

Spring 2017

Hackensack Redevelopment Report



Q&A with...

William C. Hanson & Francis Reiner

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Q: Hackensack is now viewed as being progressive with city officials trying to make it easier for developers to build. Do you think the revitalization will continue through to what a reasonable person would say is a success or will the marketplace, economy, changes in government officials, etc. cause an interference, possibly allowing only a few pockets of change within the city to occur? What about transit?

William Hanson: The plan as it's progressing is really necessary for a true change in downtown Hackensack and I hope it continues. All those factors are considered risks. I think that most of these developments will have shuttles to the train station and there will be added trips for the train in Hackensack. The light rail, if it happens, and if it runs through Hackensack, would be a tremendous boom. The train is a major component to having a transit oriented town or city. I would like to see more of it.

Francis Reiner: The City of Hackensack has implemented as many tools to assist in the revitalization process which includes progressive zoning, lower parking ratios, and a streamlined submittal review and approval process. At this point, the City is looking at between 2,000 and 2,500 new units in the downtown over the next 10 years. The goal of the City is to create a pedestrian friendly mixed use environment that promotes transit and alternative transportation options which include the conversion of Main and State Street back to two way, an expanded New Jersey Regional Bus Station, two train stations and hopefully a rubber tire trolley that connects the transit stations with the HUMC and Riverside Square Mall through the downtown.

Q: Meridia Metro, located at 100 State Street, was built as a turning point in Hackensack's revitalization. Do you think it's lived up to its "responsibility"? Has it had the positive effect people were hoping for?

William Hanson: I can't judge one project. The project on its own is not enough to change Hackensack. You need a lot of different development to take place. All the projects that have been completed, started, or are in the works, are all needed to have a dynamic change.

Francis Reiner: I think the Meridia Metro project was an important milestone in starting the process of redevelopment in Hackensack. That project sent a message to the development community that Hackensack was serious about revitalizing its downtown.

Q&A with...

William C. Hanson & Francis Reiner

Q: Is this revitalization 10 years too late? Do you think that Hackensack has missed this cycle of renters/buyers (millennials ready to move to their next “urban” center)?

William Hanson: It's not a matter of being 10 years too late, it's better to start rather than wait. It's a concern if both the projects that are in the works have not started yet, if and when the cycle changes. There is a market for renters and the hope would be that it brings more retail – restaurants and other storefronts. Statistically people are marrying later and there is more flexibility with renting rather than buying. It takes a lot more than just affording the down payment – closing costs, title insurance, etc.

Francis Reiner: Development is cyclical so I don't think that Hackensack missed its opportunity. The most important part of the Redevelopment Plan is to create a plan that is consistent and will allow redevelopment regardless of the economy. I feel comfortable with what's going to happen and I believe the demographics of millennials and baby boomers puts Hackensack in an ideal situation. For those who maybe cannot afford to move to Hoboken or Edgewater, Hackensack represents a similar type of lifestyle for a lower cost of living.

Q: Do you think an increase in residential population will have a positive effect on the Hackensack office market?

William Hanson: There's no direct correlation right now. It would be another element to help increase the daytime population and bring more foot traffic into Hackensack retail businesses. The demand for office space in general is not high right now.

Francis Reiner: The office market is in a state of change with less traditional office needs. The hope is that Hackensack will offer an environment that will attract young professionals looking for less traditional work environments. The next generation is very entrepreneurial and is not looking to work in the same place their entire career. One of the goals for Hackensack would be to figure out how to bring more high tech and entrepreneurial jobs to the city.

Q: How big of an effect do you think HUMC and Hackensack University Wellness Center will have on Hackensack's renaissance? What will some of those positive changes be?

William Hanson: I would presume it has a direct correlation with housing and residential. When the renaissance of the downtown happens, there will be a definite connection with people coming to the downtown to shop.

Francis Reiner: HUMC has been a major contributor to the City of Hackensack over the years. It is the single largest employer in Bergen County. I think having such a well known facility so close to future housing can only strengthen the residential market in Hackensack. Once the residential has been established, there will likely be some changes to the types of retail establishments in the downtown. HUMC and Hackensack University Wellness Center are huge assets to the community and I hope the conversation continues about how they help transcend the development in downtown.

Bergen County, New Jersey Spring 2017 Office Report

Class A&B

Hackensack Fast Facts:

- The rehabilitation plan was adopted in 2012.
- 163 acres (389 properties) are in need of rehabilitation.
- Zoning was broken up into 2 classifications - catalyst and non-catalyst.
- Hackensack became the State's 31st Transit Village in 2015.
- The City is looking at 2,000-2,500 new units in the downtown over the next 10 years.



Submarket Overview:

Submarket	Total RBA SF	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption SF	Total SF Leased	Average Asking Rate PSF
Bergen County Overall	31,762,273	4,215,673	13.3%	(104,911)	299,310	\$24.50
Bergen North	10,751,901	1,259,637	11.7%	(55,424)	60,425	\$24.58
Bergen East	10,051,849	1,108,794	11.0%	(26,575)	154,407	\$23.43
Bergen Central	7,595,644	1,134,251	14.9%	(8,083)	74,315	\$25.58
Meadowlands	3,362,879	712,991	21.2%	(14,829)	10,163	\$23.87

Lease Transactions:

Tenant	Address	Size (SF)	Submarket
Jeep	100 Sylvan Avenue, Englewood Cliffs	56,500	Bergen East
Total Bank Solutions	3 University Plaza, Hackensack	21,595	Bergen East
The FORT Group	100 Challenger Road, Ridgefield Park	11,500	Bergen East
TIAA*Renewal	3 University Plaza Drive, Hackensack	6,599	Bergen East

Sale Transactions:

Address	Size (SF)	Price	Buyer	Seller
2100 N Central Avenue Fort Lee	157,500	\$16,000,000	Observer Enterprises LLC	Lekch LLC
65 Route 4 River Edge	24,000	\$3,300,000	Brandon Broderick	Real Estate Equities Group, LLC