1Q 2016
Medical Office Report
Medical Office 1Q’16
Market Report

At a Glance...

• There are currently 1,868 medical buildings in Northern New Jersey, which consists of 13 counties, representing 25,649,555 square feet.

• The Bergen County market accounts for 277 (15%) of those medical buildings or 3,442,933 square feet.

• Average asking rates ended the quarter at $19.53 per square foot base rent in Northern New Jersey compared to $22.89 per square foot base rent in Bergen County.

Market Update

The Northern New Jersey market saw over 86,000 square feet leased in the first quarter of 2016. Average asking rates decreased from $19.69 per square foot (base rent) in the fourth quarter to $19.53 per square foot in the first quarter of 2016. Compared to a year ago in the first quarter of 2015, rates are up $0.26 per square foot. Vacancy, on the other hand, decreased from 18.3% in the fourth quarter to 15.4% in the first quarter in 2016. This is the lowest the vacancy has been since the third quarter of 2014. Net absorption has stayed positive and ended the quarter at 445,575 square feet. Top lease transactions include 8,469 square feet at 1135 Broad Street in Clifton; 6,335 square feet at 30 W Century Road in Paramus; 5,750 square feet at 1 Robertson Drive in Bedminster; and 3,500 square feet at 1527 Route 27 in Somerset.

Bergen County ended the first quarter of 2016 with over 23,000 square feet leased. Average asking rates remained stable at $22.89 per square foot (base rent). Compared to a year ago in the first quarter of 2015, rates are down $0.37 per square foot. Net absorption posted negative numbers for the quarter ending at -14,588 square feet absorbed and vacancy increased 1.9% ending the first quarter at 10.2%.

Top Transactions for 1Q’16

SALES
190 Midland Avenue, Saddle Brook
18,140 sf sold for $3,800,000
Buyer: Undisclosed
Seller: Brook Development LLC
*NAI Hanson represented both sides of the transaction

2083 Center Avenue, Fort Lee
13,000 sf sold for $3,500,000
Buyer: NJY Vista LLC
Seller: TKK Center LLC

LEASES
8,469 sf - 1135 Broad Street, Clifton
6,335 sf - 30 W Century Road, Paramus
5,750 sf - 1 Robertson Drive, Bedminster
3,500 sf - 1527 Route 27, Somerset

All information comes from sources deemed reliable from NAI James E. Hanson.
Attention Office Managers & Healthcare Administrators, 
Time for Your Spring Cleaning Checkup!

Spring is in the air, first quarter 2016 is behind us, and you are getting ready to enjoy some nice weather. You may also have decided to do a spring cleaning checkup in your office. Perhaps looking through your old lease agreements is just what the doctor ordered? More likely, you are probably frustrated and don’t want to bother blowing off the dust and reading that not-so-exciting “literature”. What if Team Lizzack/Horning could take that pain away from you?

Important items for you to consider when reviewing your leases:

• When does my lease terminate?
• What am I currently paying for rent? Is it higher or lower than current market rates? What does this all mean?
• What happens to my rent if I stay beyond the lease expiration? Am I prepared?
• Does my space still suit my long-term plans heading into the future?
• Is my parking situation adequate for my needs? Where is the competition? Where are the other healthcare practices that have good synergy with me?
• What is the market like today?
• If we move, relocate, expand, downsize, or “right-size” who will help us and how is this going to happen?
• What are my responsibilities to the space I am currently in if I leave?
• Do you know how many professionals it takes to satisfy your real estate needs?

Every question above is equally important and due to time and space constraints, not all of the necessary questions have been asked. Therefore, don’t forget to schedule your spring cleaning checkup as soon as possible. Team Lizzack/Horning is ready to help equip you with the knowledge and expertise to make the most informed decisions going forward.

PediatriCare Associates Opens New Location in Woodland Park

PediatriCare Associates, a practice that specializes in pediatric and adolescent care, opened their newest location on February 1, 2016. The location, their fourth, is on McBride Avenue in Woodland Park, NJ. It was designed to specifically meet the needs of the doctors and their young patients by The Ives Architecture Studio.

PediatriCare believes in providing their patients the most comprehensive, progressive, consumer oriented health care available. Their goal is to keep their young patients and their parents always comfortable and informed. Working closely with the doctors and the staff, The Ives Architecture Studio designed a state of the art facility for PediatriCare so that their patients from toddlers to adolescents enjoy an exceptional patient experience.

Joel Ives, A.I.A., P.P., NCARB
The Ives Architecture Studio LLC

1225 McBride Avenue
Woodland Park

Featured Properties of NAI James E. Hanson

75 Orient Way
Rutherford, NJ
2,059-4,654± sf
Office/medical for lease

37-39 S Washington Avenue
Bergenfield, NJ
5,350 sf retail/medical for lease
12,500 sf retail/medical for sale

122 E Ridgewood Avenue
Paramus, NJ
2,224 sf office for lease
2,155 sf office for lease

1065 Bloomfield Avenue
Clifton, NJ
15,186 sf for lease (2nd floor)
Healthcare Specialists

Over the past several years, Darren has completed over a million square feet of commercial space and has worked with prominent firms such as the Fertility Institute of New Jersey and New York, American Red Cross, Bergen Ambulatory, Advanced Diagnostic Imaging, Advanced Hormone Solutions, LLC, Pinnacle MRI Group, LLC and Total Physical Therapy.

Mr. Lizzack also founded the New Jersey Commercial Real Estate Alliance (www.njcrea.com) which is comprised of six divisions (Executive Board, Healthcare, Multi-family, Retail, Office, Industrial) and by the end of 2016, more than 80 firms all focused on commercial real estate. Mr. Lizzack heads the Executive Board and the Healthcare Division under his leadership; together they solve any type of commercial real estate project from inception to completion.

Since 2007, Randy has been involved in over 100 lease and sale transactions in commercial real estate and has completed market valuations on office, industrial, retail and investment properties. Randy is highly skilled in negotiation, research, data verification, financial analysis and also possesses outstanding reporting, presentation, leadership and communication skills.

About NAI James E. Hanson

NAI James E. Hanson is committed to providing the highest quality commercial real estate services since opening in 1955.

Our staff 60+ includes: 10 SIOR designees (highest in NJ) 3 CCIM designees 3 MSRE designees (NYU graduates)

We are a part of NAI Global, a managed network of over 6,700 professionals with over 375 offices in 55 countries and is one of the largest commercial real estate service providers worldwide.

#1 Global CRE Provider (Based on coverage by # of offices)
#1 Network (Based on performance – Watkins and CRE Service Providers Survey)
#1 Global Broker of the Year (Private Equity Real Estate Magazine)
#1 Instructor of the Year SIOR
#1 Network (Based on transaction volume)
#3 Brokerage Organization (Based on RE Forum’s Forum 100)