

# MARKET WATCH

## Fourth Quarter 2022



Worldwide Real Estate Services

### Economic Indicators

<b>Unemployment Rate, National</b>	3.5%	—
<b>Unemployment Rate, New Jersey</b>	3.4%	↑
<b>National Median Existing Home Price</b>	\$366,900	↓
<b>Consumer Confidence Index</b>	108.3%	↑
<b>10 Year Treasury Yield</b>	3.88%	↑
<b>WTI Crude Oil Price</b>	\$80.16	↑

### OFFICE LEASING IS ON THE RISE

Despite the looming recession, office leasing in New Jersey improved throughout 2022. The market saw 8.3 million square feet of leasing activity, marking a 9.7% increase from 2021 and the highest full-year leasing tally for northern and central New Jersey since 2019. Although many employees are still working from home or on hybrid schedules, major corporations, such as Fiserv, AT&T, CIT Group, Avis, and Bristol-Myers Squibb increased their large lease commitments during this quarter, indicating a possible change in remote work opportunities. However, despite stronger demand, large blocks of vacant space continue to return to the Northern New Jersey market causing the vacancy rate to increase to 13.7% from 13.1%. Further, in just this quarter the negative absorption rate rose to 1,700,000 from 367,000 signaling more office space becoming available on the market. As various corporations and companies continue to reassess their office needs in 2023, these numbers may change in the coming quarter.

### Northern New Jersey Key Performance Indicators

	Office	Industrial	Retail
<b>Average Market Rate (PSF)</b>	\$27.68	\$14.24	\$23.22
<b>Average Vacancy Rate</b>	13.7%	2.6%	4.5%
<b>Net Absorption</b>	(1,700,000)	2,800,000	737,000
<b>Total Inventory (Million SF)</b>	156.0	248.0	136.0

Additionally, industrial and retail rents rose this quarter. Industrial rents rose from \$13.66 to \$14.24 PSF, while retail rents rose from \$22.61 to \$23.22 PSF. Industrial vacancy remains somewhat stagnant at 2.6% and retail vacancy decreased ever so slightly from 4.6% to 4.5%. The expected economic downturn in the New Year may continue to impact inflation, interest rates, and labor shortages in the coming quarter and change these rates in the coming months.

### Select Sitar Transactions - 4Q 2022

The sale of a six property self-storage portfolio totaling 613,790 sq. ft. in Georgia, Kansas and Oklahoma between Prime Group Holdings and CAP Storage Pool 1, LLC & CAP Storage Pool 2, LLC. Andrew Burachinsky, Bill Sitar Jr., Tom Palumbo and John Cranley were the brokers in this transaction.

The lease renewal and expansion of office space at 20 West 37th Street in New York City by Matrix New World Engineering. Bill Sitar Jr. was the broker in this transaction.

The sale of the former Perkins restaurant at 710 Highway 35 in Neptune, New Jersey to Ben Hur Investments, LLC for \$1,500,000. William Frusco and Suzanne Crosby were the brokers in this transaction.

The sale of a 3,200 sq. ft. office building at 33 Lake Drive in East Windsor, New Jersey by 33 Lake Drive, LLC to Eke Realty. The sale price was \$1,350,000. Les Wulach and Robert Bogash were the brokers in this transaction.

A long-term lease of 5,141 SF of retail space by SETS at 1107-1185 Route 35 in Middletown, New Jersey. Justin Goodman was the broker in this transaction.

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### Large Blocks of Absorption

Office		
Bristol Myers Squibb	250,000 SF	5 Giralda Farms, Madison
Affinity Federal Credit Union	126,360 SF	73 Mountainview Boulevard, Basking Ridge
AbbVie	92,122 SF	100 Park Avenue, Florham Park
Industrial		
Home Depot	1,281,000 SF	904 Cranbury South River Road, Monroe Twp.
United Distribution Services	384,895 SF	1365 Lambertson Road, Hamilton Twp.
Accem Warehouse	293,887 SF	8 Peach Tree Hill Road, Livingston
Retail		
Target	99,000 SF	233-257 Prospect Avenue, West Orange
Floor & Décor	85,748 SF	1644 St. Georges Avenue, Avenel
Target	84,000 SF	321 State Route 440, Jersey City

### Average Sales Prices

	Office PSF	Industrial PSF	Retail PSF	Multi Family Per Unit
Northern New Jersey	\$204	\$201	\$214	\$262,000
Trenton	\$183	\$170	\$186	\$307,000
Atlantic City	\$153	\$86	\$158	\$145,000
Vineland	\$124	\$68	\$170	\$116,000
Ocean City	\$161	\$112	\$211	\$122,000

### Net Absorption, SF (Past 12 Months)

	Office	Industrial	Retail
Northern New Jersey	(1,900,000)	2,800,000	737,000
Trenton	(266,000)	1,500,000	14,800
Atlantic City	7,700	32,500	(82,300)
Vineland	(28,900)	(355,000)	64,300
Ocean City	15,900	(24,400)	58,100

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FEATURED LISTINGS

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### INDUSTRIAL FOR SALE

1913 Heck Avenue  
Neptune, NJ 07753

Please contact:  
Office: 732.449.2000

Thomas R. Deveney  
Cell: 732.275.7846



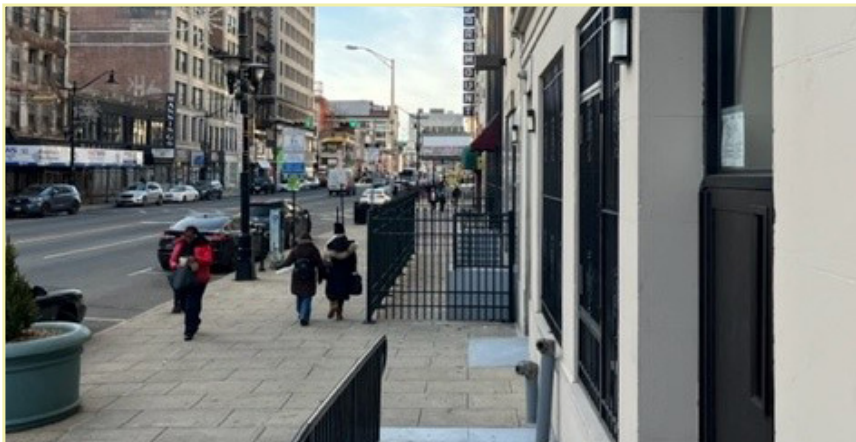
### LAND FOR SALE

Tinton Avenue & Municipal Drive  
Tinton Falls, NJ 07724

Please contact:  
Office: 732.283.9000

Douglas Sitar  
Cell: 732.859.2144

Giorgio Vasilis  
Cell: 732.579.7002



### OFFICE/RETAIL FOR LEASE

111 Mulberry Street  
Newark, NJ 07102

Please contact:  
Office: 732.283.9000

Brian Murphy  
Cell: 732.539.3098

1481 Oak Tree Road, Iselin, NJ 08830  
732-283-9000  
[www.sitarcompany.com](http://www.sitarcompany.com)

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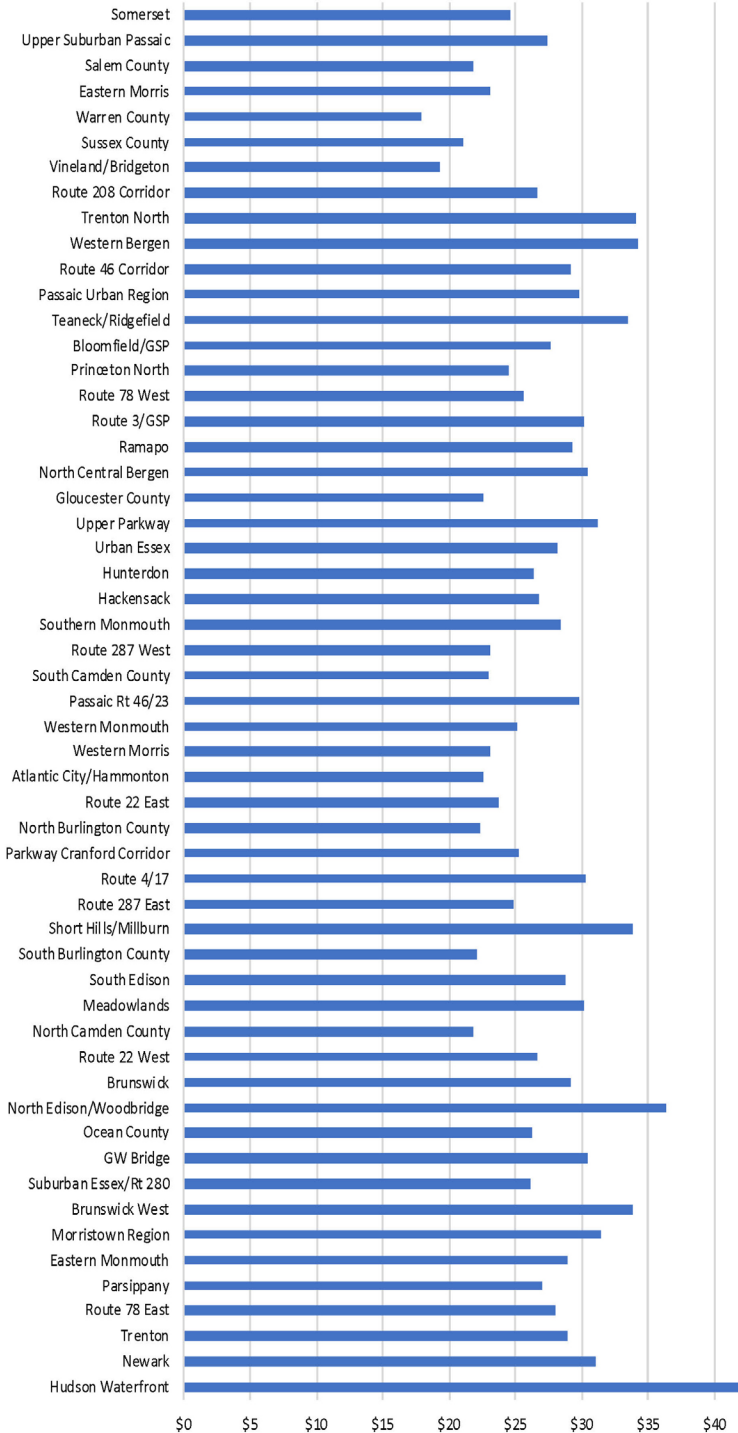
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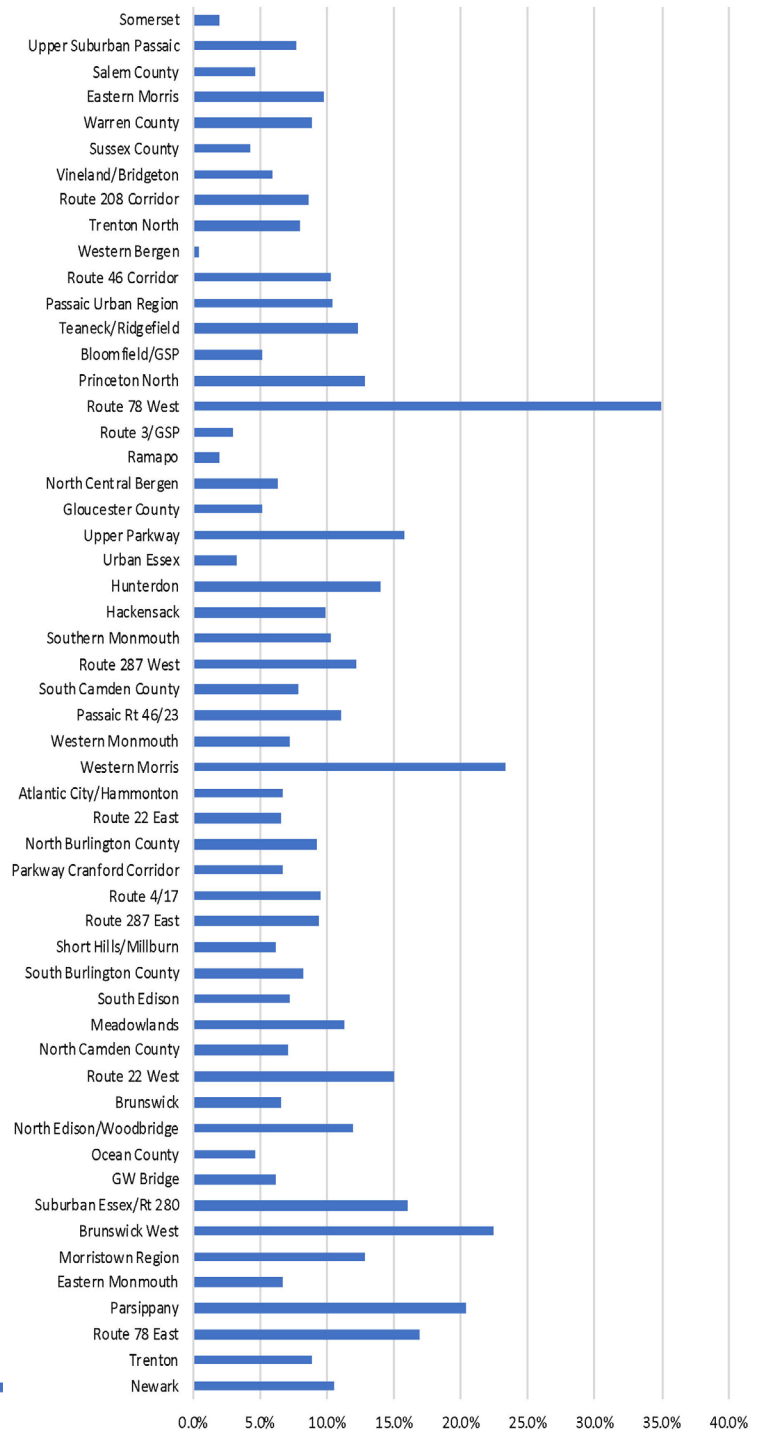


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### Office: Quoted Rates by Submarket



### Office: Vacancy Rates by Submarket



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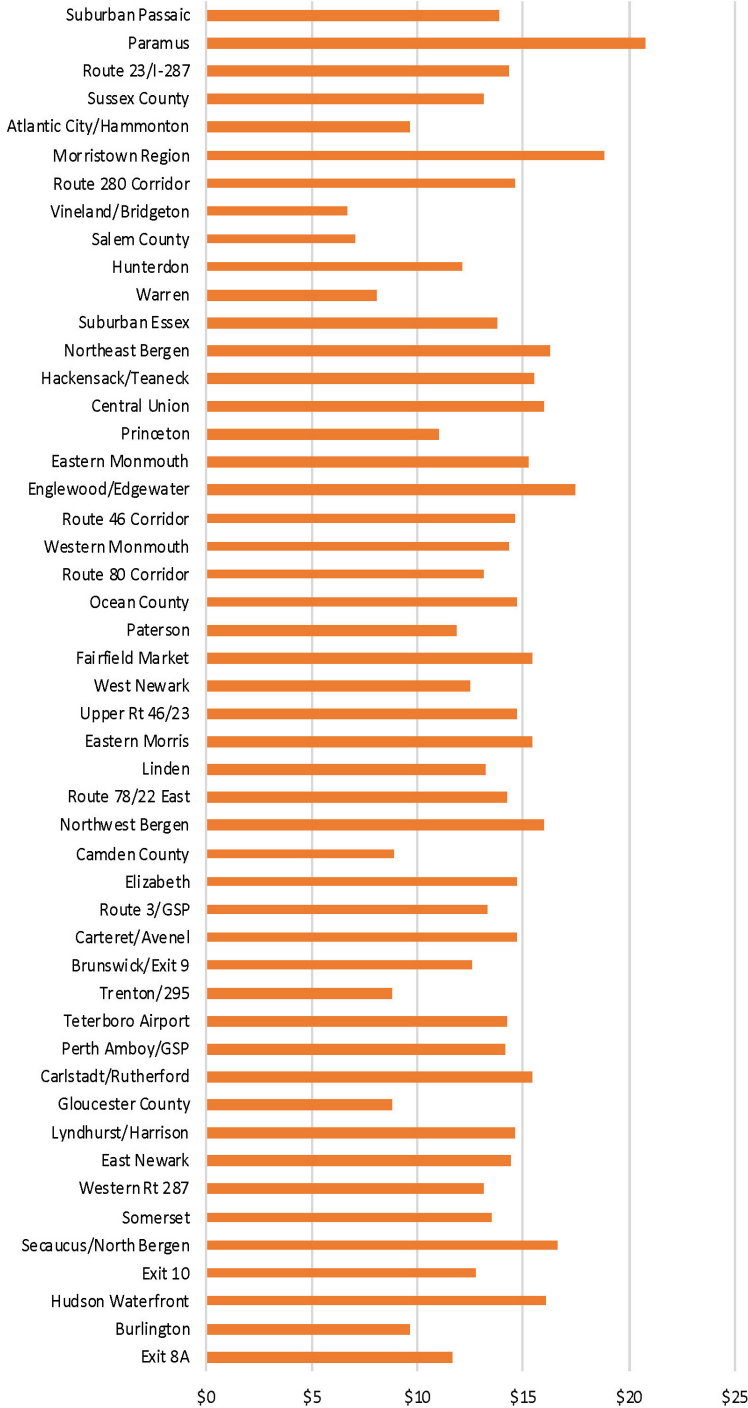
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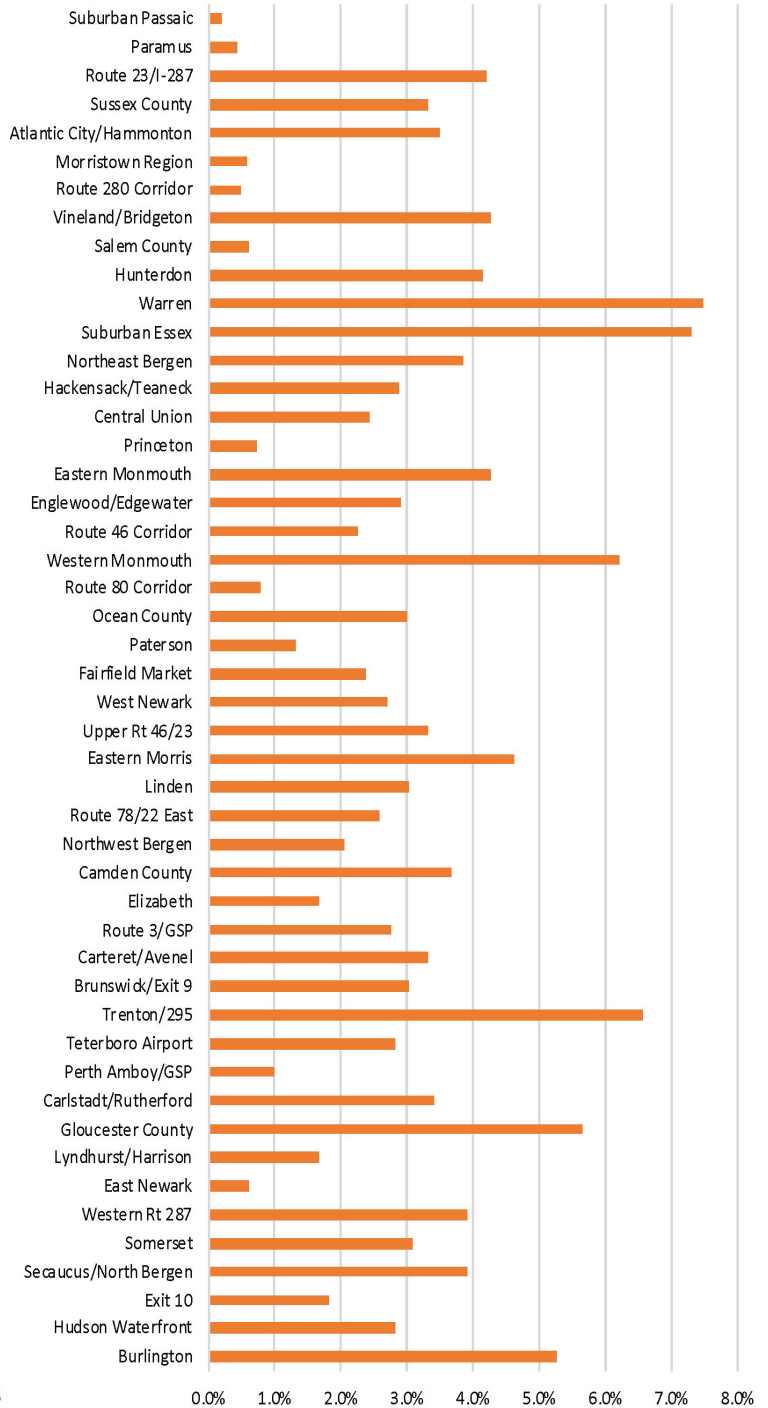


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### Industrial: Quoted Rates by Submarket



### Industrial: Vacancy Rates by Submarket



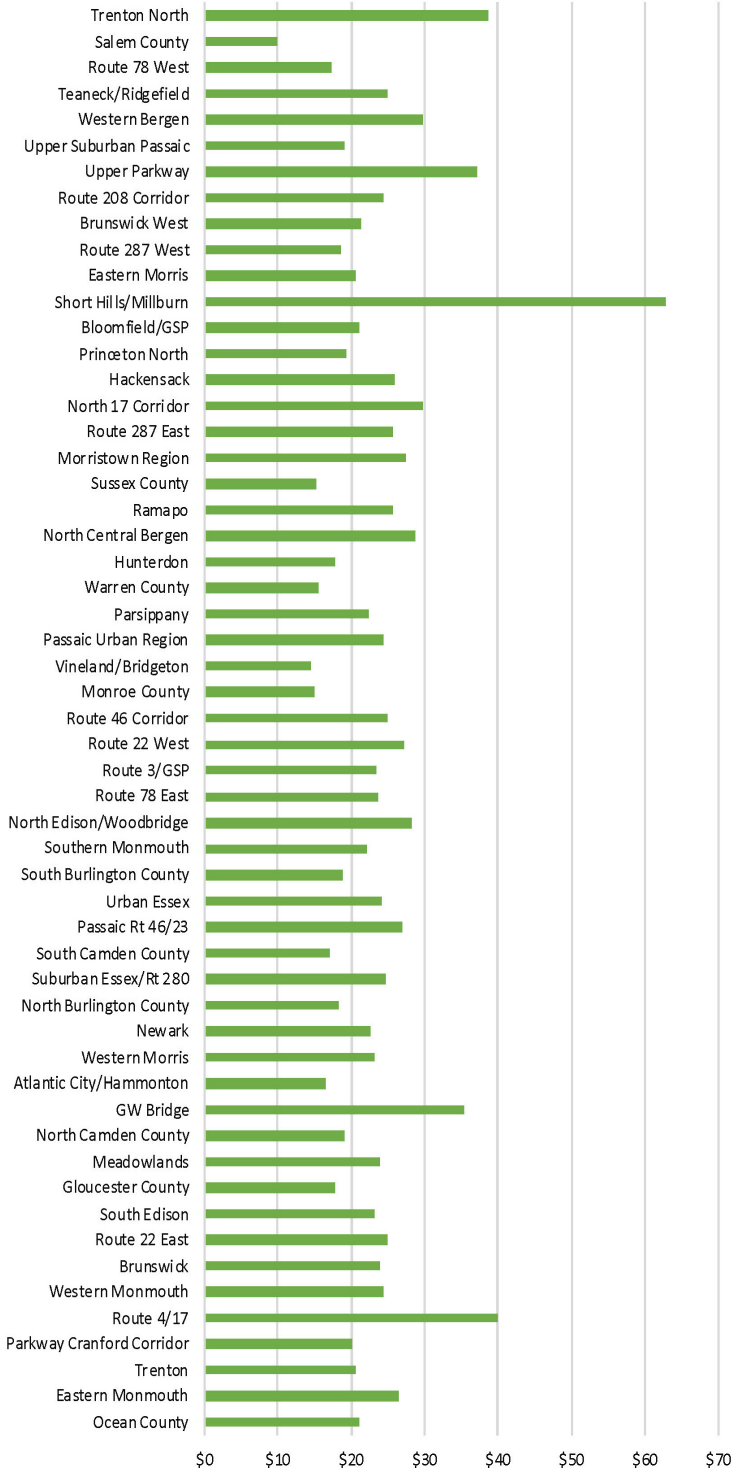
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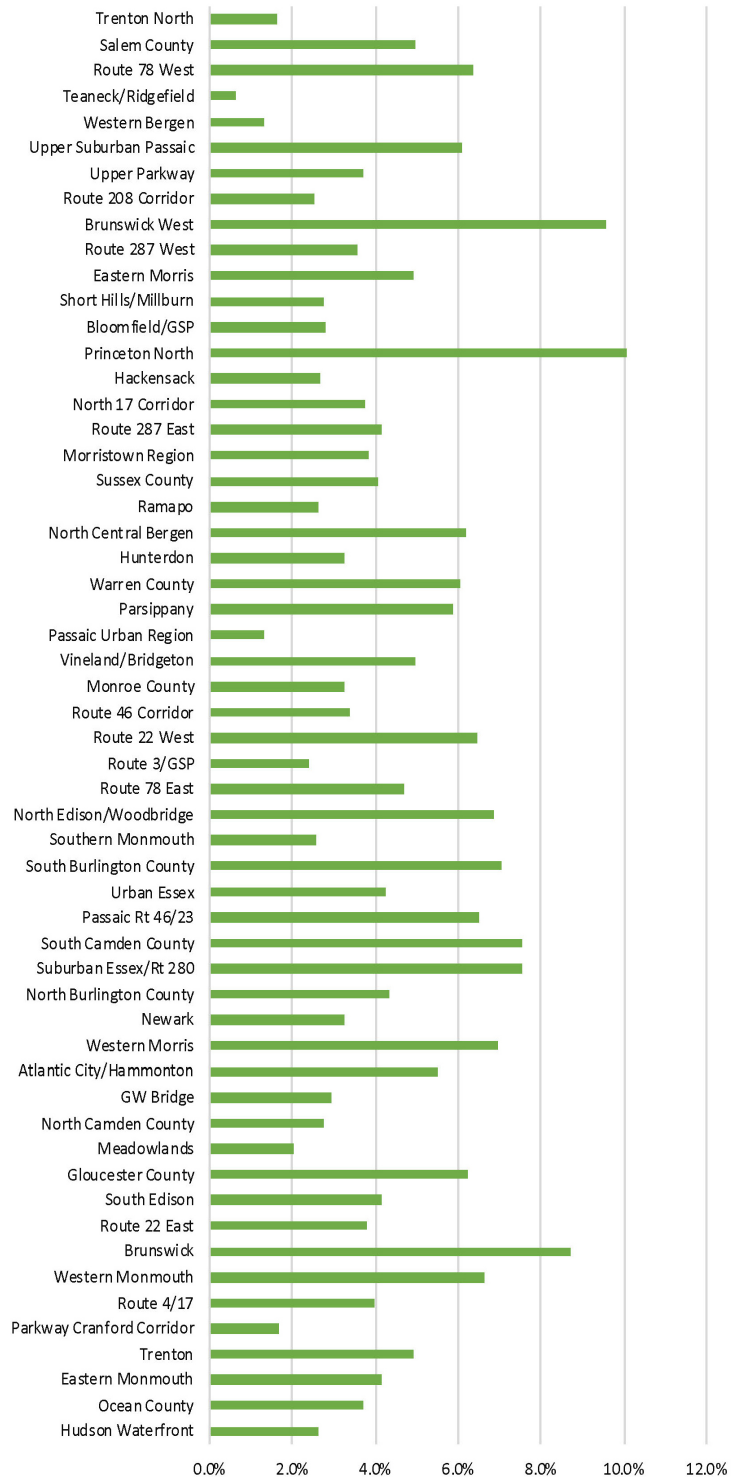


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### Retail: Quoted Rates by Submarket



### Retail: Vacancy Rates by Submarket



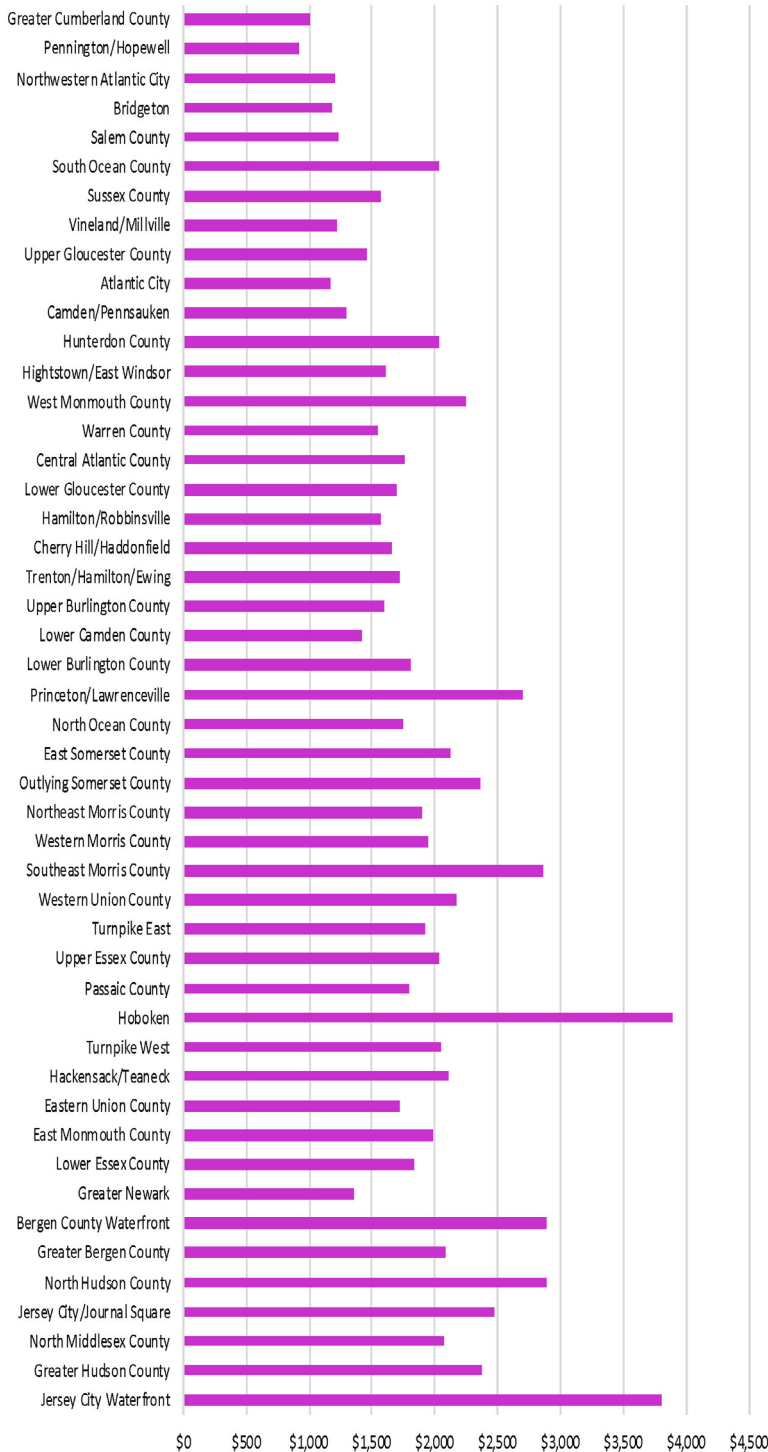
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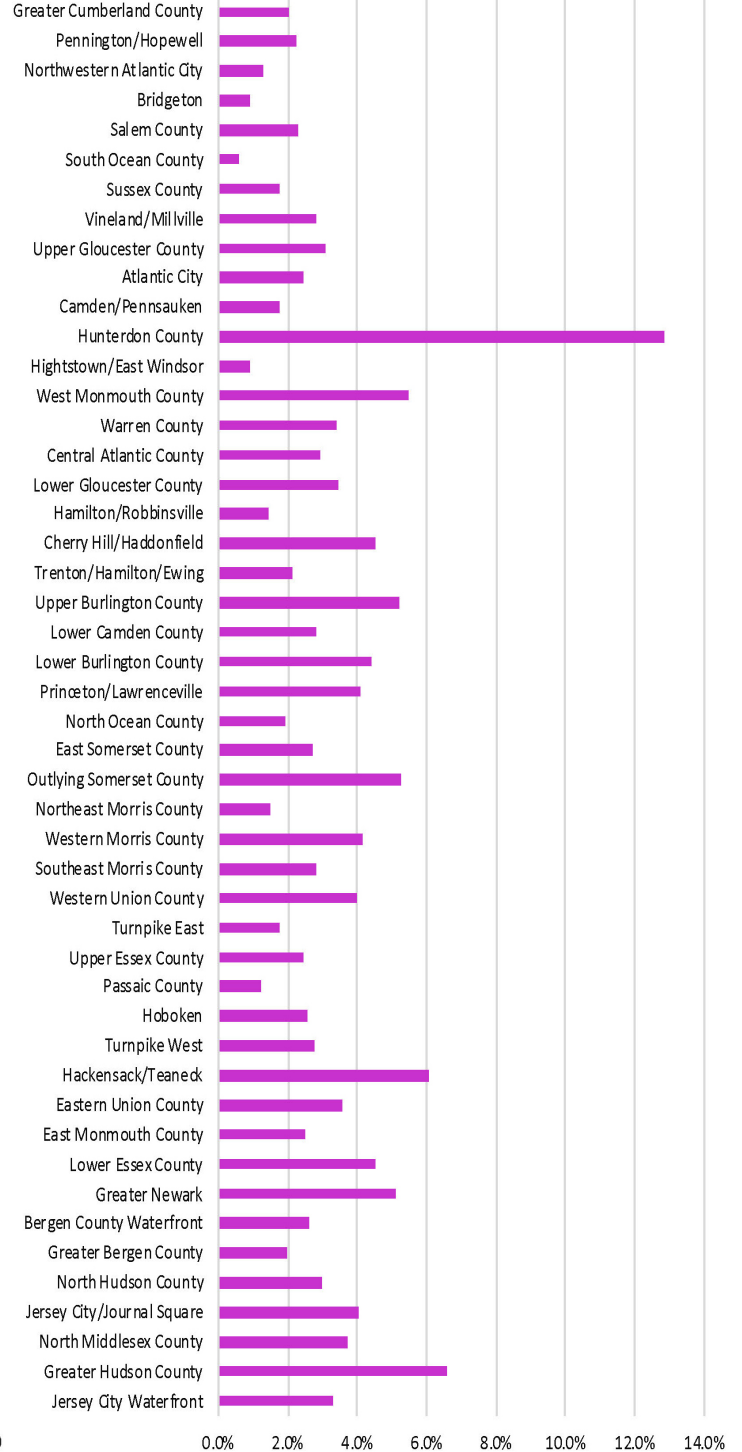


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### Multi-Family: Quoted Rates by Submarket



### 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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