



SIGNIFICANT LEASE DEALS

Address	Submarket/City	SF	Tenant
152 Route 206	Somerset	590,000	CEVA Logistics
1601 Livingston Ave	Brunswick/Exit 9	300,000	Capacity LLC
297 Getty Ave	Paterson	168,000	Cannabis Cultivation

SIGNIFICANT BUILDING SALES

Address	Sale Value	PPSF	SF	Buyer
Submarket	Type of Sale	Cap Rate	Class	Seller
397-454 Ferry St	\$41,882,665	\$42.85	1,423,539	Turnbridge Eq/JP Morgan
East Newark	Value-Add Inv	-	Class C	RAR Development Assoc
100 Performance Dr	\$62,000,000	\$228.63	271,176	Colony Capital, Inc.
Northwest Bergen	Leasehold	-	Class A	Sitex Group
115 Moonachie Ave	\$39,600,000	\$234.60	168,800	Liberty Property Trust
Meadowlands	Leasehold	3.9%	Class A	Barings Real Estate Advisors

LARGEST DELIVERIES


Address	Submarket/City	SF	Developer
3 Brick Yard Rd, Bldg 3	Exit 8A	444,490	Clarion Partners
150 Totowa Rd	Upper Rt. 46/23	437,500	Peykar Family Prop
13 Applegate Dr, Bldg. A	Trenton/295	231,850	Matrix Development


LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
Tremley Point Rd, Bldgs A-H	Linden	4,126,829	Dec 2020
942 Memorial Pkwy, 1,3,4,5,6,7	Warren	3,848,254	Dec 2019-2022
429 Delancy St, Bldg 1	Newark	661,741	Oct 2019

TOTAL INDUSTRIAL MARKET STATISTICS

	Vacancy Rate	Avg. SF Rental Rates	Net SF Absorption	SF Inventory	SF Under Construction
Q1 2019	4.2%	\$8.86	486,655	840,045,739	13,895,843
Q4 2018	4.1%	\$8.70	821,897	838,770,159	8,100,058
Q3 2018	4.0%	\$8.43	5,909,469	836,986,632	9,753,211
Q2 2018	4.2%	\$8.33	4,684,035	8833,046,496	8,656,803
Q1 2018	4.3%	\$8.24	5,108,611	828,717,834	11,787,492

 **486,655** NET ABSORPTION SF

 **4.2%** VACANCY 34,878,957 SF

 **\$8.86** AVG. ASKING RATE PSF

 **1,643,910** DELIVERIES 16 Buildings

 **13,895,843** UNDER CONSTRUCTION 49 Buildings

MICHAEL MALMSTONE

Real Estate Analyst

NNJ market remains strong with positive rent growth. Net absorption lowest in 4 years and 1/6th of the 5 year rolling average (RA), due to lack of quality space available. 5.1MM SF was leased, the lowest quarter since Q2 2008 and half of the 10 year RA. Lease footprints shrank by 17% YoY to 19k SF. Average lease-up time is 5 months, down from 6 months in Q4. Smaller leases were signed quicker with larger tenants trying to eke out better pricing and concessions from landlords. More industrial and modified gross leases were signed, giving tenants more predictable budgeting. Investors are seeking large old properties in core markets for value-add plays as cap rates decompressed 20 bps to 6.5%. Continued western and southern momentum to secondary markets like the Brunswicks, Piscataway and Exits 7 & 7A giving way to new construction. 8MM SF under construction at Bridge Point 78 and Linden Logistics Center which will deliver Q4 2019 – 2020, the two largest projects in the country.