



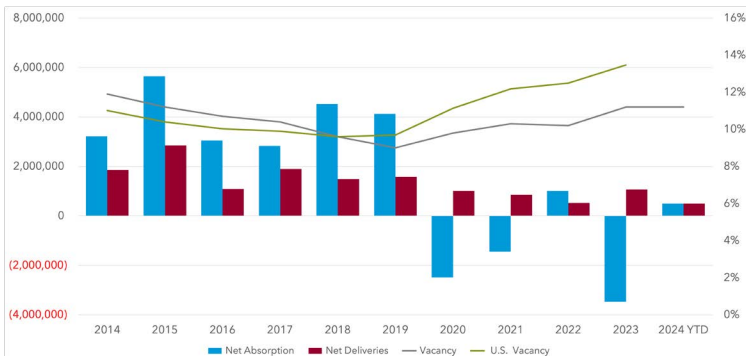
OFFICE MARKET OVERVIEW

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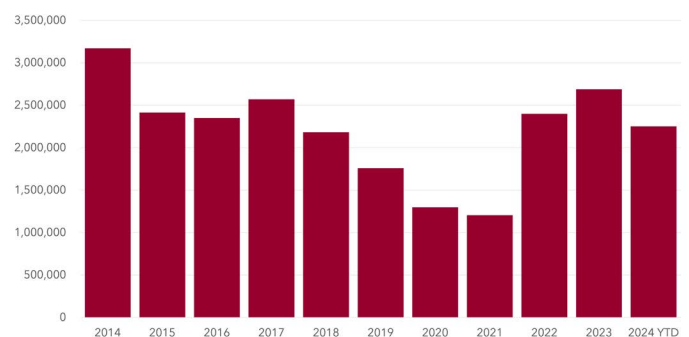
Q3 leasing expanded a modest 7.4% QoQ to 2.6MM SF, 81% of the 5-year average. Twenty 20K+ SF leases were inked. Lease-up time remained flat at 10 months. Rental rates gained \$0.40 PSF QoQ to \$28.23 PSF gross. 1.2MM SF of occupied space was added during Q2, marking the first 1MM+ gain since Q1 2020 with (8.5MM) SF loss since COVID started. As of August, NJ unemployment increased to 4.8%, up 20 bps QoQ and up 10 bps YoY. Sales volume finished at \$177MM, the lowest quarter since Q2 2009. 33 office properties encompassing 11.4MM SF and \$755MM of active CMBS debt are currently specially serviced, while 34 properties with \$1B of active debt are projected to default in the next 24 months. Average pricing appreciated 16% to \$157 PSF while cap rates decompressed 90 bps to 7.4%. 11.3MM SF is approved, 710K SF being medical.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▲ Qtrly Net Absorption SF	1,189,089	250,500	(939,266)	(83,006)	(901,611)
▼ Vacancy Rate	11.2%	11.5%	11.5%	11.2%	11.1%
▲ Avg NNN Asking Rate PSF	\$28.23	\$28.22	\$28.01	\$28.11	\$28.14
▲ Sale Price PSF	\$156.63	\$135.60	\$96.09	\$129.10	\$180.12
▲ Cap Rate	7.4%	6.5%	7.4%	8.2%	7.7%
▼ Under Construction SF	2,252,192	2,547,083	2,627,146	2,688,354	3,146,097
▲ Inventory SF	422,947,718	422,652,827	422,526,767	422,447,559	421,985,016

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
385 Rifle Camp Road Woodland Park, NJ	164,635 SF	\$12,918,896 \$78.47 PSF	Prism Capital Partners The Bank of New York Mellon	Class A
100 Tormee Drive Tinton Falls, NJ	90,008 SF	\$14,750,000 \$163.87 PSF	Rockford Holdings Group W.P. Carey, Inc.	Class B
470 Chestnut Ridge Road Woodcliff Lake, NJ	53,730 SF	\$9,800,000 \$182.39 PSF	Nightingale Properties LLC Keystone Development & Inv.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
700 Sylvan Avenue Englewood Cliffs, NJ	321,207 SF	Unilever	Samsung	Electronic Parts and Equipment
111 River Street Hoboken, NJ	111,000 SF	David Werner Real Estate	Unilever	Offices of Holding Companies
545 Washington Boulevard Jersey City, NJ	85,306 SF	Harbor Group International LLC	JPMorgan Chase & Co.	Commercial Banking