

INDUSTRIAL

Northern & Central NJ 1Q 2020 Report

Up until mid-March, our economy and commercial real estate industry seemed to be picking up right where it left off in 2019. It appeared that the commercial real estate industry was poised to continue to see extra innings of the metaphorical baseball game used by so many to describe the status of the market over the past several quarters. Unfortunately, COVID-19 quickly brought on, not just the end of that game but, the cancellation of the entire season. Many owners, tenants, investors, and others tied to the commercial real estate industry are now finding themselves asking – what next?

In my opinion, the COVID-19 economic disruption differs significantly from more recent recessions. In the past, recessions have generally not been caused by one particular non-financial catalyst like this one and often unfolded over months as economic indicators flashed increasingly dire warning signs. Prior to the emergence of COVID-19, no such troublesome indicators appeared, and our market fundamentals remained strong. For these reasons, I believe that while we are experiencing deep economic pain right now, the impacts will be temporary and the long-term prospects for our commercial real estate market remain strong.

However, my guarded optimism regarding the market does not mean that there will not be impacts to the commercial real estate industry in our region. Social distancing and quarantining efforts have had immediate devastating impacts to our hospitality and retail sectors, this will only accelerate the slow decline of many already struggling retailers and hotel operators. Furthermore, as office users are forced to increase the adoption of work from home policies, office owners may see space reductions on their next renewals with tenants.

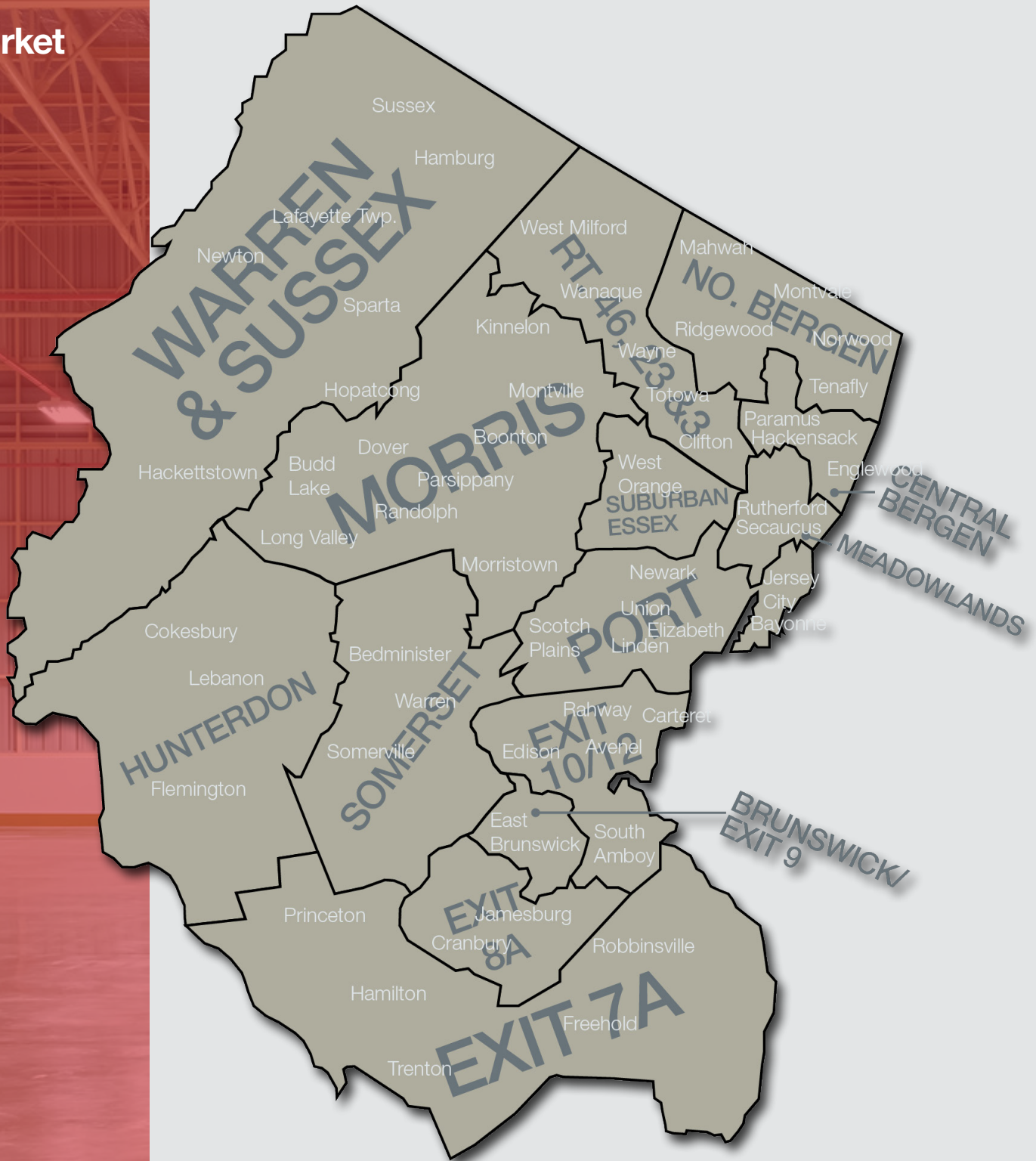
For the industrial market, the impacts will be a bit more complicated. The frothiness that defined the market over the past several years will take some time to resume as COVID-19 has effectively stopped new deal flow and complicated the completion of in-progress deals. Although the overall economy is well-positioned to come out of COVID-19, businesses will need time to evaluate their real estate needs and I believe that it will take a while for deal flow to pick up again.





However, there will be opportunities. For those firms in the financial position to do so, record-low interest rates make this an ideal time to refinance. Through refinancing now, companies will be able to emerge from COVID-19 on a more secure financial footing and free up capital to reallocate to other parts of their businesses to help mitigate immediate cashflow issues.

Additionally, with the accelerated adoption of online shopping necessitated by stay-at-home orders, millions of Americans are ordering groceries and other necessities online for the first time. I anticipate that many of these shoppers will likely change their buying behaviors migrating to more on-line delivery-based services following the lifting of restrictions. This will cause an increased need for warehousing and last-mile facilities, placing an even greater strain on an already undersupplied industrial market in our region. With limited development space in markets closer to New York City, I expect to see increased industrial development activity, particularly in secondary and tertiary markets like those along Interstate 80.

Finally, in what have become uncertain and difficult times, the expertise of commercial real estate brokers will become crucial to businesses in our region as they seek to navigate what will be a challenging and complex market over the next several quarters. Fortunately, for over 65 years, NAI James E. Hanson has helped clients, big and small, face economic uncertainty through ensuring that they have the right spaces at the right price in the right places. Our invaluable counsel is backed by our unmatched market knowledge and deep experience working with New Jersey's business community. As we have done throughout our history, we look forward to once again assisting our business community in these challenging times as we build a stronger New Jersey.

Submarket Map



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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
Northern & Central NJ Overall	673,602,807	17,230,368	2.6%	1,137,969	4,452,458	14,488,653	\$8.67
Middlesex	199,611,416	2,188,254	1.1%	1,106,402	1,610,539	6,133,082	\$8.64
Bergen	90,851,656	3,627,321	4.0%	184,690	338,624	1,420,278	\$9.64
Hudson	81,993,164	2,345,506	2.9%	(136,131)	500,520	113,623	\$11.20
Essex	65,759,086	1,396,778	2.1%	182,247	425,646	142,972	\$9.73
Union	62,806,721	1,462,009	2.3%	(316,045)	482,495	1,612,842	\$8.47
Passaic	55,920,980	1,948,400	3.5%	106,198	188,422	15,300	\$8.54
Morris	38,714,987	2,439,622	6.3%	(118,952)	842,962	21,500	\$7.62
Mercer	33,385,820	787,415	2.4%	22,527	21,600	486,350	\$4.82
Somerset	28,337,678	502,254	1.8%	64,433	30,850	2,356,674	\$8.45
Hunterdon	6,819,626	85,120	1.2%	90,000	10,800	29,978	\$7.29
Warren	6,411,164	206,394	3.2%	(12,200)	-	2,177,554	\$5.72
Sussex	2,990,509	241,295	8.1%	(35,200)	-	-	\$6.84
Orange, NY	29,553,509	973,509	3.3%	120,404	29,000	-	\$6.36
Rockland, NY	15,307,773	592,782	3.9%	(206,980)	275,638	16,000	\$9.54

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	138,504,542	3,289,483	2.4%	9,527	714,058	1,755,814	\$8.92
Exit 10/12	108,527,931	1,395,468	1.3%	744,252	626,787	2,948,745	\$8.65
Meadowlands	94,347,926	2,943,620	3.1%	(154,945)	688,239	1,533,901	\$11.13
Exit 8A	69,140,045	552,341	0.8%	409,585	957,252	2,125,865	\$9.49
Route 46/23/3 Corridor	55,671,748	1,911,566	3.4%	123,848	187,322	15,300	\$8.33
Exit 7A	43,596,758	1,377,445	3.2%	33,155	38,775	543,475	\$5.76
Morris Region	36,859,923	2,398,526	6.5%	(121,752)	840,462	21,500	\$7.60
Somerset	28,164,666	489,254	1.7%	64,433	30,850	2,356,674	\$8.45
Central Bergen County	25,570,872	949,920	3.7%	83,977	53,111	-	\$8.35
Suburban Essex	23,233,574	690,858	3.0%	46,613	249,233	-	\$9.96
Northern Bergen County	22,033,120	1,048,663	4.8%	(85,261)	46,244	-	\$9.82
Brunswick/Exit 9	21,943,440	240,445	1.1%	(47,435)	26,500	1,058,472	\$8.00
Warren & Sussex	9,401,673	447,689	4.8%	(47,400)	-	2,177,554	\$5.93
Hunterdon	6,753,276	85,120	1.3%	90,000	10,800	29,978	\$7.29

1Q2020 vs. 1Q2019



0.9%
Vacancy Rate



\$0.46
Asking Rate



2,393,253 SF
Leasing Activity



TOP 5 Transactions

LEASED

570,777 SF | 703 Bartley Chester Rd., Flanders
US Elogistics Service Corporation

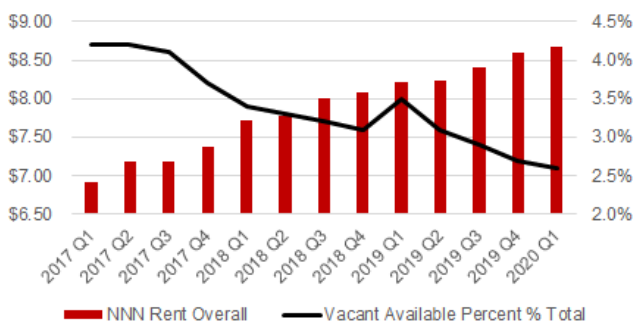
190,000 SF | 130 Interstate Blvd., Monroe Twp.
Topaz Lighting

175,000 SF | 20-40 Western Rd., Kearny
Harbor Freight Transportation (sublease)

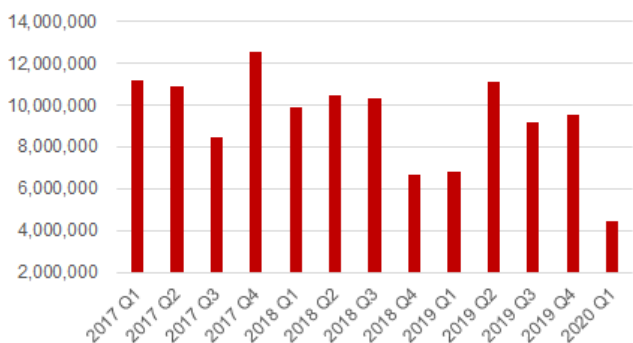
157,425 SF | 60-62 Minue St., Carteret
Amazon

143,508 SF | 400-490 Heller Park Ct., Dayton
Renaissance Wholesale (renewal)

**Northern and Central New Jersey
Average Asking Rate vs. Vacant Available Rate**



**Northern and Central New Jersey
Leasing Activity SF Total**



Leasing Activity

- Overall, leasing activity is down with over 4.5 million square feet leased at the end of the first quarter; however, with a vacancy rate of 2.6%, it shows supply is limited. The vacancy rate is down 0.9% from the previous year.
- Average asking rates continue to increase and ended the quarter at \$8.67 per square foot. Compared to a year prior, the rate is up \$0.46 per square foot.
- The Meadowlands submarket ended with the highest average asking rate of \$11.13 per square foot. Following behind was the Suburban Essex market, which ended at \$9.96 per square foot.
- The Exit 8A submarket saw the lowest vacancy rate of 0.8%, while the Morris Region saw the highest rate of 6.5%. There were 13 out of 14 submarkets that ended with a vacancy rate below 5%.

Sale Activity

- Overall, sale activity was down for the quarter and ended with over \$287 million sold in the quarter, which excludes portfolio sales.
- The average price per square foot was \$111.08, which is up \$3.27 per square foot from the previous quarter.
- It was announced that Prologis closed on their transaction with Liberty Property Trust for \$13 billion. The portfolio includes 108 million square feet.
- Prologis also closed on the sale with Industrial Property Trust for \$4 billion. The transaction consists of 236 properties across 24 geographic areas. The properties were 96% leased at the time of close.
- Four (4) buildings in Carteret totaling 815,000 square feet sold for \$169 million from V. Paulius & Associates to Prologis.

TOP 5 Transactions SOLD

149,000 SF | \$33,543,900

25 Enterprise Ave. N., Secaucus
Buyer: EverWest Real Estate Investors
Seller: Glenmore Management LLC

130,000 SF | \$18,100,000

465 Mola Blvd., Elmwood Park
Buyer: NorthBridge Partners
Seller: 465 Boulevard Associates, LP

122,532 SF | \$16,550,000

21 Fadem Rd., Springfield
Buyer: United Window & Door Manufacturing
Seller: Shelbourne Global Solutions LLC

85,000 SF | \$14,750,000

14-16 Burma Rd., Jersey City
Buyer: The Criterion Group
Seller: Capital Moving & Storage Company

78,650 SF | \$11,449,200

1 Pond Rd., Rockleigh*
Buyer: ASE Enterprises
Seller: Jewish Home

*NAI Hanson Transaction



Under Construction

Address	Size (SF)	Completion	Developer	Submarket
42 Military Ocean Term., Bayonne	1,500,000	4Q2020	Lincoln Equities Group	Ports
942 Memorial Pkwy., Phillipsburg (7 building development site)	975,761	2Q2020	Bridge Development Partners	Warren & Sussex
343 Half Acre Rd., Cranbury	953,595	4Q2020	Alfieri LLC	Exit 8A
3000 Valley Brook Ave., Lyndhurst	932,168	3Q2020	Russo Development/Forsgate Industrial Partners	Meadowlands
50 Veronica Ave., Franklin Township	926,392	3Q2020	Crow Holdings	Somerset
225 Elm St., Perth Amboy	921,085	3Q2020	Duke Realty Corporation	Exit 10/12
2205 Route 27, Edison	900,022	3Q2020	Rockefeller Group	Exit 10/12
353 Half Acre Rd., Cranbury	870,950	4Q2020	Alfieri LLC	Exit 8A
173-268 Doremus Ave., Newark	870,640	2Q2021	The Morris Companies	Ports
Tremley Point Rd., Linden (8 building development site)	840,203	4Q2020	F. Greek Dev. & Advance Realty	Ports
11 C Court, Edison	699,600	4Q2020	2020 Acquisitions	Exit 10/12
Weston Canal Rd., Somerset	625,000	3Q2020	Bridge Development Partners	Somerset
150 Old New Brunswick Rd., Piscataway	622,230	4Q2020	Duke Realty Corporation	Exit 10/12
942 Memorial Pkwy., Phillipsburg	607,279	2Q2020	Bridge Development Partners	Warren & Sussex
39 Edgeboro Rd., East Brunswick	513,240	2Q2020	IDI Logistics	Brunswick/Exit 9
Tremley Point Rd., Linden	481,770	4Q2020	F. Greek Dev. & Advance Realty	Ports
942 Memorial Pkwy., Phillipsburg	419,459	2Q2020	Bridge Development Partners	Warren & Sussex
Baekeland Ave., Middlesex	400,000	3Q2021	Rockefeller Group	Exit 10/12
3000 Valley Brook Ave., Lyndhurst	344,110	3Q2020	Russo Development/Forsgate Industrial Partners	Meadowlands
10 Princess Rd., Lawrenceville	340,400	2Q2020	Penwood Real Estate Investment Mgmt JV Metrix Real Estate Svcs.	Exit 7A
225 Elm St., Perth Amboy	332,808	3Q2020	Duke Realty Corporation	Exit 10/12
Weston Canal Rd., Somerset	308,550	3Q2020	Bridge Development Partners	Somerset

Under Construction Cont.

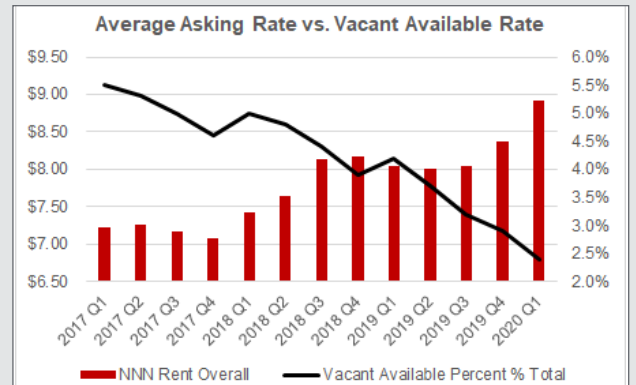
Address	Size (SF)	Completion	Developer	Submarket
Weston Canal Rd., Somerset	308,550	3Q2020	Bridge Development Partners	Somerset
Farrington Blvd., Monroe Twp.	301,320	2Q2020	Black Creek Group	Exit 8A
1600 Livingston Ave., North Brunswick	300,000	2Q2020	1600 Building B LLC (BTS)	Brunswick/Exit 9
481 Blackhorse Ln., North Brunswick	245,232	4Q2020	Adler Development	Brunswick/Exit 9
942 Memorial Pkwy., Phillipsburg	175,055	2Q2020	Bridge Development Partners	Warren & Sussex
2555 Kuser Rd., Hamilton	145,950	3Q2020	Scannell Properties	Exit 7A
932 Paterson Plank Rd., East Rutherford	144,000	2Q2020	NPC East Rutherford Holdings LLC	Meadowlands
357 Wilson Ave., Newark	142,972	3Q2020	Prologis	Ports
4050 Tremley Point Rd., Linden	132,685	2Q2020	EverWest Real Estate Investors LLC	Ports
1580 Lower Rd., Linden	125,000	3Q2020	Linden Warehouse Group	Ports
150 Whitman Ave., Edison*	124,560	3Q2020	Bridge Development Partners	Exit 10/12
100 E. Essex Ave., Avenel	122,100	3Q2020	Black Creek Group	Exit 10/12
480 Elizabeth Ave., Somerset	118,182	2Q2020	Vision Hardware, Inc. (BTS)	Somerset
5903 West Side Ave., North Bergen	113,623	2Q2020	Bergen Logistics	Meadowlands
590 Belleville Tpke., Kearny	100,700	2Q2021	Alessi Organization	Meadowlands
590 Belleville Tpke., Kearny	91,000	2Q2021	Alessi Organization	Meadowlands
590 Belleville Tpke., Kearny	86,625	2Q2021	Alessi Organization	Meadowlands
120 Frontage Rd., Newark	75,900	4Q2020	The S. Hekemian Group	Ports
701 12th St., Carlstadt/Wood-Ridge	64,390	4Q2020	The Blackstone Group	Meadowlands

Recently Completed

Address	Size (SF)	Leased	Tenant(s)
429 Delancy Street, Newark	661,741	100%	Amazon
50 Central Avenue, Kearny	415,533	100%	Amazon
99 Avenue A, Bayonne	188,343	0%	

Market Snapshot

Market Size	138,504,542 SF
Vacant Availability (SF)	3,289,483 SF
Vacant Availability (%)	2.4%
1Q20 Leasing Activity	714,058 SF
Total 2020 Leasing Activity	714,058 SF
Average Asking Rate	\$8.92 PSF
1Q20 Net Absorption	9,527 SF
Total 2020 Net Absorption	9,257 SF
Under Construction	1,755,814 SF
Delivered	188,343 SF



PORTS

1Q2020 vs. 1Q2019

 **1.8%**
Vacancy Rate ↓

 **\$0.88**
Asking Rate ↑

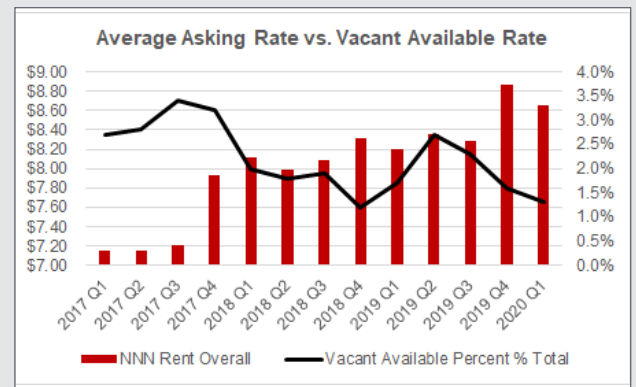
 **82,443 SF**
Leasing Activity ↑

Trends

- The Port Authority of NY and NJ held a virtual board meeting at the end of March. It was stated that although there have been challenges, critical shipments of food, fuel and medicine continue to arrive. As a whole, cargo volumes are down 30% compared to this time last year. There were 13 ships from China cancelled in March and 5 projected for April.
- Compared to this time last year, vacancy is down 1.8% and asking rates are up \$0.88 per square foot.
- Top lease transactions included 240,000 square feet leased at 1 Slater Drive in Elizabeth and Garden State Cold Storage leasing 142,972 square feet at 357 Wilson Avenue in Newark.

Market Snapshot

Market Size	108,527,931 SF
Vacant Availability (SF)	1,395,468 SF
Vacant Availability (%)	1.3%
1Q20 Leasing Activity	626,787 SF
Total 2020 Leasing Activity	626,787 SF
Average Asking Rate	\$8.65 PSF
1Q20 Net Absorption	744,252 SF
Total 2020 Net Absorption	744,252 SF
Under Construction	2,948,745 SF
Delivered	0 SF



EXIT 10/12

1Q2020 vs. 1Q2019

 **0.4%**
Vacancy Rate ↓

 **\$0.45**
Asking Rate ↑

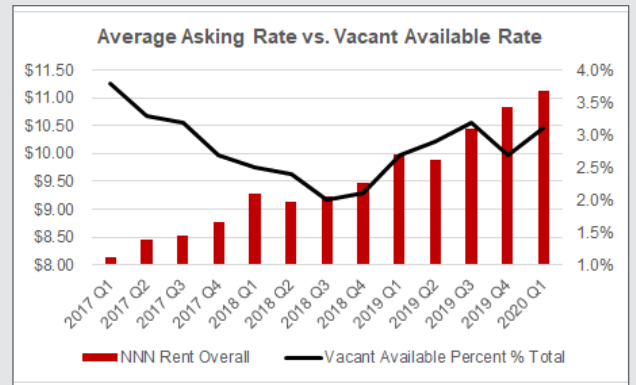
 **368,570 SF**
Leasing Activity ↓

Trends

- The Exit 10/12 submarket has one of the lowest vacancy rates at 1.3%. The rate continues to fall.
- Asking rates continue to rise and are up \$0.45 per square foot from a year prior.
- Top lease transactions included Amazon leasing 157,425 square feet at 60-62 Minue Street in Carteret; Halls Warehouse leasing 135,998 square feet at 120 Circle Drive North in Piscataway; and Geodis leasing 110,918 square feet at 75 Northfield Avenue in Edison.
- A top sale transaction included 2500 Blair Road in Carteret. Cody Realty Carteret purchased the 18,885 square foot building from The Hampshire Companies for \$2,625,000 or \$139 per square foot.

Market Snapshot

Market Size	94,347,926 SF
Vacant Availability (SF)	2,943,620 SF
Vacant Availability (%)	3.1%
1Q20 Leasing Activity	688,239 SF
Total 2020 Leasing Activity	688,239 SF
Average Asking Rate	\$11.13 PSF
1Q20 Net Absorption	(154,945) SF
Total 2020 Net Absorption	(154,945) SF
Under Construction	1,533,901 SF
Delivered	415,533 SF



1Q2020 vs. 1Q2019

 **0.4%**
Vacancy Rate ↑

 **\$1.14**
Asking Rate ↑

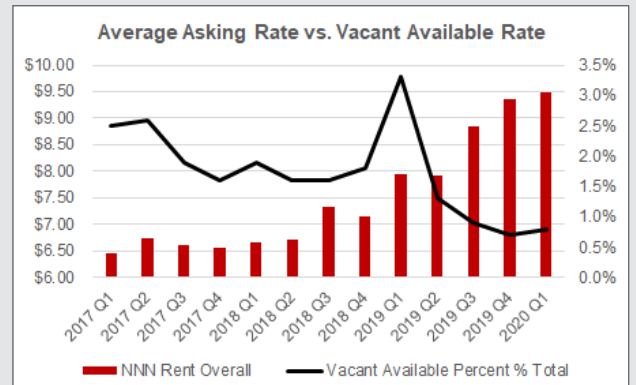
 **57,298 SF**
Leasing Activity ↑

Trends

- Companies across the State are doing their part by making personal protective equipment due to the shortage NJ hospitals are facing. Carlstadt based Suuchi, who normally manufactures apparel and accessories, is now producing masks, scrubs and goggles.
- Asking rates are up \$1.14 compared to a year prior while vacancy also increased slightly.
- Top lease transactions included Harbor Freight Transportation subleasing 175,000 square feet at 20-40 Western Road in Kearny; Cargo Force leasing 110,500 square feet at 120 Central Avenue in Kearny; and Amazon leasing 100,627 square feet at 801 Washington Avenue in Carlstadt.

Market Snapshot

Market Size	69,140,045 SF
Vacant Availability (SF)	552,341 SF
Vacant Availability (%)	0.8%
1Q20 Leasing Activity	957,252 SF
Total 2020 Leasing Activity	957,252 SF
Average Asking Rate	\$9.49 PSF
1Q20 Net Absorption	409,585 SF
Total 2020 Net Absorption	409,585 SF
Under Construction	2,125,865 SF
Delivered	0 SF



EXIT 8A

1Q2020 vs. 1Q2019

 **2.5%**
Vacancy Rate ↓

 **\$1.55**
Asking Rate ↑

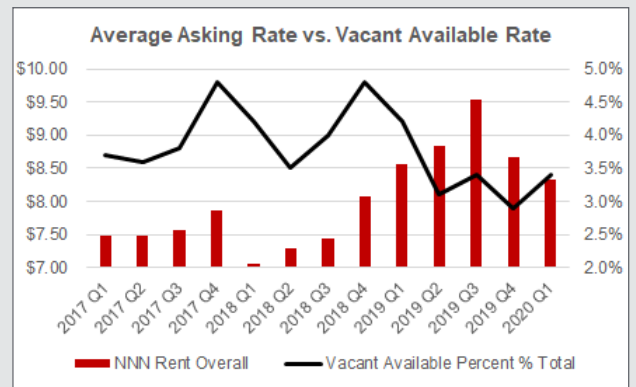
 **78,203 SF**
Leasing Activity ↓

Trends

- The Exit 8A submarket has the lowest vacancy rate compared to the Northern and Central New Jersey submarkets. The rate ended 0.8% for the quarter.
- Asking rates increased \$1.55 per square foot from a year prior.
- This submarket also saw the highest activity with over 957,000 square feet leased. Top transactions included Topaz Lighting leasing 190,000 square feet at 130 Interstate Boulevard in Monroe Township and Renaissance Wholesale renewing 143,508 square feet at 400-490 Heller Park Court in Dayton.
- A top sale transaction included 138 Georges Road in Dayton. The 103,600 square foot building sold for \$11,742,420 from East End NY Imports to Essential Logistics and Fulfillment LLC.

Market Snapshot

Market Size	55,671,748 SF
Vacant Availability (SF)	1,911,566 SF
Vacant Availability (%)	3.4%
1Q20 Leasing Activity	187,322 SF
Total 2020 Leasing Activity	187,322 SF
Average Asking Rate	\$8.33 PSF
1Q20 Net Absorption	123,848 SF
Total 2020 Net Absorption	123,848 SF
Under Construction	15,300 SF
Delivered	0 SF



ROUTES 46, 23, 3

1Q2020 vs. 1Q2019

 **0.8%**
Vacancy Rate



 **\$0.24**
Asking Rate



 **311,186 SF**
Leasing Activity

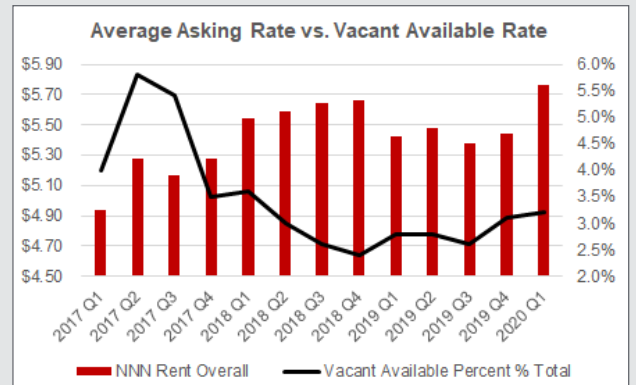


Trends

- Two factories in Paterson have shifted gears to help with the supply of personal protective gear. LBU, Inc., known for manufacturing custom bags and accessories, are making head masks, gowns and cloth face masks. Tablecloth Company is also producing cloth masks as well as gowns.
- The Route 46/23/3 Corridor saw a decrease in the vacancy rate compared to a year prior as well as a decline in the asking rate. Over 187,000 square feet was leased and the top transaction was Cibo Vita leasing 66,157 square feet at 25 Madison Road in Totowa.
- 2-14 Ackerman Avenue, an 85,000 square foot building, in Clifton sold from Garfield Equities Group to Mynt Properties LLC for \$5,200,000 in a sale-leaseback.

Market Snapshot

Market Size	43,596,758 SF
Vacant Availability (SF)	1,377,445 SF
Vacant Availability (%)	3.2%
1Q20 Leasing Activity	38,775 SF
Total 2020 Leasing Activity	38,775 SF
Average Asking Rate	\$5.76 PSF
1Q20 Net Absorption	33,155 SF
Total 2020 Net Absorption	33,155 SF
Under Construction	543,475 SF
Delivered	20,000 SF



EXIT 7A

1Q2020 vs. 1Q2019

 **0.4%**
Vacancy Rate ↑

 **\$0.34**
Asking Rate ↑

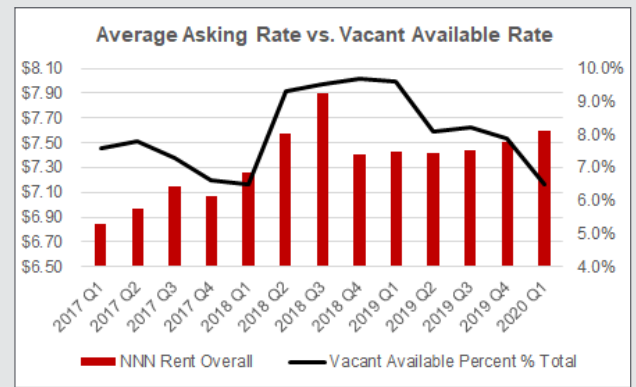
 **312,496 SF**
Leasing Activity ↓

Trends

- The Exit 7A submarket saw an increase in vacancy of 0.4% from the previous year as well as an increase in the average asking rate of \$0.34 per square foot.
- A top sale transaction included 500 Halls Mill Road in Freehold. Treetop Development purchased the 154,827 square foot building on 19 acres. Treetop Development plans to build a 200,000 square foot state-of-the-art cross dock facility. The property was purchased for \$8,800,000 or \$56.84 per square foot.

Market Snapshot

Market Size	36,859,923 SF
Vacant Availability (SF)	2,398,526 SF
Vacant Availability (%)	6.5%
1Q20 Leasing Activity	840,462 SF
Total 2020 Leasing Activity	840,462 SF
Average Asking Rate	\$7.60 PSF
1Q20 Net Absorption	(121,752) SF
Total 2020 Net Absorption	(121,752) SF
Under Construction	21,500 SF
Delivered	0 SF



MORRIS REGION

1Q2020 vs. 1Q2019

 **3.1%**
Vacancy Rate ↓

 **\$0.17**
Asking Rate ↑

 **450,258 SF**
Leasing Activity ↑

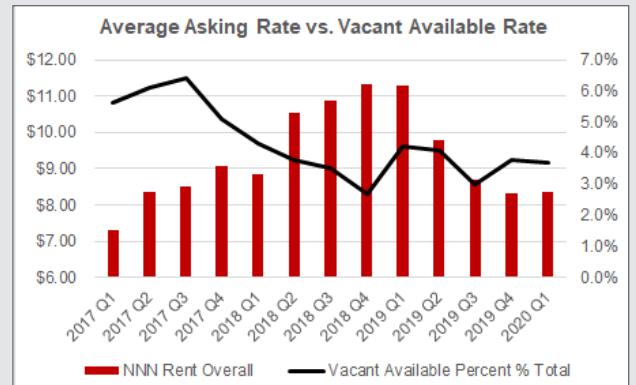
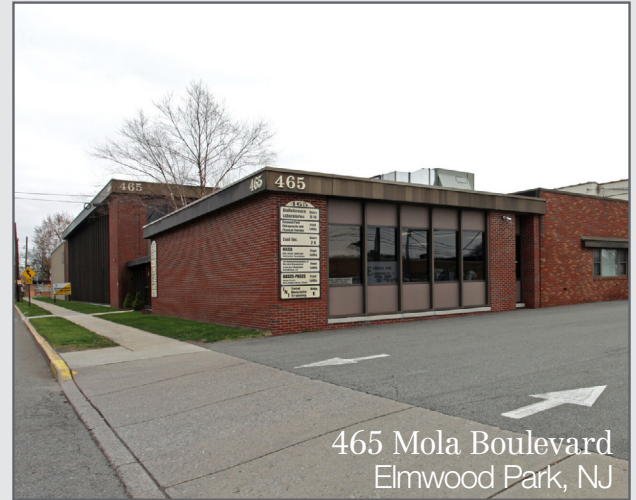
Trends

- Compared to a year prior, average asking rates are up \$0.17 per square foot ending the quarter at \$7.60 per square foot.
- The Morris Region has the highest vacancy rate of all the submarkets, which ended the quarter at 6.5%. Compared to a year prior, the rate is down 3.1%.
- The top transactions for the quarter were US Elogistics Service Corporation leasing 570,777 square feet, which was the top transaction for the quarter, and Admagic subleasing 102,839 square feet at 200 International Drive in Mount Olive.
- A top sale transaction included 4 Vreeland Road in Florham Park. The Stro Companies purchased the 70,000 square foot building from an individual for \$6,946,900 or \$99 per square foot.

CENTRAL BERGEN

Market Snapshot

Market Size	25,570,872 SF
Vacant Availability (SF)	949,920 SF
Vacant Availability (%)	3.7%
1Q20 Leasing Activity	53,111 SF
Total 2020 Leasing Activity	53,111 SF
Average Asking Rate	\$8.35 PSF
1Q20 Net Absorption	83,977 SF
Total 2020 Net Absorption	83,977 SF
Under Construction	0 SF
Delivered	0 SF



1Q2020 vs. 1Q2019

 **0.5%**
Vacancy Rate ↓

 **\$2.92**
Asking Rate ↓

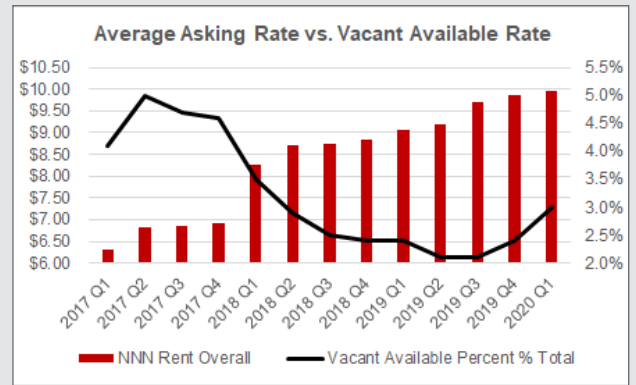
 **128,031 SF**
Leasing Activity ↓

Trends

- The Central Bergen County submarket has seen a big drop in their average asking rate. The quarter ended at \$8.35 per square foot, which is down \$2.92 per square foot from a year prior.
- Top leasing transactions included Make USA leasing 17,200 square feet at 465 Mola Boulevard in Elmwood Park and a tenant leasing 14,500 square feet at 300 Columbia Avenue in Lodi.
- 465 Mola Boulevard in Elmwood Park sold this quarter. The 130,000 square foot building with 17 loading docks sits on 5.75 acres. Northbridge Partners purchased the building from 465 Boulevard Associates LLC for \$18,100,000 or \$140 per square foot.

Market Snapshot

Market Size	23,233,574 SF
Vacant Availability (SF)	690,858 SF
Vacant Availability (%)	3%
1Q20 Leasing Activity	249,233 SF
Total 2020 Leasing Activity	249,233 SF
Average Asking Rate	\$9.96 PSF
1Q20 Net Absorption	46,613 SF
Total 2020 Net Absorption	46,613 SF
Under Construction	0 SF
Delivered	0 SF



1Q2020 vs. 1Q2019

 **0.6%**
Vacancy Rate ↑

 **\$0.90**
Asking Rate ↑

 **177,518 SF**
Leasing Activity ↑

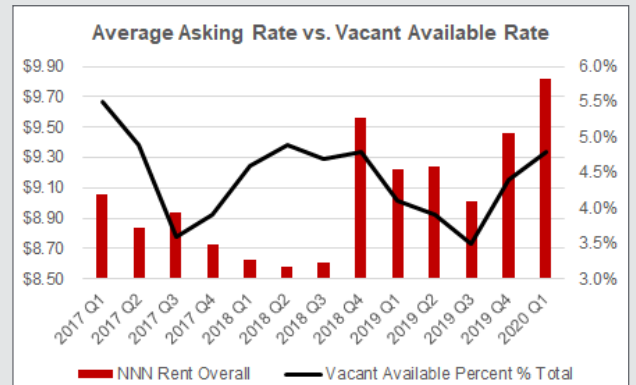
Trends

- Claremont Distillery in Fairfield has undergone the task of making much needed hand sanitizer. The company is donating the sanitizer with priority going to first responders and emergency personnel.
- Top lease transactions included Case Medical leasing 71,576 square feet at 50 West Street in Bloomfield and Kent International leasing 23,875 square feet at 155 Route 46 W in Fairfield. NAI Hanson represented Kent International in their relocation.
- A top sale transaction included 666 Passaic Avenue in Caldwell. The 67,000 square foot building sold from Tulfra Realty for \$11,106,347.

NORTHERN BERGEN

Market Snapshot

Market Size	22,033,120 SF
Vacant Availability (SF)	1,048,663 SF
Vacant Availability (%)	4.8%
1Q20 Leasing Activity	46,244 SF
Total 2020 Leasing Activity	46,244 SF
Average Asking Rate	\$9.82 PSF
1Q20 Net Absorption	(85,261) SF
Total 2020 Net Absorption	(85,261) SF
Under Construction	0 SF
Delivered	0 SF



1Q2020 vs. 1Q2019

 **0.7%**
Vacancy Rate ↑

 **\$0.60**
Asking Rate ↑

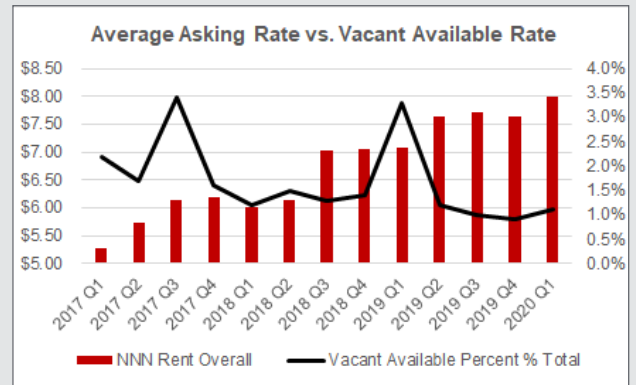
 **345,723 SF**
Leasing Activity ↓

Trends

- This submarket has one of the highest average asking rates ending the quarter at \$9.82 per square foot and also has one of the highest vacancy rates. The quarter ended at 4.8%, up 0.7% from a year prior.
- A top lease transaction included Pre Sales leasing 16,000 square feet at 500 W Main Street in Wyckoff. NAI Hanson facilitated the transaction.
- A top sale transaction included 1 Pond Road in Rockleigh. The 78,650 square foot building on 6 acres sold for \$11,449,200 from Jewish Home to ASE Enterprises. NAI Hanson facilitated the transaction.

Market Snapshot

Market Size	21,943,440 SF
Vacant Availability (SF)	240,445 SF
Vacant Availability (%)	1.1%
1Q20 Leasing Activity	26,500 SF
Total 2020 Leasing Activity	26,500 SF
Average Asking Rate	\$8.00 PSF
1Q20 Net Absorption	(47,435) SF
Total 2020 Net Absorption	(47,435) SF
Under Construction	1,058,472 SF
Delivered	0 SF



1Q2020 vs. 1Q2019

 **2.2%**
Vacancy Rate ↓

 **\$0.93**
Asking Rate ↑

 **944,753 SF**
Leasing Activity ↓

Trends

- Johnson and Johnson based in New Brunswick announced they are donating \$50 million to fight the coronavirus as well as 10,000 pairs of protective goggles.
- Eclipse International in North Brunswick switched from making mattresses to face masks. The first 38,000 are being donated to Robert Wood Johnson University Hospital.
- Asking rates are up \$0.93 per square foot from a year prior and vacancy is down 2.2%. A top lease transaction included a tenant leasing 12,500 square feet at 7 Jules Lane in New Brunswick.

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5 Year 4.15% Refinance; 75% LTV
Owner-Occ. Industrial: Union, NJ

10 Year 3.57% Swap Rate; 75% LTV
STNL Industrial: Randolph, NJ

5 Year 3.65% Acquisition; 70% LTV
Retail: Tallahassee, FL

10 Year 3.41% Swap Rate; Refinance
Retail: Paterson, NJ

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1Q2020

Industrial Market Update

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