


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
194 Wood Ave S	North Edison	153,394	IBM
777 Scudders Mill Rd	Brunswick West	90,000	Genmab US, Inc.
3 Gateway Ctr	Newark	80,697	US Immigratin & Customs

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
650 From Rd Route 4/17 - Paramus	\$42,000,000 Investment	\$112.47 -	373,420 Class A	Onyx Equities/Garrison Inv. Mack-Cali Realty Corporation
1 University Square Dr Trenton/Princeton	\$95,800,000 Investment	\$288.67 8.10%	331,872 Class A	Argent Ventures, LLC RXR Realty
175 Park Ave Morristown Rgn/Madison	\$115,000,000 Investment	\$425.93 -	270,000 Class A	Global Securitization Svc The Hampshire Co's

**LARGEST DELIVERIES**


Address	Submarket/City	SF	Developer
110 Edison Pl	Newark	402,532	Edison Properties
401-499 Cabot Dr	Hamilton	15,700	Genesis Inv Prop
1495 Palisade Ave	Fort Lee	8,000	SNW America

**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
111 Sylvan Ave	Englewood Cliffs	360,000	Oct. 2019
31 Eastern Rd Bldg 100	Kearny	250,000	Dec. 2020
1000 Maxwell Ln	Hoboken	125,000	July 2020

**TOTAL OFFICE MARKET STATISTICS**

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q2 2019	10.6%	\$26.04	1,745,992	376,505,884	1,372,504
Q1 2019	11.0%	\$25.71	529,269	375,960,407	1,702,048
Q4 2018	11.1%	\$25.53	852,771	375,744,139	1,734,164
Q3 2018	11.3%	\$25.50	2,025,139	375,632,984	1,709,285
Q2 2018	11.9%	\$25.57	140,519	375,795,154	1,781,925


**1,745,992** **NET ABSORPTION**  
SF


**10.6%** **VACANCY**  
988,800 SF


**\$26.04** **AVG. ASKING RATE**  
PSF GROSS


**418,232** **DELIVERIES**  
2 Buildings


**1,372,504** **UNDER CONSTRUCTION**  
19 Buildings

**MICHAEL MALMSTONE**, Analyst

Q2 posted NNJ's lowest vacancy rate since 2002 coupled with the state's lowest historic unemployment rate of 3.5% for June. Availability was 13.8%, the lowest since Q4 2008. Net absorption more than tripled Q1's and has eclipsed the 5 year rolling average of 1.46MM SF. Total leasing volume shrank 27% along with the average lease footprint, now 3,236 SF down from Q1's 4,160 SF. Only one 100k+ SF lease signed, corroborating the recent trend of users making use of space more efficiently and seeking buildings with common area amenities once housed in unit. Lease up time down to 11.8 months, the lowest since Q4 2008. Cap rates remained unchanged at 7.6%, with a slight 3.6% drop in sales volume, now at \$679MM and averaging \$197 PSF. Healthy markets still improving while inferior ones remain lackluster.