



GreenGate Capital

## tREnds

### Commercial Real Estate News

Ian M. Grusd *CCIM SIOR*

*Principal*

GreenGate Capital

732-763-6330 • [ian@greengatecapital.com](mailto:ian@greengatecapital.com)



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?

- UBER buying a 330,000 SF office building in Oakland for \$124,000,000 for up to 3,000 employees. Oakland a cheaper alternative than San Francisco and vacancy rate is down from 10.9% to 5.8%. San Francisco rent averages \$66 PSF and, Oakland \$30.13 PSF.
- London office space, has more than 11,000,000 SF under development due to a 14 year low vacancy rate of 3.9%.
- Hong Kong office vacancy rate is 1% with Class A rents of \$255 PSF.

#### *Retail:*

- NJ vacancies continues to decline despite the rising share of online purchases by consumers. Vacancy rate of 5.1% in the northern part of the state and 7.5% in the south.
- Retail banks have fewer locations than 5 years ago. Banks have trimmed their footprint by almost 5% closing more than 13,000 branches.

#### *Industrial:*

- Vacancy rate for Northern and Central New Jersey has dropped to 6.8 percent, lowest level since 2003. Asking rents are \$5.88 PSF Triple Net, the highest rate since EOY 2008.
- A market upturn is hitting every US region with 83% of the nation seeing positive, industrial net absorption.
- The Panama Canal will open its third set of locks to accommodate larger vessels. Will bring more shipping traffic to the US East ports.

#### Did you know?

- Elon Musk, TESLA founder, has proposed the “fifth mode” of transportation an underground 28 passenger pod transportation system of speeds of 760 miles per hour. Cost of \$6 billion is 1/10th the budget for California’s high speed rail project.
- Stuyvesant Town/Peter Cooper Village comprises 80+ acres and 110 buildings in New York City. It sold for \$5.4B in 2006 and was foreclosed in 2010 with an appraised value of \$2.8 B. It is now under contract to Blackstone Group for \$5.3 billion but annual Income almost doubled from \$112M to over \$200M due to a major reduction from 71% rent regulated in 2010 to 45% rent regulated currently.
- Blackstone Group spent nearly \$10 billion to purchase 50,000 foreclosed homes.
- Where the beef? 8 out of the top 15 restaurants in NYC are steakhouses vs San Francisco has only 1 in Top 15.

#### RECENT ASSIGNMENTS

Represented a 1st generation family owned E-commerce clothing business with an expansion into Class A warehouse distribution space 15 minutes from Newark Airport and Port

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

