


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
95 Christopher Columbus	Hudson Waterfront	474,659	Pershing LLC
85 Challenger Rd	Teaneck/Ridgefield	235,057	Samsung Electronics America
200 Wood Ave S	No. Edison/Woodbridge	97,500	DSV

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
5 Wood Hollow Rd Parsippany	\$29,250,000 1031 Exchange	\$88.47 6.91%	330,631 Class A	PAG Investments Mack-Cali Realty Corp
77 Corporate Dr, Bldg D Route 78 E/Bridgewater	\$47,500,000 Investment	\$231.21 -	205,439 Class A	Legacy Investing LLC Senior Housing Prop Tr
300 American Metro Blvd Trenton/Hamilton	\$39,309,216 Inv Portfolio	\$195.48 7.21%	201,094 Class A	The Birch Group Meritage Prop/Lincoln Eq

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
78 John Miller Way	Kearny	90,000	Hugo Neu Corp
200 Monmouth St	Red Bank	45,200	Metrovation
-	-	-	-


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
31 Eastern Rd Bldg 100	Kearny	250,000	Dec 2020
1280 Randolph Rd	Plainfield	205,111	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
Q4 2019	10.6%	\$26.11	(94,083)	376,502,399	1,616,332
Q3 2019	10.5%	\$26.17	807,035	376,367,139	1,664,475
Q2 2019	10.7%	\$26.03	2,018,231	376,339,139	1,449,764
Q1 2019	11.2%	\$25.70	557,649	375,884,669	1,817,683
Q4 2018	11.2%	\$25.52	815,319	375,597,061	1,830,839

 **(94,083)** **NET ABSORPTION**  
SF

 **10.6%** **VACANCY**  
39,850,694 SF

 **\$26.11** **AVG. ASKING RATE**  
PSF GROSS

 **135,200** **DELIVERIES**  
2 Buildings

 **1,616,332** **UNDER CONSTRUCTION**  
23 Buildings

**MICHAEL MALMSTONE, R.E. Analyst**

NNJ Office market remains a tenant's market. Net absorption lowest since Q3 2017 along with the fewest number of leases signed since Q4 2006. The average lease footprint grew by 3.2% to 4,903 SF and up nearly 23% YoY. Lease-up time shrank by 3 weeks on average to 8.5 months, the quickest in 12 years. Available space decreased 10 bps to 13.9%. NJ unemployment stands at 3.3%. In the investment realm, most fundamentals climbed in Q4. Cap rates compressed 60 bps to 7.4%. Sales volume shrank by 32% to \$385MM although pricing appreciated to \$148.50 PSF, up 12.4% QoQ. Q4's strongest sub-markets included Newark, East and West I-287, and the Hudson Waterfront, all finishing with 330k+ SF of net absorption. GW Bridge and the Meadowlands continue to foster the most under-construction product, both at 250k+ SF each.