



NAI James E. Hanson
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE



Spring **2015**
Medical Office Report

At A Glance...

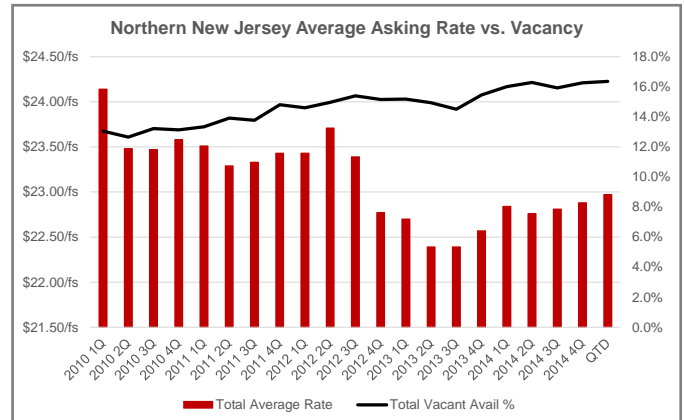
- There are currently 1,805 medical buildings in Northern New Jersey, which consists of 13 counties, representing 25,126,204 square feet.
- The Bergen County market accounts for 271 (15%) of those medical buildings or 3,652,582 square feet.
- There was an increase in vacancy which averaged 16.1% in 2014 for the Northern New Jersey market. Bergen County's vacancy rate, which has been on the decline, averaged 9.6% in 2014.

Urgent Cares Gaining Popularity

A growing trend in the medical industry has been the rise of urgent care facilities. Patients are finding that they can go to an urgent care facility and receive the same kind of treatment as an ER while paying a lower price and having a shorter wait time. Urgent care facilities are more convenient for patients seeking treatment for minor injuries and illnesses.

Hackensack University Health Network announced in March of 2014 that they will be opening 10 urgent care facilities in Northern New Jersey over the next few years. They will be doing this as a result of their recent partnership with CityMD, a New York based urgent care center. CityMD has 38 locations throughout New York City with 8 more coming soon. The locations in New Jersey will include Hoboken, Jersey City and Paramus.

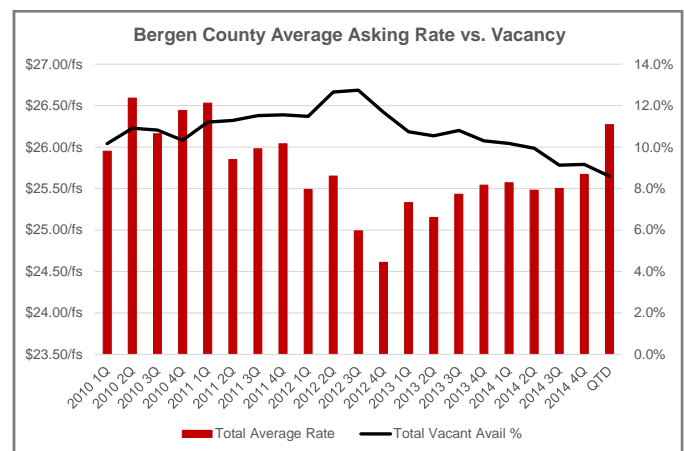
CityMD will be staffing the New Jersey locations with their doctors and nurses, but the Hackensack Emergency Trauma Center will be overseeing the urgent cares. MedExpress, currently located in 13 states, is also expanding. They currently have 15 locations in New Jersey and 1 location is scheduled to open in Nutley.



Things to Consider During the Relocation Process

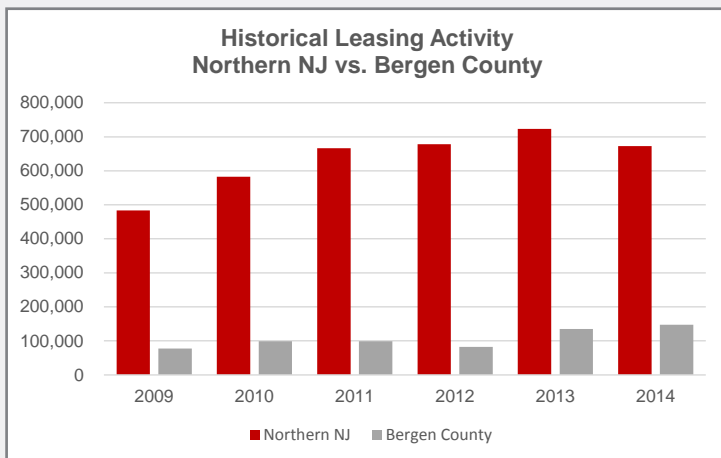
Accessibility	Parking
Affordability	Proximity to Other Physicians
Ancillary Services	Purchase vs. Lease
Exclusivity	Shell Space vs. Used Space
Geographic Location	Signage
Mixed Use/Modern Architecture	Timeline

NAI James E. Hanson's Healthcare Team prides itself on representing the best interest of its clients. Darren M. Lizzack, MSRE, Associate Vice President and Randy Horning, Senior Associate, act as your Quarterback throughout this cumbersome process to ensure everything goes smoothly as planned. You only have one point of contact to consider, which frees up your time to focus on your core competencies of running your medical/healthcare practice. Please CONTACT US TODAY for a FREE consultation and learn how to begin the process by implementing the right game plan which will provide the best results available for you and your business.



Leasing and Sales Activity

There was 376,339 square feet of medical space leased in the second half of 2014 in Northern New Jersey compared to 296,498 square feet leased in the first half of 2014. There was 86,471 square feet leased in Bergen County in the second half of 2014 compared to 60,597 square feet leased in the first half. Compared to 2013, Northern New Jersey saw a decline in leasing activity in 2014 and Bergen County saw an increase. The average asking rate in the Northern New Jersey market, which hasn't fluctuated much since 2012, was \$22.84 per square foot for the second half of 2014 while Bergen County's rates averaged \$25.59 per square foot. Vacancy rates in Northern New Jersey averaged 16.1% in 2014, up 1.1% from 2013. Bergen County on the other hand, averaged a 9.6% vacancy for 2014 versus 10.6% in 2013. Both areas ended the year on a positive note with net absorption. Northern New Jersey registered 33,853 square feet of absorption while Bergen County registered 33,548 square feet.



SIGNIFICANT LEASE TRANSACTIONS

Summit Medical - 43,139 sf
75-77 E. Northfield Road, Livingston

St. Peter's University Healthcare System - 20,400 sf
298 Applegarth Road, Monroe

Surgery Center - 16,300 sf
298 Applegarth Road, Monroe

SIGNIFICANT SALES TRANSACTIONS

36 Newark Avenue, Belleville
55,466 sf sold for \$14,750,000
Buyer: Rendina Healthcare Real Estate
Seller: Clara Maass Health System, Inc.

550 N Broad Street, Elizabeth
15,495 sf sold for \$4,350,000
Buyer: 2nd Home North Operations
Seller: Public Service Electric & Gas Co.

561 Cranbury Road, East Brunswick
19,080 sf sold for \$3,175,000
Buyer: 561 Cranbury Road Associates
Seller: Shnizzle Land Holdings, LLC

440 Old Hook Road, Emerson
14,000 sf sold for \$2,405,000
Buyer: Active Orthopedics
Seller: Ira Esformes

104 Chestnut Street, Ridgewood
10,000 sf sold for \$2,200,000
Buyer: The Stro Companies
Seller: Metropolitan Cardiology Consultants

Featured Properties of NAI James E. Hanson



470 Franklin Turnpike
Ramsey, NJ
23,000 sf for lease



720 E. Palisades Avenue
Englewood Cliffs, NJ
1,100 & 3,300 sf for lease



97 Linden Avenue
Elmwood Park, NJ
13,740 sf for sale
6,120 sf for lease (entire 3rd floor)



122 E. Ridgewood Avenue
Paramus, NJ
2,224 sf for lease

Healthcare Specialists

Over the past several years, Darren has completed over a million square feet of commercial space and has worked with prominent firms such as the American Red Cross, Bergen Ambulatory, Advanced Diagnostic Imaging, Advanced Hormone Solutions, LLC, Pinnacle MRI Group, LLC and Total Physical Therapy.

Mr. Lizzack also founded the New Jersey Commercial Real Estate Alliance (www.njcrea.com) which is comprised of five divisions (Executive Board, Healthcare, Multi-family, Retail, Office) and 58 firms all focused on commercial real estate. Mr. Lizzack heads the Executive Board and the Healthcare Division under his leadership; together they solve any type of commercial real estate project from inception to completion.

Since 2003, Randy has been involved in over 100 lease and sale transactions in commercial real estate and has completed market evaluations on office, industrial, retail and investment properties. Randy is highly skilled in research, data verification, and analysis and also possesses outstanding reporting, presentation, leadership and communication skills.



Healthcare
Division
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Darren M. Lizzack



Randy Horning

About NAI James E. Hanson

NAI James E. Hanson is committed to providing the highest quality commercial real estate services in and has been since it was founded in 1955.

Our staff 60+ includes: **10** SIOR designees (highest in NJ)
3 CCIM designees
2 MSRE designees (NYU graduates)

We are a part of NAI Global, a managed network of **6,700** professionals with **375** offices in **55** countries and is one of the largest commercial real estate service providers worldwide.



- Ranked #1 Network by Watkins Research Survey
- Named Global Broker of the Year by Private Equity Real Estate magazine
- Ranked #1 Network and #3 Overall Corporate Services Provider in Watkins Research Group Survey of Corporate Real Estate Executives.
- Ranked #5 on Lipsey's Top 25 Real Estate Brands
- Ranked #6 on National Real Estate Investor magazine's Top 25 Brokerage Organizations.