

For Immediate Release
April 22, 2020

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Avison Young New Jersey first quarter 2020 report show vacancy rates continued dropping as rents increased

Latest report sheds light on Covid-19 pandemic's effect on the market and what to expect

Morristown, NJ – Avison Young New Jersey published the firm's first quarter report for 2020 which includes both in-depth information on the current state of the market as well as insights on the future of the industry considering the ongoing Covid-19 pandemic.

"Although our team has focused on developing an insightful and detailed look into both the office and industrial real estate sectors for this year's first quarter, we can't ignore the new Covid-19 reality. In that sense, we have included further information and analysis on what the Government is currently doing and what we can expect from the market in the months to come" said Jeff Heller, Principal and Managing Director of Avison Young New Jersey.

One of the report's key takeaways refers to a continuous trend on both the office and industrial sectors as vacancy rates have continued dropping as rents increased. There was a 130-basis point drop in the office vacancy rate since Q1 2019 while the industrial vacancy rate dropped to 2.5 percent when compared to Q1 2019's 3.4 percent.

Other takeaways in the report include:

Office

The report highlights a few major office deals over the first quarter including:

- Harbor Group International's purchase of 545 Washington Boulevard in Jersey City. The 866,706-square-foot Class-A property was sold for almost \$373 million.
- KBS sold Park Avenue at Morris County. The 1.16 million-square-foot complex was purchased by Opal Holdings for \$311 million.
- The John P. Holland Charter School leased the newly renovated 5 Garret Mountain Plaza at Woodland Park. The 100,000 square foot lease is one of the largest leasing transactions of the quarter.
- Huber Suhner signed a 66,413-square-feet lease at 40 Technology Drive in Warren.

Industrial

The report spotlights Prologis Inc's continued growth as they purchased both the Liberty Property Trust's as well as Industrial Property Trust's portfolios.

Prologis paid nearly \$4 billion for Industrial Property Trust's portfolio which included up to 37.5 million square feet and 236 properties. The company also paid around \$13 billion for Liberty Property Trust's portfolio, made up of 108 million square feet of logistics operating portfolio and

4.9 million square feet of logistics development in progress along with 1,748 acres of land for future logistics development.

Another major deal was US Elogistics Service Corp's signing of one of the largest leases of the quarter at 703 Bartley-Chester Road in Mount Olive. The e-commerce fulfillment company leased 570,777 square feet at the former Toys 'R' Us warehouse.

Covid-19 and New Jersey's economy

The report also focuses on the ongoing Covid-19 pandemic crisis, including analysis on what both the US Government and New Jersey's Government are doing prevent long term damage to the national and state economy.

The Government has approved a \$2.2 trillion package, providing direct aid to individuals, small businesses, corporations, municipalities and a slew of other recipients. Meanwhile, New Jersey is creating numerous programs run by the New Jersey Economic Development Authority that will provide both grants and low-interest loans to small and medium businesses.

The Avison Young NJ team includes observations and hypotheses on how different areas of the market might look in the short- and long-term after the pandemic is over.

To read the full report, please click [**here**](#).

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