

NAI JAMES E. HANSON

Northern New Jersey Market Report | Fourth Quarter 2011



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NAI Hanson Management was awarded the following assignments:

- 211,000 sf (5 industrial buildings) in Union & Somerset Counties
- 207,000 sf retail space in Bergen County
- 38,500 sf office space in Bergen County

NAI Hanson Management LLC



INDUSTRIAL LEASE

125-200 Central Ave
Teterboro, NJ
101,873 & 63,368 sf

Gary Sauerborn, Jeff DeMagistris & Tom Vetter

Deals of the Quarter

RESERVOIR SALE

14 ac - Weekhawken, NJ

Andrew Somple, SIOR
Greg James



OFFICE SALE

15 Main Street
Hackensack, NJ
24,000 sf

Anthony Cassano



RETAIL SALE

20 East Prospect St.
Waldwick, NJ
4,375 sf

Joan Cenicola



OFFICE LEASE - 12,225 sf

17-17 Route 208
Fair Lawn, NJ

Darren Lizzack, MSRE



RETAIL LEASES

410-430 Nanuet Mall South
Nanuet, NY - 8,108 sf (2 units)



INVESTMENT DEALS

Hal Messer

135 Dublin Road
Petersborough, NH

2,750 Main Street
Glastonbury, CT



INDUSTRIAL LEASE

10 Fairway Court
Northvale, NJ
85,211 sf
Ken Lundberg

OTHER NOTABLE TRANSACTIONS

50 Spring Street
Ramsey, NJ
21,572 sf retail lease
Gary Sauerborn

Route 206
Hillsborough, NJ
1.6 acre land sale
Sig Schorr

2 Bailey Farm Road
Monroe, NY
94,211 sf ind lease
Ken Lundberg

4 Barrett Avenue
Moonachie, NJ
21,000 sf ind lease
Tom Vetter & Jeff DeMagistris

528 Harrison Avenue
Lodi, NJ
6 unit apt building sale
Anthony Cassano

620 Division Street
Elizabeth, NJ
123,000 sf ind lease
Barry Cohorsky & Russell Verducci

We are a part of NAI Global, a managed network of:

5,000 professionals

350 offices

55 countries

NAI James E. Hanson

Northern NJ* Industrial Report | Fourth Quarter 2011



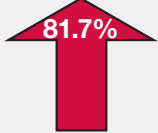
'11 vs. '10:

OVERVIEW FOR INDUSTRIAL: 4th Qtr. '11 vs. '10

Ind. Direct
Vacancy



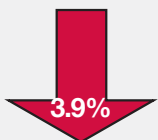
Ind. Sublet
Vacancy



Ind. Direct
Rates

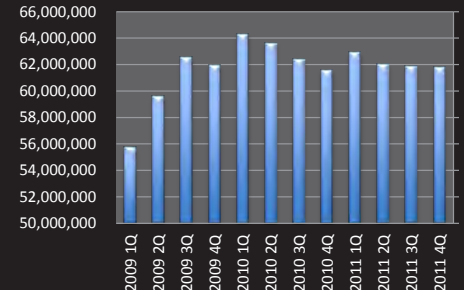


Ind. Sublet
Rates

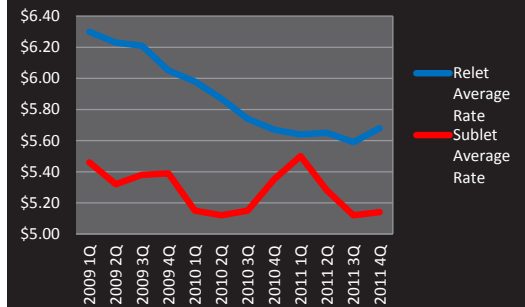


- There was over 61.8 million sq. ft. of vacant space, up 0.3% versus 2010 when there was over 61.6 million sq. ft. of vacant space.
- Vacancy rates at 8.3% were flat compared to 8.2% vacancy rates in 2010. There was a total of 6 million sq. ft. leased versus 12.8 million sq. ft. in 2010, a decrease of over 53%.
- Middlesex County continues to have the most vacant space with over 16.2 million sq. ft. of space available. It had 12.2% less vacant space than in 2010 when there was 18.5 million sq. ft. vacant.
- Morris County, with 4.9 million sq. ft. of vacant space, experienced a 13% increase in vacant space versus 2010 when there was almost 4.4 million sq. ft. available.
- Sussex County had the least amount of vacant space with almost 690,000 sq. ft. available, but also had the highest vacancy of 22.1%. It also experienced a 44% increase in vacant space versus 2010 when there was 479,471 sq. ft. available.
- Essex County had the lowest vacancy rates with only 5.7% of its 82.1 million sq. ft. vacant.
- Rates averaged at \$5.65 per sq. ft., virtually flat versus 2010 when average rates were \$5.66 per sq. ft. Relet rates averaged \$5.68 per sq. ft. and average sublet rates were \$5.14 per sq. ft.
- Rockland County's rates were the highest averaging \$6.97 per sq. ft. while Sussex County's rates were lowest at \$4.15 per sq. ft.
- Warren County experienced the largest change in asking rates with rates at \$4.52 per sq. ft. for 2011, versus \$5.17 in 2010, a decrease of 12.6%.
- Middlesex County, which leased 2.1 million sq. ft., in 2011, experienced a 60% decrease in leased space versus 2010 when over 5.3 million sq. ft. was leased.
- Total net absorption for 2011 was at 400,229, sq. ft., down 79% versus 2010 when net absorption was 1.9 million sq. ft.

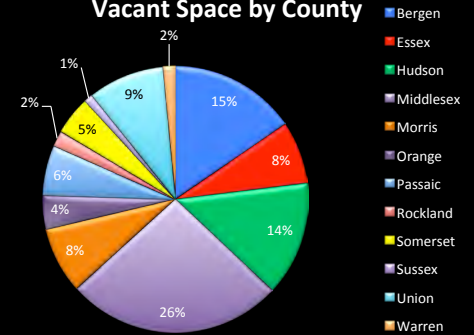
Total Available Sq. Ft.



Average Asking Rates



Vacant Space by County



*Northern NJ Market includes Rockland and Orange County NY

Major Industrial Transactions

Tenant	Size (SF)	Address	City
Duro Bag	123,000	620 Division Street	Elizabeth
Walgreens	102,356	219 Murray Hill	East Rutherford
Universal Distribution	102,060	9096 Distribution Blvd	Edison
Jet Distribution Services, Inc.	101,873	125 Central Ave	Teterboro
Superior Packaging Group	94,211	2 Bailey Farm Road	Monroe, NY

*Represented by NAI James E. Hanson

Source: Costar 2012

NAI James E. Hanson

Northern NJ* Office Report | Fourth Quarter 2011

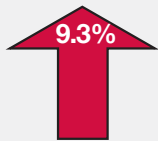


'11 vs '10:

Office A
Vacancy



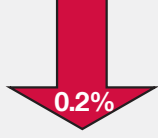
Office B
Vacancy



Office A
Rates



Office B
Rates



OVERVIEW FOR OFFICE A & B: 4th Qtr. '11 vs. '10

OFFICE A

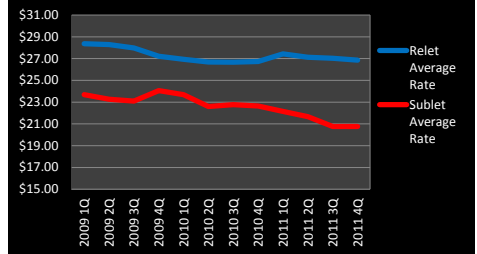
- There was over 20.6 million sq. ft. of vacant space, a decrease of 3% versus 2010 when there was 21.3 million sq. ft. available.
- Morris County had the most vacant space available with almost 4.7 million sq. ft. available.
- Vacancy rates stood at 14%, down from 14.2% in 2010.
- Morris County had the highest vacancy with 18.9% of its space vacant, up slightly from an 18.7% vacancy in 2010.
- Somerset County, with 582,210 sq. ft. available, had the lowest vacancy at 7.4%, down from a 34.1% vacancy in 2010.
- There was over 1.6 million sq. ft. leased, a decrease of almost 23% versus 2010 when almost 2 million sq. ft. was leased.
- Total net absorption was 324,366 sq. ft. versus 416,568 sq. ft. in 2010, a decrease of 22.1%.
- Rates averaged \$25.98, down slightly versus 2010. Rockland County continues to demand the highest rates at \$30.49 per sq. ft. while Somerset County had the lowest rates at \$24.21 per sq. ft.

OFFICE B

- There was over 12.7 million sq. ft. of vacant space, up from 11.6 million sq. ft. in 2010, an increase of 9.3%.
- Bergen County continues to have the most vacant space with over 2.6 million sq. ft. of available space, up 3.8% versus 2010.
- Vacancy rates were at 13.5%, up from 12.5% in 2010.
- Passaic County continues to have the highest vacancy with 21.7% of its 5.2 million sq. ft. vacant.
- Union County continues to have the lowest vacancy with 6.9% of its 7.7 millions sq. ft. vacant.
- Total net absorption was -281,998 sq. ft. versus -149,815 in 2010.
- There was 519,325 sq. ft. leased, down 30.3% versus 2010.
- Bergen County leased the most space with 119,662 sq. ft. leased down 33.6% versus 2010.
- Average rental rates were \$21.47 per sq. ft., relatively flat versus 2010's rental rates of \$21.51 per sq. ft.
- Hudson County continues to the highest rates with average asking rates of \$25.17 per sq. ft.

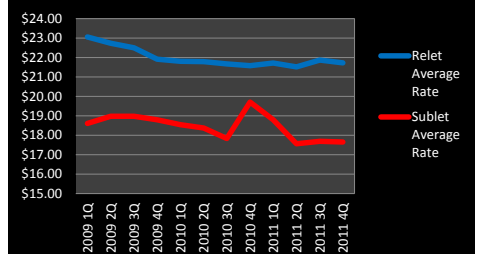
Office A

Average Asking Rates



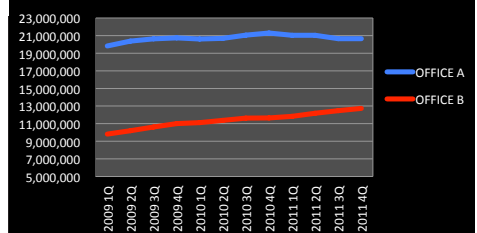
Office B

Average Asking Rates



Vacancy A&B

Total Available Sq. Ft.



*Northern NJ Market includes Rockland and Orange County NY

Major Office Transactions

Tenant	Size (SF)	Address	City
Realogy Operations LLC	270,000	175 Park Avenue	Madison
Empire BCBS	124,945	85 Crystal Run Rd*	Middletown, NY
Enopi Daekyo USA, Inc	37,000	105 Challenger Road	Ridgefield
The TriZetto Group, Inc.	83,651	1085 Morris Ave	Union
Quintiles Transnational Corp	45,210	10 Waterview Blvd	Parsippany

*renewal

Source: Costar 2012

NAI James E. Hanson

Northern NJ* Retail Report | Fourth Quarter 2011



'11 vs '10:

Retail Direct Vacancy

5.7%

Retail Sublet Vacancy

22.3%

Retail Direct Rates

4.4%

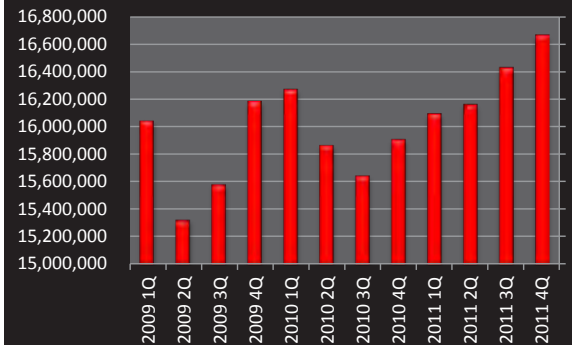
Retail Sublet Rates

12.8%

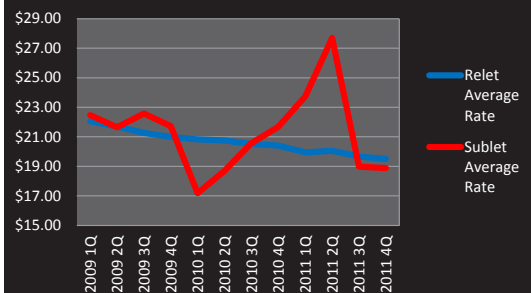
OVERVIEW FOR RETAIL: 4th Qtr. '11 vs. '10

- There was over 16.6 million sq. ft. of space available versus 15.9 million sq. ft. in 2010, an increase of 4.8 %.
- Vacancy rates averaged 6.3%, up from 2010 when rates were 5.9%.
- Somerset County had the highest vacancy rates with 9.1% of its 15.7 million sq. ft. vacant.
- Hudson County had the lowest vacancy rate with only 3.3% of its 35.9 million sq. ft. vacant.
- Middlesex County had the most space available with almost 2.6 million sq. ft. of vacant space. It had 9.4% more vacant space than in 2010.
- There was 778,228 sq. ft. leased with Passaic County leasing the most space. Passaic County leased 157,687 sq. ft. in 2011, more than twice as much than in 2010 when 70,850 sq. ft. was leased.
- The only other county that experienced increases in leased space was Essex County. 131,173 sq. ft. was leased versus 123,786 sq. ft. in 2010, an increase of 6%.
- Total net absorption was -179,481 sq. ft. with 8 out of the 12 Northern NJ counties experiencing negative absorptions. Bergen and Middlesex Counties had the lowest net absorptions with -109,181 sq. ft. and -80,918 sq. ft. absorbed respectively.
- Passaic County had the highest net absorption with 69,006 sq. ft. absorbed.
- Overall, total average asking rates were at \$19.50 per sq. ft. with relet rates averaging \$19.51 per sq. ft. and sublet rates at \$18.89 per sq. ft.
- Bergen County continues to have the highest asking rates with rates averaging \$24.13 per sq. ft., a decrease of 2.7% versus 2010 when rates averaged \$24.80 per sq. ft.

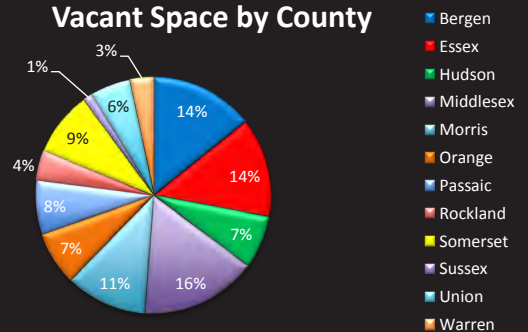
Total Available Sq. Ft.



Average Asking Rates



Vacant Space by County



*Northern NJ Market includes Rockland and Orange County NY

Major Retail Transactions

Tenant	Size (SF)	Address	City
Conway Store	50,194	445-465 Route 46	Totowa
R. Moomjy Outlet Carpet & Floor	21,572	50 Spring Street	Ramsey
WaWa	20,000	450 King Georges Road	Woodbridge
Dollar General	10,000	185-199 Jersey Avenue	Port Jervis, NY
Colosseum Health & Fitness	10,000	301 Main Street	Paterson

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Source: Costar 2012

Featured Properties

Fourth Quarter 2011



Office

LEASE - 20,000 sf
305 Route 17 S
Paramus, NJ



Office/Flex

LEASE - 20,648 sf
16-00 Pollitt Drive
Fair Lawn, NJ



Retail

LEASE - 21,425 & 57,000 sf
285-289 & 305 Route 17 S
Paramus, NJ



Industrial

SALE - 133,148 sf
1-11 Canal Street
Passaic, NJ



Medical Office

1.36 acres adjacent for sale

SALE - 5,260 sf
106 Old Hook Road
Westwood, NJ



Retail Redevelopment

SALE - 13,500 sf
235-239 Main Street
Fort Lee, NJ



Industrial

SALE - 20,000 sf on .5 ac
247 Van Houten Avenue
Paterson, NJ



Warehouse

LEASE - 46,873 sf
230 Central Avenue
Teterboro, NJ



Retail

SALE/LEASE - 12,000 sf
245-247 Raritan Avenue
Highland Park, NJ



Retail

LEASE - 8,000 sf
820 Route 17 North
Paramus, NJ

LAND AVAILABLE: 1.36 acres, Westwood, NJ ▪ 13,775 sf, South Street @ Jersey Avenue, Hackensack ▪ 34 acres, Berkshire County, MA ▪ 10 acres, Newton, NJ

About NAI James E. Hanson

We are committed to providing the highest quality commercial real estate services in New Jersey and have been since we were founded in 1955 by James E. Hanson. Through our affiliation with NAI Global, we are part of a managed network of 5,000 professionals and 350 offices in 55 countries throughout the world.

Our core services include:

- Industrial
- Office
- Retail
- Land
- Multi-Family
- Medical/Health Care Representation
- Tenant Representation
- Capital Markets
- Investment
- Corporate Services
- Property Management
- Government Services
- Logistics
- Property Valuation
- Financing

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