

JLL Research Report

Northeast Industrial Outlook

The market accelerates into high gear, as 2021 leasing velocity reaches the highest level in history.



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Top 3 industrial trends

1.

Leasing velocity accelerates to new heights, driving massive absorption gains and a sharp drop in vacancy.

2.

Although construction activity has reached an all-time-highs, preleasing keeps pace, as more than 50.0% of projects actively under construction are leased.

3.

Values reach record levels as cap rates continue to compress and rental rates reach new peaks.

Northeast Industrial Market

Type	Total stock (s.f.)	Total vacancy	Total availability	YTD net absorption	YTD const Deliveries	Under construction	Q2 2021 avg. rent
Warehouse & distribution	1,329,024,693	3.2%	7.5%	23,108,689	12,253,914	57,067,536	\$8.94
Manufacturing	406,153,945	2.6%	4.8%	192,780	0	204,250	\$9.39
Totals	1,735,178,638	3.1%	6.8%	23,301,469	12,253,914	57,271,786	\$9.01

The Northeast Industrial Region, which is comprised of the industrial markets of New York, New Jersey, Pennsylvania, and Delaware, is the largest industrial market in the Country, with approximately 1.74 billion s.f. of industrial space. The market is comprised of both last mile distribution submarkets and some of the nation's preeminent regional distribution hubs. As tenants have become more sophisticated, state and former market delineations continue to blur and be less of a barrier

for industrial requirements which now search across the region as a whole. The proliferation of e-commerce has shifted real estate demand away from brick-and-mortar store fronts to industrial facilities with immediate access to large swaths of the U.S. population. Consequentially, industrial demand for the Northeast has swelled. As of the second quarter of 2021, 74.1 million square feet of industrial demand was searching for facilities in the Northeast, a 1.8 percent rise quarter-over-quarter.

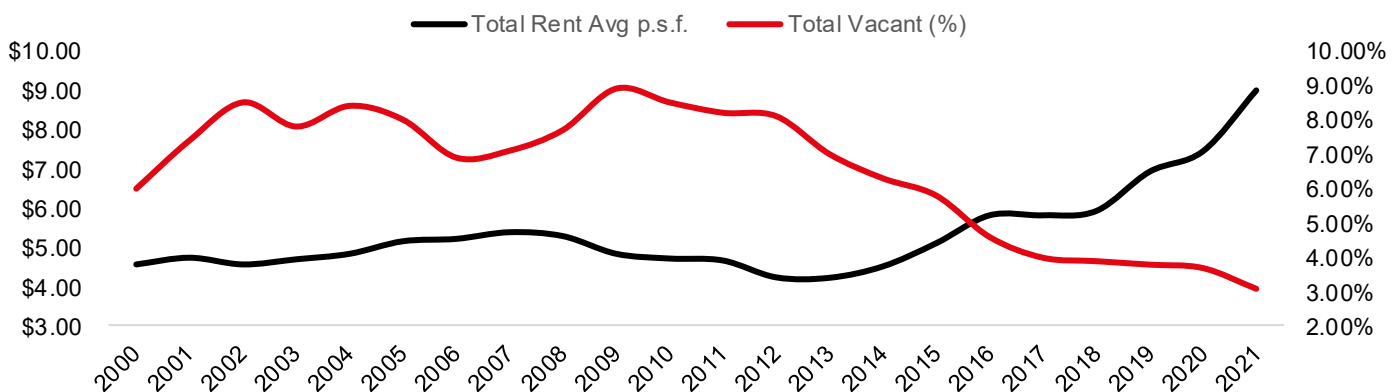
Leasing velocity topped 30.1 million s.f. in the second quarter of 2021, the highest level in history

Coming off a mammoth 2020, the market has incredibly managed to accelerate further over the past six months. Led by tremendous activity on Class A product, leasing velocity for the second quarter topped 30.1 million s.f., 40.7% above the trailing twelve-quarter average and the highest level in the market's history. This brings YTD 2021 volume to over 60.1 million s.f., dwarfing the previous record set in 2020, when 44.4 million s.f. was leased in the first half of the year. While 2020 volumes were dominated by e-commerce companies rapidly taking up space in response to stay-at-home orders and pandemic-related shutdowns, 2021 leasing has been on the back of parcel carriers and 3PLs expanding their footprint to help themselves and their clients meet the surging number of packages now being ordered online.

As such, parcel carriers and 3PLs have accounted for over 14.8 million s.f. of leasing across the Region year-to-date. Nonetheless, e-commerce remains the largest industry currently looking for space, totaling 11.0 million s.f. of active requirements.

The recent leasing spree, combined with the delivery of several preleased development projects has driven second quarter absorption to 17.0 million s.f., the highest quarterly level this market cycle. 5.6 million s.f. of those gains were in the Lehigh Valley, where tenants were active in leasing several existing Class A buildings. As a result, Region-wide vacancy has plummeted to 3.1%, the lowest level in this market cycle. This is notable, given construction volumes are at their highest level in history.

Northeast vacancy rates have dropped to 3.1 percent, as the Lehigh Valley notches massive absorption gains

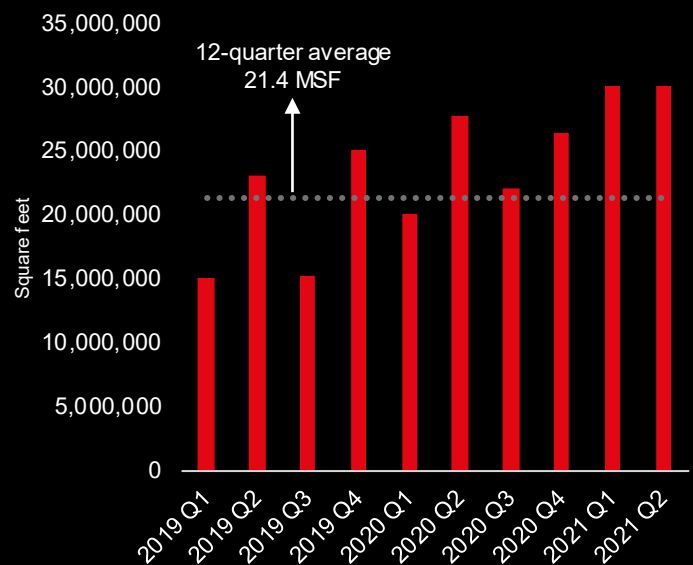


Industrial trends review

2021 leasing volumes suggest a “new normal”

The proliferation of online shopping drove 2020 leasing volumes to new heights, as e-commerce companies sought to expand their network in order to meet the surging amount of online shopping due to the Covid-19 pandemic. 2021 has been a year where an even larger pool of tenants have been executing their go-forward strategies to meet the transformation of consumer shopping patterns. As a result, leasing velocity across the Region has soared past pre-pandemic volumes and suggest that elevated leasing volumes are here to stay. Over 60.1 million s.f. has been leased in the first half of the year, more than 70.0% higher than the 5-year trailing average. Tenant activity remains diverse, as no industry represents more than 15.0% of all active requirements. With Class A vacancy at record lows of 4.8%, tenants will need to continue to lease buildings early in the development cycle, as competition remains fierce. However, with construction activity forecasted to pick up over the next 24 months, tenants should have more options to find the space they need.

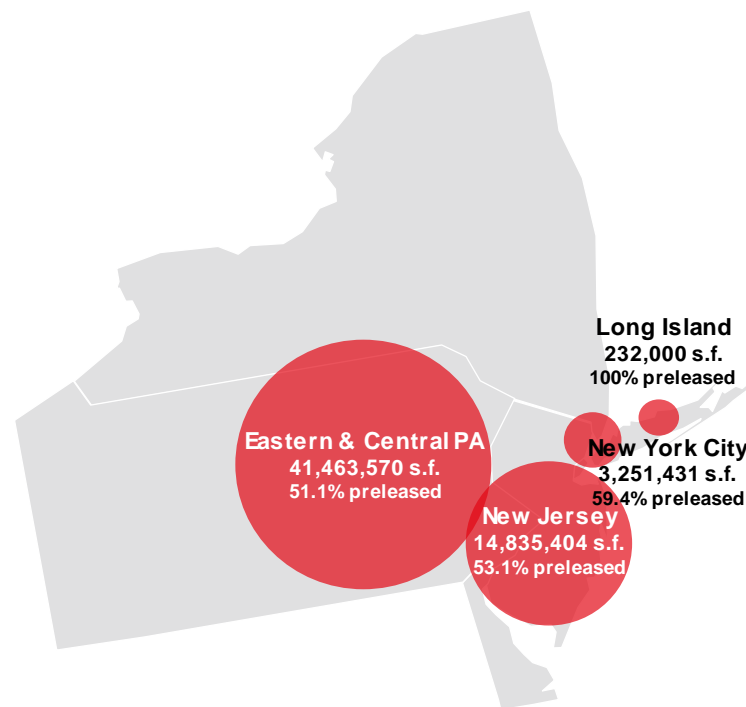
Leasing velocity reaches unprecedented levels



Preleasing rates continue to rise, despite record levels of construction activity.

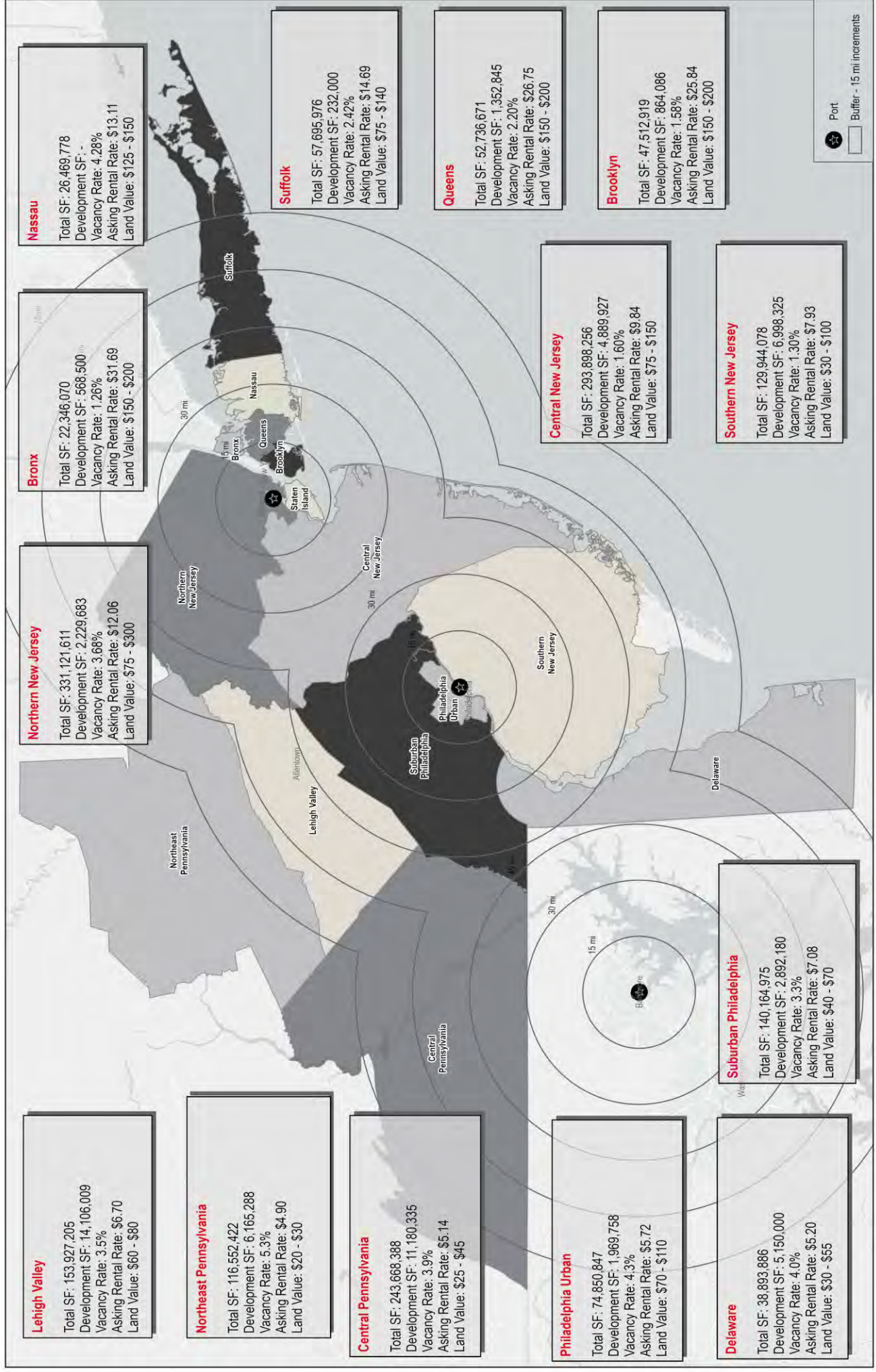
Tenants across the Region have become increasingly focused on leasing buildings early in the development cycle. The competitive demand landscape has meant options for tenants with immediate space requirements are few and far between. As such, 52.2% of the 57.3 million s.f. actively under construction is preleased. Just twelve months ago, 39.0 million s.f. was under construction, 45.9% of which was preleased. This signifies a shift in tenant understanding of the market, as several have realized they must plan much further in advance in order to secure the space they need. As a result, expect preleasing to continue to be a driver for leasing velocity in the upcoming quarters. This will be of particular benefit to submarkets like the Lehigh Valley, Burlington County and Central Pennsylvania, where speculative development is robust. Tenants looking to locate in land constrained submarkets close to the urban core of New York and Philadelphia should be willing to negotiate with developers before construction commencement and negotiate build-to-suit transactions, as new construction options in those markets are limited. This trend will also be a boon for historically secondary submarkets, such as Morris and Somerset County in New Jersey, as these locations situated off the turnpike-corridor have greater land availability, providing opportunity for tenants and developers, alike.

Construction activity by market



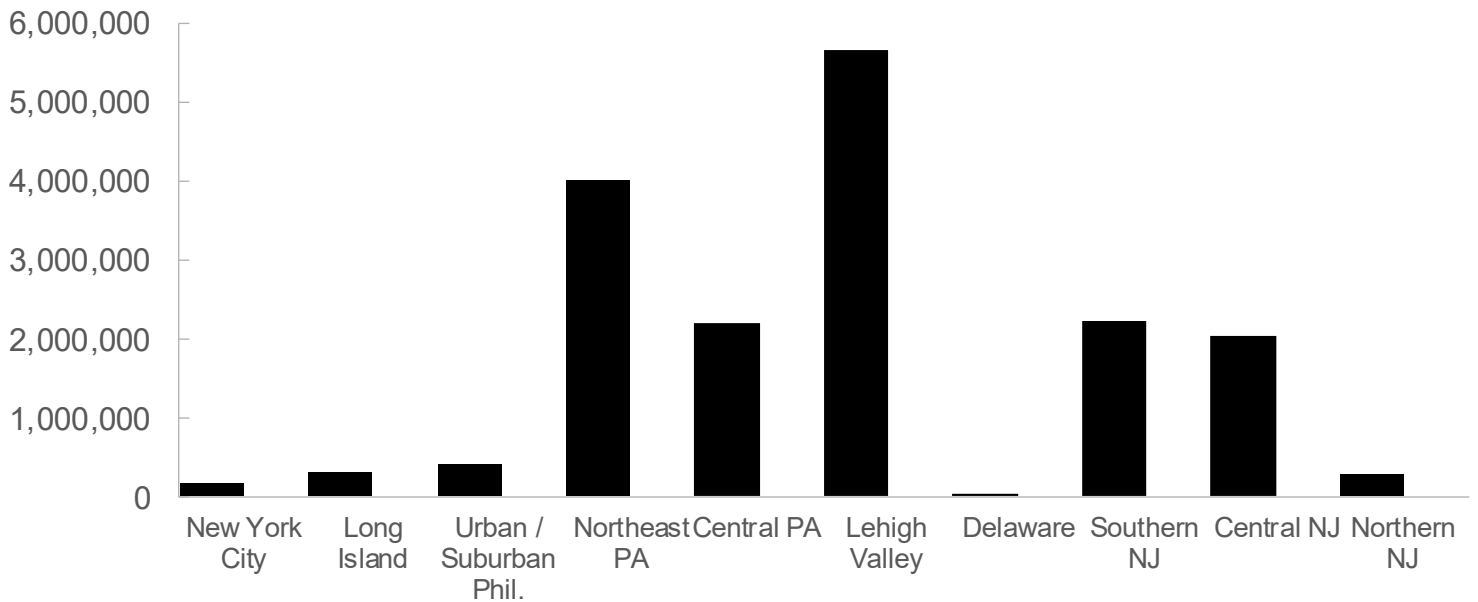
*Includes buildings over 30,000 s.f. currently under construction

Northeast Market Fundamentals Q2 2021



Northeast Industrial absorption

QTD Absorption by region





Outlook

2021 is shaping up to be the strongest year for market fundamentals in history. Class A new construction leasing should continue to be a primary driver of rent growth and absorption gains for the remainder of the year, as vacancy rates remain tight across markets. As preleased buildings deliver in the second half of the year, expect significant absorption gains. We anticipate groundbreakings across the region to accelerate as developers rush to meet the swelling demand, which should open new corridors for regional development, as well as solidify some submarkets that were considered secondary, as core.

Fundamentals

Forecast

YTD net absorption	23,301,469 s.f. ▲
QTD net absorption	17,025,541 s.f. ▲
Under construction	57,271,786 s.f. ►
Total vacancy	3.1% ►
Total average asking rent (NNN)	\$9.01 p.s.f. ►

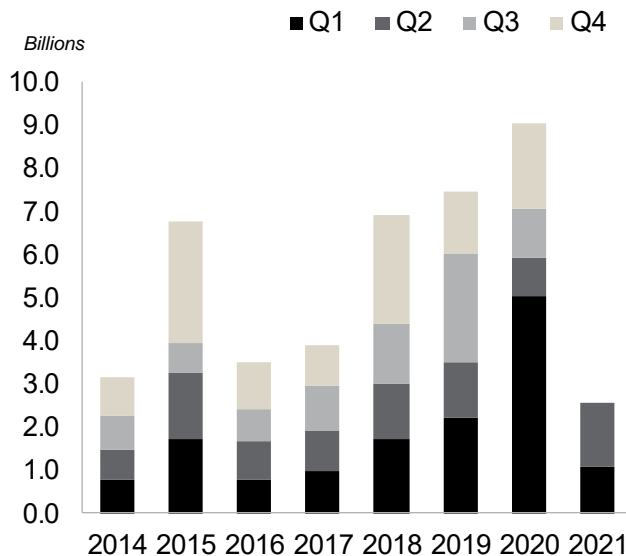


Capital Markets

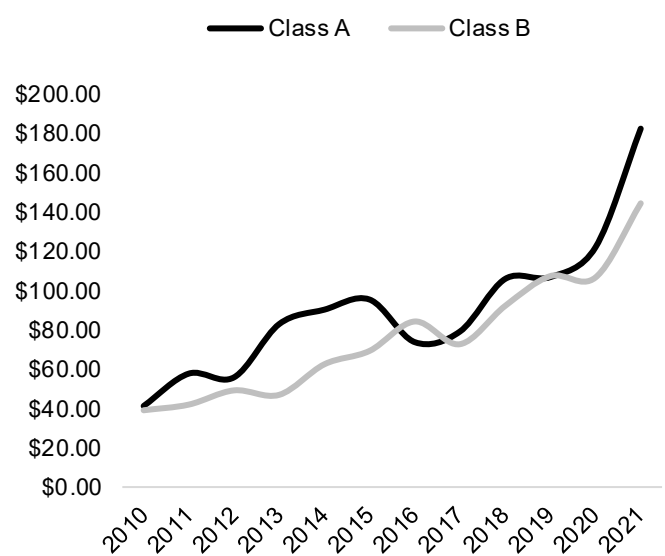
Q2 2021 Outlook

Northeast Industrial Capital Markets Outlook

Sales Activity by Year (\$US)



Price PSF by Class



Yields on Industrial hit new lows, as supply for investment product remains limited and demand skyrockets

Once considered a less attractive asset class, industrial has entered a new era with investors. Leasing fundamentals, structural shifts in consumption habits, and the continual search for yield have conspired to drive new capital to the industrial real estate sector. Investment volumes in the Northeast have nearly tripled since 2014 with the acquisition of large portfolios and operating platforms leading the charge. 2020 recorded just over \$9.0 billion in transaction volume, more than \$4.0 billion which was generated through the sale of Liberty Property Trust to Prologis, representing the largest transaction in the Northeast's market history. Since the sale of Liberty in Q1 2020 volume has largely been dominated by single asset trades often featuring e-commerce-related tenancy.

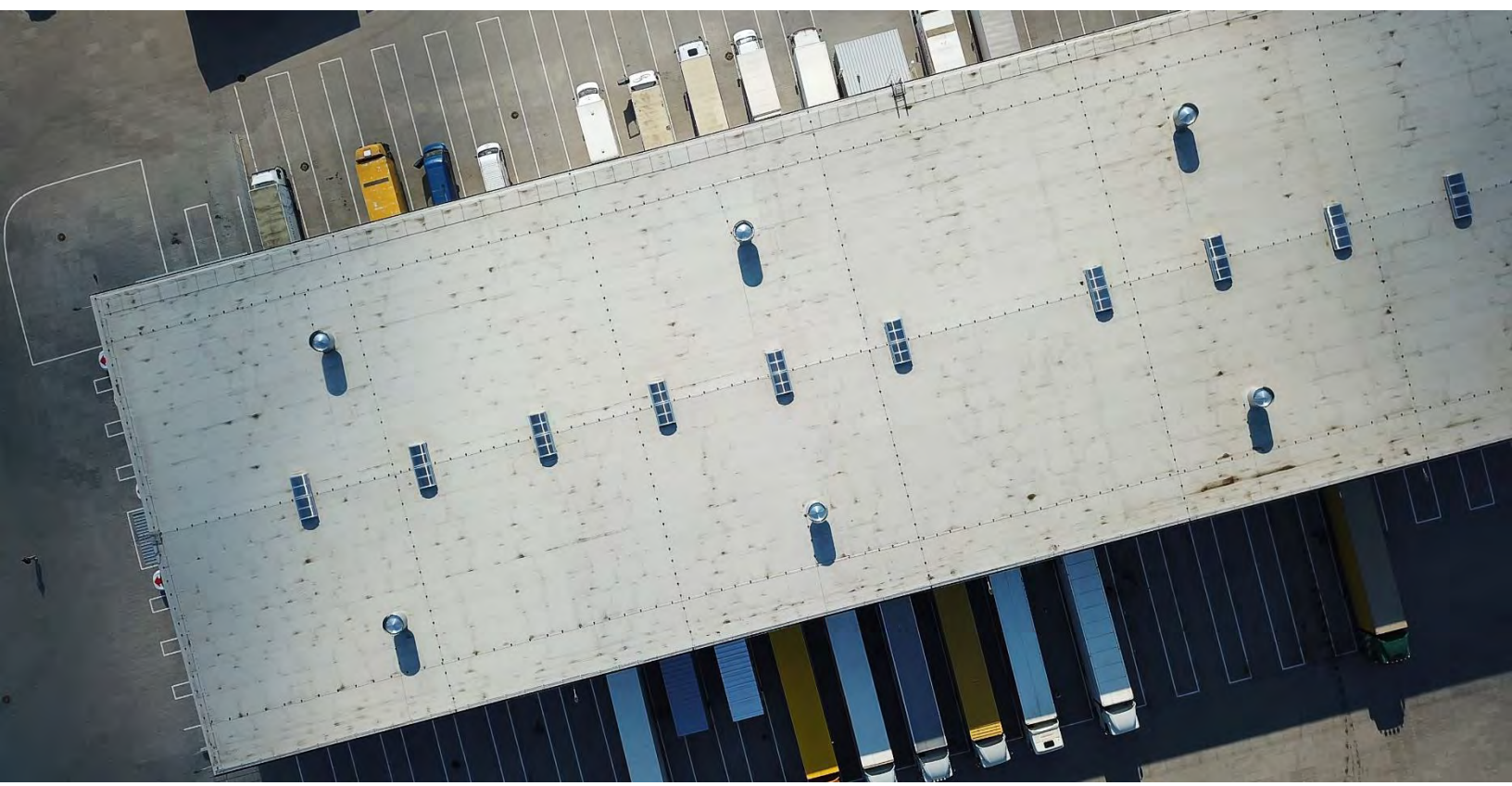
Ultra low vacancy rates, upward trending rent growth, and an economic cycle which is ever more favoring the logistics market has all contributed to swelling demand for industrial real estate. As fundamentals in the industrial sector continued to outshine other assets classes, risk premiums have diminished. Year-to-date, the average Class A capitalization rates have fallen to 3.81%, representing a

70-basis point drop over the last twelve months, even further impressive considering 10-Year Treasury yields have risen over 60 basis points over the same period. In land constrained submarkets in New Jersey, cap rates for well positioned product have dropped below 3.25%. Despite the recent rise in interest rates, demand for industrial product continues to intensify, and as such, cap rates are expected to continue to compress. Eastern Pennsylvania could potentially see additional yield compression given it is where Class A yields still price 25-75 basis points higher than Northern and Central New Jersey. The drop in yields in conjunction with swift rental rate appreciation has resulted in dramatic uptick in asset industrial asset values. On average, Class A and B assets have appreciated 127.5% since 2014, representing a 12.5% compounded annual growth rate.

Northeast Industrial Capital Markets Outlook

Benchmark Transactions by Market

Market	Address	Price / PSF	Cap Rate	Buyer	Seller	Sale Date
New York City	1080 Leggett Ave Bronx, NY	\$116,500,000 \$809	3.61%	CenterPoint Properties	Goldman Sachs / Blumenfeld Development	May - 21
Long Island	344 Duffy Ave Hicksville, NY	\$74,500,000 \$381	4.12%	Travelers	Lincoln Equities	Dec - 20
Northern NJ	801 Washington Ave Carlstadt, NJ	\$37,800,000 \$376	3.57%	Realterm	Sitex	Oct - 20
Central NJ	10 Princess Rd Lawrenceville, NJ	\$75,000,000 \$220	3.43%	Black Creek	Metrix / Penwood	Apr - 21
Southern NJ	The Cubes at East Greenwich East Greenwich, NJ	\$107,744,797 \$201	3.29%	Watson Land Company	CRG / PCCP	Jul - 21
Urban/Suburban Philly	6300 Bristol Pike Levittown, PA	\$21,130,000 \$142	4.25%	Realty Income Trust	Alliance HP	Mar - 21
Lehigh Valley	951 Willowbrook Rd Northampton, PA	\$201,500,000 \$195	3.77%	Centerpoint Properties	Rockefeller Group / PCCP	Apr - 21
Central PA	1 Walnut Bottom Rd Shippensburg, PA	\$125,643,227 \$114	3.75%	Confidential	Equus Capital Partners	Under Contract
Northeast PA	Valley View Trade Center Jessup, PA	\$1,027,660 \$123	4.07%	Confidential	Trammell Crow Company / Diamond Realty Investments	Under Contract





New York City

Q2 2021 Market Report

NYC Outer boroughs

Rental rates in the NYC Outer boroughs continue to climb to all-time highs

- Over the last two years, e-commerce related leasing velocity has accounted for over 60.5% of all leasing activity.
- 2.7 million SF of new development is expected to deliver by Q4 2022, with an additional 5.0 million s.f. expected to begin construction in the next two years.
- There remains over 11.8 million s.f. of demand for industrial space from prospective tenants.

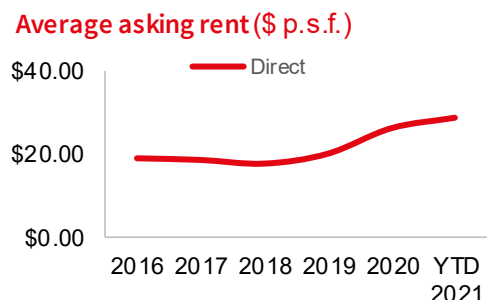
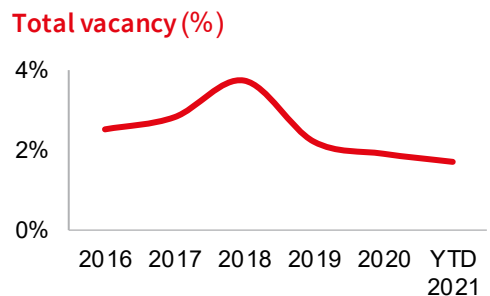
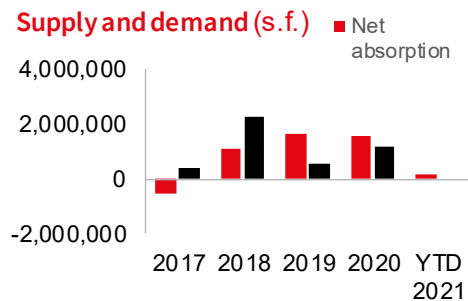
Leasing velocity during the second quarter picked up after a slow start to the year. Just under 700,000 s.f. consisting of 20 leases, were signed with a heavy concentration in the Brooklyn & Queens submarkets. A major e-commerce retailer signed two significant leases, 226,729 s.f. in the Whitestone/Flushing submarket and 134,000 s.f. in the South Bronx. This represents continued investment by e-commerce companies into their supply chain network in order to fulfil same day and next day delivery. As such, e-commerce related leasing velocity has accounted for over 60.5% of all leasing activity over the past two years.

Institutional investors increased their appetite for industrial product as evidenced by sales activity during the second quarter. CenterPoint Properties acquired a 144,000 s.f. warehouse for \$116.5 million in the South Bronx submarket at record pricing for the NYC Outer boroughs and the Country. Other notable transactions include Madison Capital, who acquired a two parcel site totaling 3.6 acres for \$45 million and Steel Equities who acquired a 44,600 s.f. warehouse for \$18.1 million, both of which were in Brooklyn. RealTerm Logistics also added to their growing New York City portfolio with a 35,681 s.f. acquisition in the Bronx submarket for \$37.7 million.

Outlook

While 2020 was a record-breaking year for the New York City Outerboroughs market, we do not anticipate the demand for warehouse space in the city to subside, as 78.0% of logistics companies expect to provide same day-delivery by 2023. Currently, there is over 11.8 million s.f. of tenant demand with a significant portion of that attributed to food & beverage, e-commerce and logistics & distribution users. This is good news for developers who are looking to attract larger tenants for their new Class-A developments. Of the 2.7 million s.f. currently under development over 70.0% of it is pre-leased leaving even less available space for tenants seeking modern Class-A space within the city limits.

Fundamentals		Forecast
YTD net absorption	159,191 s.f.	▲
Under construction	3,251,431 s.f.	▲
Total vacancy	1.7%	►
Sublease vacancy	189,440 s.f.	►
Direct asking rent	\$28.78 p.s.f.	▲
Sublease asking rent	\$20.16 p.s.f.	▲
Concessions	Stable	▲



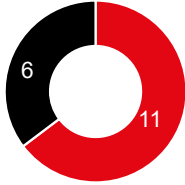
Industrial development

This report analyzes all industrial developments under construction & new deliveries > 30,000 s.f.

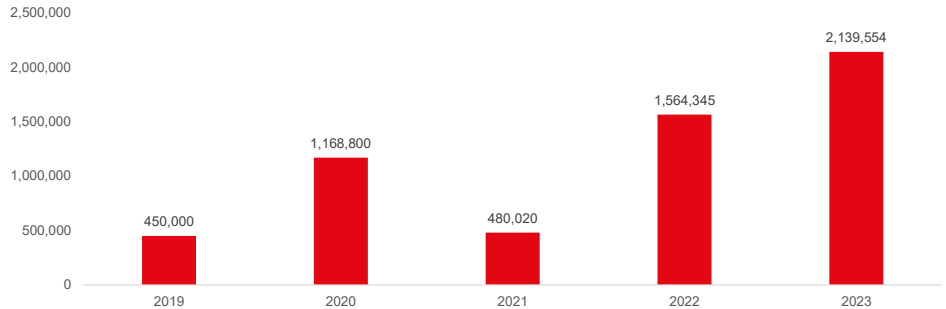
Proposed

3,593,241

Total Proposed YTD (s.f.)



■ Multistory
■ Single Story



Multi-Story vs Single Story (by # projects)

Proposed Future Deliveries (s.f.)

Top 5 projects proposed to date

Building	Submarket	Owner	RBA (s.f.)	Construction type	Delivery date	Leased at delivery (%)
50 21st St	Brooklyn Waterfront	Bridge Development Partners / DHPH	1,327,887	Speculative	Q1 2024	0%
980 E 149th St	South Bronx	Turnbridge Equities	1,003,000	Speculative	Q4 2023	0%
23-30 Borden Ave	Long Island City	IPG	384,625	Speculative	Q4 2023	0%
688-702 Court St	Brooklyn Waterfront	Madison Realty Capital	320,000	Speculative	TBD	0%
28-90 Review Ave	Long Island City	JBL Asset Mangement / Edge Ventures	243,000	Speculative	Q2 2022	0%

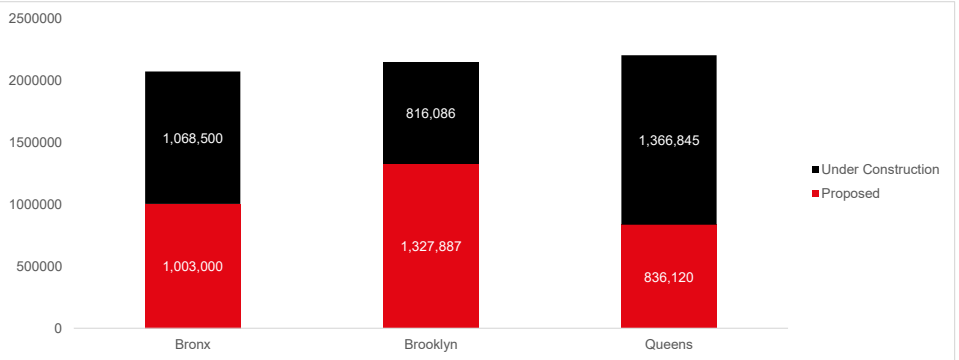
Under construction

3,251,431

Under construction (s.f.)

Under construction in-depth

Total pre-leased (%)	59.4%
Total speculative under construction (s.f.)	3,251,431
Total BTS under construction (s.f.)	-
Total Owner-user under construction (s.f.)	-
Total # of properties UC	6



Proposed vs Under Construction (by borough)

Top 5 projects currently under construction

Building	Submarket	Owner	RBA (s.f.)	Construction type	Delivery date	Pre-leased (%)
55-15 Grand Ave	Maspeth	LBA / RXR	1,114,000	Speculative	Q1 2023	100%
2505 Bruckner Blvd	North Bronx	IPG / Square Mile Capital	1,068,500	Speculative	Q1 2022	0%
640 Columbia St	Brooklyn Waterfront	DHPH / Goldman Sachs	397,020	Speculative	Q4 2021	100%
280 Richards St	Brooklyn Waterfront	Thor Equities	336,066	Speculative	Q1 2022	100%
130-24 S Conduit Ave	JFK	Triangle Equities	252,845	Speculative	Q1 2022	0%

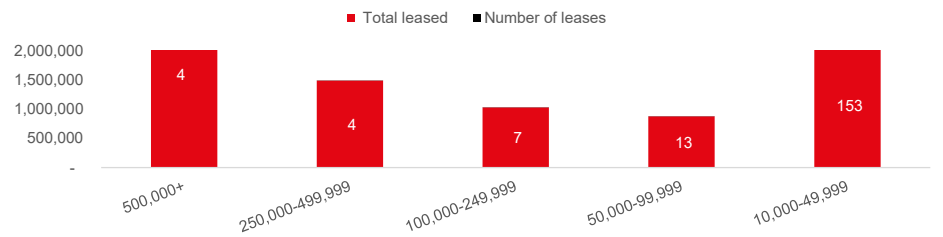
Q2 2021

Industrial leasing activity

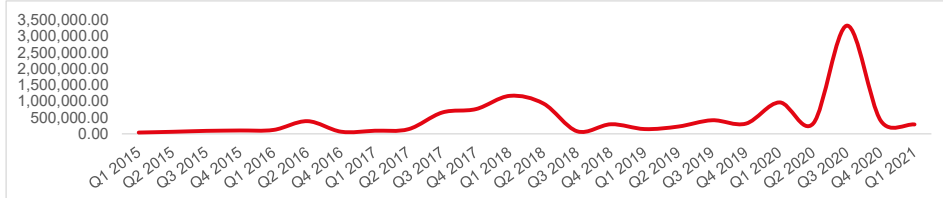
This report analyzes all closed industrial leases > 10,000 s.f.

At a glance	
Total leases QTD	20
Total s.f. leased QTD	679,868
Total s.f. leased QTD: Warehouse/Distribution	679,868
Total s.f. leased QTD: Manufacturing	0
Total s.f. leased QTD: Special Purpose	-
Total leases YTD	34
Total s.f. leased YTD	967,775

Leasing activity by size 2018-2021



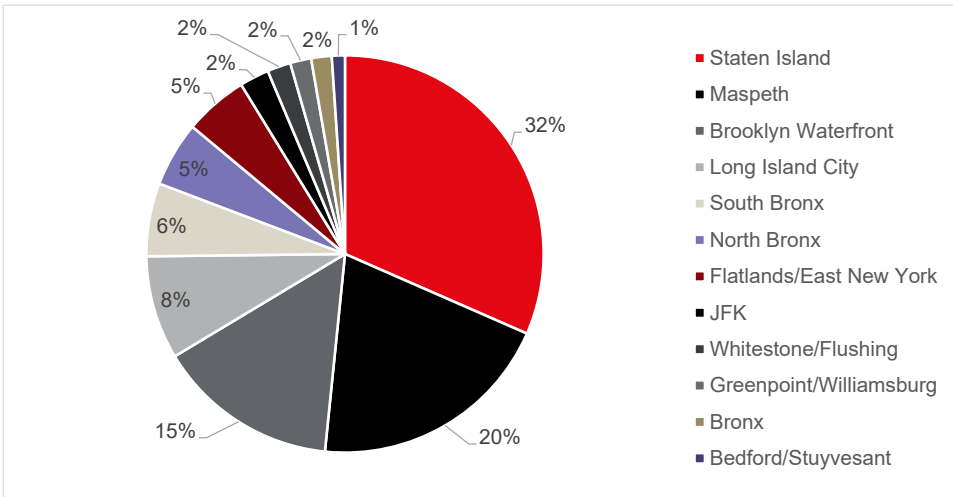
Historical leasing activity



Leasing activity YTD

28,464	1955
Avg. lease size (in s.f.)	Avg. building construction date

Leasing activity by submarket 2018-2021



Leasing activity by Industry 2017-2021 (by s.f.)

Logistics & Distribution	422,318
Retailer (e-commerce)	5,276,336
Retailer (traditional)	990,500
Other/Undisclosed	705,414
Food & Beverage	37,695
Manufacturing	0

Top 10 lease transactions during the last three years

Tenant	Address	Submarket	Size	Lease type	Building status	Year built
E-Commerce User	55-15 Grand Ave	Maspeth	1,114,000	Expansion in Market	Under Construction	-
E-Commerce User	586 Gulf Avenue - Bldg 2	Staten Island	975,000	Expansion in Market	Existing	2018
E-Commerce User	556 Gulf Ave	Staten Island	975,000	Expansion in Market	Existing	2020
E-Commerce User	586 Gulf Avenue - Bldg 1	Staten Island	855,000	Expansion in Market	Existing	2018
E-Commerce User	566 Gulf Ave	Staten Island	450,000	Expansion in Market	Existing	2018
E-Commerce User	1500 Bassett Ave	North Bronx	366,375	Expansion in Market	Existing	1945
E-Commerce User	640 Columbia St	Brooklyn Waterfront	336,350	Expansion in Market	Under Construction	-
E-Commerce User	280 Richards St	Brooklyn Waterfront	336,066	Expansion in Market	Under Construction	-
E-Commerce User	253-51 Rockaway Blvd	JFK	226,729	Expansion in Market	Under Construction	-
E-Commerce User	1055 Bronx River Ave	South Bronx	205,409	Expansion in Market	Existing	1918

Q2 2021

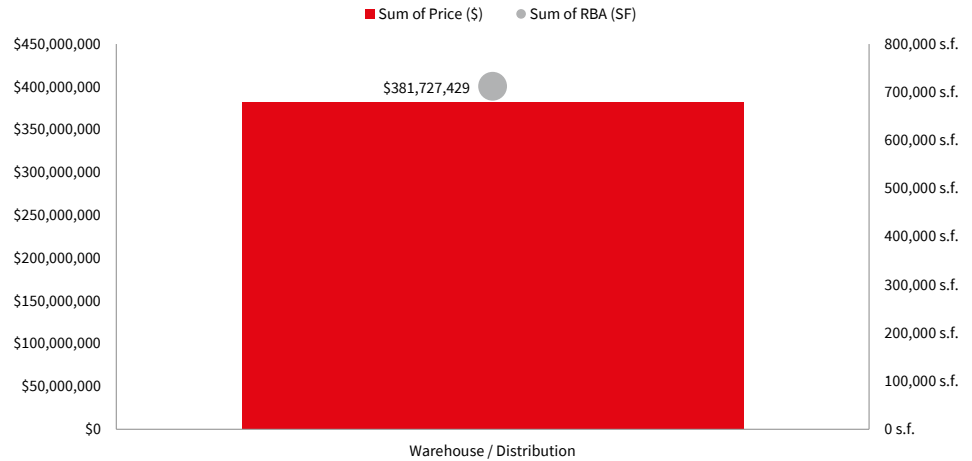
Industrial sales activity

This report analyzes all industrial sales > 10,000 / 30,000 s.f.

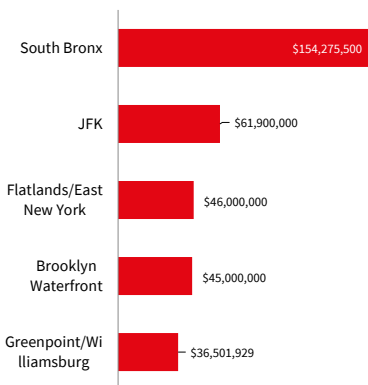
At a glance

Total volume YTD	\$392,504,223
Number of transactions YTD	17
Average Class A price p.s.f. YTD	-
Average Class A cap rate YTD	-
Warehouse/Dist. sales volume as % of total YTD	100.0%
Flex/R&D sales volume as % of total YTD	-
Cap rate range	
Core Class A Ind.	3.7%
Core Class A Flex	-

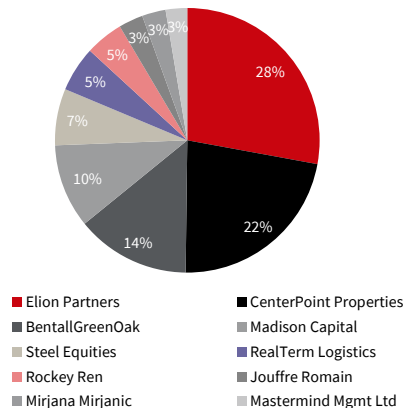
Sales activity by building type



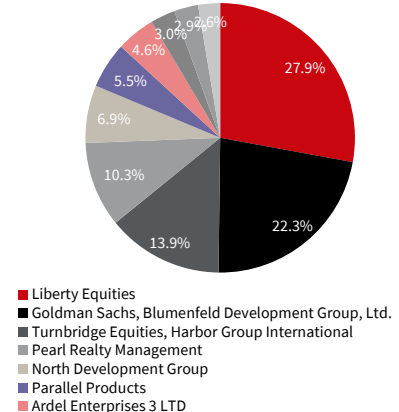
Sales volume \$ by submarket



Top buyers (s.f.)



Top sellers (s.f.)



Top sales transactions this year

Building address	Buyer company	Seller company	Size (s.f.)	Sales price \$	\$ p.s.f.	Sale date
1080 Leggett Ave	CenterPoint Properties	Goldman Sachs, Blumenfeld Development Group, Ltd.	144,000	\$116,500,000	\$809	May-21
18220 Liberty Ave	Elion Partners	Liberty Equities	180,000	\$58,100,000	\$323	Apr-21
2300 Linden Blvd	BentallGreenOak	Turnbridge Equities, Harbor Group International	90,000	\$46,000,000	\$511	Feb-21
688-702 Court St	Madison Capital	Pearl Realty Management	130,318	\$45,000,000	\$345	May-21
900 E 138th St	RealTerm Logistics	Parallel Products	35,681	\$37,775,500	\$1,059	May-21

Submarket Report

Q2 2021

Brooklyn

- Sales volume over the last two years has exceeded \$374 million s.f.
- There remains over 2.2 million s.f. of tenant demand exclusively within the Brooklyn submarket.

The Brooklyn industrial market is comprised of over 47.5 million square feet making it the second largest of all four New York City outer boroughs markets; made up of 98.2 percent Class-C product with an average building size of 37,000 square feet, 18' clear heights, and an original build date of 1944. The market is poised to experience significant growth over the coming years as several new developments, totaling 3.0 million square feet, are expected to deliver. Brooklyn has become a key place of interest for retailers looking to grow their last mile network as 28.9 percent of the Brooklyn population are millennials. Millennials are a driving force of last mile delivery as they have grown accustomed to delivery windows of two days or less with 22.4 percent of online shoppers willing to abandon an order if same-day delivery is not available.

In the Brooklyn Waterfront submarket, Madison Capital acquired two parcels totaling 3.6 AC for \$45 million. As a result, over 3.5 million s.f. is either proposed or under construction in the submarket. This further solidifies the Brooklyn Waterfront as Brooklyn's new-age distribution location, as it provides central access to distribute into the borough's dense population.

While asking rental rates in the Brooklyn submarket appeared to have declined year-over-year, the primary reason is the leasing of Class A warehouse space which had \$35.00 p.s.f. asking rents. As a result, the overall average of asking rents decreased due to these large availabilities being removed from the market and no longer bolstering the overall asking rents which are primarily Class-C product. Despite the overall asking rental rates decreasing Class B & C have increased significantly apart from the buoying effects of Class A rents boosting the overall. Over the last two years, Class B & C asking rents have increased 23.9% to \$25.84 p.s.f.

Outlook

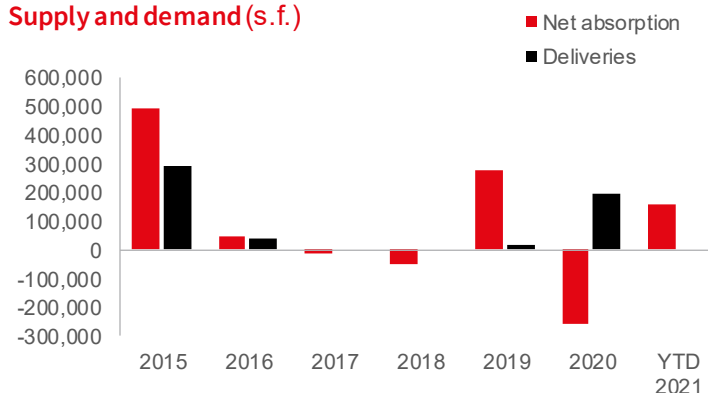
Despite leasing velocity slowing during the second quarter, primarily due to all new construction having been pre-leased, we remain optimistic that leasing activity will increase as there is still more than 2.2 million square feet of tenant demand exclusively in the Brooklyn market. Developers should also remain emboldened as Class-A developments continue to be pre-leased early in the marketing process leaving no Class-A availabilities anywhere in the Brooklyn submarket. We also do not see any signs of slowing in last mile logistics as the change in consumer shopping behavior relying heavily on e-commerce has only grown over the past year and is not expected to decrease.

Fundamentals

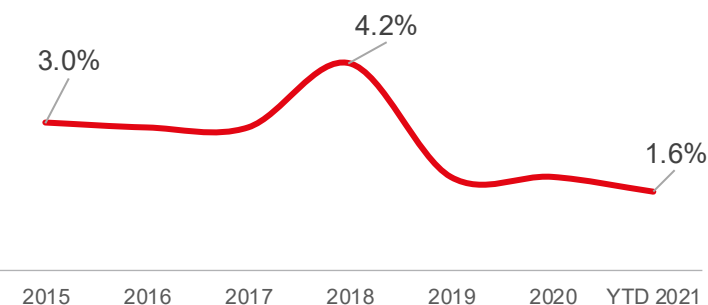
Forecast

YTD net absorption	161,904 s.f. ▲
Under construction	816,086 s.f. ▲
Total vacancy	1.6% ▼
Average asking rent (NNN)	\$25.84 p.s.f. ▲

Supply and demand (s.f.)

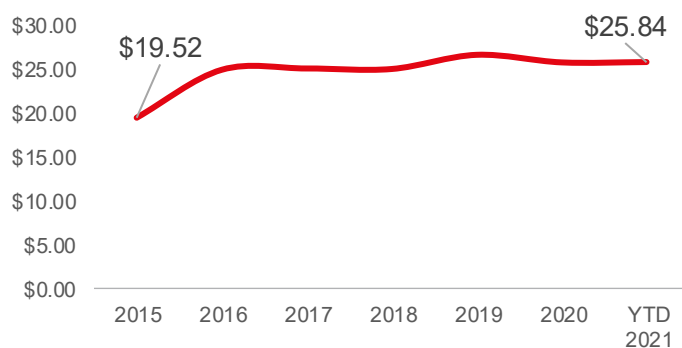


Total vacancy



Average asking rents (\$/s.f.)

Overall Asking Rental Rates



Submarket Report

Q2 2021

Bronx

- Over the last two years, over 850,000 s.f. of space has been leased by e-commerce retailers.
- Average asking rents surpassed the \$31.00 p.s.f. mark.
- Tenant demand in the Bronx remains at an all-time high with over 3.0 million s.f. of demand exclusively in this submarket.

The Bronx industrial market is comprised of 22.3 million square feet, consisting of 97.7 percent Class-C product, with an average building size of 42,000 square feet and an original build date of 1949. The location of the Bronx market makes it well-suited for delivery into upper Manhattan, and with direct access to I-95, the Bronx is ideal as a regional hub for distribution companies looking to also service the Westchester, Fairfield, and Long Island markets. The Bronx market is also home to a large concentration of food and beverage distributors as well as the Hunts Point Food Market.

During the second quarter, the Bronx submarket once again experienced significant activity as two major deals occurred. CenterPoint Properties acquired a 144,000 s.f. warehouse for \$116.5 million in the South Bronx at record pricing for the NYC Outer boroughs and the Country. RealTerm Logistics also added to their growing New York City portfolio with a 35,681 s.f. acquisition in the Bronx submarket for \$37.7 million.

Despite a lack of significant leasing activity compared to previous quarters, the second quarter continued the trend of e-commerce retailers leasing up space in order to meet the increasingly faster delivery expectations of their customers. In the South Bronx submarket, a major e-commerce retailer leased 134,732 s.f., which marks over 850,000 s.f. of space leased by e-commerce retailers in the Bronx in the past two years.

Outlook

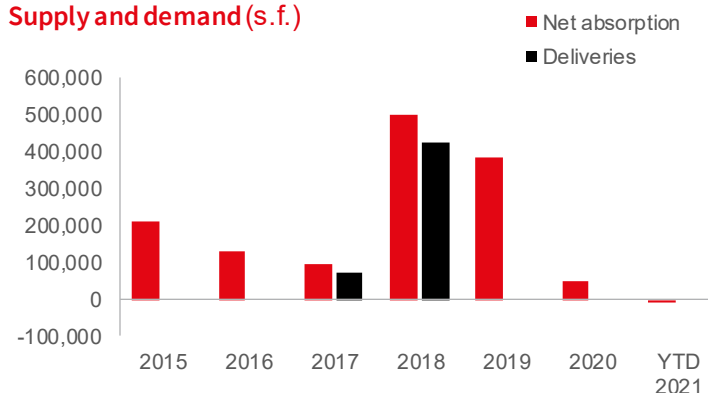
Even with all the leasing activity that has occurred in the last year there is still more than 3.0 million s.f. of tenant demand exclusively in the Bronx. As a result, we remain confident in the market as the increasing reliance of e-commerce by New York City consumers positions the Bronx to be a prime location for those looking to deliver to their customers in the same-day and next-day delivery windows consumers have begun to expect. The continued recovery of NYC from COVID will also be a boon for the market as the traditional mom and pop shop tenants who were disproportionately affected will now seek to grow their businesses and lease up space.

Fundamentals

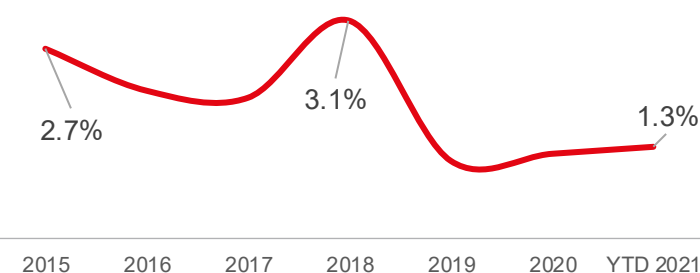
Forecast

YTD net absorption	-5,170 s.f. ▲
Under construction	568,500 s.f. ►
Total vacancy	1.3% ▲
Average asking rent (NNN)	\$31.69 p.s.f. ▲

Supply and demand (s.f.)



Total vacancy



Average asking rents (\$/s.f.)

Overall Asking Rental Rates



Submarket Report

Q2 2021

Queens

- Asking rental rates continued to grow as the submarket saw more Class B & C properties rents reach \$25.00-\$30.00 persquare foot.
- Queens has the most projects under construction with over 1.3 million s.f.
- Sales volume over the last two years has exceeded \$415 million.

The Queens industrial market, with an average building size of 37,000 square feet and clear height of 17'9", is comprised of 52.7 million square feet making it the largest market by inventory in New York City's outer boroughs. The Queens market features pockets of high income millennial populations that make it ideal for retailers looking to expand their last mile network and ensure efficient delivery times to their customers as well proximity to the Midtown tunnel, granting quick access to the east side of Manhattan.

Leasing activity in the Queens submarket continued the momentum from the first quarter as 14 leases totaling more than 470,000 s.f. were signed during the second quarter with eight of these leases in the Long Island City submarket. In the JFK submarket, a major e-commerce retailer signed a 226,729 s.f. lease at Wildflower's latest Class-A development. This lease marks yet another new development that was pre-leased as tenants continue to take up any Class-As space that hits the market as modern industrial space is scarce in the New York City market.

Asking rents in Queens continued their upward trend as average asking rents increased to \$26.75. While the increase over last quarter wasn't as significant as previous quarters, the asking rents are expected to continue to rise as more landlords are pushing rents to \$30.00 p.s.f. for Class B & C product.

The second quarter marked the continued expansion by institutional owners into the New York City industrial market as Elion Partners acquired a 180,000 s.f. warehouse in the JFK submarket for \$58.1 million, equating to a \$323 p.s.f. purchase price. Over the last two years, the total sales volume in Queens has exceeded \$415 million.

Outlook

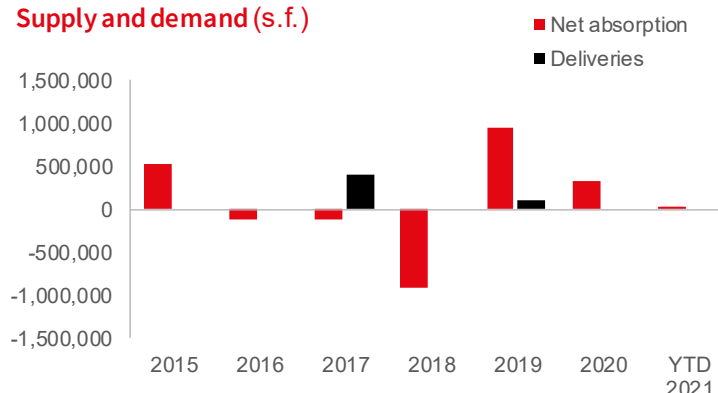
The rise of e-commerce has been a boon to the market with consumers increasingly relying on e-commerce for their same day and next day delivery. We anticipate rents to grow as more developers and institutional owners enter the market and continue to push rents closer to \$30.00 p.s.f. for existing product and high \$30.00's p.s.f. for new Class-A construction. We remain optimistic on the future of the Queens industrial market due to a combination of low vacancy and a lack of product over 100,000 s.f. available for immediate occupancy.

Fundamentals

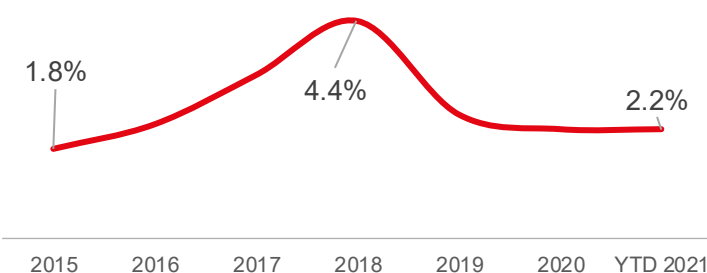
Forecast

YTD net absorption	2,457 s.f. ▲
Under construction	1,352,845 s.f. ▲
Total vacancy	2.2% ▼
Average asking rent (NNN)	\$26.75 p.s.f. ▲

Supply and demand (s.f.)

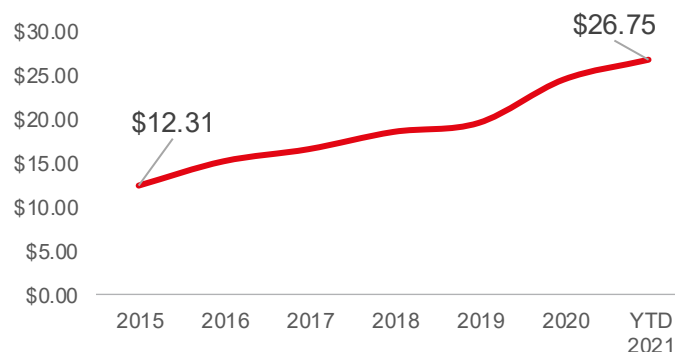


Total vacancy



Average asking rents (\$/s.f.)

Overall Asking Rental Rates





New Jersey

Q2 2021 Market Reports

New Jersey

2021 set to surpass 2020 records, as leasing volumes continue to soar

- 12.3 million s.f. was leased in the second quarter, led by e-commerce & 3PL users.
- Despite historically high levels of construction activity, Class A vacancy plummeted to 1.3%, on the back of impressive preleasing.
- The Class B & C segment showed signs of improvement, notching its second quarter of positive absorption since April 2020.
- Tenants looking for Class A space should be prepared for competition, high rents and limited options.

Like other markets in the Northeast, leasing velocity continued its booming start to the year. 12.3 million s.f. was leased in Q2 2021, the third highest level in history. E-commerce tenants led the pack, accounting for 3.2 million s.f. of that volume. As such, online retailers are responsible for 13.5 million s.f. of leasing over the past 18 months. 3PL companies were also particularly active, as several expanded their footprint in order to meet their clients' growing demand. The industry leased 2.2 million s.f. in Q2, bringing their 2021 total to 4.1 million square feet, making them the most active industry year-to-date.

In order to effectively operate in the new age of e-commerce, tenants have been seeking modern, functional spaces that have adequate truck and car parking. This trend continued in the second quarter, which helped the Class A segment account for over 55.0% of the quarter's volume. With Class A vacancy at record lows of 1.3%, tenants have been forced to sign leases on proposed and under construction product, resulting in a 52.2% preleasing rate for projects actively under construction. Due to the pandemic and reduced activity in New York City, smaller, less capitalized companies have not performed as well as large nationwide companies with robust balance sheets. As such, Class B & C product has struggled in comparison to the Class A segment. However, the Class B & C segment showed signs of stabilization in Q2, recording 671,778 s.f. of absorption, the second quarter of positive absorption since the onset of the pandemic.

Outlook

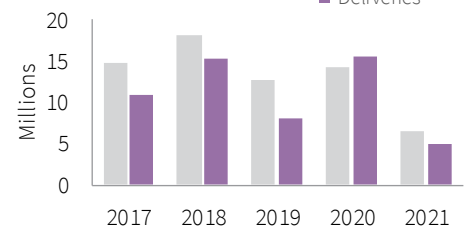
Despite record levels of leasing, a magnitude of tenants continue to look for space. JLL is recording 26.3 million s.f. of active requirements statewide, up from 25.5 million s.f. at the end of Q1. As such, expect 2021 to surpass 2020 as the market's strongest year of leasing in history. With Class A vacancy at record lows and incredibly resilient preleasing rates, developers are in the driver's seat when it comes to lease negotiations. Thus, tenants looking for Class A product should be prepared to act quickly and pay high-water-mark rents in order to secure new construction availabilities.

Fundamentals

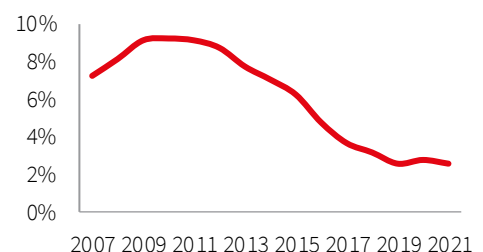
Forecast

YTD net absorption	6,416,842 s.f.	▲
Under construction	14,117,935 s.f.	▲
Total vacancy	2.5%	►
Sublease vacancy	1,400,192 s.f.	►
Direct asking rent	\$10.47 p.s.f.	▲
Sublease asking rent	\$10.02 p.s.f.	▲
Concessions	Falling	▼

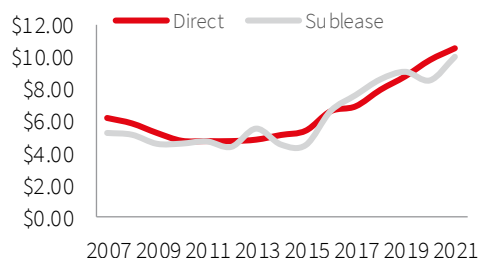
Supply and demand (s.f.)



Total vacancy (%)



Average asking rent (\$ p.s.f.)



Industrial development

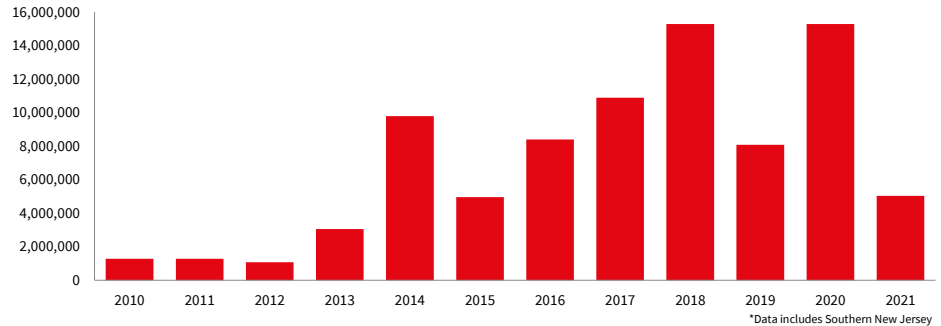
This report analyzes all industrial developments under construction & new deliveries > 30,000 s.f.

New deliveries

5,031,856

Total delivered YTD (s.f.)

Completions in-depth	
Total leased at delivery (%)	82.6%
Total speculative at delivery (s.f.)	4,842,788
Total BTS at delivery (s.f.)	189,068
Total Owner-User at delivery (s.f.)	-
Total # of properties delivered	12
Asking rental rate (low - high)	\$12.95 - \$12.95



Historical deliveries (s.f.)

Top 5 projects delivered to date

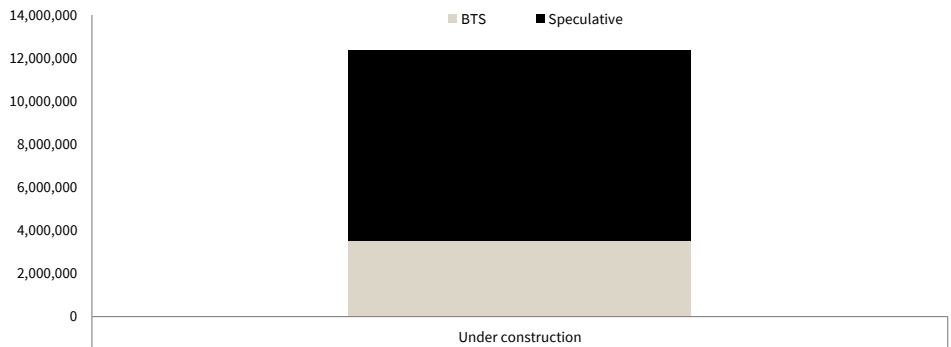
Building	Submarket	Owner	RBA (s.f.)	Construction type	Delivery date	Leased at delivery (%)
300 Creekview Ave	Port	Greek Development	1,105,000	Speculative	Q2 2021	100%
600 Linden Logistics Way	Port	Greek Development	843,203	Speculative	Q1 2021	0%
11 C Court S	Exit 10	2020 Acquisitions	699,600	Speculative	Q2 2021	100%
150 Old New Brunswick	Exit 10	Duke Realty	622,230	Speculative	Q2 2021	100%
500 Linden Logistics Way	Port	Greek Development	480,740	Speculative	Q1 2021	100%

Under construction

14,117,874

Under construction (s.f.)

Under construction in-depth	
Total pre-leased (%)	52.2%
Total speculative under construction (s.f.)	13,913,624
Total BTS under construction (s.f.)	204,250
Total Owner-user under construction (s.f.)	-
Total # of properties UC	43
Asking rental rate (low - high)	\$8.00 - \$18.00



Upcoming deliveries by year (s.f., excludes YTD completions)

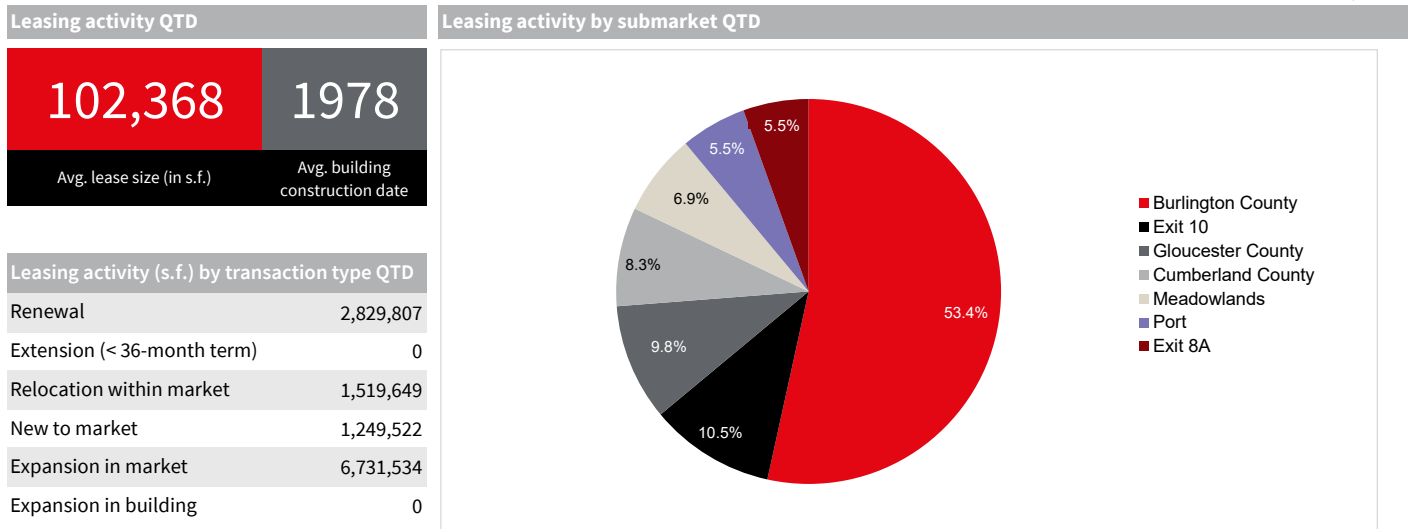
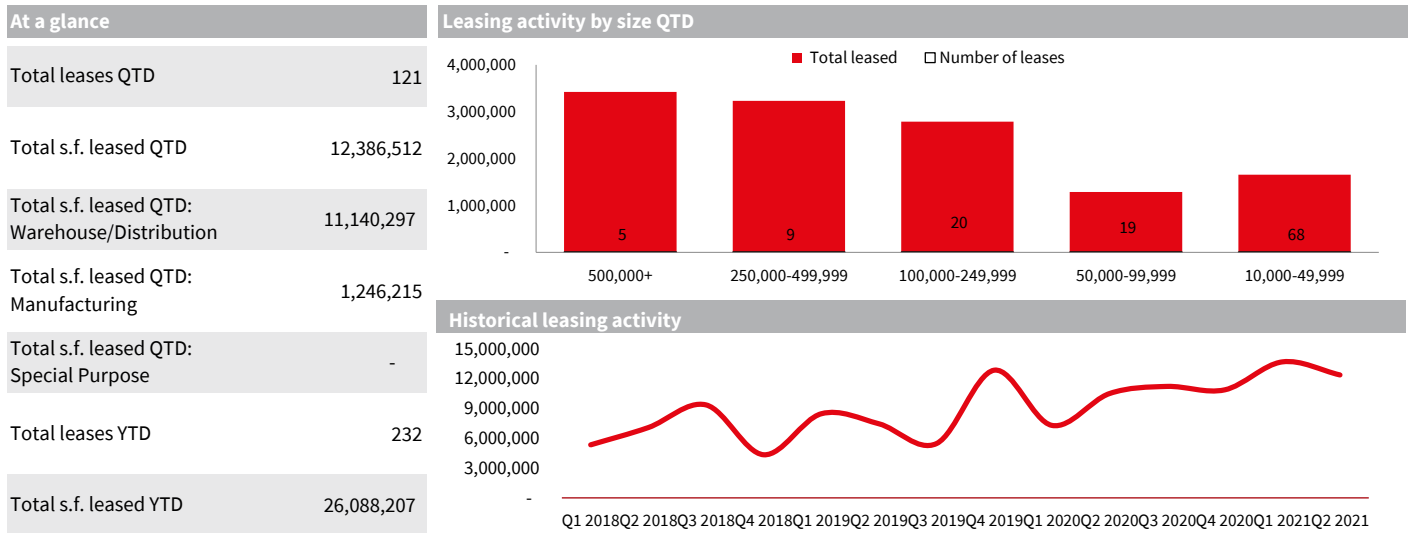
Top 5 projects currently under construction

Address	Submarket	Owner	RBA (s.f.)	Construction type	Delivery date	Pre-leased (%)
Heller Park North	Exit 8A	Heller Industrial Parks	1,166,030	Speculative	Q4 2021	100%
Wiley Rd	Salem County	Arbok	1,000,000	Speculative	Q3 2021	100%
505 State Route 33	Exit 8A	Crow Holdings Industrial	1,000,000	Speculative	Q1 2022	0%
173-268 Doremus Ave	Port	The Morris Companies	873,743	Speculative	Q3 2021	100%
1365 Lamberton Rd	Trenton	Hilco	816,000	Speculative	Q3 2021	0%

Q2 2021

Industrial leasing activity

This report analyzes all closed industrial leases > 10,000 s.f.



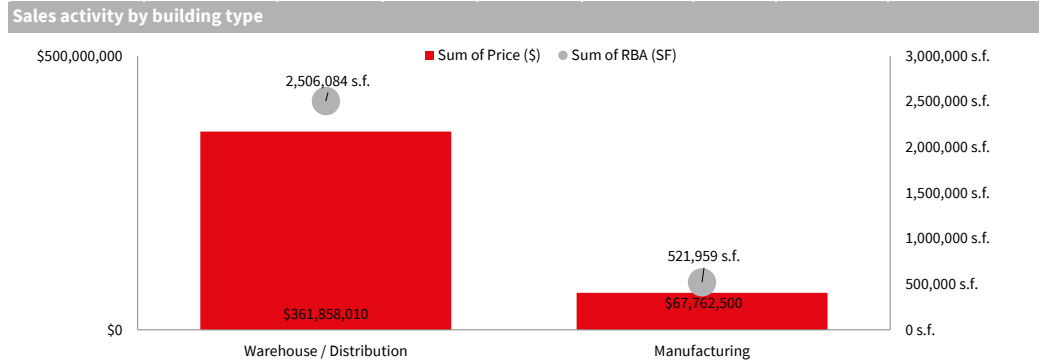
Top 10 lease transactions during the quarter						
Tenant	Address	Submarket	Size	Lease type	Building status	Year built
Peloton	Tremley Point Rd	Port	843,203	Direct	Existing	2021
Western Post	3820 US Route 206	Burlington County	772,800	Direct	Under Construction	2021
Undisclosed Retailer	100 Western Dr	Burlington County	634,400	Direct	Under Construction	2021
Undisclosed E-commerce Company	1150 Commerce Blvd	Gloucester County	599,500	Direct	Existing	2009
UPS	1 Mikasa Dr	Meadowlands	572,842	Direct	Existing	1959
LC Logistics	1950 River Rd	Burlington County	486,812	Direct	Under Construction	2021
Dream On Me	47 Veronica Ave	Somerset	425,250	Direct	Planned	2021
Undisclosed E-commerce Company	Baekland Ave	Exit 10	400,000	Direct	Under Construction	2021
UPS	70 Enterprise Ave N	Meadowlands	384,070	Direct	Existing	1970
Newegg	45 Patrick Ave	Exit 10	374,148	Direct	Existing	2006

Q2 2021

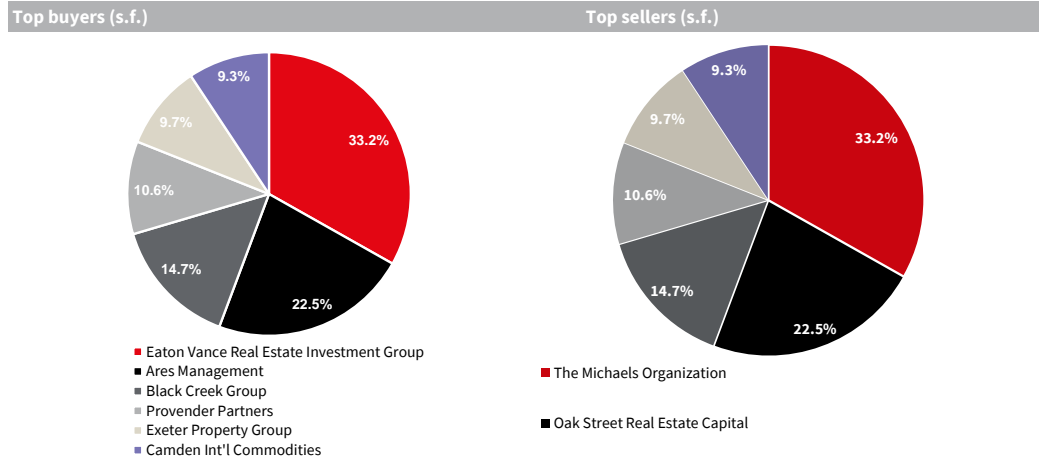
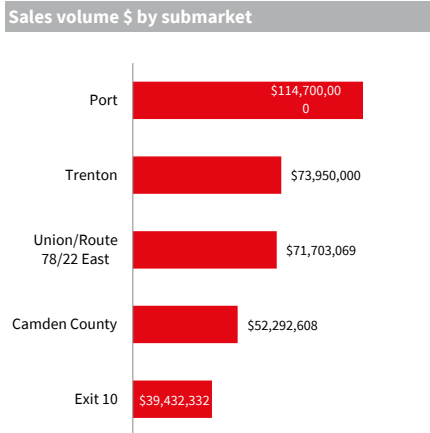
Industrial sales activity

This report analyzes all industrial sales > 30,000 s.f.

At a glance	
Total volume YTD	\$1,043,428,784
Number of transactions YTD	53
Average Class A price p.s.f. YTD	\$169.11
Average Class A cap rate YTD	3.60%
Warehouse/Dist. sales volume as % of total YTD	82.1%
Flex/R&D sales volume as % of total YTD	0%
Cap rate range	
Core Class A Ind.	3.25%
Core Class A Flex	5.5%



Number of partial interest transactions	0	Number of foreign buyers	-	Foreign capital \$	\$0
Average partial interest acquired	N/A	Number of domestic buyers	17	Domestic Capital \$	\$429,620,510



Top 10 sales transactions this quarter						
Building address	Buyer company	Seller company	Size (s.f.)	Sales price \$	\$ p.s.f.	Sale date
10 Princess Rd	Black Creek Group	Penwood Real Estate Investment Management, Metrix Real Estate Advisors	340,400	\$73,950,000	\$217	Apr-21
150 Bayway Ave	Lineage Logistics	HN Gorin	150,826	\$68,000,000	\$451	Apr-21
650 Liberty Ave	Ares Management	Oak Street Real Estate Capital	344,500	\$47,191,335	\$137	Apr-21
130 A C Moore Dr	Eaton Vance Real Estate Investment Group	The Michaels Organization	767,000	\$42,292,608	\$55	Jun-21
1000 Coopertown Rd	Provender Partners	Stanker & Galetto, Inc.	245,000	\$38,090,000	\$155	Jun-21
1000 Jefferson Ave	Elion Partners	The Seyon Group	190,000	\$29,700,000	\$156	Apr-21
700 Liberty Ave	Ares Management	Oak Street Real Estate Capital	176,600	\$24,511,734	\$139	Apr-21
3070 US Hwy 22	Exeter Property Group	Merck & Co	223,658	\$21,400,000	\$96	Apr-21
140 Ethel Rd W	Investcorp	Denholtz Associates	108,000	\$17,787,771	\$165	Apr-21
433 Bergen Ave	Undisclosed	Supor Joseph Trust	26,000	\$17,000,000	\$654	Apr-21

Submarket Report

Q2 2021

Meadowlands

- Leasing velocity boomed in the second quarter, as large occupiers expanded their footprint in the submarket.
- Quick lease-up of new construction projects bodes well for the submarket's future development projects.
- Asking rents for future development projects are expected to break the \$20.00 p.s.f. threshold.

The Meadowlands submarket is the second largest submarket in Northern New Jersey with nearly 75.0 million s.f. of industrial space. The submarket features unparalleled access to New York City and Port Newark/Elizabeth. The Meadowlands is characterized by small entrepreneurial users in the apparel, food & beverage, and third-party logistics industries looking to service New York City. Users within the submarket are willing to pay a premium to be in close proximity to New York City, and have the ability to get into and out of Manhattan multiple times a day. The market is predominantly comprised of Class B and C industrial space with a relatively limited supply of Class A facilities.

Fundamentals in the Meadowlands have lagged the rest of the state since the onset of the pandemic, as limited activity in Manhattan has reduced demand in some segments of the market. However, the submarket saw a strong rebound in the second quarter. 2.7 million s.f. was leased in the quarter, far beyond the quarterly average of 800,000 s.f. since the beginning of the pandemic. Leasing was led by UPS, who leased three buildings in Secaucus totaling 1.1 million s.f. and an undisclosed e-commerce company, who leased Lincoln Equities Group's 360,000 s.f. development site in East Rutherford.

Outlook

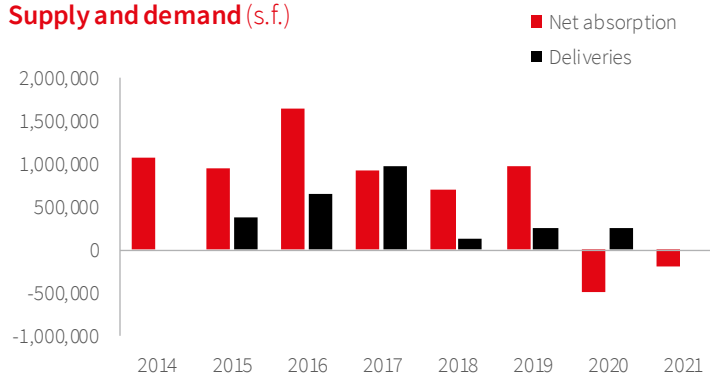
The submarket is expected to carry its leasing momentum into the third quarter. With a large cohort of companies bringing employees back to the office after Labor Day, demand in the Meadowlands is forecasted to follow. Additionally, Clarion Partner's Lincoln Crossing project in Secaucus remains the submarket's only speculative availability over 100,000 s.f. and thus, is expected to lease in the third quarter. The rapid lease-up of the submarket's larger construction projects bodes well for Forsgate & Russo's Kingsland Meadowlands project, which will commence vertical construction in 2022. Given the lack of Class A space in the submarket, expect asking rents on future projects to breach the \$20.00 p.s.f. mark.

Fundamentals

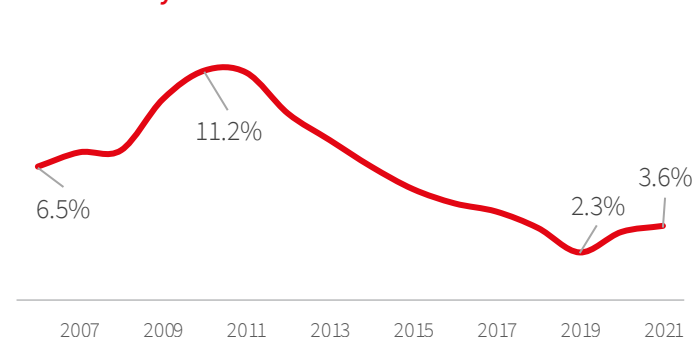
Forecast

YTD net absorption	-205,059 s.f. ▲
Under construction	563,541 s.f. ▼
Total vacancy	3.6% ►
Average asking rent (NNN)	\$13.99 p.s.f. ▲
Concessions	Falling ▼

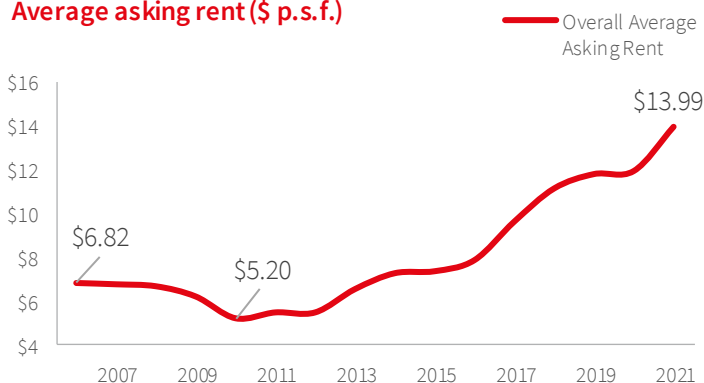
Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)



Submarket Report

Q2 2021

Port

- Peloton leased the 843,203 s.f. in Linden, leaving no existing Class A vacancies over 100,000 s.f.
- Class C asking rents continue to rise, in concert with the rest of the market.
- The submarket's development pipeline continues to grow and fervent demand for quality logistics space bodes well for future projects.

The Port submarket is the largest submarket in Northern New Jersey with over 103.4 million s.f. of industrial space. Users within the submarket range in both size and industry, with food & beverage companies and third-party distributors making up the largest occupiers of the area. Like other submarkets in Northern New Jersey, the Port is predominantly comprised of older Class B and C industrial space with a limited supply of modern Class A facilities.

Continued demand for quality logistics space resulted in the state's largest second quarter lease to take place in the Port submarket. Peloton signed an 843,203 s.f. deal at Greek Development and Advance Realty's Tremley Point project in Linden, bringing the fitness company's statewide footprint to over 1.1 million s.f.

There are no existing Class A availabilities in the Port submarket over 100,000 s.f. While the submarket's vacancy rate remains slightly above the rest of the state, several leases will commence in the third quarter, which will bring vacancy below 2.5%. Furthermore, the lack of Class A availabilities has resulted in little change in the headline rental rate figure, as the composite of availabilities is now predominantly Class C product. However, Class C rental rates have risen over 15.1% year-over-year, as the statewide rise in rents have continued to buoy all segments of the market.

Outlook

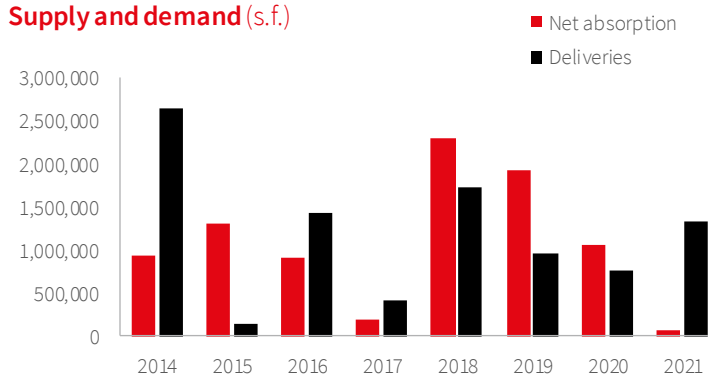
As much as 10.0 million s.f. of proposed construction product can deliver in the Port over the next 5 years, which will effectively double the submarket's Class A stock. However, we expect rapid lease-up of these future projects given the continued demand for Class A space, particularly in last mile locations like the Port. Given the record rents recently achieved in Northern New Jersey, the next wave of new construction product at the north end of the Port are expected to boast asking rents at or above \$20 p.s.f.

Fundamentals

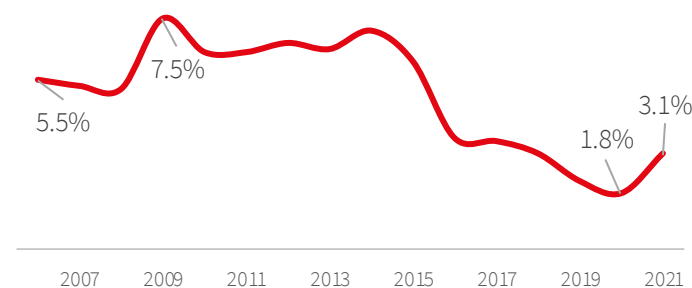
Forecast

YTD net absorption	63,184 s.f. ▲
Under construction	1,135,560 s.f. ▼
Total vacancy	3.1% ▼
Average asking rent (NNN)	\$12.67 p.s.f. ▲
Concessions	Falling ▼

Supply and demand (s.f.)

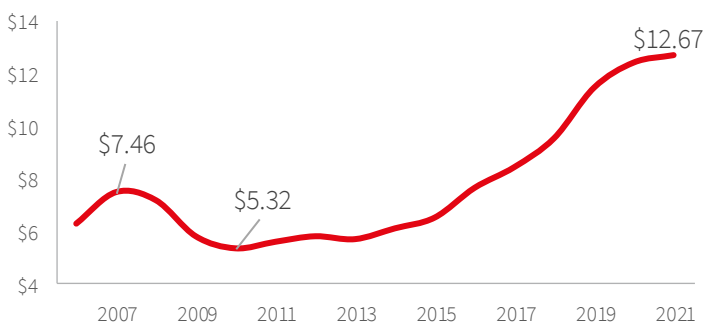


Total vacancy



Average asking rent (\$ p.s.f.)

Overall Average Asking Rent



Submarket Report

Q2 2021

Fairfield

- Second quarter leasing was subdued by limited availabilities.
- Link Industrial Properties and The Hampshire Companies new Class A development is expected to deliver Q3 2021 and fetch rents above \$13.00 NNN rents.
- Although rents continue to rise in the submarket, Fairfield can still provide cost savings to tenants looking to relocate from locations closer to New York City.

Comprised of 12.0 million s.f., the inventory of the Fairfield submarket is predominantly made up of light industrial and flex buildings 50,000 s.f. and less. Like other Northern New Jersey submarkets without direct access to I-95, the Fairfield submarket is considered a secondary location and is home to many small, local users who service the surrounding affluent communities. Nonetheless, Fairfield continues to be one of Northern New Jersey's tightest submarkets, as indicated by its consistently low vacancy rates and elevated asking rental rates. This has made the submarket highly coveted by institutional investors, evident by Blackstone Group acquiring nearly 2.0 million s.f. of product since 2017.

Limited existing availabilities in Fairfield resulted in a relatively subdued second quarter for the submarket, as leasing velocity was dominated by renewals smaller than 50,000 s.f. Link Industrial and the Hampshire Company's 215,221 s.f. project in West Caldwell continues to be built and is expected to deliver over the next several months. Supported by the lack of supply in the submarket and limited Class A stock statewide, asking rents for the project are nearly 14.00 p.s.f. This has helped propel overall average asking rents over 20.0% higher over the past 12 months.

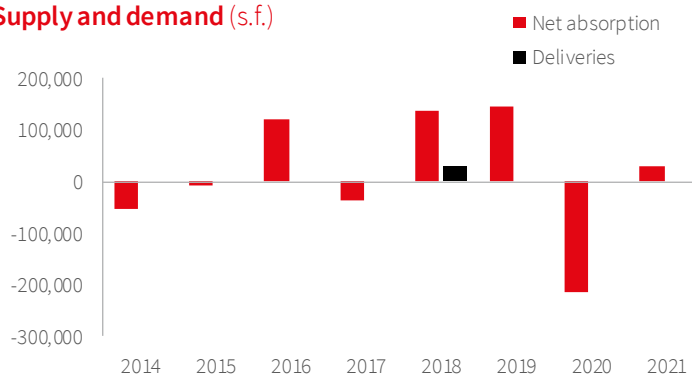
Outlook

Given the limited Class A options across Northern New Jersey, the 5 Dedrick project is expected to lease before year-end. As a result, absorption levels are expected to reach its highest annual level this market cycle. Given the supply and demand imbalance within the submarket and across the state, tenants with lease renewals should be aware of their renewal dates and be prepared for significantly higher rents. However, with rents in more eastern submarkets like the Meadowlands continuing to accelerate higher, locations like Fairfield can still provide cost savings to tenants looking to relocate within Northern New Jersey.

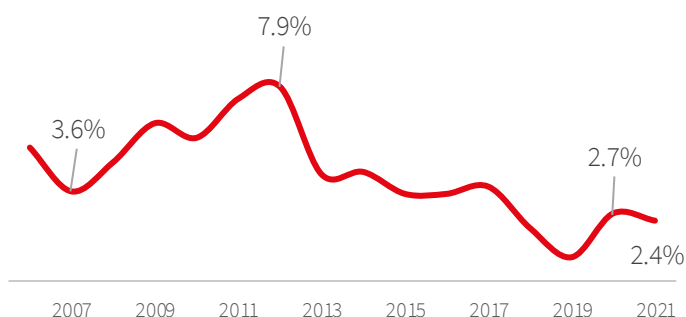
Fundamentals

	Forecast
YTD net absorption	31,566 s.f. ▲
Under construction	215,221 s.f. ▼
Total vacancy	2.4% ►
Average asking rent (NNN)	\$11.29 p.s.f. ▲
Concessions	Falling ▼

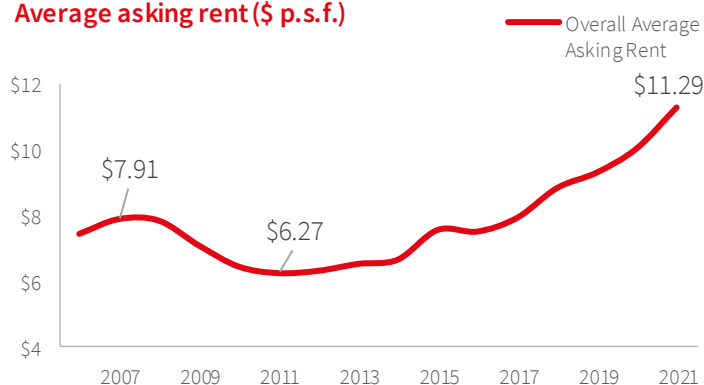
Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)



Submarket Report

Q2 2021

Morris County

- Vacancy remains above the state average due to a handful of large block vacancies.
- The state's rising rent environment has helped drive the submarket's rents higher.
- The small box market remains the submarket's bright spot, considering its low vacancy rate and impressive rent growth.
- Expect several development sites to break ground over the next 5 years.

The Morris County submarket is the fourth largest submarket in Northern New Jersey representing more than 33.8 million s.f. of industrial space. Despite its size, the submarket is considered a secondary submarket due to its lack of access to the New Jersey Turnpike, New York City, and the Port of Newark/Elizabeth. The supply of existing product is predominantly made up of a variety of light industrial and flex space built in the 1960s-1980s. Typical tenants in Morris County look to service the New Jersey metro area, and have businesses driven by local demand as opposed to regional or national distribution. However, given the tight market conditions statewide, more regional tenant requirements have started to look to Morris County to find the space they need.

The second quarter was relatively tame in Morris County, as leasing volume was predominantly renewals totaling 117,833 s.f. The submarket's elevated vacancy rate remains due to a handful of Class B and C availabilities greater than 100,000 s.f. However, if not for these buildings, the submarket's vacancy rate would be below 4.0%. Given the statewide lack of availabilities, landlords have been able to continue to press rents, which has helped drive the submarket's average asking rents 16.2% higher year-over-year. Additionally, the small-box market remains a bright spot for the market, as buildings under 50,000 s.f. boast a vacancy rate of 4.1%.

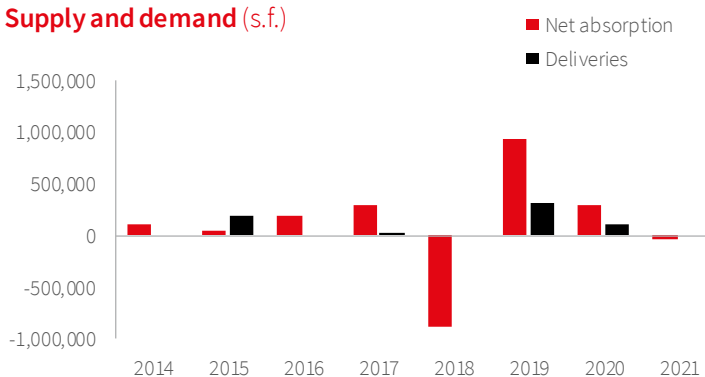
Outlook

Given the statewide space constraints, particularly for large blocks of space, Morris County's vacancy rate is expected to come in line with the rest of the state over the next 12 months, as some of its large availabilities lease up. Over the longer term, Morris County's greater land availability compared to other New Jersey submarkets makes it a prime breeding ground for future development. This, combined with persistent demand for modern logistics space will make the County one of the state's top growth markets in the years to come.

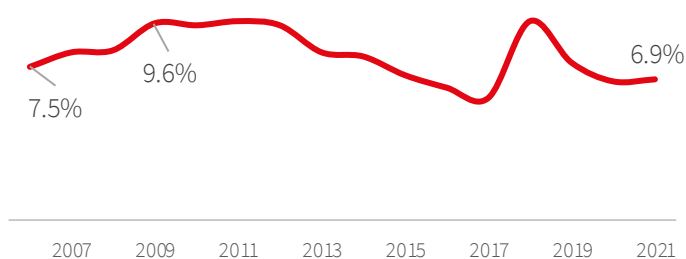
Fundamentals

	Forecast
YTD net absorption	-42,166 s.f. ▲
Under construction	0 s.f. ▲
Total vacancy	6.9% ►
Average asking rent (NNN)	\$9.11 p.s.f. ▲
Concessions	Falling ►

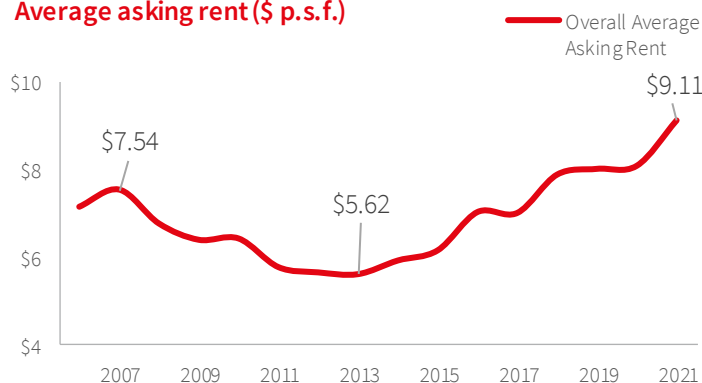
Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)



Submarket Report

Q2 2021

Exit 12

- Class A vacancy is at 0.0%, illuminating the imbalance between supply and demand.
- Asking rents for quality space now exceed \$14.00 p.s.f.
- Leasing activity is expected to be lackluster for the remainder of 2021, as few availabilities remain.
- Expect competition amongst tenants to be fierce for the remaining construction sites in the submarket.

The Exit 12 submarket totals 22.4 million s.f. of industrial space, 9.2 million s.f. of which is Class A product. The Exit 12 submarket has seen deep demand from users and investors who are seeking proximity to New York City and Port Newark/Elizabeth. Often referred to as “Port South”, the Exit 12 submarket is positioned as a Port-proper alternative which features slightly lower rental rates and a larger set of big-box Class A warehouse product.

Exit 12 saw three leases signed in the second quarter, all of which were on Hampshire and Link’s new construction buildings on Federal Boulevard and Raskulinecz Road. As a result, Prologis’ 359,965 s.f. at 50 Middlesex Ave is now the submarket’s sole Class A availability. With such limited availability in the market, Class A asking rents for the submarket now exceed \$14.00 p.s.f. This marks an impressive transformation of the submarket, as Class A vacancy was 30.4% and Class A rents averaged \$7.40 p.s.f. just 7 years ago.

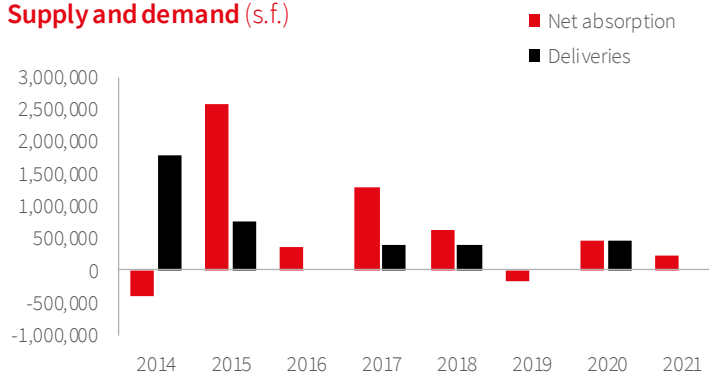
Outlook

Given the limited Class A options across the state, Prologis’ 50 Middlesex Ave is expected to lease by year end. Exit 12’s lack of developable land has curbed its ability to supply enough product to meet such relentless demand. As a result, leasing activity is expected to be tame for the remainder of the year. Just 3.2 million s.f. of planned development sites remain at Exit 12, 1.2 million s.f. of which is controlled by Crow Holdings Industrial, and 1.2 million s.f. is controlled by The Morris Companies. Given these are some of the last sites of scale at the submarket, competition amongst potential tenants is expected to be fierce. As a result, tenants looking to lease quality space in the submarket should be prepared to act quickly and early in the development cycle.

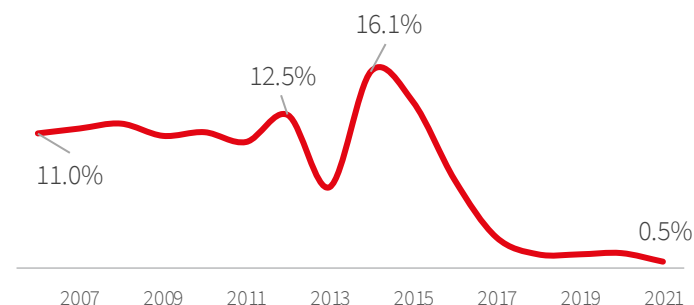
Fundamentals

	Forecast
YTD net absorption	234,502 s.f. ▲
Under construction	104,864 s.f. ▼
Total vacancy	0.5% ►
Average asking rent (NNN)	\$13.09 p.s.f. ▲
Concessions	Falling ▼

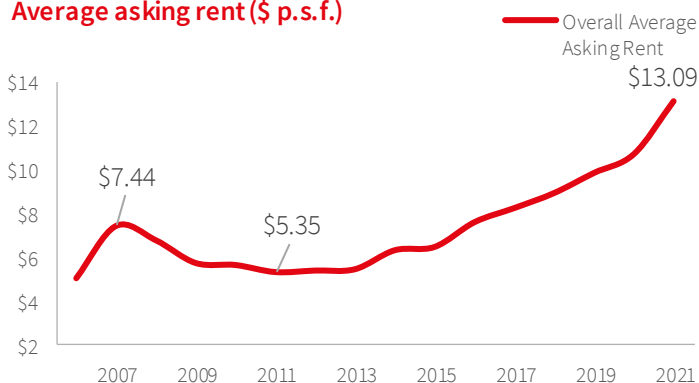
Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)



Submarket Report

Q2 2021

Exit 10

- 100% of the 1.1 million s.f. under construction is already leased.
- Overall average asking rents dropped due to the remaining availabilities being dominated by the Class B and C segments.
- The submarket's proposed development pipeline has shrunk by 75.0% since 2017.
- Tenants with upcoming renewals should be prepared for significantly higher rents.

The Exit 10 submarket is the third largest submarket in New Jersey due in part to its centralized location at the intersection of several major highways. The submarket is comprised of over 82.6 million s.f. of industrial product, of which 23.7 million s.f. is Class A. The Exit 10 submarket is characterized as a hybrid market which allows users to balance between being located near Port Newark/Elizabeth, and major population centers along eastern seaboard, without paying Port-proper prices. The Exit 10 submarket is further aided by its diverse labor pool and strong transportation infrastructure.

100% of Exit 10's buildings that are actively under construction have been leased, as an undisclosed e-commerce company signed a 400,000 s.f. lease at Lincoln Equities Group's Baekland Avenue development in Piscataway. To further compound the supply constraints in the submarket, just 2.3 million s.f. remain in the planned pipeline, a far cry from 2017 when nearly 10.0 million s.f. of product was in the pipeline.

Counterintuitively, the submarket's impressive leasing record has caused a drop in overall average asking rents. Since nearly all the submarket's Class A availabilities are now leased, Class B and C product dominate the stock of available product, and the weighting of those availabilities has caused the headline overall average asking rent to drop 7.0% year-to-date.

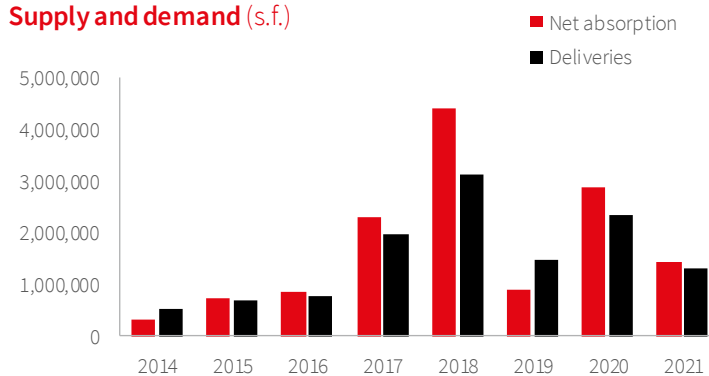
Outlook

Given overall vacancy in the submarket is at 1.4%, those currently occupying space should be mindful of their renewal dates and be prepared for higher rents. With Class A strike rents in 'Core Exit 10' now above \$12.00 p.s.f., some tenants could see rents upon renewal more than double their current rate.

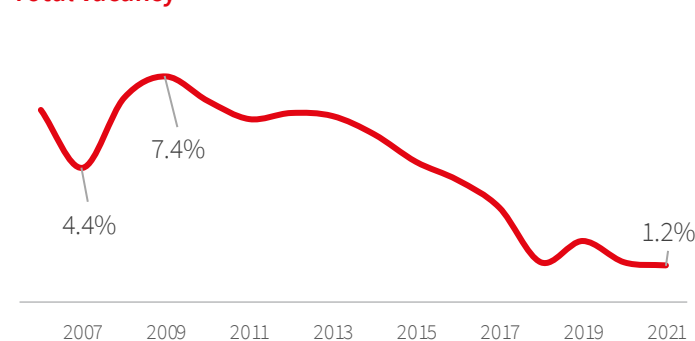
Fundamentals

	Forecast
YTD net absorption	1,420,552 s.f. ▲
Under construction	1,103,133 s.f. ▼
Total vacancy	1.2% ►
Average asking rent (NNN)	\$9.28 p.s.f. ▲
Concessions	Falling ▼

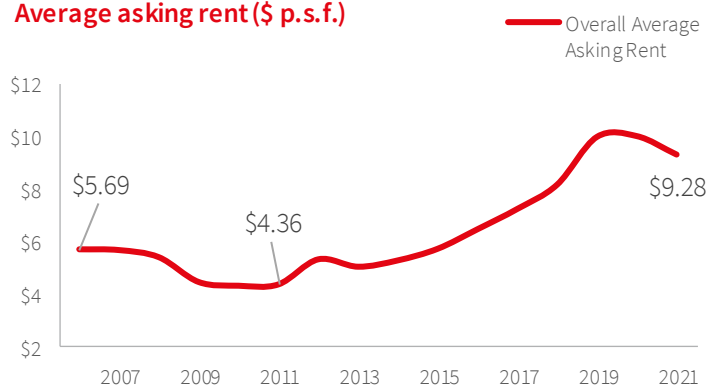
Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)



Submarket Report

Q2 2021

Exit 8A

- A lack of availabilities resulted led to renewals dominating leasing velocity.
- Rents in the submarket have more than doubled over the past 10 years.
- Expect strike rents to be at, or above \$10.00 p.s.f. for the submarket's next wave of construction projects.

One of New Jersey's largest submarkets, Exit 8A is home to many regional big box distributors looking to service the East Coast. The Exit 8A submarket is comprised of 66.2 million s.f. of industrial space and features one of the highest concentrations of Class A product (64.5 % of industrial inventory) in Northern and Central New Jersey. As a result of a persistent demand for high quality space, the Exit 8A submarket retains its position as one of New Jersey's powerhouse submarkets.

Exit 8A's strong first quarter of leasing left limited availabilities in the submarket, and as such, the entirety of the 776,493 s.f. leased in the second quarter was renewals. Some of those renewals had strike rents above \$10.00 p.s.f., signifying the submarket's remarkable transformation over the past decade. In 2011, the submarket's vacancy rate was above 10.0% and asking rents for Class A product averaged \$4.31 p.s.f. Furthermore, the submarket had a development pipeline of nearly 20.0 million s.f. Now, just 8.7 million s.f. is proposed, much of which is controlled by a disciplined cohort of developers.

Outlook

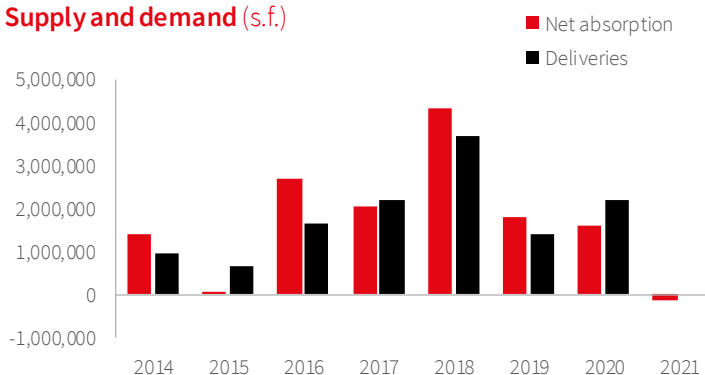
The next major development site that will break ground at Exit 8A proper will be a joint venture between Brookfield and Sansone, which will total 1.3 million s.f. To the south at Exit 8, Crow Holdings Industrial's Millstone has broken ground and will deliver 1.2 million s.f. between two buildings. This will give the submarket and state much needed Class A, big-box product. Given these will be Central New Jersey's only availabilities in excess of 1.0 million s.f., expect these projects to command double digit rents. Tenants with upcoming renewals in the submarket should be evaluating their options early, as the imbalance between supply and demand has given landlords the upper hand in lease negotiations.

Fundamentals

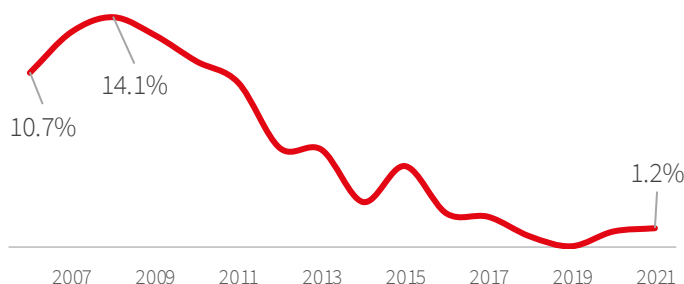
Forecast

YTD net absorption	-117,054 s.f. ▲
Under construction	1,166,030 s.f. ▼
Total vacancy	1.2% ►
Average asking rent (NNN)	\$10.17 p.s.f. ▲
Concessions	Falling ▼

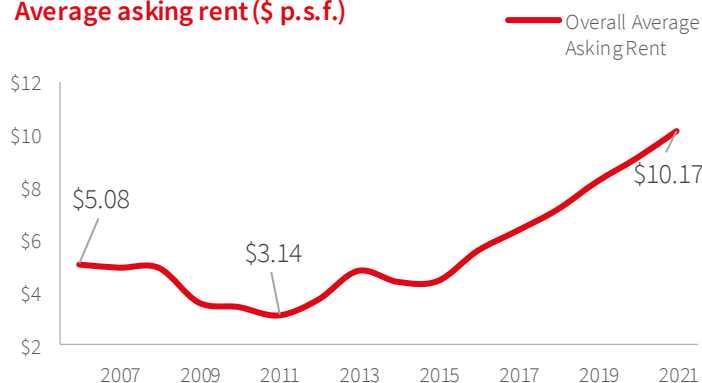
Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)



Submarket Report

Q2 2021

Somerset

- Vacancy hit record lows as a large lease commenced.
- The next wave of construction activity will command rents above \$10.00 p.s.f.
- Land prices in the submarket will continue to rise, given the lack of opportunities state-wide.

The Somerset submarket is comprised of 26.0 million s.f. of rentable industrial space, making it Central New Jersey's largest secondary submarket. Somerset County lies directly west of Edison, and the Exit 10 submarket along the I-287 Corridor. One of the submarket's largest deterrents to demand has been its location relative to other Central New Jersey submarkets that have better proximity to the New Jersey Turnpike. Historically, due to heavy congestion along 287 during rush hour, many tenants would not consider options that far west along 287 when similar options were available at Exit 10. However, supply constraints in Eastern submarkets have pushed tenants into the submarket, which has helped change that stigma.

Somerset has been a major beneficiary of the dwindling land bank in submarkets situated along the I-95 corridor. Nearly 500,000 s.f. of absorption was recorded in the second quarter, as Linemart Logistics took occupancy of 370,000 s.f. at 1120 US Hwy 22 in Bridgewater. This has driven vacancy to its lowest level this market cycle. To further compound the imbalance between supply and demand, the submarket's newest speculative construction project was leased in the second quarter, as Dream On Me preleased 544,050 s.f. at Elion Partners' 47 Veronica Avenue development.

Outlook

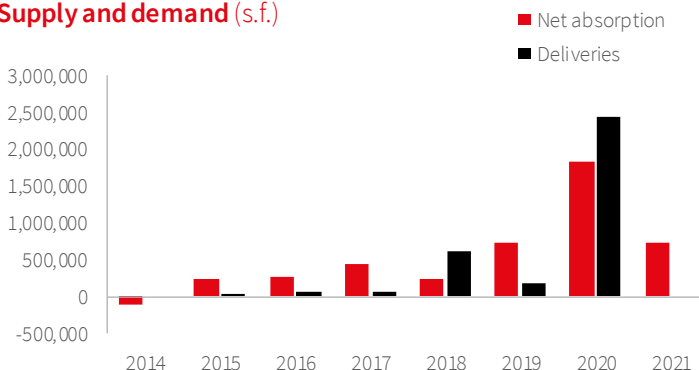
Such tight market conditions favors developers who have land sites in the submarket, such as Link Industrial, who are planning to develop nearly 355,790 s.f. at 1 Wiley Drive in Somerset. As such, expect rents on the next wave of new construction to exceed \$10.00 p.s.f. Furthermore, developers seeking to unlock opportunities in the submarket should be prepared to pay record prices for land sites.

Fundamentals

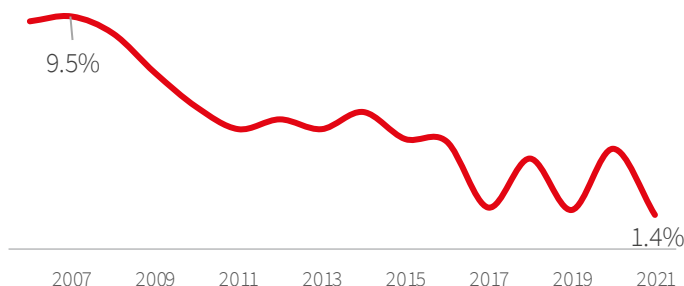
Forecast

YTD net absorption	725,424 s.f. ▲
Under construction	304,000 s.f. ▲
Total vacancy	1.4% ▼
Average asking rent (NNN)	\$9.19 p.s.f. ▲
Concessions	Falling ▼

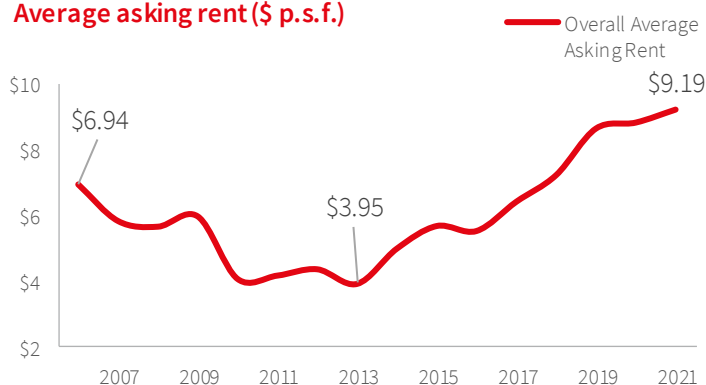
Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)



Submarket Report

Q2 2021

Burlington County

- The submarket leads the state in construction activity, helping drive leasing velocity to nearly 3.0 million s.f.
- Class A vacancy is at hyper-low levels, helping push Class A rents over 20.0 percent higher year-over-year.
- Burlington will be a state leader in development in the next several years, which will drive tenants to the County in droves.

Burlington County was long-viewed as a local industrial market, largely serving the population around the greater Philadelphia area. However, in 2014 the New Jersey Turnpike was expanded to six lanes in each direction from Exit 8A to Exit 6. This was a renaissance for the Burlington County industrial market, whose total inventory has grown 35.7 % since 2015. The county's value proposition compared to submarkets further north, pro-business environment and strong labor market have transformed the county into a regional distribution hub, evident in several Fortune 500 Companies flocking to the submarket over the past few years.

Burlington continues to solidify its standing as New Jersey's growth market. The submarket leads the state in construction activity, accounting for over 35.0 percent of the state's construction activity, all of which broke ground on a speculative basis. Given the submarket's robust development pipeline compared to submarkets to the north, tenants flocked to the County in the second quarter. Most notably, Western Post leased two buildings totaling over 1.0 million s.f, while Walmart leased 634,400 s.f. at Clarion/MRP's 100 Western Road project. As a result, Burlington led the state in leasing velocity, totaling for 2.9 million s.f.

Given the submarket's fervent preleasing activity, vacancy has hit its lowest level this market cycle, leaving a dearth of space in the Class A segment. With Class A vacancy at 0.5%, and a lack of quality space statewide, developers have been able to press rents, resulting in a 22.1% rise in Class A asking rents over the past 12 months.

Outlook

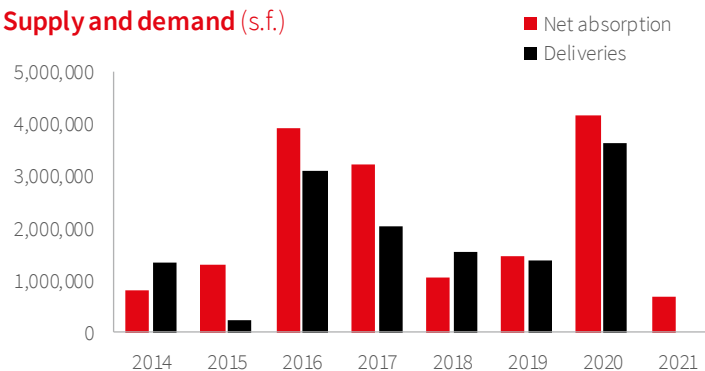
Despite having the most speculative construction activity in the state, the submarket's strong preleasing rates and hyper-low Class A vacancy suggest that more development is needed to satisfy demand. As a result, look for speculative development to continue to rise over the next several years. With this increase in development activity, Burlington will continue to be a state leader in leasing, as the submarket provides tenants the Class A space options lacking in other submarkets.

Fundamentals

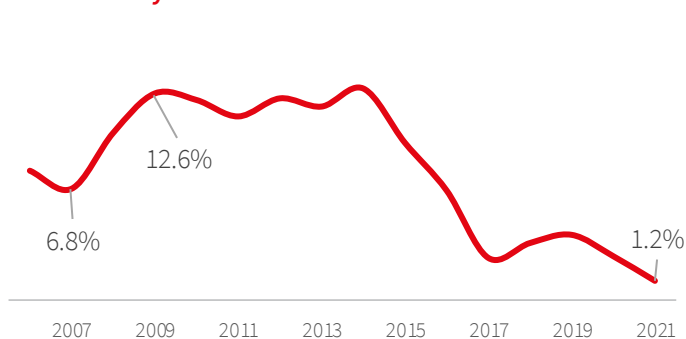
Forecast

YTD net absorption	1,371,990 s.f. ▲
Under construction	4,985,385 s.f. ▲
Total vacancy	1.2% ▼
Average asking rent (NNN)	\$8.55 p.s.f. ▲
Concessions	Falling ▼

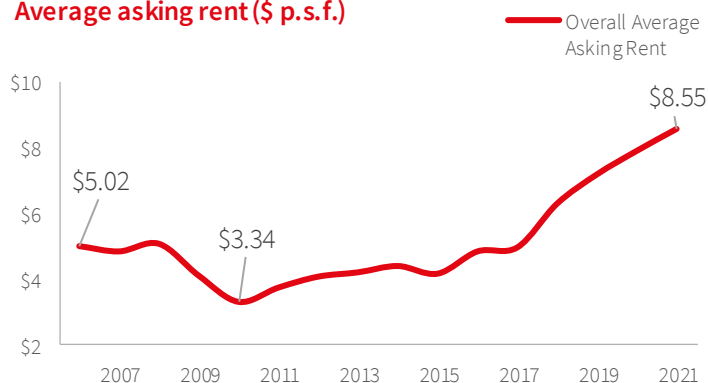
Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)



Submarket Report

Q2 2021

Southern New Jersey (Exits 1-4)

- An undisclosed e-commerce company expanded its footprint in the third quarter, solidifying their position as the submarket's largest tenant.
- Over 55.0% of the 2.0 million s.f. under construction is already leased.
- Rising rents to the north and disciplined construction activity has pushed Class A asking rents as high as \$7.75 p.s.f..

Southern New Jersey spans Camden, Gloucester and Salem counties. The area features immediate access to the population of urban and suburban Philadelphia, in addition to the Port of Philadelphia via four nearby bridges. Additionally, within it lies the midpoint of the New York – Washington DC corridor, easily accessing the major population centers of the East Coast. These factors, combined with greater land availability than submarkets to the north, lower rents and strong access to labor has resulted in a 135.0% increase of the submarket's Class A inventory since 2013.

An undisclosed e-commerce company continued their expansion in Southern New Jersey, leasing nearly 600,000 s.f. at BentallGreenOak's 1150 Commerce Boulevard in Logan Township. This brings the company's footprint to over 4.7 million s.f. in the submarket, more than double the size of the next largest occupier.

Impressive Class A leasing over throughout the current cycle has driven vacancy rates to all time lows. To further compound the space constraints, over 55.0% of the projects actively under construction are already leased. Nonetheless, developers have remained disciplined in putting sites into production and has allowed developers actively under construction to push rents. As a result, new construction availabilities command asking rents as high as \$7.75 p.s.f.

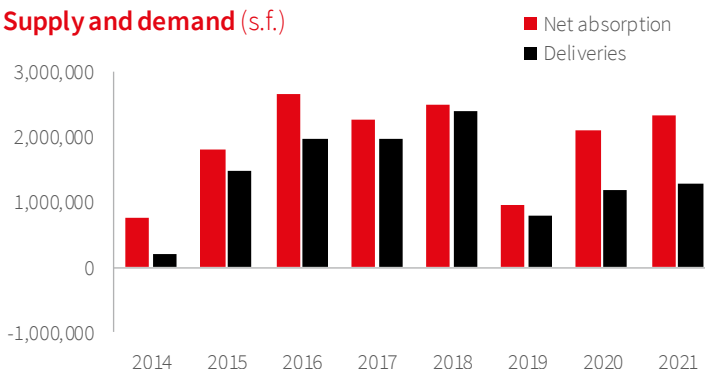
Outlook

Southern New Jersey's impressive track record of leasing and absorption prove that the submarket needs more speculative construction activity. 25.6 million s.f. is planned in the submarket over the long term, however, only a handful able to break ground over the next 12 months. This perennial discipline is expected to cause rents to continue to trend higher and keep vacancy at low levels.

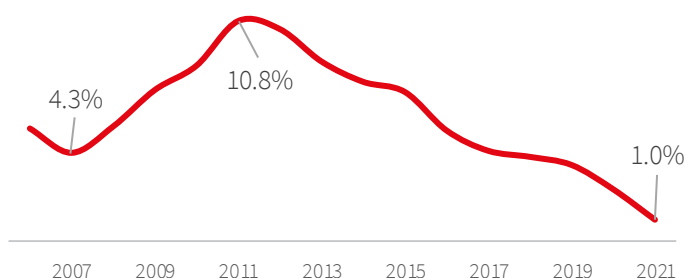
Fundamentals

	Forecast
YTD net absorption	2,315,211 s.f. ▲
Under construction	2,012,940 s.f. ▲
Total vacancy	1.0% ▼
Average asking rent (NNN)	\$7.23 p.s.f. ▲
Concessions	Falling ▼

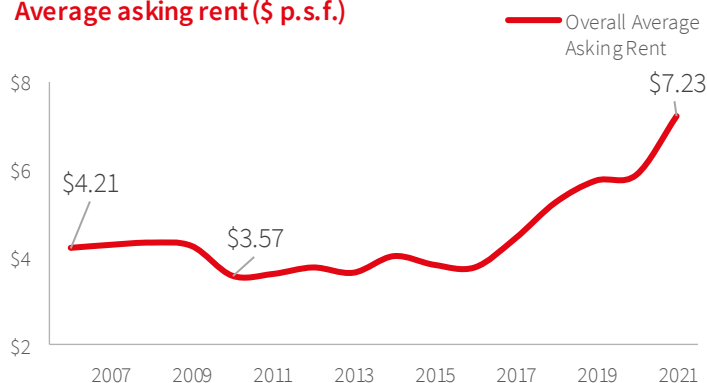
Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)





Eastern & Central Pennsylvania

Q2 2021 Market Report

Eastern & Central PA

Driven by record leasing activity, Class A asking rents soar 16.3% in the first half of 2021.

- Following a record 14.8 million s.f. of new leasing activity in Q2, 16.4 million s.f. of positive net absorption has been recorded in the first half of 2021, significantly outpacing new deliveries.
- The Class A vacancy rate fell 370 basis points quarter-over-quarter to the lowest level since 2017, applying significant upward pressure on Class A asking rents.
- While new ground-breakings in Q2 continued to elevate active construction levels to an all-time high, 52.2% of the 41.5 million s.f. underway is currently preleased.

Despite several previous quarters of milestone activity in the Eastern & Central PA industrial market, new benchmarks were set in Q2 2021. On account of 8 new leases over 500,000 s.f., 3 of which exceeded 1 million s.f., a record 14.8 million s.f. of leasing velocity was recorded during the quarter. Tenants in the e-commerce and 3PL industries continued to dominate the activity, combining for nearly 7.1 million s.f. of leasing and an additional 13.7 million s.f. of tenant requirements that JLL was tracking at the end of Q2. With only 6 existing Class A vacancies over 500,000 s.f. remaining, the Class A vacancy rate plummeted 370 basis-points since the end of Q1 to 4.4%, the most significant quarterly decline in market history.

Considering the waning availability of existing stock, Class A asking rents soared by a record 9.6% quarter-over-quarter to \$6.43 p.s.f. Emboldened by the landlord favorable conditions of the market, developers broke ground on 8.4 million s.f. of speculative construction during the quarter, elevating active development to a record 41.5 million s.f. Similarly, investors continued to display their bullish outlook on the Eastern & Central PA industrial market by paying record pricing for stabilized Class A assets, as cap rates have now compressed below 4% in core pockets. Most notably, CenterPoint Properties acquired 951 Willowbrook Rd, a 1-million-s.f. building in the Lehigh Valley fully leased to GEODIS, at benchmark pricing.

Outlook

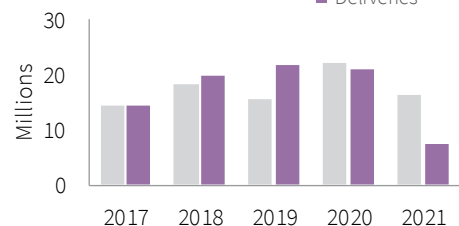
Even after a quarter of record leasing, JLL was still tracking nearly 39 million s.f. of tenant requirements at the end of Q2. While Class A vacancy is approaching all-time lows, 15 active speculative construction projects exceeding 500,000 s.f. are expected to deliver in the next 12 months. Therefore, strong leasing activity is expected to keep pace with new deliveries to the market, driving Class A asking rents upward through the remainder of the year. In addition, considering that nearly 13 million s.f. of pre-leased active construction is estimated to deliver by year-end, JLL anticipates a second consecutive year of record positive net absorption.

Fundamentals

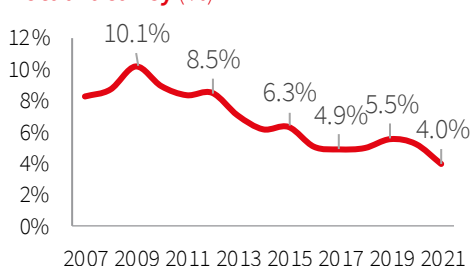
Forecast

YTD net absorption	16,374,662 s.f. ▲
Under construction	41,463,570 s.f. ▲
Total vacancy	4.0% ▼
Sublease vacancy	89,954 s.f. ►
Direct asking rent	\$5.88 p.s.f. ▲
Sublease asking rent	\$4.67 p.s.f. ►
Concessions	Stable ►

Supply and demand (s.f.)



Total vacancy (%)



Average asking rent (\$ p.s.f.)



Q2 2021

Industrial development

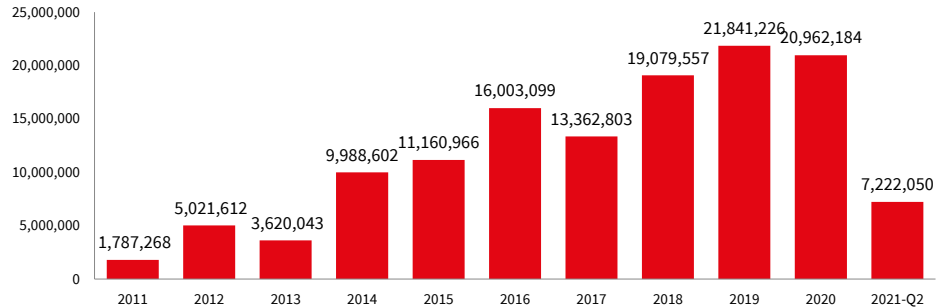
This report analyzes all industrial developments under construction & new deliveries > 30,000 s.f.

New deliveries

7,222,050

Total delivered YTD (s.f.)

Completions in-depth	
Total leased at delivery (%)	56.9%
Total speculative at delivery (s.f.)	6,691,975
Total BTS at delivery (s.f.)	280,000
Total Owner-User at delivery (s.f.)	250,075
Total # of properties delivered	22
Asking rental rate (low - high)	\$5.25 - \$7.25



Historical deliveries (s.f.)

Top 5 projects delivered to date

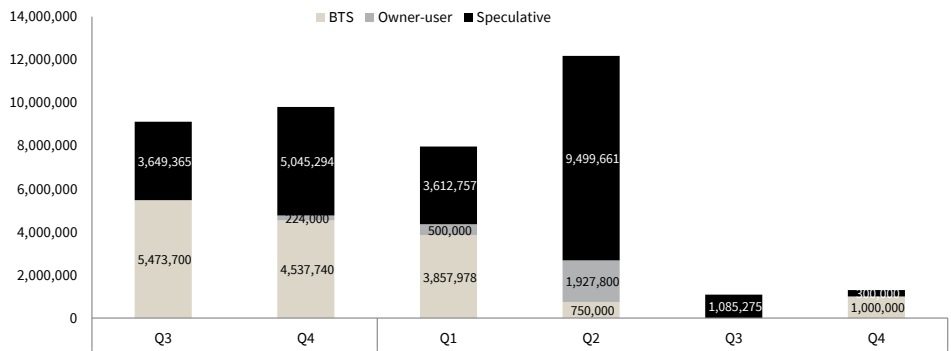
Building	Submarket	Owner	RBA (s.f.)	Construction type	Delivery date	Leased at delivery (%)
Mount Pocono Logistics Center	Northeast PA	Logistics Property Co.	749,736	Speculative	Q2 2021	100%
Crackersport Road - Bldg. C	Lehigh Valley	Black Creek Group	640,305	Speculative	Q1 2021	0%
Delaware Logistics Center - Bldg. 1	Delaware	NorthPoint Development	577,829	Speculative	Q1 2021	100%
TradePort 164 - Building 5	Northeast PA	NorthPoint Development	561,203	Speculative	Q2 2021	100%
Matrix I-81 Logistics Center	Central PA	Matrix Development Group	550,000	Speculative	Q1 2021	0%

Under construction

41,463,570

Under construction (s.f.)

Under construction in-depth	
Total pre-leased (%)	51.1%
Total speculative under construction (s.f.)	23,192,352
Total BTS under construction (s.f.)	15,619,418
Total Owner-user under construction (s.f.)	2,651,800
Total # of properties UC	71
Asking rental rate (low - high)	\$4.75 - \$12.00



Upcoming deliveries by quarter (s.f., excludes YTD completions)

Top 5 projects currently under construction

Building	Submarket	Owner	RBA (s.f.)	Construction type	Delivery date	Pre-leased (%)
LogistiCenter @ I-95 Wilmington	Delaware	Dermody Properties	3,800,000	BTS	Q3 2021	100%
Antrim Commons Business Park	Central PA	Project Conduit II	1,927,800	Owner-user	Q2 2022	100%
2281 United Drive	Central PA	Matrix Development Group	1,823,900	BTS	Q4 2021	100%
942 Memorial Parkway - Bldg. 1	Lehigh Valley	PGIM / Bridge Development	1,408,200	Speculative	Q2 2022	0%
780 S Dupont Hwy	Delaware	Stoltz Real Estate Partners	1,350,000	BTS	Q4 2021	100%

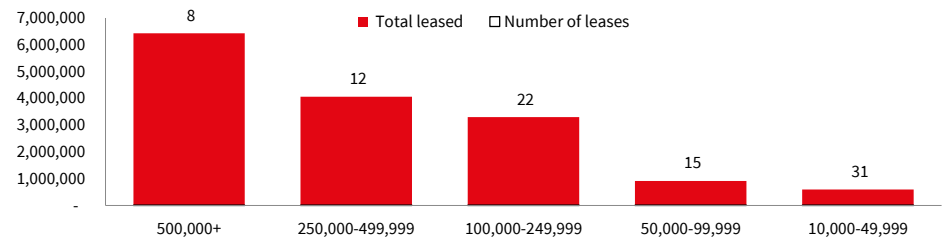
Q2 2021

Industrial leasing activity

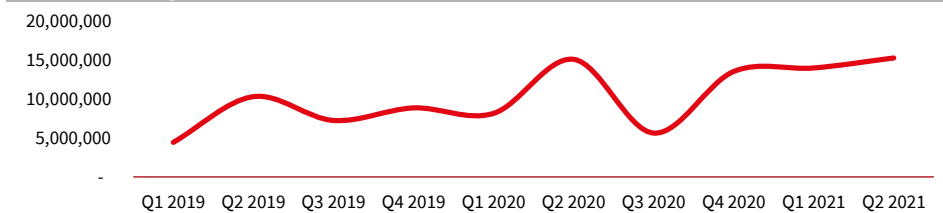
This report analyzes all closed industrial leases

At a glance	
Total leases QTD	88
Total s.f. leased QTD	15,306,841
Total s.f. leased QTD: Warehouse/Distribution	15,193,859
Total s.f. leased QTD: Manufacturing	112,982
Total s.f. leased QTD: Flex/R&D	N/A
Total leases YTD	83
Total s.f. leased YTD	14,017,424

Leasing activity by size QTD



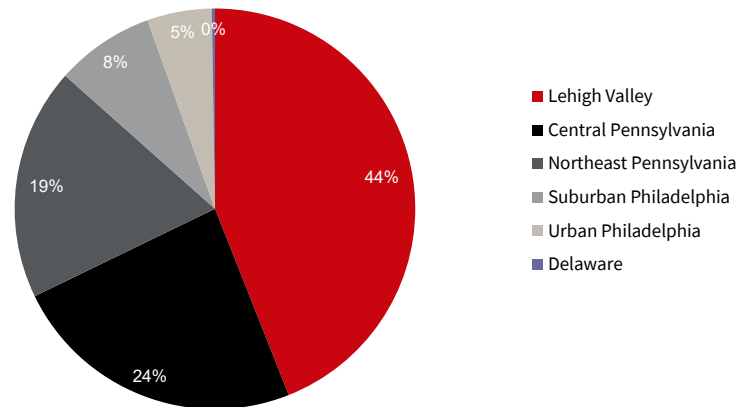
Historical leasing activity



Leasing activity QTD

173,941	1993
Avg. lease size (in s.f.)	Avg. building construction date

Leasing activity by submarket QTD



Leasing activity (s.f.) by transaction type QTD

Renewal	541,240
Extension (< 36-month term)	0
Relocation within market	587,100
New to market	8,897,991
Expansion in market	5,280,510
Expansion in building	0

Top 10 lease transactions during the quarter

Tenant	Address	Submarket	Size	Lease type	Building status	Year built
Confidential e-commerce	270 Midway Rd	Lehigh Valley	1,082,200	Expansion in Market	Existing	2018
Nike	3633 Commerce Center Blvd	Lehigh Valley	1,041,600	New to Market	Existing	2020
Bed Bath & Beyond	71 Mall Rd	Northeast Pennsylvania	1,014,490	New to Market	Existing	2020
VidaXL	145 Market Way	Northeast Pennsylvania	749,736	New to Market	Existing	2021
GameStop	20 Leo Ln	Central Pennsylvania	708,000	New to Market	Existing	2013
Radial Inc.	5185 Crackersport Rd	Lehigh Valley	640,305	Expansion in Market	Existing	2021
OMLog Inc.	942 Memorial Pkwy	Lehigh Valley	607,279	New to Market	Existing	2020
Big Lots	1 Court St	Lehigh Valley	587,100	Relocation within market	Under Construction	2021
Hill's Pet Nutrition	405 Busser Rd	Central Pennsylvania	483,770	New to Market	Under Construction	2021
Smart Warehousing LLC	7378 Airport Rd	Lehigh Valley	449,500	Expansion in Market	Existing	2020

Q2 2021

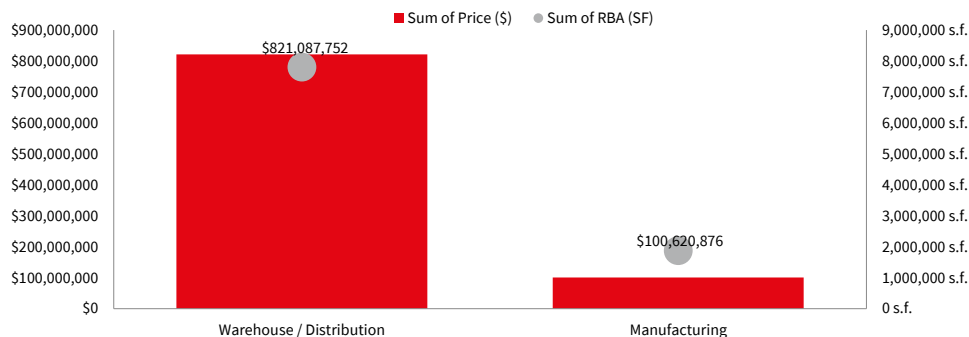
Industrial sales activity

This report analyzes all industrial sales > 30,000 s.f.

At a glance

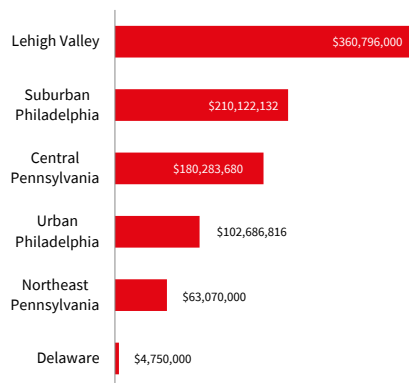
Total volume YTD	\$921,708,628
Number of transactions YTD	39
Average Class A price p.s.f. YTD	\$124
Average Class A cap rate YTD	3.96%
Warehouse/Dist. sales volume as % of total YTD	88.4%
Manufacturing sales volume as % of total YTD	11.6%
Cap rate range	
Core Class A Ind.	3.5%-4.25%
Core Class A Flex	5.50%-6.25%

Sales activity by building type

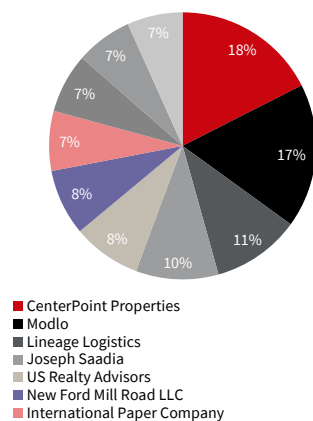


Number of partial interest transactions	0	Number of foreign buyers	-	Foreign capital \$	\$0
Average partial interest acquired	N/A	Number of domestic buyers	39	Domestic Capital \$	\$921,708,628

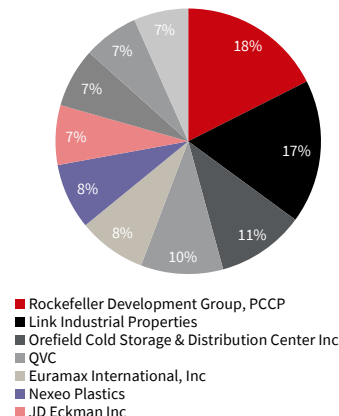
Sales volume \$ by submarket (excludes portfolio sales)



Top 10 buyers (s.f.)



Top 10 sellers (s.f.)



Top 10 sales transactions this year

Building address	Buyer company	Seller company	Size (s.f.)	Sales price \$	\$ p.s.f.	Sale date
951 Willowbrook Rd	CenterPoint Properties	Rockefeller Development Group, PCCP	1,031,524	\$201,500,000	\$195	Apr-21
Blackstone Bucks Portfolio	Modlo	Link Industrial Properties	1,028,360	\$108,000,000	\$105	Apr-21
Orefield Cold Storage Portfolio	Lineage Logistics	Orefield Cold Storage & Distribution Center Inc	628,529	\$57,500,000	\$91	May-21
Euramax Sale-Leaseback Portfolio	US Realty Advisors	Euramax International, Inc	488,722	\$51,140,204	\$105	Apr-21
250 Radar Rd	Black Creek Group	Rockefeller / PCCP	290,788	\$48,300,000	\$166	Mar-21
1000 Stony Battery Rd	Joseph Saadia	QVC	588,983	\$42,213,600	\$72	Mar-21
100 First Ave	MDH Partners, LLC	EQT - Exeter Property Group	390,000	\$37,000,000	\$95	May-21
1101 New Ford Mill Rd	New Ford Mill Road LLC	Nexeo Plastics	471,674	\$32,102,132	\$68	Jan-21
2121 Wheatsheaf Ln	F. Greek Development	2121 Wheatsheaf Ln LLC	273,400	\$31,500,000	\$115	Jun-21
601 Stony Battery Rd	TA Realty	High Street Logistics Properties	252,800	\$23,725,000	\$94	Feb-21

Submarket Report

Q2 2021

Lehigh Valley

- Following a record 6.5 million s.f. of leasing velocity in Q2, Class A vacancy declined by 540 basis points quarter-over-quarter to 3.1%.
- Class A asking rents have soared by 18.1% since the start of 2021, with the average reaching a benchmark \$7.59 p.s.f. in Core Lehigh Valley.
- A record 14.1 million s.f. of active construction was underway at the end of the quarter, 93.5% of which is being developed on a speculative basis, including 12 projects exceeding 500,000 s.f.

Intersected by two major US Interstates in I-78 and I-476 (Northeast Extension), tenants operating in the Lehigh Valley can access New York, Philadelphia and Port Newark-Elizabeth all within a 90-minute drive. In addition, the submarket has had incredible success as it relates to job growth, attracting start-up businesses and revitalizing manufacturing, evidenced by a GDP that surpassed \$43.3 billion in 2019. Consequently, the Lehigh Valley continued to be the most sought after by tenants in the Eastern & Central PA industrial market in Q2, accounting for more than half of the total new leasing activity.

Driven by a record 5 new leases exceeding 500,000 s.f., leasing activity in the Lehigh Valley soared to an all-time-high of 6.5 million s.f. in Q2. As a result, new leasing activity through the first half of 2021 now trails all of 2020's record leasing volume by 1.6 million s.f. Given the incredible activity, Class A vacancy rates in Core Lehigh Valley sharply declined by 490 basis-points quarter-over-quarter to 2.3%, the lowest level since the start of 2017. Consequently, average Class A asking rent growth in the submarket accelerated by 18.1% in the first half of 2021. With landlord-favorable conditions in the submarket, investors continued to pay record prices for both land and existing product, with Class A stabilized assets are now trading at cap rates well below 4.0%.

Outlook

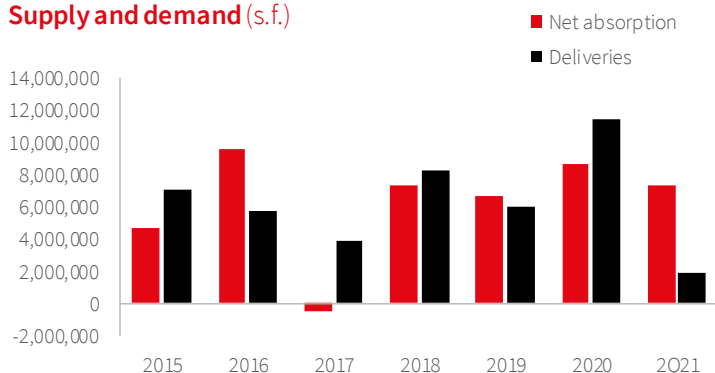
Despite record leasing, JLL was still tracking 18.4 million s.f. of tenant requirements that include the Lehigh Valley in their search at the end of Q2. While Class A vacancy is nearing record lows, over 10 million s.f. of speculative construction is expected to deliver to the submarket in the next 12 months, including 8 buildings over 500,000 s.f. Given the limited remaining availability of this size in the Northeast Region, rent growth is expected to accelerate through year-end in the Lehigh Valley. In addition, JLL anticipates another year of record leasing and positive net absorption in the submarket.

Fundamentals

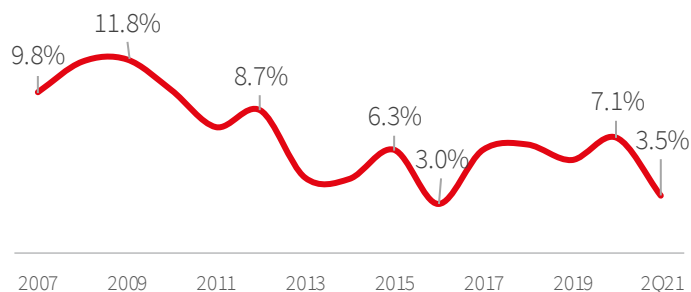
Forecast

YTD net absorption	7,311,935 s.f. ▲
Under construction	14,106,009 s.f. ►
Total vacancy	3.5% ▼
Average asking rent (NNN)	\$6.70 p.s.f. ▲
Concessions	Stable ►

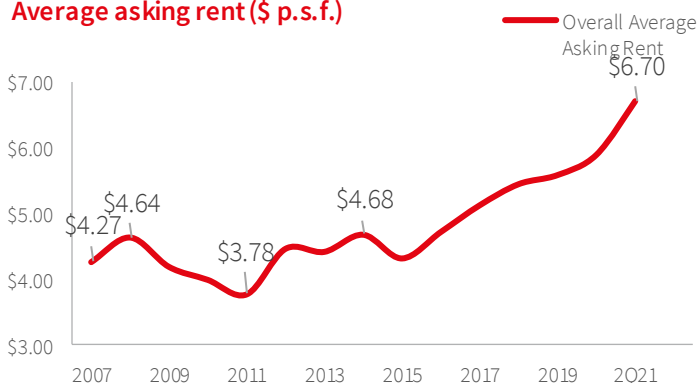
Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)



Submarket Report

Q2 2021

Northeast Pennsylvania

- Following a record 2.9 million s.f. of new leases signed during the quarter, leasing activity halfway through 2021 has already surpassed 2020 levels.
- Bolstered by the significant decline in Class A vacancy, average Class A asking rents rose to \$5.10 p.s.f. in Q2, an 8.3% increase since the start of 2021.
- After a benchmark 4.0 million s.f. of positive absorption in Q2, net absorption levels are at an all-time high in Northeast Pennsylvania.

Northeast Pennsylvania lies at the intersecting point of three interstates: I-476 (Northeast Extension), I-81, and I-80. The confluence of these major interstates provides quick and efficient access to New York, Philadelphia, Harrisburg, and many points in New England. The counties comprising the submarket offer more state and local incentives than competing submarkets to the south, as well as a strong blue-collar workforce, which have attracted both high-employment users and investors to the region. The submarket has evolved from largely a build-to-suit market controlled by one landlord, to a market that has supported speculative development from a wide range of institutional investors and national developers.

For the second consecutive quarter, a record level of new leasing activity was recorded in Northeast Pennsylvania, boosting leasing velocity through the first half of the year beyond 2020 levels. Given the activity, positive net absorption has not only exceeded the record levels of 2020 but is significantly outpacing new deliveries. With half of the Class A space that was vacant at the start of 2021 now leased, Class A vacancy is at its lowest level since the end of 2018. While elevated levels of vacancy have inhibited rent growth over the past 3 years, the 450 basis-point quarter-over-quarter decline in Class A vacancy resulted in a significant boost of Class A asking rents beyond \$5.00 p.s.f. for the first time in submarket history.

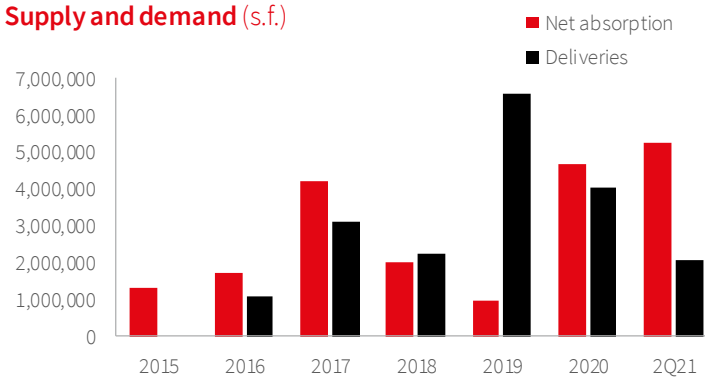
Outlook

Of the 11.2 million s.f. of tenant requirements including Northeast PA in their search that JLL was tracking at the end of Q2, 77.2% were seeking space over 500,000 s.f. Since all 4 available active construction projects are over 500,000 s.f., JLL anticipates demand to remain inline with the coming supply. However, given that none of these projects are scheduled to deliver until the first half of 2022, continued Class A asking rent growth is expected as vacancies are leased.

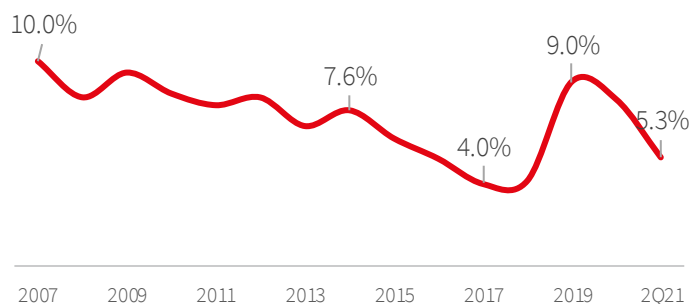
Fundamentals

	Forecast
YTD net absorption	5,278,013 s.f. ▲
Under construction	6,165,288 s.f. ►
Total vacancy	5.3% ▼
Average asking rent (NNN)	\$4.90 p.s.f. ▲
Concessions	Stable ►

Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)



Submarket Report

Q2 2021

Central Pennsylvania

- After nearly 3.4 million s.f. of new leasing activity in Q2, Class A vacancy in Core Central PA declined 140 basis-points quarter-over-quarter to a record low of 1.8%.
- Given the record low vacancy, average Class A asking rents in Core Central PA soared 8.9% during the quarter to an all-time high of \$5.74 p.s.f.
- Following a record 3.9 million s.f. of construction starts, total construction activity escalated to benchmark levels at the end of Q2.

Central Pennsylvania is the largest of the three submarkets that comprise the I-78/81 Corridor, accounting for 37.5% of the Class A inventory. The submarket is characterized by its exceptional highway infrastructure, offering average north-south travel speeds on I-81 well in excess of those available on I-95. Significant U.S. Interstate connections to major East Coast cities include I-81, I-78, I-76 and I-83, all of which intersect the Central PA core. Seven parcel and freight facilities are located within the submarket, including a $\pm 775,000$ -s.f. UPS Hub in Middletown that broke in 2020. In addition, Norfolk Southern and CSX rail lines both have significant intermodal yards located in the submarket.

Following a strong start to 2021, new leasing activity ramped up to nearly 3.4 million s.f. in Q2, all of which was concentrated in Core Central PA. At the end of Q2, there was only 1 existing Class A availability over 500,000 s.f. remaining in Core Central PA. As a result, Class A vacancy in the Core declined 140 basis-points quarter-over-quarter to a record low of 1.8%. Consequently, average Class A asking rents in Core Central PA rose 8.9% quarter-over-quarter to an all-time high of \$5.73 p.s.f. Emboldened by the lack of existing supply and rising asking rents, developers continued to acquire land parcels, best exemplified by First Industrial Realty Trust's purchase of Park 283 in Elizabethtown for a benchmark price of \$46.52 p.s.f. Upon closing on the 1.8 million s.f. development site, FIRT began speculative construction on the first 1.0 million s.f. building and is bringing the second site to pad ready.

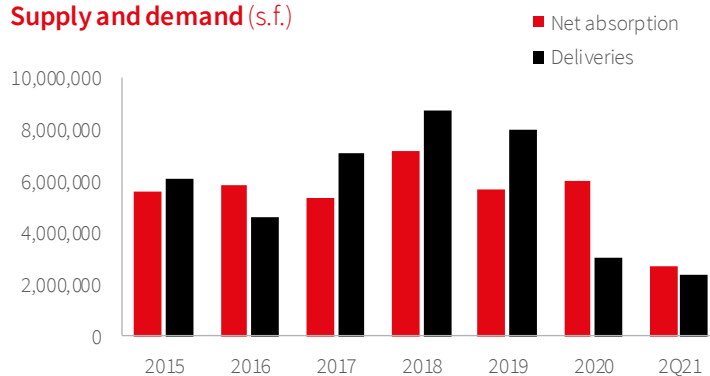
Outlook

While construction activity was at an all-time high at the end of Q2, only 4 active construction projects remain available, including 2 in Core Central PA that exceed 1.0 million s.f. Considering that none of these projects are expected to deliver until the first half of 2022, JLL anticipates high rates of pre-leasing, continued compression in vacancy rates, and strong growth in asking rents for the limited remaining Class A availabilities.

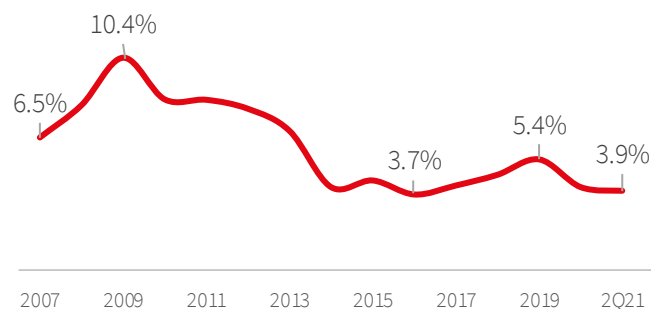
Fundamentals

	Forecast
YTD net absorption	2,675,501 s.f. ▲
Under construction	11,180,335 s.f. ►
Total vacancy	3.9% ►
Average asking rent (NNN)	\$5.14 p.s.f. ▲
Concessions	Stable ►

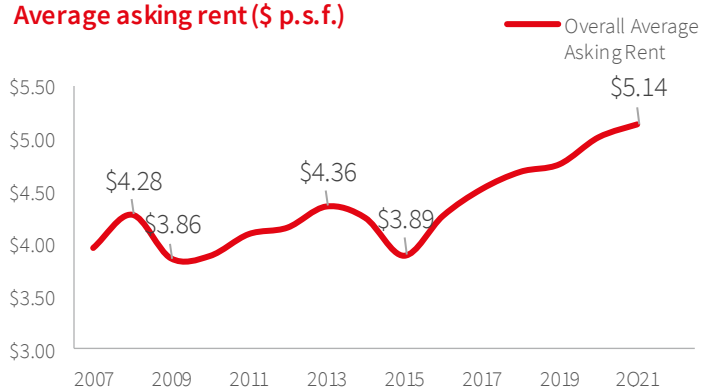
Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)



Submarket Report

Q2 2021

Urban Philadelphia

- While construction activity is at an all-time high of nearly 2.0 million s.f. in Urban Philadelphia, 93.9% of active development is currently pre-leased.
- There are currently no Class A availabilities in Urban Philadelphia; however, several speculative projects are expected to break ground over the next 9 to 12 months.
- Given the limited remaining availability of functional space, overall asking rents have soared by 24.1% year-over-year.

The Urban Philadelphia submarket resides along the I-95 Corridor and has been characterized by older generation buildings, many of which are considered obsolete for the modern supply chain industry. Properties in Philadelphia have an average build date of 1958, and clear heights on industrial product average just under 19 feet. While the total industrial inventory is estimated at 79.8 million s.f., only 4.8% is considered Class A space. However, as online shopping boomed during the COVID-related lockdowns of 2020, last-mile distribution has become a critical piece of a company's supply chain. As a result, e-commerce users have significantly expanded their footprint in the city over the last year to reach the dense consumer base.

After a strong Q2 of nearly 800,000 s.f. of new leases, overall vacancy is at a record low of 4.3% in Urban Philadelphia. Considering that tenant demand has far outstripped supply in the city over the past year, asking rents have soared by 24.1% year-over-year, with landlords commanding Class A asking rents as high as \$12.00 p.s.f. for new construction. With limited remaining opportunities for greenfield development within the city limits, developers have taken a strong interest in redevelopment projects. For example, F. Greek Development acquired 2121 Wheatsheaf Lane, a 273,400 s.f. fully-stabilized Class C warehouse, for \$31.5 million and with plans to demolish the existing building to construct a warehouse on a speculative basis.

Outlook

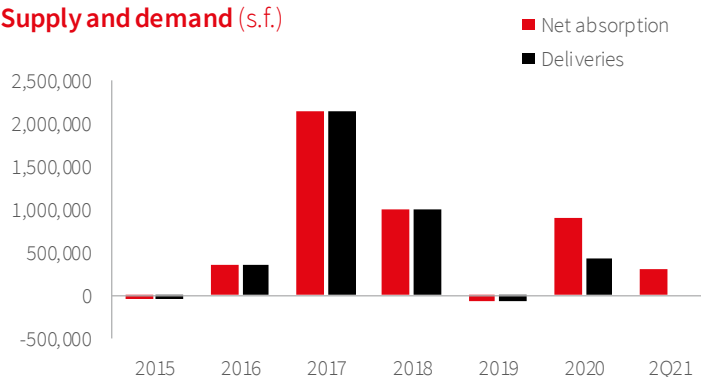
Considering the demand from users to access large consumer population centers in compressed delivery windows, there is a significant need for last-mile logistics facilities in the city of Philadelphia. However, given the record low vacancy in the submarket, tenants have limited remaining options for functional space. As a result, upcoming construction projects, such as Hilco Redevelopment Partners' master-planned industrial park at the former PES Refinery in Southwest Philadelphia, will be highly sought by tenants across many different industries.

Fundamentals

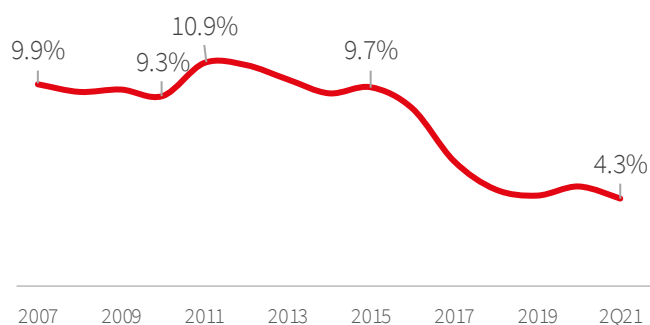
Forecast

YTD net absorption	303,861 s.f. ▲
Under construction	1,969,758 s.f. ►
Total vacancy	4.3% ►
Average asking rent (NNN)	\$5.72 p.s.f. ▲
Concessions	Stable ►

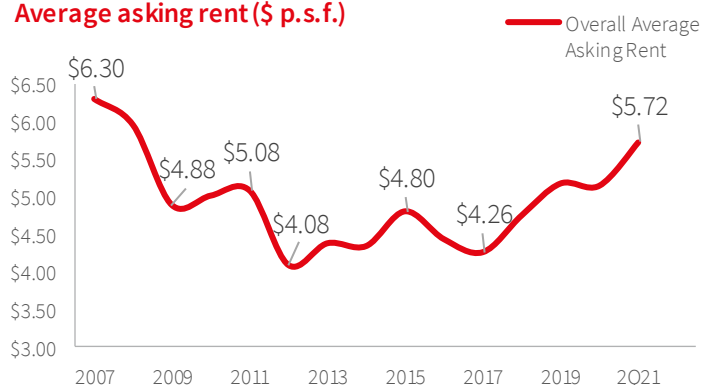
Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)



Submarket Report

Q2 2021

Suburban Philadelphia

- Class A vacancy rates fell 280 basis points quarter-over-quarter to 1.2% at the end of Q2.
- Driven by the demand for modern warehouse space near dense consumer bases and lack of existing available supply, Class A asking rents have increased by 30.0% year-over-year.
- A record 2.9 million s.f. of active construction was underway at the end of the quarter, 88.9% of which was speculative.

The Suburban Philadelphia submarket consists of four counties that reside to the west and north of Philadelphia: Delaware, Chester, Montgomery and Bucks. Similar to Philadelphia, the surrounding suburbs offer tenants very few options for modern warehouse space. Over the current industrial cycle, many retailers and logistics service providers have fulfilled their regional requirements for big-box distribution space, allowing them to shift their focus to last-mile delivery. Unlike many other major cities, last-mile distribution for the Philadelphia MSA can be serviced from outside the city limits. Proximity to I-95, I-76 and I-476, as well as quick access to major ports, intermodals and cargo airports make the submarket an attractive option for a variety of users, investors and developers.

Leasing activity ramped up to over 1.2 million s.f. in Suburban Philadelphia during Q2, less than 200,000 s.f. shy of the record velocity in Q4 2020. As a result, the Class A vacancy rate fell 280-basis-points quarter-over-quarter to 1.2%, applying upward pressure on Class A asking rents which have soared by more than 30.0% over the past year. While there were no existing Class A availabilities over 100,000 s.f. at the end of Q2, a record 2.6 million s.f. of speculative construction was underway.

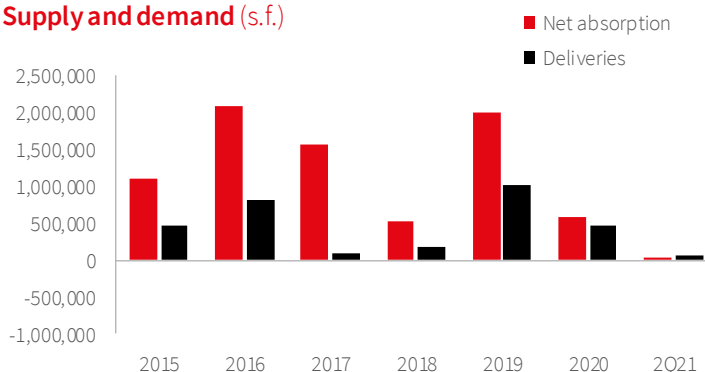
Outlook

The coming speculative deliveries to the Suburban Philadelphia submarket offer users Class A space that has not been available to support the growing tenant demand in urban infill locations over the past year. Therefore, JLL does not foresee difficulty in this new product being stabilized. Given the landlord-favorable market conditions, Class A asking rents are expected to continue to grow as these deliveries are absorbed.

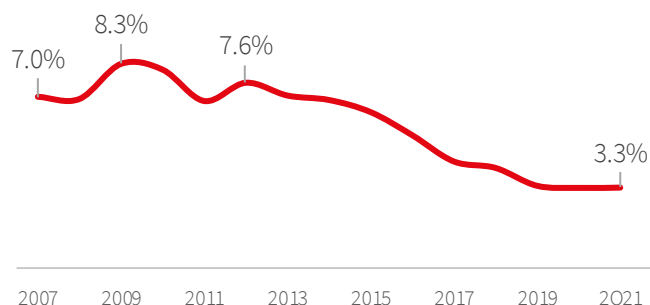
Fundamentals

	Forecast
YTD net absorption	31,038 s.f. ▲
Under construction	2,892,180 s.f. ►
Total vacancy	3.3% ►
Average asking rent (NNN)	\$7.08 p.s.f. ▲
Concessions	Stable ►

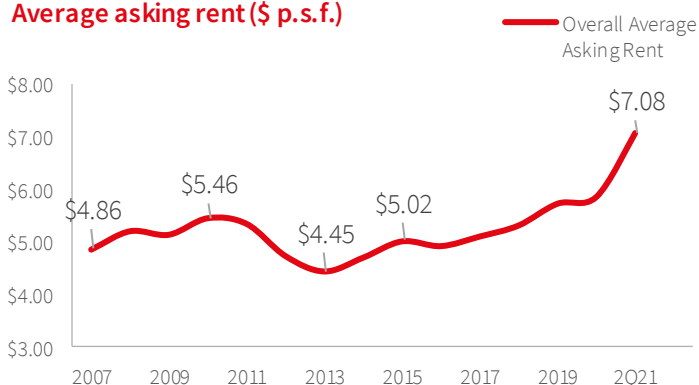
Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)



Submarket Report

Q2 2021

Delaware

- At the end Q2, nearly 5.2 million s.f. was under construction in Delaware, all of which is preleased to a single tenant.
- Class A vacancy rates have fallen 480 basis points year-over-year to a record-low of 3.5% in Delaware.
- Driven by major speculative and build-to-suit projects for national companies, average asking rents improved 8.6% year-over-year to \$5.20 p.s.f.

The Delaware submarket resides along the I-95 Corridor providing access to several major MSAs, including New Jersey, Philadelphia and Maryland. The submarket consists of 3 counties: New Castle, Kent and Sussex, with New Castle being the most active as it is located farthest north and is intersected by I-95. Delaware is the smallest submarket in the Northeast Region in terms of inventory with 38.9 million s.f. of industrial product, 17.1% of which is Class A. Over 4.1 million s.f. of space has been delivered to the submarket since 2011, including multiple build-to-suit projects for national companies. Delaware offers users and developers a cost-efficient alternative compared to other submarkets in the region, while still providing significant infrastructure.

Considering the scarcity of developable land along the I-95 Corridor, users, investors and developers have taken interest in supplementing the growing demand for last-mile space farther south along the interstate in Delaware. However, record tenant demand has resulted in dwindling tenant opportunities in the submarket. Following the stabilization of NorthPoint Development's ± 2.0 -million-s.f. New Castle Logistics Park during Q1, Class A vacancy rates are at a record low in the submarket. In addition, while construction levels were at a record high at the end of the quarter, all active development has been pre-leased by a single e-commerce user.

Outlook

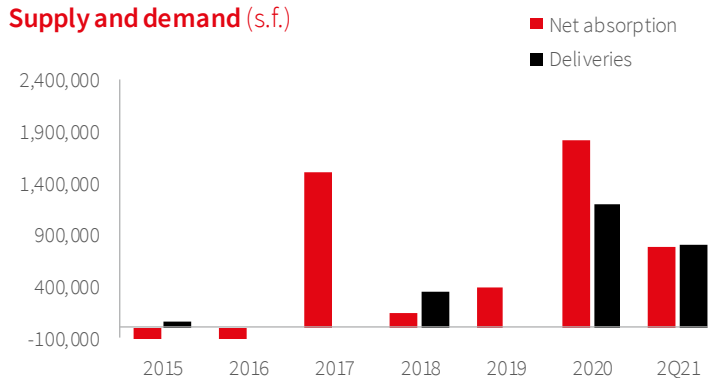
The leasing activity in Delaware has been driven by several recent projects over the past year. Now that those developments have been leased, only two existing Class A availabilities over 100,000 s.f. remain in the submarket, both of which are second-generation spaces. Given the success of speculative development in the submarket, the pipeline in Delaware continues to grow, as several potential development sites were under contract to institutional developers at the close of Q2. Therefore, JLL expects new construction to remain inline with tenant demand.

Fundamentals

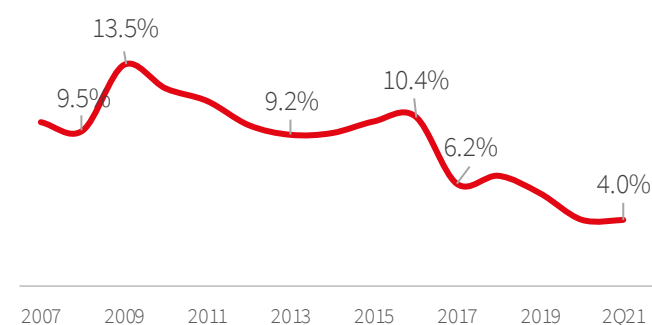
Forecast

YTD net absorption	765,644 s.f. ▲
Under construction	5,150,000 s.f. ►
Total vacancy	4.0% ►
Average asking rent (NNN)	\$5.20 p.s.f. ►
Concessions	Stable ►

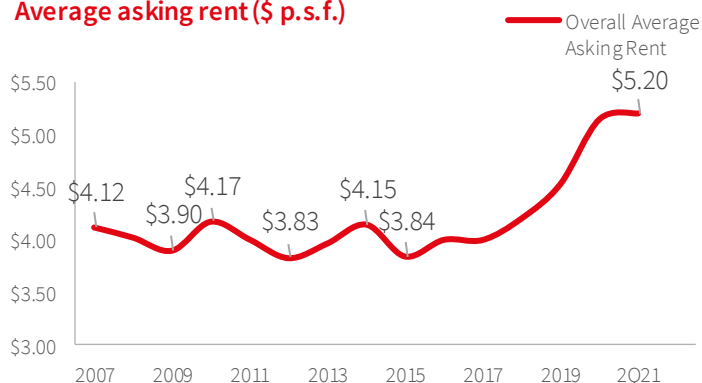
Supply and demand (s.f.)



Total vacancy



Average asking rent (\$ p.s.f.)





Long Island

Q2 2021 Market Report

Long Island

Average asking rents continue to trend higher surpassing \$14.00 p.s.f.

- Leasing velocity increased 12.9% over the previous quarter.
- Over the last two years, institutional ownership has comprised 38.0% of total sales volume.
- Average asking rents have surpassed \$14.00 p.s.f.
- 21 leases were signed in the second quarter, totaling more than 700,000 s.f.

Leasing activity in the second quarter surpassed the first quarter's totals as 21 leases were signed across the Long Island industrial market totaling 701,401 s.f., a 12.9% increase. Of note, Package All Corp signed a 93,000-s.f. lease at 95 Executive Dr in Edgewood and Peloton signed a 115,887-s.f. lease at 85 Harbor Blvd in Port Washington.

The second quarter of 2021 continued the upward trend of average asking rents as rents increased to \$14.06 p.s.f. representing a 7.16% increase over the first quarter. Owners remain emboldened by the increase in leasing velocity, as multiple properties now have asking rents of \$17.00 p.s.f. as a demonstration of institutional capital's confidence in locations able to distribute to population densities. In the second quarter, Brookfield Properties added to their Long Island portfolio with the acquisition of a 96,600 s.f. Class-B warehouse for \$13.7 million in the Western Suffolk submarket.

Outlook

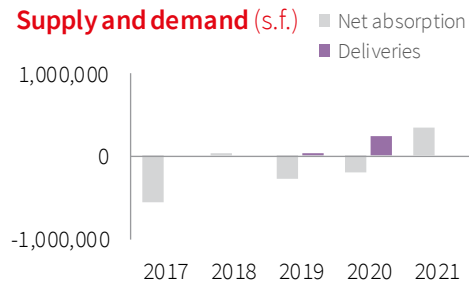
Over the course of the last two years, as the composition of the Long Island market has begun to take shape between the local, privately owned users versus regionally and nationally-based e-commerce driven companies, the market has increasingly become an attractive investment opportunity for investors and developers. The attractiveness of the market is also tied into the last mile trends that have developed in major urban areas. E-commerce companies have begun growing their last mile networks into suburban areas and with an ever-increasing demand for same-day and next-day delivery we do not anticipate the demand for last mile to slow. Leasing activity is expected to remain high as tenant demand has surpassed 7.0 million s.f., which is a 82.6% increase over last year. The market has also experienced a growth in development activity as over 2.7 million s.f. of new Class-A product is expected to deliver within the next 2 years.

Fundamentals

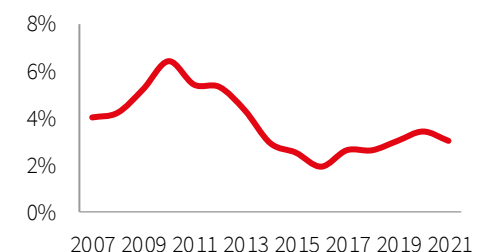
Forecast

YTD net absorption	350,774 s.f. ►
Under construction	232,000 s.f. ▲
Total vacancy	3.0% ►
Sublease vacancy	245,916 s.f. ►
Direct asking rent	\$14.06 p.s.f. ▲
Concessions	Stable ▲

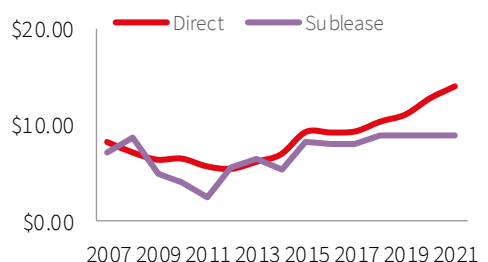
Supply and demand (s.f.)

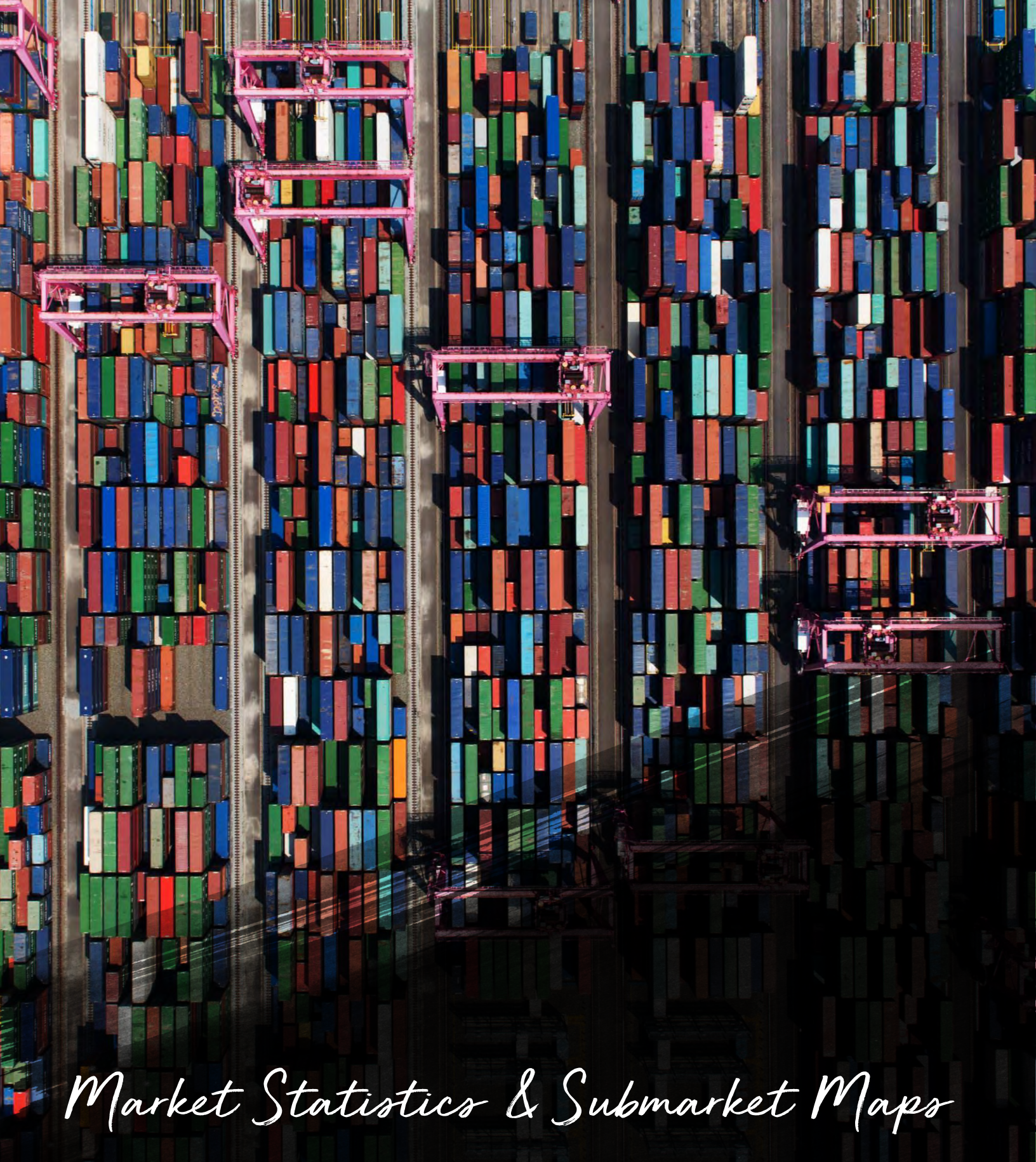


Total vacancy (%)



Average asking rent (\$ p.s.f.)





Market Statistics & Submarket Maps

Q2 2021 Market Statistics



Northeast Industrial Region

Q2 2021

Industrial Statistics

	Inventory (s.f.)	Quarterly total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	Total availability (%)	Average total asking rent (\$ p.s.f.)	Quarterly completions (s.f.)	YTD completions (s.f.)	Under construction (s.f.)
Northeast Region Totals										
Warehouse & Distribution	1,329,024,693	16,955,804	23,108,689	1.7%	3.2%	7.5%	\$8.94	7,241,956	12,253,914	57,067,536
Manufacturing	406,153,945	69,737	192,780	0.0%	2.6%	4.8%	\$9.39	0	0	204,250
Total Industrial	1,735,178,638	17,025,541	23,301,469	1.3%	3.1%	6.8%	\$9.01	7,241,956	12,253,914	57,271,786
Markets										
New Jersey										
Warehouse & Distribution	574,476,859	4,484,408	6,264,645	1.1%	2.3%	5.1%	\$10.52	3,707,921	5,031,864	12,837,785
Manufacturing	180,487,086	49,263	152,197	0.1%	2.9%	5.2%	\$9.84	0	0	204,250
Overall Total	754,963,945	4,533,671	6,416,842	0.9%	2.5%	5.2%	\$10.46	3,707,921	5,031,864	14,117,935
Eastern & Central Pennsylvania										
Warehouse & Distribution	588,694,276	12,080,115	16,642,133	2.8%	4.5%	10.3%	\$5.88	3,534,035	7,222,050	41,212,320
Manufacturing	179,363,447	-80,168	-267,471	-0.1%	2.4%	4.3%	\$5.81	0	0	0
Overall Total	768,057,723	12,251,197	16,374,662	2.1%	4.0%	9.0%	\$5.88	3,534,035	7,222,050	41,463,570
New York City										
Warehouse & Distribution	107,105,244	164,274	170,389	0.2%	1.7%	5.8%	\$29.06	0	0	2,785,431
Manufacturing	20,865,972	11,710	-11,198	-0.1%	2.0%	5.3%	\$25.58	0	0	0
Overall Total	127,986,216	175,984	159,191	0.1%	1.7%	5.7%	\$28.78	0	0	2,785,431
Long Island										
Warehouse & Distribution	58,748,314	227,007	31,522	0.1%	2.7%	4.4%	\$14.64	0	0	232,000
Manufacturing	25,437,440	88,932	319,252	1.3%	3.8%	5.5%	\$13.15	0	0	0
Overall Total	84,185,754	315,939	350,774	0.4%	3.0%	4.7%	\$14.06	0	0	232,000



New York City

Q2 2021

Industrial Statistics

	Inventory (s.f.)	Quarterly total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	Total availability (%)	Average total asking rent \$ p.s.f.	Quarterly Completions (s.f.)	YTD Completions (s.f.)	Under construction (s.f.)
NYC - Outer Boroughs total										
Warehouse & Distribution	107,105,244	164,274	170,389	0.2%	1.7%	5.8%	\$29.06	0	0	2,785,431
Manufacturing	20,865,972	11,710	-11,198	-0.1%	2.0%	5.3%	\$25.58	0	0	0
Overall Total	127,986,216	175,984	159,191	0.1%	1.7%	5.7%	\$28.78	0	0	2,785,431
Bronx total										
Warehouse & Distribution	18,689,346	-43,780	-47,780	-0.3%	1.0%	8.7%	\$32.14	0	0	568,500
Manufacturing	3,656,724	42,610	42,610	1.2%	2.3%	5.3%	\$25.56	0	0	0
Overall Total	22,346,070	-1,170	-5,170	0.0%	1.3%	8.1%	\$31.69	0	0	568,500
North Bronx										
Warehouse & Distribution	2,581,421	0	0	0.0%	0.4%	3.8%	\$0.00	0	0	0
Manufacturing	634,262	6,810	6,810	1.1%	2.8%	5.0%	\$0.00	0	0	0
Overall Total	3,215,683	6,810	6,810	0.2%	0.9%	4.0%	\$0.00	0	0	0
South Bronx										
Warehouse & Distribution	16,107,925	-43,780	-47,780	-0.3%	1.2%	9.4%	\$32.14	0	0	568,500
Manufacturing	3,022,462	35,800	35,800	1.2%	2.2%	5.3%	\$25.56	0	0	0
Overall Total	19,130,387	-7,980	-11,980	-0.1%	1.3%	8.8%	\$31.69	0	0	568,500
Brooklyn total										
Warehouse & Distribution	37,598,293	151,470	183,404	0.5%	1.6%	4.9%	\$25.69	0	0	864,086
Manufacturing	9,914,626	-23,900	-21,500	-0.2%	1.5%	3.6%	\$26.58	0	0	0
Overall Total	47,512,919	127,570	161,904	0.3%	1.6%	4.6%	\$25.84	0	0	864,086
Bedford/Stuyvesant										
Warehouse & Distribution	1,347,840	0	0	0.0%	0.0%	2.9%	\$0.00	0	0	0
Manufacturing	236,272	0	0	0.0%	2.1%	10.5%	\$0.00	0	0	0
Overall Total	1,584,112	0	0	0.0%	0.3%	4.1%	\$0.00	0	0	0
Brooklyn Waterfront										
Warehouse & Distribution	13,386,096	100,550	120,622	0.9%	2.0%	5.3%	\$23.96	0	0	816,086
Manufacturing	2,137,538	-19,000	-19,000	-0.9%	3.5%	3.5%	\$27.65	0	0	0
Overall Total	15,523,634	81,550	101,622	0.7%	2.2%	5.1%	\$24.70	0	0	816,086
Flatbush/Boroughpark										
Warehouse & Distribution	728,293	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Manufacturing	155,675	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Overall Total	883,968	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Flatlands/East New York										
Warehouse & Distribution	7,818,708	24,000	35,532	0.5%	1.2%	6.8%	\$0.00	0	0	48,000
Manufacturing	2,752,477	0	0	0.0%	0.0%	2.9%	\$0.00	0	0	0
Overall Total	10,571,185	24,000	35,532	0.3%	0.9%	5.8%	\$0.00	0	0	48,000
Greenpoint/Williamsburg										
Warehouse & Distribution	13,107,962	3,920	4,250	0.0%	1.7%	3.6%	\$27.17	0	0	0
Manufacturing	4,563,362	-4,900	-2,500	-0.1%	1.5%	3.9%	\$25.75	0	0	0
Overall Total	17,671,324	-980	1,750	0.0%	1.6%	3.7%	\$26.94	0	0	0
South Brooklyn										
Warehouse & Distribution	1,209,394	23,000	23,000	1.9%	2.6%	5.6%	\$22.34	0	0	0
Manufacturing	69,302	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Overall Total	1,278,696	23,000	23,000	1.8%	2.4%	5.3%	\$22.34	0	0	0



New York City

	Inventory (s.f.)	Quarterly total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	Total availability (%)	Average total asking rent (\$ p.s.f.)	Quarterly completions (s.f.)	YTD completions (s.f.)	Under construction (s.f.)
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Submarkets (continued)

Queens total

Warehouse & Distribution	45,481,005	56,584	34,765	0.1%	2.2%	5.8%	\$26.90	0	0	1,352,845
Manufacturing	7,240,666	-7,000	-32,308	-0.4%	2.4%	7.7%	\$23.85	0	0	0
Overall Total	52,736,671	49,584	2,457	0.0%	2.2%	6.1%	\$26.75	0	0	1,352,845

Far Rockaway

Warehouse & Distribution	523,998	23,000	23,000	4.4%	0.0%	4.2%	\$0.00	0	0	0
Manufacturing	80,190	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Overall Total	604,188	23,000	23,000	3.8%	0.0%	3.6%	\$0.00	0	0	0

JFK

Warehouse & Distribution	8,233,988	-510	-510	0.0%	1.7%	6.0%	\$30.19	0	0	252,845
Manufacturing	1,334,144	0	0	0.0%	3.4%	19.7%	\$0.00	0	0	0
Overall Total	9,568,132	-510	-510	0.0%	1.9%	7.8%	\$30.19	0	0	252,845

Long Island City

Warehouse & Distribution	18,779,326	54,534	31,794	0.2%	3.2%	7.6%	\$25.30	0	0	0
Manufacturing	2,911,741	-4,000	-29,658	-1.0%	3.4%	9.2%	\$23.85	0	0	0
Overall Total	21,706,067	50,534	2,136	0.0%	3.2%	7.8%	\$25.18	0	0	0

Maspeth

Warehouse & Distribution	13,316,874	-7,000	-7,000	-0.1%	1.1%	3.4%	\$22.66	0	0	1,100,000
Manufacturing	1,602,362	-3,000	-2,650	-0.2%	1.7%	1.7%	\$0.00	0	0	0
Overall Total	14,919,236	-10,000	-9,650	-0.1%	1.2%	3.2%	\$22.66	0	0	1,100,000

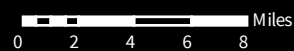
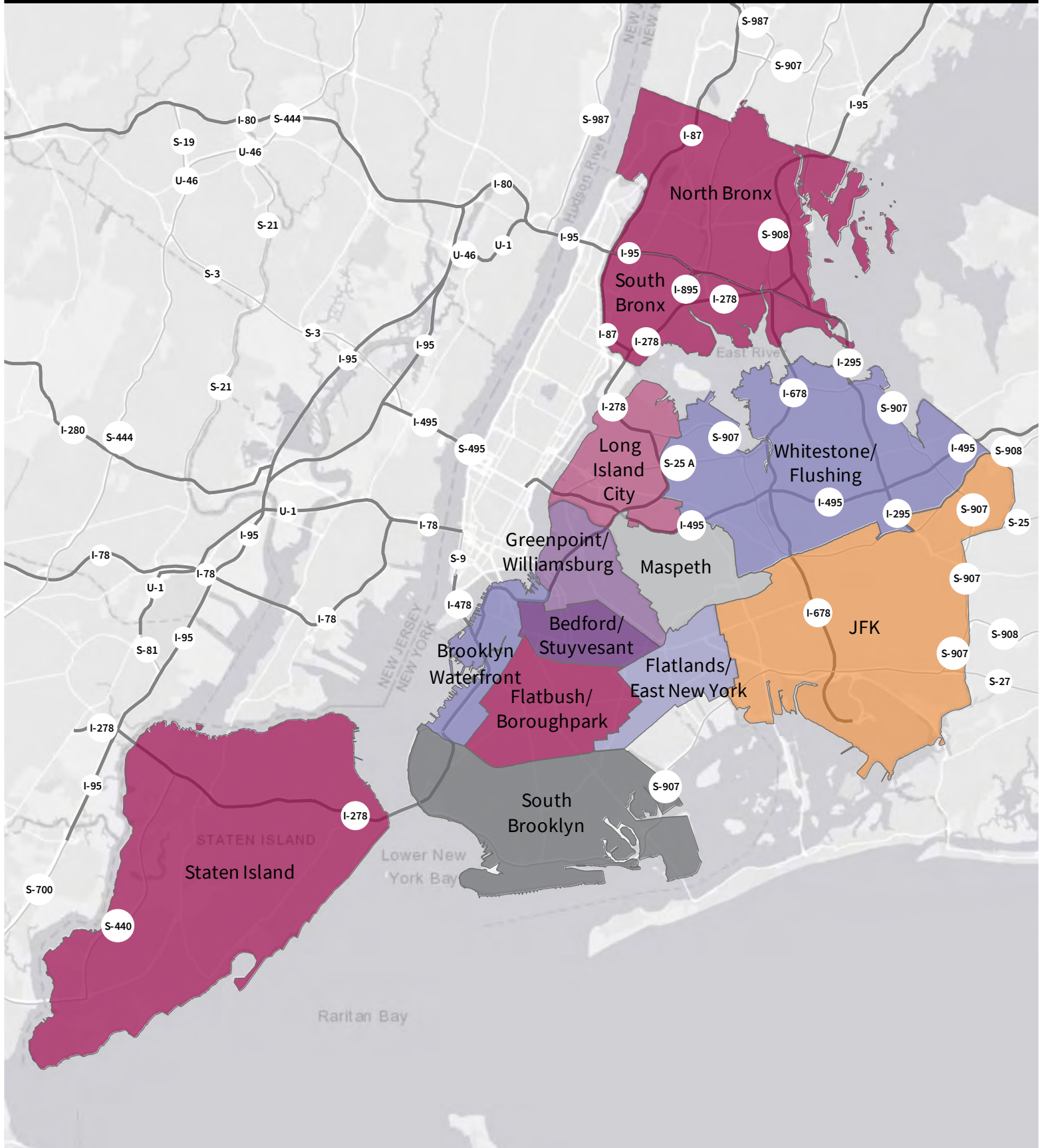
Whitestone/Flushing

Warehouse & Distribution	4,626,819	-13,440	-12,519	-0.3%	2.2%	6.1%	\$26.32	0	0	0
Manufacturing	1,312,229	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Overall Total	5,939,048	-13,440	-12,519	-0.2%	1.7%	4.7%	\$26.32	0	0	0

Staten Island total

Warehouse & Distribution	5,336,600	0	0	0.0%	0.7%	1.4%	\$0.00	0	0	0
Manufacturing	53,956	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Overall Total	5,390,556	0	0	0.0%	0.7%	1.4%	\$0.00	0	0	0

Industrial submarket map



Industrial Statistics

	Inventory (s.f.)	Quarterly total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	Total availability (%)	Average total asking rent (\$ p.s.f.)	Quarterly Completions (s.f.)	YTD Completions (s.f.)	Under construction (s.f.)
New Jersey Ind total										
Warehouse & Distribution	574,476,859	4,484,408	6,264,645	1.1%	2.3%	5.1%	\$10.52	3,707,921	5,031,864	12,837,785
Manufacturing	180,487,086	49,263	152,197	0.1%	2.9%	5.2%	\$9.84	0	0	204,250
Overall Total	754,963,945	4,533,671	6,416,842	0.9%	2.5%	5.2%	\$10.46	3,707,921	5,031,864	14,117,935
Northern New Jersey total										
Warehouse & Distribution	243,131,707	278,475	-106,239	0.0%	3.5%	6.3%	\$12.29	320,390	1,644,333	1,949,533
Manufacturing	87,989,904	-4,643	74,988	0.1%	4.2%	6.2%	\$10.36	0	0	204,250
Overall Total	331,121,611	273,832	-31,251	0.0%	3.7%	6.3%	\$12.06	320,390	1,644,333	2,229,683
Central Bergen										
Warehouse & Distribution	12,959,372	302,241	419,771	3.2%	3.6%	6.7%	\$10.20	290,385	290,385	0
Manufacturing	8,327,641	-21,218	-31,452	-0.4%	5.2%	7.1%	\$10.65	0	0	0
Overall Total	21,287,013	281,023	388,319	1.8%	4.2%	6.9%	\$10.34	290,385	290,385	0
Fairfield										
Warehouse & Distribution	8,866,919	-39,936	20,920	0.2%	2.7%	10.9%	\$11.54	0	0	215,221
Manufacturing	3,091,094	-800	10,646	0.3%	1.6%	4.6%	\$8.82	0	0	0
Overall Total	11,958,013	-40,736	31,566	0.3%	2.4%	9.3%	\$11.29	0	0	215,221
Meadowlands										
Warehouse & Distribution	59,773,124	124,073	-134,252	-0.2%	3.3%	7.6%	\$14.51	0	0	563,541
Manufacturing	13,981,617	-35,247	-70,807	-0.5%	4.8%	6.6%	\$10.80	0	0	0
Overall Total	73,754,741	88,826	-205,059	-0.3%	3.6%	7.4%	\$13.99	0	0	563,541
Morris										
Warehouse & Distribution	23,905,673	9,285	-48,627	-0.2%	6.9%	9.1%	\$8.86	0	0	0
Manufacturing	9,516,285	-20,753	6,461	0.1%	7.0%	7.8%	\$10.45	0	0	0
Overall Total	33,421,958	-11,468	-42,166	-0.1%	6.9%	8.7%	\$9.11	0	0	0
North East Bergen										
Warehouse & Distribution	4,311,483	-19,859	-18,622	-0.4%	5.1%	5.7%	\$9.34	0	0	0
Manufacturing	2,126,586	50,262	47,322	2.2%	8.0%	8.7%	\$9.57	0	0	0
Overall Total	6,438,069	30,403	28,700	0.4%	6.0%	6.7%	\$9.46	0	0	0
North West Bergen										
Warehouse & Distribution	9,083,103	51,149	26,941	0.3%	2.1%	5.5%	\$10.36	0	0	0
Manufacturing	4,442,667	-114,400	-137,400	-3.1%	4.4%	4.6%	\$14.00	0	0	0
Overall Total	13,525,770	-63,251	-110,459	-0.8%	2.9%	5.2%	\$10.52	0	0	0
North West Passaic										
Warehouse & Distribution	1,778,278	-15,300	-2,800	-0.2%	1.7%	4.3%	\$14.50	0	0	0
Manufacturing	595,319	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Overall Total	2,373,597	-15,300	-2,800	-0.1%	1.2%	3.2%	\$14.50	0	0	0
Port										
Warehouse & Distribution	80,342,569	-159,317	15,775	0.0%	3.1%	4.7%	\$12.94	30,005	1,353,948	1,059,660
Manufacturing	23,046,500	-28,773	47,409	0.2%	2.9%	6.7%	\$9.77	0	0	0
Overall Total	103,389,069	-188,090	63,184	0.1%	3.1%	5.2%	\$12.67	30,005	1,353,948	1,135,560
Routes 46/23/3										
Warehouse & Distribution	32,034,055	26,139	-345,280	-1.1%	3.1%	5.2%	\$12.18	0	0	111,111
Manufacturing	16,463,032	131,712	150,634	0.9%	2.5%	3.2%	\$10.66	0	0	0
Overall Total	48,497,087	157,851	-194,646	-0.4%	2.9%	4.5%	\$12.01	0	0	111,111
Sussex										
Warehouse & Distribution	1,216,925	0	-45,765	-3.8%	8.1%	5.8%	\$9.03	0	0	0
Manufacturing	937,942	-31,250	-60,775	-6.5%	20.6%	21.3%	\$0.00	0	0	204,250
Overall Total	2,154,867	-31,250	-106,540	-4.9%	13.5%	13.3%	\$9.03	0	0	204,250
Warren										
Warehouse & Distribution	1,381,346	0	0	0.0%	1.5%	17.4%	\$9.72	0	0	0
Manufacturing	1,641,046	0	0	0.0%	2.3%	2.3%	\$0.00	0	0	0
Overall Total	3,022,392	0	0	0.0%	1.9%	9.2%	\$9.72	0	0	0
West Essex										
Warehouse & Distribution	7,478,860	0	5,700	0.1%	1.3%	3.0%	\$11.36	0	0	0
Manufacturing	3,820,175	65,824	112,950	3.0%	4.3%	7.8%	\$12.05	0	0	0
Overall Total	11,299,035	65,824	118,650	1.1%	2.3%	4.6%	\$11.58	0	0	0

Industrial Statistics

	Inventory (s.f.)	Quarterly total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	Total availability (%)	Average total asking rent (\$ p.s.f.)	Quarterly Completions (s.f.)	YTD Completions (s.f.)	Under construction (s.f.)
Central New Jersey total										
Warehouse & Distribution	223,997,386	2,068,070	2,820,105	1.3%	1.6%	3.6%	\$9.86	1,406,458	1,406,458	3,889,927
Manufacturing	69,900,870	-32,194	-119,251	-0.2%	1.7%	4.4%	\$9.75	0	0	0
Overall Total	293,898,256	2,035,876	2,700,854	0.9%	1.6%	3.8%	\$9.84	1,406,458	1,406,458	4,889,927
Exit 10										
Warehouse & Distribution	66,615,321	1,474,564	1,374,552	2.1%	1.3%	2.9%	\$9.09	1,321,830	1,321,830	1,103,133
Manufacturing	16,025,285	49,000	46,000	0.3%	0.7%	2.6%	\$10.07	0	0	0
Overall Total	82,640,606	1,523,564	1,420,552	1.7%	1.2%	2.8%	\$9.28	1,321,830	1,321,830	1,103,133
Exit 12										
Warehouse & Distribution	16,517,717	100,102	222,202	1.3%	0.0%	6.0%	\$14.20	84,628	84,628	104,864
Manufacturing	5,922,537	176,700	12,300	0.2%	2.1%	3.1%	\$10.67	0	0	0
Overall Total	22,440,254	276,802	234,502	1.0%	0.5%	5.3%	\$13.09	84,628	84,628	104,864
Exit 7A										
Warehouse & Distribution	12,991,357	0	-493	0.0%	0.5%	1.2%	\$9.47	0	0	0
Manufacturing	47,860	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Overall Total	13,039,217	0	-493	0.0%	0.5%	1.2%	\$9.47	0	0	0
Exit 8A										
Warehouse & Distribution	64,841,385	-24,410	-53,210	-0.1%	1.1%	0.5%	\$10.17	0	0	1,166,030
Manufacturing	1,353,883	-75,000	-75,000	-5.5%	5.5%	13.1%	\$0.00	0	0	0
Overall Total	66,195,268	-99,410	-128,210	-0.2%	1.2%	0.8%	\$10.17	0	0	1,166,030
Exit 9										
Warehouse & Distribution	11,788,463	-133,000	372,040	3.2%	4.1%	5.9%	\$9.27	0	0	0
Manufacturing	10,012,692	-131,723	-141,845	-1.4%	3.6%	8.2%	\$9.02	0	0	0
Overall Total	21,801,155	-264,723	230,195	1.1%	3.9%	7.0%	\$9.18	0	0	0
Hunterdon										
Warehouse & Distribution	3,151,919	0	0	0.0%	1.6%	7.1%	\$0.00	0	0	0
Manufacturing	811,917	12,800	20,000	2.5%	0.0%	0.0%	\$0.00	0	0	0
Overall Total	3,963,836	12,800	20,000	0.5%	1.2%	5.7%	\$0.00	0	0	0
Monmouth										
Warehouse & Distribution	8,107,386	11,643	25,692	0.3%	5.8%	6.8%	\$9.54	0	0	80,000
Manufacturing	4,731,464	-61,500	-55,300	-1.2%	1.7%	5.3%	\$9.34	0	0	0
Overall Total	12,838,850	-49,857	-29,608	-0.2%	4.3%	5.8%	\$9.51	0	0	1,080,000
Ocean										
Warehouse & Distribution	7,203,149	24,920	10,270	0.1%	4.3%	5.3%	\$9.16	0	0	0
Manufacturing	1,483,307	0	0	0.0%	3.2%	3.7%	\$0.00	0	0	0
Overall Total	8,686,456	24,920	10,270	0.1%	4.1%	5.0%	\$9.16	0	0	0
Princeton										
Warehouse & Distribution	4,042,951	56,258	62,236	1.5%	2.0%	3.0%	\$9.46	0	0	0
Manufacturing	2,977,132	0	0	0.0%	0.5%	0.5%	\$5.75	0	0	0
Overall Total	7,020,083	56,258	62,236	0.9%	1.4%	2.0%	\$8.72	0	0	0
Somerset										
Warehouse & Distribution	17,152,658	451,743	604,924	3.5%	1.7%	5.2%	\$9.33	0	0	304,000
Manufacturing	8,878,388	42,500	120,500	1.4%	0.7%	6.5%	\$8.97	0	0	0
Overall Total	26,031,046	494,243	725,424	2.8%	1.4%	5.6%	\$9.19	0	0	304,000
Trenton										
Warehouse & Distribution	5,396,126	13,850	47,242	0.9%	3.1%	25.7%	\$9.46	0	0	1,131,900
Manufacturing	2,282,873	-38,202	-38,202	-1.7%	4.0%	6.9%	\$12.00	0	0	0
Overall Total	7,678,999	-24,352	9,040	0.1%	3.4%	20.8%	\$9.50	0	0	1,131,900
Union/Route 78/22 East										
Warehouse & Distribution	6,188,954	92,400	154,650	2.5%	0.0%	1.9%	\$10.99	0	0	0
Manufacturing	15,373,532	-6,769	-7,704	-0.1%	1.6%	2.7%	\$11.12	0	0	0
Overall Total	21,562,486	85,631	146,946	0.7%	1.2%	2.5%	\$11.09	0	0	0

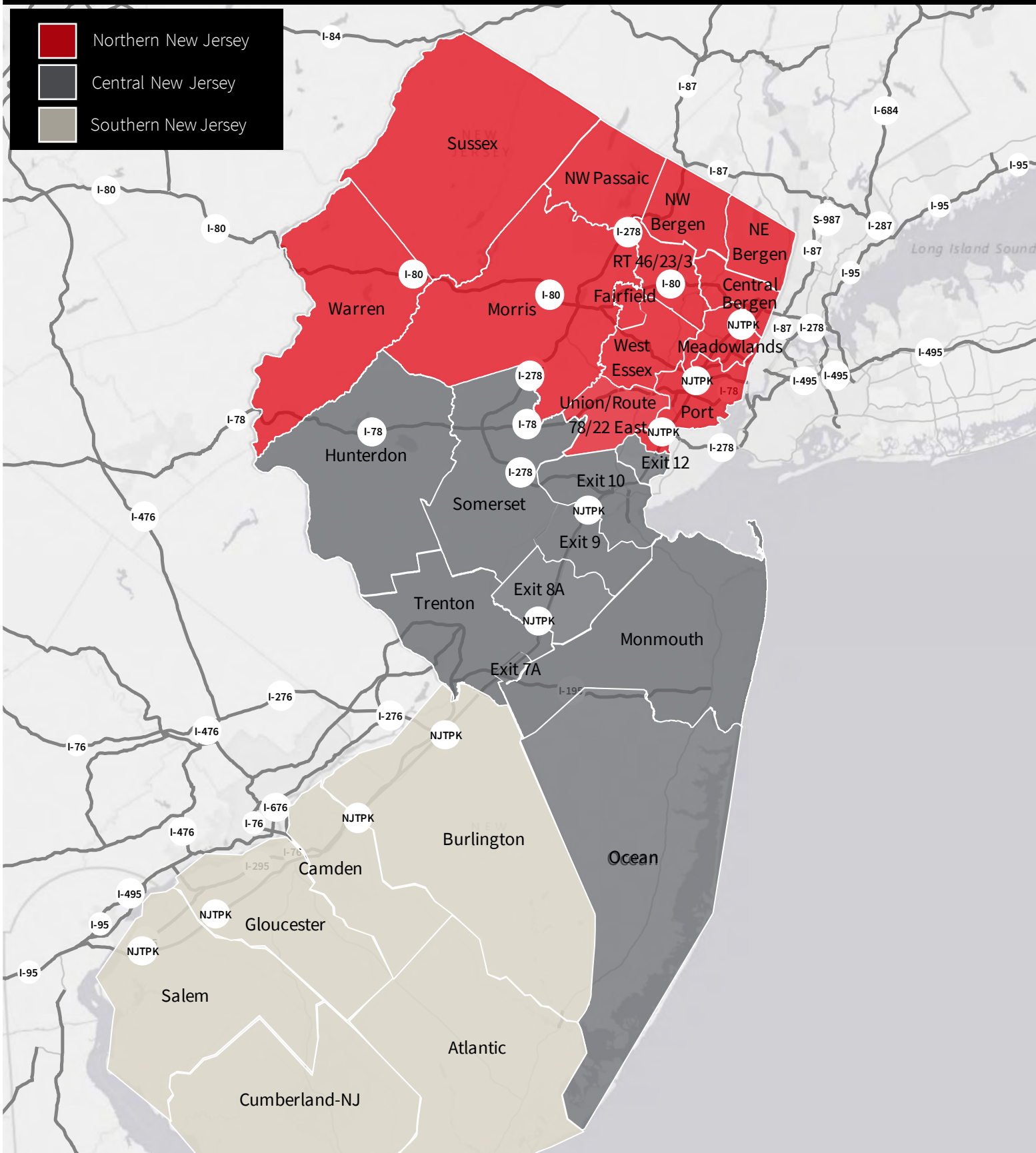
Q2 2021

Industrial Statistics

	Inventory (s.f.)	Quarterly total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	Total availability (%)	Average total asking rent (\$ p.s.f.)	Quarterly Completions (s.f.)	YTD Completions (s.f.)	Under construction (s.f.)
Southern New Jersey total										
Warehouse & Distribution	107,347,766	2,137,863	3,550,779	3.3%	1.3%	5.7%	\$8.02	1,981,073	1,981,073	6,998,325
Manufacturing	22,596,312	86,100	196,460	0.9%	1.2%	4.0%	\$4.25	0	0	0
Overall Total	129,944,078	2,223,963	3,747,239	2.9%	1.3%	5.5%	\$7.92	1,981,073	1,981,073	6,998,325
Atlantic County										
Warehouse & Distribution	2,497,539	59,295	96,295	3.9%	7.6%	11.5%	\$8.07	0	0	0
Manufacturing	1,250,717	0	0	0.0%	4.8%	9.1%	\$0.00	0	0	0
Overall Total	3,748,256	59,295	96,295	2.6%	6.7%	10.7%	\$8.07	0	0	0
Burlington County										
Warehouse & Distribution	42,789,809	903,105	1,361,590	3.2%	1.3%	7.3%	\$8.55	687,005	687,005	4,985,385
Manufacturing	3,262,767	10,400	10,400	0.3%	0.2%	3.4%	\$0.00	0	0	0
Overall Total	46,052,576	913,505	1,371,990	3.0%	1.2%	7.1%	\$8.55	687,005	687,005	4,985,385
Camden County										
Warehouse & Distribution	21,919,383	31,910	98,950	0.5%	0.7%	4.1%	\$5.81	0	0	211,250
Manufacturing	9,004,858	10,700	64,200	0.7%	0.2%	1.4%	\$0.00	0	0	0
Overall Total	30,924,241	42,610	163,150	0.5%	0.6%	3.3%	\$5.81	0	0	211,250
Cumberland County										
Warehouse & Distribution	7,686,625	-64,724	-86,257	-1.1%	1.9%	2.7%	\$5.30	0	0	0
Manufacturing	4,133,589	65,000	50,000	1.2%	1.8%	4.1%	\$4.25	0	0	0
Overall Total	11,820,214	276	-36,257	-0.3%	1.9%	3.2%	\$4.85	0	0	0
Gloucester County										
Warehouse & Distribution	27,440,625	1,208,277	1,921,801	7.0%	1.4%	6.0%	\$7.40	1,294,068	1,294,068	801,690
Manufacturing	4,144,725	0	71,860	1.7%	1.3%	3.0%	\$0.00	0	0	0
Overall Total	31,585,350	1,208,277	1,993,661	6.3%	1.4%	5.6%	\$7.40	1,294,068	1,294,068	801,690
Salem County										
Warehouse & Distribution	5,013,785	0	158,400	3.2%	0.0%	0.0%	\$0.00	0	0	1,000,000
Manufacturing	799,656	0	0	0.0%	6.9%	31.2%	\$0.00	0	0	0
Overall Total	5,813,441	0	158,400	2.7%	0.9%	3.7%	\$0.00	0	0	1,000,000

New Jersey

Industrial submarket map



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Eastern & Central PA

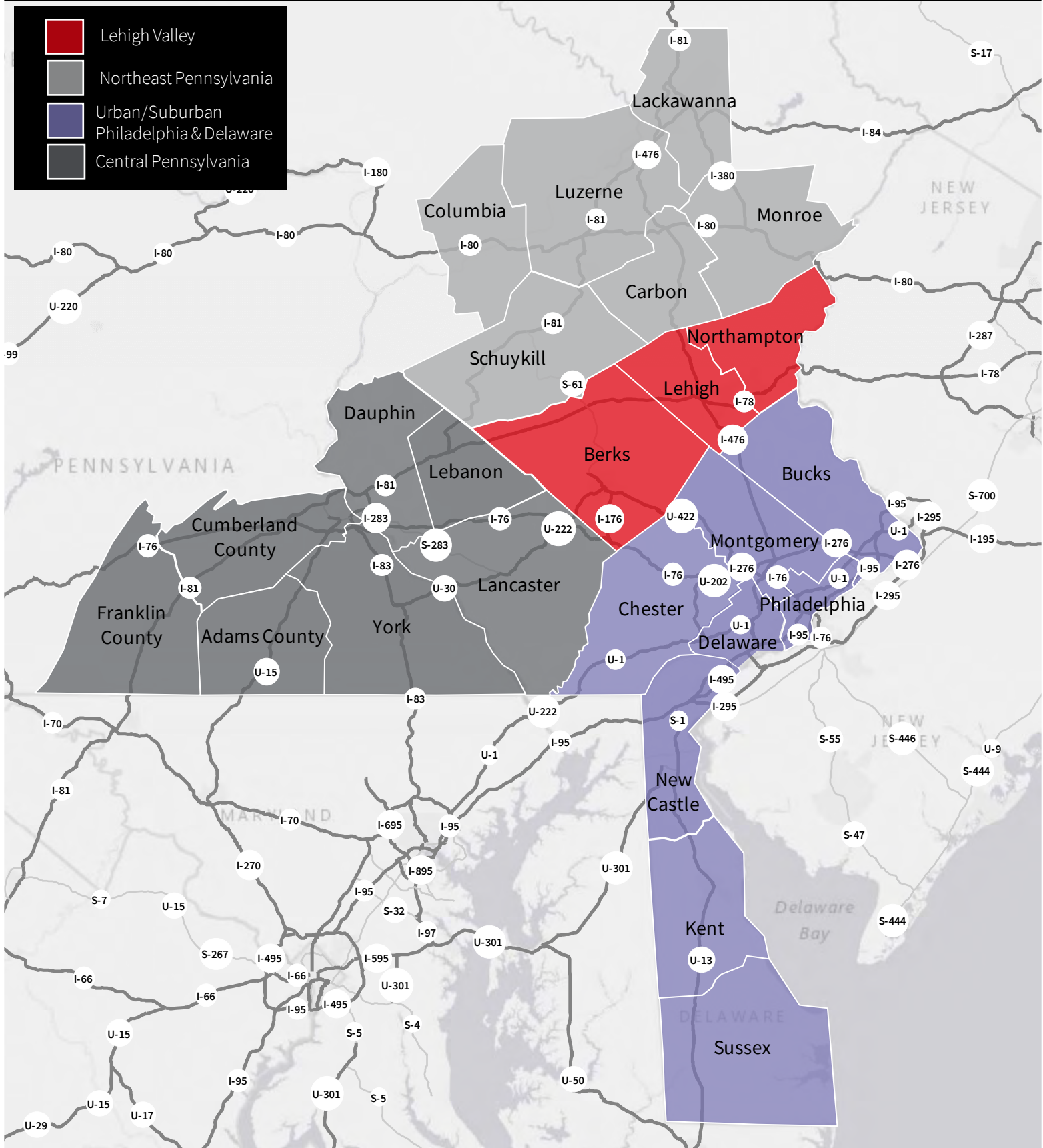
Q2 2021

Industrial Statistics

	Inventory (s.f.)	Quarterly total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	Total availability (%)	Average total asking rent (\$ p.s.f.)	Quarterly Completions (s.f.)	YTD Completions (s.f.)	Under construction (s.f.)
Eastern & Central PA total										
Warehouse & Distribution	588,694,276	12,080,115	16,642,133	2.8%	4.5%	10.3%	\$5.88	3,534,035	7,222,050	41,212,320
Manufacturing	179,363,447	-80,168	-267,471	-0.1%	2.4%	4.3%	\$5.81	0	0	0
Overall Total	768,057,723	12,251,197	16,374,662	2.1%	4.0%	9.0%	\$5.88	3,534,035	7,222,050	41,463,570
Central Pennsylvania										
Warehouse & Distribution	183,437,786	2,031,147	2,867,681	1.6%	4.5%	9.1%	\$5.07	221,621	2,357,754	10,929,085
Manufacturing	60,230,602	-90,000	-192,180	-0.3%	2.1%	3.7%	\$5.48	0	0	0
Overall Total	243,668,388	2,192,397	2,675,501	1.1%	3.9%	8.0%	\$5.14	221,621	2,357,754	11,180,335
Delaware										
Warehouse & Distribution	29,605,563	8,670	809,314	2.7%	4.6%	6.9%	\$4.95	0	795,577	5,150,000
Manufacturing	9,288,323	0	-35,000	-0.4%	1.9%	6.5%	\$6.08	0	0	0
Overall Total	38,893,886	8,670	774,314	2.0%	4.0%	6.8%	\$5.20	0	795,577	5,150,000
Lehigh Valley										
Warehouse & Distribution	134,261,979	5,642,732	7,303,235	5.4%	3.3%	11.8%	\$6.82	1,295,475	1,935,780	14,106,009
Manufacturing	19,665,226	0	8,700	0.0%	4.6%	5.3%	\$4.74	0	0	0
Overall Total	153,927,205	5,642,732	7,311,935	4.8%	3.5%	11.0%	\$6.70	1,295,475	1,935,780	14,106,009
Northeast Pennsylvania										
Warehouse & Distribution	91,933,045	3,996,089	5,388,013	5.9%	6.3%	12.4%	\$4.91	2,016,939	2,072,939	6,165,288
Manufacturing	24,619,377	0	-110,000	-0.4%	1.5%	2.1%	\$4.43	0	0	0
Overall Total	116,552,422	3,996,089	5,278,013	4.5%	5.3%	10.3%	\$4.90	2,016,939	2,072,939	6,165,288
Philadelphia Urban										
Warehouse & Distribution	55,710,442	206,651	246,301	0.4%	5.0%	9.2%	\$5.52	0	0	1,969,758
Manufacturing	19,140,405	0	57,560	0.3%	2.2%	5.4%	\$6.85	0	0	0
Overall Total	74,850,847	206,651	303,861	0.4%	4.3%	8.3%	\$5.72	0	0	1,969,758
Suburban Philadelphia										
Warehouse & Distribution	93,745,461	194,826	27,589	0.0%	3.8%	10.3%	\$7.05	0	60,000	2,892,180
Manufacturing	46,419,514	9,832	3,449	0.0%	2.4%	4.8%	\$7.27	0	0	0
Overall Total	140,164,975	204,658	31,038	0.0%	3.3%	8.5%	\$7.08	0	60,000	2,892,180

Eastern and Central Pennsylvania

Industrial submarket map



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Long Island

Q2 2021

Industrial Statistics

	Inventory (s.f.)	Quarterly total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	Total availability (%)	Average total asking rent (\$ p.s.f.)	Quarterly Completions (s.f.)	YTD Completions (s.f.)	Under construction (s.f.)
Long Island total										
Warehouse & Distribution	58,748,314	227,007	31,522	0.1%	2.7%	4.4%	\$14.64	0	0	232,000
Manufacturing	25,437,440	88,932	319,252	1.3%	3.8%	5.5%	\$13.15	0	0	0
Overall Total	84,185,754	315,939	350,774	0.4%	3.0%	4.7%	\$14.06	0	0	232,000
Mid-Suffolk										
Manufacturing	20,000	0	0	0.0%	100.0%	30.0%	\$0.00	0	0	0
Overall Total	20,000	0	0	0.0%	100.0%	30.0%	\$0.00	0	0	0
Nassau total										
Warehouse & Distribution	12,024,758	-85,059	-145,382	-1.2%	4.7%	7.3%	\$12.77	0	0	0
Manufacturing	14,445,020	131,152	304,172	2.1%	4.0%	4.3%	\$13.50	0	0	0
Overall Total	26,469,778	46,093	158,790	0.6%	4.3%	5.7%	\$13.11	0	0	0
Central/Eastern Nassau										
Warehouse & Distribution	5,522,085	70,272	46,749	0.8%	2.3%	7.7%	\$12.25	0	0	0
Manufacturing	8,798,555	135,420	225,270	2.6%	3.9%	4.3%	\$13.59	0	0	0
Overall Total	14,320,640	205,692	272,019	1.9%	3.3%	5.7%	\$12.95	0	0	0
Southern Nassau										
Warehouse & Distribution	2,688,493	-79,303	-116,103	-4.3%	11.7%	13.4%	\$14.42	0	0	0
Manufacturing	1,942,982	36,947	30,247	1.6%	6.6%	8.7%	\$12.00	0	0	0
Overall Total	4,631,475	-42,356	-85,856	-1.9%	9.6%	11.4%	\$13.99	0	0	0
Western Nassau										
Warehouse & Distribution	3,814,180	-76,028	-76,028	-2.0%	3.1%	2.3%	\$0.00	0	0	0
Manufacturing	3,703,483	-41,215	48,655	1.3%	2.6%	1.9%	\$0.00	0	0	0
Overall Total	7,517,663	-117,243	-27,373	-0.4%	2.9%	2.1%	\$0.00	0	0	0
Suffolk total										
Warehouse & Distribution	46,723,556	312,066	176,904	0.4%	2.2%	3.6%	\$15.61	0	0	232,000
Manufacturing	10,972,420	-42,220	15,080	0.1%	3.3%	7.1%	\$12.84	0	0	0
Overall Total	57,695,976	269,846	191,984	0.3%	2.4%	4.3%	\$14.69	0	0	232,000
Mid Suffolk										
Warehouse & Distribution	7,317,499	39,848	-50,295	-0.7%	3.2%	3.9%	\$7.00	0	0	0
Manufacturing	2,168,586	-22,500	-30,500	-1.4%	2.7%	3.1%	\$0.00	0	0	0
Overall Total	9,486,085	17,348	-80,795	-0.9%	3.1%	3.7%	\$7.00	0	0	0
Southern Suffolk										
Warehouse & Distribution	3,063,141	0	0	0.0%	1.7%	2.3%	\$0.00	0	0	0
Manufacturing	814,425	0	5,300	0.7%	0.8%	0.3%	\$0.00	0	0	0
Overall Total	3,877,566	0	5,300	0.1%	1.5%	1.9%	\$0.00	0	0	0
Central Suffolk										
Warehouse & Distribution	23,538,716	259,518	228,373	1.0%	2.0%	4.4%	\$16.37	0	0	232,000
Manufacturing	4,059,319	-38,720	-38,720	-1.0%	6.7%	13.3%	\$12.84	0	0	0
Overall Total	27,598,035	220,798	189,653	0.7%	2.7%	5.7%	\$15.12	0	0	232,000
Eastern Suffolk										
Warehouse & Distribution	3,213,180	4,400	7,526	0.2%	6.5%	4.9%	\$0.00	0	0	0
Manufacturing	954,117	-3,000	4,000	0.4%	2.2%	2.2%	\$0.00	0	0	0
Overall Total	4,167,297	1,400	11,526	0.3%	5.5%	4.3%	\$0.00	0	0	0
Western Suffolk										
Warehouse & Distribution	9,591,020	8,300	-8,700	-0.1%	0.7%	1.7%	\$0.00	0	0	0
Manufacturing	2,975,973	22,000	75,000	2.5%	0.3%	4.9%	\$0.00	0	0	0
Overall Total	12,566,993	30,300	66,300	0.5%	0.6%	2.4%	\$0.00	0	0	0

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