

# Northern & Central New Jersey 2Q'18 Office Report

Class A&B

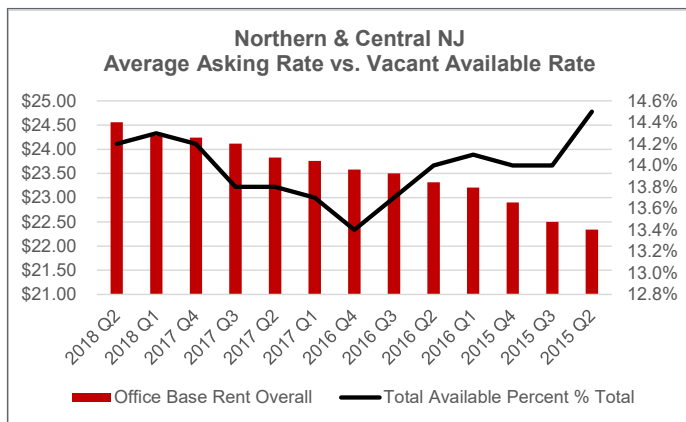


100 Metro Boulevard, Nutley

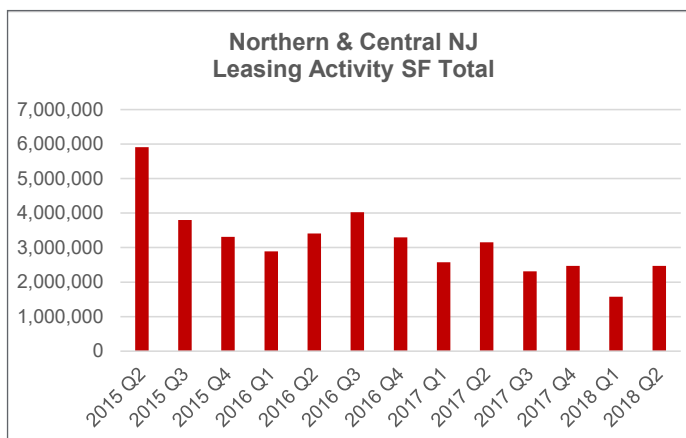
The Northern and Central New Jersey Class A and B office market consists of 232,503,257 square feet in 12 counties. Average asking rates ended the second quarter at \$24.56 per square foot. The rate is up \$0.73 per square foot from the second quarter of 2017 and is up \$1.24 per square foot from the second quarter of 2016.

Vacancy decreased slightly from the previous quarter ending the second quarter at 14.2%. The rate increased 0.4% from the second quarter of 2017 and 0.2% from the second quarter of 2016. There was over 2,470,000 square feet leased in the quarter and over 34,000 square feet absorbed.

Top lease transactions included Ralph Lauren Corporation; Integra Life Sciences; JP Morgan Chase & Company; and Mars Wrigley Confectionery US.



The Ralph Lauren Corporation leased 255,017 square feet at 100 Metro Boulevard in Nutley. The company is relocating from Lyndhurst and will be occupying the former Hoffmann La-Roche site. They will be joining NJIT, Modern Meadow, Quest Diagnostics and the Hackensack Meridian Health School of Medicine at Seton Hall University on the 116 acre site.



Integra Life Sciences leased 166,791 square feet at 1100 Campus Road in Princeton; JP Morgan Chase & Co. leased 148,521 square feet at 480 Washington Boulevard in Jersey City and Mars Wrigley Confectionery US announced their move back to Newark by leasing 148,460 square feet at 110 Edison Place (also known as Ironside Newark).

Mars was awarded a 10-year, \$31.5 million tax credit. They plan to move into the new space in 2020. The former freight warehouse is being restored and redeveloped into office and retail space.

A top sale transaction included 11-13 Sunflower Avenue in Paramus. Yumin Management Corporation sold the 23,600 square foot Class B building to Hye Ruyun Chin for

\$4,700,000 or \$199.15 per square foot. The building sits on 1.3 acres and was 93.32% occupied at the time of sale.

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## County Overview:

County	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Total Average Asking Rate
NJ Overall	232,503,257	33,066,848	14.2%	34,354	2,471,448	1,514,756	\$24.56
Morris	37,763,328	7,123,838	18.9%	(135,685)	230,169	26,224	\$25.18
Bergen	31,521,413	3,528,011	11.2%	132,801	420,422	360,000	\$25.48
Essex	31,556,239	4,327,600	13.7%	139,901	489,249	467,532	\$26.11
Middlesex	30,482,205	4,473,121	14.7%	60,928	551,175	0	\$23.26
Hudson	26,158,802	3,797,537	14.5%	(71,566)	271,397	375,000	\$28.66
Somerset	24,745,997	3,584,731	14.5%	89,885	280,272	22,000	\$21.73
Mercer	23,446,571	2,454,735	10.5%	(138,512)	118,325	232,000	\$25.09
Union	13,083,837	1,041,385	8.0%	(31,123)	89,952	0	\$24.90
Passaic	7,611,106	1,215,768	16.0%	(80,551)	19,817	32,000	\$19.91
Hunterdon	5,103,985	1,484,625	29.1%	(7,189)	670	0	\$13.81
Sussex	632,783	35,497	5.6%	29,815	0	0	\$12.45
Warren	396,991	0	0.0%	45,650	0	0	\$20.62
Rockland, NY	3,777,362	579,377	15.3	(29,313)	7,718	32,595	\$22.85
Orange, NY	3,270,118	437,403	13.4	(6,863)	10,142	0	\$16.09

## Significant Lease Transactions:

Tenant	Address	Size (SF)	County
Ralph Lauren Corporation	100 Metro Boulevard, Nutley	255,017	Essex
Integra Life Sciences	1100 Campus Road, Princeton	166,791	Mercer
JP Morgan Chase & Co.	480 Washington Boulevard, Jersey City	148,521	Hudson
Mars Wrigley Confectionery US	110 Edison Place, Newark	148,460	Essex
New Cingular Wireless Service	15 E. Midland Avenue, Paramus	139,234	Bergen
Plymouth Rock	581 Main Street, Woodbridge	129,000	Middlesex
Celgene Corporation	7 Powder Horn Drive, Warren	107,710	Somerset
Computershare Limited	480 Washington Boulevard, Jersey City	49,507	Hudson

## Significant Sale Transactions:

Address	Size (SF)	Price	Buyer	Seller
90 Millburn Ave., Millburn	21,720	\$8,500,000	Amrik Chawla	NuAve Investments
2 Executive Dr., Somerset	83,258	\$6,800,000	Torsiello Organization	Denholtz Associates
11-13 Sunflower Ave., Paramus	23,600	\$4,700,000	Hye Ruyn Chin	Yumin Mgmt Corp.
121 State Route 31, Flemington	32,841	\$3,285,000	Hunterdon Medical Center	NY Community Bancorp, Inc.

All information comes from sources deemed reliable from NAI James E. Hanson. Numbers are based on buildings 20,000 + sf