



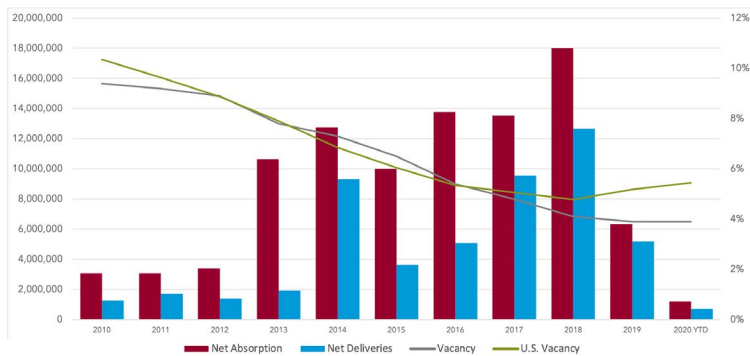
INDUSTRIAL MARKET OVERVIEW

MICHAEL MALMSTONE, *Real Estate Analyst*

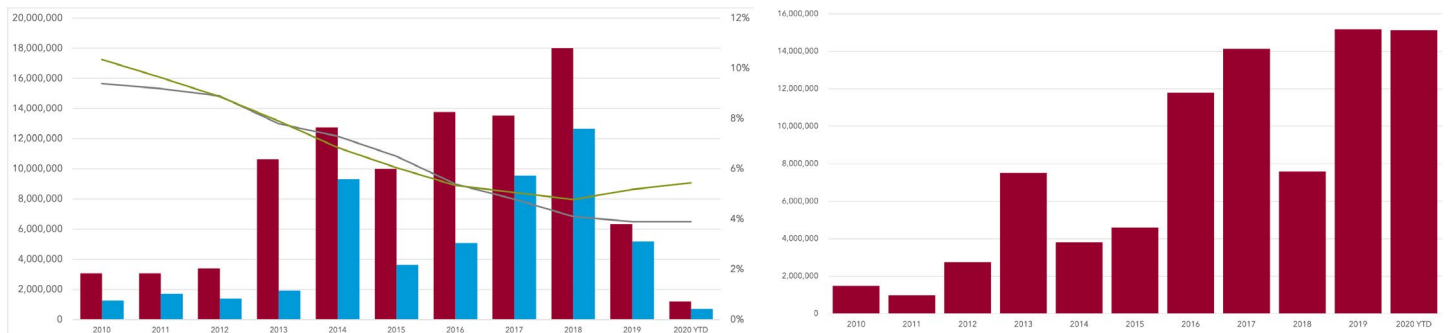
The NNJ industrial market remains strong but tempered. 5.2MM SF was leased, averaging 19k SF in 171 days per lease respectively. Net absorption more than tripled YoY. Vacancy continues to post an all-time low of 3.9%. Availability is 7%, just 20 bps higher QoQ. The largest leases and lowest vacancies continue to be in core markets along the I-95 Corridor, most notably the Meadowlands, Exit 8A and the Ports sub-markets. Amazon signed 4 leases totaling nearly 1MM SF in these markets in addition to 3.2MM SF in 2019. Investment fundamentals strengthened, although volume fell slightly by 7% to \$596MM, the lowest in 3 years. Cap rates tightened 50 bps to 6.9% as did pricing, now up 42% to \$111 PSF. 1% of space under-construction is pre-leased.

MARKET INDICATORS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
▼ Net Absorption	1,196,670 SF	2,089,731 SF	2,123,215 SF	1,763,093 SF	349,763 SF
◀▶ Vacancy Rate	3.90%	3.90%	4.20%	4.30%	4.30%
▲ Avg NNN Asking Rate	\$9.02/SF	\$8.86/SF	\$8.69/SF	\$8.53/SF	\$8.56/SF
▼ Under Construction	15,127,921 SF	15,170,557 SF	7,913,861 SF	5,430,193 SF	7,097,270 SF
▲ Inventory	842,534,507 SF	841,835,031 SF	841,649,159 SF	840,493,499 SF	838,457,222 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2575 Kuser Road Hamilton, NJ	339,500 SF	\$21,708,287 \$63.94/SF	Prologis, Inc. Industrial Property Trust, Inc.	Class A
1 Jebara Way Monroe Township, NJ	293,420 SF	\$26,836,619 \$91.46/SF	Prologis, Inc. Industrial Property Trust, Inc.	Class A
1000 Port Carteret Drive Carteret, NJ	235,000 SF	\$39,747,241 \$169.14/SF	Prologis, Inc. V. Paulius & Associates	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
429 Delancy Street Newark, NJ	661,741 SF	Duke Realty Corp.	Amazon	Media
703 Bartley Chester Road Flanders, NJ	570,777 SF	Saadia Group	US Elogistics	Transport, Warehousing & Storage
251 Docks Corner Road Monroe, NJ	382,400 SF	KRE Group	Automann	Automotive Parts