



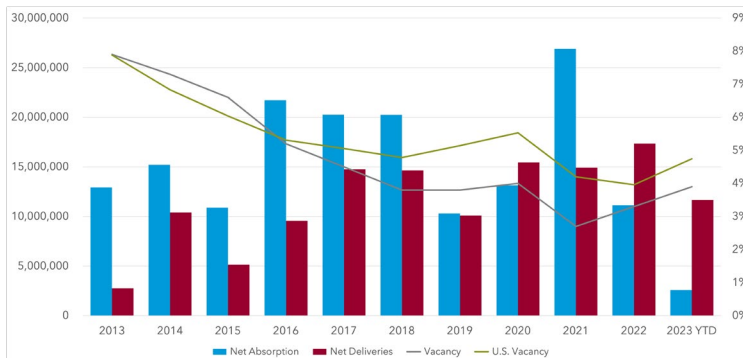
### INDUSTRIAL MARKET OVERVIEW

MICHAEL MALMSTONE, *Director of Research and Valuation*

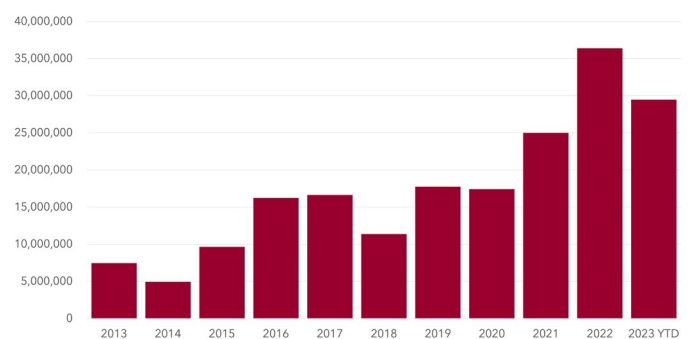
Q2 saw record rents at \$13.47 PSF NNN, the 34th consecutive quarter of growth, 1.5% QoQ and 15% YoY. Quarterly, this was the slowest period of rental growth since Q3 2020. 8.3M SF was leased, the lowest quarter since Q3 2009, and 66% of the 5-year average. Leasing took 4.9 months on average. Available sublet space is at an 11-year high of 6.5M SF, having more than doubled YoY. Twenty leases over 100,000 SF were signed, primarily in the Meadowlands and Ports submarkets. Net absorption clocked a negative 802,000 SF, the first time negative since Q1 2015. Vacancy and availability were both up 50 bps QoQ, at 4.1% and 7.8% respectively. Sales volume fell to \$611M, the lowest in 10 years, 42% of the 5-year average. Cap rates loosened 110 bps to 6.8%, while pricing appreciated 22% to \$191 PSF. There is 29.5M SF under construction and 57M SF is approved for development.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ Qtrly Net Absorption SF	(802,171)	3,397,474	1,834,379	2,486,379	4,062,804
▲ Vacancy Rate	4.1%	3.6%	3.3%	2.8%	2.8%
▲ Avg NNN Asking Rate PSF	\$13.47	\$13.27	\$12.28	\$11.99	\$11.67
▼ SF Under Construction	29,529,395	32,661,156	36,370,271	39,238,261	33,991,466
▲ Inventory SF	1,022,130,863	1,017,111,876	1,010,545,409	1,003,716,402	1,001,033,933

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



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
8 Peach Tree Hill Road Livingston, NJ	293,887 SF	\$98,500,000 \$335.16 PSF	Invesco Real Estate USAA Real Estate/Bluewater Prop Grp	Class A
1-5 Plant Road Hasbrouck Heights, NJ	206,458 SF	\$45,000,000 \$217.96 PSF	Bridge Investment Group United Wire Hanger Corporation	Class C
230 Belmont Drive Somerset, NJ	152,175 SF	\$44,000,000 \$289.14 PSF	Bridge Industrial Stonemont Financial Group	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2501 Mt Holly Road Burlington Township, NJ	939,918 SF	Clarion Partners / MRP Industrial	Maersk	Shipping & Logistics
258 Prospect Plains Road Cranbury, NJ	886,826 SF	BentallGreenOak / CalPERS	Christian Dior Perfumes	Perfumery & Cosmetics
901 W. Linden Avenue Linden, NJ	495,212 SF	Prologis	Blue Apron	All Other Specialty Food Retailers

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