

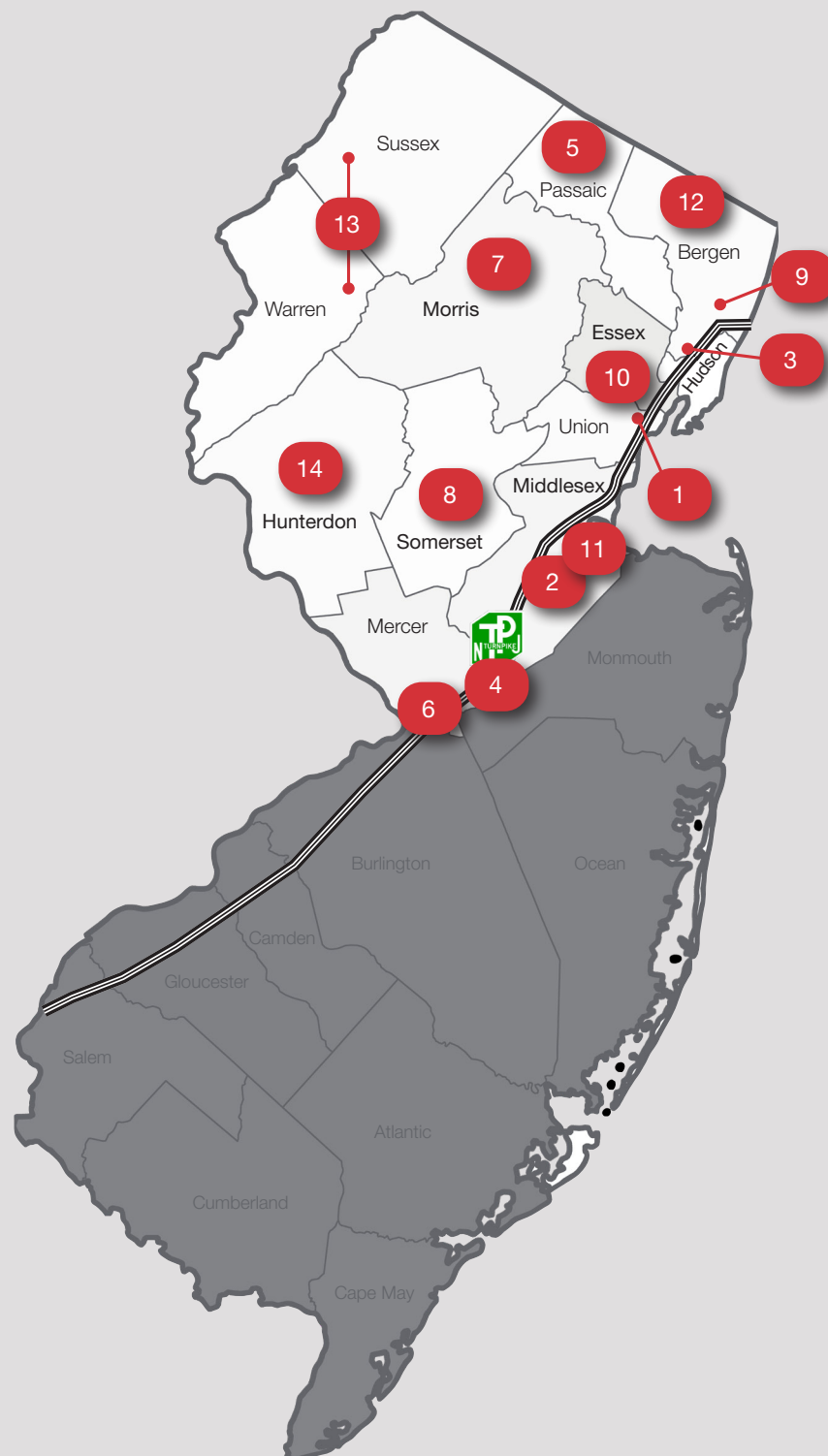
4Q

2022

INDUSTRIAL REPORT

Our Submarkets

#	SUBMARKET	VACANCY
1	PORTS	1.7%
2	EXIT 10/12	1.7%
3	MEADOWLANDS	2.5%
4	EXIT 8A	1.6%
5	46/23/3 CORRIDOR	2.2%
6	EXIT 7A	4.3%
7	MORRIS REGION	1.2%
8	SOMERSET	3.1%
9	CENTRAL BERGEN	2.0%
10	SUBURBAN ESSEX	3.0%
11	BRUNSWICK/EXIT 9	1.8%
12	NORTHERN BERGEN	1.8%
13	WARREN & SUSSEX	4.8%
14	HUNTERDON	4.7%



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	698,521,090	15,135,480	2.2%	1,546,469	4,921,822	16,103,279	\$13.21
Middlesex	211,762,815	3,566,214	1.7%	1,409,482	1,986,562	5,118,568	\$14.51
Bergen	90,079,052	2,049,146	2.3%	(360,506)	678,276	2,409,230	\$14.61
Hudson	82,071,011	2,068,190	2.5%	(336,031)	365,796	2,189,051	\$13.99
Essex	67,660,490	1,332,922	2.0%	(3,100)	382,745	553,596	\$13.53
Union	65,352,600	939,158	1.4%	890,108	136,428	1,832,497	\$14.38
Passaic	56,066,867	1,149,120	2.0%	(361,056)	166,863	0	\$13.02
Morris	39,424,041	533,731	1.4%	15,422	662,383	470,044	\$10.62
Mercer	36,048,114	1,660,043	4.6%	456,881	397,795	1,258,120	\$9.73
Somerset	30,979,430	934,828	3.0%	(165,221)	134,574	1,023,051	\$10.42
Warren	8,802,215	489,550	5.6%	131,570	-	1,249,122	\$10.73
Hunterdon	6,965,686	324,578	4.7%	(136,300)	-	0	\$10.25
Sussex	3,308,769	88,000	2.7%	5,220	10,400	0	\$12.34
Orange, NY	33,620,842	1,742,530	5.0%	72,158	74,470	4,092,910	\$9.80
Rockland, NY	15,941,806	620,148	3.9%	125,687	132,673	520,000	\$15.26

Submarket	Total RBA	Total Vacant Available SF	Total Vacant Available %	Total Net Absorption	Total SF Leased	RBA Under Construction	Average Asking Rate
Ports	141,284,371	2,342,282	1.7%	200,002	226,487	3,193,775	\$16.65
Exits 10/12	114,247,613	1,964,266	1.7%	198,731	549,449	3,930,269	\$13.75
Meadowlands	95,680,157	2,402,887	2.5%	(634,430)	891,091	1,307,624	\$16.40
Exit 8A	74,782,226	1,202,575	1.6%	1,017,374	1,441,513	342,178	\$14.91
Rte 46/23/3 Corridor	55,678,134	1,219,472	2.2%	(353,781)	157,563	0	\$12.99
Exit 7A	46,911,255	2,031,979	4.3%	410,895	433,768	1,793,490	\$10.43
Morris Region	37,676,370	442,779	1.2%	12,347	662,383	470,044	\$10.62
Somerset	30,647,451	934,828	3.1%	(165,221)	134,574	1,023,051	\$10.42
Central Bergen County	24,917,250	489,810	2.0%	19,500	38,924	868,962	\$13.71
Suburban Essex	24,191,163	730,574	3.0%	106,948	321,036	20,000	\$13.75
Brunswick/ Exit 9	22,720,900	403,158	1.8%	35,684	39,600	846,121	\$13.25
Northern Bergen County	21,389,102	386,925	1.8%	72,037	109,357	232,644	\$11.59
Warren & Sussex	12,110,984	577,550	4.8%	136,790	10,400	1,249,122	\$10.92
Hunterdon	6,965,686	324,578	4.7%	(136,300)	0	0	\$10.25

Top Transactions 2022

Top SALE Transactions

567,066 SF | \$138,530,000

20-30 Continental Drive, Wayne
Buyer: Ares Management Corp.
Seller: Hartz Mountain Industries

581,000 SF | \$110,400,000

Chimney Rock Road, Bridgewater
Buyer: SREIT
Seller: Terreno Realty

170,000 SF | \$89,500,000

3301 & 3351 Tremley Point Road, Linden
Buyer: Bridge Logistics Properties
Seller: Steven Bartner

57,000 SF | \$67,300,000

1100 Newark Turnpike, Kearny
Buyer: Brookfield Properties
Seller: CSX Transportation

75,900 SF | \$62,750,000

120 Frontage Road, Newark
Buyer: LBA Realty
Seller: Hekemian Group

Top LEASE Transactions

1,281,000 SF

904 Cranbury South River Road
Monroe Township
Home Depot

844,373 SF

703 Bartley Chester Road
Flanders
List Logistics

735,220 SF

700 Linden Logistics Way
Linden
Samsung

406,437 SF*

200 Middlesex Avenue
Carteret
Continental Terminals (Renewal)

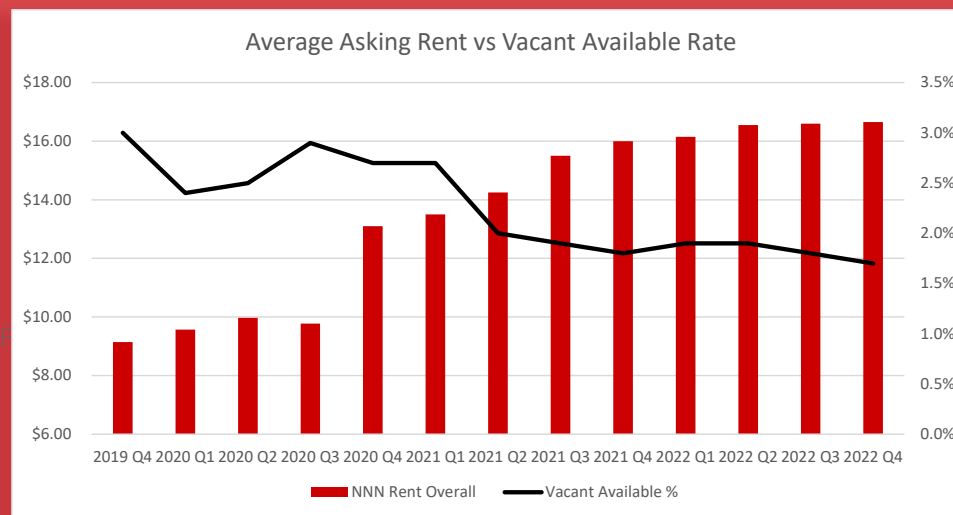
*NAIHanson transaction



TOP 10 CONSTRUCTION PROJECTS					
ADDRESS	SIZE (SF)	COMPLETION	DEVELOPER	SUBMARKET	
3000 Rand Boulevard	1,249,122	2Q23	Bridge Development Partners	Warren & Sussex	
1289 Rahway Ave	1,215,238	1Q23	The Morris Companies	Exit 10/12	
3000 Valley Brook Ave	932,168	3Q23	JV Forsgate Ind. Partners & Russo Dev.	Exit 7A	
200 Linden Logistics Way	516,600	2Q23	JV Greek Dev. & Advance Realty	Meadowlands	
1 Malcolm Ave	515,421	4Q23	Hartz Mountain Industries, Inc.	Exit 7A	
Jake Brown Rd	495,086	1Q23	2020 Acquisitions	Port	
300 Salt Meadow Rd	479,700	1Q23	Crow Holdings Industrial	Port	
300 Linden Logistics Way	472,610	1Q23	JV Greek Dev. & Advance Realty	Exit 10/12	
1879 Route 46	470,044	3Q23	Dalfen Industrial	Port	
Elizabeth Avenue@Grant Street	436,960	4Q23	Prologis	Morris Region	

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2022
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Market Size	141,284,371 SF
Vacant Available	2,342,282 SF
Vacant Available (%)	1.7%
4Q2022 Leasing Activity	226,487 SF
Total 2022 Leasing Activity	2,861,436 SF
Average Asking Rate	\$16.65 SF
4Q2022 Net Absorption	200,002 SF
Total 2022 Net Absorption	2,387,580 SF
Under Construction	3,193,775 SF
Delivered	1,929,620 SF



4Q2022 vs. 4Q2021



0.1%
Vacancy Rate



\$0.65
Asking Rate



820,831 SF
Leasing Activity

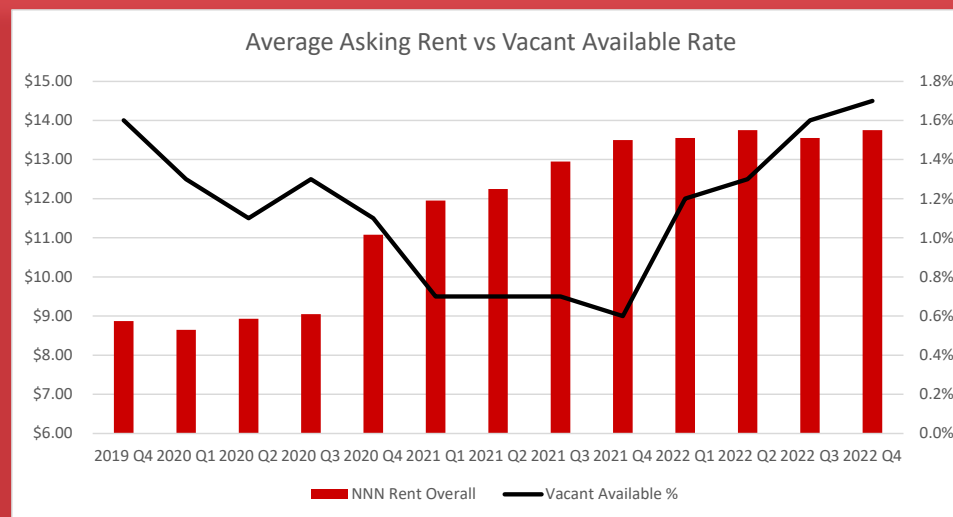


Trends

- Although average asking rents moved higher year-over-year, pricing acceleration slowed during 2022. After rising by more than \$3.00 per square foot in 2021, asking rates grew by 3.0% during the year, finishing at \$16.65 per square foot. Average asking rates in the Ports remain the highest of all submarkets.
- Four new, fully-leased properties were delivered during the year allowing absorption to push higher finishing at 2.3 million square feet. Year-over-year leasing activity was lower, however with vacancy remaining under 2.0%.



Market Size	114,247,613 SF
Va cant Available	1,964,266 SF
Vacant Available (%)	1.7%
4Q2022 Leasing Activity	549,449 SF
Total 2022 Leasing Activity	2,820,622 SF
Average Asking Rate	\$13.75 SF
4Q2022 Net Absorption	198,731 SF
Total 2022 Net Absorption	(866,514 SF)
Under Construction	3,930,269 SF
Delivered	360,671 SF



4Q2022 vs. 4Q2021



1.1%
Vacancy Rate



\$0.25
Asking Rate



234,796 SF
Leasing Activity

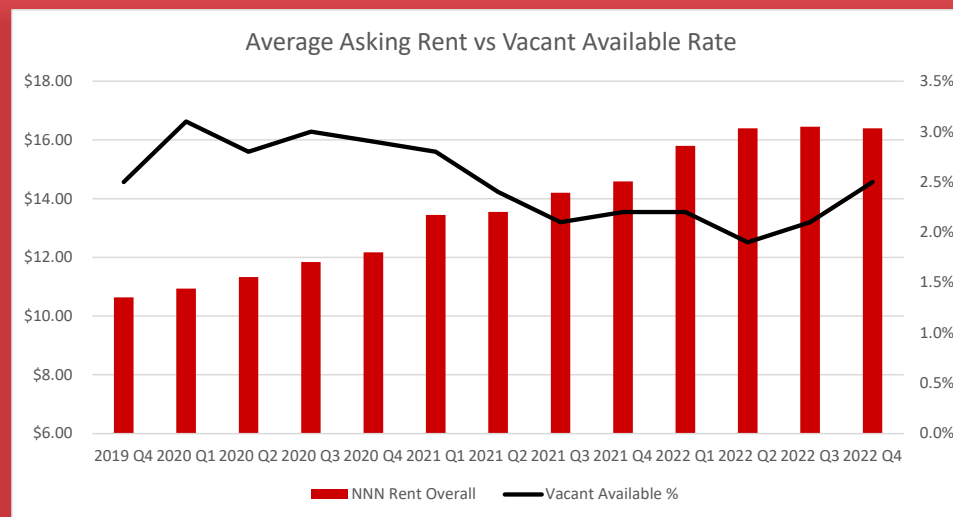


Trends

- Average asking rents remained relatively stable throughout much of 2022, hovering between \$13.50 per square foot and \$13.75. Comparatively, since the end of 2019, rates are up by more than 50.0%.
- The vacancy rate finished higher on the year moving to 1.7%, from 0.6% at the end of 2021. Vacancy is likely to rise in the coming quarters, as there are more 3.9 million square feet currently under construction in the submarket.



Market Size	95,680,157 SF
Vacant Available	2,402,887 SF
Vacant Available (%)	2.5%
4Q2022 Leasing Activity	891,091 SF
Total 2022 Leasing Activity	3,841,279 SF
Average Asking Rate	\$16.40 SF
4Q2022 Net Absorption	(634,430 SF)
Total 2022 Net Absorption	67,946 SF
Under Construction	1,307,624 SF
Delivered	681,775 SF



4Q2022 vs. 4Q2021



0.3%
Vacancy Rate



\$1.81
Asking Rate



131,438 SF
Leasing Activity

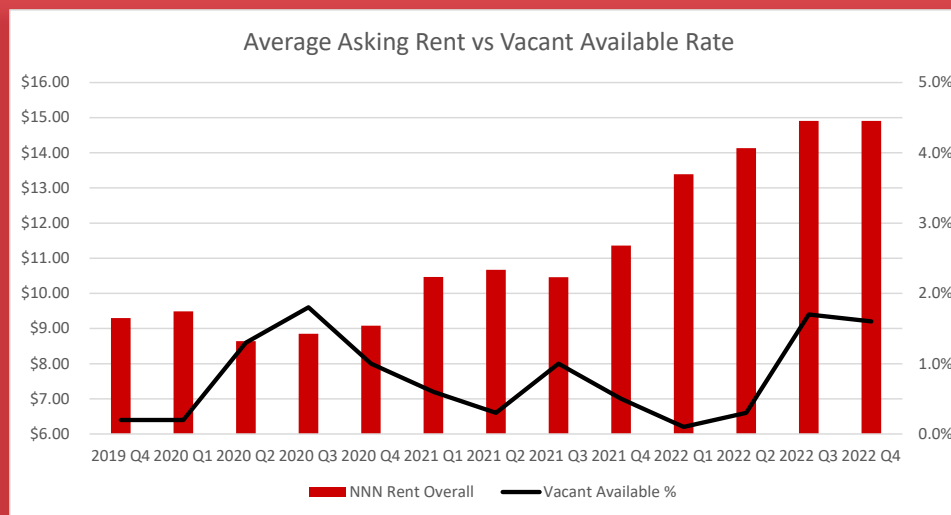


Trends

- Average asking rents surpassed the \$16.00 per square foot mark for the first time in 2022 and finished the year at \$16.40 per square foot. Year-over-year, pricing is up by 12.4%, making the Meadowlands only one of two submarkets to have rates over \$16.00 per square foot.
- The largest sale of the year, in terms of sale price occurred in the fourth quarter as 1100 Newark Turnpike traded for \$67.3 million. Brookfield Properties acquired the 57,000-square foot property in December from CSX Transportation.



Market Size	74,782,226 SF
Vacant Available	1,202,575 SF
Vacant Available (%)	1.6%
4Q2022 Leasing Activity	1,441,513 SF
Total 2022 Leasing Activity	4,594,194 SF
Average Asking Rate	\$14.91 SF
4Q2022 Net Absorption	1,017,374 SF
Total 2022 Net Absorption	232,125 SF
Under Construction	342,178 SF
Delivered	1,347,785 SF



4Q2022 vs. 4Q2021



1.1%
Vacancy Rate



\$3.55
Asking Rate



384,748 SF
Leasing Activity

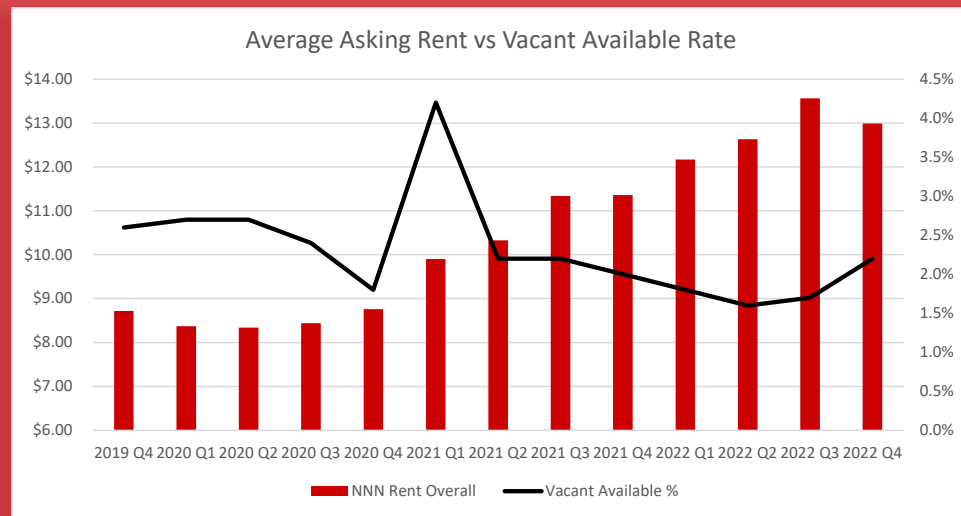


Trends

- The overall vacancy rate moved higher during 2022, rising to 1.6% from 0.6% at the end of 2021. Large space offerings placed on the market at 258 Prospect Plains Road in Cranbury and 301-321 Herrod Boulevard in South Brunswick contributed to the change in the vacancy rate.
- Average asking rates pushed higher during the year before leveling off in the last quarter, finishing 2022 at \$14.91 per square foot—a record high for the submarket.



Market Size	55,678,134 SF
Vacant Available	1,219,472 SF
Vacant Available (%)	2.2%
4Q2022 Leasing Activity	157,563 SF
Total 2022 Leasing Activity	1,624,869 SF
Average Asking Rate	\$12.99 SF
4Q2022 Net Absorption	(353,781) SF
Total 2022 Net Absorption	(42,789) SF
Under Construction	0
Delivered	219,210 SF



4Q2022 vs. 4Q2021



0.2%
Vacancy Rate



\$1.63
Asking Rate



147,234 SF
Leasing Activity

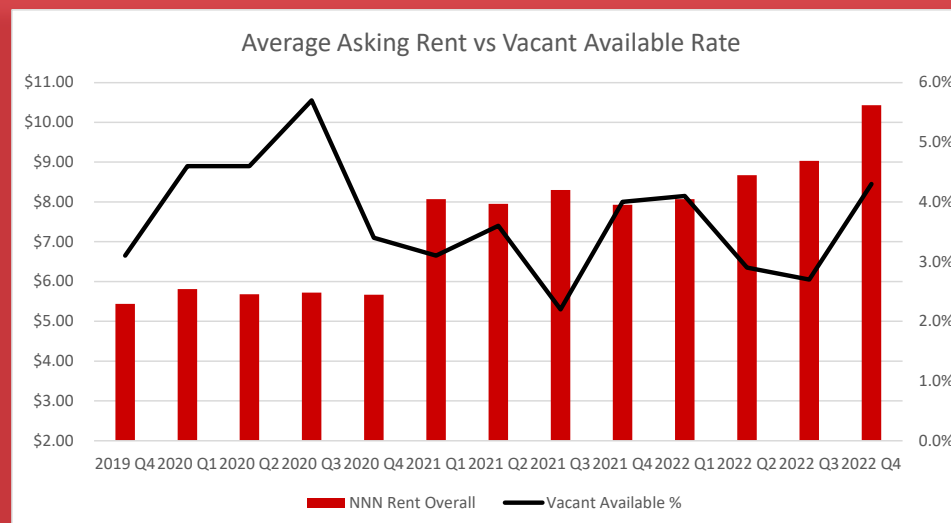


Trends

- The overall vacancy rate fell steadily over the last four quarters, finishing 2Q2022 at 1.6%. As a result, asking rates crossed the \$12.00 per square foot mark for the first time, ending the quarter at \$12.63.
- One of the largest sales of the year occurred in the submarket during 2022 as 20-30 Continental Drive changed hands. The 567,066-square foot property sold for \$138.5 million and was purchased by Ares Capital Management from Hartz Mountain Industries.



Market Size	46,911,255 SF
Vacant Available	2,031,979 SF
Vacant Available (%)	4.3%
4Q2022 Leasing Activity	433,768 SF
Total 2022 Leasing Activity	2,033,447 SF
Average Asking Rate	\$10.43 SF
4Q2022 Net Absorption	410,895 SF
Total 2022 Net Absorption	1,923,264 SF
Under Construction	1,793,490 SF
Delivered	2,422,547 SF



4Q2022 vs. 4Q2021



0.3%
Vacancy Rate



\$2.36
Asking Rate

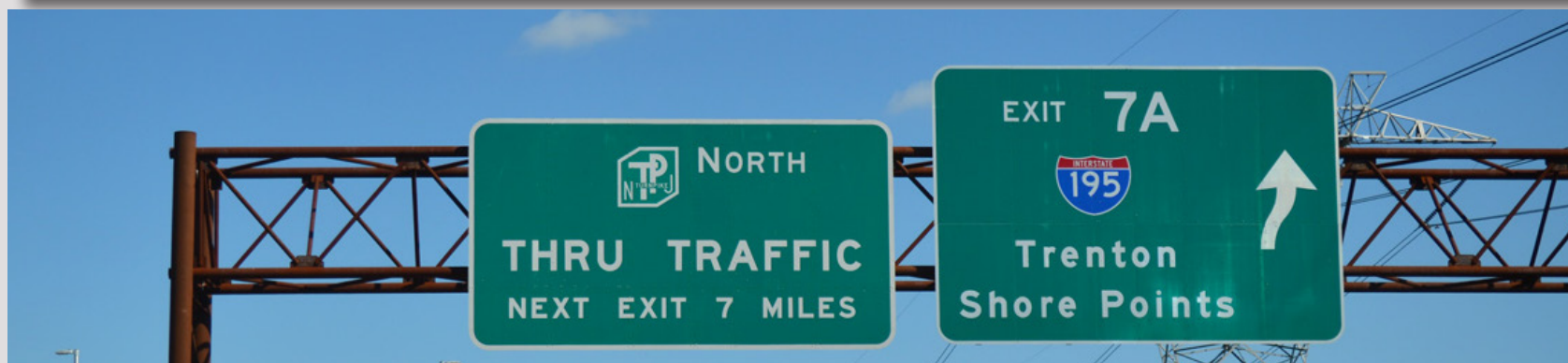


224,610 SF
Leasing Activity



Trends

- At the close of 2022, average asking rents surpassed the \$10.00 per square foot mark for the first time, finishing at \$10.43 per square foot. The addition of space at two newly-constructed properties at 1365 Lambertson Road in Hamilton Township and 505 State Route 33 in Millstone contributed to the rise.
- There were 2.4 million square feet of new product delivered in 2022 in the Exit 7A submarket, with an additional 1.8 million square feet slated to deliver over the next several quarters.



Top NAI Hanson Industrial Transactions for 2022

50,000+ SF

ADDRESS	CITY, STATE	SIZE (sf)
LEASES		
343 Murray Hill Parkway	East Rutherford, NJ	1 ac
35-47 Lewis Avenue	Jersey City, NJ	.77 ac
200 Middlesex Avenue	Carteret, NJ	406,437
16 Mckee Drive	Mahwah, NJ	108,103
100 Industrial Road	Carlstadt, NJ	79,076
1 Matrix Drive	Monroe Township, NJ	64,500
250 Moonachie Avenue	Moonachie, NJ	62,726
230 W. Crescent Avenue	Allendale, NJ	58,000
450 Murray Hill Parkway	East Rutherford, NJ	57,057
50 Morton Street	East Rutherford, NJ	55,279
SALES		
890 Paterson Plank Road	East Rutherford, NJ	2.6 ac
880 Paterson Plank Road	East Rutherford, NJ	1.9 ac
55 E. 6th Street	Paterson, NJ	152,000
100 Demarest Drive	Wayne, NJ	117,340
2580 Manitou Road	Rochester, NY	111,741
397-447 Ferry Street	Newark, NJ	80,000
46 Industrial Avenue	Mahwah, NJ	54,000
591-623 Ferry Street	Newark, NJ	54,000
19 Industrial Avenue	Mahwah, NJ	52,600

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4Q 2022 INDUSTRIAL REPORT

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COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

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REAL ESTATE PROFESSIONALS

Superior
information
management
and market
research
capabilities



46
Agents



12 SIOR'S-
THE HIGHEST OF ANY
CRE FIRM IN NJ

293
TRANSACTIONS IN 2021

\$952
MILLION - VALUE OF
TRANSACTIONS IN 2021

Consistently
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Broker" by
Costar Group