

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

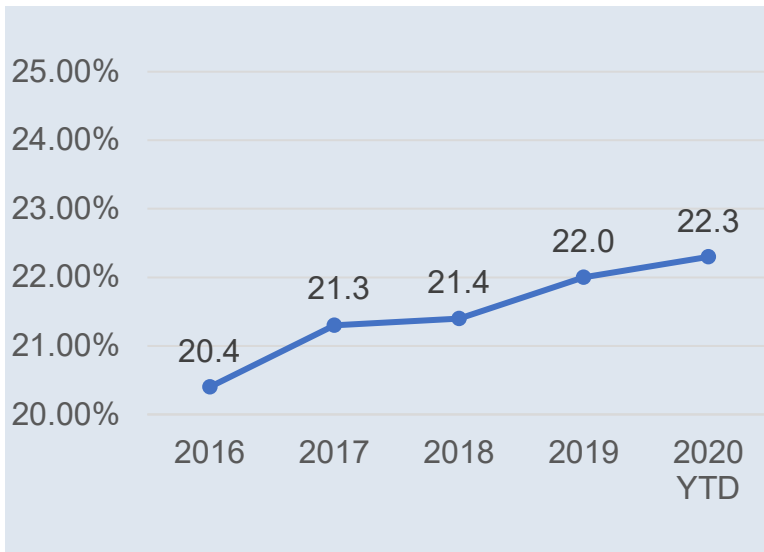
Much like every market in the US, the Northern NJ office market has been turned upside down by the COVID-19 pandemic. The statistics from Q1-20 compared to Q2-20 are staggering. With all non-essential businesses under a work from home scenario in mid-March, office leasing velocity plummeted more than 50%. Nothing can impact a market more than an inability to conduct office space tours. Net absorption decreased significantly in Q2-20 compared to Q1-20 with nearly 300,000 SF of new sublease space coming on the market. Total absorption for Q1-20 was 180,000 SF compared to negative (450,000) in Q2-20. With very little leasing velocity, market rents and vacancy rates for the most part remained unchanged. However, a few significant deals were executed and led by McCarter & English, LLP renewal for 176,000 SF at 4 Gateway Center in Newark, and in April Audible Inc., a subsidiary of Amazon, signed a new lease also in Newark for 75,000 SF.

FUNDAMENTALS

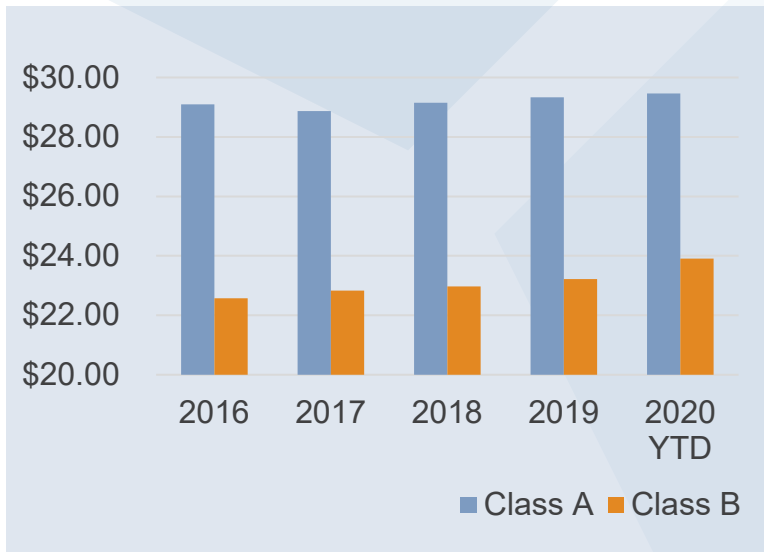
	Forecast
YTD net absorption	-194,404 ▼
Under construction	0 ▶
Average asking rent (gross)	27.23 ▼
Concessions	Flat ▲

Market Size	Largest Office Deal	Total Vacancy
68,050,005	117,300	22.30

TOTAL VACANCY



AVERAGE ASKING RENTS



Metrics Used: Feet, US Dollars

For more information, please contact:



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WHAT THIS MEANS FOR TENANTS

The uncertainty with school reopenings will inevitably play a major role in the timing, ability and willingness of employees to come back to their workplace in the remainder of 2020. When workspace re-entry does commence, a paramount focus for employers will be employee health and safety. Landlords will need to implement newer HVAC filtering with upgraded fresh air systems as well as upgraded cleaning services. If not, more

tenants will look to sublease their space and move to buildings where landlords are clearly demonstrating the workplace changes necessary to comfort tenants in their return to their offices from the pandemic. Tenants faced with immediate lease expirations will likely do shorter term leases to buy time before committing to long term leases.

KEY LEASE TRANSACTIONS

Tenant	Building Address	Submarket	Type	Sq Feet
McCarter & English	4 Gateway Center	Newark	Renewal	117,300
WuXiBiologics	7 Clarke Drive	Princeton	New Lease	65,758
EY	99 Wood Avenue	Metropark	Renewal	62,029
Bressler, Amery & Ross	325 Columbia Turnpike	Morristown	Renewal	59,000
Marsh & McLennan	445 South Street	Morristown	Renewal	54,376
Kiewit Corporation	470 Chestnut Ridge Road	Upper Parkway	Renewal	53,730
Symphony Suites	4 Speedwell Avenue	Morristown	Renewal	49,575
Cognizant	500 Frank W. Burr Boulevard	Palisades	Renewal	36,000
Franklin Templeton	101 John F. Kennedy Parkway		Renewal	20,202

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