



REAL ESTATE MARKET ANALYSIS FOR TECHNOLOGY CENTRE OF NEW JERSEY

May 2016





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Real Estate Market Analysis

The weighted average rent for the Technology Centre of New Jersey is about \$21 PSF NNN, which is slightly higher than the average comparable flex R&D market rent of \$18 PSF NNN according to the Integra Realty Resources' ("IRR") appraisal report.

- Alternative uses with high average market rents include office at \$23 PSF Gross, medical office at \$19 PSF NNN, multi-family at \$17 PSF Gross, and retail at \$16 PSF NNN.
- Future rental growth rates are estimated within a range of 0% to 3% annually.

The as-is value for the Technology Centre of New Jersey is about \$114 PSF, which is on the lower end of comparable flex R&D sale values, which average \$160 PSF.

- Alternative uses with high average sale values include office at \$100 PSF, medical office at \$130 PSF, multi-family at \$200 PSF, and retail at \$250 PSF.
- Future price growth rates are estimated within a range of 0% to 4% annually.
- Land sales average approximately \$400,000 an acre.

Real Estate Supply & Demand Analysis and Forecast

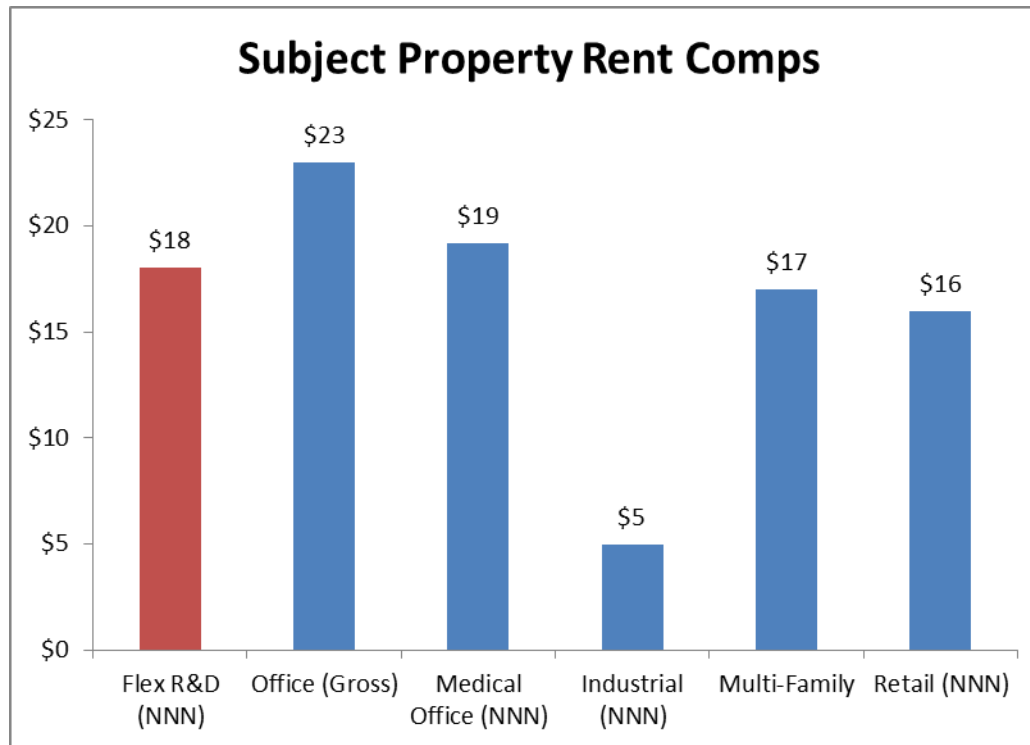
- There is limited demand for the current supply of flex R&D space, as evidenced by the relatively high vacancy rate of 23%. Current demand for lab space includes largely users who require about 2,000 to 5,000 SF with expansion potential.
- Pent up demand for office space from limited new construction should be satisfied with 50,000 SF of projects in the current pipeline. There are over 1.3 million SF of new office developments, including Class A quality, in the New Brunswick region that will compete for tenants. The current office vacancy rate is 14%.
- There is not much activity for medical office space in North Brunswick and typical space is Class B and C quality and small size. The current medical office vacancy rate is 11%.
- There are no new industrial projects proposed for North Brunswick but approximately 1.2 million SF of proposed developments in neighboring regions. The current industrial vacancy rate is 9%; however, average market rents for industrial properties are only \$5 PSF NNN, and average sales values for industrial properties are only \$90 PSF, and therefore, industrial redevelopment may not be an economically viable option.
- There have been no multi-family developments since 2006, leading to pent up demand and higher rents. There are 300 multi-family units planned for the North Brunswick Transit Village development for lease and sale, of which 158 luxury townhomes are currently being marketed for sale. The current multi-family vacancy rate is 1%.
- There are new retail developments in the pipeline (e.g., North Brunswick Market Place and Renaissance Town Center) which are pushing vacancy rates up. The current retail vacancy rate is 6.6%.

MARKET VALUE

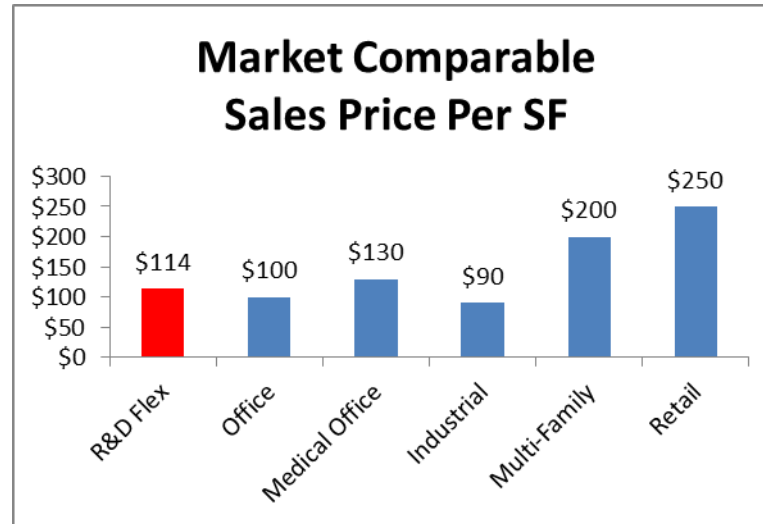


Current subject portfolio's average rent at \$21 PSF NNN as of April 2016 is above comparable flex R&D market rent at \$18 PSF NNN per the IRR appraisal report (see Appendix A).

Comparable flex R&D market rent is higher than market rents for alternative uses with the exception of office. While the Technology Centre of New Jersey is maximizing rent per SF value, the anticipated vacancy rate of 34% after the Premier tenant vacates the space indicates an underutilized campus. The site value can be maximized by increasing the occupancy rate either over time or through repositioning with alternative uses.

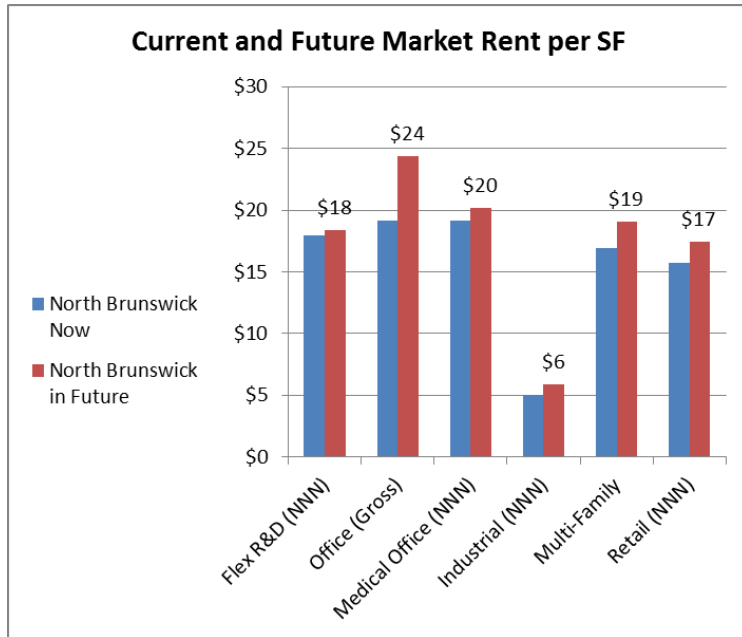


Source: CoStar



The Technology Centre of New Jersey can achieve a higher sales price per SF (than the current appraised value of \$114 per SF) if the property can be repositioned as multi-family or retail (see Appendix B), although there continue to be broader strategic concerns with retail use as internet sales continue to erode sales from many physical sites.

Source: CoStar



In North Brunswick, industrial and multi-family have higher historical rental growth rates. Flex R&D rental rates have been declining over the last 10 years.

Assumptions

- Base rent assumptions are based on rent comps similar in quality and size to the Technology Centre of New Jersey (see Appendix A).
- Future rent growth from 2016 through 2021 is projected in the Market Forecasting Model (see Appendix C) based on historical CoStar analytics, economic indicators, and new developments in the North Brunswick region.

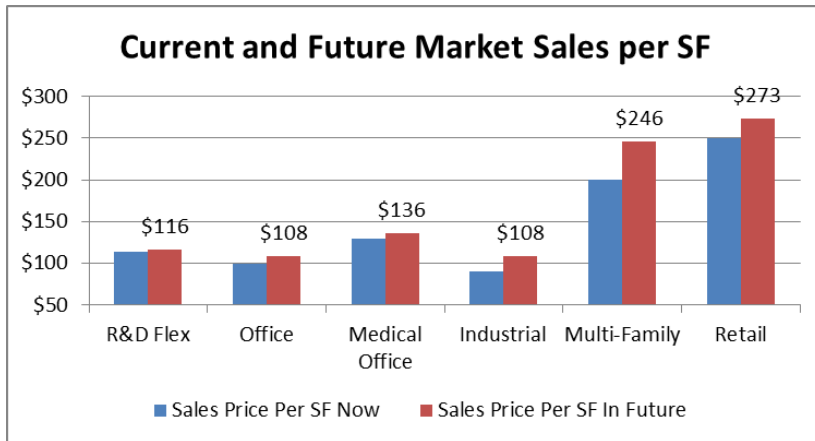
Short-Term Long-Term Future Growth

Rent PSF	North Brunswick 2016	5-Year Historic Annual Average	10-Year Historic Annual Average	2016-2021 Annual Average	North Brunswick 2021
Flex R&D (NNN)	\$18	-4.1%	-1.8%	0.4%	\$18
Office (Gross)	\$23	-0.4%	-0.8%	1.2%	\$24
Medical Office (NNN)	\$19	-2.7%	1.9%	1.0%	\$20
Industrial (NNN)	\$5	11.1%	4.4%	3.2%	\$6
Multi-Family	\$17	2.5%	1.3%	2.4%	\$19
Retail (NNN)	\$16	-5.9%	-0.1%	1.8%	\$17
CPI		1.7%	2.0%		2.0%

Source: CoStar

Market value growth through 2021 is based on two components: future rent growth through 2021 and changes in market cap rates through 2021 based on market conditions.

Industrial and multi-family are projected to have higher value growth while flex R&D value growth is projected at 0.4% annually.



Asset	Sales Price Per SF Now	Sales Price Per SF In Future	2016-2021 Annual Average Price Growth
R&D Flex	\$114	\$116	0.4%
Office	\$100	\$108	1.6%
Medical Office	\$130	\$136	0.8%
Industrial	\$90	\$108	3.8%
Multi-Family	\$200	\$246	4.2%
Retail	\$250	\$273	1.8%

Rent Growth Component of Sales Price

Asset	2016-2021 Annual Average Rent Growth
R&D Flex	0.4%
Office	1.2%
Medical Office	1.0%
Industrial	3.2%
Multi-Family	2.4%
Retail	1.8%

Cap Rate Component of Sales Price

Asset	10-Year Historic Average Annual Cap Rate Change*	Optimistic (O), Neutral (N), or Pessimistic (P) Market	Total Cap Rate Change by 2021
R&D Flex	N/A	P	0 bps
Office	-7 bps	N	-25 bps
Medical Office	2 bps	N	10 bps
Industrial	-3 bps	N	-15 bps
Multi-Family	-20 bps	O	-50 bps
Retail	2 bps	O	0 bps

*Based on CoStar historic trends for Middlesex County

Source: CoStar

MARKET FORECASTING MODEL: SUPPLY AND DEMAND



Pessimistic Market View	Neutral Market View	Optimistic Market View
Flex R&D	Office	Multi-Family
	Medical	
	Industrial	
	Retail	

Analysis

The space supply and demand trends in the Market Forecasting Model indicate that the Technology Centre of New Jersey is better off repositioned for other uses for a higher future value through higher rental rates, higher occupancy rate, and a higher sales price.

Flex R&D (Pessimistic Market View)

- There is low demand for flex R&D space as reflected in low historical net absorption rates and high vacancy rate of 28% over the last 5 years.
- Significant negative net absorption rates are signs of a weakening market.

Office (Neutral Market View)

- Office market appears to be stabilizing at 13% vacancy after gradually absorbing new space delivered in 2006 to 2008.
- Some pent up demand for space from limited new construction in over 5 years should be satisfied with 50,000 SF of projects in the current pipeline.
- However, there are over 1.3 million SF of new office developments, including Class A quality, in the New Brunswick region that will compete for tenants.

Medical (Neutral Market View)

- All medical spaces in North Brunswick are Class B and C medical office buildings ranging in size from 8,000 SF to 24,000 SF.
- There is not much activity in this space aside from 32,000 SF of proposed developments.

Industrial (Neutral Market View)

- There are no new industrial projects proposed for North Brunswick and there have been no new developments since 2008-2009.
- However, there are many proposed developments in neighboring regions with stronger industrial clusters, up to approx. 1.2 million SF within a 3-mile radius of North Brunswick.

Retail (Neutral Market View)

- There are new developments in the pipeline with the North Brunswick Market Place and Renaissance Town Center, which will push vacancy rates up and may impact new lease rents.
- The current retail vacancy rate is quite healthy for the region; however, there continue to be broader strategic concerns with retail use as internet sales continue to erode sales from many physical sites.

Multi-Family (Optimistic Market View)

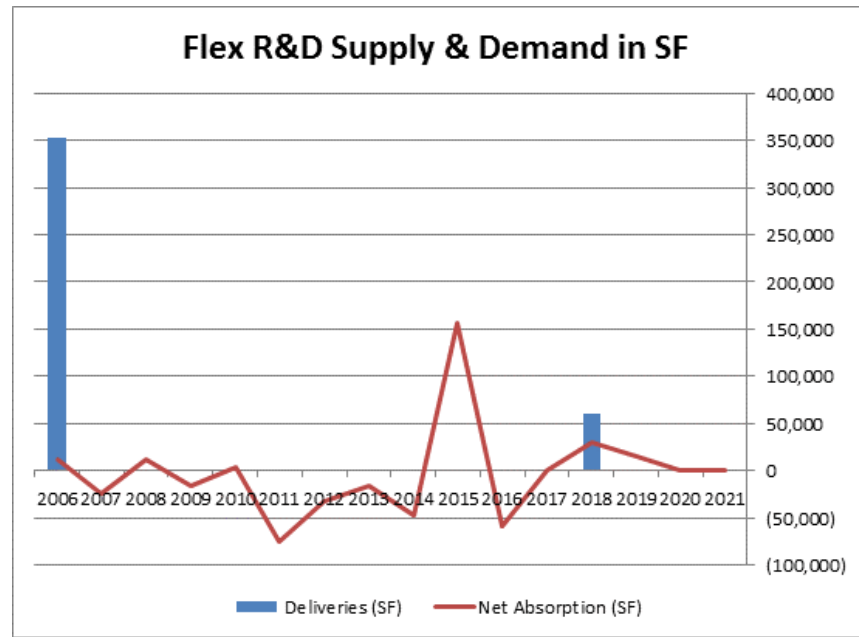
- There have been no multi-family developments since 2006, leading to pent up demand with the current vacancy rate at 1.0%. Rental rates will be pushed upwards by the low vacancy rate.
- There are 300 multi-family units planned for the North Brunswick Transit Village development for lease and sale, of which 158 luxury townhomes are currently being marketed for sale.

Analysis (see Appendix C for table)

Due to the sparse distribution of flex research and development space and the larger regional economic base for the life sciences sector, the supply and demand table encompasses the whole of Middlesex County instead of only North Brunswick.

There is low demand for flex R&D space as reflected in low historical net absorption rates and high vacancy rate of 28% over the last five years.

Significant negative net absorption rates are a sign of a weakening market, which will negatively impact the Technology Centre of New Jersey's future occupancy rate and rental growth rate.



5-Year Projection (see Appendix C for table)

Over the next 5 years through 2021, we can anticipate:

- Delivery of 60,000 SF of space from Princeton Corporate Plaza at 15 Deer Park Drive
- Current vacancy rate of 23% holding steady and increasing to 27% after delivery of new space, closer to historic average vacancy rate
- Very minor, if any, increases in current rental rate of \$16 PSF NNN

Source: CoStar, A&M, local news articles

Adjustments to Supply (Net Deliveries) in Middlesex County

In addition to current available space for lease, proposed and new construction must be included in supply.

Middlesex County Project Pipeline

Project	Address	RSF	Delivery	Status	Use Type	Notes
Princeton Corporate Plaza	15 Deer Park Dr	60,000	N/A	Proposed	Flex R&D	Class B
Total		60,000				

Adjustments to Demand (Net Absorption)

There is currently no major regional project in the pipeline impacting future demand.

As another indicator of demand volume, average annual leasing activity is 108,269 SF over a 5-year span and 62,632 over a 10-year span (see Appendix D for recent leases signed and available spaces for lease).

Other Demand Adjustments:

- Projected sector growth rate and activity of pharmaceutical companies and life sciences campuses in this region is expected to be low, negatively impacting future flex R&D occupancy rates. Based on the NJ Department of Labor and Workforce Development’s “New Jersey’s Biopharmaceutical Life Sciences Cluster” report, life science employment in New Jersey has been trending downwards by negative 17.3% from 2008 through 2013.
- Recent pharmaceutical relocations or expansions were not in North Brunswick with companies such as Celgene and Merck Animal Health relocating to Summit, Ferring Pharmaceuticals expanding in Parsippany, and Sandoz Inc. relocating to Princeton.
- There has been limited flex R&D construction in the last few years due to low demand with a low historical net absorption rates and high vacancy rates. There is some demand for lab space around 2,000 to 5,000 SF with expansion potential but not large spaces such as in the Technology Centre of New Jersey. With pharmaceutical consolidations, corporate R&D has been reduced in favor of providing more seed funding and space for smaller companies.

Source: CoStar, A&M, Jones Lang LaSalle, NJ Department of Labor and Workforce Development’s “New Jersey’s Biopharmaceutical Life Sciences Cluster” report, local news articles, www.choosenj.com

Analysis (see Appendix C for table)

Office market appears to be stabilizing at 13% vacancy rate after gradually absorbing new space delivered in 2006 to 2008.

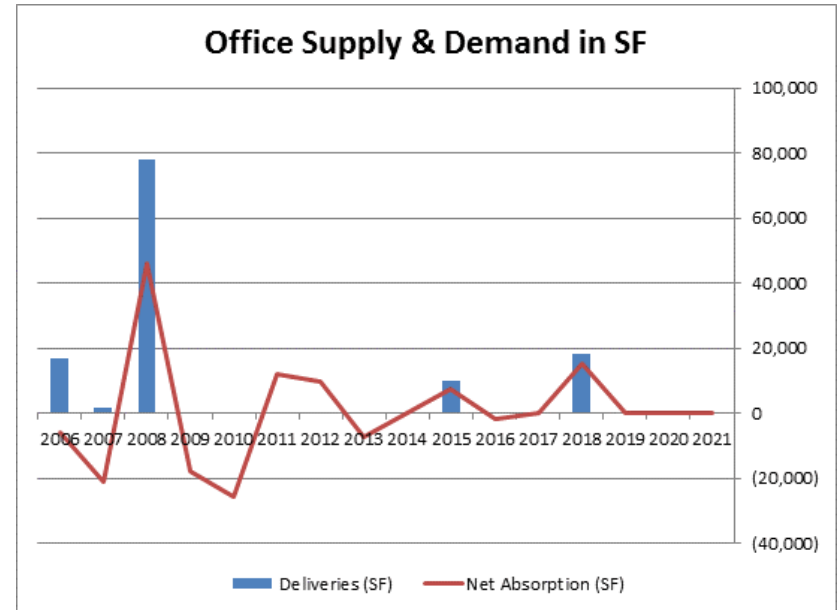
However, there are over 1.3 million SF of new office developments, including Class A quality, in the New Brunswick region that will compete for tenants. If the Technology Centre of New Jersey is repositioned for office usage, the redevelopment must include competitive amenities to attract office tenants from Class A amenities and “Class A” real estate in neighboring submarkets.

5-Year Projection (see Appendix C for table)

Over the next 5 years through 2021, we can anticipate:

- Delivery of 18,000 SF of space from Renaissance Town Center on Route 130
- Current vacancy rate holding steady at 14%
- Conservatively, annual 1.2% increases to current rental rate of \$20 PSF gross
- The pent up demand for space from limited new construction in over five years should be satisfied with projects in the current pipeline around North Brunswick.

Source: CoStar, A&M, local news articles



Adjustments to Supply (Net Deliveries) in North Brunswick

In addition to current available space for lease, proposed and new construction must be included in supply.

North Brunswick Project Pipeline

Project	Address	RSF	Delivery	Status	Use Type	Notes
Renaissance Town Center	Route 130	18,000	N/A	Proposed	Office	Class B

Total 18,000

Adjustments to Demand (Net Absorption)

With the significant commuter population and proximity to the New Brunswick downtown area, any redevelopment plan must consider regional projects in the pipeline impacting future demand.

As another indicator of demand volume, average annual leasing activity is 17,903 SF over a 5-year span and 32,890 over a 10-year span (see Appendix D for recent leases signed and available spaces for lease).

Adjacent Towns Project Pipeline (3-mile Radius of North Brunswick)

Project	Address	RSF	Delivery	Status	Use Type	Notes
Cultural Center Redevelopment	George St	400,000	N/A	Proposed	Office	Class B
	99 Jersey Ave	65,650	N/A	Proposed	Office	Class B
	131 Jersey Ave	100,000	N/A	Ground breaking June 2016	Office	Class A
The Hub @ New Brunswick Station	110 Plaza	800,000	N/A	Proposed	Office	Class A

Total 1,365,650

Other Demand Adjustments:

- The projected employment growth rate of over 8% from 2012 to 2022 in Middlesex county, especially for professional occupations, will positively impact the office market.
- The Main Street North Brunswick transit station development should boost office appeal.
- Although the New Jersey office market has made strides since the recession, availability rates remain relatively high and rent growth has been confined to submarkets near transit hubs that offer a live-work-play environment. Class A office properties increasingly cater to the needs of modern tenants and are found in New Jersey's lifestyle markets.

Source: CoStar, A&M, Colliers NJ Office Market Report 3Q 2015, CBRE NJ Office Marketview Q1 2016, local news articles, New Jersey Dept. of Labor and Workforce Development Division of Workforce Research and Analytics 2012-2022 Industry Employment Projections

Analysis (see Appendix C for table)

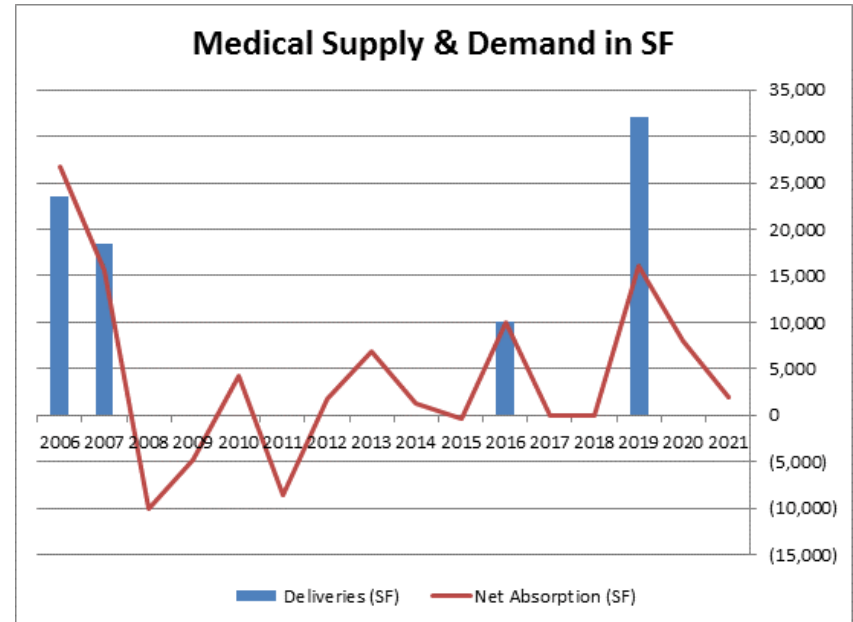
All medical spaces in North Brunswick are in Class B and C medical office buildings ranging in size from 8,000 SF to 24,000 SF, indicating a larger market for small space users.

There is not much activity for medical space aside from 32,000 SF of proposed developments. The 9,997 SF to be delivered in 2016 is already 100% pre-leased. The market will not support a repositioning of the Technology Centre of New Jersey entirely as medical space even with current medical science and technology tenants in the space.

5-Year Projection (see Appendix C for table)

Over the next 5 years through 2021, we can anticipate:

- Delivery of 32,000 SF from 345 Old Georges Rd and Renaissance Town Center on Route 130
- Current vacancy rate of 11% increases slightly and stabilizes at around 13%, closer to historic average vacancy rate
- Conservatively, annual 1.0% increases to current rental rate of \$19 PSF gross



Source: CoStar, A&M, local news articles

Adjustments to Supply (Net Deliveries) in North Brunswick

In addition to current available space for lease, proposed and new construction must be included in supply.

North Brunswick Project Pipeline

Project	Address	RSF	Delivery	Status	Use Type	Notes
	2090 State Route 27	9,997	Feb. 2016	Proposed	MOB	100% leased
	345 Old Georges Rd	18,000	N/A	Proposed	MOB	Class B, \$21 PSF NNN
Renaissance Town Center	Route 130	14,000	N/A	Proposed	MOB	Class B, \$23.50 PSF NNN
Total		41,997				

Adjustments to Demand (Net Absorption)

With the significant commuter population and proximity to the New Brunswick downtown area, any redevelopment plan must consider regional projects in the pipeline impacting future demand.

As another indicator of demand volume, average annual leasing activity is 3,624 SF over a 5-year span and 3,288 over a 10-year span (see Appendix D for recent leases signed and available spaces for lease).

There are currently no other medical office or medical space developments in close proximity to North Brunswick.

Other Demand Adjustments:

- The projected employment growth rate of over 8% from 2012 to 2022 in the county will positively impact the medical office market.
- The Main Street North Brunswick transit station development should boost location appeal despite the region’s distance from a medical or hospital campus. Medical office tenants typically desire proximity to a major medical or hospital campus.
- Chamberlain College of Nursing opened its new campus May 2015, increasing the concentration of medical services in North Brunswick.

Source: CoStar, A&M, local news articles, New Jersey Dept. of Labor and Workforce Development Division of Workforce Research and Analytics 2012-2022 Industry Employment Projections

Analysis (see Appendix C for table)

There are no new industrial projects proposed for North Brunswick and there have been no new developments since 2008-2009. The current vacancy rate is much lower than the historical average due to a thriving industrial cluster.

There are many proposed developments in neighboring industrial clusters, up to 1.2 million SF within a 3-mile radius of North Brunswick. If the Technology Centre of New Jersey is repositioned for industrial usage, redevelopment must provide competitive features to attract industrial tenants.

5-Year Projection (see Appendix C for table)

Over the next 5 years through 2021, we can anticipate:

- No new construction deliveries in North Brunswick in the pipeline
- Current low vacancy rate of 6% increases to 8.6%, closer to historic vacancy rate and as a result of up to 1.2 million SF of new deliveries outside of but near North Brunswick
- Annual 3.2% increases to current rental rate of \$5 PSF NNN due to upward pressure from low vacancy rates and thriving industrial market

Source: CoStar, A&M, local news articles

Adjustments to Supply (Net Deliveries) in North Brunswick

In addition to current available space for lease, proposed and new construction must be included in supply. Currently, there are no new industrial developments proposed for construction in North Brunswick.

Adjustments to Demand (Net Absorption)

With the significant commuter population and proximity to the New Brunswick downtown area, any redevelopment plan must consider regional projects in the pipeline impacting future demand.

As another indicator of demand volume, average annual leasing activity is 633,468 SF over a 5-year span and 560,131 over a 10-year span.

Adjacent Towns Project Pipeline (3-mile Radius of North Brunswick)

Project	Address	RSF	Delivery	Status	Use Type	Notes
	760 Jersey Ave	110,000	N/A	Proposed	Warehouse	Class A
	760 Jersey Ave	55,000	N/A	Proposed	Warehouse	Class B
	22 Roosevelt Ave	122,350	N/A	Proposed	Manufacturing	
	23 Roosevelt Ave	61,695	N/A	Proposed	Manufacturing	
	24 Roosevelt Ave	86,400	N/A	Proposed	Flex	Class B
	28 Van Dyke Ave	92,000	N/A	Proposed	Warehouse	Class B
	35-Lot 36.10 Veronica Ave	97,520	N/A	Proposed	Warehouse	Class B
	35-Lot 36.09 Veronica Ave	42,400	N/A	Proposed	Warehouse	Class B
	35-Lot 36.11 Veronica Ave	61,695	N/A	Proposed	Warehouse	Class B
	2353 Route 130	496,320	Q3 2016	Broke Ground 3Q 2015	Distribution	Class A

Total **1,225,380**

Other Demand Adjustments:

- Despite an oil slump, the strong U.S. Dollar and rising imports spur warehouse and distribution growth.
- Central New Jersey offers cheaper industrial operating costs than Northern New Jersey.
- Tenant demand continues for modern facilities which provides good access to the New Jersey Turnpike, as evidenced by speculative Class A construction in the region, particularly around the Exit 8A submarket.

Source: CoStar, A&M, local news articles, Colliers New Jersey Industrial Market Report 4Q 2015

Analysis (see Appendix C for table)

There have been no multi-family developments since 2006, leading to pent up demand with the current vacancy rate at 1.0% compared to a historic average 5-year vacancy rate of 1.8%. Rent will be pushed upwards by the low vacancy rate.

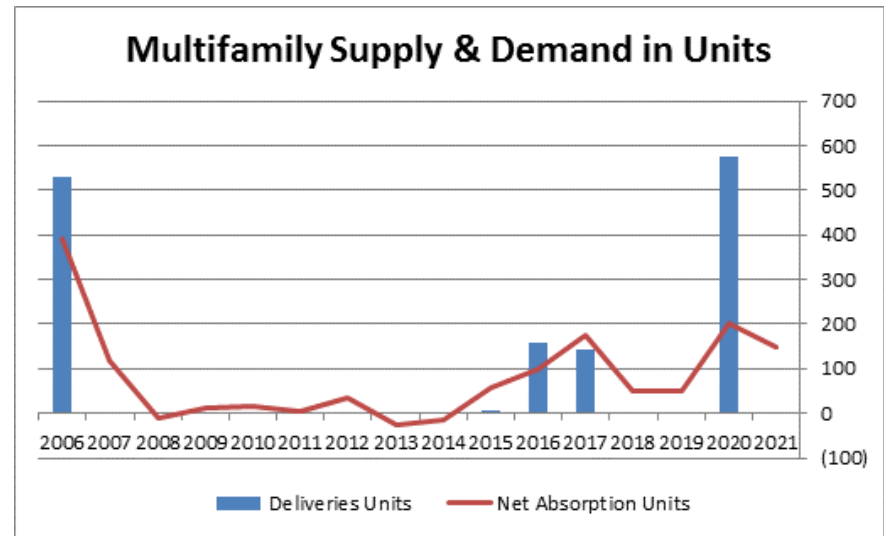
The Main Street North Brunswick transit village has 300 housing units planned, of which 158 luxury townhomes are being marketed for sale as of April 2016. The market may have capacity for more multi-family units with the transit station development boosting regional appeal.

5-Year Projection (see Appendix C for table)

Over the next 5 years through 2021, we can anticipate:

- Delivery of 300 new units from Main Street North Brunswick on Route 1, of which 158 townhomes are being marketed for sale now
- Current low vacancy rate of 1% increases with new multi-family deliveries and stabilizes at around 4%, a slightly higher vacancy rate than the historic average
- Annual 2.4% increases to current rental rate of \$16 PSF due to upward pressure from strong residential market and new train station development

Source: CoStar, A&M, local news articles



MULTI-FAMILY SUPPLY AND DEMAND IN NORTH BRUNSWICK (CONT.) DRAFT

Adjustments to Supply (Net Deliveries) in North Brunswick

In addition to current available space for lease, proposed and new construction must be included in supply.

North Brunswick Project Pipeline

Project	Address	Units	Delivery	Status	Use Type	Notes
Main Street North Brunswick	Route 1	300	N/A	Under Construction; Delivering	Multi-family	158 townhouses for sale April 2016
Main Street North Brunswick	Route 1	575	N/A	Proposed	Multi-family	Phase 2 of plan
Total		875				

Adjustments to Demand (Net Absorption)

With the significant commuter population and proximity to the New Brunswick downtown area, any redevelopment plan must consider regional projects in the pipeline impacting future demand.

Adjacent Towns Project Pipeline (3-mile Radius of North Brunswick)

Project	Address	Units	Delivery	Status	Use Type	Notes
	120 Neilson Ave	393	Apr-17	Under Construction	Multi-family	Class A, 393,000 SF
	Tices Ln @ Old Bridge Turnpike	400	Jun-16	Under Construction	Multi-family	Class A, 355,000 SF
Total		793				

Other Demand Adjustments:

- CoStar's projected 3% growth in the number of households through 2020 within a 3-mile radius of the site supports further multi-family developments.
- The North Brunswick population is projected to grow 0.7% annually through 2021.
- The Main Street North Brunswick transit station and urban village will attract new residents.
- There is pent up demand for space from no new deliveries in over five years.

Source: CoStar, A&M, local news articles, IRR appraisal report

CoStar Demographics in North Brunswick			
From Subject Property	1 Mile	3 Mile	5 Mile
2015 Total Population:	14,088	133,059	277,777
Pop Growth 2015-2020:	1.80%	3.03%	3.20%
Households 2015	4,255	42,123	91,981
HH Growth 2015-2020	1.76%	3.22%	3.36%
Median Home Value:	\$289,836	\$316,887	\$314,845
Multi-family Units	1,017	13,670	24,327
MF Vacancy Rate	1.10%	2.20%	2.20%
MF Vacancy Units	11	233	450
12 Mo. Absorption	7	248	530

Analysis (see Appendix C for table)

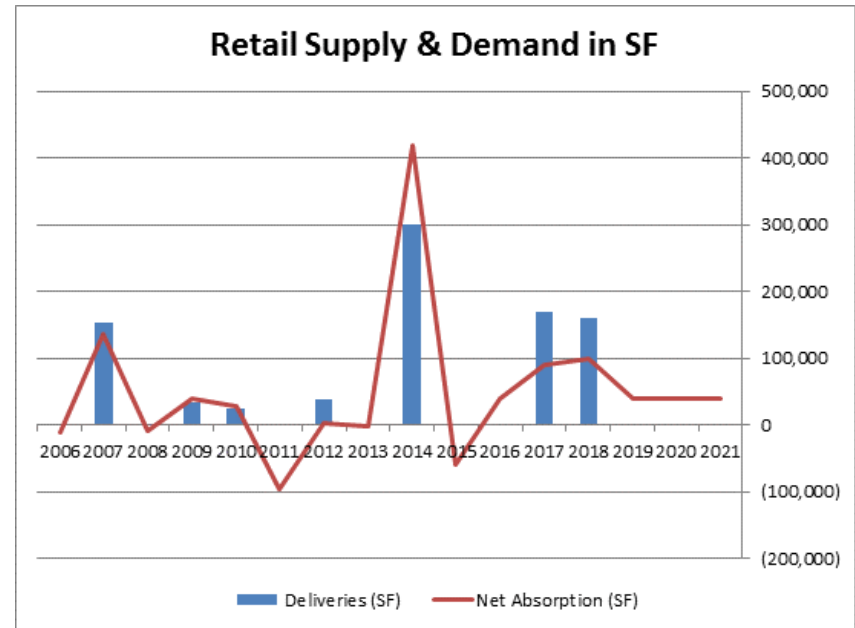
There are new developments in the pipeline, which will push retail vacancy rates up and may impact new lease rents. The current retail vacancy rate of 6.6% is healthy for the region.

While the Technology Centre of New Jersey can support a few retail tenants that provide convenient amenities to the research park, the region is unlikely to support a large shopping center given its distance from major traffic or transportation hubs.

5-Year Projection (see Appendix C for table)

Over the next 5 years through 2021, we can anticipate:

- Delivery of up to 330,000 SF of space from Renaissance Town Center on Route 130 and North Brunswick Market Place on Davidson Mill Rd
- Current vacancy rate of 6.6% will increase temporarily after delivery of the new space and settle back down to 5% to 6%
- Conservatively, annual 1.8% increases to current rental rate of \$17 PSF NNN



Source: CoStar, A&M, local news articles

Adjustments to Supply (Net Deliveries) in North Brunswick

In addition to current available space for lease, proposed and new construction must be included in supply.

North Brunswick Project Pipeline

Project	Address	RSF	Delivery	Status	Use Type	Notes
North Brunswick Market Place	Davidson Mill Rd	164,828	N/A	Proposed	Retail	
Renaissance Town Center	Route 130	120,000	N/A	Proposed	Retail	Big box
Renaissance Town Center	Route 130	3,680	N/A	Proposed	Retail	Bank
Renaissance Town Center	Route 130	4,700	N/A	Proposed	Retail	Restaurant
Renaissance Town Center	Route 130	10,000	N/A	Proposed	Retail	Daycare
Renaissance Town Center	Route 130	14,000	N/A	Proposed	Retail	Gym
Pharmacy	3000-3046 route 27	14,690	N/A	Proposed	Retail	
Total		331,898				

Adjustments to Demand (Net Absorption)

With the significant commuter population and proximity to the New Brunswick downtown area, any redevelopment must consider regional projects in the pipeline impacting future demand.

As another indicator of demand volume, average annual leasing activity is 38,515 SF over a 5-year span and 36,971 over a 10-year span (see Appendix D for recent leases signed and available spaces for lease).

Adjacent Towns Project Pipeline (3-mile Radius of North Brunswick)

Project	Address	RSF	Delivery	Status	Use Type	Notes
	1221 Route 27	288,246	N/A	Proposed	Retail	
Total		288,246				

Other Demand Adjustments:

- The North Brunswick population is projected to grow 0.7% annually through 2021. The U.S. Bureau of Economic Analysis reported a 3.6% consumer spending increase in New Jersey from 2013 to 2014.
- National economic conditions supportive of consumer activity include wage growth, cheaper gasoline prices, and retail sales growing at its fastest pace since 1999. Central New Jersey's median household income is forecasted to rise 1.7% through 2016 and 1.9% through 2017. However, growing e-commerce sales continue to negatively impact overall retail sales growth.
- The Main Street North Brunswick urban village development around the new train station will boost the local economy by increasing store sales and attracting more retailers such as Walmart and Target, which opened 2014 to 2015.

Source: CoStar, A&M, local news articles, PNC Central New Jersey Market Outlook 2016 Q2, U.S. Bureau of Economic Analysis, "Total Personal Consumption Expenditures in New Jersey", IRR appraisal report

APPENDICES



APPENDIX A: FLEX R&D COMPETITIVE SET: RENT COMPS

DRAFT

Building Address	City	RBA	% Leased	Class	Year Built	# Stories	SF for Lease	Rent PSF	Lease Type	Lease Signed
7 Deer Park Dr	South Brunswick	224,940	96%	B	1986	1 and 2	9,034	\$ 25.00	NNN	For Lease
4C Cedar Brook Dr	Cranbury	28,000	100%	A	2001	1	15,692	\$ 20.00	NNN	4/1/2015
100 Jersey Ave	New Brunswick	250,000	75%	B	1930/1999	4	17,652	\$ 25.00	Plus Utilities	For Lease
8 Clarke Drive	Cranbury	77,200	75%	B	1997	1	18,402	\$ 23.50	NNN	7/1/2015
375 Raritan Center Pkwy	Edison	54,000	N/A	B	1982	1	21,350	\$ 18.00	NNN	10/1/2015
7 Graphics Dr	Ewing Township	72,300	67%	B	1992	2	22,000	\$ 15.50	NNN	5/1/2015
5 Cedar Brook Dr	Cranbury	181,000	72%	B	2000	1	23,513	\$ 17.00	NNN	5/1/2015
7 Deer Park Dr	South Brunswick	224,940	88%	B	1986	1 and 2	27,035	\$ 19.00	NNN	1/1/2015
2C Cedar Brook Dr	Cranbury	28,000	100%	B	2001	1	28,000	\$ 23.50	NNN	7/1/2015
20 Kingsbridge Rd	Piscataway	56,483		B	1981	1	30,000	\$ 12.50	NNN	1/1/2016
Princeton Corporate Plaza	Monmouth Junction	60,000	0%	B	Proposed	TBD	60,000	\$ 25.00	NNN	For Lease
Hopewell Tech Center	Hopewell	294,228	99%	B	1969	2	77,200	\$ 20.00	NNN	2/1/2015
1000-3000 East Park Blvd	Cranbury	140,155	41%	B	1984	1 and 2	83,340	\$ 20.50	NNN	For Lease
1041 US Highway 202/206	Bridgewater	800,000	66%	B	2002	3	272,987	Upper teens to Low \$20s	NNN	For Lease
Cedar Brook Corporate Center	Cranbury	784,287	56%	B	1997/2001	1	342,866	\$ 22.50	NNN	For Lease

Average \$ 20.50

Property Name	Building Address	City	RBA	% Leased	Class	Year Built	# Stories	Rent PSF	Lease Type	Distance from Subject (miles)
	525 Milltown Rod	North Brunswick	25,000	97%	A	1963	3	\$23.16	Gross	0.29
Lakeside West	2 King Arthur Ct	North Brunswick	51,900	100%	BC	1945	2	\$18.12	Gross	0.52
	825 Georges Rd	North Brunswick	40,000	48%	BC	1983	3	\$17.75	Gross	0.55
	1200 Tices Ln	East Brunswick	30,000	100%	BC	1986	2	\$27.25	Gross	1.35
Plaza I	303 George St	New Brunswick	90,000	88%	BC	1968	6	\$22.65	Gross	1.66
Plaza II	317 George St	New Brunswick	100,000	68%	BC	1979	6	\$23.17	Gross	1.69
Turnpike Plaza North and South	197 Route 18	East Brunswick	95,000	93%	BC	1978	3	\$23.18	Gross	1.90
Atrium I	100 Bayard St	New Brunswick	56,500	100%	A	1987	3	\$25.86	Gross	1.97

\$22.64

APPENDIX A: MEDICAL COMPETITIVE SET: RENT COMPS

DRAFT

Tenant	Building Address	City	RBA	% Leased	Class	Year Built	# Stories	SF for Lease	Rent PSF	Lease Type	Lease Signed
	1520 US Highway 130	North Brunswick	23,500	76%	A	2006	2	2,061	\$18.00	NNN	For Lease
	71-73 Livingston Ave	New Brunswick	12,500	16%	B		2	3,000	\$20.00	NNN	For Lease
	1527 State Route 27	Somerset	32,800	100%	B	1975	2	3,500	\$22.00	Mod Gross	Jan-16
	557 Cranbury Rd	East Brunswick	67,000	78%	B	1999	2	5,502	\$22.00	Plus Utilities	Jun-15
	629 Cranbury Rd	East Brunswick	32,000	51%	A		2	5,759	\$19.00	NNN	Nov-12
	1 Executive Dr	Momouth Junction	6,000	100%	B	2013	1	6,000	\$17.00	NNN	Sep-15
	2090 State Route 27	North Brunswick	9,997	100%	B	2016	1	6,648	\$16.00	NNN	Jan-15
New BTS	US Highway 130	North Brunswick	14,000	0%	B	2016	1	14,000	\$23.50	NNN	For Lease
New BTS	345 Old Georges Rd	North Brunswick	18,000	0%	B	2016	2	18,000	\$21.00	NNN	For Lease
									Average	\$19.21	

APPENDIX A: INDUSTRIAL COMPETITIVE SET: RENT COMPS

DRAFT

Tenant	Building Address	City	Secondary Type	RBA	% Leased	Year Built	# Stories	Ceiling Height Range	Class	SF for Lease	Rent PSF	Lease Type	Lease Signed
YESPAK	12 Edgeboro Rd	East Brunswick	Warehouse	40,000	100%	1977	1	18'0"	C	10,000	\$ 5.75	Triple Net	Mar-15
AA of America	140 Ethel Rd W	Piscataway	Warehouse	108,000	100%	1980	1	21'0"	B	11,200	\$ 5.95	Triple Net	Aug-14
TRANE	70 Ethel Rd W	Piscataway	Warehouse	62,000	100%	1981	1	21'0"	A	12,500	\$ 6.00	Triple Net	Jan-14
	1330 Livingston Ave	North Brunswick	Warehouse	110,000	100%	1967	1	20'0"-22'0"	B	22,624	\$ 4.75	Triple Net	Apr-15
	625 Jersey Ave	New Brunswick	Warehouse	325,000	100%	1945	1	16'0"-28'0"	B	26,000	\$ 4.25	Triple Net	For Lease
	28 Kennedy Blvd	East Brunswick	Warehouse	52,215	41%	1975	1	22'0"	C	27,567	\$ 5.95	Triple Net	For Lease
Goodcome Inc.	15 Cotters Ln	East Brunswick	Warehouse	42,000	100%	1984	1	20'0"	C	42,000	\$ 5.50	Triple Net	May-15
	621 US Highway 1	North Brunswick	Warehouse	347,878	73.19	1970	1	14'0"-25'0"	C	68,271	\$ 4.50	Net	For Lease
	49 Sixth St	East Brunswick	Warehouse	100,901	100%	1983	1	24'0"	B	100,800	\$ 5.25	Triple Net	Nov-15
Triangle Logistics	2801 Rt 130	North Brunswick	Warehouse	425,000	100%	1975	1	22'0"	B	106,250	\$ 3.95	Net	Mar-15
	11 Distribution Blvd	Edison	Warehouse	260,000	53%	1977	1		B	121,000	\$ 5.85	Triple Net	For Lease
HDS Trading Corp	1575 Jersey Ave	North Brunswick	Warehouse	129,129	0%	1970	1	22'0"	B	129,129	\$ 4.75	Triple Net	Aug-15
Wenner Bread	571 Jersey Ave	New Brunswick	Warehouse	301,626	100%	1987	1	24'0"	C	171,626	\$ 3.75	Net	Jan-14
Flexon	1665 Jersey Ave	North Brunswick	Warehouse	547,334	100%	1964	1	24'0"	B	219,000	\$ 3.95	Net	Feb-15

Average \$ 5.01

Property Name	Building Address	City	Type	RSF	Rent (Mo.)	Rent PSF
Georgetown Apartments	1470 Oak Tree Dr	North Brunswick	1 Bed, 1 Bath	825	\$1,120	\$ 16.29
Georgetown Apartments	1470 Oak Tree Dr	North Brunswick	2 Bed, 1 Bath	950	\$1,320	\$ 16.67
Countryside	1901 Route 27	North Brunswick	1 Bed, 1 Bath	798	\$1,320	\$ 19.85
Countryside	1901 Route 27	North Brunswick	2 Bed, 2 Bath	1,011	\$1,540	\$ 18.28
	212 N. Oaks Blvd	North Brunswick	1 Bed, 1 Bath	942	\$1,200	\$ 15.29
	Copeley Way	North Brunswick	2 Bed, 2 Bath	1,157	\$1,675	\$ 17.37
	415 Plymouth	North Brunswick	3 Bed, 2.5 Bath	1,919	\$2,100	\$ 13.13
	1217 N Oaks Blvd	North Brunswick	1 Bed, 1 Bath	942	\$1,200	\$ 15.29
	78 Clay St	North Brunswick	2 Bed, 2 Bath	1,011	\$1,500	\$ 17.80
	28 Pembroke Ave	North Brunswick	2 Bed, 2 Bath	1,106	\$1,550	\$ 16.82
	331 Wimbeldon Ct	North Brunswick	2 Bed, 2 Bath	1,045	\$1,625	\$ 18.66
					Average	\$ 16.86

Tenant	Building Address	City	RBA	% Leased	Year Built	Total Available SF	Rent PSF	Lease Rent	Lease Signed
Pinto's Palett	647 State Route 18	East Brunswick	78,608	99%	1996	2,852	\$22.00	Triple Net	Nov-15
	3790 US Highway 1	Monmouth Junction	7,500	100%	2014	3,000	\$20.00	Triple Net	Mar-15
Designer Lighting & Fan Center	1825 State Route 27	Edison	5,524	100%		5,524	\$17.00	Triple Net	Mar-14
Dollar Tree	312-396 Ryders Ln	Milltown	65,478	57%	1997	5,625	\$18.00	Triple Net	Nov-15
	650 Towne Centre Dr	North Brunswick	43,410	73%	1986	11,608	\$13.00	Triple Net	For Lease
Planet Fitness	400 Renaissance Blvd	North Brunswick	145,000	97%	2003	18,207	\$10.00	Triple Net	Jul-14
Planet Fitness	1135 Easton Ave	Somerset	42,773	100%	1970	20,000	\$10.00	Triple Net	Jan-14

Average \$15.71

APPENDIX B: R&D FLEX COMPETITIVE SET: SALES COMPS

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Property	Building Address	City	State	Bldg SF	% Lease	Year		Land AC	Price Per		Sale Price	Sale Date
						Built	Class		SF	SF		
	1 Control Dr	Shelton	CT	18,000	0%	1982	C	1.67	\$ 234.59	\$4,222,548	1/1/2015	
Astellas Nana Biomedical Research Facility	140 East Hanover Ave	Morristown	NJ	24,905	100%	1964	B	2.96	\$ 106.40	\$2,650,000	5/2/2012	
Robertet, Inc.	125 Bauer Dr	Oakland	NJ	26,500	0%	1976	B	4.2	\$ 89.62	\$2,375,000	Q1 2015	
	2572 Brunswick Pike	Lawrenceville	NJ	41,360	0%	1959	B	15.43	\$ 278.05	\$11,500,000	10/15/2013	
	650 E Crescent Ave	Upper Saddle River	NJ	41,544	0%	1982	B	10.1	\$ 93.88	\$3,900,000	3/6/2014	
Fox Hollows Business Quarters	3434 Route 22	Branchburg	NJ	42,600	100%	1986	B	20.5	\$ 88.73	\$3,780,000	5/18/2015	
Panasonic	600 Gunyon Dr	Harrison	NJ	48,500	100%	2013	A	3.3	\$ 213.92	\$10,375,000	10/27/2014	
Sarepta Therapeutics	100 Federal St	Andover	MA	57,296	0%	1996	A	26.68	\$ 261.80	\$15,000,000	7/15/2014	
Elements	469 Old Trenton Rd	East Windsor	NJ	65,000	100%	2009	B	8.08	\$ 271.15	\$17,625,000	Q2 2012	
Revlon Headquarters (tenant on 15-year lease)	2121 State Route 27 S	Edison	NJ	99,260	100%	1984	C	18.57	\$ 167.74	\$16,650,000	2/21/2012	
Ingersol Rand (tenant on 10-year lease)	Route 31	Clinton	NJ	105,000	100%				\$ 172.38	\$18,100,000	Q2 2014	
	215 College Rd	Paramus	NJ	127,660	22%	1972	B	12	\$ 115.54	\$14,750,000	For Sale	
Evonik Degussa Bulding	299 Jefferson Rd	Parsippany	NJ	150,500	100%	1985	A	7.46	\$ 214.96	\$32,351,838	4/23/2013	
Spectra Laboratories	8 King Rd	Rockleigh	NJ	185,000	100%	1963	C	12.1	\$ 84.07	\$15,553,000	Q2 2013	
R&D multi-tenant portfolio of 5 buildings	9 Whippany Rd	Whippany	NJ	194,300	98%	Varies	B and C	57.44	\$ 87.49	\$17,000,000	3/6/2014	
Former Merck Campus (3 buildings)	556 Morris Ave	Summit	NJ	1,545,433	0%	Varies	B	265.7	\$ 58.24	\$90,000,000	10/12/2015	

Source: CoStar

Average \$ 158.66

Property	Building Address	City	Bldg SF	% Leased	Year Built	Class	# Floors	Price Per SF	Cap Rate	Sale Price	Sale Date
Chestnut Ridge Plaza	102 Chestnut Ridge Rd	Montvale	49,657	76%	1980	A/B	2	\$ 106.73		\$5,300,000	5/29/2014
Montvale 3	3 Paragon Drive	Montvale	98,124	95%	1988	A/B	2	\$ 111.08		\$10,900,000	6/24/2014
Edison Office Plaza	515 Plainfield Ave	Edison	31,319	68%	1995	B	3	\$ 96.88		\$3,100,000	4/14/2015
Waterview Plaza	2001 Route 26	Parsippany	125,607	94%	1982	A/B	5	\$ 104.97		\$13,500,000	6/1/2015
Average								\$ 104.92			

Source: CoStar

APPENDIX B: MEDICAL OFFICE COMPETITIVE SET: SALES COMPS DRAFT

Property	Building Address	City	Bldg SF	% Leased	Year Built	Class	# Floors	Land AC	Price Per SF	Cap Rate	Sale Price	Sale Date
Cranbury Corporate Center	620 Cranbury Rd	East Brunswick	63,855	80%	2005	B	2	10	\$ 101.60	9.0%	\$6,487,400	7/31/2014
	629 Amboy Ave	Edison	22,000	90%	1970	C	3	0.33	\$ 129.59	8.1%	\$2,851,000	12/16/2013
Average									\$ 115.59			

Source: CoStar

Property	Building Address	City	% Leased	Bldg SF	Year Built	Class	Land AC	Price Per SF	Sale Price	Cap	Sale Date
	777 Jersey Ave	New Brunswick	100%	40,000	1980	B	3.12	\$ 105.00	\$4,200,000		8/3/2015
Bizerba USA Inc.	31 Gordon Rd	Piscataway	100%	30,600	1986	B	1.96	\$ 73.29	\$2,242,750		8/16/2013
Gentek Building Products, Inc.	11 Cragwood Rd	Avenel	100%	317,500	1969	B	19.57	\$ 79.37	\$25,200,000	6.60%	9/30/2014
Ashley Furniture and Customized Distributions	3025 Woodbridge Ave	Edison	100%	226,100	2012	A	26.92	\$ 73.42	\$16,600,000		2/3/2014
	230 Liberty St	Metuchen	100%	41,500	1970	B	2.75	\$ 106.02	\$4,400,000		1/27/2016
	11 Progress St	Edison	0%	20,000	1988	C	2.37	\$ 110.00	\$2,200,000		3/4/2014
	36 Meridian Rd	Edison	0%	26,000		C	3.00	\$ 123.08	\$3,200,000		11/10/2014
	1771 Route 1 N	Linden	100%	44,000	1980	C	1.29	\$ 64.20	\$2,825,000		6/24/2013
White Castle	100 Raskulinecz Rd	Carteret	100%	71,478	1967	C	3.9	\$ 62.96	\$4,500,000		4/17/2014
Spiceco Warehouse sale leaseback	6C Terminal Way (2 Properties)	Avenel	100%	80,200	1950, 1968	C	4.35	\$ 92.27	\$7,400,000	5.70%	11/25/2014
	230 Liberty St	Metuchen	100%	41,500	1970	B	2.75	\$ 106.02	\$4,400,000		1/27/2016
Average \$								90.51			

Source: CoStar

Property	Building Address	City	% Leased		Year		# Floors	Class	Land AC	Price Per SF	Sale Price	Cap	Sale Date
			# Units	Bldg SF	Built								
Riverwatch Commons	5 Dennis St	New Brunswick	95%	200	257,385	2013	5	B	2.47	\$ 159.68	\$41,100,000	4.85%	12/19/2013
	66 Sicard St and 130 Easton St	New Brunswick		69	77,026	2012	3	B	0.40	\$ 129.83	\$10,000,000	5.80%	12/30/2014
Royal Gardens Apartments	3060 New Brunswick Ave	Piscataway	96%	550	481,100	1969	2	B	16.21	\$ 222.93	\$107,250,000		11/6/2015
	337 E Grand Ave	Rahway		23	22,908	1965	3	C	0.45	\$ 159.33	\$3,650,000		1/15/2016
Alden Apartments	552 Alden Dr	Rahway		32	25,600		2	B	1.07	\$ 208.98	\$5,350,000	5.50%	1/8/2015
	414 Rahway Ave	Woodbridge	100%	12	27,135	2014	2	B	1.26	\$ 248.13	\$6,733,000	6.25%	5/15/2015
Average \$										188.15			

Source: CoStar

Property	Building Address	City	Bldg SF	% Leased	Year Built	Land AC	Price Per SF	Sale Price	Cap	Sale Date	
Stop & Shop Plaza	4220 New Brunswick Ave and 581 Stelton Rd	Piscataway	87,134	97%	1954, 1997	22.57	\$ 318.47	\$27,750,000	7.00%	9/17/2014	
Shoppes at North Brunswick	509-652 Shoppes Blvd	North Brunswick	148,815	95%	2007	22.37	\$ 223.43	\$33,250,000	7.50%	3/31/2015	
Summerfield Center	24 Summerfield Blvd	Dayton	77,500	100%	1997	11.97	\$ 218.06	\$16,900,000	7.98%	3/12/2015	
Fanklin Commons	454-458 Elizabeth Ave	Franklin Township	43,200	100%	2008	9.19	\$ 343.17	\$14,825,000	6.90%	6/8/2015	
Civic Center Mall	314-330 Rues Lane	East Brunswick	31,058	100%	1965	9.84	\$ 262.41	\$8,150,000		5/22/2015	
	1665 Stelton Rd	Piscataway	43,775	41%	1953	3.60	\$ 122.22	\$5,350,000		12/1/2015	
Average \$							247.96				

Source: CoStar

APPENDIX B: LAND SALE COMPS

DRAFT

Land Address	City	Land Area AC	Price/Acre	Sale Date	Sale Price	PropertyType	Zoning
2300 Route 1	North Brunswick	96.63	\$ 243,092	11/17/2015	\$ 23,490,000	Land	TOD
1500 Livingston Ave	North Brunswick	7.71	\$ 331,647	7/22/2015	\$ 2,557,000	Industrial	I-1
2442 State Highway 27	North Brunswick	1.36	\$ 569,853	8/21/2014	\$ 775,000	Land	R-6(PRD)
Excelsior Ave	North Brunswick	0.29	\$ 431,034	2/4/2014	\$ 125,000	Land	I-2
			Average \$ 393,907				

Source: CoStar

CoStar's database of regional property data and new construction pipelines was assembled to develop a market supply and demand forecast and calculate future rental and sale values. To supplement this data, relevant market metrics were reviewed based on the applicable property use and local news articles.

Calculation of Market Inventory (Rentable Building Area)

- The Rentable Building Area (RBA) is equal to last year's RBA plus deliveries less demolitions.
- Vacant space is equal to last year's vacant space plus net deliveries less net absorptions.
- The vacancy rate is equal to current vacant space divided by the current RBA.
- Rent is equal to last year's rent adjusted by the potential for an high (optimistic) growth rate and a low (pessimistic) growth rate. These growth rates are based on CPI, historical rental growth, or projections based on new construction or major real estate or infrastructure developments in the pipeline.

Calculation of Market Supply (Net Deliveries)

- Future property deliveries are based upon the 5-year average net deliveries.
- The average figures are adjusted upwards or downwards for proposed new construction and demolitions based on the under construction and proposed construction pipeline as reported in CoStar.

Calculation of Market Demand (Net Absorptions)

- Future property net absorptions are based upon the 5-year average net absorption.
- The average figures are adjusted upwards or downwards for relevant demographic, real estate market, and economic trends that impact the applicable property use.

Source: CoStar, A&M

APPENDIX C: FLEX R&D SUPPLY AND DEMAND IN MIDDLESEX COUNTY DRAFT

Optimistic Market Growth at CPI 20%

Pessimistic Market at Zero 80%

Year	# of Deliveries	Deliveries (SF)	Demolished (SF)	Supply Demand		RBA	Vacant Space (SF)	Vacancy Rate	Incremental Change in Vacancy	Flex NNN Rent	% Change in Rent	CPI
				Net Deliveries (SF)	Net Absorption (SF)							
2021	0	0	0	0	0	2,599,976	690,019	26.5%	0.00%	\$ 16.26	0.4%	2.0%
2020	0	0	0	0	0	2,599,976	690,019	26.5%	0.00%	\$ 16.19	0.4%	2.0%
2019	0	0	0	0	15,000	2,599,976	690,019	26.5%	-0.58%	\$ 16.13	0.4%	2.0%
2018	1	60,000	0	60,000	30,000	2,599,976	705,019	27.1%	0.54%	\$ 16.07	0.4%	2.0%
2017	0	0	0	0	0	2,539,976	675,019	26.6%	3.28%	\$ 16.00	0.4%	2.0%
2016	0	0	0	0	(59,488)	2,539,976	675,019	23.3%	-1.40%	\$ 15.94	-0.4%	2.0%
2015	0	0	0	0	156,919	2,539,976	615,531	24.7%	-5.90%	\$ 16.01	23.0%	0.1%
10-Year Average				35,200	(2,751)		646,708	25.8%			-1.8%	2.0%
5-Year Average				0	(2,960)		699,758	28.1%			-4.1%	1.7%

Source: CoStar, A&M, local news articles

APPENDIX C: OFFICE SUPPLY AND DEMAND IN NORTH BRUNSWICK DRAFT

						<i>Optimistic Market Growth at CPI</i> 60%						
						<i>Pessimistic Market at Historic</i> 40%						
				Supply	Demand							
Year	# of Deliveries	Deliveries (SF)	Demolished (SF)	Net Deliveries (SF)	Net Absorption (SF)	RBA	Vacant Space (SF)	Vacancy Rate	Incremental Change in Vacancy	Office Gross Rent	% Change in Rent	CPI
2021	0	0	0	0	0	1,309,358	184,009	14.1%	0.00%	\$ 20.70	1.2%	2.0%
2020	0	0	0	0	0	1,309,358	184,009	14.1%	0.00%	\$ 20.46	1.2%	2.0%
2019	0	0	0	0	0	1,309,358	184,009	14.1%	0.00%	\$ 20.23	1.2%	2.0%
2018	1	18,000	0	18,000	15,000	1,309,358	184,009	14.1%	0.04%	\$ 19.99	1.2%	2.0%
2017	0	0	0	0	0	1,291,358	181,009	14.0%	0.00%	\$ 19.76	1.2%	2.0%
2016	0	0	0	0	(11,786)	1,291,358	181,009	14.0%	0.91%	\$ 19.53	1.2%	2.0%
2015	1	10,000	0	10,000	7,464	1,291,358	169,223	13.1%	0.12%	\$ 19.30	-2.3%	0.1%
10-Year Average				10,488	(298)		167,788	13.0%			-0.8%	2.0%
5-Year Average				1,646	4,411		169,994	13.2%			-0.4%	1.7%

Source: CoStar, A&M, local news articles

APPENDIX C: MEDICAL SUPPLY AND DEMAND IN NORTH BRUNSWICK DRAFT

				Supply Demand								
						<i>Optimistic Market Growth at CPI 50%</i>						
						<i>Pessimistic Market at Historic 50%</i>						
Year	# of Deliveries	Deliveries (SF)	Demolished (SF)	Net Deliveries (SF)	Net Absorption (SF)	RBA	Vacant Space (SF)	Vacancy Rate	Incremental Change in Vacancy	Medical Gross Rent	% Change in Rent	CPI
2021	0	0	0	0	2,000	151,876	19,588	12.9%	-1.32%	\$ 19.64	1.0%	2.0%
2020	0	0	0	0	8,000	151,876	21,588	14.2%	-5.27%	\$ 19.45	1.0%	2.0%
2019	2	32,000	0	32,000	16,000	151,876	29,588	19.5%	8.15%	\$ 19.26	1.0%	2.0%
2018	0	0	0	0	0	119,876	13,588	11.3%	0.00%	\$ 19.07	1.0%	2.0%
2017	0	0	0	0	0	119,876	13,588	11.3%	0.00%	\$ 18.89	1.0%	2.0%
2016	1	9,997	0	9,997	9,997	119,876	13,588	11.3%	-1.06%	\$ 18.70	1.0%	2.0%
2015	0	0	0	0	(370)	109,879	13,588	12.4%	0.40%	\$ 18.52	-18.4%	0.1%
10-Year Average				4,190	3,246		13,754	12.5%			1.9%	2.0%
5-Year Average				0	182		17,104	15.6%			-2.7%	1.7%

Source: CoStar, A&M, local news articles

APPENDIX C: INDUSTRIAL SUPPLY AND DEMAND IN NORTH BRUNSWICK DRAFT

Year	# of Deliveries	Deliveries (SF)	Demolished (SF)	Supply Demand		RBA	Vacant Space (SF)	Vacancy Rate	Incremental Change in Vacancy	Industrial NNN Rent	% Change in Rent	CPI
				Net Deliveries (SF)	Net Absorption (SF)							
2021	0	0	0	0	0	7,141,345	611,208	8.6%	0.0%	\$ 6.20	3.2%	2.0%
2020	0	0	0	0	10,000	7,141,345	611,208	8.6%	-0.1%	\$ 6.01	3.2%	2.0%
2019	0	0	0	0	20,000	7,141,345	621,208	8.7%	-0.3%	\$ 5.82	3.2%	2.0%
2018	0	0	0	0	0	7,141,345	641,208	9.0%	0.0%	\$ 5.64	3.2%	2.0%
2017	0	0	0	0	0	7,141,345	641,208	9.0%	0.0%	\$ 5.46	3.2%	2.0%
2016	1		0	0	(230,871)	7,141,345	641,208	9.0%	3.2%	\$ 5.29	3.2%	2.0%
2015	0	0	615,000	0	247,652	7,141,345	410,337	5.7%	-10.8%	\$ 5.13	10.1%	0.1%
10-Year Average				10,400	47,421		1,132,818	14.8%			4.4%	2.0%
5-Year Average				0	40,306		1,219,065	15.9%			11.1%	1.7%

Optimistic Market Growth at Historic 50%

Pessimistic Market at CPI 50%

Source: CoStar, A&M, local news articles

APPENDIX C: MULTI-FAMILY SUPPLY AND DEMAND IN NORTH BRUNSWICK DRAFT

avg SF 1,160 Optimistic Market Growth at Historic 75%
 Pessimistic Market at CPI 25%

Supply Demand

Year	# of Deliveries	Deliveries Units	Demolished (SF)	Net Deliveries Units	Net Absorption Units	RBA*	Total Inventory Units	Vacant Units	Vacancy Rate	Incremental Change in Vacancy	Effective Rent	% Change in Rent	CPI
2021	0	0	0	0	150	5,897,440	4,925	191	3.9%	-3.05%	\$ 17.94	2.4%	2.0%
2020	1	575	0	575	200	5,897,440	4,925	341	6.9%	7.71%	\$ 17.53	2.4%	2.0%
2019	0	0	0	0	50	5,230,440	4,350	(34)	-0.8%	-1.15%	\$ 17.12	2.4%	2.0%
2018	0	0	0	0	50	5,230,440	4,350	16	0.4%	-1.15%	\$ 16.73	2.4%	2.0%
2017	1	142	0	142	175	5,230,440	4,350	66	1.5%	-0.84%	\$ 16.34	2.4%	2.0%
2016	1	158	0	158	100	5,065,720	4,208	99	2.4%	1.35%	\$ 15.97	2.4%	2.0%
2015	1	6	0	0	59	4,882,440	4,209	41	1.0%	-1.40%	\$ 15.60	4.0%	0.1%
10-Year Average				53	59		4,209	107	2.6%			1.3%	2.0%
5-Year Average				0	12		4,209	75	1.8%			2.5%	1.7%

Source: CoStar, A&M, local news articles

APPENDIX C: RETAIL SUPPLY AND DEMAND IN NORTH BRUNSWICK DRAFT

						<i>Optimistic Market Growth at CPI 90%</i>		<i>Pessimistic Market at Zero 10%</i>				
				Supply	Demand							
Year	# of Deliveries	Deliveries (SF)	Demolished (SF)	Net Deliveries (SF)	Net Absorption (SF)	RBA	Vacant Space (SF)	Vacancy Rate	Incremental Change in Vacancy	Retail NNN Rent	% Change in Rent	CPI
2021	0	0	0	0	40,000	2,710,102	146,447	5.4%	-1.48%	\$ 18.89	1.8%	2.0%
2020	0	0	0	0	40,000	2,710,102	186,447	6.9%	-1.48%	\$ 18.57	1.8%	2.0%
2019	0	0	0	0	40,000	2,710,102	226,447	8.4%	-1.48%	\$ 18.24	1.8%	2.0%
2018	1	160,000	0	160,000	100,000	2,710,102	266,447	9.8%	1.74%	\$ 17.93	1.8%	2.0%
2017	6	170,000	0	170,000	90,000	2,550,102	206,447	8.1%	2.78%	\$ 17.62	1.8%	2.0%
2016	0	0	0	0	40,000	2,380,102	126,447	5.3%	-1.29%	\$ 17.31	1.8%	2.0%
2015	0	0	0	0	(58,824)	2,380,102	166,447	6.6%	2.10%	\$ 17.01	5.0%	0.1%
10-Year Average				55,044	44,522		136,754	6.5%			-0.1%	2.0%
5-Year Average				67,856	52,889		183,002	8.4%			-5.9%	1.7%

Source: CoStar, A&M, local news articles

Flex R&D Leases:

- There were no recent flex R&D leases outside of the Technology Centre of New Jersey, indicating little demand for flex R&D space outside of the subject property.
- At the Technology Centre of New Jersey, Meril expanded 15,558 SF in 2015 and Hurel leased 5,241 SF of new space.

Office Leases:

- Office leases signed 2014 through 2016 are a median average space of 5,700 SF with a median average gross rent of \$26 per SF. There is a larger office market for small business users.
- The largest office leases include tenants from office space subleasing, logistics, and education:

Tenant	Location	City	RSF	Term	Class
TA Edison Charter School	150 Pierce Street	Somerset	78,686	5-year term	B
Regus	317 George Street	New Brunswick	15,232	11.5-year term at \$24 per sf plus tenant electric	A
LogistiCare Solutions	200 Metroplex Drive	Edison	18,288	Lease renewal	A
Sublease	1 Tower Center Blvd.	East Brunswick	26,770	3-year term	A
Regus	197 State Route 18	East Brunswick	15,362	10-year term	B
	25 Kennedy Blvd	East Brunswick	24,168		B

Medical Leases:

- There were no medical office or medical leases reported recently, indicating limited demand for medical space.

Source: CoStar

Industrial Leases:

- Industrial leases signed 2014 through 2016 are a median average space of 50,000 SF with a median average rent of \$5.75 per SF. Industrial users occupy larger space than office or flex R&D.
- The largest industrial leases include tenants from logistics, industrial manufacturing, and food processing:

Tenant	Location	City	RSF	Term	Class
	77 Executive Ave	Edison	290,000		A
Flexon	1665 Jersey Ave	North Brunswick	219,000	3-year 8-mo. Term at \$3.95 Net	B
Pioneer USA	1665 Jersey Ave	North Brunswick	218,000	at \$3.95 Net	B
Midwest Air Tech	1 Truman Dr S	Edison	369,361		B
Occidental Chemicals	760 Jersey Ave	New Brunswick	310,000		C
Triangle Logistics	2801 Rt 130	North Brunswick	212,500	5-year 5-mo. Term at \$3.95 Net	B
Acuity Brands Lighting	3 Kilmer Rd	Edison	168,000		C
Wenner Bread	571 Jersey Ave	New Brunswick	171,626	12-year term at \$3.75 Net	C

Source: CoStar

Retail Leases:

- Retail leases signed 2014 through 2016 are a median average space of 6,400 SF with a median average NNN rent of \$10 per SF. The largest retail leases were for food and beverage, fitness, and various necessities.
- The largest retail leases include tenants from urgent care, fitness, food, automotive sales, and office products:

Tenant	Location	City	RSF	Term
Crunch Fitness	922-982 Easton Ave	Somerset	22,898	
Fresenius Medical Care	1135 Easton Ave - Easton Mall	Somerset	10,400	
Key Foods	8 Jelin St	New Brunswick	45,000	20-year term
Suzanne's Specialties	401 Jersey Ave	New Brunswick	16,800	
Open Road BWM	540 N Rt 1	Edison	17,808	2-year and 3-mo. Term
Staples	975 Us Highway 1 - North Village Shopping Center	North Brunswick	14,261	
Planet Fitness	400 Renaissance Blvd	North Brunswick	18,207	NNN \$10
Planet Fitness	1135 Easton Ave - Easton Mall	Somerset	20,000	10-year term for NNN \$10

Source: CoStar

APPENDIX D: AVAILABLE SPACE IN NORTH BRUNSWICK

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The spaces listed for lease below are located within a 5-mile radius of North Brunswick and exclude the Technology Centre of New Jersey. Proposed and under construction spaces included.

Source: CoStar

Space for Lease in North Brunswick		
Retail	586,703	47%
Industrial	461,521	37%
Office	166,807	10%
Medical	32,000	2%
Flex	-	0%
Total	1,247,031	100%

Space for Lease in 5-Mile Radius of North Brunswick		
Industrial	1,071,410	43%
Retail	768,952	31%
Office	582,040	23%
Medical	69,456	3%
Flex	-	0%
Total	2,491,858	100%

Building Address	City	State	Use Type	Building Status	Class	Year Built	# Floors	RBA (SF)	Total Available Space (SF)	% Leased	Rent PSF	Direct Services
1735 Jersey Ave	North Brunswick	NJ	Warehouse	Existing	B	1980	1	360,000	360,000	0%	Withheld	
1 Tower Center Blvd	East Brunswick	NJ	Office	Existing	A	1986	24	405,000	325,583	20%	\$ 28.50	Tenant Electric
Davidson Mill Rd	North Brunswick	NJ	Retail Community Center	Proposed			1	164,828	164,828	0%	Withheld	
US Highway 130	North Brunswick	NJ	Retail	Proposed			1	120,000	120,000	0%	Withheld	
99 Jersey Ave	New Brunswick	NJ	Warehouse	Existing	C	1970	1	98,623	98,623	0%	\$ 3.75	Triple Net
502 Jersey Ave	New Brunswick	NJ	Warehouse	Existing	B	1940	1	187,000	94,944	49%	Withheld	Likely \$4.50 Net
498-520 Milltown Rd	North Brunswick	NJ	Retail Community Center	Existing		1957	2	92,168	80,929	12%	Withheld	
571 Jersey Ave	New Brunswick	NJ	Warehouse	Existing	C	1987	1	301,626	80,000	73%	\$ 7.00	Full Service Gross
50 Jiffy Rd	Somerset	NJ	Warehouse	Existing	C		1	72,311	72,311	0%	Withheld	
99 Jersey Ave	New Brunswick	NJ	Office	Proposed	B	2020	1	65,650	65,650	0%	\$ 20.00	Plus Electric
922-982 Easton Ave	Somerset	NJ	Retail Community Center	Existing		1973	1	185,986	61,332	67%	Withheld	
501 Finnegan Ln	North Brunswick	NJ	Warehouse	Existing	C	1975	1	59,376	59,376	0%	\$ 5.20	Triple Net
3730 Us Highway 1	North Brunswick	NJ	Retail	Existing	C	1969	1	166,000	56,280	66%	\$ 25.00	Triple Net
30 Silverline Dr	North Brunswick	NJ	Office	Existing	B	1953	3	78,000	55,149	29%	\$ 12.56	Tenant Electric
120 Ethel Rd W	Piscataway	NJ	Warehouse	Existing	B	1981	1	50,600	50,600	0%	\$ 6.50	Triple Net
909-979 US Highway 1	North Brunswick	NJ	Freestanding Retail	Existing		1987	1	372,629	47,755	87%	Withheld	
14 Home News Row	New Brunswick	NJ	Industrial	Existing	B		1	42,219	42,219	0%	Withheld	
22 Van Dyke Ave	New Brunswick	NJ	Warehouse	Existing	B	2001	1	38,825	38,000	2%	Withheld	
303 George St	New Brunswick	NJ	Medical	Existing	B	1968	6	115,000	37,456	67%	\$ 22.50	Tenant Electric
570 Jersey Ave	New Brunswick	NJ	Warehouse	Existing	B		1	38,000	33,600	12%	\$ 6.00	Modified Gross
28 Kennedy Blvd	East Brunswick	NJ	Warehouse	Existing	C	1975	1	52,215	30,592	41%	\$ 6.74	Triple Net
100 Fidelity Plz	North Brunswick	NJ	Office	Existing	C	1967	2	245,941	30,000	88%	Withheld	
1280 Jersey Ave	North Brunswick	NJ	Warehouse	Existing	C	1964	1	112,000	30,000	73%	\$ 5.75	Full Service Gross