



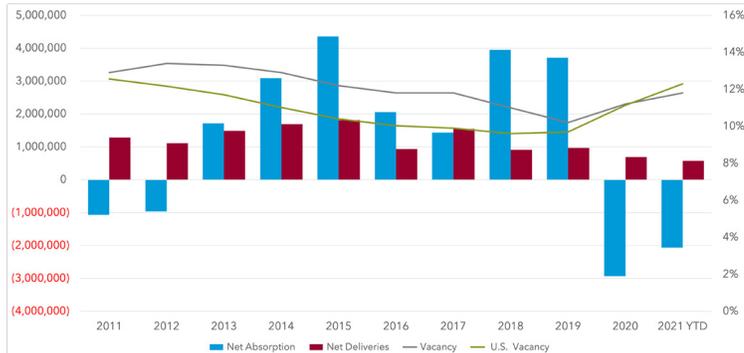
OFFICE MARKET OVERVIEW

MICHAEL MALMSTONE, *Real Estate Analyst*

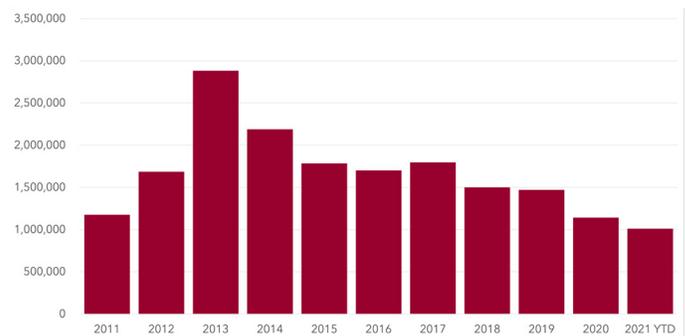
Q3 leasing eased with only 539 inked leases averaging 3,451 SF, down 22% and 1,467 SF respectively. Lease-up time grew to 10.7 months. Available space remained at 16%, a 6-year high. Rental rates clocked a record high of \$27.18 PSF gross. Net absorption finished at 185k SF, the first positive quarter of COVID times. NJ unemployment endured at 7.2%. Sales volume shrank to \$551MM, 71% of the 5-year average, while pricing fell 19% to \$137 PSF. Cap Rates compressed 30 bps to 7.6%. 1MM SF over 15 buildings is under construction, the lowest on record due to hybrid working and tighter lender underwriting. 20.1MM SF is approved, 15.4MM and 4.7MM SF class A and Class B respectively. 819k SF approved is medical, with 410k SF in Princeton and New Brunswick.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▲ Qtrly Net Absorption SF	184,884	(785,887)	(1,460,677)	(3,127,464)	(534,142)
◀▶ Vacancy Rate	11.8%	11.8%	11.6%	11.2%	10.3%
▲ Avg GRS Asking Rate PSF	\$27.18	\$27.05	\$26.79	\$26.87	\$26.82
▼ SF Under Construction	1,011,626	1,150,704	1,063,087	1,141,825	1,019,425
▲ Inventory SF	379,490,769	379,351,691	379,094,386	378,914,979	378,894,291

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
400 Atrium Drive Somerset, NJ	347,555 SF	\$40,632,094 \$116.91 PSF	EverWest Real Estate Investors, LLC Madison Realities	Class A
5901 West Side Avenue North Bergen, NJ	296,554 SF	\$27,475,000 \$92.65 PSF	Undisclosed Real Capital Solutions, Inc.	Class B
1 CIT Drive Livingston, NJ	288,000 SF	\$22,050,000 \$76.56 PSF	Bluewater Property Group, LLC Onyx Equities, LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
115 Tabor Road Morris Plains, NJ	196,693 SF	Argent Ventures	Cigna	Insurance, Med Services Plans
500 Somerset Corporate Boulevard Bridgewater, NJ	95,579 SF	SJP Properties	Qualcomm Technologies, Inc.	Computer Programming Services
200 Hudson Street Jersey City, NJ	50,000 SF	Mack-Cali Realty Corp.	ROAR	Specialty Outpatient Clinics

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