Princeton, New Jersey

Tenant's Guide ▪ North American Markets ▪ Fourth Quarter 2009

Overview

Rising vacancies in the class A office sector surged but at an ever slowing pace in the 4th quarter of 2009. Outward migration to class B office space and regional consolidations tended to hurt the office market given Princeton's higher than average rental rates when compared with the rest of New Jersey.
The result: Princeton area vacancies have risen to 23% of class A space and fallen to 12% of class B inventory.

Ownership interests in transition as investment sales moved forward in spite of tight credit markets. A renewed focus on owner-occupied facilities has emerged in and around the greater Princeton Market. For the savvy investor or corporate entity looking to control their facility's own destiny, the ability to hold value in even in the most difficult times remains possible in Princeton.

Given today's investment credit challenges and available financing concerns, it should be noted that firms in the Greater Princeton area have become readily available to capital via various public and private sector resources. Recipients of grants from various organizations include the Ocean Power Technologies ($66.5 million from the government of Australia) and Princeton Power Systems ($3.3 million from the Board of Public Utilities).

Market Trends

- Ownership interests in transition.
- Early renewals (often with give-back of space) are more common.
- Slight adjustments in rents and shorter terms reflect business uncertainty.

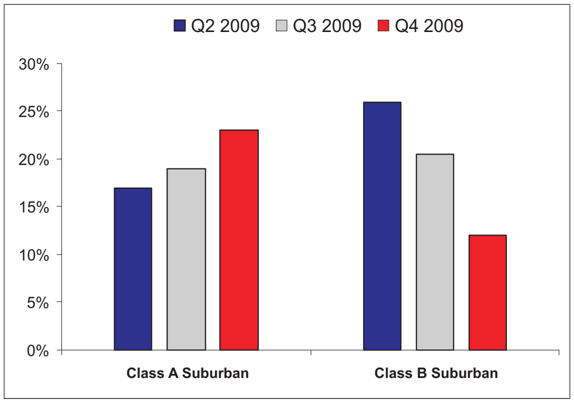
Tenant's Perspective

With the experience and advice of dedicated tenant representation professionals, tenants in the market will want to secure the services of an exclusive representative in any pending renewals or market comparisons. Strategic planning will require historical, ongoing and forecast expertise to navigate the turbulent opportunities of this upcoming 1st quarter 2010.

Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
Joseph Jingoli & Son	40,000	Office Condo	Purchase
Congoleum Corporation	35,000	Office	Lease Renewal
Axis Global Accident & Health	26,000	Office	Lease
NeoStrata	20,000	Office	Lease Renewal
Sills Commis & Gross	18,000	Office	Lease
Syska Hennessy Group	9,000	Office	Lease

Vacancy Rate



Average Rental Rates

Suburban	Q2 2009	Q3 2009	Q4 2009
Class A Office	$31.08	$31.80	$30.62
Class B Office	$25.08	$24.32	$24.33

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