



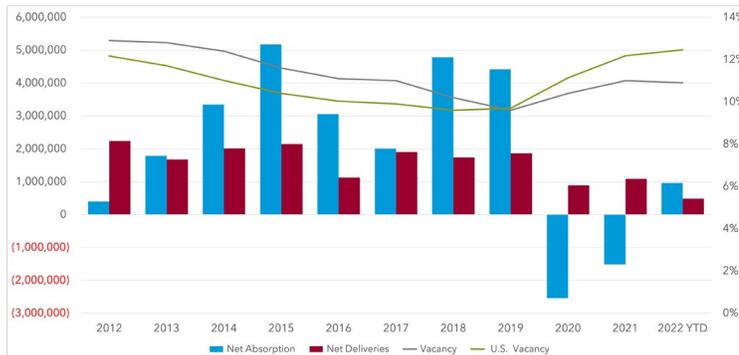
OFFICE MARKET OVERVIEW

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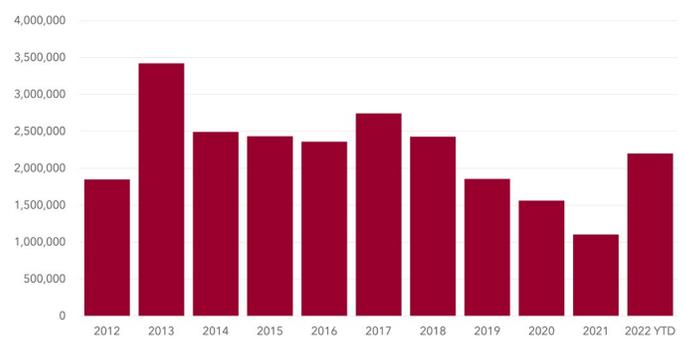
Q3 leasing velocity slowed by 28% with 659 inked deals averaging 3,804 SF. Lease-up time grew one month to 11.6 months. Vacant and available space fell 10 and 20 bps to 10.9% and 14.2% respectively. Rental rates at a record high of \$27.69 PSF gross. Net absorption clocked 788k SF, the highest since Q1 2020 and more than double the 5-year average. Unemployment rose 10 bps to 4.0%. Sales volume dropped 24% to \$611MM, the lowest since the beginning of COVID, but pricing grew 6.3% to \$176 PSF. Cap rates compressed 50 bps to 6.7%. 2.2MM SF is under construction. 18.3MM SF is approved, 1.3MM SF being medical. Demand for medical office continues to grow in underserved submarket.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▲ Qtrly Net Absorption SF	788,458	(330,945)	500,570	123,248	481,660
▼ Vacancy Rate	10.9%	11.0%	10.9%	11.0%	11.0%
▲ Avg GRS Asking Rate PSF	\$27.69	\$27.59	\$27.44	\$27.23	\$27.01
▼ SF Under Construction	2,199,080	2,345,684	1,872,496	1,104,326	1,019,936
▲ Inventory SF	421,256,592	420,957,844	420,820,953	420,770,201	420,697,341

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
520 Broad Street Newark, NJ	489,757 SF	\$42,700,000 \$87.19 PSF	The Sinai Equity Group Rafael Holdings, Inc.	Class B
1400 American Boulevard, Bldg. 4 Pennington, NJ	327,278 SF	\$128,166,242 \$391.61 PSF	KAMCO Invest / Northridge Capital Atalaya Capital Mgt/ Capital Comm	Class A
477 Martinsville Road Basking Ridge, NJ	250,590 SF	\$10,700,000 \$42.70 PSF	Edgewood Properties American R.E. Ptnrs/PNC Financial	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
650 From Road Paramus, NJ	83,428 SF	Garrison Investment Group	Undisclosed	Undisclosed
90 Matawan Road Matawan, NJ	69,000 SF	The Hudson Equities Management Group	K. Hovanian	Construction
630 Central Avenue New Providence, NJ	63,000 SF	Rialto Capital Management	Undisclosed	Undisclosed

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