

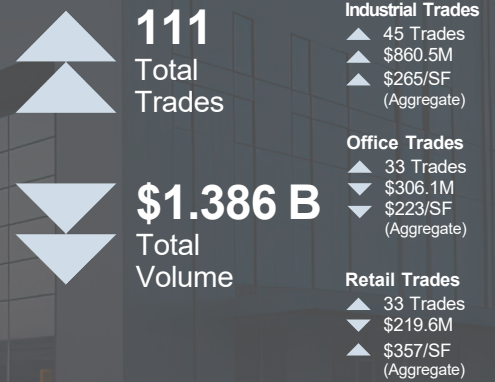
# Capital Markets Snapshot

## Northern/Central New Jersey

Summer 2023

**Fewer total trades in the first half but Industrial properties continue to command high prices**

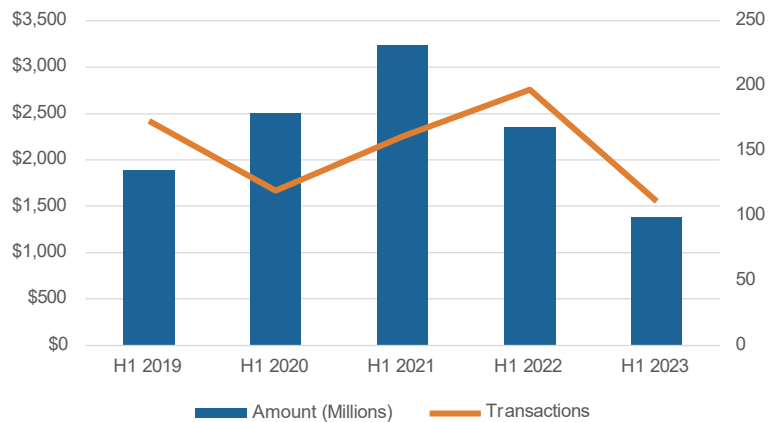
### Market at a Glance



Arrows indicate direction of 1st half year-over-year change

- Total volume for the 1st half (H1) 2023 is notably lower than 2022 with 86 fewer transactions recorded thus far. See Figure 1.
- This overall slowing in CRE transaction volume is likely due to the higher interest rate environment.
- Industrial product continues to trade at record high prices per square foot. Prices have increased to an average \$265/SF, a 34% increase YOY. Looking only at industrial buildings over 100K SF, the average price is \$220/SF, still a 42% increase YOY.

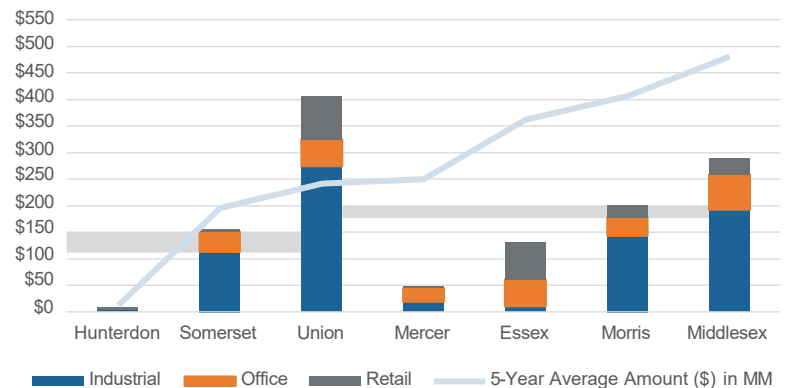
Figure 1: Historical Trading Activity



Source: NAIDB Research, Summer 2023

- Properties in Union and Middlesex counties were the most actively traded in H1. See Figure 2.
- Union county had the highest volume, with over \$270MM in industrial trades. There were 24 trades, the largest of which was a \$187MM sale of Merck's campus to Onyx Equities. Merck plans to relocate their headquarters over time to a new campus in Rahway.
- Union is the only county that is surpassing its 5-year average volume.

Figure 2: Transaction Volume by Asset Type and County



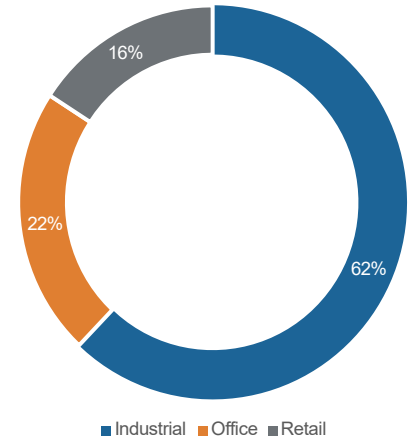
Source: NAIDB Research, Summer 2023

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- Retail volume in H1 2023 is lower YOY dropping from \$444MM to \$220MM, which is more on par with volume seen in 2021. This is due to the fact that 2022 volume was boosted by a few larger property trades over \$40MM each.
- As shown in Figure 3, Industrial accounts for over 60% of sales volume in the region. Thus far in 2023, two significant trades over \$100MM included the Merck Research & Development campus and a recently renovated multi-tenant building in Parsippany. See Figure 4 for notable transactions in H1.

**Figure 3:  
Transaction  
Volume by  
Asset Type**



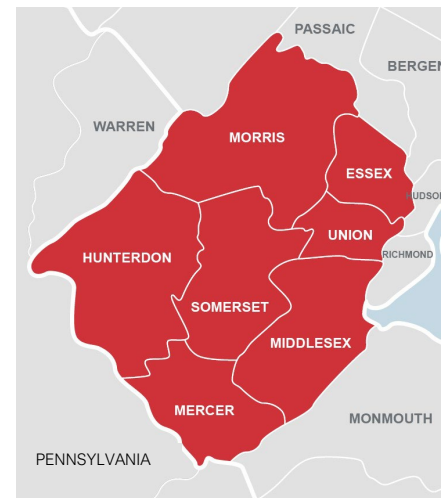
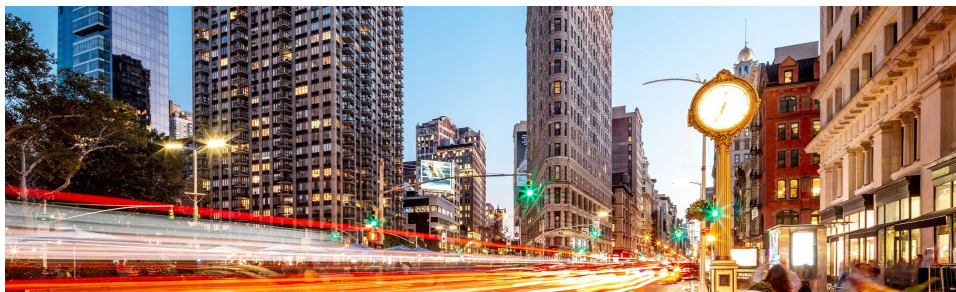
Source: NAIDB Research, Summer 2023

**Figure 4: Top Transactions by Asset Type**

	Property Address	Building SF	Buyer	Seller	Sale Price	Price PSF
INDUSTRIAL	Merck, Kenilworth	1,900,000	Machine Investment Group, Onyx Equities LLC	Merck	\$187,500,000	\$99
	100 Jefferson Road, Parsippany	558,930	J&J Farms Creamery	JFR Global Inc	\$115,500,000	\$207
	West Essex Logistics Ctr., Livingston	293,887	Invesco Real Estate	Bluewater Property Group	\$98,500,000	\$335
OFFICE	Independence Place, Warren	120,623	Signature Acquisitions	David Elkouby; American Equity Partners	\$22,500,000	\$187
	Morristown Plaza, Morristown	122,000	Pentaurus Real Estate Investment	Silverman Group	\$21,500,000	\$176
	Summit Health, Livingston	30,000	Montecito Medical	Silverman Group	\$20,762,542	\$692
RETAIL	Walmart Supercenter, Linden	185,682	Heritage Properties, Pegasus Investments Real Estate Advisory	Cypress Equities	\$55,954,500	\$301
	Powder Mill Plaza West, Parsippany	113,000	Kenneth Spilatro	Pineview Homes Inc	\$14,500,000	\$128
	688 Morris Turnpike, Short Hills	10,070	Rosario C Cassata (NY)	Mbk Holdings LLC	\$6,976,000	\$693

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This report utilizes data related to the following New Jersey counties: Middlesex, Somerset, Union, Essex, Morris, Mercer, and Hunterdon

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