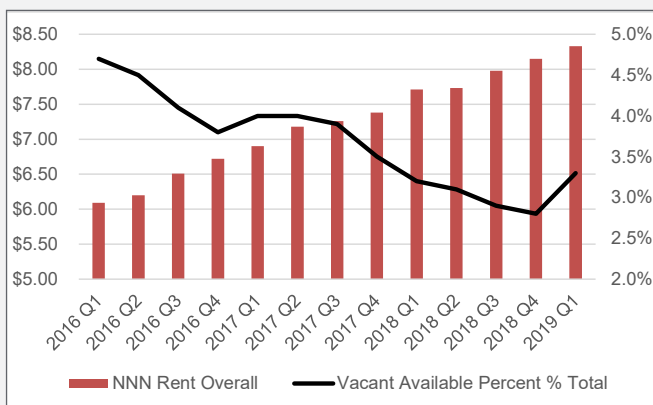


**5,471,665 SF**

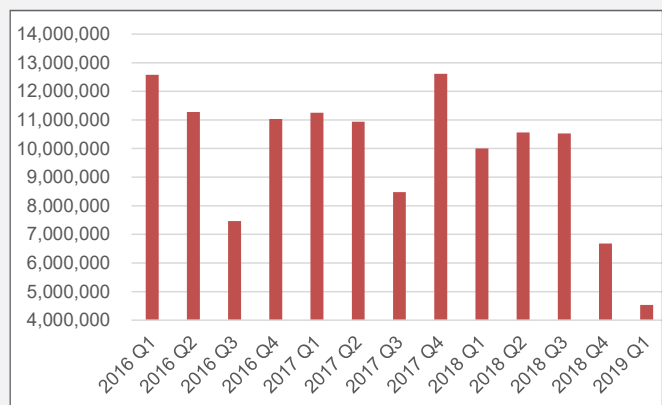
LEASING ACTIVITY

\*Compared to 1Q18

Northern & Central NJ  
Average Asking Rate vs. Vacant Available Rate



Northern & Central NJ  
Leasing Activity



“Although sales volume was down from last quarter, there is still a healthy appetite from institutional buyers for well-located assets. Availability of quality assets to purchase has been the issue.”

-Scott K. Perkins, SIOR  
Senior Vice President  
NAI James E. Hanson

There was over \$770,000,000 in sales volume in the first quarter of 2019. The average price per square foot was \$97.12, down \$5.00 per square foot from the previous quarter.

The top sale transaction for the quarter was 100 Performance Drive in Mahwah. The 271,176 square foot Class A distribution building was built in 2018. Colony Capital purchased the building from Sitex Group as part of a 11 property portfolio sale. This acquisition was the final tranche of closing for the Northern New Jersey Last Mile Logistics Portfolio. 100 Performance was 100% leased at the time of sale to Snow Joe, who have leased the building long term. NAI Hanson facilitated the lease transaction with Snow Joe in 2018. The property sold for \$62,000,000 or \$228.63 per square foot.



115 Moonachie Avenue sold from Barings Real Estate Advisors LLC to Liberty Property Trust. The 168,800 square foot warehouse was 100% leased at the time of sale. Tenants include FLOMO, Henry Schein Medical and Daltile Stone & Slab Center. The property features 25 exterior docks and 2 drive-ins with 28' ceilings. Liberty purchased the property in an off-market transaction for \$39,600,000 or \$234.60 per square foot. Barings Real Estate Advisors previously purchased the property for \$26,840,000 in 2012.



NAI Hanson sold 200 Maltese Drive in Totowa to Blackstone Real Estate Income Trust, Inc. from Precision Custom Coatings LLC. The 208,000 square foot building sold for \$28,547,600 or \$137.25 per square foot. Precision

Custom Coatings, who manufactures and distributes interlining products, leased back the space. The company purchased the building in 2013 from Terreno Realty.

NAI Hanson also sold 50 Somerset Place in Clifton. The 121,000 square foot warehouse sold from JRAM Enterprises to Shawnee Trucking Company. The multi-tenanted building sits on 6 acres with 9 exterior dock doors and 2 drive-ins. The property sold for \$12,826,000 or \$106 per square foot.

# Significant Leases & Sales

1Q2019

## Significant Leases

Tenant	Address	Size (SF)	Submarket
Ceva Logistics	152 Route 206, Hillsborough	331,000	Somerset
Capacity LLC	1600 Livingston Ave., N Brunswick	300,000	Brunswick/Exit 9
Dynamic Marketing, Inc. (Expansion)	400 Cabot Dr., Hamilton	189,000	Exit 7A
Cannabis Cultivation	297 Getty Ave., Paterson	168,000	Route 46/23/3 Corridor
Preferred Freezer Services (Renewal)	20 Tower Rd., South Brunswick	167,812	Exit 8A
GMI Management, Inc. (Renewal)	60 Clyde Rd., Somerset	100,800	Somerset
RD Foods*	19-05 Nevins Rd., Fair Lawn	100,000	Northern Bergen County
OrthoFeet*	335 Chestnut St., Norwood	72,000	Northern Bergen County
Moe's Home Collection	240-290 Heller Park Ct., Dayton	72,000	Exit 8A
Cathay Home	3 Ethel Blvd., Wood-Ridge	65,762	Meadowlands
RentQuest*	873-949 Woodruff Ave., Elizabeth	54,000	Ports
Frost Productions	6 Empire Blvd., Moonachie	44,064	Meadowlands
Fancy Foods, Inc.	313 Regina Ave., Rahway	37,260	Ports
Precision Metal Machining, Inc.* (Renewal)	800 Central Blvd., Carlstadt	35,000	Meadowlands
Rainmen USA, Inc.* (Expansion)	50 Maple St., Norwood	29,103	Northern Bergen County
L&T Import & Export Corp. (Renewal)	230 Industrial Pkwy., Somerville	27,750	Somerset

## Significant Sales

Address	Size (SF)	Price	Buyer	Seller
Portfolio Sale (9 properties in NJ)	2,111,165	\$99,460,446	The Silverman Group	Rubenstein Properties
100 Performance Dr., Mahwah	271,176	\$62,000,000	Colony Capital	Sitex Group
6 Property Portfolio Sale Ferry Street, Newark	1,073,755	\$61,000,000	Turnbridge Equities JV JP Morgan Asset Mgmt	RAR Development Associates
16 McKee Dr.; 70-82 McKee Dr., 91-97 McKee Dr., Mahwah	400,000	\$40,500,000	Advance Realty JV Camber Real Estate Partners	Ivy Realty Services LLC
115 Moonachie Ave., Moonachie	168,800	\$39,600,000	Liberty Property Trust	Barings Real Estate Advisers LLC
200 Maltese Dr., Totowa*	208,000	\$28,547,600	Blackstone Real Estate Income Trust	Precision Custom Coatings LLC
5 Paddock St., Avenel	156,307	\$21,500,000	Black Creek Group	Longstreet
801 Washington Ave., Carlstadt	104,432	\$20,000,000	Sitex Group	Nash Distributors
131 W Commercial Ave., Moonachie	82,867	\$13,250,000	Xavier II LLC	Sitex Group
50 Somerset Pl., Clifton*	121,000	\$12,826,000	Shawnee Trucking	JRAM Enterprises
1100 Route 130, Robbinsville	176,890	\$12,100,000	Black Creek Industrial REIT IV	Berko LLC JV Dimston LLC

# Under Construction

1Q2019



85 Stults Road, Dayton



99 Avenue A, Bayonne

Address	Size (SF)	Completion	Developer	Type
Weston Canal Rd., Somerset	1,065,689	3Q2019	Bridge Development Partners	Spec. Devel.
942 Memorial Pkwy., Phillipsburg (7 building development site)	975,761	4Q2019	Bridge Development Partners	Spec. Devel.
Route 27, Edison	900,022	3Q2020	Rockefeller Group	Spec. Devel.
173-268 Doremus Ave., Newark	870,640	3Q2020	The Morris Companies	Spec. Devel.
429 Delancy St., Newark	661,741	4Q2019	Duke Realty Corporation/Bridge Development Partners	Spec. Devel.
942 Memorial Pkwy., Phillipsburg	607,279	1Q2020	Bridge Development Partners	Spec. Devel.
171 River Rd., Piscataway	468,900	2Q2019	Rockefeller Group	Spec. Devel.
942 Memorial Pkwy., Phillipsburg	419,459	4Q2019	Bridge Development Partners	Spec. Devel.
50 Central Ave., Kearny	415,533	4Q2019	Seagis Property Group	Spec. Devel.
Baekeland Ave., Middlesex	400,000	4Q2019	Lincoln Equities Group	Spec. Devel.
171 River Rd., Piscataway	396,750	2Q2019	Rockefeller Group	Spec. Devel.
Weston Canal Rd., Somerset	308,550	2Q2019	Bridge Development Partners	Spec. Devel.
Weston Canal Rd., Somerset	308,550	2Q2019	Bridge Development Partners	Spec. Devel.
1600 Livingston Ave., North Brunswick	300,000	1Q2020	1600 Building B LLC	Build-to-Suit
800 Centennial Ave., Piscataway	277,830	2Q2019	Penford Group	Spec. Devel.
481 Blackhorse Ln., North Brunswick	245,232	4Q2019	Adler Development	Spec. Devel.
85 Stults Rd., Dayton	203,488	2Q2019	EverWest Real Estate Investors	Spec. Devel.
171 River Rd., Piscataway	197,200	2Q2019	Rockefeller Group	Spec. Devel.
99 Avenue A, Bayonne	191,020	1Q2020	Penwood Real Estate Inves. Mgmt.	Spec. Devel.
942 Memorial Pkwy., Phillipsburg	175,055	1Q2020	Bridge Development Partners	Spec. Devel.
201 Tabor Rd., Morris Plains (6 buildings) (33,400-135,000 sf)	135,000	2Q2020	Vision Real Estate Partners	Spec. Devel.
4050 Tremley Point Rd., Linden	132,685	2Q2019	EverWest Real Estate Partners	Spec. Devel.
590 Belleville Tpke., Kearny	100,700	3Q2019	Alessi Organization	Spec. Devel.
79 Thomas McGovern Dr., Jersey City	95,808	3Q2019	Exeter Property Group	Spec. Devel.
590 Belleville Tpke., Kearny	91,000	3Q2019	Alessi Organization	Spec. Devel.
590 Belleville Tpke., Kearny	86,625	3Q2019	Alessi Organization	Spec. Devel.
140 Central Ave., Kearny	73,872	3Q2019	River Terminal Development	Spec. Devel.
520 Jersey Ave., New Brunswick	67,200	4Q2019	Wakefield Realty Co., Inc.	Spec. Devel.
701 12th St., Carlstadt/Wood-Ridge	64,390	4Q2019	Stalwart Equities	Spec. Devel.
900 American Rd., Morris Plains	54,576	3Q2019	Commercial Property Managers	Spec. Devel.



# 1Q Deliveries

1Q2019

Address	Size (SF)	Leased	Tenant(s)
117 Interstate Boulevard, South Brunswick	593,720	0%	
3 Brick Yard Road, Cranbury	444,466	100%	Performance Team
150 Totowa Road, Wayne	437,500	100%	Gucci
15 Applegate Drive, Robbinsville	295,200	0%	
13 Applegate Drive, Robbinsville	231,850	100%	De'Longhi America, Inc.
5 Ethel Boulevard, Wood-Ridge	193,888	64.4%	GraceKennedy Group
2 Corporate Place S., Piscataway	150,000	100%	Colart
700 Union Boulevard, Totowa (Expansion)	137,323	0%	
66 Carter Drive, Edison	62,250	100%	Western Pacific Foods



117 Interstate Boulevard, South Brunswick



5 Ethel Boulevard, Wood-Ridge

"The Port market continues to tighten with no end in sight. Rents and occupancy are up yet another quarter."

Russell Verducci, Vice President

## Market Snapshot

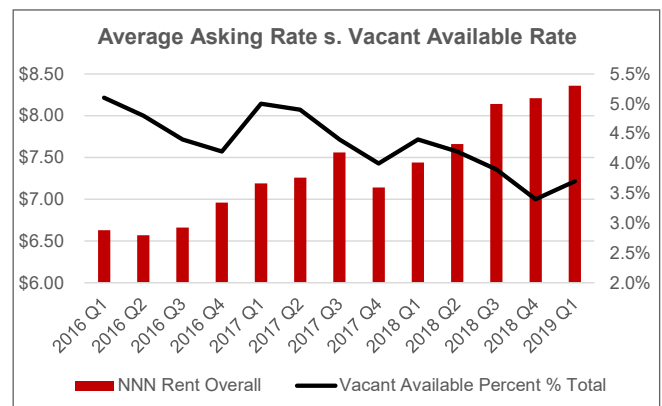
MARKET SIZE	139,168,036 SF	AVERAGE ASKING RATE	\$8.36 PSF
VACANT AVAILABILITY (SF)	5,132,683 SF	1Q19 NET ABSORPTION	107,039 SF
VACANT AVAILABILITY (%)	3.7%	TOTAL 2019 NET ABSORPTION	107,039 SF
1Q19 LEASING ACTIVITY	539,225 SF	UNDER CONSTRUCTION	1,248,393 SF
TOTAL 2019 LEASING ACTIVITY	539,225 SF	DELIVERED	35,845 SF

## 1Q2019 vs. 4Q2018



## Trends

- The vacancy at the end of the first quarter was up slightly compared to the previous quarter. Rates ended at 3.7%, up 0.3% from the fourth quarter of 2018. Compared to the first quarter of 2018, rates are down 0.7% and compared to the first quarter of 2017, rates are down 1.3%.
- The average asking rate ended the quarter at \$8.36 per square foot, up \$0.11 per square foot from the previous quarter. Compared to the first quarter of 2018, rates are up \$0.92 per square foot and compared to the first quarter of 2017, rates are up \$1.17 per square foot.
- There was over 539,000 square feet leased in the quarter. Top lease transactions included Fancy Foods, Inc. leasing 37,260 square feet at 313 Regina Avenue in Rahway; W8 Shipping leasing 34,950 square feet at 84 Harbor Drive in Jersey City; and Alpha Flight leasing 34,074 square feet at 20 Boright Avenue in Kenilworth.
- A top sale transaction included the six property portfolio sale in Ferry Street, Newark (the former Ballantine Brewery). The joint venture between Turnbridge Equities and JP Morgan Asset Management purchased the 1,073,755 square feet for \$61,000,000 from RAR Development Associates.



Rendering of Ferry Street, Newark  
(Former Ballantine Brewery)

"The current economics and demand for industrial space remain very strong in the Exit 10/12 submarket. Rents are well into the \$8's and a vacancy rate nearing 1%. The vacancy rate in this submarket is among the lowest in the State."

Eric Demmers, Industrial Specialist

## Market Snapshot

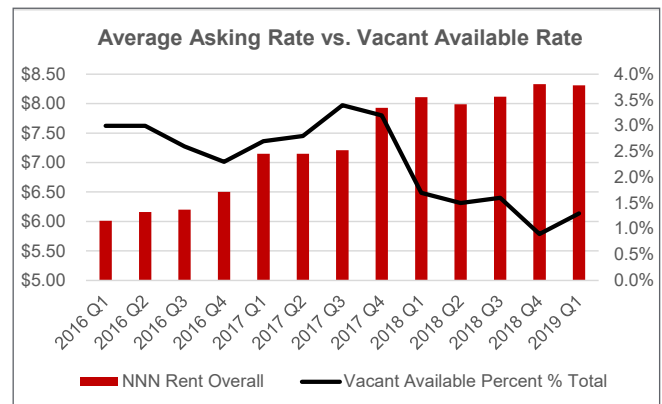
MARKET SIZE	108,240,336 SF	AVERAGE ASKING RATE	\$8.31 PSF
VACANT AVAILABILITY (SF)	1,432,206 SF	1Q19 NET ABSORPTION	1,296,065 SF
VACANT AVAILABILITY (%)	1.3%	TOTAL 2019 NET ABSORPTION	1,296,065 SF
1Q19 LEASING ACTIVITY	438,168 SF	UNDER CONSTRUCTION	1,975,766 SF
TOTAL 2019 LEASING ACTIVITY	438,168 SF	DELIVERED	212,250 SF

## 1Q2019 vs. 4Q2018



## Trends

- This submarket saw a slight increase in vacancy of 0.4% from the previous quarter. Compared to the first quarter of 2018, vacancy is down 0.4% and compared the first quarter of 2017, vacancy is down 1.4%. Exit 10/12 has one of the lowest vacancies.
- Average asking rates ended the quarter \$8.31 per square foot. Asking rates are up \$0.20 per square foot from the first quarter of 2018 and are up \$1.16 per square foot from the first quarter of 2017.
- This submarket saw over 438,000 square feet leased in the quarter. Top lease transactions included Blonder Tongue Laboratories, Inc. leasing 128,748 square feet at 1 Jake Brown Road in Old Bridge; 88,560 square feet leased at 117 Sunfield Avenue in Edison; and 42,000 square feet leased at 333 Cedar Avenue in Middlesex.
- A top sale transaction included 5 Paddock Street in Avenel. The 156,307 square foot building was purchased by Black Creek Group for \$21,500,000 or \$137.55 per square foot from Longstreet. The property was previously owner occupied and the seller vacated at the time of sale.



1 Jake Brown Road, Old Bridge

### Market Snapshot

MARKET SIZE	94,580,683 SF	AVERAGE ASKING RATE	\$10.05 PSF
VACANT AVAILABILITY (SF)	2,392,509 SF	1Q19 NET ABSORPTION	(284,578) SF
VACANT AVAILABILITY (%)	2.5%	TOTAL 2019 NET ABSORPTION	(284,578) SF
1Q19 LEASING ACTIVITY	573,717 SF	UNDER CONSTRUCTION	738,293 SF
TOTAL 2019 LEASING ACTIVITY	573,717 SF	DELIVERED	0 SF

### 1Q2019 vs. 4Q2018

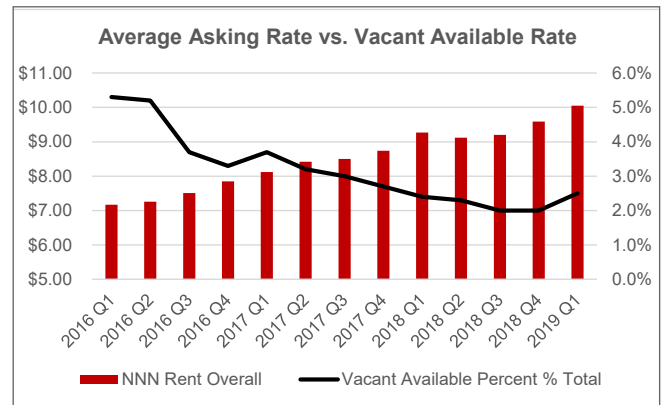
**0.1%**  
VACANCY RATE

**\$0.46**  
ASKING RATE

**32,020 SF**  
LEASING ACTIVITY

### Trends

- The Meadowlands saw a slight increase in the vacancy from the previous quarter. The rate ended at 2.5%, which is up 0.1% from the first quarter of 2018, but is down 1.2% from the first quarter of 2017.
- Average asking rates increased \$0.46 per square foot from the previous quarter ending the quarter at \$10.05 per square foot. Asking rates have increased by \$0.78 per square foot from the first quarter of 2018 and are also up \$1.93 per square foot from the first quarter of 2017. The Meadowlands has the second highest average asking rate of all the submarkets.
- There was over 573,000 square feet leased in the first quarter of 2019. Top lease transactions included Cathay Home leasing 65,762 square feet at 3 Ethel Boulevard in Wood-Ridge; Perimeter International, Inc. leasing 52,161 square feet at 585 Industrial Road in Carlstadt; and Frost Productions leasing 44,064 square feet at 6 Empire Boulevard in Moonachie.
- A top sale transaction included 115 Moonachie Avenue in Moonachie. Liberty Property Trust purchased the 168,800 square foot building for \$39,600,000 or \$234.60 per square foot from Barings Real Estate Advisors LLC.



585 Industrial Road, Carlstadt

## Market Snapshot

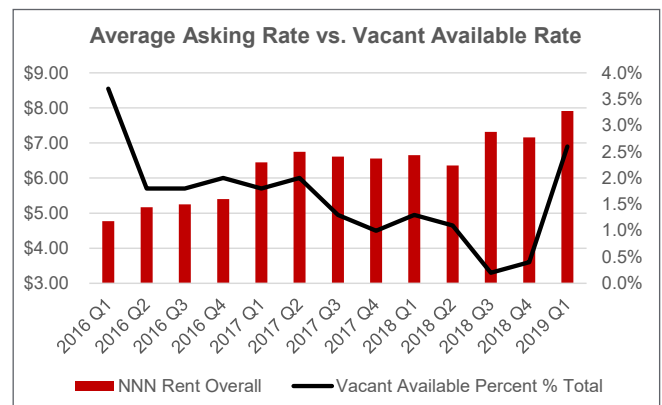
MARKET SIZE	68,728,462 SF	AVERAGE ASKING RATE	\$7.91 PSF
VACANT AVAILABILITY (SF)	1,775,156 SF	1Q19 NET ABSORPTION	(113,939) SF
VACANT AVAILABILITY (%)	2.6%	TOTAL 2019 NET ABSORPTION	(113,939) SF
1Q19 LEASING ACTIVITY	333,126 SF	UNDER CONSTRUCTION	251,288 SF
TOTAL 2019 LEASING ACTIVITY	333,126 SF	DELIVERED	1,050,660 SF

## 1Q2019 vs. 4Q2018



## Trends

- Vacancy in this submarket increased 2.2% compared to the previous quarter ending the first quarter at 2.6%. Vacancy is up 1.3% compared to the first quarter of 2018 as well as being up 0.8% from the first quarter of 2017.
- This submarket ended with an average asking rate of \$7.91 per square foot. The rate is up \$0.64 per square foot compared to the previous quarter. Compared to the first quarter of 2018, rates are up \$1.26 per square foot and compared to the first quarter of 2017, rates are up \$1.46 per square foot.
- There was over 333,000 square feet leased in the quarter. Top lease transactions included Preferred Freezer Services renewing their 167,812 square feet at 20 Tower Road in South Brunswick; Moe's Home Collection leasing 72,000 square feet at 240-290 Heller Park Court in Dayton; and Greenway Products and Services leasing 42,000 square feet at 5 Wheeling Road in Dayton.



20 Tower Road, South Brunswick

# Route 46/23/3 Corridor

1Q2019

*“As vacancy rates closest to New York City continue to hover around zero to one percent, lending to another increase in asking rents over the past quarter in what remains a Landlord’s market, the ripple effect continues westward into adjacent markets where tenants, migrating in an effort to capture relative overhead savings, are again met with similarly low vacancy that translates into rising costs.”*

Justin Alessio, Sales Associate

## Market Snapshot

MARKET SIZE	55,369,600 SF	AVERAGE ASKING RATE	\$8.23 PSF
VACANT AVAILABILITY (SF)	2,614,001 SF	1Q19 NET ABSORPTION	(258,165) SF
VACANT AVAILABILITY (%)	4.7%	TOTAL 2019 NET ABSORPTION	(258,165) SF
1Q19 LEASING ACTIVITY	461,628 SF	UNDER CONSTRUCTION	0 SF
TOTAL 2019 LEASING ACTIVITY	461,628 SF	DELIVERED	437,500 SF

## 1Q2019 vs. 4Q2018



0%

VACANCY RATE



\$0.51

ASKING RATE

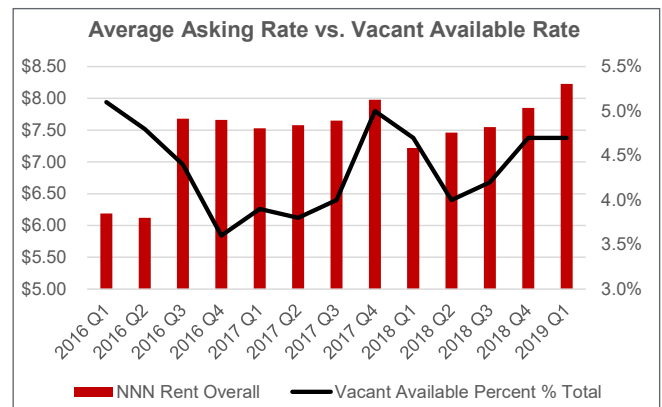


135,453 SF

LEASING ACTIVITY

## Trends

- The Route 46/23/3 Corridor ended with no change in the vacancy rate from the previous quarter as well as compared to the first quarter of 2018. The rate ended at 4.7%. Compared to the first quarter of 2017, the rate is up 0.8%.
- Average asking rates increased by \$0.51 per square foot from the previous quarter ending the first quarter at \$8.23 per square foot. Rates are up \$1.01 per square foot from the first quarter of 2018 and are up \$0.70 per square foot from the first quarter of 2017.
- Leasing registered over 461,000 square feet for the quarter. Top lease transactions included Cannabis Cultivation leasing 168,000 square feet at 297 Getty Avenue in Paterson; 42,000 square feet leased at 61 Willet Street in Passaic; and CMB Sports, LLC leasing 40,600 square feet at 1253 Route 23 in Wayne.
- The top sale transaction was 200 Maltese Avenue in Totowa. Precision Custom Coatings LLC did a sale leaseback for the 208,000 square foot building. Blackstone Real Estate Income Trust purchased the property for \$28,547,600 or \$137.25 per square foot. NAI Hanson facilitated the transaction.



1253 Route 23, Wayne

## Market Snapshot

MARKET SIZE	43,479,424 SF	AVERAGE ASKING RATE	\$5.57 PSF
VACANT AVAILABILITY (SF)	1,471,270 SF	1Q19 NET ABSORPTION	31,829 SF
VACANT AVAILABILITY (%)	3.4%	TOTAL 2019 NET ABSORPTION	31,829 SF
1Q19 LEASING ACTIVITY	352,955 SF	UNDER CONSTRUCTION	532,278 SF
TOTAL 2019 LEASING ACTIVITY	352,955 SF	DELIVERED	231,850 SF

## 1Q2019 vs. 4Q2018



**0.4%**

VACANCY RATE



**\$0.26**

ASKING RATE

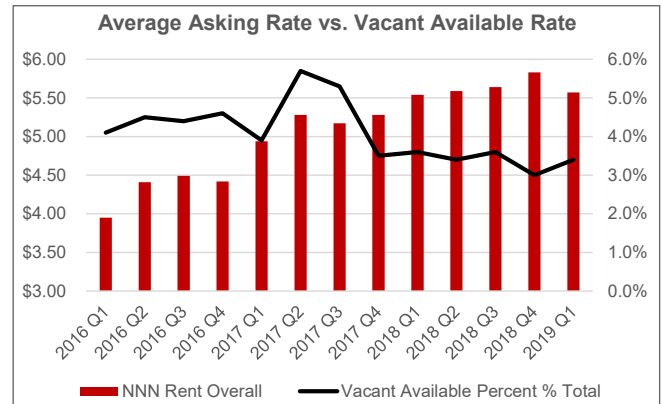


**251,449 SF**

LEASING ACTIVITY

## Trends

- The Exit 7A submarket ended with a vacancy rate of 3.4%. The rate is down 0.2% compared to the first quarter of 2018 and is down 0.5% compared to the first quarter of 2017.
- Average asking rates in this submarket ended lower, down \$0.26 per square foot, compared to the previous quarter. The quarter ended at \$5.57 per square foot. Asking rates are up \$0.03 per square foot from the first quarter of 2018 and are up \$0.63 per square foot from the first quarter of 2017.
- Over 352,000 square feet was leased in the first quarter of 2019. Top lease transactions included Dynamic Marketing, Inc. expanding into 189,000 square feet at 400 Cabot Drive in Hamilton and 50,450 square feet leased at 323 Fairfield Road in Freehold.
- 49 Thomas J. Rhodes Industrial Drive in Hamilton, a cross dock truck terminal, sold from Matrix Development Group to Realterm US, Inc. Realterm purchased the 44,975 square foot building for \$20,500,000 or \$455.81 per square foot. The building was constructed in 2009 as a build-to-suit and has been fully leased to YRC Freight. The property features 101 dock high doors.



400 Cabot Drive, Hamilton

### Market Snapshot

MARKET SIZE	28,599,589 SF	AVERAGE ASKING RATE	\$7.55 PSF
VACANT AVAILABILITY (SF)	757,662 SF	1Q19 NET ABSORPTION	(124,024) SF
VACANT AVAILABILITY (%)	2.6%	TOTAL 2019 NET ABSORPTION	(124,024) SF
1Q19 LEASING ACTIVITY	808,015 SF	UNDER CONSTRUCTION	118,182 SF
TOTAL 2019 LEASING ACTIVITY	808,015 SF	DELIVERED	55,900 SF

### 1Q2019 vs. 4Q2018



**1.3%**

VACANCY RATE



**\$0.08**

ASKING RATE

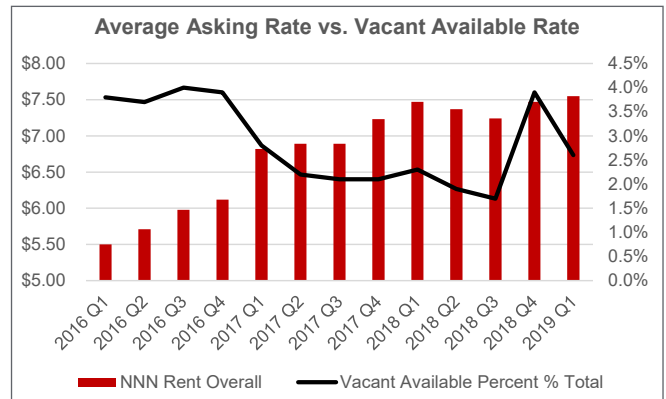


**450,313 SF**

LEASING ACTIVITY

### Trends

- Vacancy ended the quarter down 1.3% compared to the previous quarter. Rates ended at 2.6%. Compared to a year prior in 2018, rates are up 0.3%, but compared to the first quarter of 2017, rates are down 0.2%.
- Average asking rates ended the quarter at \$7.55 per square foot, up slightly from the previous quarter. Asking rates are up \$0.08 per square foot from the first quarter of 2018 and are up \$0.73 per square foot from the first quarter of 2017.
- There was over 808,000 square feet leased in the first quarter of 2019. Top lease transactions included Ceva Logistics leasing 331,000 square feet at 152 Route 206 in Hillsborough; GMI Management, Inc. renewing their 100,800 square feet at 60 Clyde Road in Somerset; and Brenntag leasing 52,000 square feet at 106 Meister Avenue in Branchburg.
- 2101 Cottontail Lane in Somerset was a top sale transaction for the quarter. Legend Biotech USA, Inc. purchased the 85,371 square foot property for \$11,196,657 or \$131.15 per square foot from Terumo Medical Corporation.



152 Route 206, Hillsborough



# Central Bergen County

1Q2019

"The market continues to perform well. Tenants continue to lease space in this vibrant market and with very little new construction or new buildings, landlords continue to push rental rates to all-time highs. The direct result of this market is the ever increasing sale price of these properties."

Andrew Somple, SIOB, Senior Vice President

## Market Snapshot

MARKET SIZE	26,114,271 SF	AVERAGE ASKING RATE	\$10.92 PSF
VACANT AVAILABILITY (SF)	829,483 SF	1Q19 NET ABSORPTION	(161,521) SF
VACANT AVAILABILITY (%)	3.2%	TOTAL 2019 NET ABSORPTION	(161,521) SF
1Q19 LEASING ACTIVITY	130,724 SF	UNDER CONSTRUCTION	30,000 SF
TOTAL 2019 LEASING ACTIVITY	130,724 SF	DELIVERED	0 SF

## 1Q2019 vs. 4Q2018



0.7%

VACANCY RATE



\$0.06

ASKING RATE

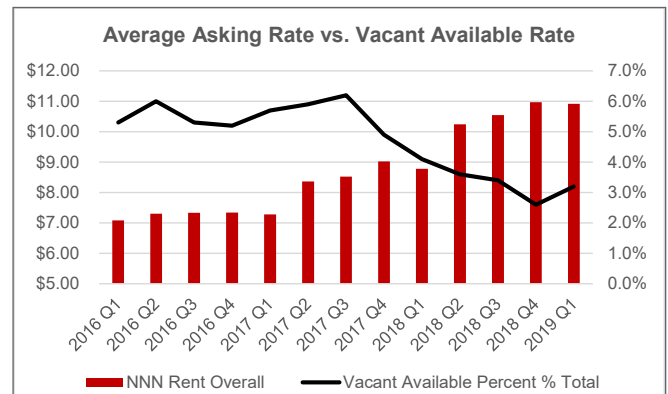


17,619 SF

LEASING ACTIVITY

## Trends

- Vacancy ended the quarter at 3.2%. The rate is down 0.9% from the first quarter of 2018 and down 2.5% from the first quarter of 2017.
- The Central Bergen County submarket ended with the highest average asking rate at \$10.92 per square foot. Asking rates are up \$2.14 per square foot from the first quarter of 2018 and are up \$3.64 per square foot from the first quarter of 2017.
- Over 130,000 square feet was leased in the first quarter of 2019. Top lease transactions included 50,000 square feet leased at 1 Bell Drive in Ridgefield and Total Ink Solutions renewing their 18,000 square feet at 200 S Newman Street in Hackensack.
- Russo Development purchased 150 River Street in Hackensack from North Jersey Media Group. The 200,000 square foot property was purchased for \$8,010,000 or \$40.05 per square foot. The property is in the redevelopment zone in Hackensack and will be converted to multi-family and retail.



200 S Newman Street, Hackensack

### Market Snapshot

MARKET SIZE	22,065,053 SF	AVERAGE ASKING RATE	\$9.39 PSF
VACANT AVAILABILITY (SF)	921,410 SF	1Q19 NET ABSORPTION	38,897 SF
VACANT AVAILABILITY (%)	4.2%	TOTAL 2019 NET ABSORPTION	38,897 SF
1Q19 LEASING ACTIVITY	321,731 SF	UNDER CONSTRUCTION	0 SF
TOTAL 2019 LEASING ACTIVITY	321,731 SF	DELIVERED	0 SF

### 1Q2019 vs. 4Q2018

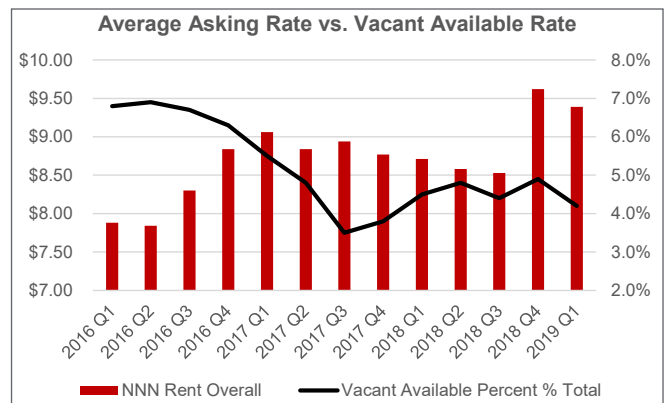
**0.9%**  
VACANCY RATE

**\$0.24**  
ASKING RATE

**157,503 SF**  
LEASING ACTIVITY

### Trends

- Vacancy ended the quarter at 4.2%, down 0.9% from the previous quarter. The vacancy rate is down 0.3% from the first quarter of 2018 and down 1.3% from the first quarter of 2017.
- Average asking rates ended the quarter at \$9.39 per square foot. Rates are up \$0.68 per square foot from the first quarter of 2018 and up \$0.33 per square foot from the first quarter of 2017.
- The Northern Bergen County submarket saw over 321,000 square feet leased in the first quarter. Top lease transactions included RD Foods leasing 100,000 square feet at 19-05 Nevins Road in Fair Lawn; OrthoFeet leasing 72,000 square feet at 335 Chestnut Street in Norwood; and Rainmen USA, Inc. expanding to 29,103 square feet at 50 Maple Street in Norwood. NAI Hanson facilitated all three transactions.
- 100 Performance Drive in Mahwah sold from Sitex Group to Colony Capital as part of the portfolio sale from 2018. The Class A property sold for \$62,000,000 or \$228.63 per square foot. 100 Performance was built in 2018 and is fully leased to Snow Joe.

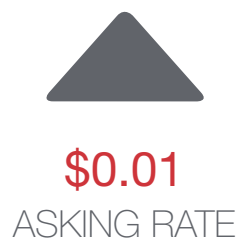


335 Chestnut Street, Norwood

### Market Snapshot

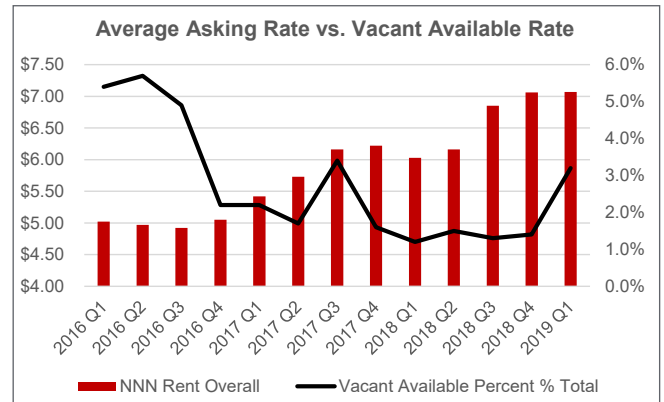
MARKET SIZE	21,674,141 SF	AVERAGE ASKING RATE	\$7.07 PSF
VACANT AVAILABILITY (SF)	685,377 SF	1Q19 NET ABSORPTION	(458,446) SF
VACANT AVAILABILITY (%)	3.2%	TOTAL 2019 NET ABSORPTION	(458,446) SF
1Q19 LEASING ACTIVITY	457,618 SF	UNDER CONSTRUCTION	612,432 SF
TOTAL 2019 LEASING ACTIVITY	457,618 SF	DELIVERED	0 SF

### 1Q2019 vs. 4Q2018



### Trends

- The vacancy rate at the end of the quarter was 3.2%. The rate is up 2% from the first quarter of 2018 and up 1% from the first quarter of 2017.
- Average asking rates ended the quarter at \$7.07 per square foot. Asking rates are up \$1.04 per square foot from the first quarter of 2018 and are up \$1.65 per square foot from the first quarter of 2017.
- Over 457,000 square feet was leased in the first quarter. Top lease transactions included Capacity LLC leasing 300,000 square feet at 1600 Livingston Avenue in North Brunswick and Cosmo Frontage leasing 136,000 square feet at 2300 Route 1 in North Brunswick.
- A top sale transaction included 502 Jersey Avenue in New Brunswick. Cosmic Stone and Tile Distributors, Inc. sold the 187,000 square foot building to US Mobile Phone for \$14,500,000 or \$77.54 per square foot.



2300 Route 1, North Brunswick

# 1Q 2019

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