



OFFICE UPTICK ONE OF SEVERAL POSITIVE INDICATORS FOR NEWARK, N.J.

April 19, 2012

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Corporate Commitments, Park Retrofit, Hospitality Uptick Support Progress

April 19, 2012 – (RealEstateRama) — From an office leasing standpoint, business in Newark has picked up measurably over the past year. More tenants are requesting showings, expressing serious interest and signing leases, especially in the city's downtown.

As illustration, our Military Park Building (60 Park Place) this spring reached 99 percent occupancy, a milestone following 70,000 square feet of leasing and a jump from 75 percent occupancy in the four years since we acquired the property. And we have at least a half-dozen additional deals expected to close this spring at our other Newarkoffice properties.

Over the past year, we have observed more companies moving from the suburbs into Newark. This is a clear step in the right direction for a city that is on the cusp of becoming a true metropolitan center where people come to work and, eventually, to live.

Several projects set to launch downtown will bring a daytime population volume that we have not seen in decades. This includes the new American headquarters for Panasonic, which Matrix Development Group and SJP Properties will develop at One Riverfront Center. Approximately 1,000 Panasonic employees will come to Newark on a daily basis – parking, working and eating here.

Prudential Financial in March announced that it hopes to build a new office tower on Broad Street; it would house 2,000 employees. For the past three or more decades, the site the company selected has been desolate and abandoned. It presented an eyesore that arguably has inhibited the image of downtown as a thriving business district.

More immediately, the multi-million-dollar rehabilitation of Newark's Military Park will begin this spring, transforming that neighborhood. Headed by Daniel Biederman, who designed the city's beautiful Bryant Park nearly 30 years ago, the project will begin with a rehabilitation of the restaurant kiosk in the center of the park. It will bring in new plantings, structural changes to the walking paths, mobile furniture, free Wi-Fi, and more.

There have been an increasing number of restaurant openings here, to support Newark's daytime population as well as traffic being generated by the city's up-and-coming entertainment venues like Prudential Center and NJPAC. The Newark hospitality market also is heating up. For example, our Robert Treat Hotel has seen a significant jump in occupancy. Additionally, Smith Travel Research reports that, among hotels considered competitors to the Robert Treat in Newark, average occupancies increased across the board last year.

Further, Courtyard by Marriott broke ground in April for a 150-room hotel – the first new hotel in downtown Newark in 39 years – right outside the Prudential Center Arena. Additionally, Indigo Hotel has proposed a boutique 100-room

property just two blocks away. We welcome this competition. More rooms mean that more tourists will be able to stay downtown, rather than at the airport hotels.

The bottom line? We believe that in the next five to 10 years, Newark is going to be recognized as one of New Jersey's most exciting urban communities – in every sense of the word. Things are going on today that support that vision. And while we still await the resurgence of residential development, we are confident that it will come through the number of approved projects on the board.

Our positive outlook stems from the fact that The Berger Organization has done business here for more than 35 years. We know that New Jersey's largest city is a great place to do business. Newark as a city is a main thoroughfare to Manhattan, after Jersey City and Hoboken, and it is the next in line for a true renaissance.