



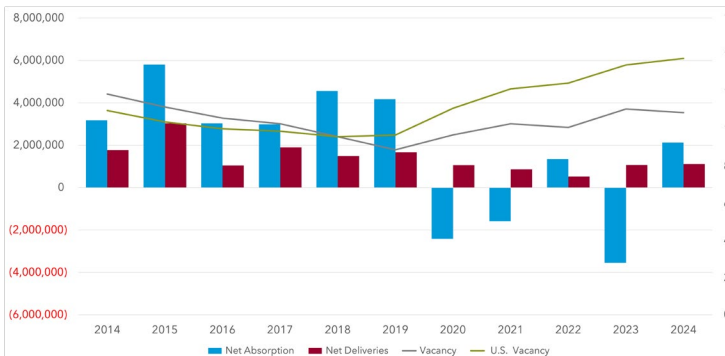
OFFICE MARKET OVERVIEW

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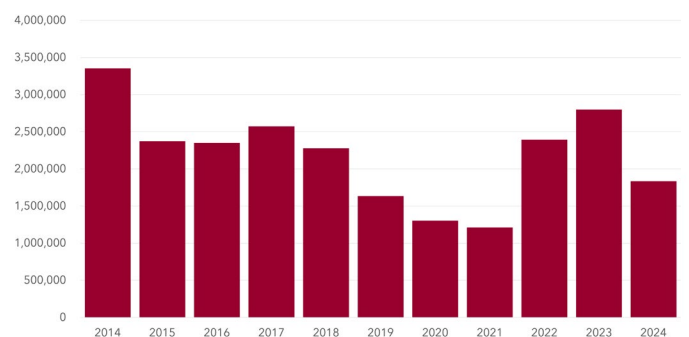
Q4 leasing activity remained moderately flat at 1.9MM SF leased, 58% of the 5-year average. Five 20k+ SF leases were inked. Lease-up time remained flat at 10 months. Rental rates gained \$0.28 PSF QoQ to \$28.51 PSF gross. 1.5MM SF of occupied space was added during Q4, marking the second 1MM+ gain since Q1 2020. As of November, NJ unemployment fell to 4.6%, down 10 bps QoQ and 20 bps YoY. Sales volume finished at \$343MM, half of the 5-year average. 28 office properties encompassing 10.2MM SF and \$607MM of active CMBS debt are currently specially serviced, while 39 properties with \$1.4B of active debt are projected to default in the next 24 months. Average pricing grew 33% to \$137 PSF while cap rates decompressed 40 bps to 8.2%. 11.3MM SF is approved, 710k SF being medical.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ Qtrly Net Absorption SF	1,493,953	1,667,945	(3,900)	(1,029,379)	(98,293)
▼ Vacancy Rate	10.9%	11.2%	11.4%	11.4%	11.1%
▲ Avg NNN Asking Rate PSF	\$28.51	\$28.23	\$28.22	\$28.01	\$28.11
▲ Sale Price PSF	\$136.96	\$103.35	\$132.71	\$94.71	\$129.16
▲ Cap Rate	8.2%	7.8%	6.5%	7.4%	8.2%
▼ Under Construction SF	1,833,705	1,944,809	2,649,700	2,757,312	2,798,728
▲ Inventory SF	423,149,750	422,998,646	422,293,755	422,140,146	422,031,735

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
15 Mountainview Road Warren, NJ	516,661 SF	\$57,350,000 \$111.00 PSF	Federal Reserve Bank of New York Next Generation Net Lease	Class A
2 Gatehall Drive Parsippany, NJ	389,288 SF	\$17,806,250 \$45.74 PSF	The Birch Group Sheffield Ridge Equities	Class A
22 Sylvan Way Parsippany, NJ	249,409 SF	\$47,950,000 \$192.25 PSF	Wyndham Hotels & Resorts Peakstone Realty Trust	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
11 Nest Drive Kenilworth, NJ	280,736 SF	Onyx Equities / Machine Investment Group	CoreWeave	Data Processing Hosting, Related Svc
153 Halsey Street Newark, NJ	83,592 SF	SHIFT Capital	NJ Dept. of Children and Families	Child and Youth Services
25 Main Street Hackensack, NJ	61,582 SF	Alfred Sanzari Enterprises	Cole Schotz P.C.	Offices of Lawyers

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