

## Exeter Pitching Industrial Package

**Exeter Property** is marketing an industrial portfolio in the Northeast that could fetch about \$90 million.

The package encompasses six warehouses totaling 696,000 square feet. Three are in a business park in suburban Boston, two are in New Jersey, and one is near Philadelphia. Exeter, a fund shop in Conshohocken, Pa., is marketing them as a package via **JLL**. At the estimated value of \$129/sf, the buyer's initial annual yield would be about 8%.

The light-industrial buildings are 92.7% occupied by 17 tenants. The weighted average remaining lease term is 5.1 years, and leases on just 20% of the space mature within three years.

Several big tenants, including **Tegra Medical** (81,000 sf until 2027), **MEI** (63,000 sf until 2023), **inTEST** (51,000 sf until 2021) and **Thermo Fisher** (31,000 sf until 2022), have invested significant capital building out their space, making relocation unlikely, according to marketing materials. About half of the space has been leased to the same tenants for at least a decade.

The properties are in densely populated areas that have limited available land and strict development restrictions, curbing the potential for additional competition. All are within two miles of major highways.

Three adjacent buildings encompassing 284,000 sf — or 41% of the total space — are at 8-10 Forge Parkway in Forge Business Park in Franklin, Mass., off Interstate 495 and about 30 miles southwest of Boston. A 102,000-sf building is 88% leased, and the other two are fully occupied.

The two New Jersey properties are at opposite ends of the state. A 133,000-sf warehouse is in the International Trade Center, a master-planned business park in Mount Olive, near Interstate 80 in Northern New Jersey. That property, at 550 Clark Drive, is 74% leased.

Also listed is an 80,000-sf property in the East Gate Business Center in Mount Laurel, in the southern portion of the state. That fully leased property is at 804 East Gate Drive, off the New Jersey Turnpike and Interstate 295.

The suburban Philadelphia property is at 3222 Phoenixville Pike in Malvern, Pa., near Interstate 76 and about 25 miles northwest of Philadelphia. The 200,000-sf property is 98.1% leased. ❖

## Laws ... From Page 1

are in compliance. "It is going to change the dynamics considerably," said **Anthony LoPinto**, global sector leader for real estate at **Korn Ferry**.

Asking how much a candidate earns is an integral part of recruiting in a competitive real estate market. It's typically asked early in the process to gauge expectations on both sides, search-firm executives said.

While there's nothing to stop candidates from volunteering their own salary information, employers can't prompt them to do so or penalize those who don't. Effectively, the new rules will require employers to define values for specific roles, based on their sense of market-wide compensation levels rather than a

given applicant's history.

"They may have to speak first in negotiations," said **Jennifer Novack**, head of the global real estate practice at **Sheffield Haworth**. "As a result, employers will be best positioned if they are educated on where the market is broadly before heading into these conversations."

Recruiting firms must follow the rules, as they represent employers in negotiations. Many of those firms already collect market data on salary ranges, and the new laws will add emphasis and value to those efforts, pros said.

One pitfall in making the first move on salary is that a firm may fail to motivate a candidate who is already compensated at a higher level. "The challenge is that most of the candidates we recruit are passive candidates," said **Gregory Shultz**, founder and managing partner of **Newbridge Search**. "While important, focusing on compensation too soon runs the risk of obscuring other aspects of a great opportunity with a candidate who is happily employed and not in the market."

Yet holding off on discussing pay runs the risk of derailing an otherwise successful process. "It's possible a search assignment may be unsuccessful because there's important information we do not have," said **Steven Littman**, president and managing partner of **Rhodes Associates**.

Complicating the negotiation is the fact that most real estate executives are compensated in three components: a salary, a bonus and a participation factor that can include future returns on investments.

New York's law does allow employers to inquire about a candidate's expected or desired level of compensation and benefits — as well as what that they may forfeit in "unvested equity or deferred compensation." But questions about salary history are prohibited, and if the employer learns such information by another means, that cannot be factored into the negotiation.

The New York law applies to any positions based in the city, whether or not the company is headquartered there. Similar laws take effect in Delaware in December, Oregon in January 2018 and in San Francisco and Massachusetts in July 2018. Implementation of a Philadelphia measure has been delayed pending a court challenge.

As an example of the impact on the real estate industry, New York is home to 25% of all high-yield fund operators, the highest concentration of any city, according to **Real Estate Alert's** High-Yield Fund Database. Massachusetts has 5.2% of those managers and San Francisco is home to 4.2%. ❖

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