



GreenGate Capital

tREnds

Commercial Real Estate News

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tREnds Commercial Real Estate Newsletter provides a “snapshot” overview of current real estate market conditions that you can read in 5 minutes or less during a coffee break. No graphs, no pie charts, just the facts.

WHAT'S HOT?

Industrial Real Estate:

- New Jersey's industrial real estate market remains very active driven by logistics and e-commerce. Due to limited buildings for sale, leasing is strong, as is new construction
- Warehouse space in Northern New Jersey continue to strengthen with the vacancy rate declining to under 8% reflecting a decline of 350 basis points from the 11%+ peak in 2011
- E commerce distributions centers have accounted for 45% of Industrial market's absorption since 2011
- Preferred markets for new Industrial developments: Nashville, St. Louis, Charlotte, Louisville



Warehouses used for Marijuana Industry:

- Denver marijuana growers and manufacturers account for almost 4 million square feet or almost 3% of total warehouse inventory
- Institutional capital is NOT pursuing Investment opportunities because it is an illegal activity at the Federal level

Foreign Investment in United States Real Estate:

- Almost 50% of Investments were on West Coast- LA and San Francisco
- Manhattan had close to 25% followed by Chicago, DC, Boston, Houston and Dallas

Institutional Returns Forecast through 2018:

- Industrial 8.8%; Retail 8.8%; Office 8.4%; Apartments 7.8%

Residential market :

- Continues to improve in Northeast with building permits increased by 57%



Did you know?

- Amazon has more than 2 million” third party” merchants who pay between 8%-15% on every sale. These merchants account for 40% of Amazon's total sales
- A 950-foot-tall project would become the tallest building in New Jersey . It is a waterfront site in Jersey City acquired in 2013 by China Construction America for \$70 million. Current tallest building is 781-foot-tall Goldman Sachs tower
- China is a retail market “to watch” due to rising minimum wage, estimated to increase 80% in next 5 years. This could transform the country from the world's largest factory to largest consumer marketplace



RECENT ASSIGNMENTS

Negotiated a 38,500 SF Office space lease for the New Jersey Headquarters of an International Hi-Tech company. Terms included reduced rent, revised operating expense base year and a generous Landlord work letter

Sources include: SIOR Magazine, WSJ, CCIM Magazine, NNNet Advisors.com, Reis, Real Capital Analytics, The OTTEAU Group