

NEW JERSEY



Market Insights for Tenants: At Exis, our loyalties aren't compromised; because we do not represent landlords, we are 100% focused on providing market conditions and strategies that can benefit tenants in each marketplace – leveraging this information for your economic advantage. We're pleased to provide the below in-depth information; contact us for ways we can help you get the BEST deal on your commercial space needs.

OVERVIEW

Entering 2020 vacancy rates in Northern NJ had declined to 12%; a number not seen since 2009.

Coronavirus put an abrupt end to a run of 6 years where vacancy steadily declined. Interestingly, vacancy rates have only increased a minimal amount. However, sublease space has increased by over 50%. 2020 leasing totals were their lowest in more than 10 years.

In the foreseeable future absorption will continue to dwindle and be compromised. Demand for space will change as companies have learned that some operations can work remotely.

Recent news of the NJ Economic Recovery Act of 2020, a \$14 billion bill, will create tax incentives that should help mitigate the effects of the pandemic and attract corporations from out of state and tax incentives for key businesses.

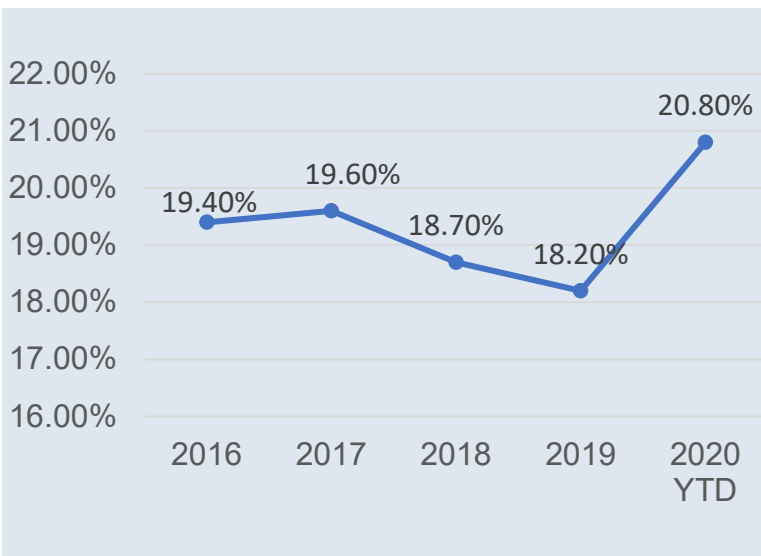
Until a vaccine is widely available, tenants with leases expiring in 12-18 months will likely do short term renewals to allow time to determine their space needs.

FUNDAMENTALS

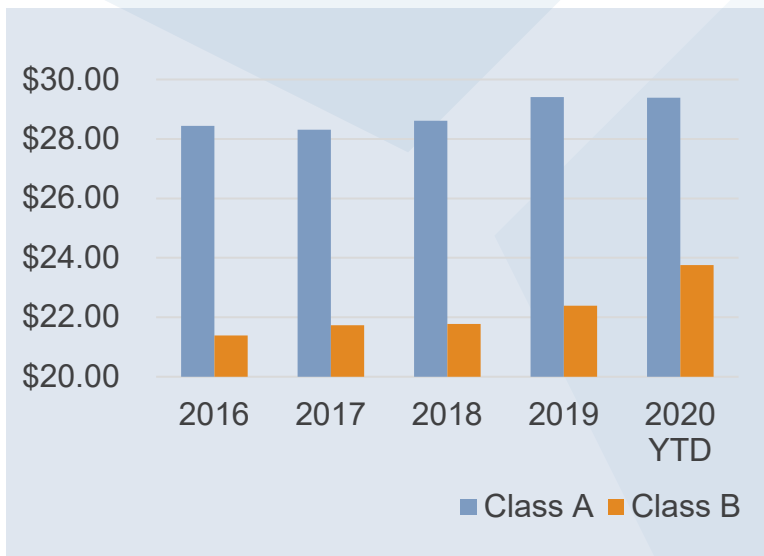
Forecast

YTD net absorption	450,663	▼
Under construction	0	▶
Average asking rent (gross)	27.05	▶
Concessions	Increase	▲
Market Size	Largest Office Deal	Total Vacancy
246,473,178	117,300	20.9

TOTAL VACANCY



AVERAGE ASKING RENTS



Detail Metrics: Square Feet and US Dollars

For more information, please contact:



Roger D. Cantor | rdcantor@yourcornerstone.com | 973-334-7200 x222



global tenant representation

exisglobal.com | info@exisglobal.com

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WHAT THIS MEANS FOR TENANTS

The pandemic, presidential election, coupled with the state's high unemployment rate have attributed to a "kick the can down the road" stance for tenants resulting in shorter term leases and delays in any long-term decisions.

Sublease space will continue to grow. With several direct large spaces hitting the market (859,605 SF in Whitehouse Station, owned by Unicom and Celgene's Summit campus of

600,000 SF) landlords will be under more pressure to lower rates.

It's a great time to be a tenant as the market hasn't been this one-sided in a decade. Tenants able to determine their "new normal" post vaccine spaces need will reap the benefits of finding new space or renegotiating their existing leases and extending them at below market rents.

KEY LEASE TRANSACTIONS

Tenant	Building Address	Submarket	Type	Sq Feet
Bristol-Myers	9 Roszel Road	Princeton	New Lease	118,110
TCG GreenChem	701 Princeton South Corporate Center	Princeton	New Lease	54,520
PNC Bank	1 Garret Mountain Plaza	Route 46/23	Renewal	49,932
Genmab	777 Scudders Mill Road	Princeton	Expansion	45,066
Provident Bank	111 Wood Avenue South	Metropark	New Lease	44,160
TD Ameritrade	4A Harborside Financial Center	Hudson Waterfront	New Lease	44,000
Conduent Business	100 American Metro Boulevard	Princeton	Renewal	43,882
Englert	1 Tower Center	Brunswick	New Lease	43,000
Snow Joe	221 River Street	Hudson Waterfront	New Lease	40,000

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