



Hartz Mountain leases and renews 5.7 million s/f of commercial space during 2011

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Hartz Mountain Industries, leased and renewed more than 5.7 million s/f of commercial real estate in 2011 and notably diversified the company's portfolio into residential real estate in an unexpectedly robust year.

Emanuel Stern, president and COO of Hartz, pointed to industrial leasing as "the star of 2012" as the Port business continued to grow in the N.Y. region and triggered warehouse requirements.

"For the last several years conversion of warehouses for data center use kept the market lively, but the traditional users are back and growing," said Stern. "Regionally, sectors where data centers are an appealing adaptive reuse continue to provide excellent returns, with power and water constraints limiting the number of practical sites and increasing their value. But this year we had a back-up deal to many of our basic space transactions, and it has been a long time since we saw that kind of velocity in the market."

Hartz's big portfolio shift this year was driven by the residential renters-by-choice market, where we have made significant investments and are on our way to creating a 5,000-unit portfolio. The housing market's recent volatility created this market, which is discouraged from ownership and eager to enjoy the urban lifestyle. New construction beginning on New Jersey's "Gold Coast" at high-end buildings including The Estuary in Weehawken, which will be managed by Roseland Properties, in which Hartz not holds an interest, will absorb the tide of new renters that are driving the residential market.

Among Hartz's most significant industrial leases in 2012 were 595,000 s/f leased to NJ Transit, 225,000 s/f leased to National Retail Transportation, 185,000 s/f leased to Meadowlands Distribution, 31,000 s/f to St. Luke's Roosevelt Hospital, and 32,000 s/f leased to Yusen Air.

Panera Bread opened its first table-service restaurant in New Jersey in Harmon Meadow this past December. Hartz also announced Carrabba's Italian Grill will locate next to LA Fitness on Harmon Meadow Blvd. in spring 2012.

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