Spring 2016
Bergen County, New Jersey Report

60 State Street, Hackensack - NAI Hanson represented the seller
Office building amenities have always been on a corporation’s “Wish List”, but their existence more often than not fell into “the icing on the cake” category. But that was then. Today, amenities are as important to many tenants as location and rental rates. This is especially true of Class A office space. The ideal Class A building is now located within a transit-oriented, walkable, urban neighborhood.

Attracting top talent is crucial for companies and one way for them to do this is to provide employees with the things that make their life easier (and more enjoyable). You’ll note that the following amenities are not your father’s amenities. In no particular order, here are a few:

- Upgraded finishes
- Upgraded lighting
- Pool
- Day care
- Dry-cleaning
- Pet care services
- Patio
- Fitness centers
- Roof deck
- Shuttle service
- Connected sensors
- Retail shops
- Seating in lobby
- Bicycle storage
- Outdoor integration
- Lounges
- On-site car washing
- Yoga
- Stairwells near exterior with views
- Shared conference centers
- Electric vehicle charging stations
- Banks w/ automated tellers

In 2011, Mountain Development Corp. purchased 56 Livingston Avenue, Roseland, NJ – a 400,000 sf, single-tenanted office building and repositioned it into multi-tenanted Class A space, convinced that the amenity space already available within the building was so outstanding that, together with their augmentations, they would attract outstanding tenants. It was acquired vacant with no tenant commitments in place.

“Our view is that the amenities can be the most important factor in distinguishing one property from another ---- tenants can fit out leased space however they like but very few buildings offer a 400 seat cafeteria which doubles as a conference center, as well as a reception hall under a skylight, exterior seating around a private lake, a private data center, a landscaped exterior lounge for during spring and summer and full service gymnasium and lockers. Our property has all these features. These amenities were instrumental in the recent signing of a 170,000 sf long-term lease with Lowenstein Sandler.”

~Michael Seeve, President, Mountain Development Corp.

The 9-to-5 work day is a thing of the past. With today’s practices, millennial perspectives on work-live-play and technology turning everything on its head, today’s shrewd landlords will consider “amenities, amenities, amenities” as important as “location, location, location.”
Submarket Clusters

Bergen North
North 17 Corridor
North Central Bergen
Palisades
Upper Parkway
Western Bergen

Bergen Central
Route 208 Corridor
Route 4/17
Route 46 Corridor

Bergen East
GW Bridge
Hackensack
Teaneck/Ridgefield

Meadowlands

Bergen North
99,729 SF Leased

Bergen Central
122,446 SF Leased

Meadowlands
11,215 SF Leased

Bergen East
82,960 SF Leased

All information comes from sources deemed reliable from NAI James E. Hanson. Numbers are based on transactions 20,000 + sf
A Point to Consider:

Across the country, millennials are driving many changes to the office sector landscape. Their penchant for transit-oriented developments generates many challenges for the landlords in Northern New Jersey’s suburban markets. In these communities, it continues to be a tenant’s market. Whether you are a landlord interested in selling an asset or a corporation looking for another location, please feel free to contact us to discuss how you can benefit from the current opportunities in the market.

Submarket Overview:

<table>
<thead>
<tr>
<th>Submarket</th>
<th>Total RBA</th>
<th>Total Vacant Available SF</th>
<th>Total Vacant Available %</th>
<th>Total Net Absorption</th>
<th>Total SF Leased</th>
<th>Total Average Asking Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bergen County Overall</td>
<td>32,406,253</td>
<td>4,206,956</td>
<td>13.0%</td>
<td>262,075</td>
<td>316,350</td>
<td>$24.06</td>
</tr>
<tr>
<td>Bergen North</td>
<td>11,337,706</td>
<td>1,394,306</td>
<td>12.3%</td>
<td>175,244</td>
<td>99,729</td>
<td>$23.23</td>
</tr>
<tr>
<td>Bergen East</td>
<td>9,877,334</td>
<td>1,193,387</td>
<td>12.1%</td>
<td>128,640</td>
<td>82,960</td>
<td>$24.67</td>
</tr>
<tr>
<td>Bergen Central</td>
<td>7,777,240</td>
<td>1,113,072</td>
<td>14.3%</td>
<td>-285</td>
<td>122,446</td>
<td>$23.57</td>
</tr>
<tr>
<td>Meadowlands</td>
<td>3,413,973</td>
<td>506,191</td>
<td>14.8%</td>
<td>-41,524</td>
<td>11,215</td>
<td>$24.96</td>
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</table>

Lease Transactions:

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Address</th>
<th>Size (SF)</th>
<th>Submarket</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flight Centre USA, Inc.</td>
<td>5 Paragon Drive, Montvale</td>
<td>70,863</td>
<td>Bergen North</td>
</tr>
<tr>
<td>n/a</td>
<td>250 Pehle Avenue, Saddle Brook</td>
<td>27,409</td>
<td>Bergen Central</td>
</tr>
<tr>
<td>n/a</td>
<td>65 Challenger Road, Ridgefield Park</td>
<td>13,496</td>
<td>Bergen East</td>
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</tbody>
</table>

Sale Transactions:

<table>
<thead>
<tr>
<th>Address</th>
<th>Size (SF)</th>
<th>Price</th>
<th>Buyer</th>
<th>Seller</th>
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</thead>
<tbody>
<tr>
<td>2200 Fletcher Avenue, Fort Lee</td>
<td>215,274</td>
<td>$34,500,000</td>
<td>JFR Global Investments, LLC</td>
<td>James Campbell Company</td>
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<tr>
<td>60 State Street, Hackensack*</td>
<td>58,512</td>
<td>$12,300,000</td>
<td>State Plaza CH 2016 LLC</td>
<td>Columbia Property Investors</td>
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<td>1290 Wall Street W, Lyndhurst</td>
<td>107,863</td>
<td>$6,250,000</td>
<td>Rugby Realty Co., Inc.</td>
<td>TA Realty</td>
</tr>
</tbody>
</table>

*NAI Hanson transaction