



Upper Parkway Winter 2018 Office Report

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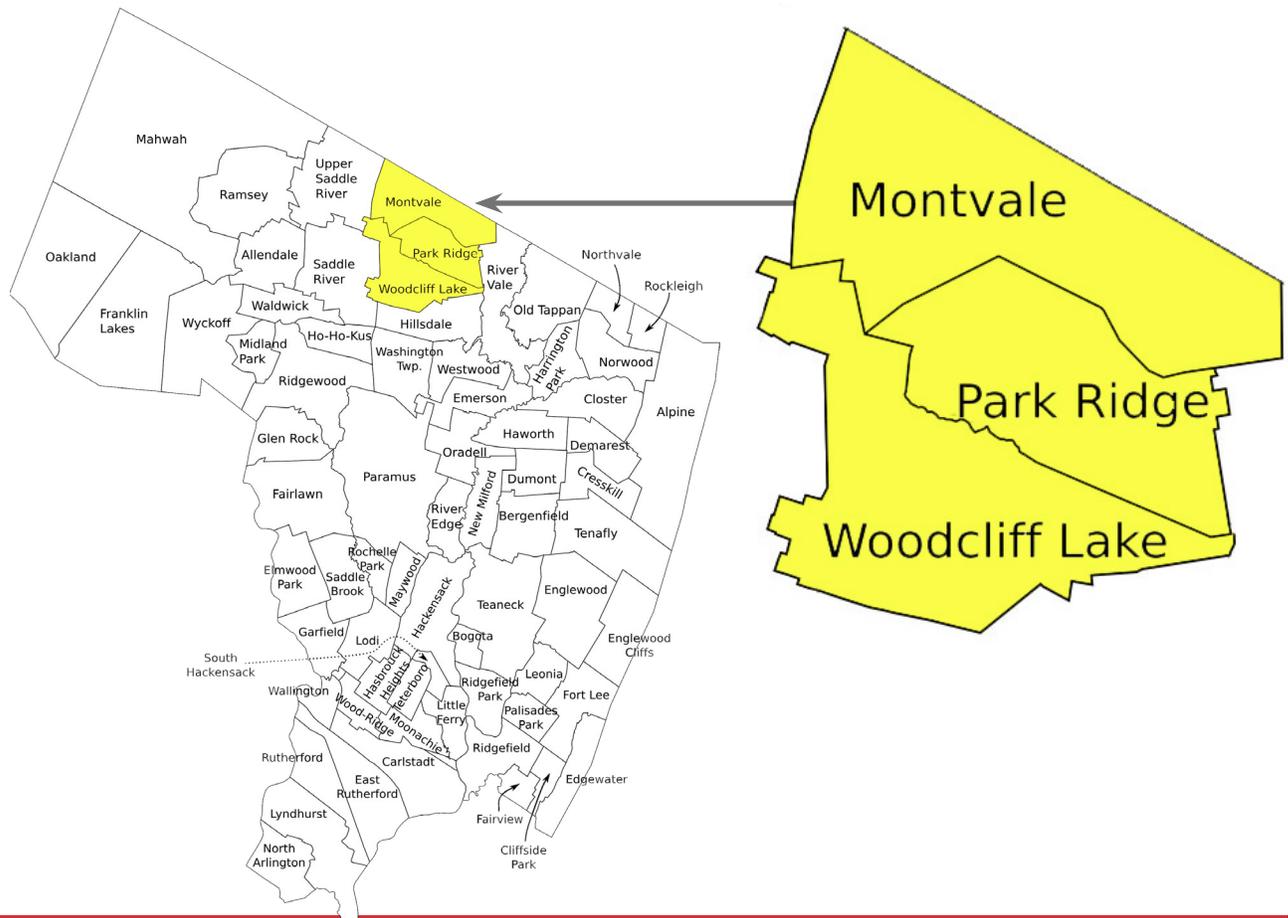
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Office Market Statistics

Upper Parkway Submarket

The Upper Parkway consists of Montvale, Park Ridge and Woodcliff Lake. This submarket has been transforming itself over the last few years: redevelopment of DePiero's Farm (Wegmans), conversion of Mercedes Benz property to mixed used, purchase of 225 Summit Avenue by Memorial Sloan Kettering, purchase of 75 Chestnut Ridge Road by KPMG. As a result of these and other changes, we have altered the way we track office properties. We removed these properties, along with corporate-owned buildings. This revised mathematical computation resulted in a change in the availability rate.

	<u>Existing Inventory</u>	<u># of Buildings</u>	<u>Total Availability</u>	<u>Availability Rate</u>	<u>Quoted Rental Rate</u>
Class A	1,587,031 SF	12	744,516 SF	46.9%	\$26.00 PSF
Class B	1,257,181 SF	21	549,135 SF	43.6%	\$21.88 PSF



Submarket Clusters

Bergen Central:
 Bergen East:
 Bergen North:

 Meadowlands:

Submarkets

Route 208 Corridor
 GW Bridge
 North 17 Corridor
 Western Bergen
 Meadowlands

 Route 4/17
 Hackensack
 North Central Bergen

 Route 46 Corridor
 Teaneck/Ridgefield
 Palisades
 Upper Parkway

50 Tice Boulevard Woodcliff Lake

Upper Parkway
Submarket



50 Tice Boulevard Woodcliff Lake

Upper Parkway
Submarket

The sale of Mack Cali's 9-building suburban office portfolio provided an opportunity for various investors to enter the fray in search of Class-A office space in Bergen County. One such investor, Capstone Realty Group, successfully acquired a highly visible asset located at 50 Tice Boulevard, Woodcliff Lake, NJ.

Although 50 Tice is considered a Class A-building, Capstone has a "best-in-class" mentality and feels strongly that improvements can be made within and around the building. Capital projects that have started or will be soon include the following:



- A new café operated by Café Amore with a new food servery, café and lounge seating area and private dining room. In addition, the atrium will feature a coffee & juice bar.
- Creation of a 25-person board room with video conferencing capabilities.
- Creation of a 1,600 SF new health & wellness center adjacent to and operated by a physical therapist that will offer weekly pilates, yoga, and boot camp classes.
- All lighting fixtures in common areas, including bathrooms have already been replaced and converted to LEDs.
- Concourse level will feature seating, a coffee bar, meeting space, private dining room and collaborative work spaces.
- Roof has been replaced.
- Lower level will be connected to the main entrance by a large, glass staircase.
- The main entrance to the building will be widened and stone will be added to a portion of the facade.
- A security desk will be added and located on the main level.
- Landscaping renovation has begun which will include the removal of 61 trees. In the spring, ownership will landscape the property.

Over the last several years, in writing the Upper Parkway office report, I have often shared the view that in order to stay competitive, office building owners must amenitize their building(s). This can include but is not limited to high, loft-style ceilings, electric vehicle charging stations, game rooms, tenant lounges, furniture with plug-in capabilities, roof decks, retail shops, window views, natural light and dog-friendly office spaces.

If one thinks that these are just over-the-top demands made by entitled millennials, think again. Many of these amenities have become an every-generation-of-worker expectation.

The race continues for corporations seeking top talent. To attract and retain that talent, corporations will continue to seek out those landlords which provide amenities that go far beyond the standard café.

Office building owners, especially those in suburban areas, are running their own race – the race for office tenants. Capstone Realty Group, and others like them who modernize their building and cater to the needs of their tenants will no doubt come out the winners.

Please feel free to contact me if you would like any or all of the following:

- Additional information on the current office leasing environment.
- Additional information on the properties featured here or any available property within Bergen County's 12 submarkets.
- To meet with me to determine how we can renegotiate your current lease for you.