



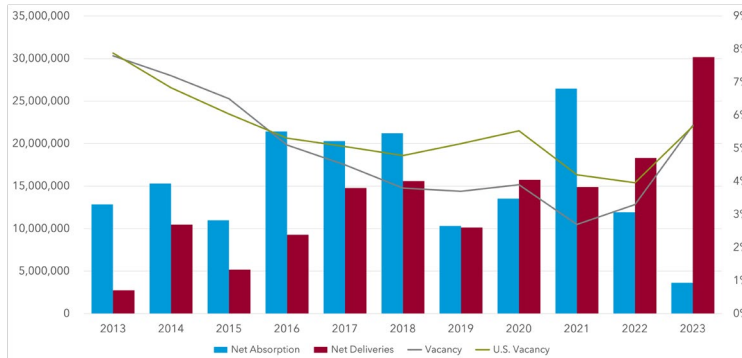
### INDUSTRIAL MARKET OVERVIEW

MICHAEL MALMSTONE, *Director of Research and Valuation*

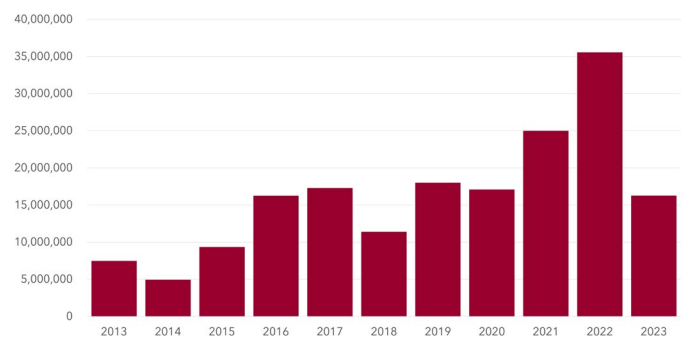
The NNJ Industrial market is returning to an equilibrium not seen in several years, forcing landlords to be more competitive. More lease terms are being negotiated. "All offers considered", "Price Reduced" and "Will Pay Full Commission" ads returning. Q4 rental growth dipped negative for the first time since 2011, with rents at \$13.38 PSF NNN. 7.1MM SF was leased in 5 months on average, rebounding from Q3's record low 4 months. 21 leases over 100k SF were signed. 3.6MM SF or 11% of all inked leases in 2023 were subleases, a record all-time high. Available sublet space continued to grow to 8MM SF for 2023 YE, the highest since 2009's 9.7MM SF. Net absorption finished positive 2MM SF, up from Q3's (2.3MM) SF. Sales volume grew a modest 15% to \$755MM. Pricing slipped \$6 to \$183 PSF.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ Qtrly Net Absorption SF	1,992,053	(2,348,239)	738,415	3,253,025	2,137,492
▲ Vacancy Rate	5.7%	5.3%	4.1%	3.6%	3.3%
▼ Avg NNN Asking Rate PSF	\$13.38	\$13.51	\$13.52	\$13.30	\$12.34
▼ SF Under Construction	16,273,461	21,449,579	29,363,261	32,908,298	35,557,118
▲ Inventory SF	1,045,267,391	1,038,626,431	1,028,560,690	1,022,087,377	1,015,082,121

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



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
906 Murray Road East Hanover, NJ	253,220 SF	\$45,000,000 \$177.71 PSF	Morgan Stanley Urban Edge Properties	Class B
903 Murray Road East Hanover, NJ	236,195 SF	\$42,000,000 \$177.82 PSF	Morgan Stanley Urban Edge Properties	Class B
200 Progress Court Logan Turnpike, NJ	209,437 SF	\$16,811,339 \$80.27 PSF	Chelten House Products NFI Industries, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2520 Route 130 Cranbury, NJ	509,775 SF	GRM	GRM	Software Publishers
1620 River Road Burlington, NJ	477,736 SF	Greek Real Estate Partners	US Elogistics	Professional, Scientific, and Technical Services
600 Ridge Road Piscataway, NJ	469,600 SF	Prologis, Inc.	eFulfill, Inc.	Retailer

