The Upper Parkway consists of Montvale, Park Ridge and Woodcliff Lake. Several key statistics of this submarket are highlighted below:

<table>
<thead>
<tr>
<th>Clarity</th>
<th>Existing Inventory</th>
<th># of Buildings</th>
<th>Total Availability</th>
<th>Availability Rate</th>
<th>Quoted Rental Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>2,632,069 SF</td>
<td>19</td>
<td>945,810 SF</td>
<td>35.9%</td>
<td>$25.08 PSF</td>
</tr>
<tr>
<td>Class B</td>
<td>2,270,242 SF</td>
<td>41</td>
<td>566,267 SF</td>
<td>24.9%</td>
<td>$21.92 PSF</td>
</tr>
</tbody>
</table>

Submarket Clusters

- Bergen Central
- Bergen East
- Bergen North
- Meadowlands

Submarkets

- Route 208 Corridor
- GW Bridge
- North 17 Corridor
- Western Bergen Meadowlands
- Route 4/17
- Hackensack
- North Central Bergen
- Route 46 Corridor
- Teaneck/Ridgefield
- Palisades

Upper Parkway

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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.
Available Properties

Upper Parkway Submarket

TOWN Montvale
AVAILABLE SF 4,747 -16,982 (contiguous)

TOWN Montvale
AVAILABLE SF 3,800 - 4,400 (contiguous) (Sale/Leaseback)

Sale Transactions

TOWN Montvale
PRICE $37,000,000

TOWN Montvale
PRICE $3,100,000

TOWN Montvale
PRICE $16,800,000

TOWN Montvale
PRICE $10,100,000

NAI James E. Hanson COMMERCIAL REAL ESTATE SERVICES. WORLDWIDE
Nationally, the recovery in the real estate sector continues, albeit measured and deliberate. But as price recovery for most real estate assets gets closer to 2007’s highs, the pace of that recovery remains varied. Suburban office buildings are the farthest away from their prior peaks, standing at a negative 12.5%.

With regard to the New Jersey office market overall, investor capital is being directed into well located, value-add office assets. These office assets are often in primary markets, Central Business Districts (CBD) and Transit Oriented Developments (TOD). In Bergen County, since January 2013, approximately 90 Class A and B office buildings have been traded - 11 were in the Upper Parkway submarket. Unfortunately, several of the 11 have traded at less than replacement cost, potentially affecting a future drag on rental rates.

To be clear, office vacancies remain elevated, whether in a CBD or a suburban environment. This is due in part to employers going to great lengths to extort space-utilization efficiencies. But communities, such as the Upper Parkway, have additional burdens with which to contend. That suburban quality that was so appealing to the baby boomer generation holds less interest for a large segment of the nation’s incoming workers (millennials). Pulling down the vacancy rate in these communities will be a process.

So, what's a suburban community to do? It’s a complicated problem, however, we can touch upon some ideas. Let’s first consider both the definition and the elements of a good TOD -- in other words, where the millennials are going. A TOD is generally defined as a mixed-use, residential and commercial development that is designed to take advantage of public transportation access. Those elements include, but are not limited to:

- Pedestrian-friendly design, including pedestrian amenities and bicycle facilities
- Mix of compatible uses
- Mix of housing options
- Connectivity to the surrounding neighborhoods/communities
- ¼ mile (or a 5 to 7 minute walk) of a transit station
- High quality public places such as small parks or plazas that encourage a gathering place for the community

Suburban communities might consider cherry-picking some of the aspects of a good TOD. Create a concentrated, walkable, attractive town center; an amenity-rich environment that offers, commercial office space, retail, restaurants and places to socialize after hours. Is the Upper Parkway as pedestrian friendly as possible? Does it encourage bicycle use? Does it emanate any sense of place? The Wegmans’ development might answer this question.

Today, 7 out of 10 current NJ residents live within 5 miles of a train station. That holds true for the residential and commercial real estate located within Montvale, Woodcliff Lake and Park-Ridge. Yet 5, or even 2 miles away from mass transit is not considered easy access.

Although we believe it is too early to panic about office buildings in the suburbs, suburban office landlords must remain very flexible in markets where tenants continue to have the upper hand. Planners, developers, landlords and local government officials have the opportunity to make their suburban community a more vibrant, dynamic place whereby corporations, the community and its citizens all benefit.

“We must step back and see if the solutions to our problems lie outside the box."

~Aviation Week & Space Technology (July 1975 Ed.)