

COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

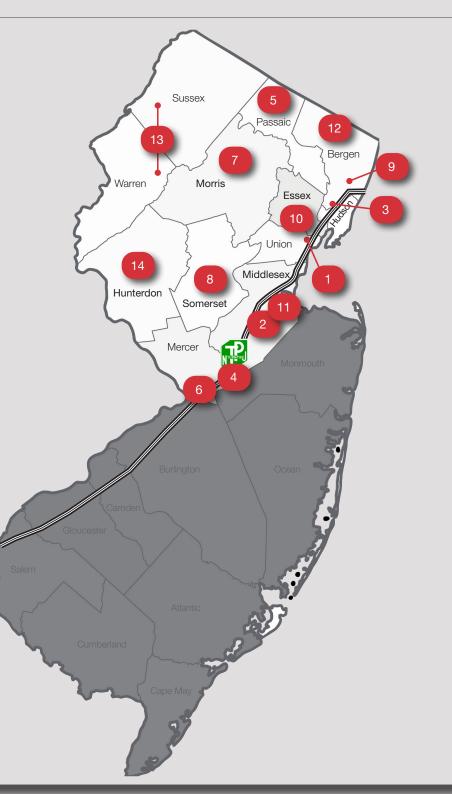
2023 INDUSTRIAL REPORT

THEFT



Our Submarkets

#	SUBMARKET	VACANCY
1	PORTS	3.4%
2	EXIT 10/12	3.7%
3	MEADOWLANDS	3.7%
4	EXIT 8A	1.2%
5	46/23/3 CORRIDOR	2.4%
6	EXIT 7A	4.8%
7	MORRIS REGION	2.2%
8	SOMERSET	2.9%
9	CENTRAL BERGEN	4.2%
10	SUBURBAN ESSEX	3.3%
11	BRUNSWICK/EXIT 9	4.2%
12	NORTHERN BERGEN	5.1%
13	WARREN & SUSSEX	3.3%
14	HUNTERDON	3.4%
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Market Statistics

County	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Average Asking Rate
Northern & Central NJ	703,354,033	21,905,516	3.1%	(1,956,960)	4,734,507	21,128,342	\$14.32
Middlesex	215,235,478	6,171,511	2.9%	(1,858,295)	1,804,038	6,734,757	\$15.60
Bergen	90,661,788	3,822,958	4.2%	(304,104)	492,344	3,357,633	\$14.24
Hudson	81,558,728	3,239,900	4.0%	(266,439)	376,679	2,965,067	\$14.10
Essex	67,667,585	1,929,059	2.9%	(357,679)	285,199	468,494	\$14.66
Union	65,671,848	2,217,412	3.4%	(67,751)	751,686	1,800,523	\$14.65
Passaic	55,896,741	1,267,878	2.3%	(33,384)	175,371	295,500	\$13.70
Morris	39,303,890	945,367	2.4%	(107,854)	166,793	983,857	\$11.58
Mercer	36,627,732	776,312	2.1%	867,846	292,000	1,731,937	\$11.05
Somerset	31,403,391	890,032	2.8%	319,757	384,897	1,104,492	\$13.62
Warren	8,853,019	344,780	3.9%	(129,030)	-	1,249,122	\$12.75
Hunterdon	7,045,872	238,607	3.4%	(95,307)	5,500	0	\$9.80
Sussex	3,427,961	61,700	1.8%	75,280	-	436,960	\$12.15
Orange, NY	34,567,604	2,246,031	6.5%	390,678	77,659	3,142,191	\$10.85
Rockland, NY	15,969,104	853,396	5.3%	27,297	48,941	740,000	\$15.28

Submarket	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Average Asking Rate
Ports	141,433,229	4,813,525	3.4%	(533,746)	983,649	4,717,539	\$16.95
Exits 10/12	117,219,613	4,323,097	3.7%	(1,214,791)	726,239	4,127,835	\$15.10
Meadowlands	95,004,694	3,487,055	3.7%	(832,287)	587,767	3,271,688	\$16.55
Exit 8A	75,229,234	868,139	1.2%	(647,690)	1,065,299	1,631,089	\$16.01
Route 46/23/3 Corridor	55,267,399	1,318,909	2.4%	(64,891)	158,371	295,500	\$13.68
Exit 7A	49,074,973	2,359,056	4.8%	966,484	324,868	1,973,864	\$11.92
Morris Region	37,790,258	831,171	2.2%	(100,754)	157,933	983,857	\$11.54
Somerset	31,103,395	890,032	2.9%	323,907	384,897	1,541,452	\$13.62
Central Bergen County	25,777,448	1,083,855	4.2%	250,662	275,424	206,826	\$14.56
Suburban Essex	24,144,300	786,424	3.3%	(118,280)	77,536	35,235	\$14.25
Brunswick/ Exit 9	22,786,631	980,275	4.2%	(372,069)	12,500	1,136,296	\$15.50
Northern Bergen County	21,536,574	1,101,635	5.1%	(299,924)	80,623	360,429	\$12.77
Warren & Sussex	12,280,980	406,480	3.3%	(53,750)	0	1,249,122	\$12.02
Hunterdon	7,045,872	238,607	3.4%	(95,307)	5,500	0	\$9.98

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2023 INDUSTRIAL REPORT

Top Transactions YTD

Top SALE Transactions

553,436 SF | \$115,500,000 100 Jefferson Road, Parsippany Buyer: 100 Jefferson F&S, LLC Seller: JFR Global, Inc.

293,887 SF | \$98,500,000 8 Peach Tree Hill Road, Livingston Buyer: Invesco Real Estate Seller: Blue Water Property Group

764,364 SF | \$65,500,000 297 Getty Avenue, Patterson Buyer: Thor Equities Seller: Alma Realty

202,000 SF | \$45,000,000 1-5 Plant Rd., Hasbrouck Heights Buyer: Bridge Logistics Properties Seller: United Wire Hanger Corp.

Top LEASE Transactions

845,078 SF 1365 Lamberton Road Hamilton Twp. DMI

610,949 SF 301-321 Herrod Blvd. S. Brunswick GXO Logistics

372,159 SF 400 Linden Logistics Way Linden Vanguard Logistics

321,765 SF 1501 W. Edgar Road Linden Coda Logistics

ADDRESS	SIZE (SF)	COMPLETION	DEVELOPER	SUBMARKET
3000 Rand Boulevard	1,249,122	4Q23	Bridge Development Partners	Warren & Sussex
3000 Valley Brook Ave	932,168	2Q24	JV Forsgate Industrial Partners & Russo Development	Meadowlands
42 Military Ocean Term Building 3	886,256	3Q23	Lincoln Equities Group LLC	Port
1160 State Street (BridgePort II) Bldg 1	800,000	2Q24	Bridge Investments	Exit 10/12
30 Sigle Ln (Bldg. 5)	674,209	3Q23	Heller Industrial Parks, Inc.	Exit 8A
85 Main Street (Main St. Logistics Ctr.)	654,640	4Q23	Rockefeller Development	Brunswick/Exit 9
200 Linden Logistics Way	516,600	3Q23	JV Greek Development & Advance Realty	Port
1 Malcolm Ave	515,421	4Q23	Hartz Mountain Industries, Inc.	Meadowlands
Jake Brown Rd (Bldg. 6) (Central Logistics Park)	495,086	3Q23	2020 Acquisitions	Exit 10/12

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Market Size	141,433,229 SF	Averag	ge Asking Rent vs Vacant Available Rate
Vacant Available	4,813,525 SF	\$16.00	
/acant Available (%)	3.4%	\$12.00	
2Q2023 Leasing Activity	983,649 SF	\$10.00	
Total 2023 _easing Activity	1,623,023 SF	\$6.00 2020 Q2 2020 Q3 2020 Q4 2021	Q1 2021 Q2 2021 Q3 2021 Q4 2022 Q1 2022 Q2 2022 Q3 202 NNN Rent Overall
Average Asking Rate	\$16.95 PSF	2Q2023 vs. 2Q2022	Trends
2Q2023 Net Absorption	(533,746) SF	1.5% Vacancy Rate	Average asking rents m half of the year, finishing After reaching \$16.00 in risen steadily over the la
Total 2023 Net Absorption	(740,948) SF	\$ \$0.40 Asking Rate	Ports submarket still ha Northern New Jersey.
Under Construction	4,717,539 SF	624,531 SF Leasing Activity	More than 1.2 million sc construction came on the six months of 2023, pust to 3.7%. There are current
Delivered	1,272,433 SF	Leasing Activity	slated for delivery over t

2 2022 Q3 2022 Q4 2023 Q1 2023 Q2 ole %

rents moved higher during the first finishing at \$16.95 per square foot. \$16.00 in early 2021, rates have over the last seven quarters. The ket still has the highest asking rates in Jersey.

4.0% 3.5% 3.0% 2.5% 2.0% 1.5% 1.0% 0.5% 0.0%

million square feet of new ame on the market during the first 2023, pushing the vacancy rate up are currently 4.7 million square feet very over the next several quarters.



Market Size	117,219,613 SF
Vacant Available	4,323,097 SF
Vacant Available (%)	3.7%
2Q2023 Leasing Activity	726,239 SF
Total 2023 Leasing Activity	1,794,613 SF
Average Asking Rate	\$15.10 PSF
2Q2023 Net Absorption	(1,214,791) SF
Total 2023 Net Absorption	(435,980) SF
Under Construction	4,127,835 SF
Delivered	2,020,220 SF

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2Q2023 vs. 2Q2022



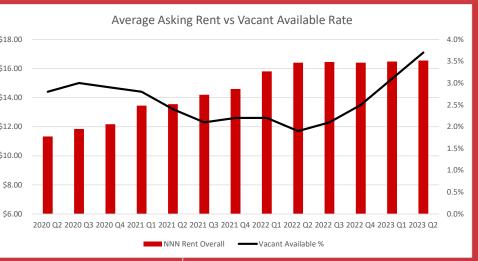
Trends

- Average asking rents passed the \$15.00 per square foot mark during the second quarter for the first time, closing at \$15.10, up from \$13.55 per square foot at the same time last year.
- The vacancy rate finished the quarter at 3.7%, ending higher than 3.0% for the first time since 2017. The rise in vacancy and negative absorption is largely attributable to the addition of more than 2.0 million square feet of new construction, of which only 13.0% was preleased.



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Market Size	95,004,694 SF	,
OIZE		\$18.00
Vacant Available	3,487,055 SF	\$16.00
Vacant Available (%)	3.7%	\$12.00
2Q2023 Leasing Activity	587,767 SF	\$10.00
Total 2023 Leasing Activity	789,111 SF	\$6.00 2020 Q2 2020 Q3 2020 Q
Average Asking Rate	\$16.55 PSF	2Q203vs. 2Q2022
2Q2023 Net Absorption	(832,287) SF	1.8%LeftVacancy Rate
Total 2023 Net Absorption	(1,050,081) SF	\$0.15 Asking Rate
Under Construction	3,271,688 SF	1,441,054 S
Delivered	59,800 SF	Leasing Activity





Trends

- Asking rates finished the second quarter at \$16.55 per square foot, up slightly from \$16.40 during the same period last year. After rising sharply in 2021 and early 2022, pricing increases have moderated over the last few quarters.
- The overall vacancy rate moved up to 3.7% at the close of the quarter, from 1.9% at the end of second quarter 2022. There were eight properties that listed blocks of more than 100,000 square feet during the first half of the year. The largest was 326,000 square feet at 100 Porete Avenue in North Arlington.



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Market Size	75,229,234 SF	\$18.00	Average Ask	king Rent vs Vacant Available Rate
Vacant Available	868,139 SF	\$16.00 \$14.00		4.0%
Vacant Available (%)	1.2%	\$12.00		3.0%
2Q2023 Leasing Activity	1,065,299 SF	\$10.00 \$8.00		1.0%
Total 2023 Leasing Activity	2,199,144 SF	\$6.00		0.0% 0.2 2021 Q3 2021 Q4 2022 Q1 2022 Q2 2022 Q3 2022 Q4 2023 Q1 2023 Q2 N Rent Overall Vacant Available %
Average Asking Rate	\$16.01 PSF	2Q2023	vs. 2Q2022	Trends
2Q2023 Net Absorption	(647,690) SF		0.9% Vacancy Rate	 Although the overall vacancy rate rose to 1.2%, during the second quarter, Exit 8A has the lowest vacancy rate of any submarket,
Total 2023 Net Absorption	953,533 SF		\$1.88	with under 900,000 square feet available to lease. Currently there are six properties under construction that will deliver 1.6 million square
Under Construction	1,631,089 SF		613,077 SF	 feet over the next year. Average asking rates marked another record high, closing the quarter at \$16.01 per square
Delivered	0		Leasing Activity	foot. Pricing is up by more than 50.0% over the last two years.
			EXIT 8	
	95	NORTH	32 то	130
$\land \land$	New York	A • 1	Jamesb	

THE INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM SOURCES CONSIDERED TO BE RELIABLE, BUT NO GUARANTEE OF ITS ACCURACY IS MADE BY NAI JAMES E. HANSON.

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Market Size	55,267,399 SF	
Vacant Available	1,318,909 SF	
Vacant Available (%)	2.4%	
2Q2023 Leasing Activity	158,371 SF	
Total 2023 Leasing Activity	366,142 SF	
Average Asking Rate	\$13.68 PSF	2Q20
2Q2023 Net Absorption	(64,891) SF	F
Total 2023 Net Absorption	(46,220) SF	\$
Under Construction	295,500 SF	t=
Delivered	0 SF	



2Q2023 vs. 2Q2022



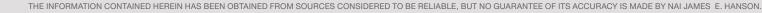
312,597 SF

Leasing Activity

Trends

- Following the trend of most other submarkets, overall vacancy grew during the quarter to 2.4%, up from 1.6% at the close of the second quarter last year. Space added to the market at 153-217 Linden Street in Passaic, 297 Getty Street in Paterson and 11 Taft Road in Totowa contributed to the increase in vacancy.
- Prices for average asking rents moved higher as result of higher price space added to the market. The overall rate measured \$13.68 per square foot as the end of the quarter, up from \$12.63 at the end of June 2022.





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Market Size	49,074,973 SF	Average As	king Rent vs Vacant Available Rate
/acant Available	2,359,056 SF	\$12.00	
acant vailable (%)	4.8%	\$8.00	
Q2023 easing Activity	324,868 SF	\$6.00	
al 2023 asing Activity	1,664,036 SF		1 Q2 2021 Q3 2021 Q4 2022 Q1 2022 Q2 2022 Q3 2022 IN Rent Overall — Vacant Available %
verage sking Rate	\$11.92 PSF	2Q2023 vs. 2Q2022	Trends
2023 t Absorption	966,484 SF	Image: 1.9% Vacancy Rate	Average asking jumpe square foot year-over-
2023 bsorption	1,061,325 SF	\$3.75 Asking Rate	 newly delivered produ The addition of 1.5 mil construction pushed ti
ruction	1,973,864 SF	733,340 SF	4.8%, at the end of the at the same time one addition of newly avail was positive as the lar
livered	1,500,980 SF	733,340 SF Leasing Activity	was signed at 1365 La took 845,078 square f
1		North	195
		THRU TRAFFIC	Trenton Shore Points

2.0% 1.0% 0.0% Q4 2022 Q1 2022 Q2 2022 Q3 2022 Q4 2023 Q1 2023 Q2 Vacant Available % ds

> verage asking jumped by nearly \$4.00 per equare foot year-over-year as available space in ewly delivered product came onto the market. .

6.0%

5.0%

4.0%

3.0%

The addition of 1.5 million square feet of new construction pushed the overall vacancy rate to .8%, at the end of the quarter, up from 2.9% at the same time one year ago. Despite the ddition of newly available space, absorption vas positive as the largest lease so far this year vas signed at 1365 Lamberton Road, where DMI ook 845,078 square feet.





NAI Hanson Industrial Transactions for 2023 YTD 25,000+ SF

ADDRESS	CITY, STATE	SIZE (SF)		
SALES				
7777 West Side Ave	North Bergen, NJ	127,000		
75-77 & 80 Linden St	Hackensack, NJ	35,000		
LEASES/RENEWALS				
20 Tower Road	Dayton, NJ	167,812		
2501 71st St	North Bergen, NJ	165,090		
2 Dedrick Place	West Caldwell, NJ	80,000		
1099 King Georges Post Road	Edison, NJ	66,015		
100 Demarest Drive	Wayne, NJ	65,000		
106 Harbor Drive	Jersey City, NJ	53,875		
100 Hollister Drive	Teterboro, NJ	42,985		
66-70 Austin Blvd	Commack, NY	40,000		
10 Industrial Ave	Mahwah, NJ	34,370		
275 W. Natick Rd	Warwick, NY	33,000		
1 Pearl Court	Allendale, NJ	32,895		
99 Murray Hill Parkway	East Rutherford, NJ	32,000		
235 Murray Hill Parkway	East Rutherford, NJ	26,900		

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44

Agents

12 SIOR'S-THE HIGHEST OF ANY

CRE FIRM IN NJ

Consistently ranked as

Top "Power Broker" by

Costar Group

REAL ESTATE PROFESSIONALS

TRANSACTIONS IN 2022 YTD

Superior

information management

and market research

capabilities

BILLION - VALUE OF

TRANSACTIONS IN

2022 YTD

275

NAI GLOBAL

43 \pm Countries 300 \pm Offices 5,100 \pm Market Leaders

For more information, please contact:

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