



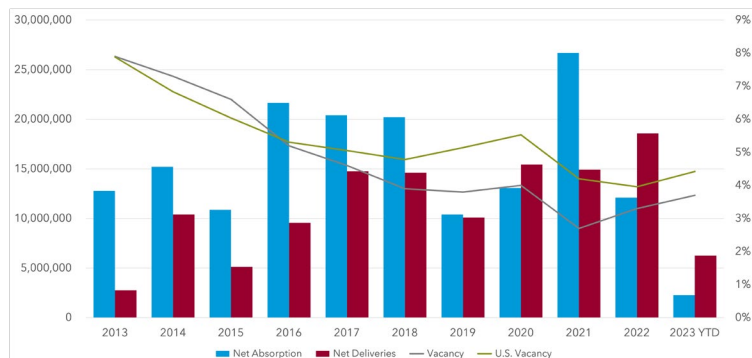
### INDUSTRIAL MARKET OVERVIEW

MICHAEL MALMSTONE, *Director of Research and Valuation*

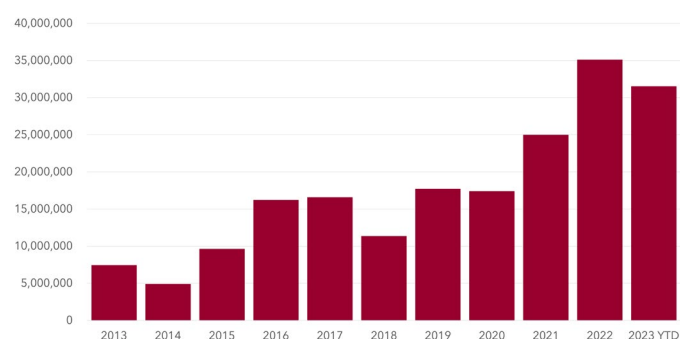
Q1 saw record rents at \$13.30 PSF NNN, the 33rd consecutive quarter of growth, 8.1% QoQ and 21% YoY. 7.9MM SF was leased, the lowest quarter since Q3 2009, in 4.7 months on average. 21 leases over 100k SF were signed, primarily in the Ports, I-287 / I-95 Interchange and Exit 8A submarkets. Net absorption clocked 2.3MM SF, the lowest in 3 years. Vacancy and availability up 40 and 50 bps QoQ, at 3.7% and 7.4% respectively. Sales volume fell to \$797MM, the lowest since Q1 2021, 55% of the 5-year average. Cap rates compressed 10 bps to 5.8%, while pricing contracted 27% to \$152 PSF. 31.6MM SF is under construction. 52MM SF is approved for development.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▼ Qtrly Net Absorption SF	2,285,073	2,482,210	2,726,008	3,818,421	3,085,517
▲ Vacancy Rate	3.7%	3.3%	2.8%	2.8%	2.8%
▲ Avg NNN Asking Rate PSF	\$13.30	\$12.30	\$12.02	\$11.68	\$10.99
▼ SF Under Construction	31,557,494	35,102,768	39,347,180	33,803,089	30,218,601
▲ Inventory SF	1,017,442,119	1,011,185,430	1,003,355,879	1,000,673,410	996,648,518

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



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2000 Galloping Hill Road Kenilworth, NJ	1,071,230 SF	\$110,320,562 \$102.98 PSF	Onyx Equities/ Machine Invest Grp Merck	Class B
297 Getty Avenue Paterson, NJ	853,191 SF	\$68,000,000 \$79.70 PSF	Thor Equities Alma Realty Corp.	Class C
100 Jefferson Road Parsippany, NJ	558,930 SF	\$130,500,000 \$233.48 PSF	J & J Farms Creamery Inc. JFR Global Investments, LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1365 Lambertson Road Hamilton, NJ	845,078 SF	Hilco Global	Dynamic Marketing, Inc.	Co-op Buisness, Elec- trical appliances
301-321 Herrod Boulevard South Brunswick, NJ	610,949 SF	Link Logistics Real Estate	GXO Logistics	Process and Logistics Consulting Services
400 Linden Logistics Way Linden, NJ	372,159 SF	Greek Dev. / Advance / PGIM	Vanguard Logistics	Process and Logistics Consulting Services

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