

Marcus & Millichap

**6123 PALISADE AVE**  
West New York, NJ



Offering Memorandum

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6123 PALISADE AVE  
West New York, NJ  
ACT ID Y0280095

Marcus & Millichap

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# INVESTMENT OVERVIEW



## EXECUTIVE SUMMARY

VITAL DATA				
Price	\$985,000		CURRENT	PRO FORMA
Down Payment	25% / \$246,250	CAP Rate	5.41%	5.63%
Loan Amount	\$738,750	GRM	10.81	10.81
Loan Type	Financed	Net Operating Income	\$53,264	\$55,496
Interest Rate / Amortization	4.00% / 30 Years	Net Cash Flow After Debt Service	4.44% / \$10,941	5.35% / \$13,173
Price/Unit	\$140,714			
Price/SF	\$201.02			
Number of Units	7			
Rentable Square Feet	4,900			
Number of Buildings	1			
Number of Stories	3			
Year Built	1935			
Lot Size	0.05 acre(s)			

UNIT MIX		
NUMBER OF UNITS	UNIT TYPE	APPROX. SQUARE FEET
7	2 Bed 1 Bath	700
7	Total	4,900



## MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Standard Americas Inc	48,000
Nyu Langone Medical Center	30,107
Sycamore Partners LLC	24,353
Columbia Lake Acquisition Hold	23,000
Eyea Lllp	22,000
Blackstone RE Partners VI LP	20,000
Childtime	15,300
Waldorf-Astoria Hotel New York	14,000
City of New York	12,204
Saks Fifth Avenue-New York	12,000
Thomson Reuters Corporation	10,100
Asher Aladjem	10,000

## DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2016 Estimate Pop	109,041	657,355	1,993,020
2010 Census Pop	103,175	613,847	1,873,765
2016 Estimate HH	40,766	304,743	941,949
2010 Census HH	38,568	282,735	881,012
Median HH Income	\$46,724	\$78,977	\$74,396
Per Capita Income	\$25,774	\$63,463	\$60,249
Average HH Income	\$68,850	\$136,091	\$126,597

## INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the following investment opportunity in West New York, New Jersey, located within Hudson County. The offering encompasses a seven-unit multifamily brick building. The units are all spacious two-bedrooms, box styled. The property is well maintained and has received many capital improvements over the years. Six of the seven multifamily units have received new kitchens, tiled bathrooms, laminate and hardwood flooring. Exterior improvements include new windows, masonry walkways, repointing of the brick and roof insulation and silver lining.

Located on Palisade Avenue, the property offers investors the opportunity to own a turnkey asset in a desirable Hudson County sub-market. Tenants benefit from being within walking distance to many dining and retail options including both local and national retailers.

Tenants enjoy easy access to New York City and other destinations in Hudson County via NJ transit transportation services. The property is located .2 miles from NJ Transit Bus stop which services lines 22,84,156,159 and 181 with direct access to Midtown Manhattan.

## INVESTMENT HIGHLIGHTS

- Seven Unit Multifamily Building with Below Market Rents
- Two Bedroom Box Style Units
- Highly Desirable Hudson County Market
- 3 Minute Walk to NJ Public Transportation (Lines: 22,84,156,159, 181)
- Valid Green Card till 2/25/18





## PROPERTY SUMMARY



## OFFERING SUMMARY

## THE OFFERING

Price	\$985,000
Property Address	6123 Palisade Ave, West New York, NJ

## SITE DESCRIPTION

Number of Units	7
Number of Buildings	1
Number of Stories	3
Year Built/Renovated	1935
Rentable Square Feet	4900
Lot Size	2326
Type of Ownership	Fee Simple
Parking	N/A

## UTILITIES

Water	SUEZ
Gas	PSE&G

## CONSTRUCTION

Exterior	Brick
Roof	Flat

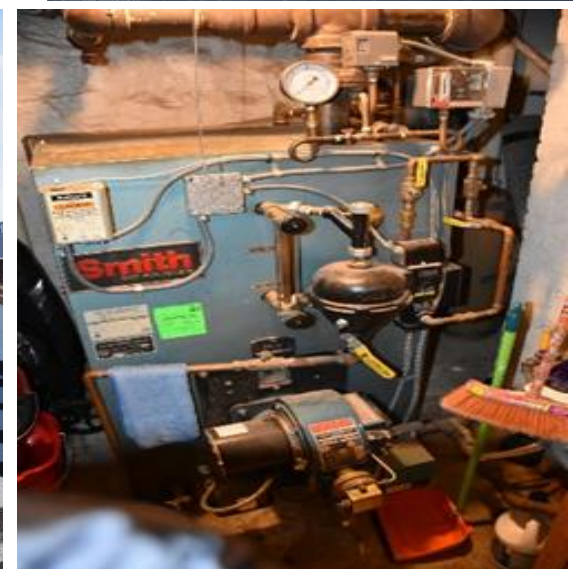
## PROPOSED FINANCING

## First Trust Deed

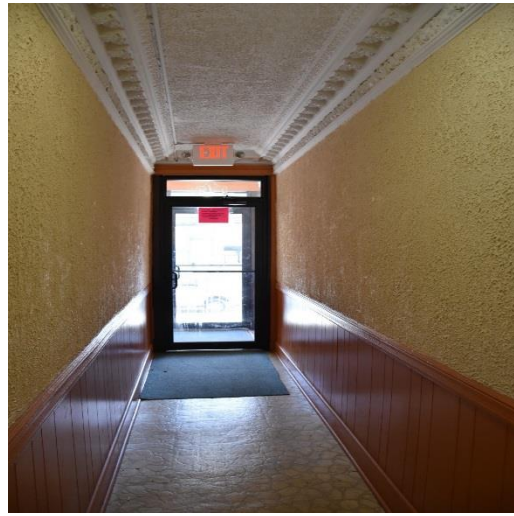
Loan Amount	\$738,750
Loan Type	Financed
Interest Rate	4.00%
Amortization	30 Years
Loan Term	5 Years
Loan to Value	75%
Debt Coverage Ratio	1.26



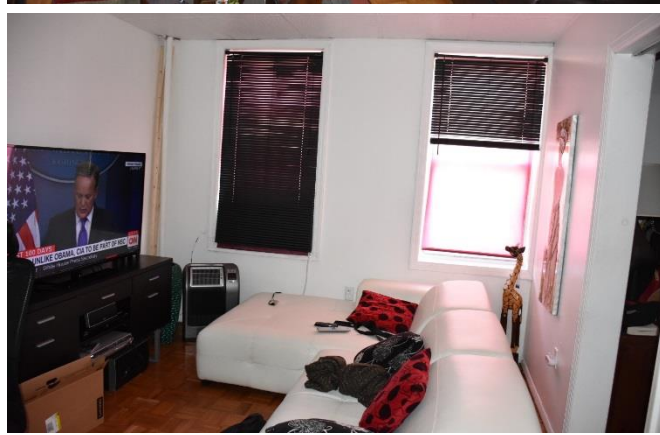
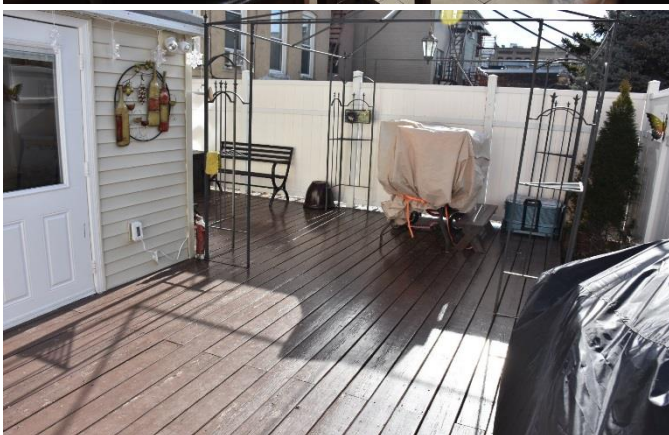
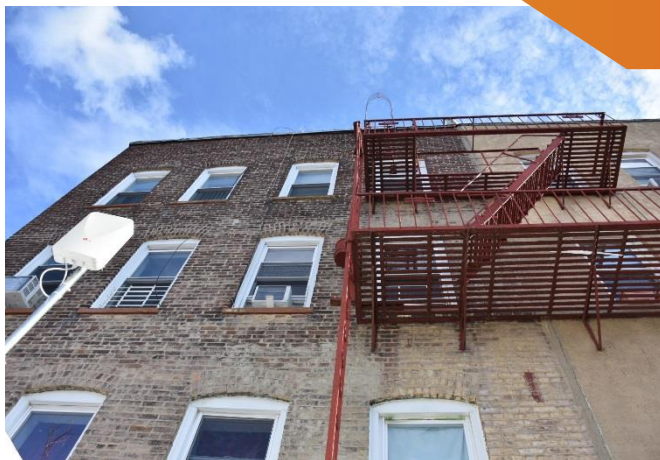




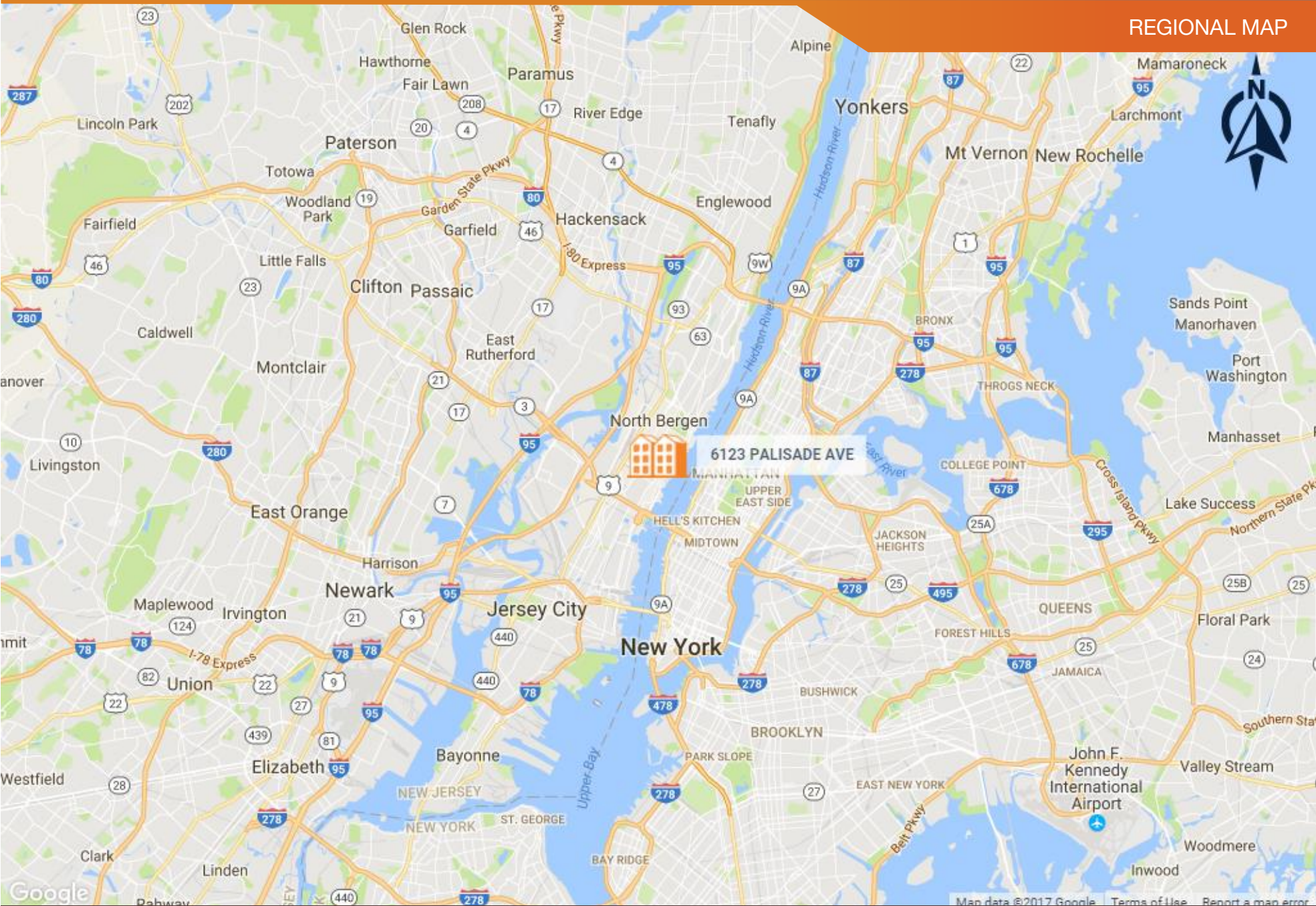




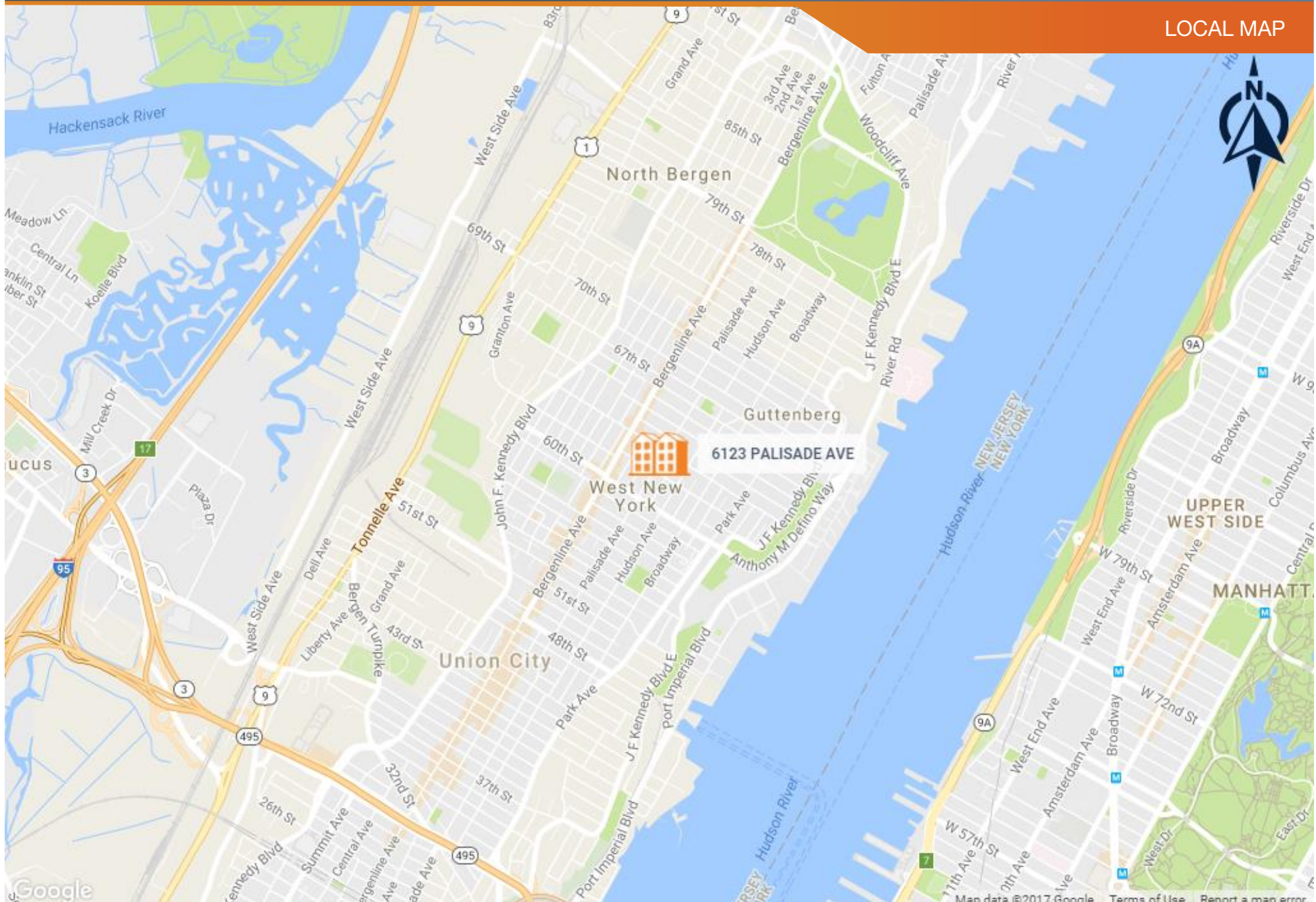




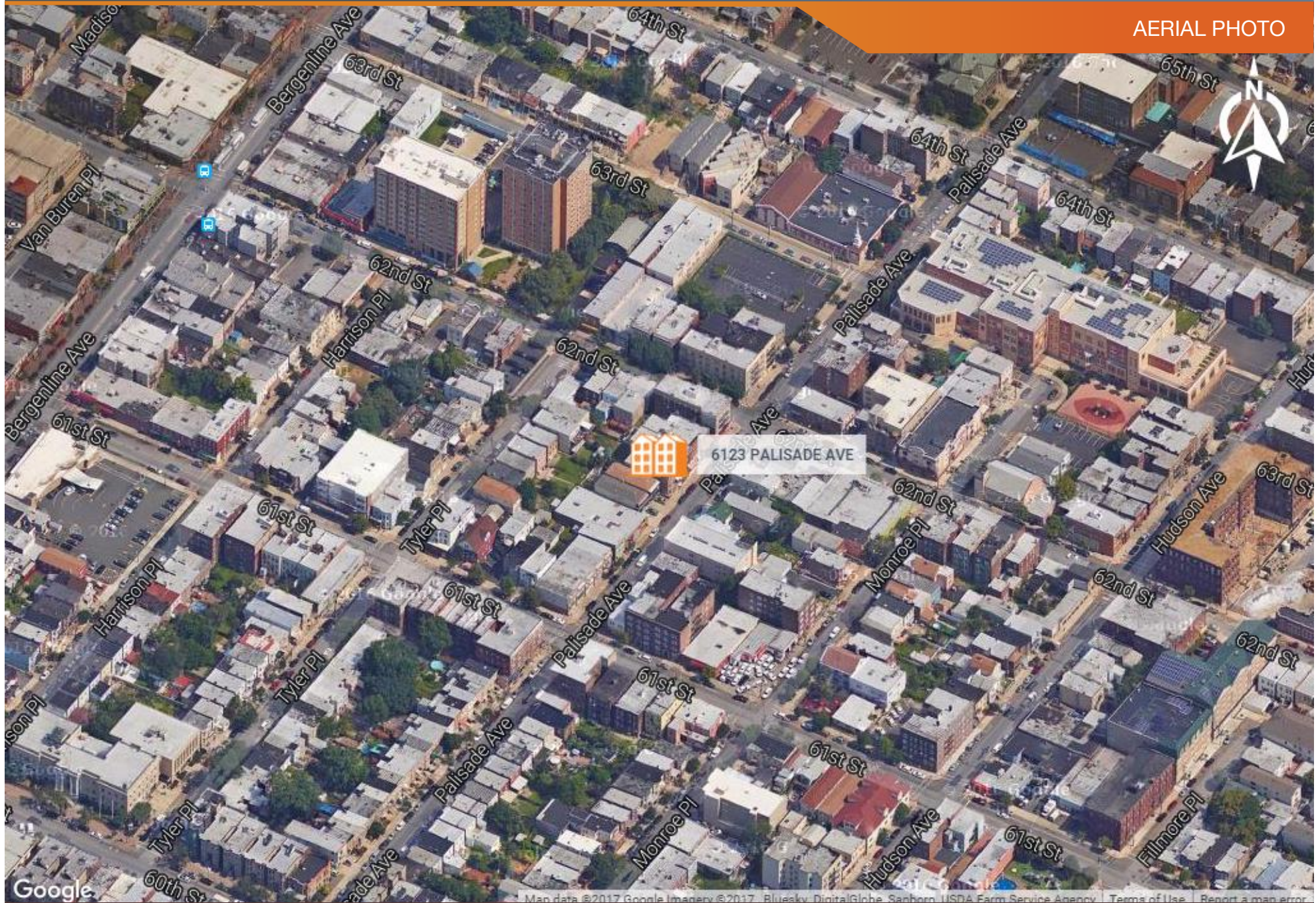














# FINANCIAL ANALYSIS





**RENT ROLL****Residential**

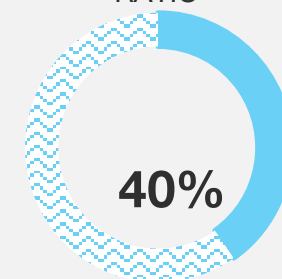
Unit #	Lease Status	Notes	Bedrooms	Rooms	SF (approx)	Actual	\$/PSF	Pro Forma	\$/PSF2
1	Controlled		2 Bed/1 Bath	4	700	\$938	\$16	\$961	\$16
2	Controlled		2 Bed/1 Bath	4	700	\$1,108	\$19	\$1,136	\$19
3	Controlled		2 Bed/1 Bath	4	700	\$1,035	\$18	\$1,061	\$18
4	Controlled		2 Bed/1 Bath	4	700	\$1,015	\$17	\$1,040	\$18
5	Controlled		2 Bed/1 Bath	4	700	\$980	\$17	\$1,005	\$17
6	Controlled		2 Bed/1 Bath	4	700	\$1,015	\$17	\$1,040	\$18
7	Controlled	Vacant Projected	2 Bed/1 Bath	4	700	\$1,500	\$26	\$1,538	\$26
Total	7				4,900	\$7,591	\$19	\$7,781	\$19
Annual Commercial Income							\$0		\$0
Annual Residential Income							\$91,092		\$93,369
<b>Gross Potential Income</b>							<b>\$91,092</b>		<b>\$93,369</b>

## INCOME &amp; EXPENSES

## FINANCIAL ANALYSIS

Building Size (SF) 4,900 SF  
 Number of Units 7

		Actual			Pro Forma		
		%EGI			%EGI		
<b>Income</b>							
Gross Potential Income		\$91,092			\$93,369		
Less Vacancy & Credit Loss		-\$1,822	2%		-\$1,867	2%	
Effective Gross Income		\$89,270			\$91,502		
<b>Expenses</b>		%EGI			%EGI		
Property Taxes		\$13,651	15%	\$1,950	\$13,651	15%	\$1,950
Insurance	Actual	\$2,977	3%	\$425	\$2,977	3%	\$425
Water & Sewer	Actual	\$6,536	7%	\$934	\$6,536	7%	\$934
PSE&G	Actual	\$4,992	6%	\$713	\$4,992	5%	\$713
Repairs & Maintenance		\$2,800	3%	\$400	\$2,800	3%	\$400
Superintendent		\$1,050	1%	\$150	\$1,050	1%	\$150
Management Fee		\$4,000	4%	\$571	\$4,000	4%	\$571
Total Expenses		\$36,006	40%		\$36,006	39%	
Net Operating Income		\$53,264			\$55,496		

EXPENSE  
RATIOTAXES  
PER FOOT

\$2.79

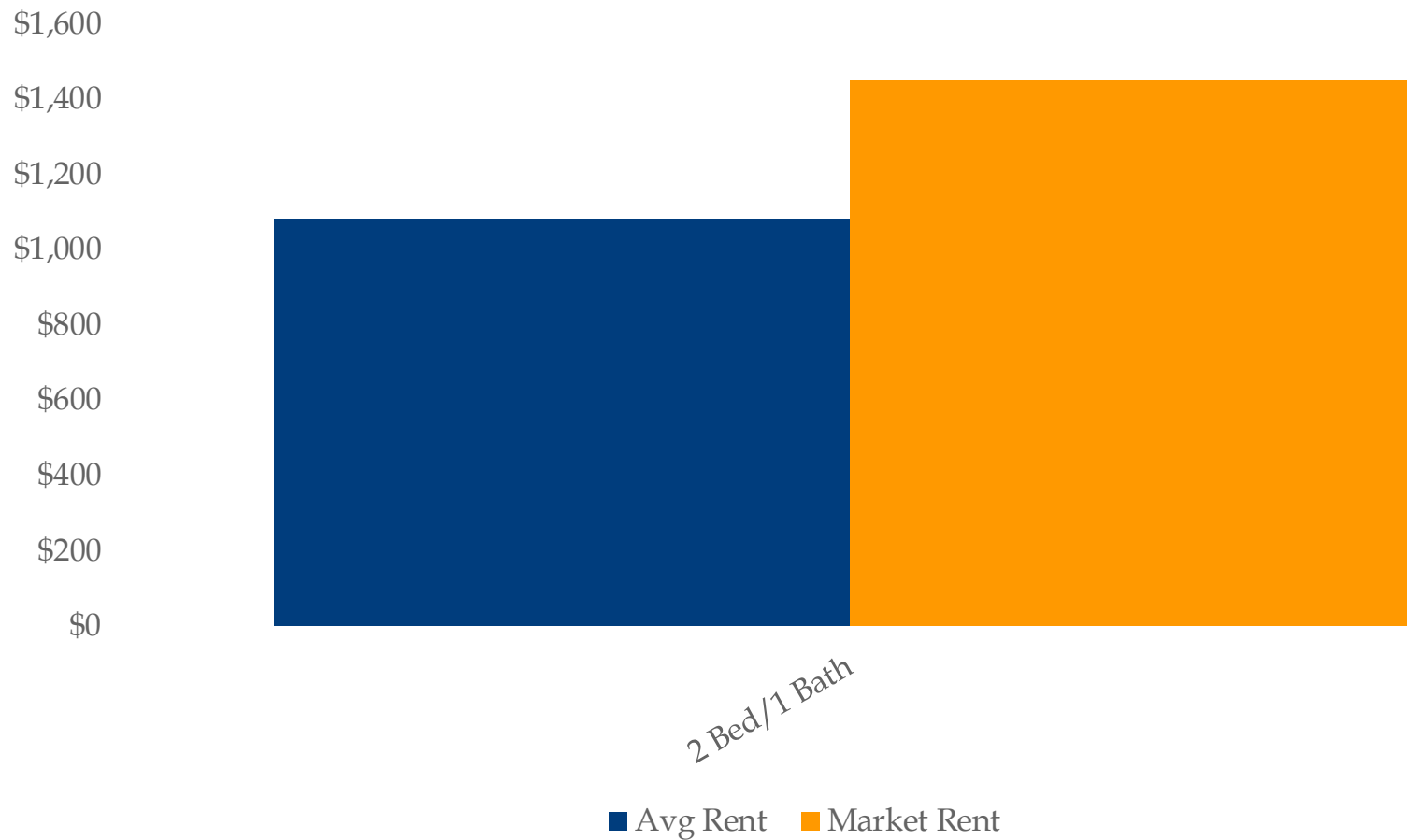
## TAXES



## RENT ROLL ANALYSIS

## FINANCIAL ANALYSIS

Unit Type	Units	Avg SF	Actual		Pro Forma		% Upside
			Avg Rent	Avg \$/PSF	Market Rent	Avg \$/PSF	
2 Bed/1 Bath	7	700	\$1,084	\$19	\$1,450	\$25	34%
Total	7						



## CASH FLOW ANALYSIS

## FINANCIAL ANALYSIS

Purchase Price	\$985,000
Rent Growth Factor	2.50%
Expense Growth Factor	3.00%

	Year 1	Year 2	Year 3	Year 4	REFINANCE Year 5	Year 6	Year 7	Year 8	Year 9	SALE Year 10
<b>Income</b>										
Gross Potential Income	\$91,092	\$93,369	\$95,704	\$98,096	\$100,549	\$103,062	\$105,639	\$108,280	\$110,987	\$113,761
Vacancy & Credit Loss	-\$1,822	-\$1,867	-\$1,914	-\$1,962	-\$2,011	-\$2,061	-\$2,113	-\$2,166	-\$2,220	-\$2,275
Effective Gross Income	\$89,270	\$91,502	\$93,789	\$96,134	\$98,538	\$101,001	\$103,526	\$106,114	\$108,767	\$111,486
<b>Expenses (Actual)</b>										
Property Taxes	\$13,651	\$14,061	\$14,482	\$14,917	\$15,364	\$15,825	\$16,300	\$16,789	\$17,293	\$17,811
Insurance	\$2,977	\$3,066	\$3,158	\$3,253	\$3,351	\$3,451	\$3,555	\$3,661	\$3,771	\$3,884
Water & Sewer	\$6,536	\$6,732	\$6,934	\$7,142	\$7,356	\$7,577	\$7,804	\$8,038	\$8,280	\$8,528
PSE&G	\$4,992	\$5,142	\$5,296	\$5,455	\$5,619	\$5,787	\$5,961	\$6,140	\$6,324	\$6,513
Repairs & Maintenance	\$2,800	\$2,884	\$2,971	\$3,060	\$3,151	\$3,246	\$3,343	\$3,444	\$3,547	\$3,653
Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Superintendent	\$1,050	\$1,082	\$1,114	\$1,147	\$1,182	\$1,217	\$1,254	\$1,291	\$1,330	\$1,370
Management Fee	\$4,000	\$4,120	\$4,244	\$4,371	\$4,502	\$4,637	\$4,776	\$4,919	\$5,067	\$5,219
Legal & Accounting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$36,006	\$37,086	\$38,199	\$39,345	\$40,525	\$41,741	\$42,993	\$44,283	\$45,611	\$46,980
<b>Net Operating Income (NOI)</b>	<b>\$53,264</b>	<b>\$54,416</b>	<b>\$55,591</b>	<b>\$56,789</b>	<b>\$58,012</b>	<b>\$59,260</b>	<b>\$60,533</b>	<b>\$61,831</b>	<b>\$63,156</b>	<b>\$64,507</b>
Debt Service	\$42,323	\$42,323	\$42,323	\$42,323	\$46,410	\$46,410	\$46,410	\$46,410	\$46,410	\$46,410
<b>Cash Flow After Debt Service</b>	<b>\$10,941</b>	<b>\$12,093</b>	<b>\$13,268</b>	<b>\$14,467</b>	<b>\$11,602</b>	<b>\$12,850</b>	<b>\$14,123</b>	<b>\$15,421</b>	<b>\$16,746</b>	<b>\$18,097</b>
<b>Distributions</b>										
Investor Proceeds from Refi or Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$130,984
<b>Total Investor Cash Flow</b>	<b>\$10,941</b>	<b>\$12,093</b>	<b>\$13,268</b>	<b>\$14,467</b>	<b>\$11,602</b>	<b>\$12,850</b>	<b>\$14,123</b>	<b>\$15,421</b>	<b>\$16,746</b>	<b>\$149,080</b>
Capital Account Balance (end of year)	\$265,950	\$265,950	\$265,950	\$265,950	\$169,694	\$169,694	\$169,694	\$169,694	\$169,694	\$0
<b>Investor Cash-on-Cash Return</b>	<b>4.1%</b>	<b>4.5%</b>	<b>5.0%</b>	<b>5.4%</b>	<b>6.8%</b>	<b>7.6%</b>	<b>8.3%</b>	<b>9.1%</b>	<b>9.9%</b>	<b>Infinity</b>



# INTERNAL RATE OF RETURN (IRR)

FINANCIAL ANALYSIS

## Investor Cash Flow and Return

Year	Capital	Distribution	Investor Capital	Refi or Sale	Total
0	-\$265,950				-\$265,950
1		\$10,941			\$10,941
2		\$12,093			\$12,093
3		\$13,268			\$13,268
4		\$14,467			\$14,467
5		\$11,602	\$96,256		\$107,859
6		\$12,850			\$12,850
7		\$14,123			\$14,123
8		\$15,421			\$15,421
9		\$16,746			\$16,746
10		\$18,097	\$169,694	\$130,984	\$318,774
Total	-\$265,950	\$139,608	\$265,950	\$130,984	\$270,592
<b>Investor IRR</b>					<b>9.57%</b>
<b>Investor ROI</b>					<b>102%</b>

## MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



**Closed 1,651  
debt and equity  
financings  
in 2016**



**National platform  
operating  
within the firm's  
brokerage  
offices**



**\$5.1 billion  
total national  
volume in 2016**



**Access to  
more capital  
sources than  
any other firm  
in the industry**

## WHY MMCC?

**Optimum financing solutions  
to enhance value**

**Our ability to enhance  
buyer pool by expanding  
finance options**

**Our ability to enhance  
seller control**

- **Through buyer qualification support**
- **Our ability to manage buyers finance expectations**
- **Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings**
- **By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file**



# MARKET COMPARABLES



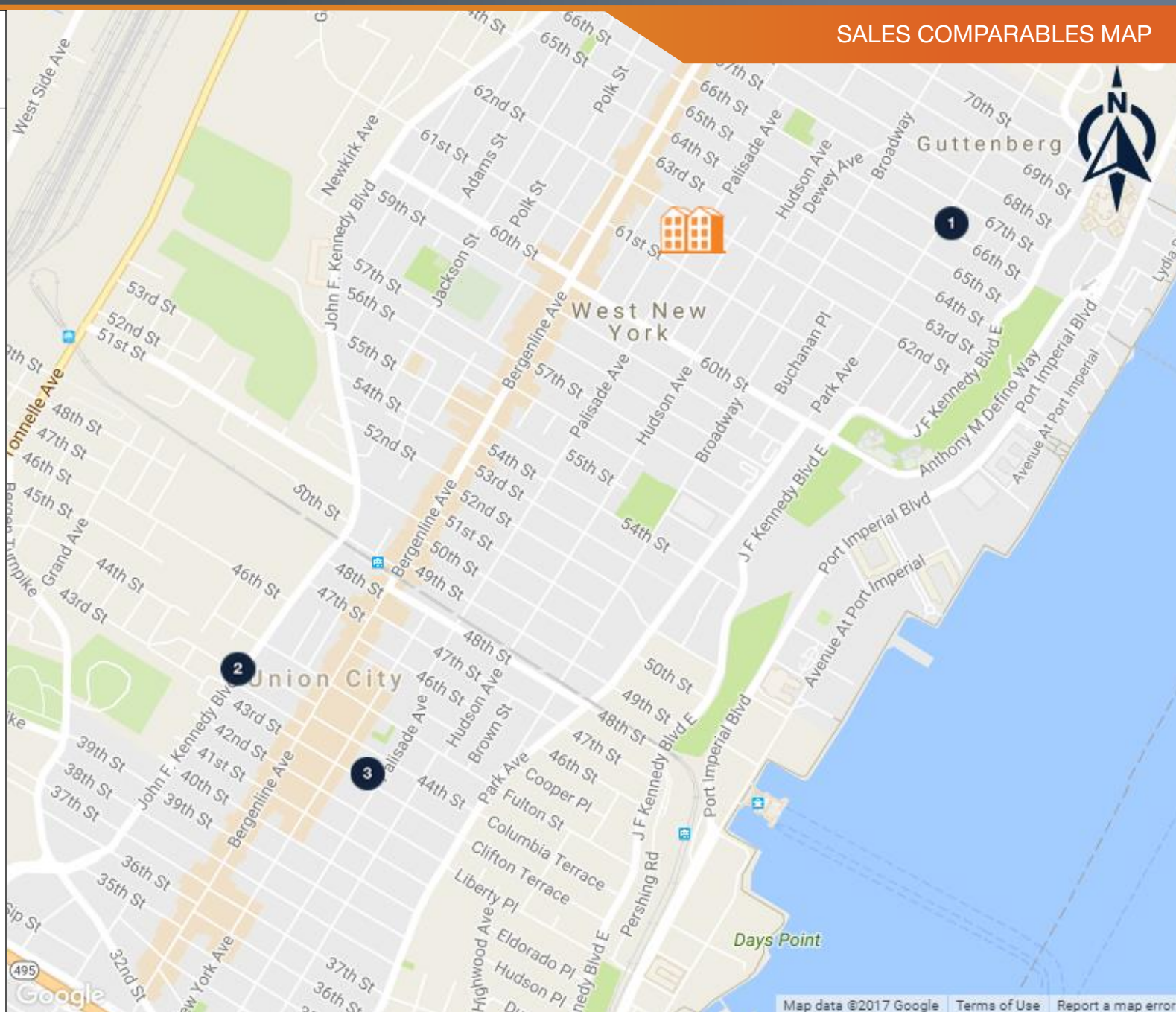


**6123 PALISADE AVE  
(SUBJECT)**

- 1** 55 66th St
- 2** 4322 Kennedy Boulevard
- 3** 311 43rd Street

● SALES COMPARABLES

## SALES COMPARABLES MAP



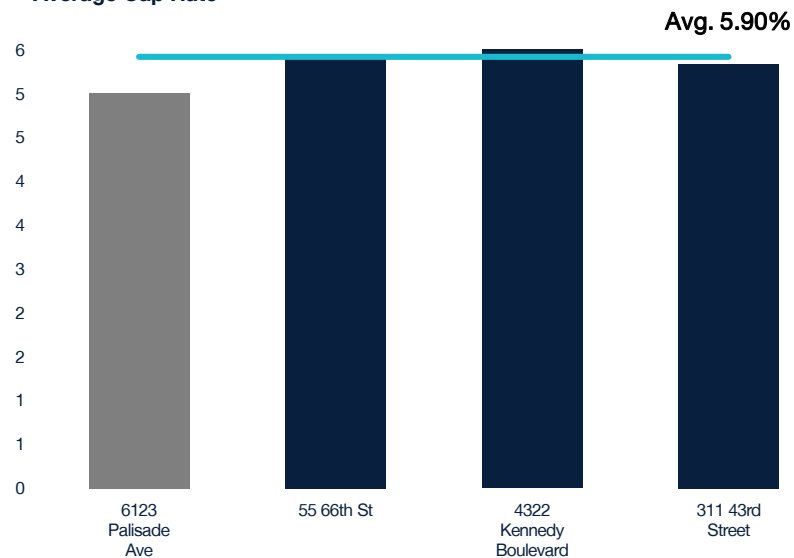


SALES COMPARABLES

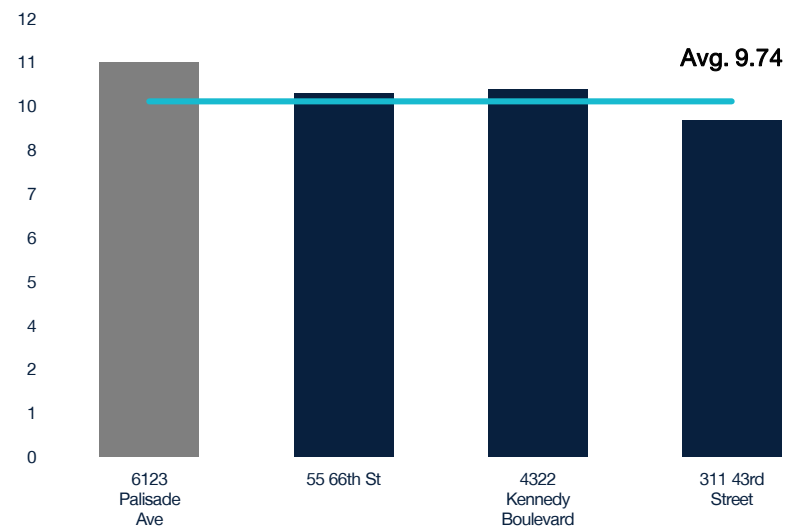
SALES COMPS AVG

COMPARABLES

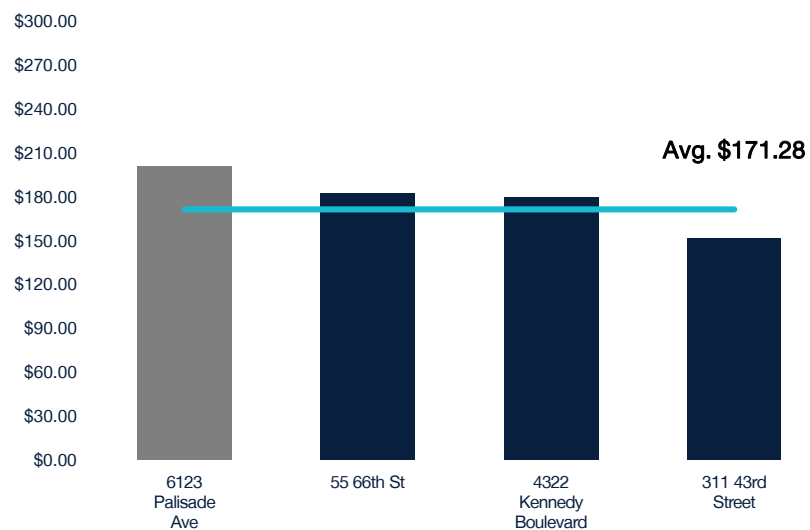
Average Cap Rate



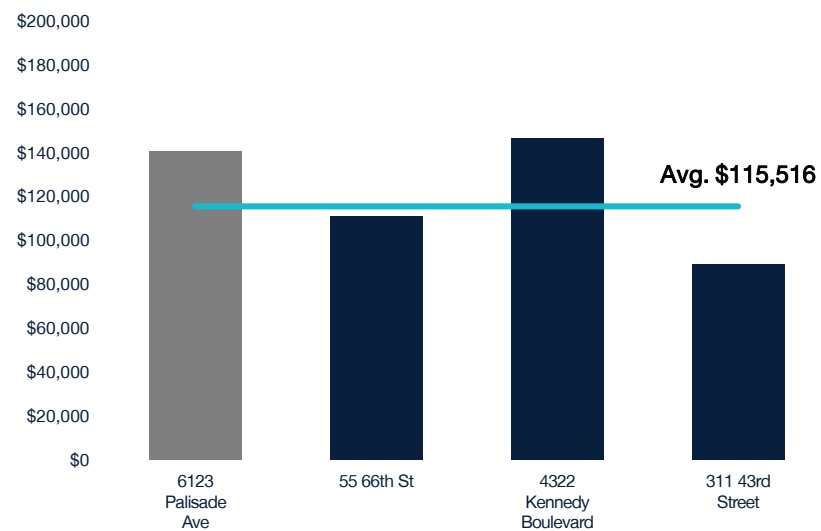
Average GRM



Average Price Per Square Foot



Average Price Per Unit



## SALES COMPARABLES

**6123 PALISADE AVE**

6123 PALISADE AVE, WEST NEW YORK, NJ, 07093



	Units	Unit Type
Offering Price:	\$985,000	7
Price/Unit:	\$140,714	2 Bed 1 Bath
Price/SF:	\$201.02	
CAP Rate:	5.41%	
GRM:	10.81	
Total No. of Units:	7	
Year Built:	1935	

## Underwriting Criteria

Income	\$87,549	Expenses	\$36,006
NOI	\$53,264	Vacancy	(\$3,543)

**55 66TH ST**

55 66TH ST, WEST NEW YORK, NJ, 07093



	Units	Unit Type
Close Of Escrow:	5/18/2016	2
Sales Price:	\$665,000	Studio 1 Bath
Price/Unit:	\$110,833	
Price/SF:	\$182.29	
CAP Rate:	5.90%	
GRM:	9.95	
Total No. of Units:	6	
Year Built:	1925	

**4322 KENNEDY BOULEVARD**

4322 KENNEDY BOULEVARD, UNION CITY, NJ, 07087



	Units	Unit Type
Close Of Escrow:	12/21/2016	
Sales Price:	\$1,025,000	
Price/Unit:	\$146,429	
Price/SF:	\$179.82	
CAP Rate:	6.00%	
GRM:	10.07	
Total No. of Units:	7	
Year Built:	1930	



## SALES COMPARABLES

**311 43RD STREET**

311 43RD STREET, UNION CITY, NJ, 07087

3



Close Of Escrow:	1/24/2017		
Sales Price:	\$625,000		
Price/Unit:	\$89,286		
Price/SF:	\$151.74		
CAP Rate:	5.81%		
GRM:	9.21		
Total No. of Units:	7		
Year Built:	1900		

# MARKET OVERVIEW





## NORTHERN NEW JERSEY

### Market Highlights

#### Diverse industries

- Northern New Jersey has many industries such as pharmaceuticals, healthcare and finance that provide a strong economic base.

#### Large labor pool

- The region has a diverse and highly skilled labor pool, as well as access to New York City workers.

#### Unique economy

- Northern New Jersey has its own economic drivers and is connected to New York City's economy.

### Geography

Northern New Jersey's topography consists of gently rolling hills and tidal marshlands. The region is bordered to the east by the Hudson River and New York City, to the south by Middlesex and Somerset counties, to the west by Warren and Sussex counties, and to the north by New York state. The area is almost fully developed and densely populated. The Hackensack and Passaic rivers are important tributaries that flow through the region.



Northern New Jersey

## NORTHERN NEW JERSEY

### Metro

Northern New Jersey consists of Bergen, Hudson, Passaic, Essex, Morris and Union counties. The region is home to more than 4.3 million residents and houses more than 200 municipalities. Bergen county is home to 935,200 people, while Newark in Essex County is at nearly 280,600 residents.

### Infrastructure

Northern New Jersey is part of the greater New York City metro, the largest urban area in the United States. The region is linked to the city by the George Washington Bridge, the Lincoln Tunnel, the Holland Tunnel, several ferries and commuter rail tunnels. The Garden State Parkway and New Jersey Turnpike toll roads supplement the large interstate system to move traffic through the region.

North Jersey's extensive infrastructure includes Newark Liberty International Airport and 24 general aviation airports. Port Newark-Elizabeth Marine Terminal, located in Newark Bay, is a large, state-of-the-art deepwater container shipping facility with terminals in both Newark and Elizabeth. In addition, Global Marine Terminal in New York Harbor is west of Bayonne. Freight from the port is hauled nationwide by CSX railroad. Passenger rail in the region is provided by Amtrak and New Jersey Transit. Commuter rail is offered by PATH and New Jersey Transit, which also operates light-rail lines throughout the region.

#### Newark is:

- 10 miles from New York City
- 85 miles from Philadelphia
- 215 miles from Boston
- 215 miles from Washington, D.C.

#### Airports

- Newark Liberty International Airport
- 24 general aviation airports

#### Major Roadways

- Interstates 78, 80, 95, 280 and 287
- Garden State Parkway, New Jersey

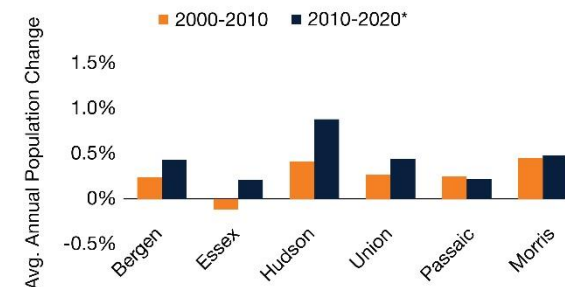
#### Rail

- Freight – CSX
- Passenger – New Jersey Transit and Amtrak
- Commuter – PATH and New Jersey Transit

#### Ports

- Port Newark-Elizabeth Marine Terminal
- Global Marine Terminal

### City Growth Patterns



### Largest Cities in Metro by Population

Bergen	935,200
Essex	794,100
Hudson	671,100
Union	554,800
Passaic	508,100
Morris	504,600

\* Forecast

Sources: Marcus & Millichap Research Services; U.S. Census Bureau; Experian



## NORTHERN NEW JERSEY

### Economy

Northern New Jersey possesses a mature and well-diversified economy. The area is home to 16 Fortune 500 companies and borders New York City, which houses 49 Fortune 500 companies.

The airline industry accounts for a significant share of jobs in the region. United Airlines has a large presence at Newark Liberty International Airport, controlling a majority of the airport's passenger flight business, and is one of the state's largest employers.

Trade is also a major employment sector, driven by shipping activity at Port Newark-Elizabeth Marine Terminal. Vehicle imports account for a substantial amount of the port's business.

Healthcare and pharmaceuticals are strong industries in the region. While many companies in these segments consolidated through the downturn, North Jersey remains a regional hub for both sectors.

Spillover from Wall Street bolsters finance employment in Essex, Hudson and Bergen counties. A number of employers such as Forbes, JPMorgan Chase and RBC Capital markets decided to relocate across the Hudson River to Jersey City to take advantage of tax incentives. Here, the redevelopment of Journal Square with higher-density mixed-use projects will be a major driver in rising valuations in the area.



\* Forecast

Sources: Marcus & Millichap Research Services; Bureau of Economic Analysis; U.S. Census Bureau; Moody's Analytics; Fortune

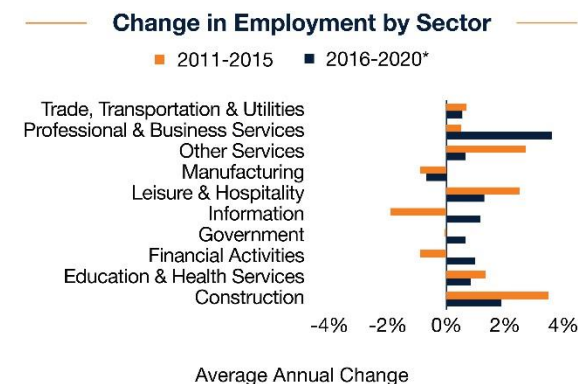
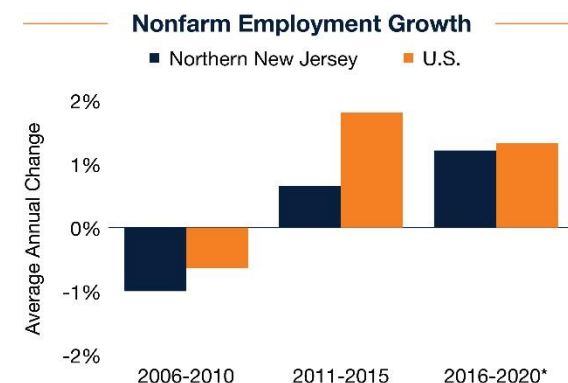
## NORTHERN NEW JERSEY

### Labor

With 1.8 million workers, Northern New Jersey is one of the larger labor markets in the nation. The region also has easy access to sizable and skilled New York City employment base. Over the years, the local economy has diversified from manufacturing and distribution industries toward service-oriented activities. The region is forecast to post average job growth of 1.2 percent annually over the next five years, near the U.S. rate.

Trade, transportation and utilities is the largest employment sector with nearly 400,000 workers, accounting for 22 percent of total employment, followed by professional and business services with 16 percent of all payrolls. Growth in this sector, which makes up 289,200 jobs, is expected to be the highest of all metro segments at 3.6 percent annually in the next five years. Many of the professional and business services jobs are located in Jersey City. Education and health services makes up another significant share of Northern New Jersey employment. At nearly 287,000 positions, or another 16 percent of all regional jobs, this segment is expected to grow at an average annual rate of 0.8 percent through 2020.

The dominance of the New York City metro in the finance and investment banking industry ensures continued business for firms in North Jersey and supports the need for highly educated workers. This sector comprises 7 percent of all jobs in the region.



\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Moody's Analytics



## NORTHERN NEW JERSEY

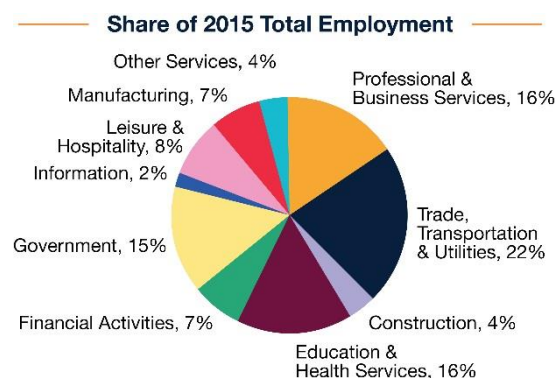
### Employers

Education and health services is a major employment sector in the region, accounting for 16 percent of the employment base. North Jersey has a number of large medical centers and hospitals, in addition to school districts and secondary educational institutions. Significant employers include the University of Medicine and Dentistry of New Jersey, Englewood Hospital, Hackensack University Medical Center and St. Joseph's Hospital.

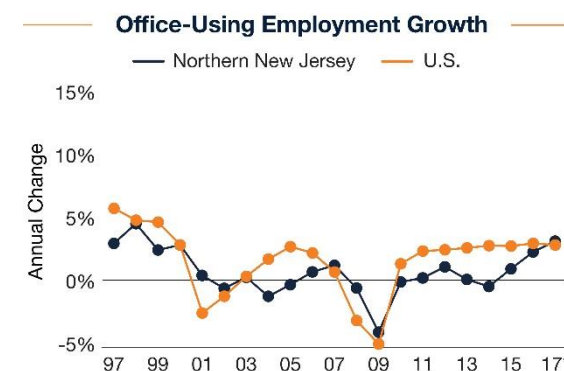
Newark Liberty International Airport is a significant job generator in the region, with approximately 20,000 workers. The facility has a \$22.9 billion impact on the New York/Northern New Jersey area, accommodating around 35 million passengers each year and moving hundreds of thousands of tons of cargo annually. The airport is also a hub for United Airlines.

Due to its proximity to New York City, North Jersey has a significant financial services presence, driven by companies such as Goldman Sachs, UBS Financial Services and Prudential, along with numerous other firms regionwide.

The pharmaceutical industry has historically played a prominent role in the metro, with corporations such as Novartis operating out of the area. In recent years, however, growth has slowed for the industry.



Major Employers
Prudential
UAL (United Continental Holdings)
University of Medicine and Dentistry of New Jersey
Hackensack Medical Center
New Jersey Transit
Englewood Hospital Association
Novartis Pharmaceuticals Corp.
St. Joseph's Hospital and Medical Center
Valley Health Systems
ISO Services Inc.



\* Forecast

Sources: Marcus & Millichap Research Services, BLS, Moody's Analytics, U.S. Census Bureau

## NORTHERN NEW JERSEY

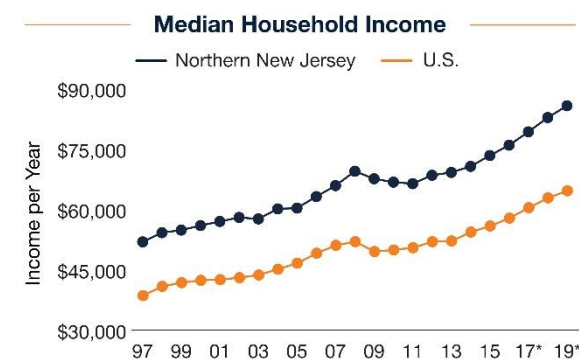
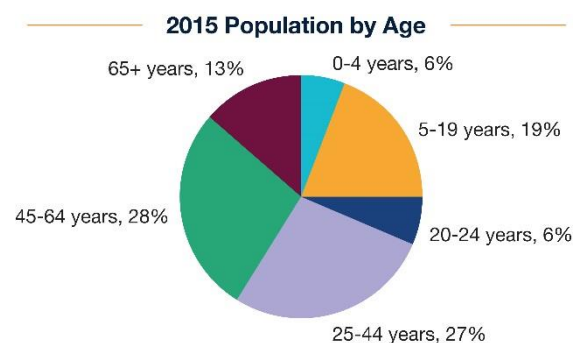
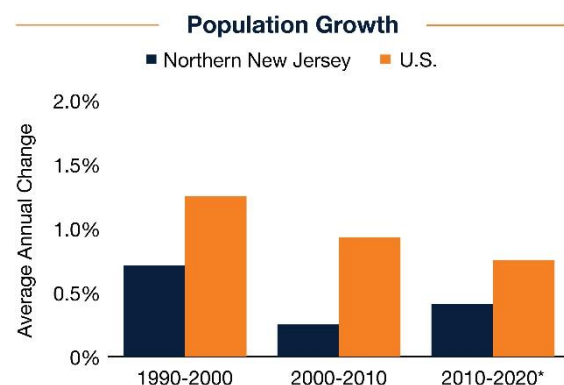
### Demographics

Northern New Jersey has more than 4.3 million residents and is part of the Greater New York City metro, which has a population of more than 20 million people. North Jersey's population growth at an annual rate of 0.4 percent is expected to remain slow and lag the U.S. average over the next five years.

The demographic breakdown of residents in Northern New Jersey is similar to that of the nation. Over the next five years, the population of 55- to 75-year-olds will expand as the bulk of the baby boomers age into their retirement years.

Among Northern Jersey residents ages 25 and older, more than 37 percent hold at least a bachelor's degree, and nearly 14 percent have attained an advanced degree, compared with less than 29 percent and 11 percent, respectively, for the nation.

The median household income in the Northern New Jersey area stands at \$73,600 per year, well above the national median. The cost of living is also among the country's highest. With the median home price at around \$444,500, high incomes allow nearly 55 percent of residents to own their homes, compared with 64 percent for the nation. Over the next five years, household incomes are expected to rise faster than home prices, making homeownership more affordable for potential homebuyers.



\* Forecast  
Sources: Marcus & Millichap Research Services; AGS; U.S. Census Bureau; Experian; Moody's Analytics



## NORTHERN NEW JERSEY

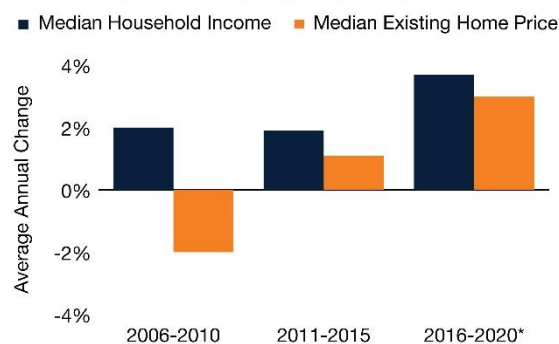
### Quality of Life

Northern New Jersey offers a variety of amenities and cultural activities. Sports and entertainment are available in East Rutherford at the Meadowlands. The MetLife Stadium is home to the Giants and Jets of the NFL. Construction is underway on a retail and entertainment project known as American Dream at the Meadowlands. The 2.9 million-square-foot project is set to open in late 2016 with almost 1.7 million square feet of retail space. The Prudential Center, also known as the Rock, is an indoor arena in downtown Newark where the Devils (NHL) and Seton Hall University play. Downtown Newark also houses the New Jersey Performing Arts Center and Bears and Eagles Riverfront Stadium, home of the Newark Bears, a minor-league baseball team.

Outdoor recreation is also available in the region. Progress is being made on the preservation of the Meadowlands wetlands, and recreational boating is returning to the area. In addition, the northwestern portion of Northern New Jersey offers hiking, skiing, fishing and extensive parklands, all within an easy drive from anywhere in the region.

Numerous community colleges and universities are located in the Northern New Jersey metro, including Seton Hall University, the Newark campus of Rutgers University, Stevens Institute of Technology and Bergen Community College.

#### Income and Home Price Trends



\* Forecast

Sources: Marcus & Millichap Research Services; National Association of Realtors; Moody's Analytics; U.S. Census Bureau

#### 2015 Median Home Price Comparison



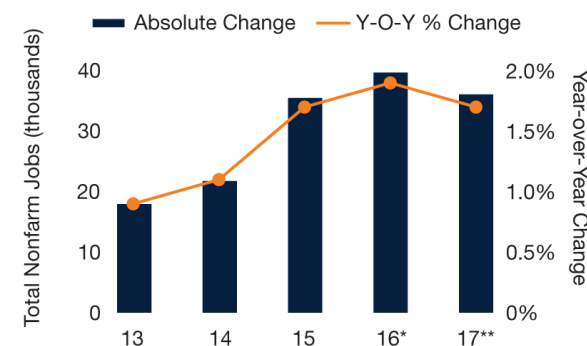
## NORTHERN NEW JERSEY METRO AREA

### New Jersey Renter Demand Strong As Many Consider Affordable Alternatives

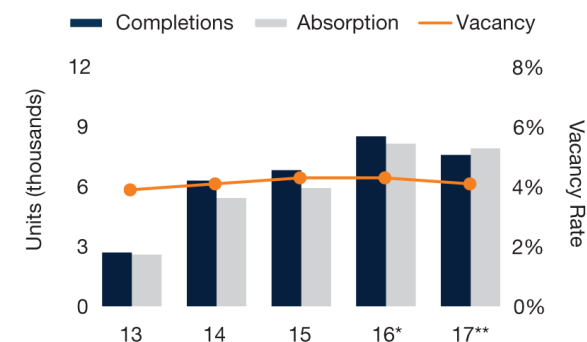
**Greater affordability and short commutes keep leasing velocity high.** Northern New Jersey has become a highly desirable alternative for Manhattan and Brooklyn residents because of its quality of life and affordability. Rents that can be \$2,000 less than those in New York City and a growing number of corporate jobs that have relocated to the area will draw renters from across the Hudson in 2017. Leasing velocity will be rapid, filling many of the new units anticipated for completion this year. The majority of the more than 7,000 new units on tap will be in Jersey City, a highly sought address with numerous transportation options into New York. Thriving demand for rental housing across Northern New Jersey maintains low vacancy and will support an increase in effective rents for the eighth consecutive year.

**Expanding economy, stable cash flows keep buyers active.** A positive demographic outlook and solid employment growth are attracting investors to apartment assets in Northern New Jersey. Capital is flowing across the Hudson River as buyers seek to capitalize on properties that can trade with cap rates 200 basis points greater than comparable assets in New York. Strong competition among institutional investors along the transit-connected Gold Coast will push more private buyers farther inshore this year. Value-add opportunities will account for the majority of private trades; these older buildings offer greater relative value over new construction. Once renovated, owners are able to command higher rents, fueling solid revenue gains. Properties closer to the Hudson trade with going-in cap rates in the mid-5 percent territory, while assets ripe for redevelopment close in the mid-6 to low-7 percent range, pointing to strong interest at all price points. Elevated construction over the past two years should fulfill institutional interest for luxury properties, with some of the best assets able to trade below initial yields of 5 percent.

#### Employment Trends



#### Supply and Demand









\*Estimate \*\* Forecast  
Sources: Marcus & Millichap Research Services; BLS; CoStar Group, Inc.

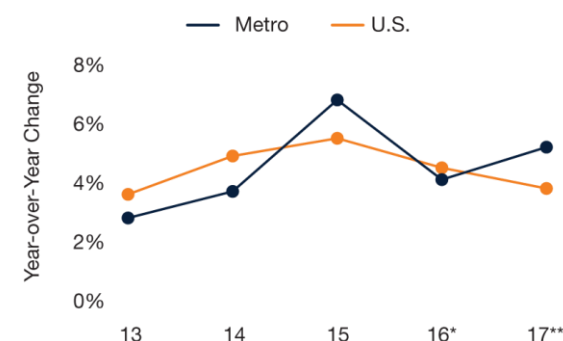


## NORTHERN NEW JERSEY METRO AREA

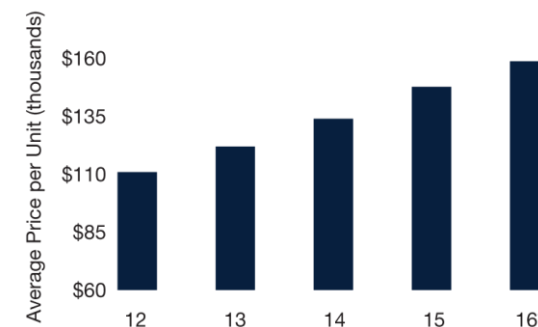
### 2017 Market Forecast

NMI Rank 18, down 5 places		Modestly softening demand drivers and elevated construction restrained Northern New Jersey in the NMI.
Employment up 1.7%		Job growth will ease from last year's pace. This year 36,000 workers will be added to payrolls, a 1.7 percent expansion. A gain of 39,600 jobs was recorded in 2016.
Construction 7,600 units		For the fourth consecutive year, developers will complete more than 6,000 units. Following the delivery of 8,500 rentals last year, 7,600 are scheduled in 2017.
Vacancy down 20 bps		Strong leasing will bring the vacancy rate down 20 basis points this year to 4.1 percent. In 2016 the vacancy rate was unchanged on net absorption of 8,100 units.
Rent up 5.2%		The average effective rent will climb 5.2 percent to \$1,882 per month in 2017, exceeding last year's pace.
Investment		A swell in prices along densely populated corridors of the Gold Coast will drive more investors into the market's interior, where attractive returns can be captured. Rising land costs could soon spur greater development to sites near transit hubs in the counties of Essex and Morris.

### Effective Rent Trends



### Sales Trends



\* Estimate \*\* Forecast  
Sources: Marcus & Millichap Research Services; CoStar Group, Inc.;  
Real Capital Analytics

Created on April 2017

POPULATION	1 Miles	3 Miles	5 Miles
■ 2021 Projection			
Total Population	111,896	671,426	2,037,132
■ 2016 Estimate			
Total Population	109,041	657,355	1,993,020
■ 2010 Census			
Total Population	103,175	613,847	1,873,765
■ 2000 Census			
Total Population	98,385	585,567	1,803,510
■ Daytime Population			
2016 Estimate	76,746	1,192,181	3,294,898
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2021 Projection			
Total Households	42,186	312,300	966,774
■ 2016 Estimate			
Total Households	40,766	304,743	941,949
Average (Mean) Household Size	2.66	2.10	2.05
■ 2010 Census			
Total Households	38,568	282,735	881,012
■ 2000 Census			
Total Households	36,376	273,225	853,484
Growth 2015-2020	3.48%	2.48%	2.64%
HOUSING UNITS	1 Miles	3 Miles	5 Miles
■ Occupied Units			
2021 Projection	42,186	312,300	966,774
2016 Estimate	42,119	333,553	1,016,412
Owner Occupied	10,498	93,089	247,718
Renter Occupied	30,268	211,654	694,232
Vacant	1,353	28,809	74,463
■ Persons In Units			
2016 Estimate Total Occupied Units	40,766	304,743	941,949
1 Person Units	29.23%	42.53%	43.98%
2 Person Units	27.18%	30.14%	30.43%
3 Person Units	17.08%	12.63%	12.31%
4 Person Units	13.39%	8.76%	7.83%
5 Person Units	7.07%	3.57%	3.16%
6+ Person Units	6.04%	2.38%	2.29%

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2016 Estimate			
\$200,000 or More	4.02%	18.47%	16.45%
\$150,000 - \$199,000	3.90%	8.10%	7.85%
\$100,000 - \$149,000	10.95%	14.66%	14.73%
\$75,000 - \$99,999	10.52%	10.57%	10.68%
\$50,000 - \$74,999	18.14%	12.74%	12.72%
\$35,000 - \$49,999	12.52%	8.75%	8.77%
\$25,000 - \$34,999	10.03%	6.67%	6.83%
\$15,000 - \$24,999	13.61%	7.98%	8.05%
Under \$15,000	16.35%	12.05%	13.90%
Average Household Income	\$68,850	\$136,091	\$126,597
Median Household Income	\$46,724	\$78,977	\$74,396
Per Capita Income	\$25,774	\$63,463	\$60,249
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2016 Estimate Total Population	109,041	657,355	1,993,020
Under 20	22.93%	18.40%	17.66%
20 to 34 Years	25.27%	25.94%	29.90%
35 to 39 Years	8.25%	8.12%	8.25%
40 to 49 Years	13.99%	13.94%	13.39%
50 to 64 Years	16.90%	18.32%	17.09%
Age 65+	12.67%	15.28%	13.71%
Median Age	36.04	38.41	36.35
■ Population 25+ by Education Level			
2016 Estimate Population Age 25+	76,746	494,709	1,499,251
Elementary (0-8)	13.57%	5.90%	5.08%
Some High School (9-11)	9.87%	5.20%	5.93%
High School Graduate (12)	27.66%	16.54%	15.57%
Some College (13-15)	15.37%	11.39%	11.14%
Associate Degree Only	5.36%	3.87%	3.97%
Bachelors Degree Only	17.24%	28.36%	30.90%
Graduate Degree	8.35%	27.36%	25.80%
■ Population by Gender			
2016 Estimate Total Population	109,041	657,355	1,993,020
Male Population	49.68%	48.44%	47.95%
Female Population	50.32%	51.56%	52.05%

Source: © 2016 Experian





### Population

In 2016, the population in your selected geography is 109,041. The population has changed by 10.83% since 2000. It is estimated that the population in your area will be 111,896.00 five years from now, which represents a change of 2.62% from the current year. The current population is 49.68% male and 50.32% female. The median age of the population in your area is 36.04, compare this to the US average which is 37.68. The population density in your area is 34,650.97 people per square mile.



### Households

There are currently 40,766 households in your selected geography. The number of households has changed by 12.07% since 2000. It is estimated that the number of households in your area will be 42,186 five years from now, which represents a change of 3.48% from the current year. The average household size in your area is 2.66 persons.



### Income

In 2016, the median household income for your selected geography is \$46,724, compare this to the US average which is currently \$54,505. The median household income for your area has changed by 28.93% since 2000. It is estimated that the median household income in your area will be \$55,212 five years from now, which represents a change of 18.17% from the current year.

The current year per capita income in your area is \$25,774, compare this to the US average, which is \$29,962. The current year average household income in your area is \$68,850, compare this to the US average which is \$78,425.



### Race and Ethnicity

The current year racial makeup of your selected area is as follows: 63.33% White, 4.48% Black, 0.07% Native American and 5.98% Asian/Pacific Islander. Compare these to US averages which are: 70.77% White, 12.80% Black, 0.19% Native American and 5.36% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 76.21% of the current year population in your selected area. Compare this to the US average of 17.65%.



### Housing

The median housing value in your area was \$308,334 in 2016, compare this to the US average of \$187,181. In 2000, there were 9,470 owner occupied housing units in your area and there were 26,906 renter occupied housing units in your area. The median rent at the time was \$644.



### Employment

In 2016, there are 27,913 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 51.77% of employees are employed in white-collar occupations in this geography, and 48.08% are employed in blue-collar occupations. In 2016, unemployment in this area is 8.69%. In 2000, the average time traveled to work was 37.00 minutes.