



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	SF	Tenant
570 Washington Blvd.	Hudson Waterfront	415,164	Depository Tr & Clearing
170 Park Ave	Morristown Region	147,215	Celularity
200 Hudson St	Hudson Waterfront	94,629	Sumitomo Bank

### SIGNIFICANT BUILDING SALES

Address	Sale Value	PPSF	SF	Buyer
Submarket	Type of Sale	Cap Rate	Class	Seller
570 Washington Blvd	\$170,000,000	\$395.13	430,239	Star Financial, Inc.
Hudson Waterfront	Leasehold	6.0%	Class A	LeFrak
1 Geoffrey Way	\$19,000,000	\$30.60	621,000	DOBCO Group
Passaic Rt 46/23	BK Sale/Inv	-	Class A	Toys "R" Us, Inc.
300 Kimball Dr	\$66,000,000	\$164.94	400,147	Sovereign Partners
Parsippany	Investment	-	Class A	State Farm Mutual Auto

### LARGEST DELIVERIES


Address	Submarket/City	SF	Developer
211 America Ave	Ocean County	75,000	Ray Builders
7-17 James St	Newark	65,000	Fidelco Realty Group
151 Forest St	Urban Essex	17,819	Willow Street Partners

### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
110 Edison Pl	Newark/Urban Essex	402,532	Apr 2019
111 Sylvan Ave	GW Bridge	360,000	Oct 2019
31 Eastern Rd, Bldg 100	Meadowlands	250,000	Dec 2020

### TOTAL OFFICE MARKET STATISTICS

	Vacancy Rate	Avg. SF Rental Rates	Net SF Absorption	SF Inventory	SF Under Construction
Q1 2019	11.0%	\$25.73	678,247	374,816,562	1,795,353
Q4 2018	11.1%	\$25.54	1,052,079	374,626,523	1,781,472
Q3 2018	11.4%	\$25.54	2,028,722	374,514,868	1,814,693
Q2 2018	12.0%	\$25.57	145,102	374,677,038	1,887,333
Q1 2018	12.0%	\$25.19	398,894	374,593,939	1,949,432

 **NET ABSORPTION SF**  
678,247

 **VACANCY**  
11.0% 42,055,712 SF

 **AVG. ASKING RATE PSF**  
\$25.73

 **DELIVERIES**  
182,119 6 Buildings

 **UNDER CONSTRUCTION**  
1,795,353 19 Buildings

**MICHAEL MALMSTONE**  
Real Estate Analyst

NNJ Office market is soft and still a tenant's market. Vacancy has decreased marginally as the NJ unemployment rate also shrank marginally to 4% in February. Only one new 100k+ SF lease was signed, like many quarters in post-recession times. Rental growth remains positive and has finally breached the pre-crash peak average of \$25.72 PSF gross. Q1 posted a historic low of just 19 office buildings under construction that averaged 90k SF in size. One third are medical and 44% are pre-leased. Landlords are pushing higher rental rates. Those with Class B buildings are finally investing some capital to make spaces like-new and users are paying top dollar for them, although still at a discount to true new Class A spaces. Healthy submarkets continue to improve while inferior ones are lackluster.