



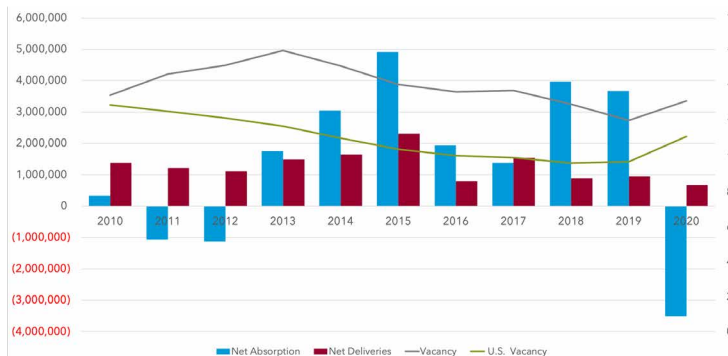
### OFFICE MARKET OVERVIEW

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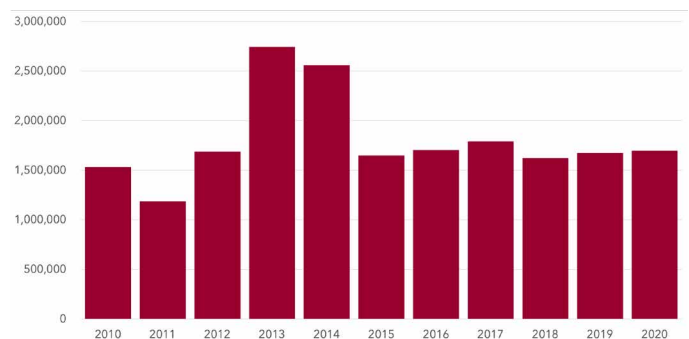
The Pandemic has caused many new tenants to telecommute, thereby shrinking users' office footprint by 1,093 SF. Q4 recorded the lowest net absorption in 4 years at -3.6MM SF. 519 inked leases averaged 3,778 SF. Lease-up time grew by 45 days to 10.1 months. Available space grew 50 bps, the highest in 4 years. NJ unemployment nearly doubled QoQ to 10.2% as the second wave of COVID spread. Sales volume slightly dipped to \$558MM, about 74% of the 5-year average, although pricing grew 3% to \$171 PSF. Cap Rates decompressed 140 bps to 6.6%. 1.7MM SF is under construction. 21.3MM SF is approved, mostly in the Hudson Waterfront, Brunswick/Piscataway/I-287 and Newark/Urban Essex submarkets at 7.3MM, 3.1MM and 2.6MM SF respectively.

MARKET INDICATORS	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
▼ Net Absorption	(3,575,397) SF	(794,933) SF	(79,984) SF	937,556 SF	116,289 SF
▲ Vacancy Rate	11.4%	10.4%	10.1%	10.1%	10.3%
▲ Avg NNN Asking Rate	\$26.87 PSF	\$26.81 PSF	\$26.67 PSF	\$26.42 PSF	\$26.21 PSF
▲ Under Construction	1,698,432 SF	1,649,032 SF	2,002,409 SF	1,474,320 SF	1,675,699 SF
▲ Inventory	377,939,414 SF	377,924,726 SF	377,431,220 SF	377,419,309 SF	377,217,930 SF

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
200 Crossing Boulevard Bridgewater, NJ	309,350 SF	\$47,291,344 \$152.87 PSF	Alexander Property Holdings, LLC Piedmont Office Realty Trust, Inc.	Class A
400 Crossing Boulevard Bridgewater, NJ	304,287 SF	\$55,877,135 \$183.63 PSF	Alexander Property Holdings, LLC Piedmont Office Realty Trust, Inc.	Class A
85 Challenger Road Ridgefield Park, NJ	233,505 SF	\$59,700,000 \$255.67 PSF	Asia Investment Management Inc. KABR Real Estate Investment Ptnrs	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
9 Roszel Road West Windsor, NJ	118,110 SF	John Hancock Life Insurance	Bristol Myers Squibb	Pharmaceutical Preparation Mfg.
2 Clarke Drive Cranbury, NJ	90,000 SF	Eastern Properties	Undisclosed	Undisclosed
30 Knightsbridge Road Piscataway, NJ	60,270 SF	Keystone Property Group	Lixil Water Technology	Water Supply and Irrigation Systems

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