CBRE VALUATION & ADVISORY SERVICES

APPRAISAL REPORT

LAND VALUE
1500, 1520-1530 JEFFERSON STREET, 1521-1531 MADISON STREET
HOBOKEN, NEW JERSEY 07030
CBRE FILE NO. 21-047NE-2406-1

CITY OF HOBOKEN

CBRE

CBRE

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Date of Report: May 25, 2021

Mr. Christopher A. Brown
CITY OF HOBOKEN
94 Washington Street
Hoboken, New Jersey 07030

RE: Appraisal of: Land Value of Existing Parcel
1500, 1520-1530 Jefferson Street, 1521-1531 Madison Street
Hoboken, Hudson County, New Jersey 07030
CBRE, Inc. File No. 21-047NE-2406-1

Dear Mr. Brown:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report.

The subject consists of three contiguous parcels comprising 98,093 SF situated on the block bound by Jefferson Street, 15th and 16th Streets in the North End of Hoboken, Hudson County, NJ. The property is legally identified as lots 127-1-1, 128-0-1, 128-0-17. The site is currently zoned I-1 which allows for various industrial and commercial uses. However, the area has just recently been designated a redevelopment area (North End Rehabilitation Area) which will allow for residential, mixed-use, offices, hotels and other commercial uses. Although no formal applications for alternate land uses have been submitted, we are aware of a site nearby that has been purchased with the intent to construct residential development. As such, we analyze both the industrial and residential uses of the subject to estimate the land value.

As of the effective date of value, the subject is improved with a bus terminal facility, pursuant to the scope of work provided by the client, we estimate the land value of all three sites and then separately 1500 Jefferson Street and 1520-1530 Jefferson Street/1521-1531 Madison Street.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Land Value (Both Sites)	Fee Simple Estate	May 23, 2021	$20,800,000
1500 Jefferson Land Value	Fee Simple Estate	May 23, 2021	$10,600,000
1520-1530 Jefferson, 1521-1531 Madison Land Value	Fee Simple Estate	May 23, 2021	$9,700,000

Compiled by CBRE

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

As of the date of value and the date of this report, the nation, region, and market area are impacted by the COVID-19 pandemic. This could have a prolonged effect on macroeconomic conditions, though at this time the length of duration is unknown. The perceived impact on real estate varies on several factors including asset class, use, tenancy, and location. Our analysis considers available information as of the effective date.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES

Anthony Jasenski
Vice President

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Mark Mediavilla, MAI
Director
NJ Certification #42RG00260100

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CBRE

Certification

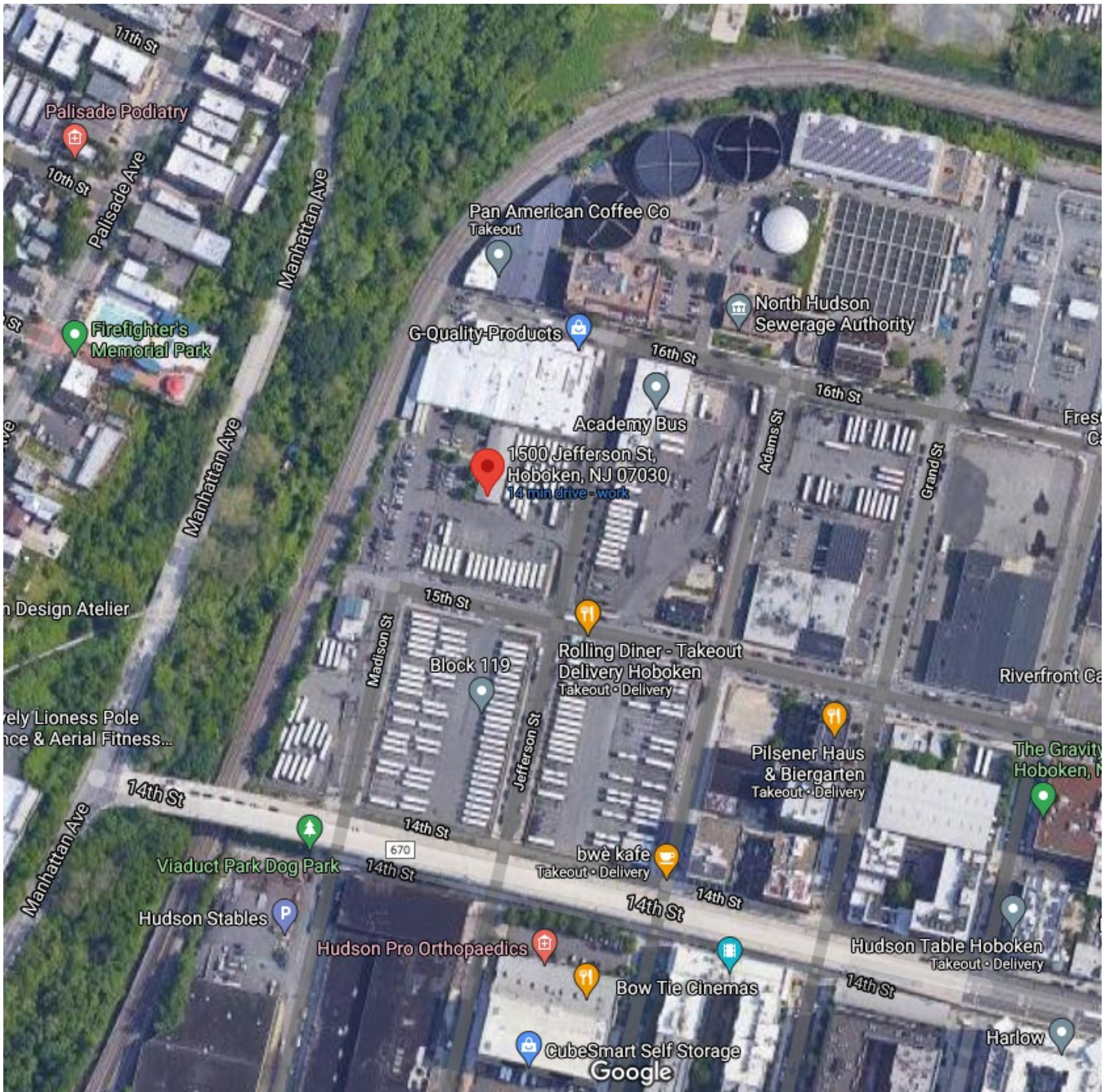
We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of New Jersey.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. As of the date of this report, Mark Mediavilla, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
10. Anthony Jasenski has while Mark Mediavilla, MAI has not made a personal inspection of the property that is the subject of this report.
11. No one provided significant real property appraisal assistance to the persons signing this report. However, quality control oversight was provided by Mark Mediavilla, MAI.
12. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
13. Anthony Jasenski and Mark Mediavilla, MAI have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding agreement to perform this assignment.

Anthony Jasenski

Mark Mediavilla, MAI
NJ State Certification # 42RG00260100

Subject Photographs



Aerial View

View of the Subject Site

View of the Subject Site

View of the Subject Site

View of the Subject Site

View of the Subject Site

View of the Subject Site

Executive Summary

Property Name	Land Value of Existing Parcel	
Location	1500, 1520-1530 Jefferson Street, 1521-1531 Madison Street Hoboken, Hudson County, NJ 07030	
Parcel Number(s)	127-1-1, 128-0-17, 128-0-1	
Client	City of Hoboken	
Highest and Best Use		
As If Vacant	Industrial Development Now	
As Improved	Industrial Development Now	
Property Rights Appraised	Fee Simple Estate	
Date of Inspection	April 7, 2021	
Estimated Exposure Time	6 - 18 Months	
Estimated Marketing Time	6 - 18 Months	
Land Area (Improved)	**2.25 AC**	**98,093 SF**
1500 Jefferson Street Land Area	1.15 AC	50,000 SF
1520-1530 Jefferson Street/1521-1531 Madison Street Land Area	1.10 AC	48,093 SF
Zoning	I - Industrial - North End Redevelopment	
Industrial Zoning Floor Area (aka Maximum Buildable Area) (Est.)	98,093 SF	(CBRE Estimate)
Residential Unit Count (Est.)	259	(CBRE Estimate)
Buyer Profile	Developer	

VALUATION	***Total***	***Per SF***
Industrial Zoning Land Area	$20,800,000	$212.04
Residential Land Area	$20,800,000	$212.04

CONCLUDED MARKET VALUE			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value**
Land Value (Both Sites)	Fee Simple Estate	May 23, 2021	$20,800,000
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Compiled by CBRE

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

Strengths/ Opportunities

- Demand in the local market has been historically strong, a trend that is expected to continue through the foreseeable future
- Commercial investment activity and interest continues to improve within the Northern New Jersey market. There is strong demand for apartment properties within the market, which are at the top of the list amongst active investors in the marketplace.
- The property is located in the City of Hoboken, which is regarded as one of the premier residential markets in New Jersey and is proximate to New York City.

Weaknesses/ Threats

- Increased uncertainty and risk associated with COVID-19 (see discussion below). Most participants anticipate the greatest impact will be felt in the next 3-9 months.

COVID-19 WARNING STATEMENT- MARKET UNCERTAINTY CLAUSE

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As of the valuation date, in the case of the subject property, there is a shortage of market evidence for comparison purposes, to inform opinions of value.

Our valuation of the property is therefore reported as being subject to ‘material valuation uncertainty’. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

Values may change more rapidly and significantly than during standard market conditions. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation(s) contained within this report under frequent review.

EXTRAORDINARY ASSUMPTIONS

The use of the following extraordinary assumption may have affected the assignment results.

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.” .[1]

- Due to the nondescript zoning restrictions set forth in the North End Rehabilitation Area plan, CBRE relied on comparable land developments within Jersey City and Hoboken to estimate a unit density of 115 units per acre, or 259 units for the subject’s residential development. Residential development plans within the Rehabilitation area are subject to board approval and as such, can differ. Further, the I-1 industrial district permits a building coverage of 65% of the lot and up to 4 stories in height. Due to the prevalence of multi-story industrial facilities, CBRE estimates that a two-story industrial development built to an FAR of 1, or a maximum buildable area of 98,093-SF would be most feasible for the site due to its irregular shape.

[1] The Appraisal Foundation, *USPAP, 2020-2021*

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purposes of analysis." [2]

- None noted.

OWNERSHIP AND PROPERTY HISTORY

Title to 1500 Jefferson is vested in the name of Tedesco Family Partners LP who acquired title to the property in July 1995. 1521-1531 Madison Street is vested in the name Jefferson St Partners II LLC, who acquired the site in December 2014 for $3,750,000. 1520-1530 Jefferson Street is vested in the name of Jefferson Street Partners II LP who acquired the site in March 2006.

To the best of our knowledge, there has been no other ownership transfer of the property during the previous three years.

[2] The Appraisal Foundation, *USPAP, 2020-2021*

EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure/marketing time information from the PwC Real Estate Investor Survey; and
- the opinions of market participants.

Our valuation is predicated on a buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. The COVID-19 pandemic has resulted in logistical constraints on property transactions such as inability to travel for due diligence/tours and closing of municipal agencies for closing/recording sale transactions. In addition, some buyers and sellers have paused or postponed transacting amid the pandemic. As of the effective date of this appraisal, this has extended the reasonable time period in which the subject could be brought to market and sold. In light of the COVID-19 pandemic and prevailing market conditions, we would anticipate a longer marketing period relative to the exposure period. The following table presents information derived from various sources and our conclusion.

The following table presents the information derived from these sources.

EXPOSURE/MARKETING TIME DATA

Investment Type	Exposure/Mktg. (Months) Range			Average
PwC Warehouse				
National Data	1.0	-	15.0	5
Local Market Professionals	6.0	-	12.0	9.0
CBRE Exposure Time Estimate	**6 - 18 Months**			
CBRE Marketing Period Estimate	**6 - 18 Months**			

Various Sources Compiled by CBRE

Table of Contents

Scope of Work

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied.

INTENDED USE OF REPORT

This appraisal is to be used for internal decision making.

CLIENT

The client is City of Hoboken.

INTENDED USER OF REPORT

This appraisal is to be used by City of Hoboken. No other user(s) may rely on our report unless as specifically indicated in this report.

> Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report. [3]

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the land value of the subject property.

DEFINITION OF VALUE

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;

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[3] Appraisal Institute, The Appraisal of Real Estate, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [4]

INTEREST APPRAISED

The value estimated represents the Fee Simple Estate as defined below:

> *Leased Fee Interest* - The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.[5]

Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records

Extent to Which the Property is Inspected

CBRE, Inc. inspected the subject site, as well as its surrounding environs on the effective date of appraisal. This inspection sample was considered an adequate representation of the subject property and is the basis for our findings.

Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable data

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

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[4] Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

[5] *Dictionary of Real Estate Appraisal*, 128.

Data Resources Utilized in the Analysis

DATA SOURCES	
Item:	*Source(s):*
Site Data	
Size	Public Records
Compiled by CBRE	

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

Cost Approach

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

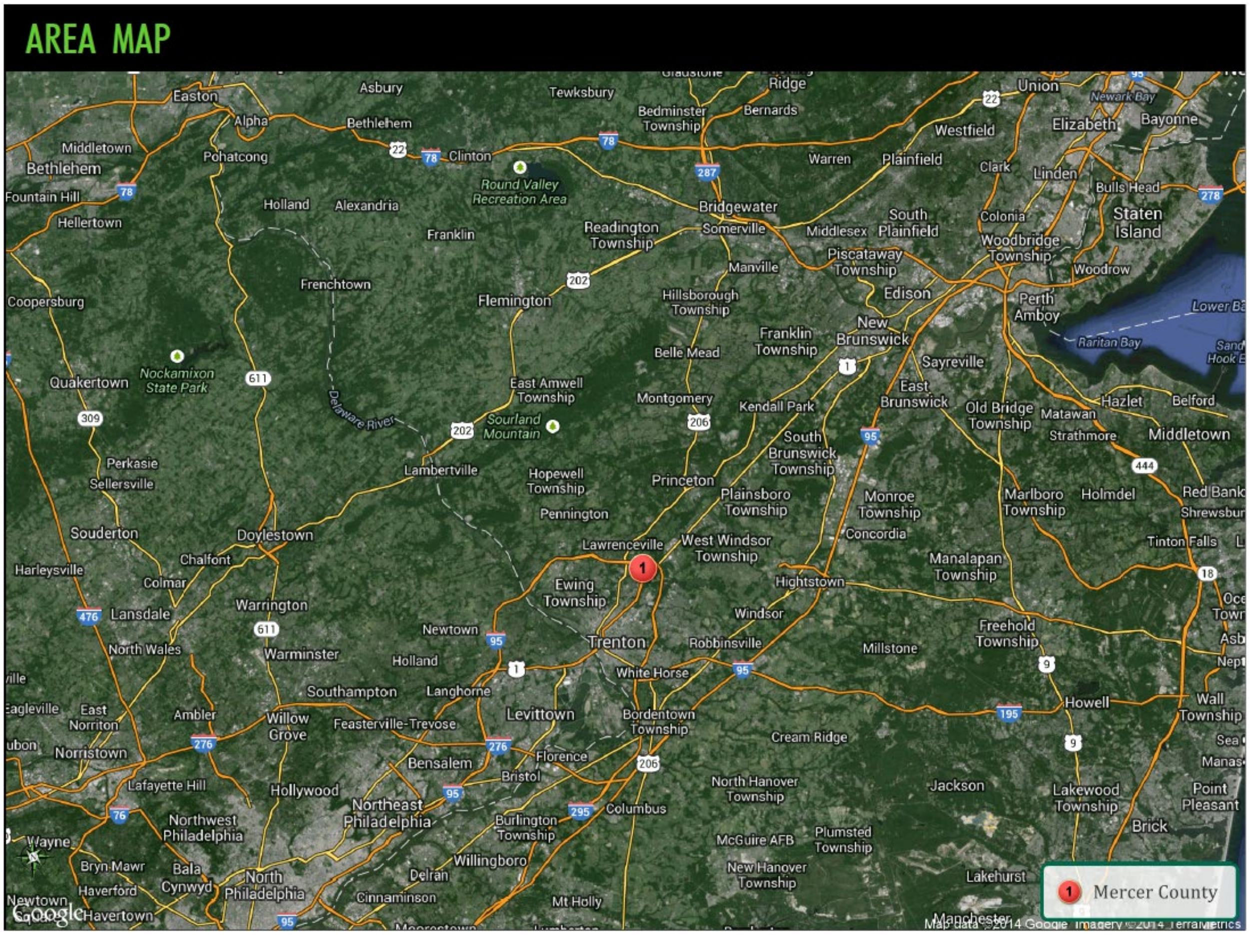
Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Methodology Applicable to the Subject

The site is situated within the I-Industrial zoning district, permitting industrial and commercial uses. As will be discussed in the Neighborhood Analysis, due to the new Rehabilitation Area Plan, we utilize both residential and industrial sales to estimate the subject's land value.

Area Analysis



LOCATION

The Northern New Jersey region is comprised of eleven counties: Bergen, Essex, Hudson, Hunterdon, Middlesex, Morris, Passaic, Somerset, Sussex, Union, and Warren. The region extends 45 to 55 miles west of Midtown Manhattan. The northeastern area of the region is heavily urbanized and densely developed, while the remainder is largely suburban and semi-rural. Geographically, the region encompasses approximately 3,100 square miles, or 41.9% of the land area in New Jersey, which totals approximately 7,400 square miles.

Hudson County is the smallest and most densely populated county. Geographically, it encompasses an area of 46 square miles. Hudson County is bounded by Bergen County to the north and west, Essex and Union Counties to the west, Staten Island, New York to the south, and the Hudson River and Manhattan to the east. The Jersey City MSA includes only Hudson County, thus, we refer to both in our analysis.

DEMOGRAPHICS

SELECTED AREA DEMOGRAPHICS		
	Hudson County, NJ	New Jersey
Population		
2025 Total Population	740,028	9,233,247
2020 Total Population	703,543	9,100,978
2010 Total Population	634,266	8,791,894
2000 Total Population	608,975	8,414,350
Growth 2020 - 2025	1.02%	0.29%
Growth 2010 - 2020	1.04%	0.35%
Growth 2000 - 2010	0.41%	0.44%
Households		
2025 Total Households	286,877	3,367,942
2020 Total Households	272,827	3,322,041
2010 Total Households	246,437	3,214,360
2000 Total Households	230,546	3,064,645
Growth 2020 - 2025	1.01%	0.27%
Growth 2010 - 2020	1.02%	0.33%
Growth 2000 - 2010	0.67%	0.48%
2020 Median Household Income	$76,374	$83,602
2020 Average Household Income	$112,201	$119,052
2020 Per Capita Income	$43,560	$43,560
2020 Median Value of Owner Occupied Housing Units	$386,156	$348,500
2020 Pop 25+ College Graduates	219,488	2,656,043
Age 25+ Percent College Graduates - 2020	44.0%	41.7%
Source: ESRI		

Hudson County's population stabilized during the 1980's after an extended period of decline from 1930 to 1980. During this time period, the county's population declined by 19.9% from 690,730 persons in 1930 to 553,105 persons in 1990. Hudson County experienced a fairly significant reversal during the following decade, with a population increase of 10.1% by 2000. This increase can be attributed to the development that has occurred within the Waterfront sections of the County, as well as the general shift that has been occurring in many of the state's urban centers where people are coming back to city living.

As indicated by the above chart, the population in Hudson County grew moderately in the decade spanning from 2000-2010 and has grown steadily since 2010. This growth trend is expected to continue over the next five years into 2025. Hudson County has witnessed growth trends that are greater than that witnessed by the overall New Jersey state and is projected to exhibit continued growth into the near future.

Transportation

The Northern and Central New Jersey region has an extensive transportation network, as numerous destinations are easily accessible via major highways. Major Interstate highways include Routes 287 and 95 (the New Jersey Turnpike), which travel north/south through the state and Routes 78, 80 and 280 which provide east-west access. U.S. Routes 1, 9, 202 and 206 are heavily traveled highways, which traverse the state north/south, while U.S. Routes 22 and 46 cross the state east/west. Other major routes include state highway Routes 10, 17, 18, 23, and 24, as well as the Garden State Parkway (passenger traffic only).

The Northern and Central New Jersey region has good accessibility to public transportation. NJ Transit provides bus service throughout the region and into New York City. Rail systems include NJ Transit; which is a commuter railroad with several lines extending into northern, central and southern New Jersey; Amtrak; Conrail commuter and freight rail service; and the Port Authority Trans Hudson (PATH). The PATH lines provide access from Hoboken, Jersey City and Newark into Manhattan.

Passenger and freight air service is available at Newark-Liberty International Airport which is one of the most modern airports in the area and is the sixth largest airport in the world for passenger travel. It is served by most of the national domestic airlines and international carriers. The airport, which is situated on 2,300 acres, is located at the intersection of the New Jersey Turnpike (I-95) and Interstate Route 78. The airport is easily accessible from the Northern and Central New Jersey area via major highways.

Government

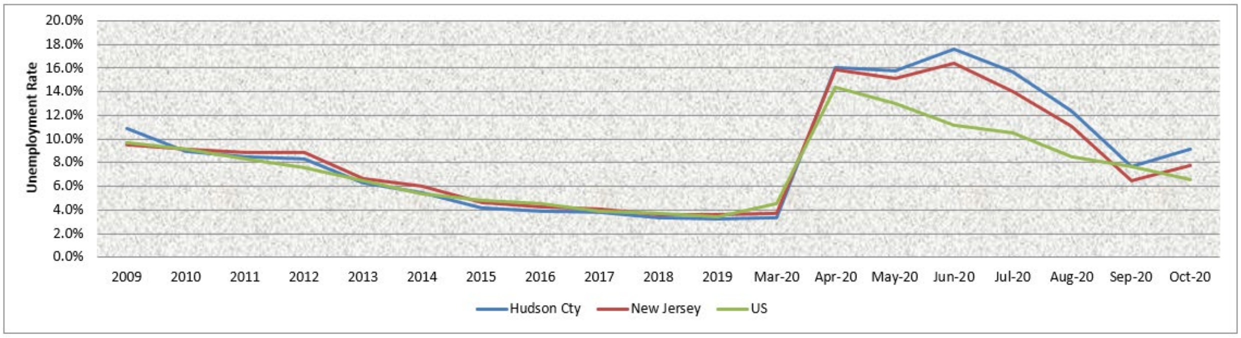
In New Jersey, each of the 567 communities completes its property assessments for real estate tax purposes at a local level. County, municipal and school budget costs determine the amount of property tax to be paid. A town's general tax rate is calculated by dividing the total dollar amount it needs to raise to meet local budget expenses by the total assessed value of all its taxable property. In addition, each municipality within New Jersey has a comprehensive zoning plan and building code that provides specific guidelines for development of all types of properties within that respective community.

Unemployment Rate

Shown on the following table and chart are the historical and most recent unemployment rates for Hudson County, the state of New Jersey, and the nation.

Unemployment																			
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20
Hudson Cty	10.9%	9.0%	8.5%	8.3%	6.3%	5.5%	4.2%	3.9%	3.8%	3.3%	3.2%	3.3%	16.0%	15.8%	17.6%	15.7%	12.4%	7.7%	9.1%
New Jersey	9.5%	9.1%	8.9%	8.9%	6.7%	6.0%	4.6%	4.3%	4.1%	3.6%	3.6%	3.7%	15.9%	15.1%	16.4%	14.0%	11.1%	6.5%	7.8%
US	9.7%	9.1%	8.3%	7.6%	6.5%	5.4%	4.8%	4.5%	3.9%	3.7%	3.4%	4.5%	14.4%	13.0%	11.2%	10.5%	8.5%	7.7%	6.6%

October-20 Percentages are preliminary and not seasonally adjusted. Revised on November 25, 2020
Source: Bureau of Labor Statistics; Compiled by CBRE



Unemployment Insurance (UI) claims show millions of American workers, including hundreds of thousands of New Jersey residents, struggling with COVID-19 in relation to economic hardship. Since March, the U.S. economy has been grappling with the fallout of the COVID-19 pandemic. Troubling losses across all sectors have emerged, and the data continues to reflect the impacts of the shut-down of businesses across the nation. This unemployment trend mirrors a level that is only comparable with the Great Depression. The downturn in the labor market is unique in that steep job losses were precipitated by a forced shutdown of wide swaths of the economy. It should be noted that the federal CARES Act stimulus package should enable a faster recovery by providing liquidity support to businesses, including forgivable loans for small businesses, and capital to back new credit facilities for larger businesses. The CARES Act expired on July 31, 2020, there has been ongoing speculation of extending/passing another stimulus relief bil.

Recent UI claims continue to reflect the widespread economic hardship for the area workforce as; hospitality, retail/food, entertainment, health care, construction, manufacturing, and other predominately non-office-using industries have made up approximately 73% of the cumulative claims. Many employers, primarily in the aforementioned sectors, were forced to cut most of their payroll as job losses mounted in relation to loan payments, fixed costs, and loss in revenue. According to the Bureau of Labor Statistics, for the month ending October 2020, the national unemployment rate fell 110-basis points from the month prior, to 6.6%. Conversely, the unemployment rate in NJ rose in October; gaining 130-basis points from the previous month, to 7.8%. As the recent data shows, for the month of October 2020, the unemployment rate in Hudson County followed this trend and increased to 9.1%. The trend in unemployment across Hudson County has increased to a level that is on higher with the jobless trend of the nation. Overall, we expect unemployment to remain high within Hudson County, NJ, and the nation for the near term and through 2020.

REDEVELOPMENT AREAS

Hudson County has historically been an industrial based economy. However, over the years, many of these companies have folded or moved to more cost-efficient regions. As such, large tracts of land and vacant industrial buildings remained unused for a number of years. During the past couple of decades, many towns have established "redevelopment" plans to revitalize their communities and attract new businesses and residents.

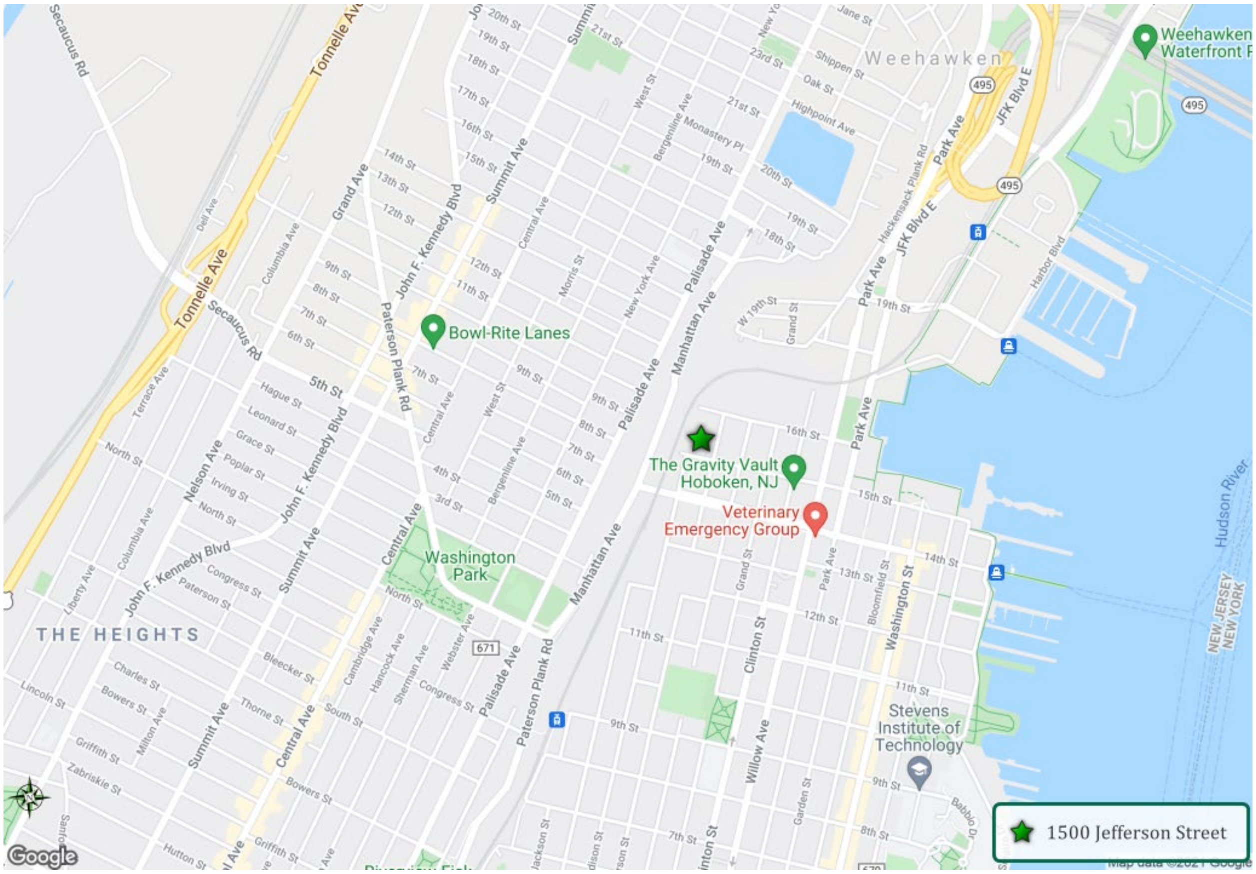
Hudson Waterfront

Hudson County has been undergoing a transformation from a manufacturing-based economy to service based and mixed-use development over the past two plus decades. The most notable revitalization has been along the Hudson River waterfront, which includes nine Hudson County municipalities. In the 1980's the Hudson River waterfront began to attract a new form of large-scale real estate development. The Hudson River waterfront became a prime area for this type of development, in part, because of its large tracts of vacant and underutilized waterfront properties and transit accessibility to New York City and points west in New Jersey. The Waterfront Corridor has become one of New Jersey's fastest growing areas. Previously dominated by deteriorating industrial and transportation facilities, the waterfront was transformed to a zone of office centers and luxury apartment and condominium complexes which is still in the midst of an ongoing transformation. Since the early 1980s there has been more than 24,000 housing units built, nearly 10.0 million square feet of office space added, and over 2.0 million square feet of retail space constructed. Given the success of the Hudson River waterfront, it has been dubbed New Jersey's "Gold Coast" as it has developed into a dynamic market for high-income young, single professionals working in Manhattan's FIRE and service industries. On the heels of the success along the waterfront, other municipalities are incorporating redevelopment plans including the Town of Harrison and the Town of Kearny. In addition, the City of Newark in Essex County has been undergoing its own revitalization of its downtown core along the Passaic River.

CONCLUSION

Hudson County has historically performed in line with the larger NJ and New York City metro areas and is expected to follow similar trends in terms of its economic recovery and overall growth patterns. Hudson County will continue to benefit from its extensive highway system and ability for commuters to easily access the employment centers within the larger area. Tech will remain a magnet for workers and firms, but a cooler real estate market will cause once-robust construction growth to slow. With the ongoing development of COVID-19, we anticipate a continued slowdown throughout the county, state, and nation for the remainder of 2020. The recent October 2020 unemployment data indicates a continued uptick in unemployment within Hudson County. On May 18th, 2020, Governor Phil Murphy released a multi-stage approach to execute a responsible and strategic economic restart blueprint. New Jersey has followed this directive and have moved towards subsequent stages of reopening based on public health data. In June 15th, 2020, all regions in NJ have been cleared to reopen up to Stage 2. Stage 1 included the relaxed restrictions of low-risk activities such as; state & county parks, drive-in activities, non-essential construction, curbside retail, beaches, and elective surgeries. Stage 2 resulted in the lifting of other restrictions, entailed were; outdoor dining, limited in-person retail, hair salons/barber shops, youth summer programs, limited fitness/gyms, limited in-person government services (DMV), museums/libraries, and in-person clinical research/labs. Stage 3 serves as the last hurdle to a full reopening. This stage is currently deemed as "flexible", where various stage 3 activities will be permitted in relation to public compliance. Phased in-businesses and activities that fall within this stage includes; expanded dining, critical in-office work, limited entertainment, expanded personal care, and bars with limited capacity. It should be noted that all of the aforementioned stages are subject to retraction based on case counts and infection rates within the area. Although the reopening has been beneficial to the economics of the area, we expect a negative growth outlook for the remainder of 2020, accompanied by a bounce back in economic activity in 2021.

Neighborhood Analysis



LOCATION

The subject is located in the City of Hoboken and is considered an urban location. Hoboken is bordered on the south by Jersey City, on the north by Union City and Weehawken, on the west by Jersey City, and on the east by the Hudson River and Manhattan. The City of Hoboken is located less than one mile west of New York City. The subject is also located along Jefferson Street, between 15th and 16th Streets.

HOBOKEN

Hoboken is located in the southwest portion of Hudson County and has a land area of approximately 1.27 square miles. The city has developed an extensive network of restaurants, shopping, professional services and nightclubs. Although the city derives much of its success from its proximity to Manhattan, Hoboken is a complete community in its own right, with a distinct style and character that continues to attract an educated, professional population. New job creation along the Hudson River waterfront has provided an additional employment source, further expanding Hoboken's corporate, residential and retail economic base.

Over the past several years, numerous projects have been completed both along the waterfront and away from the Hudson River especially in the western section of the City where there is available land for expansion. These developments were met with very good success and demand during much of the 2000's as New Jersey's "Gold Coast" has provided residents with waterfront living and stunning views of the Manhattan skyline, as well as an easy commute to Manhattan at relatively affordable prices compared to New York. While a majority of the newly constructed condominium and rental apartment buildings have been situated along the Hudson River waterfront, the western portion of the city has also witnessed significant construction activity. Development slowed considerably in conjunction with the previous recession and economic problems that affected the country.

LAND USE & GROWTH PATTERNS

The subject property is located along Jefferson Street, which is located on the western side of Hoboken. The land uses surrounding the subject property coexist well with each other. The concentration of self-storage space in the area compliments the commercial core located on main roadways such as Washington Avenue and Willow Avenue. A shortage of vacant land has resulted in the redevelopment and/or demolition of the existing, multi-story industrial buildings on the west side of Hoboken for residential use. This redevelopment movement has been focused to a large degree on the western most portion of the city. What was once considered an industrial area of the city has become a very desirable residential location. There is very little, if any demand for the existing, multi-story industrial buildings, which are functionally obsolete in design and layout for today's industrial users.

Hoboken has continuously been a desirable place to live, with large amounts on construction occurring over the past five years and is continuously. Therefore, since 2015 Hoboken has seen a steady increase in rental rates with the expectancy for the market to continue to grow due to new construction taking place. Below are a few notable developments that are currently proposed nearby the subject.

1300 Jefferson Street: Currently standing as a warehouse, 1300 Jefferson Street is expected to be redeveloped into a two, 10-story tower, a hotel, and a bowling alley property. Initial renderings indicate that the first building would contain the 207-unit residential component along with 19,458 square feet of retail space. Parking in the building would total 270 spaces, 51 of which would be self-park while the remaining 219 would be mechanical and utilize a stacking system. The second building will feature a 281-key hotel that would rise 16 stories in height. Additionally, the hotel will offer 18,000 square feet of retail space. Although, construction has not yet begun, a completion date currently stands for October 2022.

ACCESS

Access to Hoboken and the subject neighborhood is very good. The Lincoln Tunnel entrance is located less than one mile north of the subject property, providing immediate access into New York City. The Holland Tunnel is located just over two miles south in adjacent Jersey City. Regional highway accessibility is also located nearby, through Interstate 78 and US-1 & 9 to the south, and I-495 to the north. The public transportation network in Hoboken provides extensive options for commuters to numerous points in Manhattan as well as New Jersey. Many residents of Hoboken are attracted by the city's proximity to Manhattan's job market and entertainment scene, which can be accessed within minutes by car, rail, bus, and ferry

The Port Authority Trans-Hudson (PATH) system provides subway and train lines to New York City with service to midtown (ending at 33rd Street in midtown) and downtown Manhattan (ending at the World Trade Center site). On the New Jersey side of the river, PATH stations are located in Hoboken, Jersey City, Harrison and Newark. The PATH offers the convenience of 24-hour transportation for access to New York City. The 13.9-mile system currently serves over 200,000 passengers daily.

In response to the increased development along the Hudson River Waterfront and the necessity for improved internal transportation mobility, a "light rail trolley system" has been developed and is adjacent to the subject properties. It is known as the Hudson-Bergen Light Rail Transit System, and currently extends at its northerly most point in North Bergen Township. The light rail runs east through an old rail tunnel under the Palisades in Weehawken north of the Lincoln Tunnel, then south along the Hudson River Waterfront to the City of Bayonne. The light rail system also has an existing branch extending from Liberty State Park in Jersey City west to another park and ride site along Route 440 in southwest Jersey City.

The development of the light rail system in the Hudson County region is significant, providing a much-needed internal mass transportation system that has not existed for this area. Three stations have been developed within Hoboken including the Hoboken Terminal, 2nd Street Station and 9th Street Station. The Light Rail runs along the back of Hoboken and the subject property is situated by the 9th Street HBLR station.

The eastern portion of the county, along the Hudson River Waterfront, does not have a major highway system connecting the communities in a north/south direction. The lack of a major transportation system has been a lingering problem for both the residents of the county as well as commuters from outside the region, when accessing the waterfront areas. We believe the development of the Hudson-Bergen Light Rail Transit System has, to a large degree, alleviated this problem, and has further enhanced the desirability of the Waterfront region for residents and office users alike.

DEMOGRAPHICS

Selected neighborhood demographics in a 1-mile radius from the subject and the City of Hoboken, are shown in the following table:

SELECTED AREA DEMOGRAPHICS			
	1 Mile	3 Miles	5 Miles
Population			
2025 Total Population	113,687	794,363	1,904,375
2020 Total Population	109,159	760,587	1,844,713
2010 Total Population	99,980	680,768	1,696,550
2000 Total Population	93,555	624,172	1,598,348
Growth 2020 - 2025	0.82%	0.87%	0.64%
Growth 2010 - 2020	0.88%	1.11%	0.84%
Growth 2000 - 2010	0.67%	0.87%	0.60%
Households			
2025 Total Households	45,131	379,177	912,536
2020 Total Households	43,362	363,861	885,091
2010 Total Households	39,806	327,198	816,880
2000 Total Households	36,110	299,390	773,204
Growth 2020 - 2025	0.80%	0.83%	0.61%
Growth 2010 - 2020	0.86%	1.07%	0.81%
Growth 2000 - 2010	0.98%	0.89%	0.55%
2020 Median Household Income	$87,594	$102,906	$102,507
2020 Average Household Income	$136,323	$157,196	$157,428
2020 Per Capita Income	$54,200	$75,411	$75,732
2020 Median Value of Owner Occupied Housing Units	$517,893	$811,892	$940,392
2020 Pop 25+ College Graduates	37,511	369,078	912,288
Age 25+ Percent College Graduates - 2020	48.8%	64.5%	65.2%

Source: ESRI

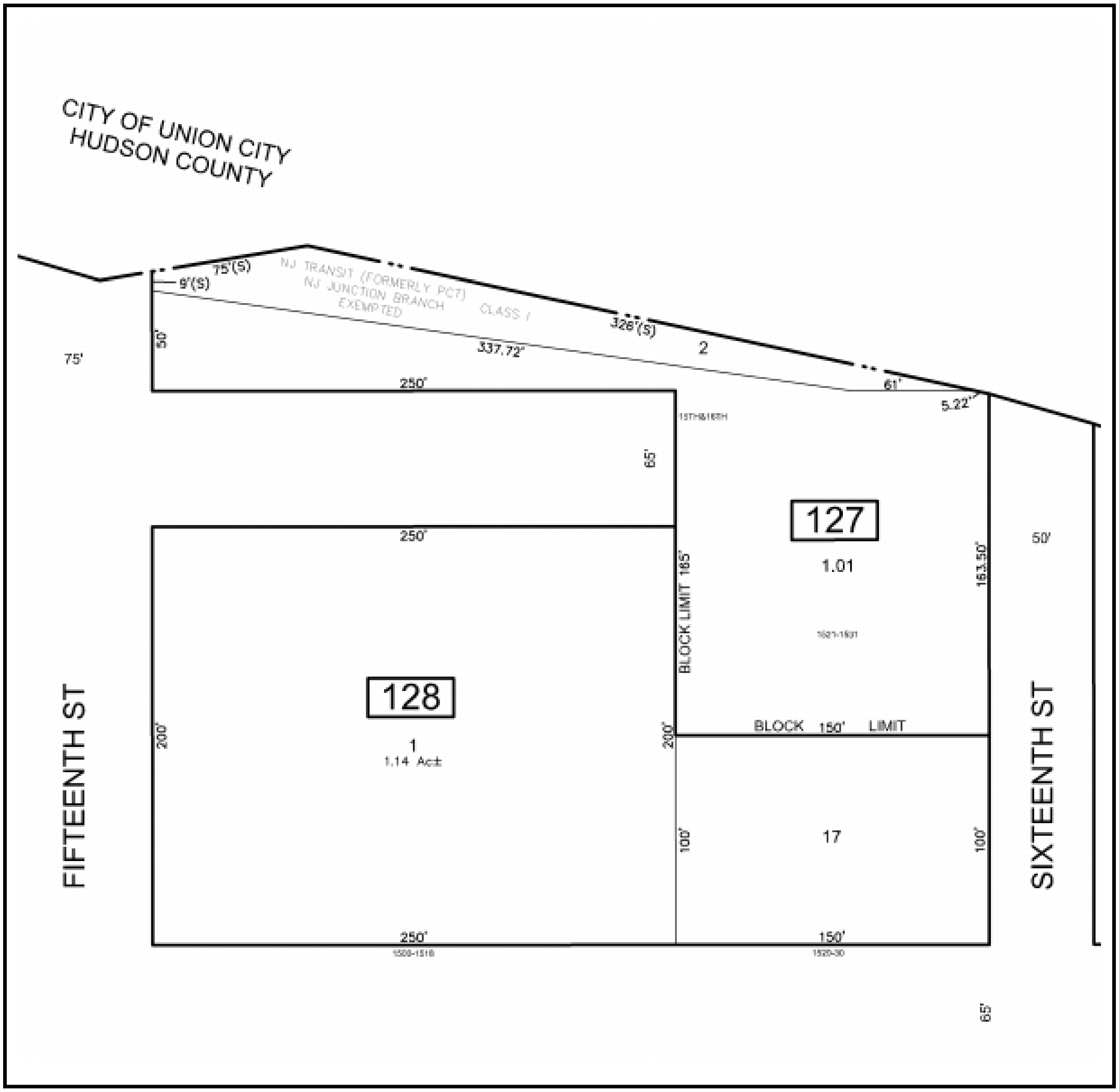
CONCLUSION

The locational characteristic of the neighborhood and dense population that currently resides in the area will continue to provide demand for multifamily assets into the future. The median household income within Hoboken is $87,594 representing a middle-upper income area. The subject property is well located within Hoboken's densely populated and developed residential neighborhood. The neighborhood has a number of desirable characteristics including good access to a number of highways, commuter rail service, and its proximity to New York City.

PLAT MAP


Manhattan Ave
16th St
Jefferson St
15th St
Adams St
Madison St
Jefferson St

TAX MAP


CITY OF UNION CITY
HUDSON COUNTY
NJ TRANSIT (FORMERLY PCT)
NJ JUNCTION BRANCH
EXEMPTED
CLASS I
75'(S)
9'(S)
326'(S)
337.72'
2
61'
5.22'
50'
75'
250'
65'
15TH&16TH
127
1.01
163.50'
50'
BLOCK LIMIT 165'
128
1
1.14 Ac±
200'
200'
BLOCK 150' LIMIT
100'
17
100'
250'
150'
FIFTEENTH ST
SIXTEENTH ST
65'

FLOOD PLAIN MAP

Site Analysis

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY AND ANALYSIS			
Physical Description			
Gross Site Area		2.25 Acres	98,093 Sq. Ft.
1500 Jefferson Street Land Area		1.15 Acres	50,000 Sq. Ft.
1520-1530 Jefferson Street/1521-1531 Madison Street Land Area		1.10 Acres	48,093 Sq. Ft.
Primary Road Frontage		Jefferson St	400 Feet
Secondary Road Frontage		Madison St	500 Feet
Additional Road Frontage		Fifteenth St	250 Feet
Additional Road Frontage		Sixteenth St	264 Feet
Shape		Irregular	
Topography		Level, At Street Grade	
Parcel Number(s)		127-1-1, 128-0-17, 128-0-1	
Zoning District		I - Industrial - North End Redevelopment	
Flood Map Panel No. & Date		34017C0043D	16-Aug-06
Flood Zone		Zone AE	
Adjacent Land Uses		Industrial Uses	
Earthquake Zone		n/a	
Comparative Analysis		**Rating**	
Visibility		Average	
Functional Utility		Assumed Adequate	
Traffic Volume		Average	
Adequacy of Utilities		Assumed Adequate	
Drainage		Assumed Adequate	
Utilities	**Provider**		**Availability**
Water	Municipal		Yes
Sewer	Municipal		Yes
Natural Gas	PSE & G		Yes
Electricity	PSE & G		Yes
Telephone	Various		Yes
Mass Transit	NJ Transit		Yes
Other	**Yes**	**No**	**Unknown**
Detrimental Easements			x
Encroachments			x
Deed Restrictions			x
Reciprocal Parking Rights			x

Various sources compiled by CBRE

EASEMENTS AND ENCROACHMENTS

There are no known easements or encroachments impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

COVENANTS, CONDITIONS AND RESTRICTIONS

There are no known covenants, conditions or restrictions impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a copy of the current covenants, conditions and restrictions, if any, prior to making a business decision.

ENVIRONMENTAL ISSUES

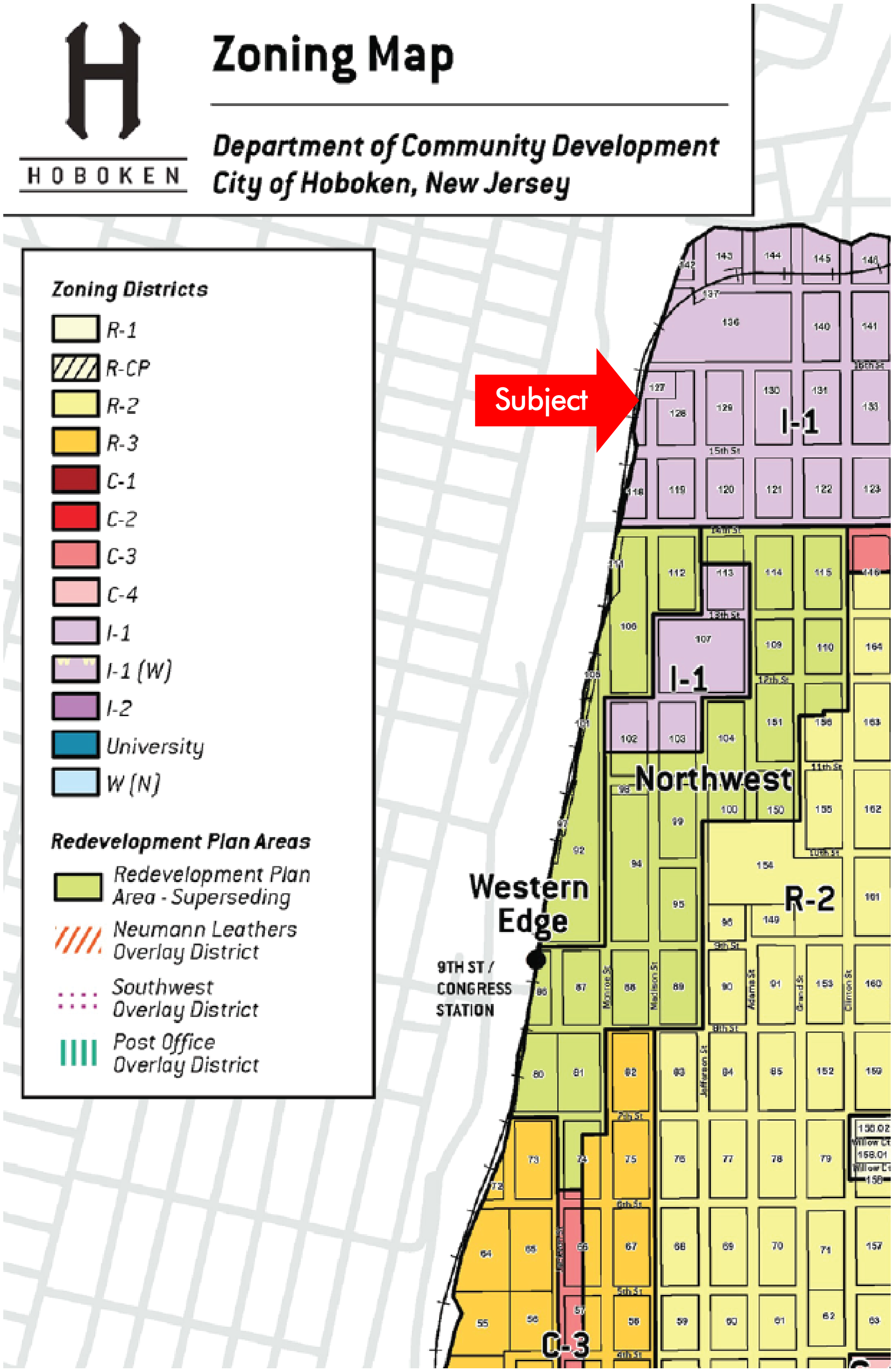
The appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

CONCLUSION

The site is well located and afforded average access and visibility from roadway frontage. The size of the site is typical for the area and use, and there are no known detrimental uses in the immediate vicinity. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the existing use of the site.

Considering the scope of the assignment, the Improvements Analysis is not applicable, nor were they inspected.

ZONING MAP


Zoning Map
HOBOKEN
Department of Community Development
City of Hoboken, New Jersey
Zoning Districts
R-1
R-CP
R-2
R-3
C-1
C-2
C-3
C-4
I-1
I-1 (W)
I-2
University
W (N)
Redevelopment Plan Areas
Redevelopment Plan Area - Superseding
Neumann Leathers Overlay District
Southwest Overlay District
Post Office Overlay District
Subject
I-1
I-1
Northwest
Western Edge
R-2
9TH ST / CONGRESS STATION
C-3

Zoning

The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current Zoning	I-1 (North End Rehabilitation Area)
Legally Conforming	Yes
Uses Permitted	(a) Manufacturing, processing, producing or fabricating operations which meet the performance standards set forth in Article XII, provided that all operations and activities, except parking, are carried on within enclosed buildings and that there is no outside storage of materials, equipment or refuse. (b) Office buildings. (c) Research laboratories. (d) Warehouses and related office buildings. (e) Essential utility and public services. (f) Wireless telecommunications towers subject to §§ 196-26 and 196-35. [Added 5-7-2003 by Ord. No. DR-91] (g) Medical cannabis dispensaries, subject to compliance with § 196-33.1 and obtaining a State of New Jersey marijuana/cannabis license that permits medical cannabis dispensing. [Added 12-19-2018 by Ord. No. B-91]

Category	Zoning Requirement (I-1 Zoning)
Minimum Lot Size	20,000 Sq. Ft.
Minimum Lot Width	200 Feet
Minimum Lot Depth	100 Feet
Maximum Height	80 Feet or 4 Stories
Minimum Setbacks	
Front Yard	10 Feet
Side Yard	10 Feet
Rear Yard	20 Feet
Maximum Bldg. Coverage	65%

Source: Planning & Zoning Dept.

ANALYSIS AND CONCLUSION

Although we are not architects or engineers, the improvements appear to represent a legally-conforming use and, if damaged, may be restored without special permit application As previously noted, the site is currently zoned I-1 which allows for various industrial and commercial uses. However, the area is in the final stages of being designated a redevelopment area (North End Rehabilitation Area) which will allow for residential, mixed-use, offices, hotels and other commercial uses. Additional information may be obtained from the appropriate governmental authority.

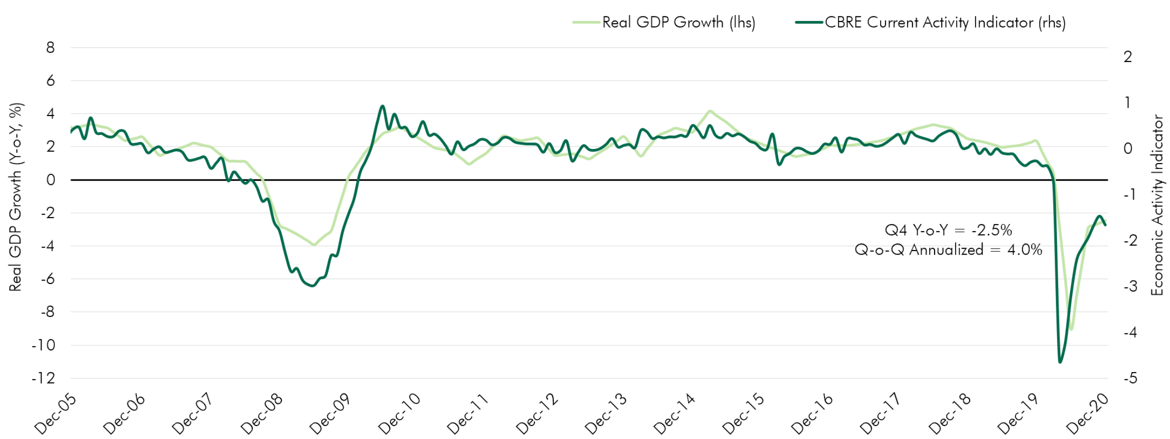
Market Analysis

ECONOMIC IMPACT OF COVID-19

As of the current date of value and the date of this report, the nation, region, and market area continue to be impacted by the COVID-19 pandemic. In this section we provide a brief overview of the observed and anticipated impacts of COVID-19 from a macroeconomic perspective based on various CBRE sources.

In this section, we briefly present the "House View" developed by CBRE Econometric Advisors (CBRE-EA) including recent trends in the pandemic and its continued impact on the economy. The following chart illustrates GDP and acitivty:

U.S. Economic Activity Indicator



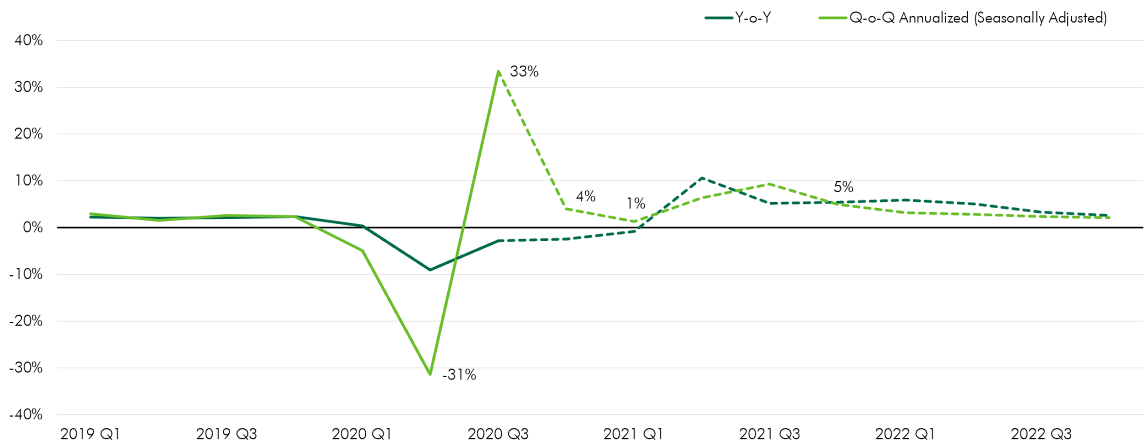
Source: CBRE Research, 3 February 2021.

COVID-19 testing continued to increase in the US through January and there was a notable decline in the rate of positive cases. We are also seeing a decrease in hospitalization and deaths per day, following increased numbers over Q4 2020. While COVID-related metrics are trending in a positive direction more recently, the slower than anticipated roll-out of the COVID-19 vaccine, along with the arrival of new virus variants, has the potential to dampen economic recovery 1H 2021. Based upon the pace of vaccination, it is unlikely that the US will see a much anticipated "return to normalcy" until the second half of 2021.

Despite the slowed recovery noted in late 2020, economic indicators into the first quarter of 2021 point toward continued economic expansion. CBRE anticipates strong recovery into the 3rd quarter of 2021, slowing to a more normal rate at the end of 2021 into 2022, as illustrated below.

THE SHAPE OF THE RECOVERY

U.S. GDP growth forecast by CBRE House-View



Source: CBRE House-View, January 2021.

A full recovery is dependent on when the US returns to a sense of normalcy. While there has been a gradual easing of restrictions, many across the US continue under work-from-home conditions and many schools remain under remote learning. In addition, social distancing and restrictions on large gatherings continue throughout the US. While a surge in cases during the second half of 2020 delayed reopening progress, many states have been relaxing restrictions and are experiencing various levels of reopening of businesses, schools, offices, and restaurants. The pandemic has impacted the hospitality, travel, and retail industries most heavily since its outset in March 2020. The late 2020 resurgence of the virus coupled with more limited outdoor dining due to winter weather has further delayed recovery of jobs within these sectors.

KEY TAKEAWAYS, OBSERVATIONS AND CONCLUSIONS

The following points summarize key points from CBRE-EA and CBRE's Americas Research:

- The impact from COVID-19 has continued to persist. Initial macroeconomic projections for stabilization late 2020 have been prolonged due to the rise in cases following initial reopening efforts in Q2 2020 (paused growth and rise in cases late 2020) as well as the emergence of new variant strains of the virus and slow vaccination rollout.
- Unemployment has continued to improve from its April 2020 highs, however, the gap between current and pre-pandemic levels remains. January 2021 unemployment figures marked a return to gains after a one-month lull in December that saw the first negative number since the recovery began in May.
- Fiscal and monetary supply for the economy have been unprecedented and, together with pent-up demand, are expected to enable a relatively sustained return to normalcy once health-oriented concerns are alleviated.

- The Fed's role in stabilizing the U.S. economy has been immense, including purchases of corporate debt at levels not seen in the Great Financial Crisis. The Fed's balance sheet has jumped to over $7.4 trillion in early February 2021, up from just over $4 trillion at the beginning of 2020.
- The Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 have provided trillions in economic assistance to American workers, families, and businesses.
- Consumer confidence metrics are strong in early 2021, particularly in manufacturing.
- Mortgage rates continue to be at historic lows and house prices continue to surge in US despite the pandemic.
- Values on commercial real estate are viewed to be broadly resilient over the coming year, but with significant variation based on sector, location and profile.
- Leasing activity across most commercial real estate is anticipated to remain slowed in the first half of 2021 followed by an expectation for increased demand and activity in later 2021 into 2022.
- Commercial real estate debt markets have been evolving rapidly and dramatically since the COVID crisis. Loan spreads then narrowed significantly. Now, deal terms are sector and property-specific. Top end core properties can see historically low terms whereas value-add and riskier deals are seeing widened spreads and higher overall rates. Adequate capital still exists from banks, life companies and the GSEs, while the CMBS market remains in recovery mode and debt funds vary depending on their capital sources.
- There will be short term disruptions, depending on sector and asset type that may include rent collections, abatement/relief negotiations, near-term vacancies, muted rent growth, and prolonged lease-up.
- Most property types are impacted, though sectors faring better than others include single family housing, net leased investments, industrial (particularly warehouse/logistics and cold storage), multi-family, data centers, and life sciences. Other sectors continue to display various levels of caution in activity and underwriting.
- Sale and lease transaction volume continue to be slow in early 2021as buyers and tenants continue to navigate this period of uncertainty.
- The impact and recovery will vary by city and by property type.

INDUSTRIAL MARKET ANALYSIS – COVID-19 IMPACT

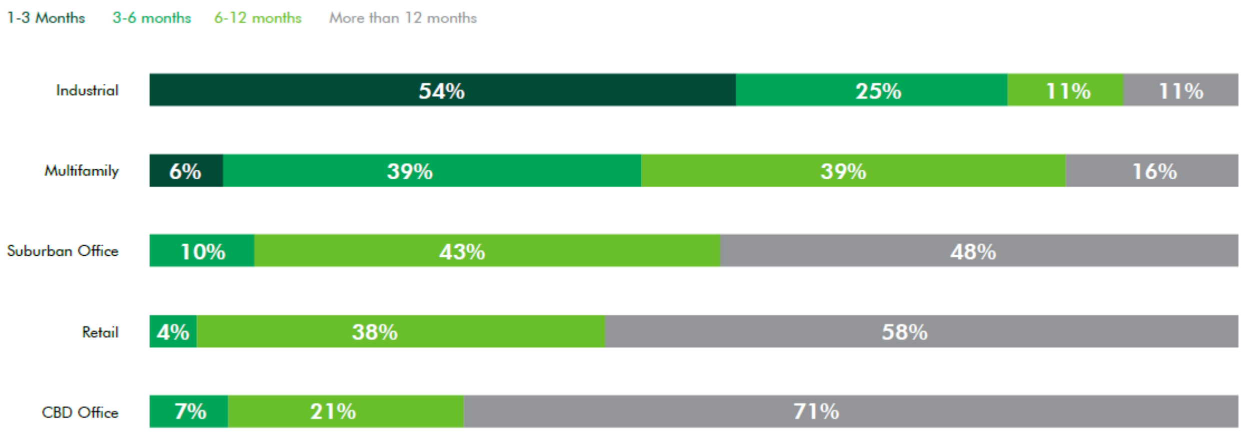
The industrial sector has been a bright spot among commercial real estate amid COVID-19 with robust demand broadly evident among occupiers, capital markets and lenders. Overall sentiment in this sector is largely positive or at least cautiously optimistic. Average lease rates have held steady or continued to rise in most markets, and national rental rates hit an all-time high in Q3 2020 according to CBRE Research. The national development pipeline remains strong with solid pre-leasing. Some markets have seen a bifurcation of demand/activity among submarkets or deal profile with inferior product struggling in comparison to new construction or Class A product. Class B/C product may be more impacted given the typical tenant size, credit and overall profile, though this generally has not led to material increases in vacancy nor declining rental rates to date, and some markets are reporting a notable uptick in leasing activity for small bay product recently.

Themes to watch are continued/accelerated growth of e-commerce, increased supply requirements and reactions to the supply chain impacts observed due to COVID-19. There has been strong demand evident from increased inventory requirements both for e-commerce and safety stock, and market participants expect these trends to continue into 2021 and beyond. Initial expectations of significant supply chain changes (e.g. reshoring of manufacturing) have moderated in recent months, and it remains to be seen what impacts this will have, with many now expecting this to play out over several years rather than as an immediate restructuring. Near-term real estate demand will be much more oriented to the source of consumption/end user than the source of supply. Occupier demand has been highest among warehouse/distribution product, particularly in larger size ranges. According to CBRE Research, 3Q 2020 was the 42nd consecutive quarter of positive net absorption nationally. Sectors that have been most active include food/beverage, cold storage, home improvement, furniture, e-commerce, wholesalers, and 3PLs.

Developers largely remain bullish in the industrial sector (again, particularly for large scale warehouse/distribution product) due to the continued absorption, low vacancies and lack of any softening noted in rental rates.

CBRE Research published a Cap Rate Survey Special Report in Q3 2020 covering market participant survey responses. The graphic below illustrates respondents' expectations for a return to pre-pandemic levels for overall investment activity per sector. As shown, industrial is widely expected to see the quickest return of investment activity. Along with multi-family, the industrial sector has already seen an influx of new capital sources amid COVID-19 as buyers and lenders pivot away from higher-risk sectors such as retail, hotels and office. Investors are expected to continue to favor core product in the logistics sector in particular. Together with historically low interest rates, this has caused cap rate compression among good quality investment product.

HOW LONG DO YOU THINK IT WILL BE BEFORE INVESTMENT ACTIVITY RETURNS TO PRE-PANDEMIC LEVELS?



Note: Survey conducted during August 2020.
Source: CBRE Research, September 2020.

We have discussed current market conditions and the prevailing uncertainty with a large number of market participants including leasing brokers, capital markets/investment sales brokers, owners, investors and developers. The following points summarize some of the takeaways from these discussions:

INVESTMENT SALES

- After a bumpy period and slow deal volume in mid-2020, demand in industrial capital markets is once again robust, though still varied depending on deal size and profile.
- The most active and competitive segment has been large-scale bulk warehouse/logistics assets with single tenants and significant remaining term. Multi-tenant assets are seeing good interest as well, but with buyers more focused on top markets and properties with significant remaining WALT.
- While initially out of favor after the onset of COVID-19, portfolio activity has returned as of Q3/Q4 2020.
- For assets that fall below core/upper-tier investment profiles, active buyers generally have a "narrowed fairway," with more disciplined underwriting in many cases for transitional assets and/or secondary markets.
- Institutional buyers and private buyers are active; some foreign buyers are still impacted by travel restrictions and other factors and have not been as active/competitive.
- Pricing for core deals and markets is at or above pre-COVID levels amid investor "flight to quality" and record low interest rates. Secondary markets or non-core assets may see some potential variance to pre-COVID pricing, but impacts depend on a particular asset's cash flow and investment profile.
- Sellers among industrial sectors seeing relative softness (secondary/tertiary markets, non-stabilized, non-credit, value-add, etc.) who do not have pressure to sell are likely to "wait it out" as opposed to selling at a significant perceived discount, particularly noting that most long term projections are bullish for the industrial sector.

- Sales volume is expected to increase near year-end and remain strong into 2021. On the sellers' side, key drivers of sale volume include interest rates/cap rates making it a good time to sell, a relatively high share of merchant developers having leased up recent developments, and the prospect of potential changes to tax laws in coming years.

LENDING/FINANCING

- There was an initial pause/step back once COVID-19 hit, but debt markets became largely favorable as lenders came back to the market and shifted focus away from riskier sectors. The industrial sector was among the biggest winners of this shift, along with multi-family, data centers, and life sciences.
- Core assets and core lenders are leading the way, with terms beating pre-pandemic levels amid high liquidity and record low interest rates achievable in the industrial sector.
- Liquidity and loan terms have also improved as of Q3/Q4 for opportunistic and value-add industrial deals in most markets.
- More lenders are back in the market for construction loans and developers now have significantly more options than in the initial months of the pandemic.
- Moving toward the more transitional/opportunistic end of the spectrum, lenders are increasingly focused on rent roll and asset profile, with a "flight to quality" evident in terms offered.
- Small bay product, flex space and industrial space with high office build-out are more challenged from a lending perspective, particularly if not stabilized.

LEASING

- Industrial leasing activity was largely in a holding pattern for several months after the onset of the pandemic, but there has been significantly increased deal volume across most sectors and size ranges more recently (by number of leases signed and square footage).
- Vacancy rates have held steady nationally amid continued positive net absorption.
- Most new leasing activity is for distribution/warehouse space in the big box/bulk segment (100,000 SF and above).
- Aside from large-scale new deals, most leasing activity has been associated with renewals for tenants coming up on lease expirations, though other segments are seeing increased activity as well moving into late 2020.
- CBRE Research is projecting a one-year recovery for overall industrial leasing volume (returning to pre-pandemic levels in mid/late 2021) with potential for secular shifts to create increased long-term demand thereafter (higher industrial occupier demand than prior projections).
- Rents continue to rise in most markets for new construction/good quality product; less growth is evident for non-core markets and properties. Some market segments that have held steady or seen slight declines to date are expected to see a return to rent growth in 2021.

- While Class A distribution space is likely to be in highest demand for the foreseeable future, older and lower tier industrial properties are expected to be well suited to benefit from long-term changes such as increased safety stock/inventories, potential reshoring of manufacturing and associated materials storage.
- In CBRE Research's 3Q 2020 Cap Rate Survey, approximately two-thirds of industrial respondents indicated that underwriting of rental income assumptions is 'about the same' as pre-pandemic. The most common change to underwriting on the income side was higher effective vacancy due to available space taking longer to lease. Based on our discussions and experience, the metrics most likely to be impacted at present are as follows (highly dependent on market, asset class and specific property):
    - Potential for increased downtime/absorption for lease-up of current vacancies.
    - Potential for increased concessions/tenant improvements modeled for near term leasing (typically reverting to similar long-term assumptions in line with pre-COVID modeling after 6-12 months).
    - Potential for slower rent growth in near term, most commonly for secondary markets or lower tier segments of the market (though potentially offset by pent-up demand providing an environment for rents to increase more quickly once activity more fully rebounds).
    - Increased effective vacancy on in-place cash flow is largely reserved for cases with non-credit tenants facing discernable financial difficulty amid COVID-19. As an example, markets and tenants heavily reliant on hospitality/tourism are among the most impacted in the industrial sector.

NEW JERSEY INDUSTRIAL MARKETVIEW – Q1 2021

The following section is an analysis conducted by the CBRE Econometric Advisors and information was extracted from the industrial market view for the first quarter of 2021: "Strong Leasing Pushes Availability to All-Time Low".

Market Highlights

▲ Leasing Activity **8.8 MSF**	▲ Net Absorption **3.0 MSF**	▼ Availability Rate **5.5%**	▲ Class A Avg. Asking Rate **$11.58 PSF**

First quarter leasing activity was 8.8 million sq. ft., a 50% increase from Q4 2020, and 37% more than the five-year average. The average asking rent for Class A space was $11.58 per sq. ft., a 4.6% increase from the previous quarter and 11.8% greater year-over-year. The availability rate for all classes fell by 20 basis points (bps) to 5.5% from Q4 2020 and dropped 70 bps from Q1 2020. Net absorption was 3.0 million sq. ft. in Q1 2021, up from 1.2 million sq. ft. in Q4 2020.

Market Overview

The combined Northern and Central New Jersey industrial markets started 2021 with one of the strongest quarters on record as the market continues to shrug off any COVID-19 related economic uncertainty. Leasing activity of 8.8 million sq. ft. was the second strongest on record only trailing a mark set back in Q3 2006. Much of this demand was for new construction, as preleasing accounted for 3.6 million sq. ft. of the overall leasing total, setting a new high for the market. Net absorption was strongly positive in Q1 2020 at 3.0 million sq. ft., pushing the overall availability rate down to a new low of 5.5%. Unsurprisingly, the blistering market activity pushed Class A asking rents to a new high of $11.58 per sq. ft., an increase of 11.8% year-over-year. Overall asking rents also moved upward to $8.80 per sq. ft., 4.3% higher than Q4 2020. The outlook for the sector projects increased demand, as the passage of the $1.9 billion federal stimulus will help boost economic activity and consumer spending through the rest of the year.

Economic Overview

The outlook for the national and New Jersey economies is improving as COVID-19 vaccines are deployed at a rapid pace. As of April 1st, approximately 34% of residents in the Tri-State are have received at least one dose of a COVID-19 vaccine, with the rate poised to grow quickly as vaccination efforts accelerate. Societal and economic normalization seems possible by midyear. A reopening of the economy would support nearly a 7% national GDP growth this year—the strongest pace seen since the early 1980s.

This expansion is poised to be broad-based, with personal consumption being a critical factor. As social distancing measures subside, much of the spending will likely focus on consumer services, such as restaurants and leisure travel. A recovery within these sectors is critical for the broader labor market, as leisure and hospitality employment are more than 25% below pre-COVID levels in New Jersey, compared to 6.5% for the labor market as a whole (excluding leisure and hospitality) and 4% for office-using employment. Trade, transportation and utilities – a sector which includes logistics facilities and warehouses – also performed relatively well, with employment down only 5% from pre-COVID-19 levels.

Cargo activity in the local market remained robust during the first quarter. The Port of New York and New Jersey posted its busiest month ever in February, with 625,120 twenty-foot equivalent units (TEU), a 7.9% increase in overall cargo activity over February 2020.

Figure 1: Top Lease Transactions | Q4 2020

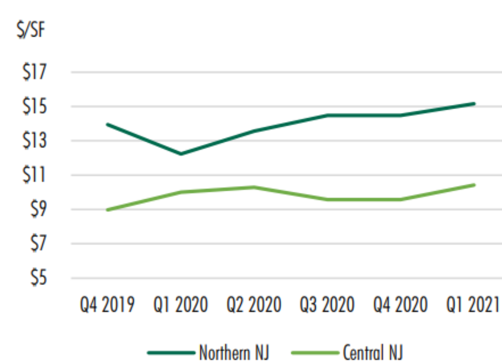
Size (Sq. Ft.)	Tenant	Address	City	Type
1,166,030	Williams Sonoma	3 Sigle Ln.	South Brunswick	Pre-Lease
880,000	UPS	42 Military Ocean Terminal	Bayonne	Pre-Lease
873,743	FedEx	173-268 Doremus Ave.	Newark	Pre-Lease
607,417	Bed Bath and Beyond	1001 W Middlesex Ave.	Renewal	Renewal
513,240	FedEx	39 Edgeboro Rd.	East Brunswick	New Lease

Source: CBRE Research, Q1 2021

Rent Trends

Average Class A asking rent growth in the combined Northern and Central New Jersey markets showed no sign of relenting in Q1 2021, posting a 4.6% increase quarter-over-quarter and an 11.8% increase year-over-year, to $11.58 per sq. ft. The Northern New Jersey average Class A rent was $15.16 per sq. ft., 4.7% higher than in Q4 2020 and the first time breaching $15.00 per sq. ft. The Hudson Waterfront submarket led all Northern New Jersey submarkets in average Class A asking at $16.28 per sq. ft. The average was driven by six properties under construction and only one existing availability.

Figure 2:Quarterly Average Class A Asking Rent

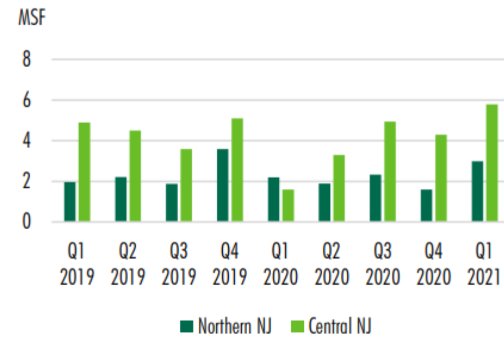


Source CBRE Research, Q1 2021

The Central New Jersey average Class A asking rent also posted a new all-time high, $10.42 per sq. ft., which was 8.8% higher than Q4 2020. Central New Jersey Class A average asking rents were highest in the Carteret/Avenel Submarket at $14.34 per sq. ft. The submarket's strong pricing was due to two to two projects under construction and a rare large block existing availability. Overall asking rents increased in Q1 2021 as well with a 4.2% increase quarter-over-quarter to $8.80 per sq. ft. This move was precipitated by a few larger high- quality spaces coming to market in Central New Jersey.

Leasing Activity

Figure 3: Quarterly Leasing Activity



Source CBRE Research, Q1 2021

The combined Northern and Central New Jersey market recorded a strong start to 2021, with 8.8 million sq. ft. of leasing activity, an increase of 50.7% quarter-over-quarter and 131.4% year-over-year. The market has not had a higher quarterly leasing figure since Q3 2006. Leasing was 37% higher than the five-year quarterly average of 6.4 million sq. ft. Much of this demand was for new construction, as preleasing accounted for 3.6 million sq. ft. towards the overall leasing total— another record set in Q1 2021. Quarterly renewals totaled 3.4 million sq. ft., which was 59% higher than the five-year quarterly average of 2.2 million sq. ft. Leasing was dominated this quarter by retailers and 3PLs.

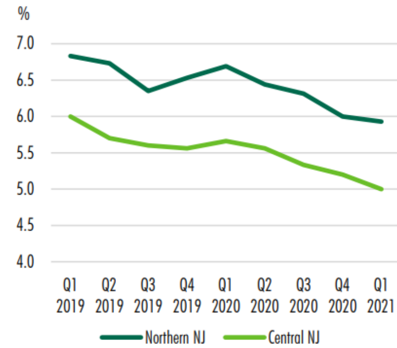
Central New Jersey had the largest amount of leasing activity this quarter with 5.8 million sq. ft. The Exit 8A submarket had the largest lease transaction of the quarter and the highest amount of leasing with 2.4 million sq. ft. A 1.2 million sq. ft. prelease by retailer Williams Sonoma at 3 Sigle Ln. in Dayton comprised nearly half of leasing activity in the submarket. Other notable leases in the submarket included a 500,000 sq. ft. commitment by toy makers Melissa and Doug at 380 Deans Hall Rd. in South Brunswick and a 120,000 sq. ft lease by Market Speed Logistics at 111 Melrich Rd. in Cranbury.

Driven by 3PLs, retailers, and wholesalers, the Route 287/Exit 10 submarket was the second most active with 1.4 million sq. ft. leased. First quarter leasing activity in Northern New Jersey totaled 3.0 million sq. ft., driven by two large preleases in the Hudson Waterfront and Newark submarkets. UPS signed an 880,000 sq. ft. prelease at 42 Military Ocean Terminal in Bayonne, while FedEx signed an 876,000 sq. ft. lease at 173-268 Doremus Ave. in Newark.

Net Absorption And Availability

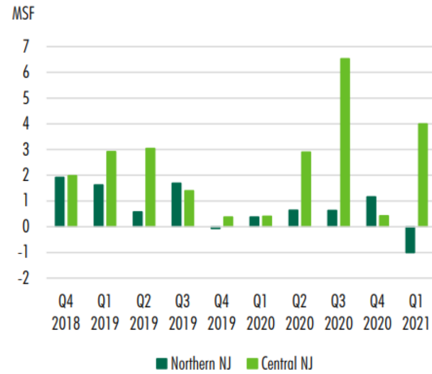
The market saw its seventeenth consecutive quarter of occupancy growth with 3.0 million sq. ft. absorbed in Q1 2021, a 147.3% increase from the previous quarter's 1.2 million sq. ft. The availability rate for the combined Northern and Central markets hit an all-time low of 5.5%, a quarter-over-quarter decrease of 20 bps. Central New Jersey saw a 30 bps decrease in availability to 5%. Northern New Jersey had a decrease in availability of 10 bps to 5.9%. The submarkets with the largest totals were all in Central New Jersey; Exit 8A with 1.9 million sq. ft. of net absorption, Route 287/Exit 10 with 1.2 million sq. ft. of net absorption, and Brunswicks/Exit 9 with net absorption of 603,000 sq. ft.

Figure 4: Quarterly Availability Rate



Source CBRE Research, Q1 2021

Figure 5: Quarterly Absorption



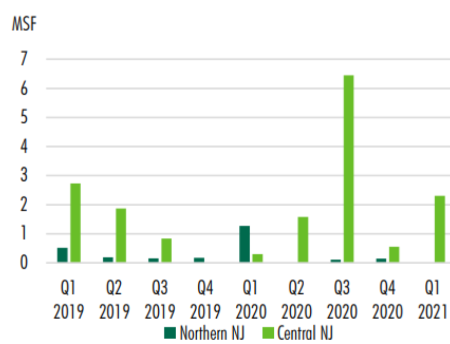
Source CBRE Research, Q1 2021

The first quarter's net absorption total was the result of robust leasing levels, but more significantly, a lack of available space hitting the market, with just two new additions of over 200,000 sq. ft. or more in the entire combined Northern and Central New Jersey markets. These included 324 Half Acre Rd. in Cranbury and 600 Jefferson Ave. in Secaucus. Five spaces were added between 100,000 sq. ft. and 200,000 sq. ft., the largest two being 1000 New County Rd. in Secaucus and 30 Corporate Dr. in Wayne.

Construction Activity

Four buildings completed construction in the first quarter, totaling over 2.3 million sq. ft. The largest completion was 353 Half Acre Rd. in the Exit 8A submarket, an 870,950 sq. ft. prelease by Crate & Barrel. The second and third largest deliveries were two buildings totaling 1.3 million sq. ft. at the Linden Logistics Center. The fourth delivery was 2555 Kuser Rd. in Hamilton, a 145,950 sq. ft. building in the Trenton/295 submarket, which was partially preleased by The Legacy Companies. There were nine new starts in Q1 2021 totaling over 2.4 million sq. ft. Eight starts occurred in Northern New Jersey and one in Central New Jersey. There are currently 40 properties under construction totaling over 11.3 million sq. ft., 45.9% of which is preleased.

Figure 6: Quarterly Deliveries



Source CBRE Research, Q1 2021

Investment Sales

Investment sales activity was quieter to start the year, totaling $313.3 million compared to Q4 2020's $1.2

billion. 2.5 million sq. ft. was sold in Q1 2021, 54% of the five-year quarterly average of 4.6 million sq. ft.

Lincoln Equities sale of the 1.5 million sq. ft. Wharton Interstate Commerce Center was the largest sale during Q1. The Class B manufacturing and distribution property was sold for approximately $185 million or $123 per sq. ft. to Brookfield. The site is fully leased to Quaker, Refresco, LineMart, and DMI Personal Care.

The next largest transaction of the quarter was the $29.3 million sale of 1000-1108 Jefferson Ave. in Elizabeth. The 207,000 sq. ft. Class C building traded for $145.00 per sq. ft. and was 80% leased at the time of sale. The buyer, Elion Partners, saw the building as well-positioned for last-mile delivery given its 38 loading docks and proximity to both Newark Airport and the port.

The third largest sale was the $23.7 million 111 Bauer Dr. transaction in Oakland, a 120,760 sq. ft. flex building. The buyer, Exeter Property Group, paid $196.00 per sq. ft. for the fully leased building. Exeter Property group also acquired 3070 US-22 for $21.4 million, a 223,658 sq. ft. manufacturing building. This was the third largest transaction of the quarter, at $96.00 per sq. ft.

Figure 7: Market Statistics

Submarket	Market Rentable Area (SF)	Availability Rate (%)	Class A Avg. Asking Rent[iii] ($/SF)	All Space Avg. Asking Rent ($/SF)	Leasing Activity (SF)	Net Absorption (SF)
Central Bergen	33,769,003	5.4%	10.5	$8.51	40000	-26,599
Fairfield Market	18,579,301	6.0%		$8.54	214,214	106,800
Hudson Waterfront	64,261,080	5.4%	16.28	$8.67	940,000	3,643
Meadowlands	93,164,891	7.8%	14.73	$10.53	482,937	-796,015
Morris Region	41,552,142	7.2%	8.25	$8.09	94,646	107,621
Newark	53,671,499	3.2%	16.24	$8.59	879,743	-207,591
North East Bergen	8,086,523	6.4%		$9.13	36240	-58,500
North West Bergen	19,405,324	6.4%		$9.21	0	-91,950
Rt 23 North	603,533	4.0%		$12.00	0	0
Rt 280 Corridor	4,428,850	1.0%		$0.00	0	40,000
Rt 46/23/3 Interchange	58,005,505	6.2%	14.19	$7.80	349,304	-76,264
Suburban Essex	11,015,635	3.0%		$6.29	0	0
Northern New Jersey Total	**406,543,286**	**5.9%**	**15.16**	**$8.98**	**3,037,084**	**-998,855**
Brunswicks/Exit 9	28,250,853	5.1%	9.80	$7.89	685,807	603,039
Carteret/Avenel	28,806,671	4.6%	14.34	$11.23	122,100	-78,977
Central Union	25,028,447	5.9%		$8.74	34074	-23,500
Exit 8A	76,322,360	3.4%	9.23	$8.97	2,423,055	1,948,090
Hunterdon/Warren	9,066,009	12.3%	7.75	$7.69	0	-70,000
Linden/Elizabeth	44,953,049	7.3%	12.91	$9.07	543,655	313,116
Monmouth	25,304,741	8.6%	7.95	$8.96	113,016	-144,730
Princeton	12,839,690	2.8%		$7.52	0	-40,000
Rt 287/Exit 10	108,874,213	3.1%	11.36	$7.66	1,434,979	1,203,619
Rt 78 East	9,917,276	7.0%		$6.60	0	-80,000
Somerset	39,810,806	7.7%	9.27	$7.63	281,170	269,063
Trenton/295	34,176,237	4.2%	9.24	$8.78	151,580	78585
Central New Jersey Total	**443,350,352**	**5.0%**	**10.42**	**$8.57**	**5,789,436**	**3,978,305**
NJ TOTAL	**849,893,638**	**5.5%**	**11.58**	**$8.80**	**8,826,520**	**2,979,450**

Source CBRE Research, Q1 2021

iii: The Class A Avg. Asking Rent includes all Existing, and Under Construction properties with availability.

NORTHERN NEW JERSEY INDUSTRIAL MARKET

The following chart, taken from CoStar, summarizes historical trends in the Northern New Jersey industrial market:

NORTHERN NEW JERSEY INDUSTRIAL MARKET

Period	Inventory Bldgs	Inventory SF	Total Vacant SF	Vacant Percent % Total	Total Available SF	Availability Rate	Leasing Activity SF Total	Net Absorption SF Total	Average Asking Rent
QTD	16,875	786,403,891	30,001,681	3.8%	45,356,709	5.7%	1,005,133	(1,531,971)	$9.74
2021 Q1	16,873	786,396,150	28,469,710	3.6%	46,118,906	5.8%	8,209,848	1,966,166	$9.63
2020 Q4	16,866	785,966,204	30,375,270	3.9%	48,974,177	6.1%	11,381,363	2,424,706	$9.01
2020 Q3	16,855	782,508,832	29,342,604	3.7%	50,303,958	6.3%	10,647,180	2,331,746	$8.98
2020 Q2	16,849	778,972,320	28,144,238	3.6%	45,157,082	5.7%	9,269,482	1,501,251	$8.88
2020 Q1	16,838	776,627,821	27,314,990	3.5%	46,103,820	5.8%	6,789,904	839,963	$8.67
2019 Q4	16,835	775,554,084	27,215,216	3.5%	45,596,892	5.8%	11,290,928	2,835,440	$8.57
2019 Q3	16,834	775,445,349	29,941,921	3.9%	44,463,974	5.7%	9,332,683	2,368,482	$8.36
2019 Q2	16,829	774,131,256	30,954,282	4.0%	43,933,640	5.6%	11,547,878	957,409	$8.21
2019 Q1	16,825	772,122,757	29,890,692	3.9%	43,899,982	5.6%	6,981,683	(115,490)	$8.23
2018 Q4	16,820	771,953,794	29,564,739	3.8%	43,103,761	5.5%	7,317,001	24,919	$8.13
2018 Q3	16,822	770,862,511	28,493,375	3.7%	43,046,574	5.5%	11,488,067	5,563,232	$8.04
2018 Q2	16,820	767,247,720	30,691,816	4.0%	47,725,604	6.1%	11,010,525	3,776,499	$7.85
2018 Q1	16,822	763,738,160	30,958,755	4.1%	48,864,904	6.3%	10,372,652	4,381,605	$7.78
2017 Q4	16,815	761,858,304	33,381,173	4.4%	50,777,379	6.5%	13,266,659	5,966,416	$7.45
2017 Q3	16,811	758,933,529	36,447,675	4.8%	53,783,413	7.0%	8,840,891	1,984,024	$7.28
2017 Q2	16,817	757,806,719	37,288,889	4.9%	51,338,315	6.7%	11,360,273	1,086,176	$7.25
2017 Q1	16,815	756,901,321	37,554,578	5.0%	53,654,880	7.0%	11,586,026	1,688,847	$7.00
2016 Q4	16,816	757,471,918	39,814,146	5.3%	56,574,073	7.4%	11,925,183	930,114	$6.78
2016 Q3	16,815	755,322,995	38,612,487	5.1%	56,416,678	7.4%	8,308,444	5,269,876	$6.56
2016 Q2	16,820	754,224,938	43,446,047	5.8%	59,851,985	7.9%	11,866,868	1,972,412	$6.26
2016 Q1	16,826	755,707,820	46,895,729	6.2%	60,676,063	8.0%	13,043,673	904,535	$6.15

Source: Costar; Compiled by CBRE

CoStar tracks approximately 786.4 million square feet of industrial space across 16,873 buildings in the Northern New Jersey industrial market. As of Q1 2021, the vacancy rate in the market held at 3.6%, which represents a 30-basis point decline from the previous quarter. This is a result of a better net absorption, which posted stronger in Q1 at 1,966,166 square feet. Similarly, availability in the quarter moved lower, with a 30 basis point decline to 5.8%. Furthermore, there was 8,209,848 square feet of industrial space leased in the quarter. The average asking rent in the Northern New Jersey market has gradually appreciated since mid-2015. In Q4, the average asking rent in the market recorded at $9.63 per square foot; a 56.6% increase across the five year period above.

Hudson Waterfront Industrial Submarket

The following chart, taken from CoStar, summarizes the historical trends of the Hudson Waterfront industrial submarket in which the subject property falls under:

HUDSON WATERFRONT INDUSTRIAL SUBMARKET

Period	Inventory Bldgs	Inventory SF	Total Vacant SF	Vacant Percent % Total	Total Available SF	Availability Rate	Leasing Activity SF Total	Net Absorption SF Total	Average Asking Rent
QTD	924	33,841,827	1,530,375	4.5%	2,415,360	7.0%	1,057,008	(87,479)	$10.93
2021 Q1	925	33,845,327	1,446,396	4.3%	2,646,924	7.7%	149,360	(33,932)	$10.70
2020 Q4	925	33,845,327	1,412,464	4.2%	1,805,472	5.3%	62,750	198,781	$10.66
2020 Q3	925	33,845,327	1,611,245	4.8%	1,858,629	5.5%	616,405	(199,043)	$10.35
2020 Q2	926	33,867,827	1,434,702	4.2%	1,811,442	5.3%	168,177	18,810	$10.15
2020 Q1	926	33,867,827	1,453,512	4.3%	1,593,826	4.7%	137,446	185,832	$10.21
2019 Q4	928	33,696,642	1,468,159	4.4%	1,410,921	4.2%	244,848	60,178	$10.35
2019 Q3	928	33,696,642	1,528,337	4.5%	1,607,432	4.7%	189,473	82,444	$9.92
2019 Q2	928	33,771,834	1,685,973	5.0%	1,681,411	4.9%	336,977	(246,775)	$10.16
2019 Q1	928	33,771,834	1,439,198	4.3%	1,959,420	5.8%	123,740	73,702	$9.63
2018 Q4	930	33,926,834	1,667,900	4.9%	2,074,102	6.1%	78,283	114,177	$8.84
2018 Q3	932	33,934,011	1,789,254	5.3%	2,384,126	7.0%	851,528	470,453	$8.31
2018 Q2	934	33,974,011	2,299,707	6.8%	3,078,577	9.1%	395,163	(65,095)	$7.85
2018 Q1	935	33,960,811	2,221,412	6.5%	3,216,407	9.5%	575,391	(404,785)	$7.83
2017 Q4	936	33,978,811	1,834,627	5.4%	3,136,206	9.2%	277,786	213,216	$7.94
2017 Q3	939	34,016,510	2,085,542	6.1%	2,877,218	8.4%	144,439	78,550	$7.92
2017 Q2	943	34,393,037	2,540,619	7.4%	2,821,629	8.2%	741,972	(368,382)	$7.68
2017 Q1	944	34,401,537	2,180,737	6.3%	2,417,089	7.0%	294,965	(225,238)	$7.92
2016 Q4	947	34,455,537	2,009,499	5.8%	3,001,817	8.7%	795,375	18,424	$7.48
2016 Q3	949	34,478,537	2,050,923	5.9%	2,663,553	7.7%	64,050	279,033	$7.31
2016 Q2	952	34,506,623	2,358,042	6.8%	2,913,001	8.4%	132,470	579,455	$7.37
2016 Q1	955	34,580,532	3,015,794	8.7%	2,967,777	8.6%	218,766	467,785	$7.52

Source: Costar; Compiled by CBRE

CoStar tracks approximately 20.9 million square feet of industrial space across 925 buildings within the Hudson Waterfront submarket. The vacancy rate in the submarket held at 4.3% in Q1, rising 10 basis points from the previous quarter. The vacancy rate within the area have gradually declined since mid-2015. This recent uptick in vacancy can be attributed to a weaker net absorption of negative 33,932 square feet. Similarly, availability within the submarket gained 240 basis points to 7.7% in the quarter. This was accompanied by another solid leasing quarter, where 149,360 square feet of industrial space was leased. Average asking rents have gradually increased over the five-year period. In Q1 2021, the average asking rent held at $10.70 per square foot.

New Industrial Construction

The following chart displays industrial developments that are proposed, planned and under construction in the Hudson Waterfront submarket as reported by CoStar:

HUDSON WATERFRONT INDUSTRIAL NEW CONSTRUCTION			
Building Address	Submarket Name	Rentable Building Area (SF)	Building Status
110 Van Keuren Ave	Hudson Waterfront	80,000	Under Construction
110 Van Keuren Ave	Hudson Waterfront	427,155	Under Construction
110 Van Keuren Ave	Hudson Waterfront	197,277	Under Construction
Under Construction Subtotal		**704,432**	
42 Military Ocean Term	Hudson Waterfront	332,640	Proposed
300 Summit Pl	Hudson Waterfront	48,476	Proposed
69-71 New Hook Rd	Hudson Waterfront	195,500	Proposed
New Jersey 440	Hudson Waterfront	268,000	Proposed
6 Linden Ave	Hudson Waterfront	107,799	Proposed
New Jersey 440	Hudson Waterfront	118,800	Proposed
42 Military Ocean Term	Hudson Waterfront	876,000	Proposed
Proposed Subtotal		**1,947,215**	
Total Construction		**2,651,647**	

Source: Costar

Currently, there is 1 industrial project undergoing construction within the submarket. Upon completion, this development is expected to add 704,432 square feet of new industrial space to the area. Additionally, there are 7 proposed industrial projects which could potentially add another 1,947,215 square feet of new industrial space.

CONCLUSION

The area industrial market and local submarket, for the most part, have exhibited stable performance indicators. Q1 2021 a relatively healthy sign in availability and vacancy, their levels have been sustainable. Furthermore, both market and submarket will continue to benefit from a continued rent appreciation. With the ongoing development of the COVID-19 pandemic, the need for e-commerce and larger inventory spaces has become a necessity across the tri-state area and the nation. As residents across the nation have become reluctant to buy physical goods in person; interest for industrial properties are expected to grow in relation to the increasing demand for obtaining goods via delivered packages. Market trends that should be noted during this public health crisis; occupiers have been shifting towards shorter-term leases to meet the demand of this outbreak, supply-chain diversification is expected to rise, and more flexible spaces will be required in the long-term. Overall, the subjects' location conforms well with its proximity to Manhattan, New Jersey, and tri-state areas; overall, the subject is expected to perform conservatively in the near term. In the long-term, industrial properties are expected to see a gain in interest as the need for well-equipped/improved warehouses, flexible manufacturing properties, distributions/logistics centers, and larger inventory spaces has become a necessity.

Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed below.

AS VACANT

Legal Permissibility

The legally permissible uses were discussed in the Site Analysis and Zoning Sections.

Physical Possibility

The subject is adequately served by utilities, and has an adequate shape and size, sufficient access, etc., to be a separately developable site. There are no known physical reasons why the subject site would not support any legally probable development (i.e. it appears adequate for development).

Existing structures on nearby sites provide additional evidence for the physical possibility of development.

Financial Feasibility

The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. As discussed in the neighborhood analysis, development of new industrial properties and paved parking has occurred in the past few years. These factors indicate that it would be financially feasible to complete a new industrial project or paved parking if the site acquisition cost was low enough to provide an adequate developer's profit.

Maximum Productivity - Conclusion

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land.

Based on the information presented above and upon information contained in the market and neighborhood analysis, we conclude that the highest and best use of the subject as if vacant would be the development of an industrial property or paved parking. Our analysis of the subject and its respective market characteristics indicate the most likely buyer, as if vacant, would be an investor (land speculation) or a developer.

Land Value

As previously discussed, due to the new rehabilitation plan in place for the subject's immediate area, we have implemented sales of industrial and residential sites to value the subject.

INDUSTRIAL LAND SALES

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.

No.	Property Location	Transaction Type	Transaction Date	Proposed Use	Actual Sale Price	Adjusted Sale Price [1]	Size (SF)	Allowable Bldg. Area (SF)	Maximum FAR	Price Per SF (FAR)
	SUMMARY OF COMPARABLE INDUSTRIAL LAND SALES									
1	2701 Route 3 E North Bergen, NJ 07094	Sale	Aug-20	325,856 SF Warehouse	$63,500,000	$63,500,000	853,776	325,856	0.38	$195
2	1289 Rahway Avenue Woodbridge, NJ 07001	Sale	May-20	888,850 SF Warehouse	$93,329,250	$93,329,250	2,526,916	888,850	0.35	$105
3	349-369 First Street Elizabeth, NJ 07206	Sale	Apr-19	125,000 SF Warehouse	$25,600,000	$25,600,000	359,370	125,000	0.35	$205
								CBRE Estimate		
Subject	1500, 1520-1530 Jefferson Street, 1521-1531 Madison Street, Hoboken, New Jersey	---	---		---	---	98,093	98,093	1.00	---

[1] Adjusted sale price for cash equivalency and/or development costs (where applicable)
Compiled by CBRE

As shown above, the comparable developments were planned to allow for industrial developments that were near a .35 FAR. However, these sites were not situated in a dense municipality such as Hoboken. Based on the zoning text, the subject can construct a building that is no more than 4 stories and covers 65% of the site, indicating a maximum FAR of 2.60 or 255,041-SF of development. However, given the subject's irregular shape and the needs for loading and docking space for industrial developments, a 4 story structure would likely not be feasible. As such, we estimate the FAR to fall close to 1.00 or 98,093-SF.

The sales utilized represent the best data available for comparison with the subject. Due to a limited number of large, industrially zoned land sales (with no residential overlay), we surveyed a broader market area and included a comparable.

DISCUSSIONS OF ADJUSTMENTS

Market Conditions

Despite the fact that the COVID-19 pandemic is having an impact on the multi-family, retail, office and hotel markets, it accelerated the growth of e-commerce and improved demand for industrial and fleet parking space, and therefore no market condition adjustments was applied to Sale 3.

Size

Sales 1 and 2 are sufficiently larger than the subject with respect to total buildable area to warrant upward adjustments for economies of scale.

Shape

All of the comparables have rectangular or slightly irregular shapes with similar development potential. Despite the irregular shape of the subject, the small portion that is non developable would still contribute to size of the proposed development, therefore, no adjustments were required.

Corner/Frontage

Due to the extensive frontage of the subject and the comparables, the market does not place emphasis on corner or frontage (unless a sale had highly limited frontage that inhibits ingress and egress). As such, no adjustments were warranted for this characteristic.

Topography

Similar to the subject, all comparables are generally level at street grade, and therefore no adjustments were required.

Location

Sales 1, 2 and 3 are situated in inferior locations for industrial logistics as they are further from thoroughfares that connect to Manhattan and the outlying boroughs and therefore upward adjustments were required.

Zoning/Density

All of the comparables are similar to the subject with respect to proposed use, and as such, no adjustments were required. Further, industrial uses would be as of right for the subject and no timing or approval adjustment would be warranted.

SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

INDUSTRIAL LAND SALES ADJUSTMENT GRID

Comparable Number	1	2	3	Subject
Transaction Type	Sale	Sale	Sale	---
Transaction Date	Aug-20	May-20	Apr-19	---
Proposed Use	325,856 SF	888,850 SF	125,000 SF	
Actual Sale Price	$63,500,000	$93,329,250	$25,600,000	---
Adjusted Sale Price [1]	$63,500,000	$93,329,250	$25,600,000	---
Size (Acres)	19.60	58.01	8.25	2.25
Size (SF)	853,776	2,526,916	359,370	98,093
Allowable Bldg. Area (SF)	325,856	888,850	125,000	98,093
Indicated FAR	0.38	0.35	0.35	N/A
Maximum FAR	0.38	0.35	0.35	1.00
Price Per Bldg. Area	$195	$105	$205	---
Price ($ PSF FAR)	$194.87	$105.00	$204.80	
Property Rights Conveyed	0%	0%	0%	
Financing Terms [1]	0%	0%	0%	
Conditions of Sale	0%	0%	0%	
Market Conditions (Time)	0%	0%	5%	
Subtotal	$194.87	$105.00	$215.04	
Size	5%	15%	0%	
Shape	0%	0%	0%	
Corner/Frontage	0%	0%	0%	
Topography	0%	0%	0%	
Location	5%	20%	10%	
Zoning/Density	0%	0%	0%	
Total Other Adjustments	10%	35%	10%	
Value Indication for Subject	**$214.36**	**$141.75**	**$236.54**	
Absolute Adjustment	*10%*	*35%*	*15%*	

[1] Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

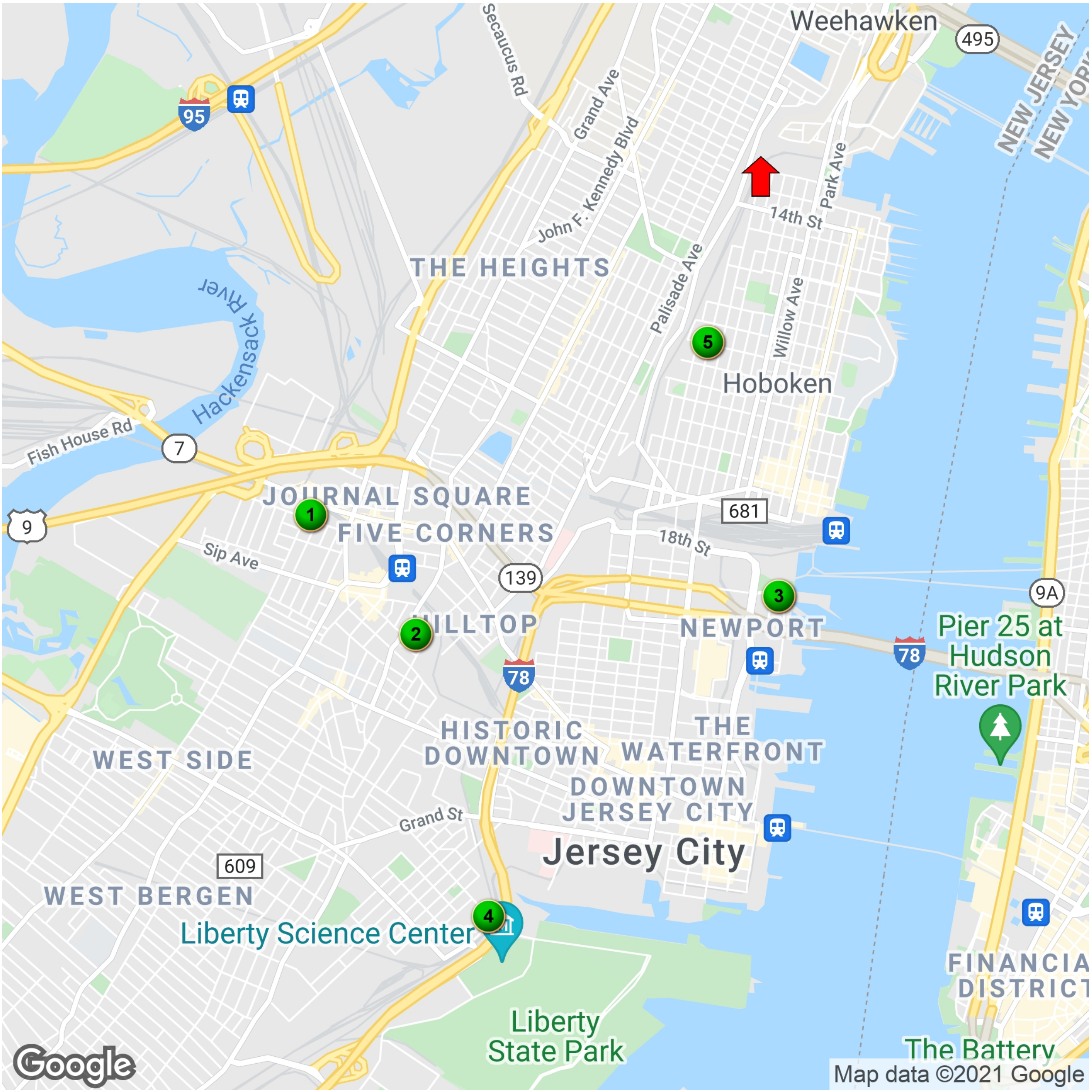
INDUSTRIAL CONCLUSION

Based on our foregoing analysis, the comparables indicate an adjusted price range of $142 to $214 per acre. In conclusion, considering the subject's prime location we place most emphasis on comparable 1 as it is most proximate to the subject in Secaucus. An estimate of the fee simple land value near the upper end of the range indicated by the comparables is considered reasonable. The following table presents the valuation conclusion:

CONCLUDED INDUSTRIAL LAND VALUE				
$ PSF FAR		Subject FAR		Total
$200.00	x	98,093	=	$19,618,600
$225.00	x	98,093	=	$22,070,925
As-Vacant Land Value				$20,844,763
(Rounded)				$20,800,000
Compiled by CBRE				

RESIDENTIAL LAND SALES

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE RESIDENTIAL LAND SALES

No.	Property Location	Transaction Type	Transaction Date	Proposed Use	Actual Sale Price	Adjusted Sale Price [1]	Size (Acres)	Size (SF)	Density (UPA)	Allowable Units	Price Per SF (FAR)
1	1064-1075 West Side Avenue; 54 Broadway; 153 Corbin Avenue Jersey City, NJ 07306	Sale	Jan-19	486 Apartment Units & Retail	$48,000,000	$48,000,000	3.91	170,320	124	486	$98,765
2	39 High Street Jersey City, NJ 07306	Sale	Sep-19	Multifamily	$7,400,000	$7,400,000	0.36	15,682	231	83	$89,157
3	75 Park Lane & 2 Shore Drive N Jersey City, NJ 07310	Sale	Jul-15	429 Condominium Units & 22,844 SF retail	$55,919,863	$55,919,863	1.85	80,586	232	429	$130,349
4	246 Johnson Avenue Jersey City, NJ 07304	Sale	Apr-15	940 Apartment Units	$50,000,000	$52,234,883	7.21	314,068	129	929	$56,227
5	701 Monroe Street; 701 Harrison Street; 605 Jackson Street Hoboken, NJ 07030	Sale	Aug-14	385 Apartment Units	$32,200,000	$32,200,000	3.47	151,132	111	385	$83,636
									(Estimates)		
Subject	1500, 1520-1530 Jefferson Street, 1521-1531 Madison Street, Hoboken, New Jersey	---	---		---	---	2.25	98,093	115	259	---

[1] Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

As shown above, the comparable developments were planned to allow for residential developments that exhibited a density between 111 to 232 Units per acre (UPA). Based on guidelines provided in the North End Rehabilitation Plan, the subject's residential density would fall on the lower end of this range for its location in the 15th Street Sub-District (SSD). As such, we estimate a density of 115 units per acre, or 259-units. The sales utilized represent the best data available for comparison with the subject.

DISCUSSIONS OF ADJUSTMENTS

Market Conditions

Despite the fact that the COVID-19 pandemic is having an impact on the multi-family, retail, office and hotel markets. Due to the prolonged recovery of COVID-19, we do not directly adjust the comparables for market conditions, but rather consider these effects in our final estimate of land value.

Size

Sales 1, 3, 4 and 5 are sufficiently larger than the subject with respect to total buildable area to warrant upward adjustments for economies of scale. Conversely, comparable 2 was downwardly adjusted.

Shape

All of the comparables have rectangular or slightly irregular shapes with similar development potential. Despite the irregular shape of the subject, the small portion that is non developable would still contribute to size of the proposed development, therefore, no adjustments were required.

Corner/Frontage

Due to the extensive frontage of the subject and the comparables, the market does not place emphasis on corner or frontage. As such, no adjustments were warranted for this characteristic.

Topography

Similar to the subject, all comparables are generally level at street grade, and therefore no adjustments were required.

Location

Sales 1, 2 and 4 are located in Jersey City which require an upward adjustment for their inferior location. It should be noted that comparable 4 needed further upward adjustment for its inferior location further from public transportation and general inferior demographics.

Zoning/Approval/Timing

All of the comparable sales were sold with approvals and typically had as of right residential zoning. Due to the very recent inception of the North End Rehabilitation Area Plan, the subject would need to go through a lengthy approval period before a residential structure could be constructed. As such, we downwardly adjust all comparables for their approvals and as of right zoning. As more properties within the subject area begin to develop mixed-use and residential facilities, the subject will appreciate in value over time.

SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

RESIDENTIAL LAND SALES ADJUSTMENT GRID

Comparable Number	1	2	3	4	5	Subject
Transaction Type	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Jan-19	Sep-19	Jul-15	Apr-15	Aug-14	---
Proposed Use	486 Apartment Units & Retail	Multifamily	429 Condominium Units & 22,844 SF retail	940 Apartment Units	385 Apartment Units	
Actual Sale Price	$48,000,000	$7,400,000	$55,919,863	$50,000,000	$32,200,000	---
Adjusted Sale Price [1]	$48,000,000	$7,400,000	$55,919,863	$52,234,883	$32,200,000	---
Size (Acres)	3.91	0.36	1.85	7.21	3.47	2.25
Size (SF)	170,320	15,682	80,586	314,068	151,132	98,093
Density (UPA)	124	231	232	129	111	115
Allowable Units	486	83	429	929	385	259
Price ($ Per Unit)	$98,765	$89,157	$130,349	$56,227	$83,636	---
Price ($ Per Unit)	$98,765	$89,157	$130,349	$56,227	$83,636	
Property Rights Conveyed	0%	0%	0%	0%	0%	
Financing Terms [1]	0%	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	0%	
Market Conditions	0%	0%	0%	0%	0%	
Subtotal	$98,765	$89,157	$130,349	$56,227	$83,636	
Size	5%	-5%	5%	10%	5%	
Shape	0%	0%	0%	0%	0%	
Corner/Frontage	0%	0%	0%	0%	0%	
Topography	0%	0%	0%	0%	0%	
Location	5%	5%	-15%	15%	0%	
Zoning/Approvals/Timing	-10%	-10%	-10%	-10%	-10%	
Total Other Adjustments	0%	-10%	-20%	15%	-5%	
Value Indication for Subject	**$98,765**	**$80,241**	**$104,279**	**$64,661**	**$79,455**	
Absolute Adjustment	*20%*	*40%*	*30%*	*35%*	*15%*	

[1] Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

RESIDENTIAL CONCLUSION

Based on our foregoing analysis, the comparables indicate an adjusted price range of $64,661 to $104,279 per acre. We place equal emphasis on each of the comparables but adjust slightly below the middle of the range for the continued effects of COVID-19 as of the effective date of the appraisal. The following table presents the valuation conclusion:

CONCLUDED RESIDENTIAL LAND VALUE				
$ Per Unit		Subject FAR		Total
$80,000	x	259	=	$20,717,530
$82,500	x	259	=	$21,364,953
Rounded:				$20,800,000
Compiled by CBRE				

Allocation of Value

Pursuant to the client's request, in addition to the land value of all three parcels, we were asked to present the land value of 1500 Jefferson Street and 1520-1530 Jefferson Street/1521-1531 Madison Street, separately.

We first allocate the total value of the subject on a pro-rata basis two the two different properties. A further consideration must be made for 1520-1530 Jefferson Street/1521-1531 Madison Street as it represents the portion of the site that has an irregular shape. Although, the shape did not impact the overall larger site, for the smaller site, it is seen as a negative characteristic and requires further downward adjustment. Our calculations are shown on the following chart:

INDIVIDUAL LAND VALUE SUMMARY					
	Land Area	% of Total		Value	Land Value PSF
Concluded Value of both Parcels	**98,093**	**100%**		**$20,800,000**	**$212.04**
1500 Jefferson Allocation	50,000	51%	**Concluded Value**	**$10,602,184**	**$212.04**
			Rounded	**$10,600,000**	**$212.00**
1520-1530 Jefferson/	48,093	**49%**	Allocated Value	**$10,197,816.36**	
1521-1531 Madison			Downward Shape Adjustment	-5%	
			Concluded Value	**$9,687,925.54**	
			Rounded	**$9,700,000**	**$201.69**
Compiled by CBRE					

As shown above, the concluded value for 1500 Jefferson is $10,600,000 (rounded) and the value for 1520-1530 Jefferson Street/1521-1531 Madison Street is $9,700,000 (rounded).

Reconciliation of Value

The site is situated within the Industrial zoning district, permitting industrial and commercial uses. As will be discussed in the Neighborhood Analysis, due to the continued growth in e-commerce, demand for new last-mile distribution centers and fleet parking space in the outer boroughs has improved considerably. Acquisitions and lease transactions of industrial/parking facilities continued to take place during the pandemic. In the event of an open market transaction, we believe a typical buyer of the property would redevelop the site with a logistic center or re-pave the site for fleet parking. Therefore, the subject's current market value is based on its land value (net of demolition costs of existing improvements).

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Land Value (Both Sites)	Fee Simple Estate	May 23, 2021	$20,800,000
1500 Jefferson Land Value	Fee Simple Estate	May 23, 2021	$10,600,000
1520-1530 Jefferson, 1521-1531 Madison Land Value	Fee Simple Estate	May 23, 2021	$9,700,000

Compiled by CBRE

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:

(i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.

(ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.

(iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.

(iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.

(v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.

(vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.

(vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.

(viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.

(ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.

(x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

(xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

ADDENDA

Addendum A

LAND SALE DATA SHEETS

Sale | Land - Industrial | No. 1

Property Name	2701 Route 3 E
Address	2701 Route 3 E North Bergen, NJ 07094 United States
Government Tax Agency	City of North Bergen
Govt./Tax ID	Block 451.05 / Lot 14.011

Site/Government Regulations

	Acres	Square feet
Land Area Net	19.600	853,776
Land Area Gross	19.600	853,776

Site Development Status	Raw
Shape	Irregular
Topography	Generally Level
Utilities	All Available

Maximum FAR	0.38
Min Land to Bldg Ratio	2.62:1
Maximum Density	N/A

General Plan	N/A
Specific Plan	N/A
Zoning	H
Entitlement Status	N/A

Sale Summary

Recorded Buyer	Clarion
True Buyer	N/A
Recorded Seller	Bentall Kennedy
True Seller	N/A
Interest Transferred	Fee Simple/Freehold
Current Use	N/A
Proposed Use	325,856 SF Warehouse
Listing Broker	N/A
Selling Broker	N/A
Doc #	9503/442

Marketing Time	N/A
Buyer Type	N/A
Seller Type	N/A
Primary Verification	Tax Records

Type	Sale
Date	8/19/2020
Sale Price	$63,500,000
Financing	Market Rate Financing
Cash Equivalent	$63,500,000
Capital Adjustment	$0
Adjusted Price	$63,500,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
08/2020	Sale	Clarion	Bentall Kennedy	$63,500,000	$3,239,796 / $74.38

Sale	Land - Industrial	No. 1

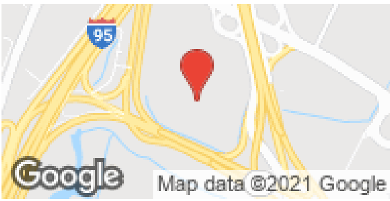
Units of Comparison

$74.38	/ sf	N/A	/ Unit
$3,239,795.92	/ ac	N/A	/ Allowable Bldg. Units
		$194.87	/ Building Area

Financial

No information recorded

Map & Comments



Fully entitled land site in the meadowlands submarket; site requires extraordinary above standard site improvements totalling $42.50/FAR for CMC's

Sale | Land - Industrial | No. 2

Property Name	1289 Rahway Avenue
Address	1289 Rahway Avenue Woodbridge, NJ 07001 United States
Government Tax Agency	City of Woodbridge
Govt./Tax ID	Block 867 / Lots 4.01, 4.02 & 1.011

Site/Government Regulations

	Acres	Square feet
Land Area Net	58.010	2,526,916
Land Area Gross	58.010	2,526,916

Site Development Status	Raw
Shape	Irregular
Topography	Generally Level
Utilities	All Available

Maximum FAR	0.35
Min Land to Bldg Ratio	2.84:1
Maximum Density	N/A

General Plan	N/A
Specific Plan	N/A
Zoning	SOR: Silver Oaks Redevelopment
Entitlement Status	N/A

Sale Summary

Recorded Buyer	Joe Morris	Marketing Time	N/A
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	Woodbridge Township	Seller Type	N/A
True Seller	N/A	Primary Verification	Tax Records: Developer
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	N/A	Date	5/5/2020
Proposed Use	888,850 SF Warehouse	Sale Price	$93,329,250
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	$93,329,250
Doc #	17901/1157	Capital Adjustment	$0
		Adjusted Price	$93,329,250

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
05/2020	Sale	Joe Morris	Woodbridge Township	$93,329,250	$1,608,848 / $36.93

Sale | Land - Industrial | No. 2

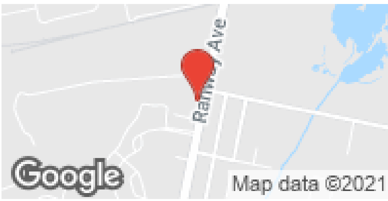
Units of Comparison

$36.93	/ sf	N/A	/ Unit
$1,608,847.61	/ ac	N/A	/ Allowable Bldg. Units
		$105.00	/ Building Area

Financial

No information recorded

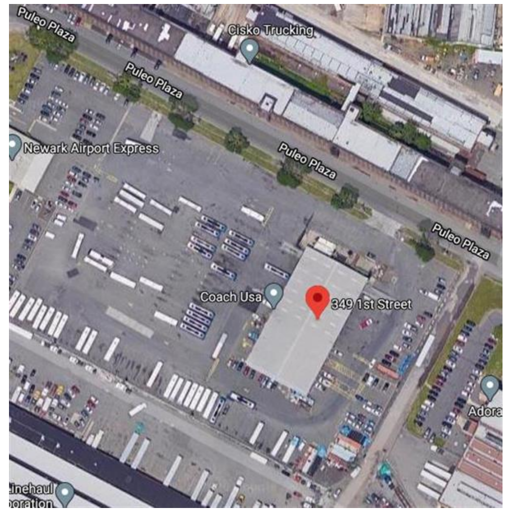
Map & Comments



CBRE

Sale | Land - Industrial | No. 3

Property Name	349-369 First Street
Address	349-369 First Street Elizabeth, NJ 07206 United States
Government Tax Agency	City of Elizabeth
Govt./Tax ID	Block 1 / Lot 120



Site/Government Regulations

	Acres	Square feet
Land Area Net	8.250	359,370
Land Area Gross	8.250	359,370

Site Development Status	Raw
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All

Maximum FAR	0.35
Min Land to Bldg Ratio	2.87:1
Maximum Density	N/A

General Plan	N/A
Specific Plan	N/A
Zoning	M-2 Industrial District
Entitlement Status	N/A

Sale Summary

Recorded Buyer	Centerpoint Properties
True Buyer	N/A
Recorded Seller	Coach USA
True Seller	N/A
Interest Transferred	Fee Simple/Freehold
Current Use	N/A
Proposed Use	125,000 SF Warehouse
Listing Broker	N/A
Selling Broker	N/A
Doc #	N/A

Marketing Time	N/A
Buyer Type	N/A
Seller Type	N/A
Primary Verification	Black Creek
Type	Sale
Date	4/16/2019
Sale Price	$25,600,000
Financing	Market Rate Financing
Cash Equivalent	$25,600,000
Capital Adjustment	$0
Adjusted Price	$25,600,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
04/2019	Sale	Centerpoint Properties	Coach USA	$25,600,000	$3,103,030 / $71.24

Sale — Land - Industrial — No. 3

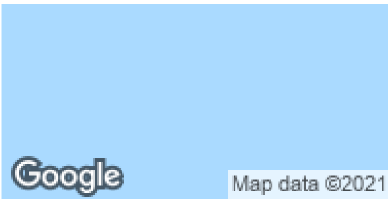
Units of Comparison

$71.24	/ sf	N/A	/ Unit
$3,103,030.30	/ ac	N/A	/ Allowable Bldg. Units
		$204.80	/ Building Area

Financial

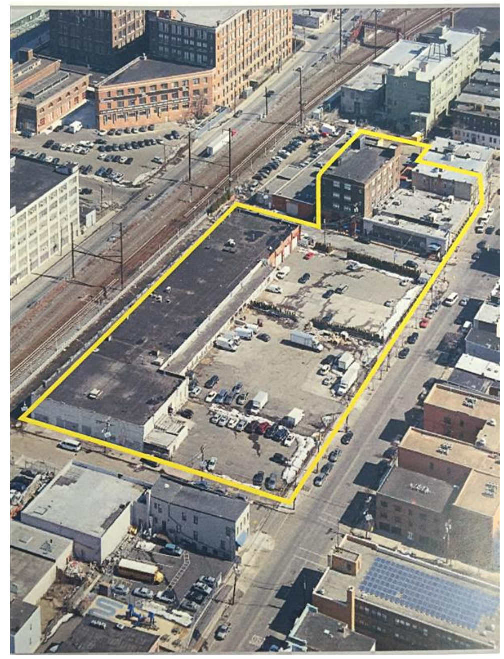
No information recorded

Map & Comments



8.2 Acres in Elizabeth acquired on an unentitled basis. Short-term lease in-place with Coach USA. 400x800 rectangular site that can accommodate shallow front-load building totaling 125,000 SF.

Sale — Land - Multi Unit Residential — No. 9



Property Name	1064-1075 West Side Avenue; 54 Broadway; 153 Corbin Avenue
Address	1064-1075 West Side Avenue; 54 Broadway; 153 Corbin Avenue Jersey City, NJ 07306 United States
Government Tax Agency	Hudson
Govt./Tax ID	Block 9301 Lots 24, 27, 28, 29 & 30; Block 9204 Lot 1

Site/Government Regulations

	Acres	Square feet
Land Area Net	3.910	170,320
Land Area Gross	3.910	170,320

Site Development Status	Other(See Comments)
Shape	Irregular
Topography	Generally Level
Utilities	All

Maximum FAR	2.89
Min Land to Bldg Ratio	0.35:1
Maximum Density	124.30 per ac

General Plan	N/A
Specific Plan	N/A
Zoning	R-3 Multi family
Entitlement Status	N/A

Sale Summary

Recorded Buyer	Ecalp Corp.
True Buyer	N/A
Recorded Seller	Broadway West Associates LLC & 811 Associates LLC
True Seller	N/A
Interest Transferred	Fee Simple/Freehold
Current Use	N/A
Proposed Use	486 Apartment Units & Retail
Listing Broker	N/A
Selling Broker	N/A
Doc #	9378-865

Marketing Time	N/A
Buyer Type	N/A
Seller Type	N/A
Primary Verification	Purchase Agreement

Type	Sale
Date	1/22/2019
Sale Price	$48,000,000
Financing	N/A
Cash Equivalent	$48,000,000
Capital Adjustment	$0
Adjusted Price	$48,000,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
01/2019	Sale	Ecalp Corp.	Broadway West Associates LLC & 811 Associates LLC	$48,000,000	$12,276,215 / $281.82

CBRE

Sale	Land - Multi Unit Residential	No. 9

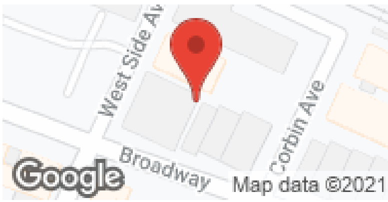
Units of Comparison

$281.82	/ sf	$98,765	/ Unit
$12,276,214.83	/ ac	$98,765	/ Allowable Bldg. Units
		$97.36	/ Building Area

Financial

No information recorded

Map & Comments



The property is currently improved with several small industrial warehouses and paved parking which will be demolished in conjunction with the construction of the proposed mixed-use development.
The complex will contain 4 buildings and include 486 apartment units, as well as 25,452 square feet of commercial space. Property amenities will include on-site parking, pool, resident lounge, a greenhouse, dog run, business center, storage, fitness center, and community terrace.
It should be noted, the subject has been granted a minor subdivision approval to consolidate Block 9204 Lot 1 and Block 9301 Lots 24, 27-30 into one lot. The subdivision was memorialized in a resolution adopted on August 16, 2016. A minor subdivision Deed was recorded in the Office of the Hudson County Register on February 13, 2018, in which the subject is now known as Block 9301 Lot 30.01.

Sale | Land - Multi Unit Residential | No. 10

Property Name	26-32 Van Reipen Avenue	
Address	26-32 Van Reipen Avenue Jersey City, NJ 07306 United States	
Government Tax Agency	Hudson	
Govt./Tax ID	Block 7903 Lot 38 & 39	

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.230	10,000
Land Area Gross	0.230	10,000

Site Development Status	Other(See Comments)
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	Available

Maximum FAR	4.95
Min Land to Bldg Ratio	0.20:1
Maximum Density	239.55 per ac

Frontage Distance/Street	100 ft	Van Reipen Avenue

General Plan	N/A
Specific Plan	N/A
Zoning	Journal Square Redevelopment Plan
Entitlement Status	None

Sale Summary

Recorded Buyer	26 Van Reipen,LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	Developer
Recorded Seller	GVS Associates, LLC	Seller Type	Developer
True Seller	N/A	Primary Verification	Appraisal, Buyer

Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Land	Date	11/9/2016
Proposed Use	Mixed-Use Development	Sale Price	$3,125,000
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	$3,125,000
Doc #	9158-659	Capital Adjustment	$0
		Adjusted Price	$3,125,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
11/2016	Sale	26 Van Reipen,LLC	GVS Associates, LLC	$3,125,000	$13,610,627 / $312.50

Sale — Land - Multi Unit Residential — No. 10

Units of Comparison

$312.50	/ sf	$56,818	/ Unit
$13,610,627.18	/ ac	$56,818	/ Allowable Bldg. Units
		$63.08	/ Building Area

Financial

No information recorded

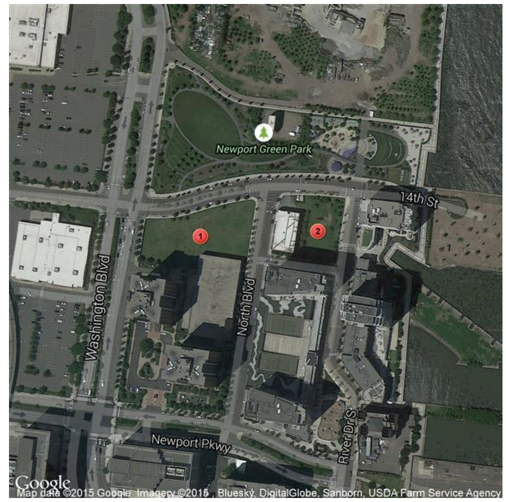
Map & Comments

The property is a 10,000 square foot site of vacant land located at 26-32 Van Reipen Avenue in Jersey City, Hudson County, NJ. The property is located in the Journal Square neighborhood of Jersey City and is located a block northeast of the Journal Square Transportation Hub. There are currently no preliminary or final site plan approvals in place for the development of the subject, however the site is located in the Neighborhood Mixed-Use District of the Journal Square Redevelopment Zone, which allows for the development of various uses including multi-family use. The subject property does not have any approvals in place, and the contract purchaser is buying the property on an as-of-right basis. The overall envelope for the subject totals 58,280 square feet including development of 41,360 square feet of residential development and 16,920 square feet of commercial development. Including a market derived loss factor of 15%, the total buildable area totals 49,538 square feet. The purchaser intends on securing approvals for 55 residential units.

Sale	Land - Multi Unit Residential	No. 11

Property Name: N/A

Address: 75 Park Lane & 2 Shore Drive N
Jersey City, NJ 07310
United States



Government Tax Agency: Hudson

Govt./Tax ID: Block 7302 Lot 9 & 11

Site/Government Regulations

	Acres	Square feet
Land Area Net	1.850	80,586
Land Area Gross	1.850	80,586

Site Development Status	Raw
Shape	Irregular
Topography	Level, At Street Grade
Utilities	Public Provided

Maximum FAR: 6.14

Min Land to Bldg Ratio: 0.16:1

Maximum Density: 231.89 per ac

Frontage Distance/Street	N/A	Park Lane
Frontage Distance/Street	N/A	River Drive North

General Plan: Jersey City Master Plan

Specific Plan: Newport Redevelopment Plan

Zoning: Newport Redevelopment Plan

Entitlement Status: N/A

Sale Summary

Recorded Buyer	75 Park Lane, LLC and 2 Shore Lane Drive North, LLC	Marketing Time	N/A
True Buyer	Strategic Capital	Buyer Type	Developer
Recorded Seller	SNLP Holdings LLC	Seller Type	N/A
True Seller	LeFrak	Primary Verification	Listing Broker

Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	N/A	Date	7/7/2015
Proposed Use	429 Condominium Units & 22,844 SF retail	Sale Price	$55,919,863
Listing Broker	Buyer	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	$55,919,863
Doc #	B9051 P144, B9051 P340	Capital Adjustment	$0
		Adjusted Price	$55,919,863

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
07/2015	Sale	75 Park Lane, LLC and 2 Shore Lane Drive North, LLC	SNLP Holdings LLC	$55,919,863	$30,226,953 / $693.92

Sale | Land - Multi Unit Residential | No. 11

Units of Comparison

$693.92	/ sf	$130,349	/ Unit
$30,226,952.97	/ ac	$130,349	/ Allowable Bldg. Units
		$113.08	/ Building Area

Financial

No information recorded

Map & Comments

This is the sale of two waterfront Jersey City land sites in the Newport neighborhood. The sites are located at 75 Park Lane and 2 Shore Drive North. The site located at 75 Park Lane is 1.18 acres with approvals for the development of 358 condominium units with 7,248 square feet of ground level retail. The site located at 2 Shore Drive N is 0.67 acres with approvals for the development of 71 condominium units and 15,596 square feet of ground level retail. Overall, the sites allow for the development of 440,719 square feet of residential space and 22,844 square feet of ground level retail for a total NRA of 463,563 square feet. The sites sold in July 2015 for $55,919,863.

Sale — Land - Multi Unit Residential — No. 12

Property Name	The View
Address	246 Johnson Avenue Jersey City, NJ 07304 United States
Government Tax Agency	Hudson
Govt./Tax ID	Block 11, 14 & 16 of Grand Jersey Redev. Area

Site/Government Regulations

	Acres	Square feet
Land Area Net	7.210	314,068
Land Area Gross	7.210	314,068

Site Development Status	N/A
Shape	Irregular
Topography	Generally Level
Utilities	N/A

Maximum FAR	2.76
Min Land to Bldg Ratio	0.36:1
Maximum Density	128.85 per ac

General Plan	N/A
Specific Plan	N/A
Zoning	Grand Jersey Redevelopment Plan
Entitlement Status	N/A

Sale Summary

Recorded Buyer	Argent Acquisitions, LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	Omni Asset Management, LLC	Seller Type	N/A
True Seller	N/A	Primary Verification	Listing Broker, Appraisal
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Land	Date	4/22/2015
Proposed Use	940 Apartment Units	Sale Price	$50,000,000
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	$50,000,000
Doc #	N/A	Capital Adjustment	$2,234,883
		Adjusted Price	$52,234,883

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
04/2015	Sale	Argent Acquisitions, LLC	Omni Asset Management, LLC	$50,000,000	$7,244,783 / $166.32

Sale | Land - Multi Unit Residential | No. 12

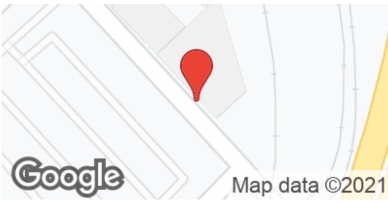
Units of Comparison

$166.32	/ sf	$56,227	/ Unit
$7,244,782.66	/ ac	$56,227	/ Allowable Bldg. Units
		$60.17	/ Building Area

Financial

No information recorded

Map & Comments



This is the sale of a 7.21-acre site that sold for $50,000,000. The vacant land is situated on three non-contiguous parcels of land containing a total land area of 8.08 acres. The property is located within the Grand Jersey Redevelopment Area of Jersey City's Waterfront District, and is proposed to be developed with a residential development to be known as the View. The Grand Jersey Redevelopment Area is broken down into several development Blocks, and the property consists of Blocks 16, 14 and a portion of 11. Currently, Block 16 has approvals in place for a 575 unit development and 32,000 square feet of ground level retail. The Grand Jersey Redevelopment Plan allows for the construction of 310 residential units on Block 14. Block 11 has development rights for 110 residential units, and this lot is currently split into two parcels identified as Block 15801 Lot 66 (subject property) and Block 15801 Lot 67. The subject property portion of Block 11 accounts for 40% of the total land area of Block 11. Therefore, we have concluded that the development rights attributable to the subject portion of Block 11 is 40% of the 110 units allocated within the Grand Jersey Redevelopment Plan to the subject property site, or 44 units. In total, the subject property has development rights for 929 residential units and 32,000 square feet of retail space. The property is currently approved for the development of 929 apartment units, however the contract purchaser plans to obtain approvals for an additional 460 apartment units. Environmental studies conducted on the site estimate a site remediation cost totaling $2,234,883, which would be the responsibility of the contract purchaser. Therefore, the adjusted purchase price totals $52,234,883.

Sale | Land - Multi Unit Residential | No. 13

Property Name	Monroe Center
Address	701 Monroe Street; 701 Harrison Street; 605 Jackson Street Hoboken, NJ 07030 United States
Government Tax Agency	Hudson
Govt./Tax ID	Block 80 Lot 1.01; Block 81 Lots 2.01 & 3.01; Block 74 Lots 3-20

Site/Government Regulations

	Acres	Square feet
Land Area Net	3.470	151,132
Land Area Gross	3.470	151,132

Site Development Status	Other(See Comments)
Shape	Irregular
Topography	Generally Level
Utilities	Available

Maximum FAR	2.48	
Min Land to Bldg Ratio	0.40:1	
Maximum Density	110.97	per ac

Frontage Distance/Street	N/A	Monroe Street
Frontage Distance/Street	N/A	Harrison Street
Frontage Distance/Street	N/A	Jackson Street

General Plan	N/A
Specific Plan	N/A
Zoning	Northwest Redevelopment Area - Zone 2
Entitlement Status	None

Sale Summary

Recorded Buyer	700 Monroe Hoboken, LLC; Monroe Center Hoboken, LLC; 605 Jackson Hoboken, LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	Developer
Recorded Seller	MCC Monroe, LLC; Paradigm Monroe Center III, LLC; Theresa Pino	Seller Type	N/A
True Seller	N/A	Primary Verification	Appraisal
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Land	Date	8/13/2014
Proposed Use	385 Apartment Units	Sale Price	$32,200,000
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	$32,200,000
Doc #	9004-64; 8988-694; 8987-687	Capital Adjustment	$0
		Adjusted Price	$32,200,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
08/2014	Sale	700 Monroe Hoboken, LLC; Monroe Center Hoboken, LLC; 605 Jackson Hoboken, LLC	MCC Monroe, LLC; Paradigm Monroe Center III, LLC; Theresa Pino	$32,200,000	$9,280,876 / $213.06

CBRE

Sale | Land - Multi Unit Residential | No. 13

Units of Comparison

$213.06	/ sf	N/A	/ Unit
$9,280,876.21	/ ac	$83,636	/ Allowable Bldg. Units
		$85.82	/ Building Area

Financial

No information recorded

Map & Comments

The parcels were individually purchased in 2014 in three separate transactions. 700 Monroe Street was purchased from MCC Monroe LLC in October 2014 for $5,500,000 according to Book 9004 Page 64 of the City of Hoboken Deed Records, 701 Harrison Street was purchased from Paradigm Monroe Center III, LLC in August 2014 for $19,500,000 according to Book 8988 Page 694 of the City of Hoboken Deed Records and 605 Jackson Street was purchased from Theresa Pino in August 2014 for $7,220,000 according to Book 8987 Page 687 of the City of Hoboken Deed Records. Overall, the property parcels were purchased for an aggregate price of $32,220,000.

All of the parcels were purchased by a single developer with the intent on obtaining approvals for an apartment development. At the time of the transaction, no approvals were in place, however the properties had an as-of-right development potential for 385 apartment units.

Addendum B

CLIENT CONTRACT INFORMATION

CBRE HOTELS

The World's Leading Hotel Experts.

CBRE

CBRE, Inc.
200 Park Avenue
New York, NY 10017
www.cbrehotels.com

Mark VanStekelenburg
Executive Vice President

April 16, 2021

Christopher A. Brown, AICP, PP
Community Development Director
CITY OF HOBOKEN
94 Washington Street
Hoboken, NJ 07030
Phone: 201.420.2000 x3000
Email: cbrown@hobokennj.gov

RE: Assignment Agreement
1500 Jefferson Street
1520-1530 Jefferson Street, 1521-1531 Madison Street
Hoboken, NJ 07030

Dear Mr. Brown:

We are pleased to submit this Proposal and our Terms and Conditions for this assignment.

PROPOSAL SPECIFICATIONS

Purpose:	To estimate the separate Market Value of the referenced real estate of the two underlying parcels of land: 1500 Jefferson Street; 1520-1530 Jefferson Street and 1521-1531 Madison Street
Premise:	As Is (Land Value)
Rights Appraised:	Fee Simple
Intended Use:	Internal decision-making purposes related to a potential acquisition of the property
Intended User:	The intended user is CITY OF HOBOKEN ("Client"), and such other parties and entities (if any) expressly recognized by CBRE as "Intended Users" (as further defined herein).
Reliance:	Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and

	CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.
Inspection:	CBRE will conduct a physical inspection of the exterior of the subject property, and its surrounding environs on the effective date of appraisal. The interior of the subject property will not be inspected.
Valuation Approaches:	All three traditional approaches to value will be considered.
Report Type:	Standard Appraisal Report
Appraisal Standards:	USPAP
Appraisal Fee:	$16,500 for a two-week turnaround **OR** $12,000 for a four-week turnaround After the delivery of the report, applicable hourly rates apply
Expenses:	Fee includes all associated expenses
Retainer:	A retainer is not required
Payment Terms:	Final payment is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. The fee is considered earned upon delivery of the draft report. We will invoice you for the assignment in its entirety at the completion of the assignment.
Delivery Instructions:	CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic copy of the report. An Adobe PDF file via email will be delivered to cbrown@hobokennj.gov. The client has requested No (0) bound final copy (ies).
Delivery Schedule:	
Preliminary Value:	Not Required
Draft Report:	Two or Four Weeks After Start Date, Depending on Selection
Final Report:	Upon Client's request
Start Date:	The appraisal process will start upon receipt of your signed agreement and the property specific data.
Acceptance Date:	These specifications are subject to modification if this proposal is not accepted within 5 business days from the date of this letter.

When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the Agreement for appraisal services by and between CBRE and Client. Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties hereto.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

CBRE Hotels

Mark VanStekelenburg
Executive Vice President
As Agent for CBRE, Inc.
T 212.984.7125
mark.vanstekelenburg@cbre.com

AGREED AND ACCEPTED

FOR CITY OF HOBOKEN ("CLIENT"):

_______________	May 6, 2021
Signature	Date
Christopher Brown	Director of Community Development
Name	Title
201-526-5396	@ .
Phone Number	E-Mail Address
2 Weeks 4 Weeks	
Timing Selected (Circle Selected Option)	

ADDITIONAL OPTIONAL SERVICES

Assessment & Consulting Services: CBRE's Assessment & Consulting Services group has the capability of providing a wide array of solution-oriented due diligence services in the form of property condition and environmental site assessment reports and other necessary due diligence services (seismic risk analysis, zoning compliance services, construction risk management, annual inspections, etc.). CBRE provides our clients the full complement of due diligence services with over 260 employees in the U.S. that are local subject matter experts.

Initial below if you desire CBRE to contact you to discuss a proposal for any part or the full complement of consulting services, or you may reach out to us at **Nikki.Boatwright@cbre.com.** We will route your request to the appropriate manager. For more information, please visit **www.cbre.com/assessment.**

________ Initial Here

TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an agreement for appraisal services (the "Agreement") between CBRE, Inc. (the "Appraiser") and the client signing this Agreement, and for whom the appraisal services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state where the appraisal office is located for the Appraiser executing this Agreement.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the appraisal fee and preparation of an appraisal report (the "Appraisal Report, or the "report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Appraisal Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the prorated share of the fee based upon the work completed and expenses incurred (including travel expenses to and from the job site), with a minimum charge of $500. Additional copies of the Appraisal Reports are available at a cost of $250 per original color copy and $100 per photocopy (black and white), plus shipping fees of $30 per report.
3. If Appraiser is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Appraisal Report, the Appraiser's expertise, or the Property, Client shall pay Appraiser's additional costs and expenses, including but not limited to Appraiser's attorneys' fees, and additional time incurred by Appraiser based on Appraiser's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Appraisal Report), meeting participation, and Appraiser's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional appraisal services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 5 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Appraiser executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Appraiser assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Appraiser to prepare a valid report. Client acknowledges that such additional expertise is not covered in the Appraisal fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. In the event of any dispute between Client and Appraiser relating to this Agreement, or Appraiser's or Client's performance hereunder, Appraiser and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by an arbitrator may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of the Appraiser executing this Agreement is located. The arbitrator shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses from the losing party, including costs of the arbitration proceeding, and reasonable attorney's fees. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between

Client and Appraiser. This engagement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal Report discussed herein.

8. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to Appraiser's actual knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Appraiser by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, APPRAISER DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY APPRAISAL REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO APPRAISER. Furthermore, the conclusions and any permitted reliance on and use of the Appraisal Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.

9. Appraiser shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.

10. Client shall provide Appraiser with such materials with respect to the assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.

11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the Appraiser-Client relationship by improperly disclosing any proprietary information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.

12. Unless specifically noted, in preparing the Appraisal Report the Appraiser will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material) on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Appraisal fee.

13. In the event Client intends to use the Appraisal Report in connection with a tax matter, Client acknowledges that Appraiser provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Appraisal Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Appraisal Report. Client agrees that Appraiser shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Appraiser relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.

14. Appraiser shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Appraisal Report to any third party.

15. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATE, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, AND AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES

REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO APPRAISER UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS ($10,000). THIS LIABILITY LIMITATION SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY AN ARBITRATOR OR A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

16. Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report , in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (ii) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (iii) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of an Appraisal Report by such party extend any right to the party to use and rely on such report, and Appraiser shall have no liability for such unauthorized use and reliance on any Appraisal Report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.

17. Furthermore, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the appraisal or the engagement of or performance of services by any Indemnified Party hereunder, (ii) any Damages claimed by any user or recipient of the Appraisal Report, whether or not an Intended User, (iii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iv) an actual or alleged violation of applicable law by an Intended User (including, without limitation, securities laws) or the negligent or intentional acts or omissions of an Intended User (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of Appraiser (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.

18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with paragraphs 16 and 17 above, Appraiser and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement or the Appraisal Report, (b) any services or appraisals under this Agreement or (c) any acts or conduct relating to such services or appraisals, shall be filed within two (2) years from the date of delivery to Client of the Appraisal Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.

Addendum C

QUALIFICATIONS

QUALIFICATIONS OF

Mark Mediavilla, MAI

Director

CBRE, Inc.

58 South Service Road. Melville, New York 11747

631-370-6011

Mark.Mxxxxxxxxx@xxxx.xxx

EDUCATION

New York Institute of Technology	4-Year Architectural Program
State University of New York at Albany	Bachelors of Science in History, Minor in Spanish
Instituto Internacional, Madrid, Spain	
Universidad Del Pais Vasco, San Sebastian, Spain	

Leadership Huntington	Huntington Chamber Foundation
Energeia Partnership for Regional Stewardship	Molloy College

LICENSES/CERTIFICATIONS

Certified General Real Estate Appraiser: State of New York (License #46000027790)
Certified General Real Estate Appraiser: State of New Jersey (License #42RG00260100)
Certified General Real Estate Appraiser: State of Connecticut (License #RCG.0001511)

EMPLOYMENT EXPERIENCE

1992 - 1994	Raymond J. Paulsen & Associates, Staff Appraiser	Farmingdale, New York
1994 - 2013	RD Geronimo, Ltd. Senior Appraise	Mineola, New York
2013 - Present	CBRE, Inc. Director	Melville, New York

Assignments include existing and proposed developments and their owning entities through discounted cash flow modeling, direct income capitalization, comparable sales, cost analysis and other valuation techniques for the purpose of permanent and construction financing, litigation, certiorari, condemnation, estate planning (fractional interests), etc, involving:

- Retail (strip centers, big-box, shopping centers, net-leases, theater, banks, catering halls, etc.)
- Office (medical owner-occupancy, multi-tenant, etc.)
- Multi-Family (garden, high-rise, mobile home parks, renovation/conversion from regulated to market)
- Mixed-Use (residential, retail, office, etc. within a single or multiple buildings)
- Industrial (owner-occupancy, multi-tenant, conversion to office, self-storage, etc.)
- Fixed Base Operations, Schools, Vineyards/Farms
- Hotels, Congregate Care Facilities, Marinas, Golf Courses with and without housing, Gas Stations, etc.
- Land (short- and long-term build-outs for rental housing, condo., multi-family, affordable housing, tax credits, retail, office, industrial, self-storage, hotel, ground leases, etc.)
- Air-Rights (transferrable and non-transferable)
- Redevelopment, repositioning and change of use among various property types
- Properties with and without easements of various types
- And much more concerning Highest & Best Use, feasibility and investment returns on equity

MILITARY

United States Marine Corps Reserve (1984 – 1988)

State Of New Jersey
New Jersey Office of the Attorney General
Division of Consumer Affairs

THIS IS TO CERTIFY THAT THE
Real Estate Appraisers Board

HAS CERTIFIED

Mark G. Mediavilla

FOR PRACTICE IN NEW JERSEY AS A(N): Certified General Appraiser

12/31/2019 TO 12/31/2021
VALID

42RG00260100
LICENSE/REGISTRATION/CERTIFICATION #

Signature of Licensee/Registrant/Certificate Holder

Paul Rodriguez
ACTING DIRECTOR

New Jersey Office of the Attorney General
Division of Consumer Affairs
THIS IS TO CERTIFY THAT THE
Real Estate Appraisers Board
HAS CERTIFIED
Mark G. Mediavilla
Certified General Appraiser
12/31/2019 TO 12/31/2021
VALID
42RG00260100
License/Registration/Certificate #
SIGNATURE
Paul Rodriguez
ACTING DIRECTOR

PLEASE DETACH HERE

IF YOUR LICENSE/REGISTRATION/ CERTIFICATE ID CARD IS LOST PLEASE NOTIFY:
Real Estate Appraisers Board
P.O. Box 45032
Newark, NJ 07101

PLEASE DETACH HERE

QUALIFICATIONS OF

Anthony Jasenski
Senior Appraiser

CBRE
VALUATION & ADVISORY SERVICES

One Penn Plaza, Suite 1835
New York, NY 10119
(212) 207-6026
xxxxxxx.xxxxxxxx@xxxx.xxx

EDUCATION

2012	Bachelor of Science; Finance, Real Estate, Entrepreneurship & Emerging Enterprises Whitman School of Business, Syracuse University

LICENSES/CERTIFICATIONS

Certified Real Estate General Appraiser : State of New York (#46000051925)

EMPLOYMENT EXPERIENCE

2015-Present	Baruch College Professor of Real Estate Finance	New York, NY
2012-Present	CBRE, Inc. Senior Appraiser	New York, NY
2010-2012	TriStar Real Estate LLC NYS Licensed Real Estate Salesperson	Capital Region, NY

REPRESENTATIVE ASSIGNMENTS

- Essex Crossing Development, 1.9 Million square feet of residential (affordable and market), retail, office and community facility development along Manhattans Lower East Side.
- Lighthouse Pointe, 200,000 square foot mixed-use development of residential, retail and hotel uses along the northeast shore of Staten Island.
- National Stores Portfolio – 15 property leasehold valuation amongst all 5 boroughs of New York City.
- Glenwood Plaza – 200,000+ square foot retail shopping center
- Ramsey Square – 200,000+ square foot retail shopping center

PROFESSIONAL AFFILIATIONS

- Commercial Real Estate Finance Council – Young Professionals
- The Appraisal Institute (Metro NY Chapter) – Young Leadership Committee