

Northern & Central New Jersey 3Q'18 Office Report

Class A&B

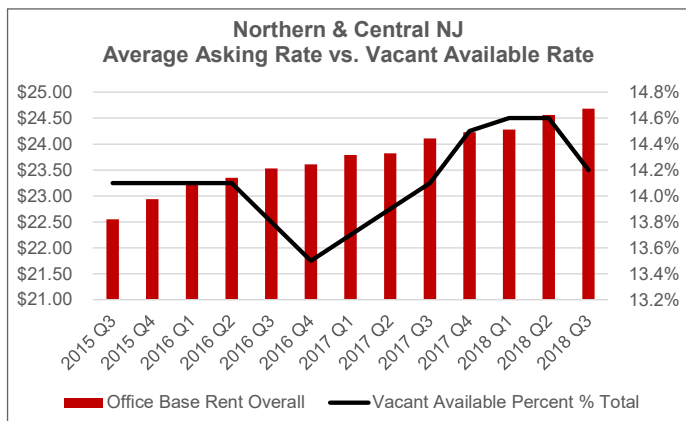
The Northern and Central New Jersey Class A and B office market consists of 232,457,773 square feet in 12 counties. Average asking rates ended the quarter at \$24.68 per square foot, up \$0.12 per square foot from the previous quarter. The Hudson County market has the highest rates at \$31.47 per square foot. Following behind is the Essex County market which ended the quarter with rates at \$26.01 per square foot.



117 W Century Road, Paramus

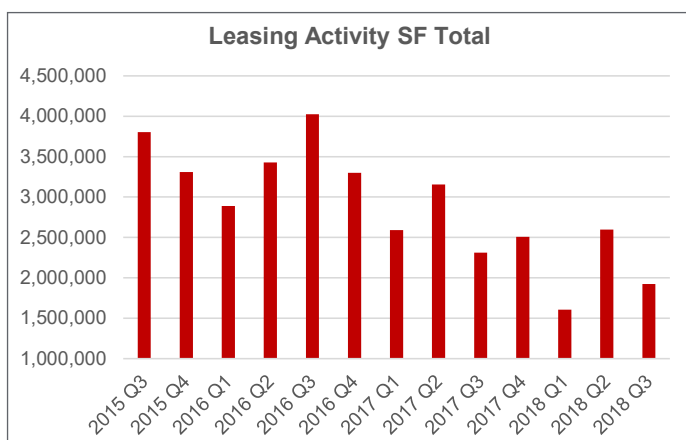
Vacancy ended the quarter at 14.2%, which stayed constant from the previous quarter. The lowest rates are found in Warren County (0%), Sussex County (4.1%) and Union County (8.8%).

Top lease transactions included Teva Pharmaceuticals, Alvogen, Trustees of Princeton and Octapharma. Teva Pharmaceuticals renewed 95,348 square feet at 400 Interpace Parkway in Parsippany; Alvogen leased 84,609 square feet at 44 Whippany Road in Morristown; Trustees of Princeton leased 67,000 square feet at 100 Overlook Center in Princeton; and Octapharma leased 63,761 square feet at 117 W Century Road in Paramus.



Top sale transactions included 1 Harmon Plaza in Secaucus; 50 Chestnut Ridge Road in Montvale; and 3 Paragon Drive in Montvale.

1 Harmon Plaza in Secaucus, a 192,089 square foot building, sold for \$34,200,000 or \$178.04 per square foot from a joint venture between Mountain Development Corp. and PCCP LLC to ZI One Harmon Plaza, LLC. The building was 95.9% leased at the time of sale.



50 Chestnut Ridge Road in Montvale sold from American Equity Partners, Inc. to Montvale Estates LLC for \$15,811,710 or \$150.80 per square foot. NAI Hanson previously sold the building in 2015 for \$8,055,833 to American Equity Partners.

3 Paragon Drive in Montvale was another sale in the Upper Parkway submarket. Northeast Capital Group purchased the 93,916 square foot building for \$14,000,000 or \$149.07 per square foot from The Davis Companies. The building

was 94% leased at the time of sale. The Upper Parkway has seen an influx of activity with the recent opening of Memorial Sloan Kettering, an outpatient treatment center at 225 Summit Avenue in Montvale.

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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	232,457,773	32,925,179	14.2%	843,015	1,921,416	2,052,161	\$24.68
Morris	37,505,706	7,521,249	20.1%	262,909	434,512	90,224	\$25.73
Essex	31,938,224	4,493,639	14.1%	198,004	118,861	507,532	\$26.01
Bergen	31,558,390	3,205,967	10.2%	181,880	440,293	360,000	\$24.92
Middlesex	30,456,241	3,992,915	13.1%	198,158	226,158	400,000	\$23.44
Hudson	26,074,616	3,880,918	14.9%	(96,820)	151,654	465,000	\$31.47
Somerset	24,615,270	3,590,378	14.6%	(22,967)	262,198	0	\$21.38
Mercer	23,595,214	2,414,780	10.2%	148,194	141,006	229,405	\$24.85
Union	12,979,247	1,146,766	8.8%	93,605	82,114	0	\$24.13
Passaic	7,621,106	1,168,981	15.3%	(128,484)	55,043	0	\$19.98
Hunterdon	5,103,985	1,484,616	29.1%	9	1,050	0	\$13.75
Sussex	612,783	24,970	4.1%	8,527	8,527	0	\$12.58
Warren	396,991	0	0.0%	0	0	0	\$20.62
Rockland, NY	3,783,723	566,676	15.0%	13,101	14,964	32,595	\$23.06
Orange, NY	3,287,710	426,118	13.0%	5,710	17,467	0	\$16.65

Significant Lease Transactions:

Tenant	Address	Size (SF)	County
Teva Pharmaceuticals USA (Renewal)	400 Interpace Parkway, Parsippany	95,348	Morris
Alvogen	44 Whippany Road, Morristown	84,609	Morris
Trustees of Princeton	100 Overlook Center, Princeton	67,000	Mercer
Octapharma	117 W Century Road, Paramus	63,761	Bergen
Reckitt Benckiser	399 Interpace Parkway, Parsippany	22,259	Morris
Ford Motor Company	50 Tice Boulevard, Woodcliff Lake	20,000	Bergen
Cambridge Silversmiths	340 Changebridge Road, Pine Brook	19,699	Morris
XO Allegiance	110B Meadowlands Parkway, Secaucus	15,000	Hudson

Significant Sale Transactions:

Address	Size (SF)	Price	Buyer	Seller
1 Harmon Plz., Secaucus	192,089	\$34,200,000	ZI 1 Harmon Plz LLC	Mountain Develop. Corp. /PCCP LLC
50 Chestnut Ridge Rd., Montvale	104,854	\$15,811,710	Montvale Estates LLC	American Equity Partners, Inc.
3 Paragon Dr., Montvale	93,916	\$14,000,000	Northeast Capital Group	The Davis Companies

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