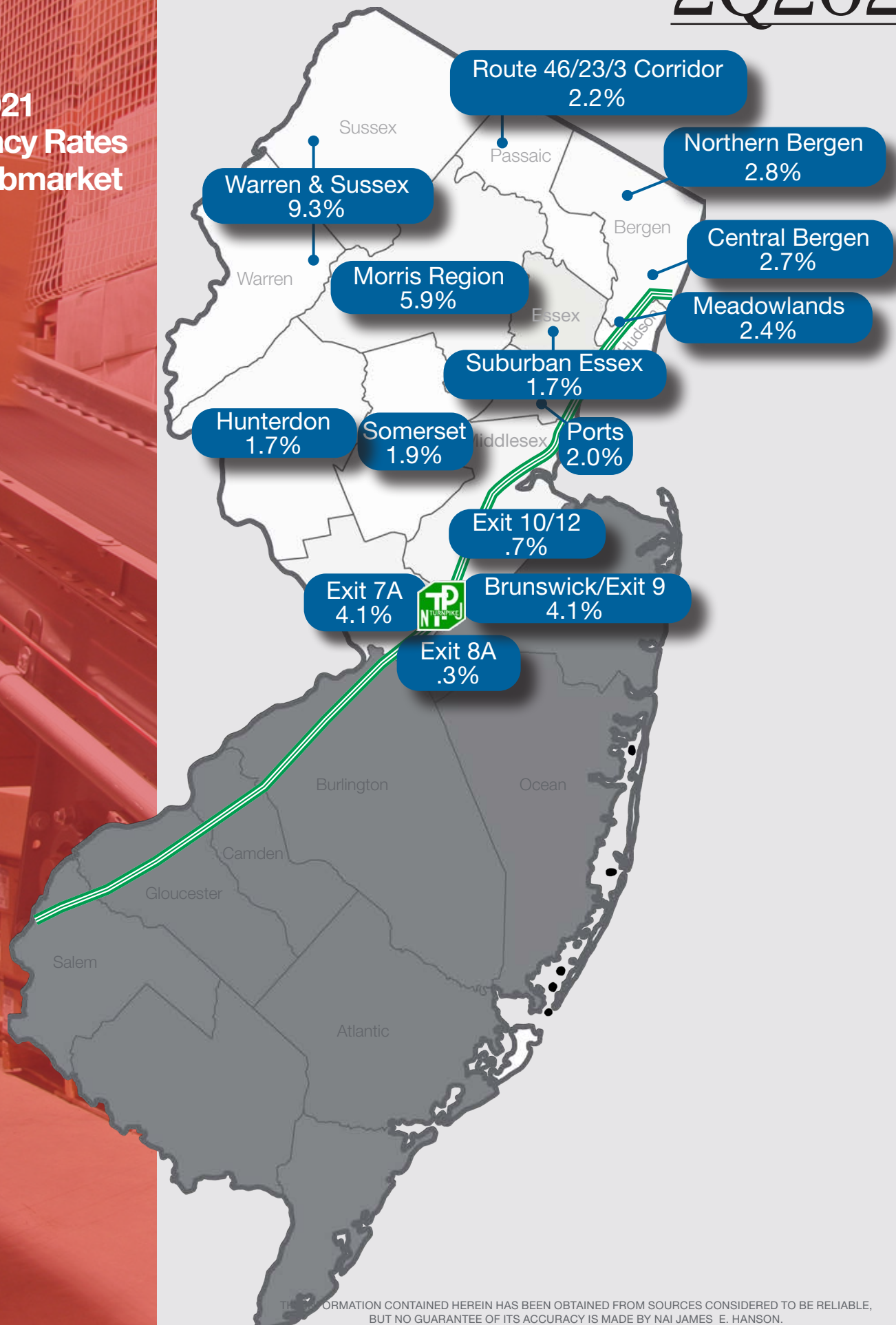


Northern & Central NJ 2Q 2021 Report



INDUSTRIAL

2Q 2021 Vacancy Rates by Submarket



County Overview

	RBA	Vacant Available SF	Vacant Available %	Net Absorption	SF Leased	RBA Under Construction	Average Asking Rate
Northern & Central NJ	684,437,539	15,427,242	2.2%	3,980,767	8,027,304	12,109,077	\$10.09
Middlesex	206,278,311	1,952,940	0.9%	676,755	2,718,448	6,015,831	\$9.60
Bergen	90,675,218	2,547,510	2.8%	(68,995)	1,070,243	443,678	\$11.21
Hudson	81,194,234	2,366,029	2.9%	(320,952)	471,341	1,231,203	\$13.32
Essex	64,300,258	1,050,658	1.6%	90,255	1,278,843	1,493,260	\$10.65
Union	63,556,626	746,185	1.2%	1,059,906	1,155,553	974,943	\$9.44
Passaic	56,170,821	1,211,044	2.2%	981,266	469,334	130,212	\$10.41
Morris	39,685,544	2,254,874	5.7%	187,119	261,559	138,940	\$7.98
Mercer	33,489,822	1,280,169	3.8%	238,328	130,659	487,470	\$7.50
Somerset	31,042,069	853,295	3.1%	497,483	453,524	419,762	\$9.01
Warren	8,210,830	743,620	9.1%	605,859	5,000	511,200	\$6.74
Hunterdon	6,789,006	118,550	1.7%	17,300	12,800	29,978	\$8.58
Sussex	3,044,800	302,368	9.9%	16,443	0	232,600	\$6.14
Orange, NY	30,040,277	766,905	2.6%	162,014	130,005	2,876,124	\$6.75
Rockland, NY	15,725,847	505,388	3.2%	212,842	74,669	16,000	\$9.94

Submarket Overview

	RBA	Vacant Available SF	Vacant Available %	Net Absorption	SF Leased	RBA Under Construction	Average Asking Rate
Ports	137,063,388	2,778,713	2.0%	823,128	2,382,263	2,957,414	\$10.18
Exits 10/12	112,138,673	810,697	0.7%	(252,411)	1,824,232	4,455,485	\$10.39
Meadowlands	94,835,553	2,259,805	2.4%	(37,433)	1,134,461	801,061	\$13.22
Exit 8A	71,524,442	210,267	0.3%	1,346,348	881,121	1,224,434	\$10.67
Route 46/23/3 Corridor	55,817,420	1,208,900	2.2%	953,408	447,244	130,212	\$10.33
Exit 7A	43,994,523	1,786,778	4.1%	257,995	177,091	1,683,845	\$7.95
Morris Region	37,887,988	2,235,718	5.9%	203,919	253,559	138,940	\$7.97
Somerset	31,042,069	593,727	1.9%	497,483	453,524	419,762	\$9.01
Central Bergen County	25,756,558	697,905	2.7%	7,589	89,737	169,338	\$10.50
Suburban Essex	22,818,997	394,170	1.7%	122,184	233,141	215,221	\$10.14
Brunswick/ Exit 9	22,615,196	931,976	4.1%	(417,182)	13,095	335,912	\$8.82
Northern Bergen County	21,632,435	613,089	2.8%	(144,196)	166,468	0	\$10.53
Warren & Sussex	11,255,630	1,045,988	9.3%	622,302	5,000	743,800	\$6.69
Hunterdon	6,789,006	118,550	1.7%	17,300	12,800	29,978	\$8.58

2Q2021 vs. 2Q2020



.5%
Vacancy Rate



\$1.19
Asking Rate



1,004,426 SF
Leasing Activity



TOP Transactions LEASED

873,743 SF

173-268 Doremus Avenue, Newark
FedEx

480,740 SF

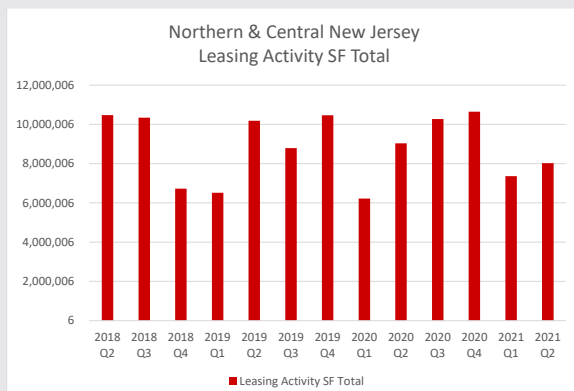
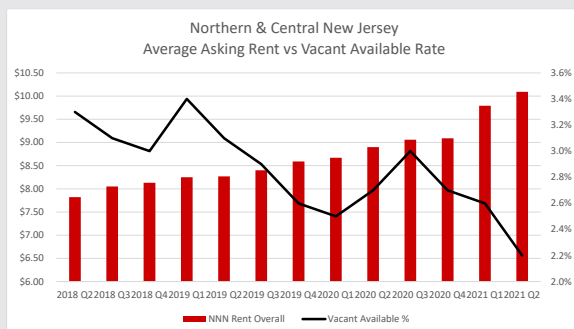
500 Linden Logistics Way, Linden
World Distribution Services

***119,366 SF**

75 Lackawanna Ave, Parsippany
Raas Warehouse (Commercial Furniture Transport)

*NAI Hanson Transaction

Leasing Activity



- Second quarter leasing activity was strong in Northern New Jersey, with just over 8.0 million square feet leased. The year-to-date total of 15.3 million square feet is on par with the same time last year.
- Average asking rates continued to rise, reaching \$10.09 per square foot, up by more than 13.0% year-over-year.
- Sustained demand pushed vacancy lower, ending the quarter at 2.2%, down from 2.7% at the close of 2Q20.
- NAI Hanson facilitated transactions at 75 Lackawanna Avenue in Parsippany and 25-27 Central Avenue in Teterboro. Raas Warehouse leased 119,366 square feet at 75 Lackawanna Avenue and Lorenzo Food Group leased 75,276 square feet at 25-27 Central Avenue.

Sale Activity

- Over two million square feet of industrial properties changed hands during the second quarter, excluding portfolio sales.
- The average sales price of \$108 per square foot marked a 28.6% increase over the same time last year.
- 200 Bayway Avenue in Linden was the largest sale of the quarter. Lineage Logistics purchased the property from HN Gorin for \$68.0 million or \$408 per square foot in April.
- NAI Hanson was involved in two of the largest sales for the quarter. 1 Lisbon Street in Clifton sold for an undisclosed amount and 130 Makers Avenue in Berlin sold for \$43.9 million.

TOP Transactions SOLD

141,521 SF | \$68,000,000

200 Bayway Avenue, Linden

Buyer: Lineage Logistics

Seller: HN Gorin

***240,000 SF**

1 Lisbon Street, Clifton

Buyer: Undisclosed

Seller: 1 Lisbon St LLC

***750,000 SF | \$43,950,000**

130 Makers Avenue, Berlin

Buyer: Eaton Vance

Seller: AC Moore

*NAI Hanson Transaction



1 Lisbon Street, Clifton

Under Construction

Property Address	Size (SF)	Completion	Developer	Submarket
42 Military Ocean Terminal, Bayonne	1,500,000	3Q2021	Lincoln Equities Group	Ports
3 Sigle Lane, South Brunswick	1,166,030	3Q2021	Heller Industrial Parks	Exit 8A
3000 Valley Brook Ave., Lyndhurst	932,168	4Q2023	Russo Development/	Meadowlands
173-268 Doremus Ave., Newark	873,743	3Q2021	The Morris Companies	Ports
1365 Lamberton Rd., Hamilton Twp.	845,078	4Q2023	Hilco Global	Exit 7A
Tremley Point Linden (8 bldgs)	840,203	4Q2022	F. Greek Dev. & Advance Realty	Ports
11 C Court S, Edison	699,600	3Q2021	2020 Acquisitions	Exit 10/12
39 Strykers Rd., Phillipsburg	511,200	3Q2021	J.G. Petrucci Company	Warren & Sussex
148 Princeton-Hightstown Rd (Bldg A) East Windsor	406,669	4Q2021	Black Creek Group	Exit 7A
65 Baekeland Ave., Middlesex	400,000	3Q2021	Rockefeller Group	Exit 10/12
1365 Lamberton Rd., Hamilton Twp.	384,895	4Q2023	Hilco Global	Exit 7A
3000 Valley Brook Ave., Lyndhurst	344,110	4Q2023	Russo Development/ Forsgate Industrial Partners	Meadowlands
2701 Route 3 East, Secaucus	325,856	4Q2021	Clarion Partners	Meadowlands
481 Blackhorse Ln., North Brunswick	245,232	3Q2021	Adler Development	Brunswick/Exit 9
5 Dedrick Pl. Bldg. A, West Caldwell	134,453	3Q2021	Link Logistics/Hampshire Co	Suburban Essex
49 Rutherford St., Newark*	185,917	4Q2021	CenterPoint Properties	Ports
148 Princeton-Hightstown Rd East Windsor	167,500	4Q2021	Black Creek Group	Exit 7A
330 S Randolphville Rd., Piscataway	151,748	3Q2021	Transwestern Devel. Co.	Exit 10/12
330 S Randolphville Rd., Piscataway	146,505	3Q2021	Transwestern Devel. Co.	Exit 10/12
357 Wilson Ave., Newark	142,479	2Q2022	Prologis	Ports

*NAI Hanson is handling the leasing.

Under Construction - Continued

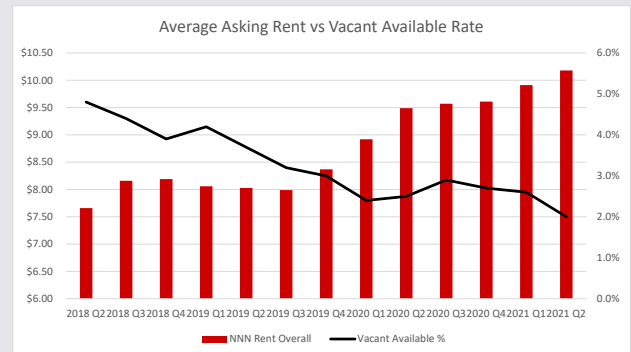
Property Address	SIZE (SF)	Completion	Developer	Submarket
85 New Brunswick Ave., Woodbridge	101,425	3Q2021	Woodmont Industrial Partners	Exit 10/12
590 Belleville Tpke., Kearny	100,700	3Q2021	Alessi Organization	Meadowlands
590 Belleville Tpke., Kearny	91,000	3Q2021	Alessi Organization	Meadowlands
210 Clay Ave., Lyndhurst	90,614	3Q2021	Branca Properties	Meadowlands
590 Belleville Tpke., Kearny	86,625	3Q2021	Alessi Organization	Meadowlands
5 Dedrick Pl. Bldg. B, West Caldwell	80,768	3Q2021	Link Logistics/Hampshire Co	Suburban Essex
120 Frontage Rd., Newark	75,900	4Q2021	The S. Hekemian Group	Ports
701 12th St., Carlstadt/Wood-Ridge	64,390	3Q2021	Link Logistics	Meadowlands
200 Federal Blvd. Bldg. B, Carteret	54,062	2Q2021	Link Logistics/Hampshire Co	Exit 10/12
750 Jersey Ave., New Brunswick	51,180	3Q2021	Wick Companies LLC	Brunswick/Exit 9
200 Federal Blvd Bldg. A, Carteret	50,802	2Q2021	Link Logistics/Hampshire Co	Exit 10/12

Recently Completed

Address	Size (SF)	Leased	Tenant(s)	Submarket
2205 Route 27, Edison	900,022	100%	Amazon	Exit 10/12
353 Half Acre Rd., Cranbury	870,950	100%	Crate & Barrel	Exit 8A
150 Old New Brunswick Rd., Piscataway	622,230	100%	Bob's Discount Furniture	Brunswick/Exit 9
39 Edgeboro Rd., East Brunswick	513,240	100%	Fedex	Brunswick/Exit 9
Tremley Point Rd., Linden	480,740	100%	World Distribution Services	Ports
250 Gregg St., Lodi	200,385	100%	Amazon	Central Bergen
5905 West Side Ave., North Bergen	113,623	100%	Western Carriers	Ports
200 Gregg St., Lodi	90,000	100%	Amazon	Central Bergen
864-888 Magnolia Ave., Elizabeth	30,184	100%	Mam Takin	Ports

Ports Market Snapshot

Market Size	137,063,388 SF
Vacant Availability (SF)	2,778,713 SF
Vacant Availability (%)	2.0%
2Q21 Leasing Activity	2,382,263 SF
Total 2021 Leasing Activity	3,309,100 SF
Average Asking Rate	\$10.18 PSF
2Q2021 Net Absorption	823,128 SF
Total 2021 Net Absorption	660,037 SF
Under Construction	2,957,414 SF
Delivered	510,745 SF



2Q2021 vs. 2Q2020

 **.5%**
Vacancy Rate ↓

 **\$0.69**
Asking Rate ↑

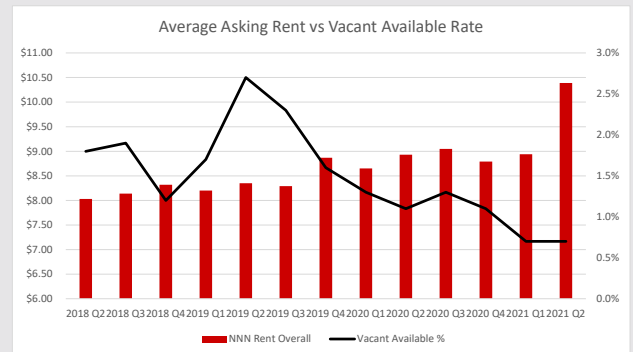
 **1,163,613 SF**
Leasing Activity ↑

Trends

- Leasing activity reached almost 2.4 million square feet during the second quarter. In a transaction completed by NAI Hanson, Massiano Logistics leased 54,000 square feet at 1000 Jefferson Avenue in Elizabeth.
- Average asking rents climbed to \$10.18 per square foot, up from \$9.49 per square at the same time last year, as vacancy dropped to 2.0%.

Exit 10/12 Market Snapshot

Market Size	112,138,673 SF
Vacant Availability (SF)	810,697 SF
Vacant Availability (%)	0.7%
2Q21 Leasing Activity	1,824,232 SF
Total 2021 Leasing Activity	3,244,511 SF
Average Asking Rate	\$10.39 PSF
2Q2021 Net Absorption	(252,411) SF
Total 2021 Net Absorption	548,307 SF
Under Construction	4,455,485 SF
Delivered	84,628 SF



2Q2021 vs. 2Q2020

 **0.4%**
Vacancy Rate ↓

 **\$1.46**
Asking Rate ↑

 **122,833 SF**
Leasing Activity ↓

Trends

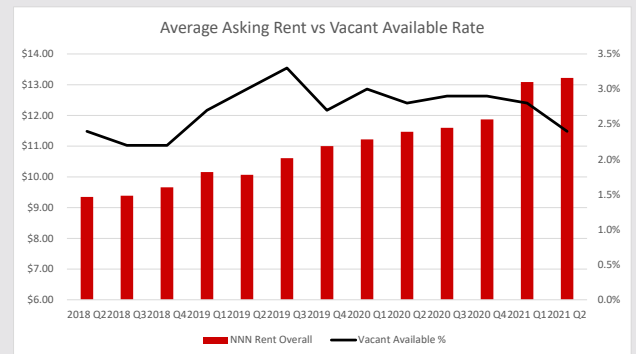
- JW Fulfillment's lease of 346,858 square feet at 11 C Court S in Edison pushed overall activity to 1.8 million square feet.
- Average asking rents moved higher finishing the quarter at \$10.39 per square foot, up substantially from \$8.93 a year ago, while the vacancy rate dropped to under 1.0%.

Meadowlands Market Snapshot

Market Size	94,835,553 SF
Vacant Availability (SF)	2,259,805 SF
Vacant Availability (%)	2.4%
2Q21 Leasing Activity	1,134,461 SF
Total 2021 Leasing Activity	1,923,513 SF
Average Asking Rate	\$13.22 PSF
2Q2021 Net Absorption	(37,433) SF
Total 2021 Net Absorption	334,456 SF
Under Construction	801,061 SF
Delivered	0 SF



25-27 Central Ave, Teterboro



2Q2021 vs. 2Q2020

 **0.4%**
Vacancy Rate ↓

 **\$1.75**
Asking Rate ↑

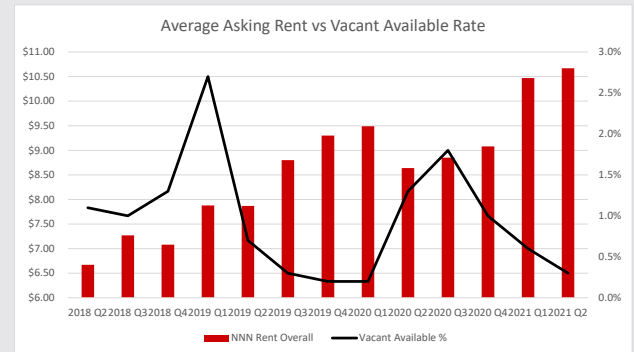
 **250,816 SF**
Leasing Activity ↓

Trends

- Average asking rents grew to \$13.22 per square foot during the quarter—reaching a historical high. Asking rates are up more than 15.0% year-over-year.
- Two major leases facilitated by NAI Hanson included a 75,276-square foot lease at 25-27 Central Avenue by Lorenzo Food Group and a 72,000-square foot lease by Homans Associates at 1000 Huyler Street in Teterboro.

Exit 8A Market Snapshot

Market Size	71,524,442 SF
Vacant Availability (SF)	210,267 SF
Vacant Availability (%)	0.3%
2Q21 Leasing Activity	881,121 SF
Total 2021 Leasing Activity	2,548,904 SF
Average Asking Rate	\$10.67 PSF
2Q2021 Net Absorption	1,346,348 SF
Total 2021 Net Absorption	1,600,590 SF
Under Construction	1,224,434 SF
Delivered	953,595 SF



2Q2021 vs. 2Q2020

 **1.0%**
Vacancy Rate ↓

 **\$2.03**
Asking Rate ↑

 **859,425 SF**
Leasing Activity ↓

Trends

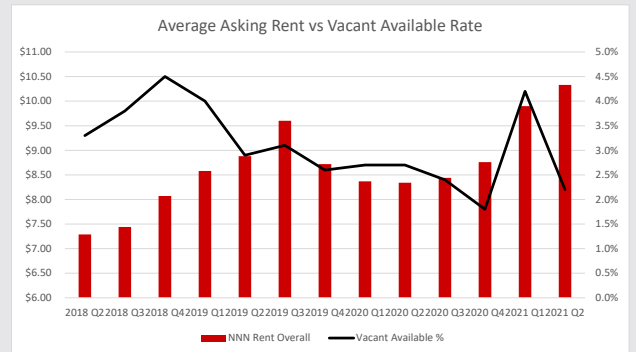
- Average asking rents grew to \$10.67 per square foot during the quarter, up from \$8.64 at the same time last year.
- One of the largest leases of the quarter was Amware's 172,249-square foot sublease at 200 Docks Corner Road in South Brunswick.

Routes 46/23/3 Market Snapshot

Market Size	55,817,420 SF
Vacant Availability (SF)	1,208,900 SF
Vacant Availability (%)	2.2%
2Q21 Leasing Activity	447,244 SF
Total 2021 Leasing Activity	916,567 SF
Average Asking Rate	\$10.33 PSF
2Q2021 Net Absorption	953,048 SF
Total 2021 Net Absorption	(170,834) SF
Under Construction	130,212 SF
Delivered	0



1 Lisbon Street, Clifton



2Q2021 vs. 2Q2020

 **.2%**
Vacancy Rate ↓

 **\$1.99**
Asking Rate ↑

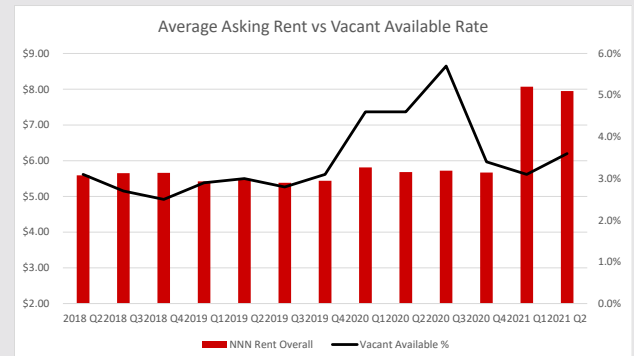
 **230,709 SF**
Leasing Activity ↑

Trends

- Leasing activity measured over 400,000 square feet during the quarter, with United Window's lease at 30 Corporate Drive in Wayne, accounting for 156,627 square feet of the total.
- Ten properties traded during the second quarter. 1 Lisbon Street in Clifton, garnered the highest price at \$44.1 million. In Paterson, 468 Totowa Avenue sold for \$5.5 million. NAI Hanson was involved in both transactions.

Exit 7A Market Snapshot

Market Size	43,994,523 SF
Vacant Availability (SF)	1,786,778 SF
Vacant Availability (%)	4.1%
2Q21 Leasing Activity	177,091 SF
Total 2021 Leasing Activity	207,841 SF
Average Asking Rate	\$7.95 PSF
2Q2021 Net Absorption	257,995 SF
Total 2021 Net Absorption	403,188 SF
Under Construction	1,683,845 SF
Delivered	13,750 SF



2Q2021 vs. 2Q2020

 **1.0%**
Vacancy Rate ↓

 **\$2.27**
Asking Rate ↑

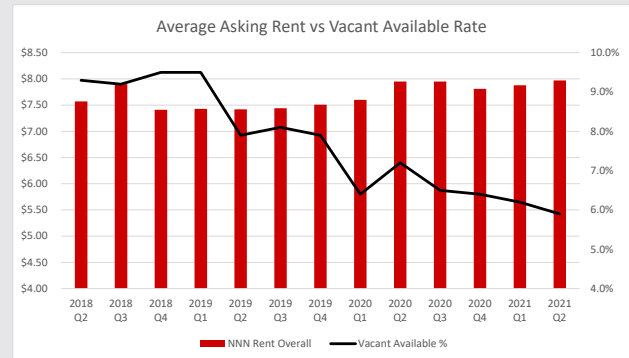
 **100,665 SF**
Leasing Activity ↓

Trends

- The overall vacancy rate finished the quarter at 3.6%, down from the same time last year, but up slightly from 1Q21. New space to market included 189,000 square feet of space at 840 Nottingham Way in Trenton and 32,000 square feet at 370 Sullivan Way in Ewing.
- The largest sale recorded during the quarter was 10 Princess Road in Lawrenceville. The newly-constructed property sold for \$75.0 million.

Morris Region Market Snapshot

Market Size	37,887,988 SF
Vacant Availability (SF)	2,235,718 SF
Vacant Availability (%)	5.9%
2Q21 Leasing Activity	253,559 SF
Total 2021 Leasing Activity	548,584 SF
Average Asking Rate	\$7.97 PSF
2Q2021 Net Absorption	203,919 SF
Total 2021 Net Absorption	247,076 SF
Under Construction	138,940 SF
Delivered	28,000 SF



2Q2021 vs. 2Q2020

 **1.3%**
Vacancy Rate ↓

 **\$0.02**
Asking Rate ↑

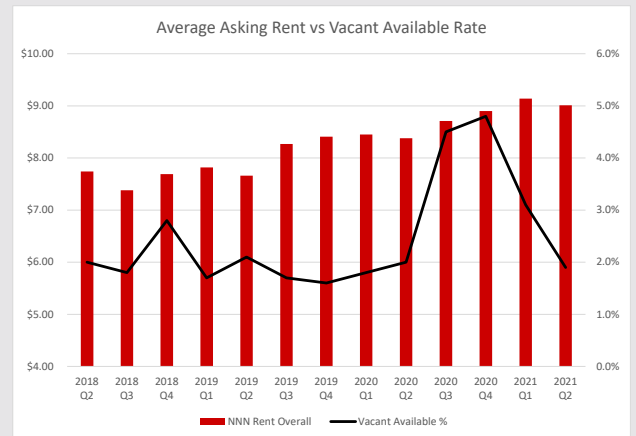
 **44,693 SF**
Leasing Activity ↓

Trends

- The overall vacancy rate finished the quarter lower at 5.9% — a level not reached since 2016. Average asking rates approached the \$8.00 per square foot market, finishing at \$7.97 per square foot.
- Raas Warehouse (Commercial Furniture Transport) signed the largest lease at 75 Lackawanna Avenue in Parsippany for 119,366 square feet. NAI Hanson represented the landlord.

Somerset Market Snapshot

Market Size	31,042,069 SF
Vacant Availability (SF)	593,727 SF
Vacant Availability (%)	1.9%
2Q21 Leasing Activity	453,524 SF
Total 2021 Leasing Activity	1,257,988 SF
Average Asking Rate	\$9.01 PSF
2Q2021 Net Absorption	497,483 SF
Total 2021 Net Absorption	1,102,238 SF
Under Construction	419,762 SF
Delivered	0



2Q2021 vs. 2Q2020

 **.1%**
Vacancy Rate ↓

 **\$0.63**
Asking Rate ↑

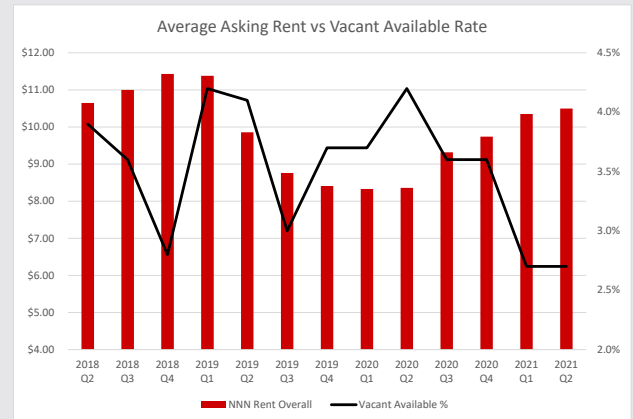
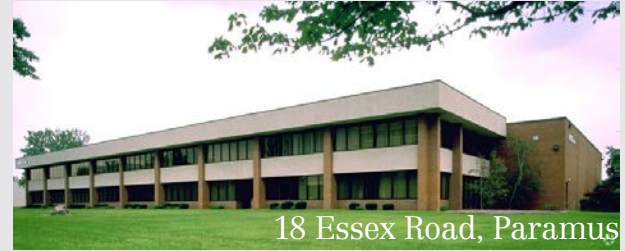
 **72,117 SF**
Leasing Activity ↓

Trends

- The overall vacancy rate was nearly stationary year-over-year, finishing at 1.9%, while average rental rates rose to \$9.01 per square foot, from \$8.38 at the close of 2Q20.
- Notable sales transactions taking place during the second quarter, included: 161 Meister Avenue in Branchburg for \$7.2 million or \$143 per square foot and 62 Berry Street in Somerset for \$3.0 million or \$117 per square foot.

Central Bergen Market Snapshot

Market Size	25,756,558 SF
Vacant Availability (SF)	697,905 SF
Vacant Availability (%)	2.7%
2Q21 Leasing Activity	89,737 SF
Total 2021 Leasing Activity	316,232 SF
Average Asking Rate	\$10.50 PSF
2Q2021 Net Absorption	7,589 SF
Total 2021 Net Absorption	524,919 SF
Under Construction	169,338 SF
Delivered	0



2Q2021 vs. 2Q2020

 **1.5%**
Vacancy Rate



 **\$2.14**
Asking Rate



 **110,246 SF**
Leasing Activity

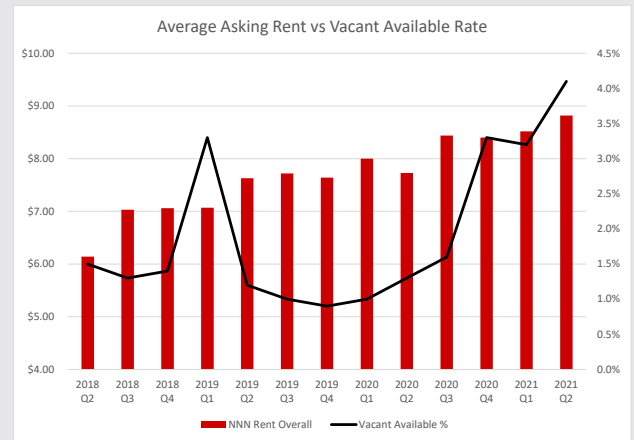


Trends

- Although leasing activity was down from the same time last year, the overall vacancy rate maintained downward momentum, finishing at 2.7%, from 4.2% at the same time last year.
- There were three sales during the quarter including: 4 Rosol Lane in Saddle Brook for \$6.1 million, 504 Jane Street in Fort Lee for \$4.1 million, and 18 Stefanic Avenue in Elmwood Park for \$1.4 million.

Brunswick/Exit 9 Market Snapshot

Market Size	22,615,196 SF
Vacant Availability (SF)	931,976 SF
Vacant Availability (%)	4.1%
2Q21 Leasing Activity	13,095 SF
Total 2021 Leasing Activity	443,555 SF
Average Asking Rate	\$8.82 PSF
2Q2021 Net Absorption	(417,182) SF
Total 2021 Net Absorption	(334,060) SF
Under Construction	335,912 SF
Delivered	0



2Q 2021 vs 2Q 2020



2.8%
Vacancy Rate



\$1.09
Asking Rate



470,332 SF
Leasing Activity

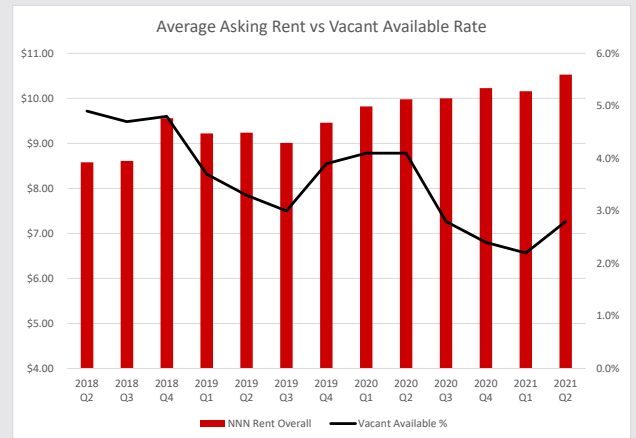


Trends

- The overall vacancy rate rose to 4.1% during the second quarter, up from 1.3% at the end of 2Q20. Space additions during the quarter included: 26,000 square feet at 625 Jersey Avenue in and 22,000 square feet at 99 Jersey Avenue, both in New Brunswick.
- The largest sale in terms of total sales price occurred at 520 Jersey Avenue in New Brunswick. The 67,200-square foot building sold for \$12.3 million, or \$183 PSF.

Northern Bergen Market Snapshot

Market Size	21,632,435 SF
Vacant Availability (SF)	613,089 SF
Vacant Availability (%)	2.8%
2Q21 Leasing Activity	166,468 SF
Total 2021 Leasing Activity	270,850 SF
Average Asking Rate	\$10.53 PSF
2Q2021 Net Absorption	(144,196) SF
Total 2021 Net Absorption	103,733 SF
Under Construction	0 SF
Delivered	0 SF



2Q 2021 vs 2Q 2020

 **1.3%**
Vacancy Rate ↓

 **\$0.55**
Asking Rate ↑

 **61,212 SF**
Leasing Activity ↑

Trends

- Average asking rents remained above \$10.00 per square foot, finishing at \$10.53, up from \$9.98 one year ago as vacancy dipped from 4.1%, to 2.8% over the same period.
- NAI Hanson facilitated the highest sale for the quarter as 220 & 230 W. Crescent Avenue in Allendale traded for \$13.25 million, or \$88.62 PSF.

- Lease Administration
- Planned Maintenance Programs
- Security Analysis
- Risk Management
- Energy Conservation Strategies
- Accounting Services
- Construction Management Services
- Facility Audits



NAI Hanson Management currently manages
over 6.5 million square feet.

OFFICE



INDUSTRIAL



RETAIL



“Since NAI Hanson Management has taken over the Meadowlands portfolio, it has gone from one of the most challenging properties to one of the most smoothly and efficiently run properties.”

- L&B Realty Advisors, LLP

2Q2021

Industrial Market Update

The world's largest commercial real estate network.

43± Countries





300± Offices

5,100± Market Leaders

NAI James E. Hanson is the largest independently owned commercial real estate firm in the State with over 65 years of experience in the New Jersey industrial market and has one of the largest industrial teams. NAI Hanson currently holds 11 SIOR designations, the most SIORs over any other commercial real estate firm in the State.

For more information, please contact:

William C. Hanson, SIOR
President
201 488 5800 x145
whanson@naihanson.com

FOLLOW US!     Member of NAI Global with 300+ Offices Worldwide

195 North Street, Suite 100 • Teterboro, NJ 07608 | 201 488 5800
10 Lanidex Plaza W., Parsippany, NJ 07054 | 973 463 1011 • naihanson.com