



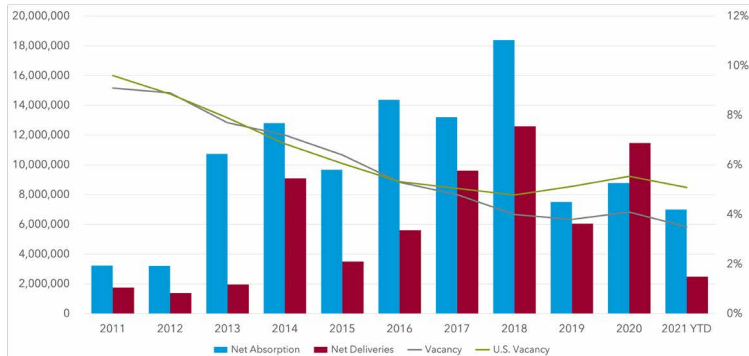
INDUSTRIAL MARKET OVERVIEW

MICHAEL MALMSTONE, *Real Estate Analyst*

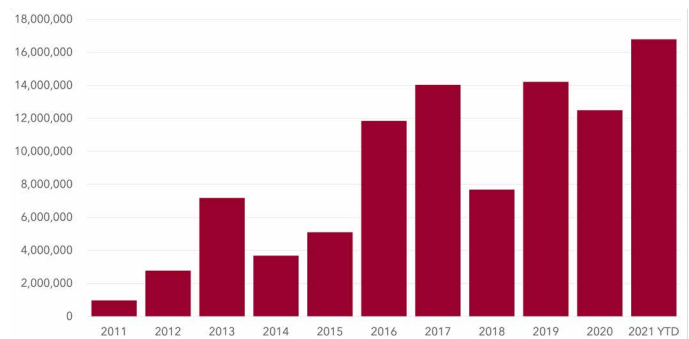
Q2 saw record rents at \$10.30 PSF NNN, the eighth consecutive quarter of rent growth. 10.1MM SF was leased, averaging 25k SF in 6.1 months, up one-month QoQ. Net absorption clocked 4.8MM SF, 159% of the 5-year average, the highest quarter since Q3 2018. Vacancy and availability both finished at historic lows of 3.5% and 5.7% respectively. Sales volume up 9% QoQ at \$836MM or 90% of the 5-year average. Cap rates tightened 20 bps to 7.2%, while pricing appreciated \$54 to \$155 PSF. 16.8MM SF is under construction. 35.4MM SF is approved for development, with the majority in Brunswick / Piscataway, Warren County, Orange County and Meadowlands submarkets, at 6MM, 5.1MM, 4.2MM and 3.3MM SF respectively.

MARKET INDICATORS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
▲ Net Absorption SF	4,789,530	2,211,346	3,108,078	2,528,345	2,481,101
▼ Vacancy Rate	3.5%	3.9%	4.1%	4.0%	3.9%
▲ Avg NNN Asking Rate PSF	\$10.30	\$10.04	\$9.46	\$9.38	\$9.24
▲ SF Under Construction	16,791,552	14,799,293	12,494,524	14,646,783	12,858,773
▲ Inventory SF	856,149,821	854,423,003	853,762,475	850,305,562	846,120,322

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2205 State Route 27 Edison, NJ	900,022 SF	\$247,000,000 \$274.44 PSF	Property Reserve, Inc. Rockefeller Group	Class A
150 Bayway Avenue Elizabeth, NJ	603,304 SF	\$56,410,625 \$93.50 PSF	Lineage Logistics HN Gorin	Class B
10 Princess Road Lawrenceville, NJ	340,400 SF	\$75,000,000 \$220.33 PSF	Black Creek Group Penwood & Metrix	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
42 Military Ocean Terminal Bayonne, NJ	876,000 SF	Lincoln Equities Group	United Parcel Service	Transportation and Warehousing
173-268 Doremus Avenue Newark, NJ	873,743 SF	The Morris Companies	FedEx	Transportation and Warehousing
500 Linden Logistics Way Linden, NJ	480,740 SF	Greek Development & Advance Realty Inv.	World Distribution Services	Transportation and Warehousing

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2021 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com