

MARKET WATCH

Second Quarter 2022



Worldwide Real Estate Services

Economic Indicators

Unemployment Rate, National	3.6%	—
Unemployment Rate, New Jersey	3.9%	↓
National Median Existing Home Price	\$416,000	↑
Consumer Confidence Index	98.7%	↓
10 Year Treasury Yield	2.98%	↑
WTI Crude Oil Price	\$107.76	↑

The Status of CRE Amid Mounting Fears of a Recession

With widespread fears of recession and a generally bleak outlook for the U.S. economy, commercial real estate continues to embrace a brighter future coming out of the COVID-19 pandemic. Real estate market dynamics vary across sectors with notable strides and setbacks within industrial, office and retail.

The industrial market has had yet another strong performance. Vacancy rates dropped to 2.2%, down .21% from the previous quarter (2.41%). In addition, market rents continue to rise from \$12.99 PSF up to \$13.36 PSF. Inventory remained the same this quarter, standing at around 245 million SF, while there is approximately 5.7 million SF under construction, signaling more inventory to come.

When looking at the office market, vacancy rates are sitting at 13.7%, up 0.5% from last quarter and still elevated compared to pre-pandemic rates (~12%). A general uptick in leasing activity from peak vacancy levels of 16% has caused office rents to rise 4% over the past 12 months. The office market remains weakened by a lackluster demand for office space given the lasting shift to remote work and large availabilities continuing to enter the market, boosting supply. Rents ticked up slightly to \$27 PSF from last quarter, but the overall growth rate continues to moderate, a trend starting back in 2019.

The retail market saw a decline in growth of -0.2% this quarter with rents still hovering around \$23 PSF. Vacancy remained identical quarter over quarter at 4.6%. Total inventory increased to 135 million SF up from 134 million SF last quarter.

As the market continues to gain a foothold, keep an eye out for the continued effects of the pandemic. Inflation, interest rate hikes, labor shortages, and the volatile costs of construction materials continue to create an unpredictable landscape for commercial real estate. However, resilient demand, highlighted by the industrial market, and positive developments across each sector appear to be keeping the real estate market stable.

Northern New Jersey Key Performance Indicators

	Office	Industrial	Retail
Average Market Rate (PSF)	\$27.33	\$13.36	\$22.72
Average Vacancy Rate	13.7%	2.2%	4.6%
Net Absorption	(1,400,000)	4,700,000	448,000
Total Inventory (Million SF)	154.0	245.0	135.0

Select Sitar Transactions - 2Q 2022

The sale of 5 self-storage facilities in the Northeast totaling 435,639 SF from True Storage to Prime Group Acquisitions. The sales price for the 5 facilities was \$102,900,000. Bill Sitar Jr., Andrew Burachinsky, John Cranley and Tom Palumbo were the brokers in this transaction.

The long-term lease of 61,244 SF of flex space at 140 Centennial Avenue, Piscataway, New Jersey from 140 Centennial Avenue SPE, LLC to Alpha Assembly Solutions. Bill Sitar Jr. and John Cranley were the brokers in this transaction.

The long-term lease of 4,000 SF of retail space at 2873 Prospect Road, York, Pennsylvania from Highview Commercial, LLC to 7-Eleven, Inc. Giorgio Vasilis was the broker in this transaction.

The sale of an 83,000 SF storage facility at 314 Adams Street in Newark, New Jersey from 314 Adams Street, LLC to Asset Realty & Construction Corp. The sales price was \$4,100,000. Bill Sitar Jr., Andrew Burachinsky, Tom Palumbo, and Giorgio Vasilis were the brokers in this transaction.

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Large Blocks of Absorption

Office		
PTC Therapeutics	349,828 SF	400-500 Warren Corporate Center, Warren
Camden County One Stop Career Center	154,211 SF	101 Woodcrest Road, Cherry Hill
Red Bank Veterinary Hospital	100,000 SF	100 Schulz Drive, Red Bank
Industrial		
List Logistics	844,373 SF	703 Bartley Chester Road, Flanders
Undisclosed	249,600 SF	4 Aurora Drive, Cranbury
Yami	248,611 SF	1165 Cranbury South River Road, South Brunswick
Retail		
Undisclosed	80,653 SF	765 N State Route 17, Paramus
Undisclosed	57,853 SF	1601 Livingston Avenue, North Brunswick
LA Fitness	41,000 SF	905 US 1, Edison

Average Sales Prices

	Office PSF	Industrial PSF	Retail PSF	Multi Family Per Unit
Northern New Jersey	\$209	\$188	\$207	\$251,000
Trenton	\$186	\$159	\$192	\$303,000
Atlantic City	\$155	\$84	\$145	\$166,000
Vineland	\$118	\$65	\$180	\$99,800
Ocean City	\$161	\$107	\$204	\$121,000

Net Absorption, SF

(Past 12 Months)

	Office	Industrial	Retail
Northern New Jersey	(1,400,000)	4,700,000	448,000
Trenton	(18,900)	822,000	273,000
Atlantic City	66,500	(7,900)	108,000
Vineland	(19,300)	(33,900)	(35,900)
Ocean City	12,600	(26,000)	(48,800)

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FEATURED LISTINGS

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INDUSTRIAL FOR LEASE

20 Duke Road
Piscataway, NJ 08854

Please contact:
Office: 732.283.9000

Robert Bogash
Cell: 732.319.4680

John Cranley
Cell: 908.370.9808



RETAIL FOR SALE

655 Raritan Road
Cranford, NJ 07016

Please contact:
Office: 732.283.9000

William Sitar Jr.
Cell: 973.202.9119

Ronald Schrader Jr.
Cell: 732.859.1781



OFFICE/RETAIL FOR SALE/LEASE

33 Lake Drive
East Windsor, NJ 08520

Please contact:
Office: 732.283.9000

Robert Bogash
Cell: 732.319.4680

Leslie Wulach
Cell: 732.710.5492

1481 Oak Tree Road, Iselin, NJ 08830
732-283-9000
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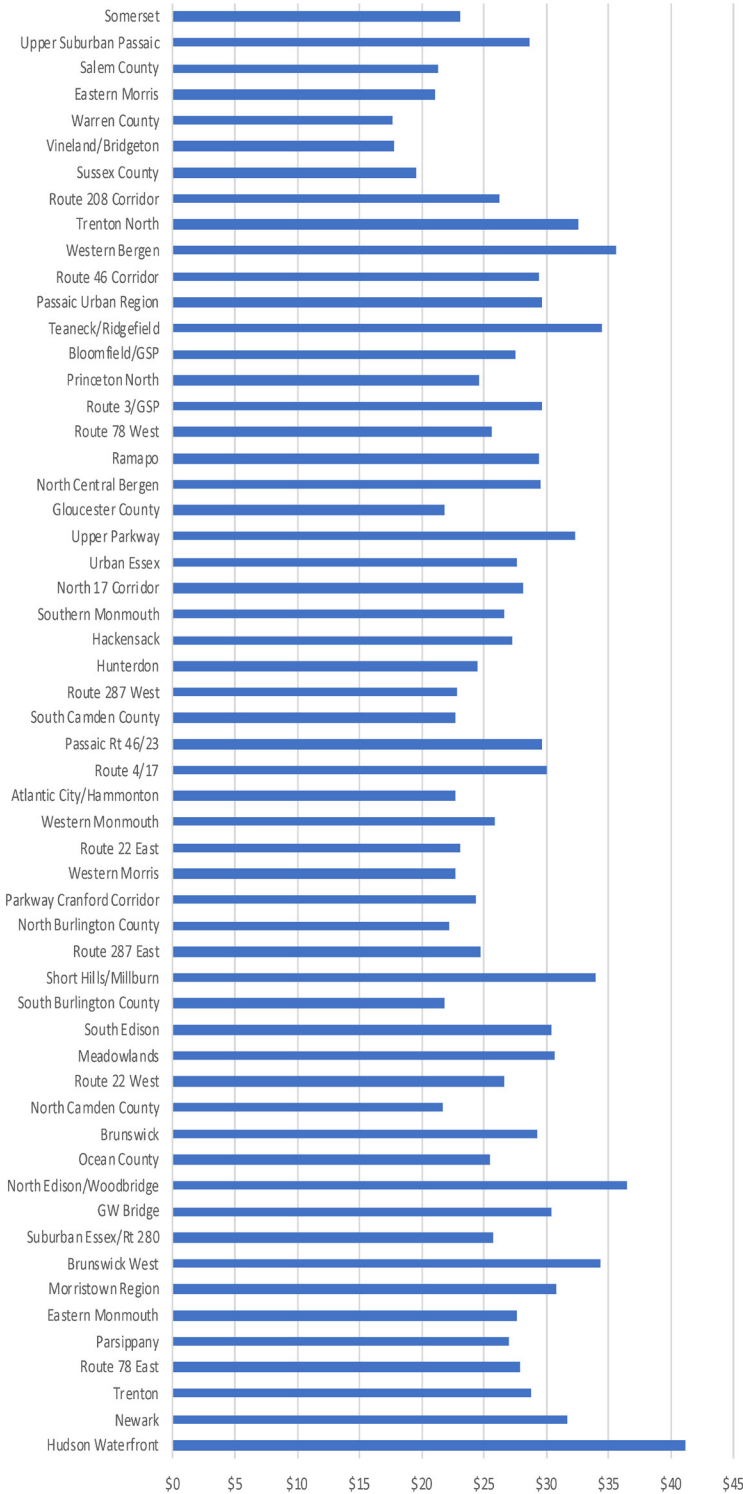
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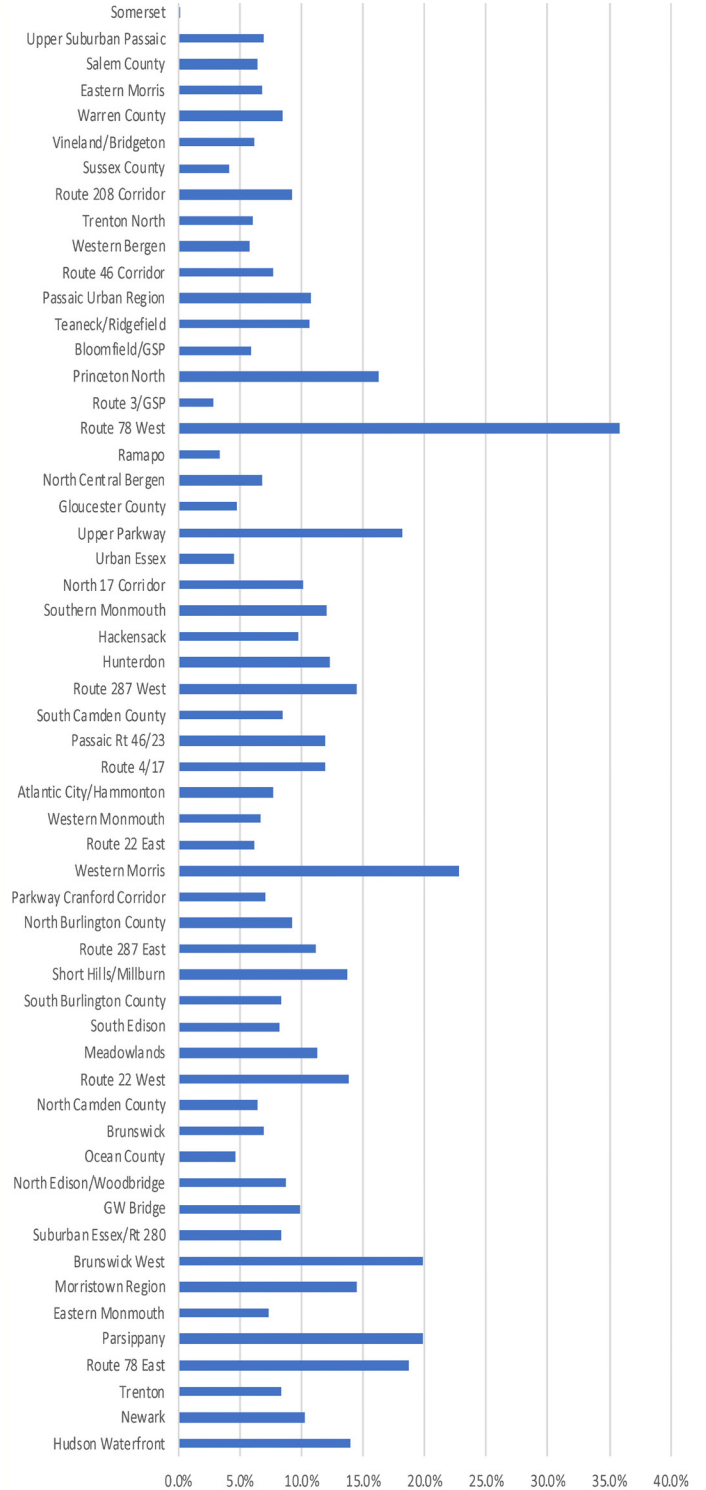


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Office: Quoted Rates by Submarket



Office: Vacancy Rates by Submarket



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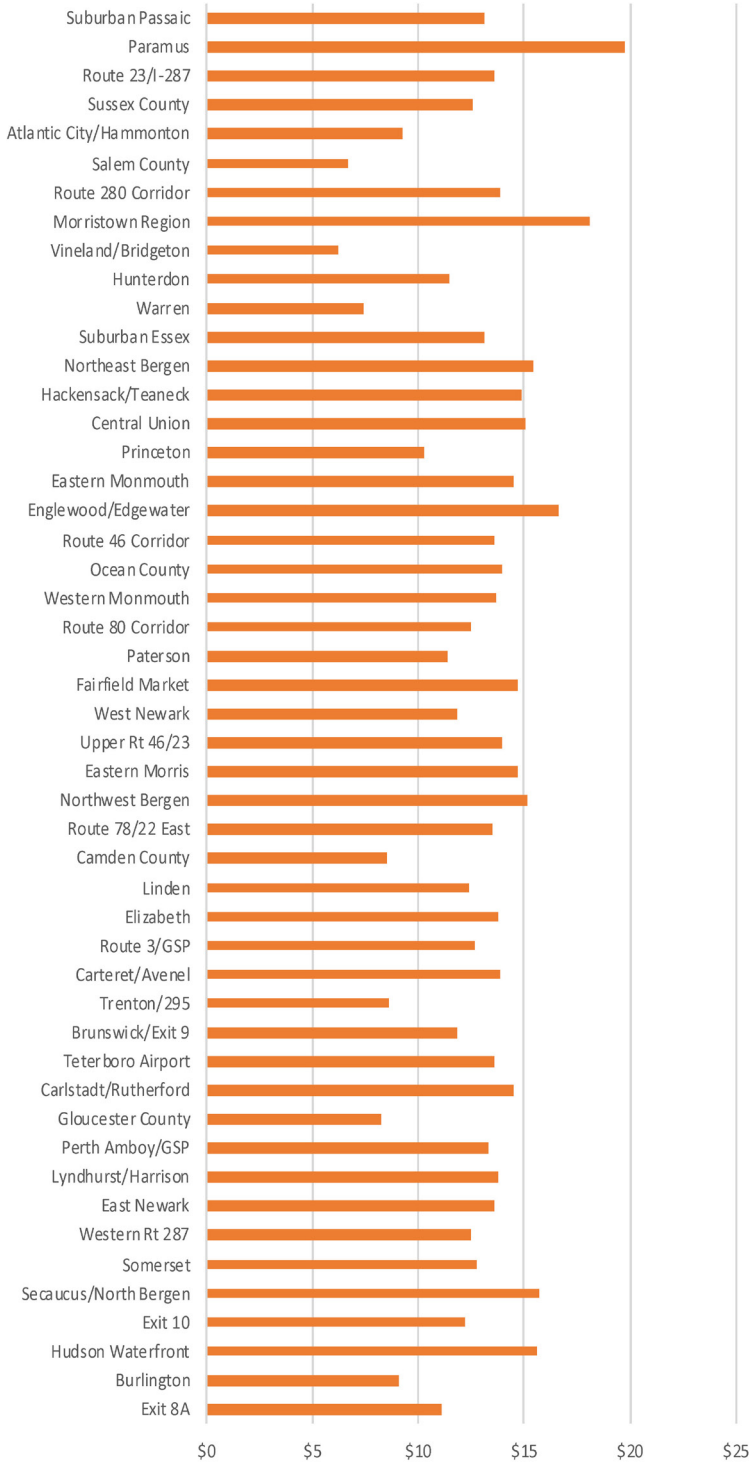
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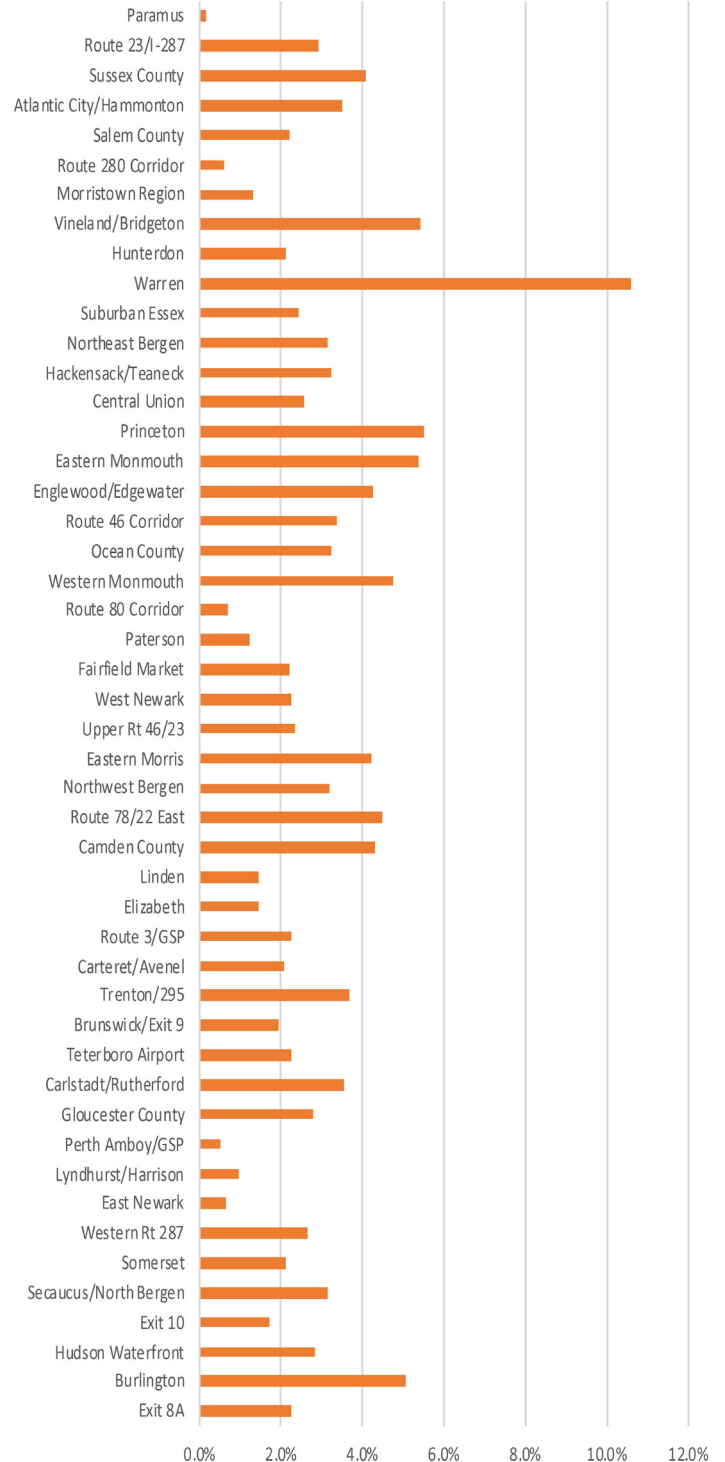


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Industrial: Quoted Rates by Submarket



Industrial: Vacancy Rates by Submarket



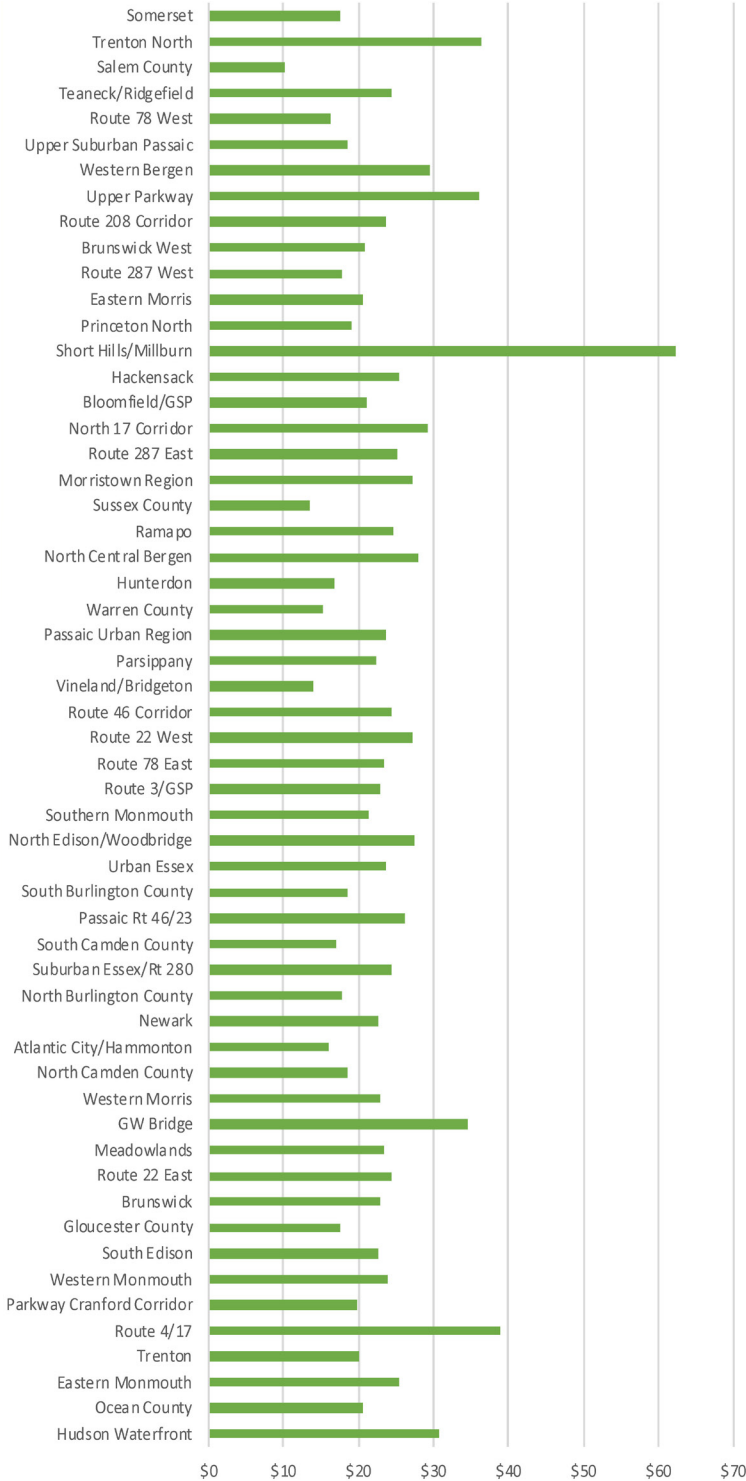
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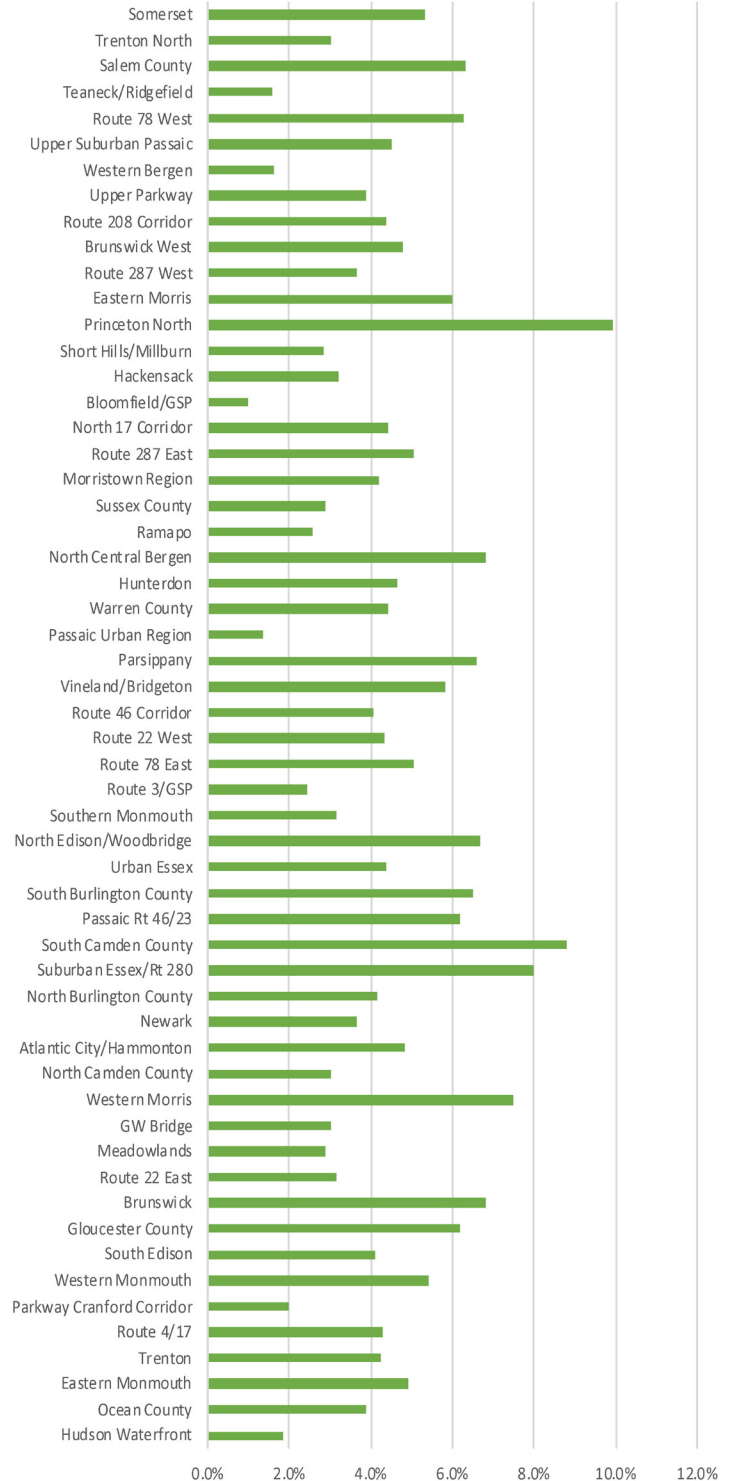


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Retail: Quoted Rates by Submarket



Retail: Vacancy Rates by Submarket



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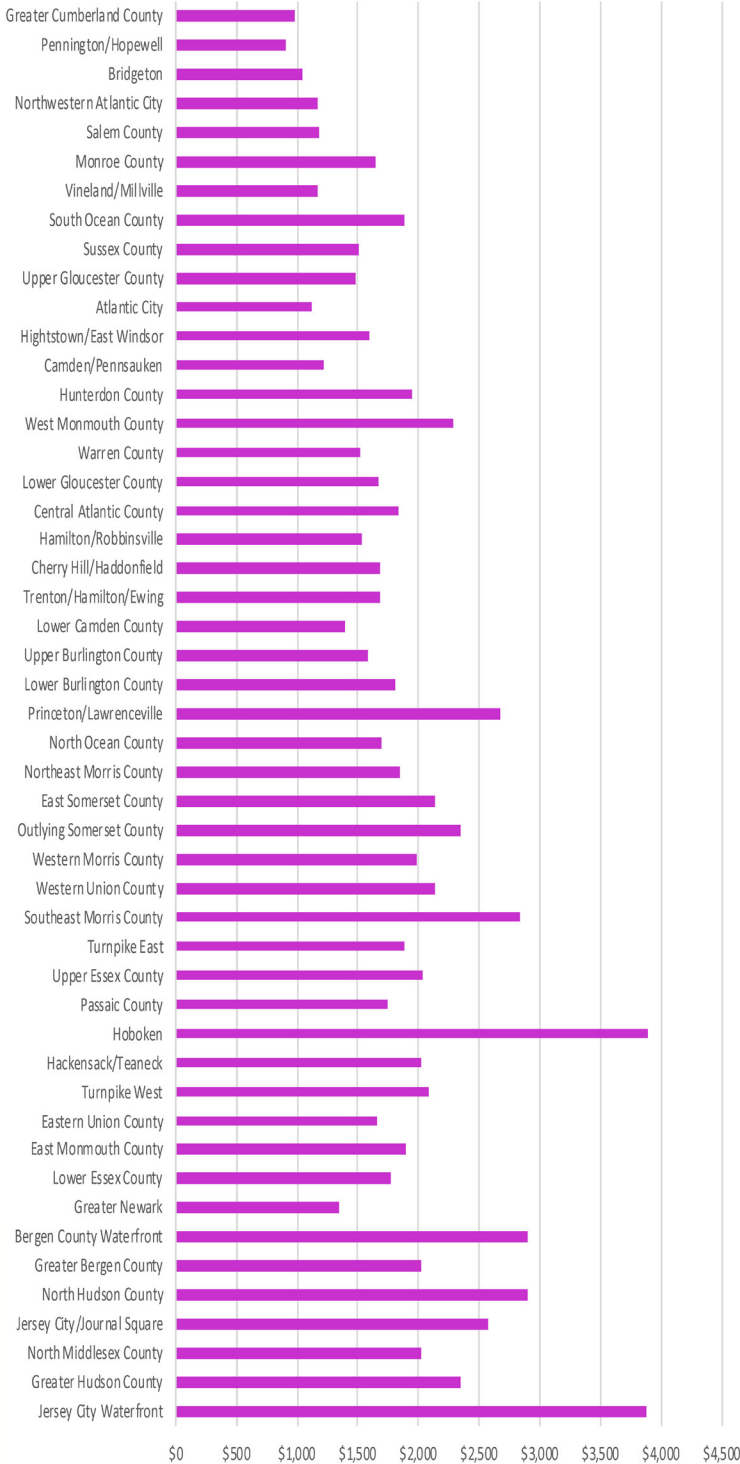
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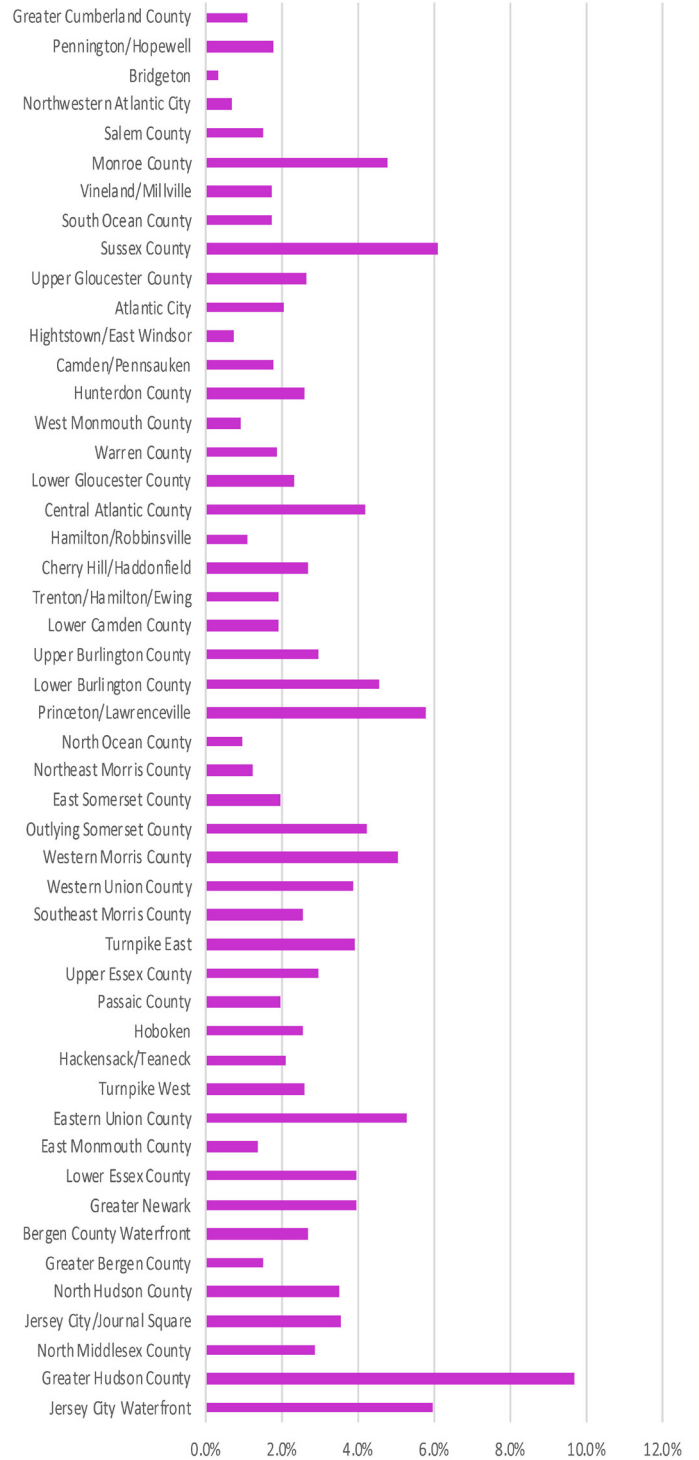


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Multi-Family: Quoted Rates by Submarket



Multi-Family: Vacancy Rates by Submarket



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About Sitar Realty Company

One of the greatest strengths of the Sitar Realty Company is our ability to offer experience and expertise in all forms of real estate brokerage. Among our specialties are office and industrial leasing and sales, property disposition, consulting for acquisitions, investments, joint ventures and asset management. We are active in tenant representation as well as owner representation for exclusive agencies. Our intimate knowledge of the New Jersey real estate market has often meant a shorter lease-up period for exclusive properties. Most of our brokerage activity takes place in the New Jersey and New York metropolitan area and Pennsylvania. Yet, our repeated success with corporations seeking space in other states has assured these firms of the Sitar Realty Company's strong brokerage network throughout the country. Time is critical in today's market. Whether the requirement is 2,000 or 800,000 square feet, Sitar Realty Company's personnel utilize the resources available to fulfill the requirement thoroughly and professionally. From site selection through data analysis, advice, negotiation, and closing, Sitar Realty Company offers a turnkey solution to each transaction. Our goal is to provide the vital services our clients need and expect in an expeditious and comprehensive manner.

Sitar Realty Company Services

- Commercial Brokerage Leasing and Sales
- Investment Services
- Property Tax Consulting & Appeals
- Property Management Services
- Rent Receiver Services
- Award-Winning Research
- Consulting and Advisory
- IRA Real Estate
- Residential Division



Corporate Mission

Our mission is to provide the finest, most professional real estate services to our clients, exceeding their expectations and delivering total satisfaction. Our approach maximizes the value of real estate while minimizing client costs. We combine creativity, real estate specialists, total market expertise, and integrity to achieve comprehensive solutions to real estate needs. Our salespeople have access to reliable resources and the latest technology and support systems available in the industry.

Our vision is to create an environment of constant improvement, resulting in an ever-increasing quality of our services. We will continuously seek to improve every activity and process in the company. We believe that as good as we are today, we must be better tomorrow. Our drive to improve is both continuous and relentless. We strive to be the unsurpassed standard of comparison.

Our commitment is to listen to the voice of the client, understanding their perspective to implement the real estate plan, and to satisfy their needs at a cost that represents real value. We at Sitar Realty Company believe that the complexities of real estate demand a total approach to client needs and space requirements combining ever-improving creativity and multi-functional skills. Our initiatives meet this challenge three ways: in-depth needs assessment, timely information, and dynamic solutions that create long-term value.

We believe the only real test of performance is the quality of services that we provide to the clients we represent. Over the long term, we must consistently exceed their expectations.

Finally, and perhaps most importantly, we will conduct ourselves in an exemplary manner with all our clients and customers, both large and small, thereby creating long-term relationships with them, whether the service is brokerage, consulting, market research, or corporate investments.

Sitar Realty Company Locations

Sitar Realty Company specializes in servicing all real estate markets in New Jersey. The Company is headquartered in Middlesex County, New Jersey with an additional office located in Monmouth County, NJ.

1481 Oak Tree Road, Iselin, NJ 08830
Tel: 732-283-9000 Fax: 732-283-3103

503 Washington Blvd., Sea Girt, NJ 08750
Tel: 732-449-2000 Fax: 732-449-2828

TCN Worldwide

In 2011, Sitar Realty Company was selected to become a member of TCN Worldwide. TCN Worldwide is comprised of more than 5,000 commercial real estate professionals serving more than 200 markets worldwide. With \$58.6 billion in annual transactions and over 445 million square feet of space under management, TCN Worldwide ranks as one of the largest service providers in the industry. As a member of the TCN worldwide system, we are able to provide corporate real estate services to our clients in national and international markets utilizing the best local expertise.

The data collected herein has been derived from Dept. of Labor, Dept. of Commerce, The Federal Reserve, CoStar, Sitar Realty Company, U.S. Census Bureau of Labor Statistics, Port Authority of NY & NJ and NJEDA. Data may not reflect what was previously reported due to new information coming available. The information gathered is deemed reliable, but no warranty or representations are made as to the accuracy thereof and is submitted subject to any errors or omissions. The ideas and opinions expressed in this market report reflect the views of Sitar Realty Company.

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