

Northern & Central NJ

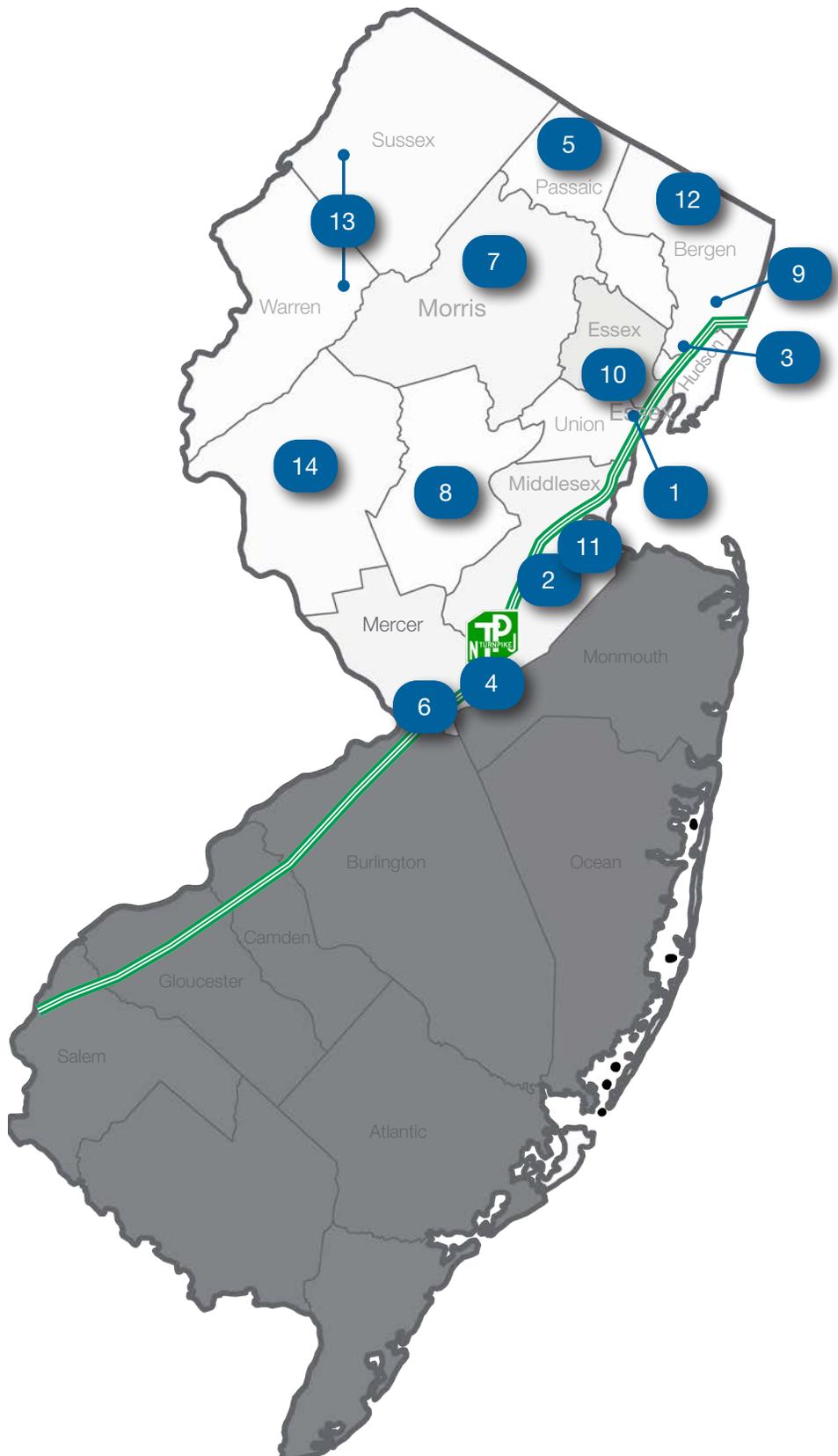
4Q2021
INDUSTRIAL
REPORT

NAI James E. Hanson

COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

Vacancy Rates by Submarket

#	SUBMARKET	VACANCY
1	PORTS	1.8%
2	EXIT 10/12	0.6%
3	MEADOWLANDS	2.2%
4	EXIT 8A	0.5%
5	46/ 23/ 3 CORRIDOR	2.0%
6	EXIT 7A	4.0%
7	MORRIS REGION	4.8%
8	SOMERSET	2.0%
9	CENTRAL BERGEN	3.2%
10	SUBURBAN ESSEX	1.1%
11	BRUNSWICK/EXIT 9	0.9%
12	NORTHERN BERGEN	3.7%
13	WARREN & SUSSEX	8.6%
14	HUNTERDON	2.7%



County Overview



	Total RBA	Total Vacant Available SF	Total Vacant Available	Total Net Absorption	Total SF Leased	RBA Under Construction	Average Asking Rate
Northern & Central NJ	689,044,909	13,543,291	2.0%	4,422,688	2,915,111	10,637,802	\$10.95
Middlesex	209,321,465	1,299,575	0.6%	3,514,827	555,187	3,237,409	\$9.93
Bergen	91,024,239	2,662,020	2.9%	71,427	763,940	205,194	\$12.55
Hudson	80,807,594	2,101,572	2.6%	(416,683)	301,563	2,117,459	\$14.65
Essex	64,833,348	798,670	1.2%	383,169	340,051	1,202,139	\$10.89
Union	64,557,687	969,494	1.5%	(209,749)	213,492	2,032,229	\$11.15
Passaic	55,532,117	1,081,997	1.9%	342,336	223,246	224,451	\$11.47
Morris	39,548,903	1,843,604	4.7%	563,906	346,199	138,940	\$8.13
Mercer	33,441,488	978,757	2.9%	(188,280)	-	1,229,969	\$7.41
Somerset	31,453,065	614,802	2.0%	281,263	151,083	45,762	\$9.67
Warren	8,714,095	772,400	8.9%	(10,400)	11,250	0	\$6.83
Hunterdon	6,734,580	182,100	2.7%	19,028	5,000	0	\$9.22
Sussex	3,076,328	238,300	7.7%	71,844	4,100	204,250	\$6.56
Orange, NY	31,927,813	922,684	2.9%	(66,755)	222,587	2,100,594	\$8.03
Rockland, NY	15,911,307	563,914	3.5%	57,796	15,326	0	\$14.75

Submarket Overview



	Total RBA	Total Vacant Available SF	Total Vacant Available	Total Net Absorption	Total SF Leased	RBA Under Construction	Average Asking Rate
Ports	138,401,788	2,512,721	1.8%	(110,737)	512,669	4,825,056	\$16.00
Exit 10/12	113,814,378	707,967	0.6%	1,445,087	185,930	3,139,505	\$13.50
Meadowlands	94,765,028	2,119,330	2.2%	(92,805)	675,872	731,965	\$14.59
Exit 8A	72,840,866	378,839	0.5%	1,336,044	348,282	58,404	\$11.36
46/23/3 Corridor	55,190,943	1,114,593	2.0%	302,636	236,682	224,451	\$11.36
Exit 7A	44,292,691	1,764,648	4.0%	(402,736)	20,628	2,556,094	\$7.93
Morris Region	37,751,347	1,808,508	4.8%	558,806	325,717	138,940	\$8.13
Somerset	31,183,886	614,702	2.0%	269,363	151,083	45,762	\$9.67
Central Bergen Cty	25,777,566	833,689	3.2%	(217,673)	139,018	0	\$12.02
Suburban Essex	22,887,404	261,180	1.1%	264,224	206,834	0	\$10.66
Brunswick/ Exit 9	22,666,221	212,769	0.9%	733,696	733,696	39,500	\$10.01
Northern Bergen County	21,692,317	807,436	3.7%	41,855	91,753	0	\$12.25
Warren & Sussex	11,790,423	1,010,700	8.6%	61,444	15,350	204,250	\$6.81
Hunterdon	6,734,580	182,100	2.7%	19,028	5,000	0	\$9.22

YE2021 vs. YE2020



0.7%
Vacancy Rate



\$1.86
Asking Rate



23.2MM SF
Leasing Activity



Top LEASE Transactions

876,000 SF

42 Military Ocean Terminal, Bayonne
UPS

873,743 SF

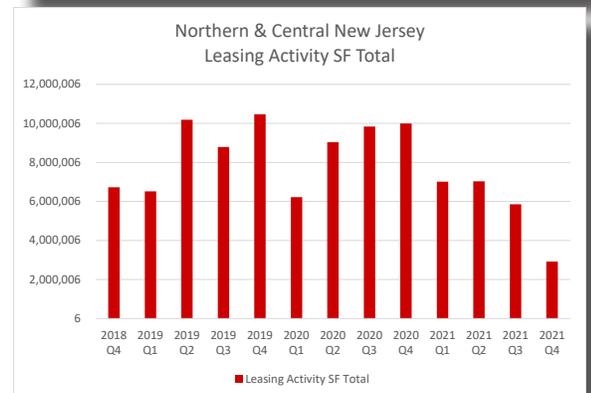
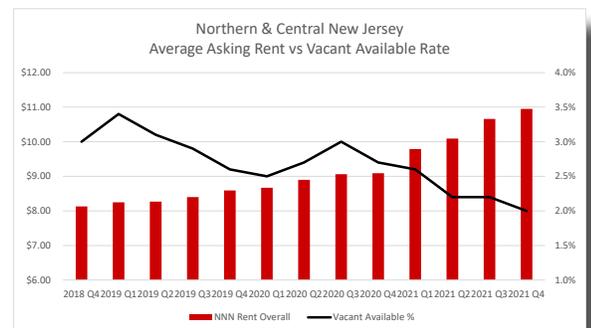
173-268 Doremus Avenue, Newark
FedEx

840,203 SF

600 Linden Logistics Way, Linden
Peloton

Leasing Activity

- Leasing activity remained robust throughout the year, bringing the year-end total to 23.2 million square feet, down from 34.9 million square feet in 2020. The decrease in leasing activity is a result of less available inventory, not a lack of demand.
- Average asking rates rose steadily throughout 2021, finishing the close to \$11.00 per square foot, closing at \$10.95. Asking rates were up by 20.0% year-over-year.
- With sustained leasing activity, the vacancy rate fell to 2.0%, from 2.7% at the end of December 2020.
- 182,712 square feet was leased at 49 Rutherford Street in Newark during the fourth quarter, in a transaction facilitated by NAI Hanson.



Recent Activity & Notable Transactions

Sale Activity

- Nearly 16.8 million square feet of industrial properties changed hands during the year, with a total dollar volume of \$2.5 billion.
- The average sales price of \$202 per square foot marked a 35% increase over last year. The average cap rate was 5.3%.
- 22-11 State Route 208 in Fair Lawn was the largest sale of the year in terms of sale price. The former Nabisco plant sold for \$146.5 million.
- NAI Hanson facilitated the fourth quarter sale of 456 Nordhoff Place in Englewood. The 151,000 square foot property sold for \$13 million.

Top SOLD Transactions

824,024 SF | \$146,500,000

22-11 State Route 208, Fair Lawn
Buyer: Clpf Greek Fair Lawn LLC
Seller: Mondelez International

1,100,000 SF | \$94,475,000

400 Ferry Street (5 bldgs), Newark
Buyer: Long Wharf Capital LLC
Seller: JP Morgan Asset Management,
Turnbridge Equities

274,430 SF | \$91,000,000

63-65 Stults Road, Dayton
Buyer: CenterPoint Properties
Seller: Jones Development



Under Construction

Address	Size (SF)	Completion	Developer	Submarket
904 Cranbury South River Road, Monroe	1,281,000	2Q2022	Brookfield Properties	Exit 8A
3000 Valley Brook Ave., Lyndhurst	932,168	4Q2023	Russo Development/Forsgate	Meadowlands
42 Military Ocean Term., Bayonne	886,256	3Q2022	Lincoln Equities Group	Ports
173-268 Doremus Ave., Newark	873,743	1Q2022	The Morris Companies	Ports
1365 Lambertson Rd., Hamilton Twp.	845,078	4Q2023	Hilco Global	Exit 7A
Tremley Point Linden (8 bldgs)	840,203	4Q2022	F. Greek Dev. & Advance Realty	Ports
110 Van Keuren Hudson Logistics Park Building 1, Jersey City	427,155	2Q2022	Hilco Global	Ports
148 Princeton-Hightstown Rd- Bldg. A East Windsor	406,669	1Q2022	Black Creek Group	Exit 7A
1365 Lambertson Rd., Hamilton Twp.	384,895	4Q2023	Hilco Global	Exit 7A
3000 Valley Brook Ave., Lyndhurst	344,110	4Q2023	Russo Development/Forsgate Industrial Partners	Meadowlands
110 Van Keuren Hudson Logistics Park Building 2, Jersey City	197,277	2Q2022	Hilco Global	Ports
49 Rutherford St., Newark*	185,917	1Q2022	CenterPoint Properties	Ports
148 Princeton-Hightstown Rd East Windsor	167,500	1Q2022	Black Creek Group	Exit 7A
357 Wilson Ave., Newark	142,479	2Q2022	Prologis	Ports
590 Belleville Tpke., Kearny	100,700	1Q2022	Alessi Organization	Meadowlands
590 Belleville Tpke., Kearny	91,000	1Q2022	Alessi Organization	Meadowlands
210 Clay Ave., Lyndhurst	90,614	3Q2022	Branca Properties	Meadowlands
590 Belleville Tpke., Kearny	86,625	1Q2022	Alessi Organization	Meadowlands
110 Van Keuren Hudson Logistics Park Building 3, Jersey City	80,000	2Q2022	Hilco Global	Ports
701 12th St., Carlstadt/Wood-Ridge	64,390	1Q2022	Link Logistics	Meadowlands

*NAI Hanson Transaction

Recently Completed Buildings

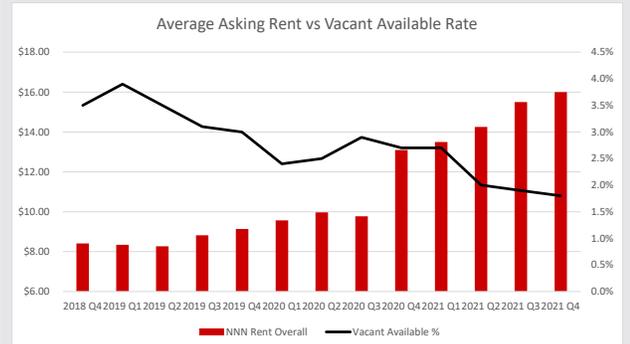


Address	Size (SF)	Tenant	Submarket
3 Sigle Lane, South Brunswick	1,166,030	Williams Sonoma	Exit 8A
2205 Route 27, Edison	900,022	Amazon	Exit 10/12
353 Half Acre Rd., Cranbury	870,950	Crate & Barrel	Exit 7A
11 C Court, Edison	699,600	JW Fulfillment/The Hut Group	Exit 10/12
150 Old New Brunswick Rd., Piscataway	622,230	Bob's Discount Furniture	Brunswick/Exit 9
39 Edgeboro Rd., East Brunswick	513,240	FedEx	Brunswick/Exit 9
39 Strykers Rd., Phillipsburg	511,200	Alan Ritchey	Warren & Sussex
Tremley Point Rd., Linden	480,740	World Distribution Services	Ports
2701 Route 3 East, Secaucus	325,856	Amazon	Meadowlands
481 Blackhorse Ln., North Brunswick	245,232	TricorBraun	Brunswick/Exit 9
250 Gregg St., Lodi	200,385	Amazon	Central Bergen
330 S Randolphville Rd., Piscataway	151,748	General Plumbing Supply	Exit 10/12
330 S Randolphville Rd., Piscataway	146,505	General Plumbing Supply	Exit 10/12
2555 Kuser Rd., Hamilton	145,950	Legacy Cos	Exit 7A
5 Dedrick Pl. Bldg. A, West Caldwell	134,453	StockX	Suburban Essex
5905 West Side Ave., North Bergen	113,623	Western Carriers	Meadowlands
85 New Brunswick Ave., Woodbridge	101,425	Bentley Labs	Exit 10/12
200 Gregg St., Lodi	90,000	Amazon	Central Bergen
120 Raskulinecz Rd., Carteret	84,628	Niwo Partners	Exit 10/12
5 Dedrick Pl. Bldg. B, West Caldwell*	80,768	Megadyne America	Suburban Essex
200 Federal Blvd. Bldg. B, Carteret	54,062	LG	Exit 10/12
750 Jersey Ave., New Brunswick	51,180	Ashley Furniture Distribution Center	Brunswick/Exit 9
200 Federal Blvd Bldg. A, Carteret	50,802	DHL	Exit 10/12
864-888 Magnolia Ave., Elizabeth	30,184	Mam Takin	Ports

*NAI Hanson Transaction

Ports Market Snapshot

Market Size	138,401,788 SF
Vacant Available	2,512,721 SF
Vacant Available %	1.8%
4Q21 Leasing Activity	512,669 SF
Total 2021 Leasing Activity	4,636,376 SF
Average Asking Rate	\$16.00 PSF
4Q2021 Net Absorption	(110,737) SF
Total 2021 Net Absorption	2,310,528 SF
Under Construction	4,825,056 SF
Delivered	1,426,848 SF



YE2021 vs. YE2020

 **1.8%**
Vacancy Rate ↓

 **\$2.90**
Asking Rate ↑

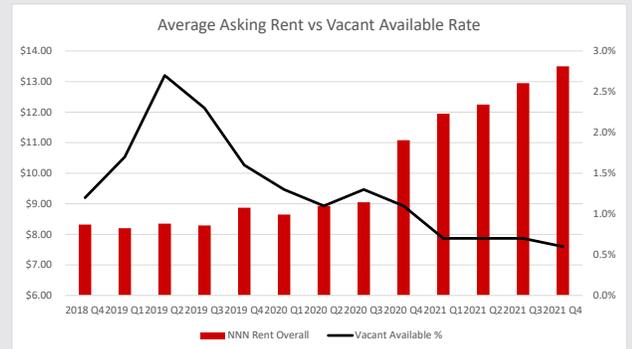
 **4,646,376 SF**
Leasing Activity ↑

Trends

- Leasing activity reached 4.6 million square feet on the year, pushing the vacancy rate down to 1.8%. In a transaction completed by NAI Hanson, there was leased 182,712 square feet at 49 Rutherford Street in Newark.
- Average asking rents finished the year at \$16.00 per square foot.

Exit 10/12 Market Snapshot

Market Size	113,814,378 SF
Vacant Available	707,967 SF
Vacant Available (%)	0.6%
4Q21 Leasing Activity	185,930 SF
Total 2021 Leasing Activity	2,796,245 SF
Average Asking Rate	\$13.50 PSF
4Q2021 Net Absorption	1,445,087 SF
Total 2021 Net Absorption	3,333,216 SF
Under Construction	3,139,505 SF
Delivered	1,958,685 SF



EXIT 10/12

YE2021 vs. YE2020

 **0.6%**
Vacancy Rate ↓

 **\$2.42**
Asking Rate ↑

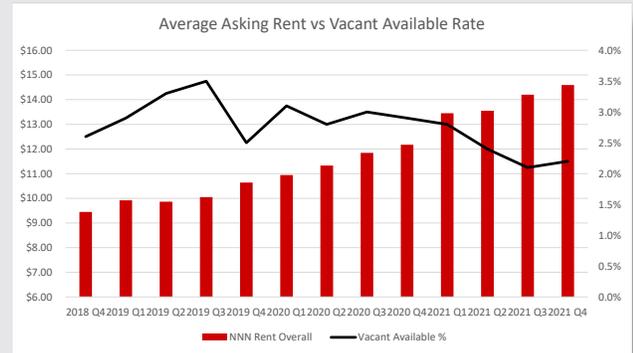
 **2,796,245 SF**
Leasing Activity ↓

Trends

- The largest transaction of the year was Amazon's lease of 400,000 square feet at 65 Baekeland Avenue in Middlesex.
- The vacancy rate dropped to under 1.0% for the first time during the year, finishing at 0.6%.
- Average asking rents finished the year at \$13.50, up by 21.8% from the end of 2020.

Meadowlands Market Snapshot

Market Size	94,765,028 SF
Vacant Available	2,119,330 SF
Vacant Available (%)	2.2%
4Q21 Leasing Activity	675,872 SF
Total 2021 Leasing Activity	3,135,624 SF
Average Asking Rate	\$14.59 PSF
4Q2021 Net Absorption	(92,805) SF
Total 2021 Net Absorption	1,064,449 SF
Under Construction	731,965 SF
Delivered	162,505 SF



YE2021 vs. YE2020

2.2%
Vacancy Rate ↓

\$2.72
Asking Rate ↑

3,398,902 SF
Leasing Activity ↓

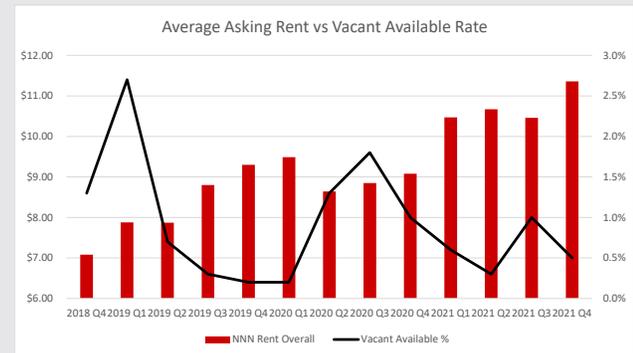
Trends

- Average asking rates reached a historical high in 2021, finishing at \$14.59 per square foot. Asking rates are up by 23.0% year-over-year.
- With net absorption of just over 1.0 million square feet, the vacancy rate dropped to 2.2%, down from 3.0% at year-end 2020.

MEADOWLANDS

Exit 8A Market Snapshot

Market Size	72,840,866 SF
Vacant Available	378,839 SF
Vacant Available (%)	0.5%
4Q21 Leasing Activity	348,282 SF
Total 2021 Leasing Activity	3,909,038 SF
Average Asking Rate	\$11.36 PSF
4Q2021 Net Absorption	1,336,044 SF
Total 2021 Net Absorption	3,423,455 SF
Under Construction	58,404 SF
Delivered	2,119,625 SF



EXIT 8A

4Q2021 vs. 4Q2020

 **0.5%**
Vacancy Rate ↓

 **\$2.28**
Asking Rate ↑

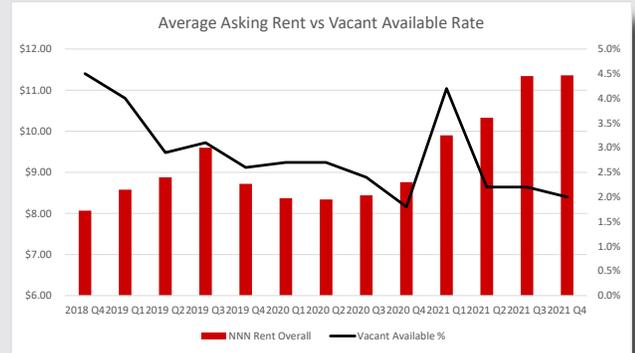
 **3,909,038 SF**
Leasing Activity ↓

Trends

- Average asking rents crossed the \$11.00 per square foot mark for the first time ever, finishing at \$11.36. Over the last 12 months asking rates climbed by 25.0%.
- The largest lease of the year was signed by Melissa & Doug for 500,000 square feet at 380 Deans Rhode Hall Road in South Brunswick.

Routes 46, 23, 3 Market Snapshot

Market Size	55,190,943 SF
Vacant Available	1,114,593 SF
Vacant Available (%)	2.0%
4Q21 Leasing Activity	236,682 SF
Total 2021 Leasing Activity	1,261,711 SF
Average Asking Rate	\$11.36 PSF
4Q2021 Net Absorption	302,636 SF
Total 2021 Net Absorption	233,537 SF
Under Construction	224,451 SF
Delivered	111,111 SF



YE2021 vs. YE2020

 **2.0%**
Vacancy Rate ↑

 **\$2.60**
Asking Rate ↑

 **1,261,711 SF**
Leasing Activity ↓

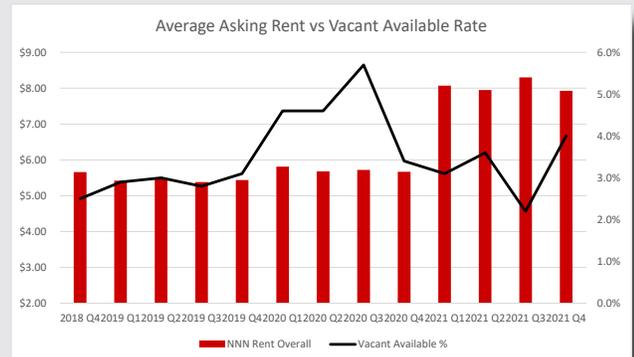
Trends

- After rising to 4.1% in the first quarter, the overall vacancy rate finished the quarter at 2.0%, as leasing activity reached 1.2 million square feet.
- Average asking rents jumped to \$11.36 per square foot in the fourth quarter, up from \$8.76 at the same time last year.

ROUTES 46, 23, 3

Exit 7A Market Snapshot

Market Size	44,292,691 SF
Vacant Available	1,764,648 SF
Vacant Available (%)	4.0%
4Q21 Leasing Activity	20,628 SF
Total 2021 Leasing Activity	533,419 SF
Average Asking Rate	\$7.93 PSF
4Q2021 Net Absorption	(402,736) SF
Total 2021 Net Absorption	510,793 SF
Under Construction	2,556,094 SF
Delivered	253,193 SF



EXIT 7A

YE2021 vs. YE2020

4.0%
Vacancy Rate ↑

\$2.27
Asking Rate ↑

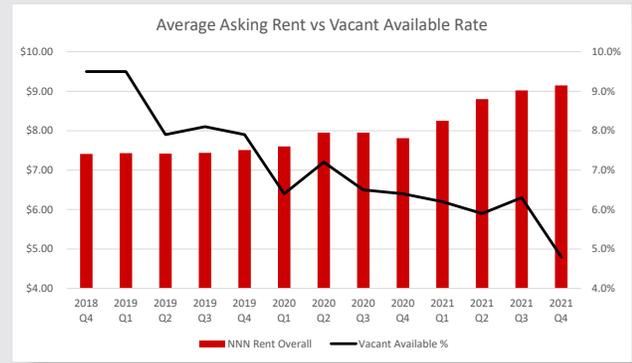
533,419 SF
Leasing Activity ↓

Trends

- Despite a decrease in overall leasing activity, net absorption measured 510,793 square feet on the year.
- After briefly crossing the \$8.00 per square foot mark during the first quarter, asking rents settled at \$7.93 per square foot at the end of fourth quarter. Rates are up by 39.0% from the end of 2020.

Morris Region Market Snapshot

Market Size	37,751,347 SF
Vacant Available	1,808,508 SF
Vacant Available (%)	4.8%
4Q21 Leasing Activity	325,717 SF
Total 2021 Leasing Activity	1,011,632 SF
Average Asking Rate	\$9.15 PSF
4Q2021 Net Absorption	558,806 SF
Total 2021 Net Absorption	821,853 SF
Under Construction	138,940 SF
Delivered	49,700 SF



YE2021 vs. YE2020

4.8%
Vacancy Rate ↓

\$1.34
Asking Rate ↑

1,011,632 SF
Leasing Activity ↓

Trends

- After steadily declining throughout the year, the overall vacancy rate finished 2021 at 4.8%. Average asking rates breached the \$9.00 per square foot market for the first time, finishing at \$9.15.
- The largest renewal for the year was at 700 Bartley Chester Road in Flanders, where Uncommon Logistics renewed for 157,822 square feet. NAI Hanson represented the landlord.

MORRIS REGION

Somerset Market Snapshot

Market Size	31,183,886 SF
Vacant Available	614,702 SF
Vacant Available (%)	2.0%
4Q21 Leasing Activity	151,083 SF
Total 2021 Leasing Activity	1,727,922 SF
Average Asking Rate	\$9.67 PSF
4Q2021 Net Absorption	269,363 SF
Total 2021 Net Absorption	1,335,985 SF
Under Construction	45,762 SF
Delivered	70,000 SF



SOMERSET

YE2021 vs. YE2020

2.0%
Vacancy Rate ↓

\$0.77
Asking Rate ↑

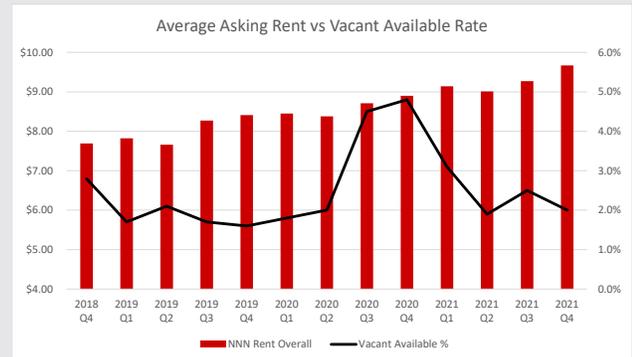
1,727,922 SF
Leasing Activity ↓

Trends

- Net absorption reached 1.3 million square feet on the year, pushing the overall vacancy rate down to 2.0%, from 4.8% at the end of 2020.
- Average asking rents pushed past the \$9.00 per square foot market for the first time in 2021, finishing at \$9.67, up from \$8.90 per square foot at the same time last year

Central Bergen Market Snapshot

Market Size	25,777,566 SF
Vacant Available (SF)	833,689 SF
Vacant Available (%)	3.2%
4Q21 Leasing Activity	139,018 SF
Total 2021 Leasing Activity	617,899 SF
Average Asking Rate	\$12.02 PSF
4Q2021 Net Absorption	(217,673) SF
Total 2021 Net Absorption	445,787 SF
Under Construction	0 SF
Delivered	290,385 SF



YE2021 vs. YE2020

3.2%
Vacancy Rate ↓

\$2.28
Asking Rate ↑

617,889 SF
Leasing Activity ↓

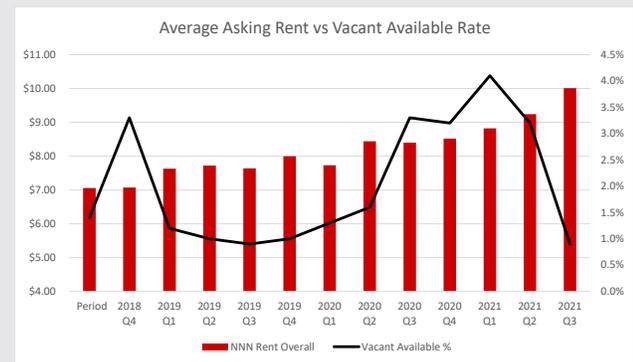
Trends

- After posting negative absorption in 2020, the Central Bergen submarket rebounded in 2021, with positive absorption of 445,787 square feet. Average asking rents, posted impressive gains, finishing at \$12.02 per square foot, up by 23.0% year-over-year.
- The largest sale in terms of overall price was 24 River Road in Bogota, which sold for \$13.0 million. The 225,000-square foot property was purchased by Vanta Development in March.

CENTRAL BERGEN

Brunswick/Exit 9 Market Snapshot

Market Size	22,666,221 SF
Vacant Available (SF)	212,769 SF
Vacant Available (%)	0.9%
4Q21 Leasing Activity	733,696 SF
Total 2021 Leasing Activity	1,701,574 SF
Average Asking Rate	\$10.01 PSF
4Q2021 Net Absorption	733,696 SF
Total 2021 Net Absorption	812,709 SF
Under Construction	39,500 SF
Delivered	363,612 SF



YE2021 vs YE2020

 **0.9%**
Vacancy Rate ↓

 **\$1.61**
Asking Rate ↑

 **1,701,574 SF**
Leasing Activity ↑

Trends

- After rising through much of the year, the overall vacancy rate finished 2021 at 0.9%, down from 3.3% at the same time last year. Net absorption registered 812,709 square feet as leasing activity reaching 1.7 million square feet.
- Two of the largest leases of the year occurred at 2801 Route 130 in North Brunswick, where Yita LLC and Jerich Warehouse leased 212,750 square feet and 106,250 square feet, respectively.

Northern Bergen Market Snapshot

Market Size	21,692,317 SF
Vacant Available (SF)	807,436 SF
Vacant Available (%)	3.7%
4Q21 Leasing Activity	91,753 SF
Total 2021 Leasing Activity	595,273 SF
Average Asking Rate	\$12.25 PSF
4Q2021 Net Absorption	41,855 SF
Total 2021 Net Absorption	(115,871) SF
Under Construction	0 SF
Delivered	0 SF



YE2021 vs YE2020

 **3.7%** ↑
Vacancy Rate

 **\$2.02** ↑
Asking Rate

 **595,273 SF** ↑
Leasing Activity

Trends

- The overall vacancy rate moved higher during the year, ending at 3.7%, up from 2.4% in 2020 as five blocks of space over 40,000 square feet were placed on the market. Consequently, absorption registered negative 115,871 square feet.
- Despite the rise in vacancy, average asking rents climbed to a record-high of \$12.25 per square foot—a 20.0% increase on the year.

NORTHERN BERGEN

About us

Property Management Services

- Lease Administration
- Planned Maintenance Programs
- Security Analysis
- Risk Management
- Energy Conservation Strategies
- Accounting Services
- Construction Management Services
- Facility Audits



NAI Hanson Management currently manages
over 6.5 million square feet.

OFFICE



RETAIL



INDUSTRIAL



“Since NAI Hanson Management has taken over the Meadowlands portfolio, it has gone from one of the most challenging properties to one of the most smoothly and efficiently run properties.”

- L&B Realty Advisors, LLP

4Q2021

Industrial Market Update

The world's largest commercial real estate network.

43± Countries

300± Offices

5,100± Market Leaders

NAI James E. Hanson is the largest independently owned commercial real estate firm in the state with over 65 years of experience in the New Jersey industrial market and has one of the largest industrial teams. NAI Hanson currently holds 11 SIOR designations, the most SIORs over any other commercial real estate firm in the state.

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