

THE AZARIAN ADVISOR

Summer 2023 Newsletter

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9,700 SF Leased at The Shoppes at North Brunswick

Big Blue Swim School has leased 9,746 SF in The Shoppes at North Brunswick in North Brunswick, NJ. The addition of Big Blue Swim School will add to the Center's already diverse mix of specialty stores, fitness, and restaurants...**continued on page 5**

Livingston Town Center Adds Bridal Boutique and Marketing Office

With 6 signed leases and 4 store openings in 2022, leasing activity at Livingston Town Center remains steady, with two recently signed deals announced by Azarian Realty Co., the exclusive leasing and managing agent for the property...**continued on page 6**

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Hobby Lobby to Join Neptune Plaza Shopping Center after Leasing 60,000 Square Feet



Hobby Lobby has leased 58,952 SF in Neptune Plaza Shopping Center in Neptune Township, NJ. The big-box retailer will be taking the prime Route 66-facing anchor space formerly occupied by Home Goods and Marshalls. Hobby Lobby is expected to open in 2024. Kevin Pelio of Azarian Realty Co. represented the Landlord and Michael Testa of Jeffery Realty represented the Tenant in this transaction...**continued on page 4**

Azarian Realty Co. Details Recent Deals in Middlesex County, New Jersey

Azarian Realty Co. announces three recent deals with office users in the Middlesex County, New Jersey area. Inspire Physical Therapy has leased 1,192 SF on the second floor of The Shoppes at North Brunswick in North Brunswick, NJ...**continued on page 6**

CEO Corner

By John M. Azarian Jr., CEO, CRX, CSM

I have been in this business for 43 years now. During those years I have seen and experienced many things. In looking through a draft of this newsletter, the one thing that strikes me after all these years is that for the most part, the leases we are negotiating today are with companies that didn't exist 43 years ago. Or even 20 years ago in many cases. The movers and shakers of 2023 are pretty much the new kids on the block, so to speak. Will they be here in 20 years or more? Who knows but in order to be successful, we have to change and adapt with the times and these are the companies to do business with today...**continued on page 3**



SIGNED LEASES

Includes Q12023 & Q22023 Deals

HOBBY LOBBY

Big Blue
SWIM SCHOOL

SAREH NOURI
NEW YORK



VECTOR
Marketing

PRESTIGE NAILS
A N D S P A

Heavenlycute
LOIS BERRY

INSPIRE
PHYSICAL THERAPY

The UPS Store
Dr. Anuj Kapadia, DMD



GINGIE MAKES
FINE HOME FURNISHINGS
SINCE 2021

Crème de la Crème Loft

M&R UNITED
DELI

RECENTLY OPENED



Tenant: Black Onyx Tattoo
Property: Rochelle Park Shopping Center
SF Leased: 890



Tenant: Bleu Mirage Aesthetics
Property: Livingston Town Center
SF Leased: 1,886



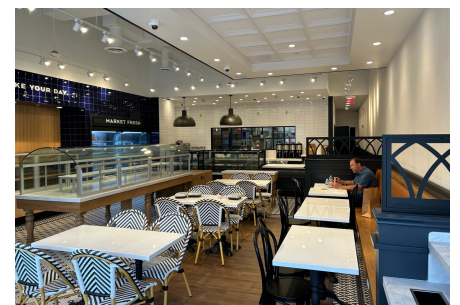
Tenant: Gingie Makes
Property: Fieldstone Park Shopping Center
SF Leased: 1,250



Tenant: Hummus Republic
Property: The Shoppes at North Brunswick
SF Leased: 2,500



Tenant: Mango Mango Dessert
Property: Livingston Town Center
SF Leased: 1,323



Tenant: Paris Baguette
Property: The Shoppes at North Brunswick
SF Leased: 2,500



Tenant: Primo Hoagies
Property: Allendale Town Center
SF Leased: 2,008



Tenant: Sareh Nouri New York
Property: Livingston Town Center
SF Leased: 4,434



Tenant: Workshopes
Property: The Shoppes at North Brunswick
SF Leased: 1,499

AZARIAN REALTY CO.'S MID-YEAR REVIEW 2023

104,000
SQ. FT. LEASED

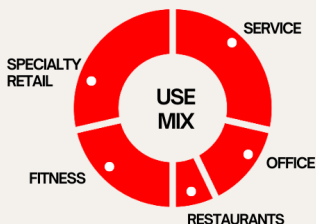
14 NEW LEASES
SIGNED

6 EXCLUSIVE
DEALS

8 CO-BROKER
DEALS

15 GRAND
OPENINGS

92% PORTFOLIO
OCCUPANCY



CEO CORNER (CONTINUED)

(Continued from page 1) Everyone has been talking about experiential shopping with respect to malls for the last few years. I believe that concept has trickled down, in a way, to shopping centers as well. For example, a swim school would fit that category as would the Girl Scout Dream Lab which will be opening shortly in our Shoppes at North Brunswick. While North Brunswick is not a mall nor even close to it, it is a lifestyle center which, by definition, is a shopping center that has mall-type stores in an open air environment with amenities to make shopping pleasant and enjoyable. Lifestyle centers, like malls, have morphed from primarily having clothing stores to more service and food oriented with “internet-proof” businesses. Like Malls, Lifestyle Centers learned their lesson with the retail apocalypse and the myriad of women’s clothing store bankruptcies and moved toward a different model. Whereas in 2017, North Brunswick had over 15 clothing stores, it now has only 4 and enjoys 97% occupancy. The former clothing stores have been replaced with the likes of Big Blue Swim School, Girl Scout Dream Lab, numerous eateries such as Paris Baguette, Crumbl Cookies, and Hummus Republic, fitness uses such as Orange Theory, Club Pilates, and Mayweather Boxing, and personal services such as European Wax, Lash Lounge, Physical Therapy, and Hand & Stone. Nothing too revolutionary but the sheer number of choices is what has made North Brunswick successful (44 stores and only 4 are clothing stores).

The world continues to evolve and change and not always in a good way. No, I am not talking about AI taking over. I am talking about professionalism and respect and for a short time I am going to put on my cynical hat. Communication, drive for new business, even competition. It seems like these things are slowly disappearing. Is the next generation too spoiled, too fat (metaphorically speaking), and too happy? Do they lack the drive for ambition and success that we had when we were younger? Do they care enough to even try or pretend that they are trying? Is this the new de facto standard that we just have to accept? Rhetorical, yes, but think about it.

THE AZARIAN GROUP PROMOTES KEVIN PELIO TO EXECUTIVE VICE PRESIDENT

Kevin Pelio, who joined the firm at the end of 2021, has been a key contributor in leading the leasing and property management departments through merchandising mix and leasing strategy, budget forecasting, capital expenditure allocations, day-to-day property management oversight, and tenant fit-out construction management for the company’s third-party portfolio of commercial properties. Since joining the firm, Pelio has directly overseen new lease negotiations of 160,000 square feet of retail and office space, across a broad spectrum of local, regional, and national retailers, bringing the portfolio’s occupancy to 92%. In the expanded role, Pelio will continue to focus on the core business functions as well as the implementation of new business development and assignments, interdepartmental staffing and coordination, and vendor administration.



“Kevin has worked hard to launch us from a portfolio pandemic low of 76% occupancy to a current high of 92%, which has included 42 new leases during his short tenure. His vision and knowledge of new and innovative concepts have propelled us forward during this challenging time,” states John M. Azarian, CEO, of The Azarian Group, L.L.C.



HOBBY LOBBY JOINS NEPTUNE PLAZA SHOPPING CENTER IN 60,000 SF LEASE

Big box retailer secures highway facing anchor space

Azarian Realty Co. is pleased to announce that Hobby Lobby has leased 58,952 SF in Neptune Plaza Shopping Center in Neptune Township, NJ. The big-box retailer will be taking the prime Route 66-facing anchor space formerly occupied by Home Goods and Marshalls. Hobby Lobby is expected to open in 2024.

Kevin Pelio of Azarian Realty Co. represented the Landlord and Michael Testa of Jeffery Realty represented the Tenant in this transaction.

The 215,000 SF Neptune Plaza Shopping Center is anchored by a 113,000 SF World Class Shop Rite and is comprised of numerous national tenants including IHOP, Carvel, and a freestanding TD Bank pad with four-lane drive-thru.

In July 2022, 10,000 SF was leased to KPOT Korean BBQ & Hot Pot. The restaurant is currently under construction. The addition of Hobby Lobby brings the Neptune Plaza Shopping Center to 99.3% occupancy, with one in-line, retail space of 1,621 square feet available for immediate occupancy.

Azarian Realty Co. is the exclusive leasing and managing agent for Neptune Plaza Shopping Center. Contact Kevin Pelio, Senior Director of Leasing to inquire about current leasing opportunities in Neptune Plaza Shopping Center.

"When Marshall's and Home Goods relocated in the market, it left considerable upside and opportunity to reposition the Neptune Plaza Shopping Center for the long-term ownership group we represent. Hobby Lobby was able to see that long-term vision and their future success at the property as well. We are thankful for the creative deal-making, tenacity, and perseverance of all our partners in this transaction, including Mike Testa and the Hobby Lobby team, and our own client in bringing this deal to fruition. We look forward to Hobby Lobby's highly anticipated opening,"

Kevin Pelio, Executive Vice President



This deal received recognition by CoStar Group Powerbroker™ Awards as one of the top retail leasing deals in Q1 2023 in the Northern New Jersey region - Southern Monmouth County submarket. Congratulations to Kevin Pelio and Tenant Rep. Mike Testa of Jeffery Realty on this significant achievement!

9,700 SF LEASED AT THE SHOPPES AT NORTH BRUNSWICK TO BIG BLUE SWIM SCHOOL



Swim school tenant brings the Premium Lifestyle Center to 94% occupancy



Big Blue Swim School has leased 9,746 SF in The Shoppes at North Brunswick in North Brunswick, NJ. Kevin Pelio of Azarian Realty Co. represented the Landlord and David Dunkelman of Soloff Realty & Development represented the Tenant in this transaction.

The addition of Big Blue Swim School will add to the Center's already diverse mix of specialty stores, fitness, and restaurants.

"We are delighted to add Big Blue Swim School to The Shoppes which will round out our impressive and diverse lineup of retailers. Big Blue will offer the community a family-focused environment for children to have healthy physical fitness and hands-on training for this life-essential skill, that will last a lifetime.

To accommodate this larger footprint for Big Blue Swim School, we had to work with all parties to look at the merchandising mix holistically and use creative strategies, including the relocation of existing retailers and a combination of contiguous space, to provide one succinct unit to accommodate this use and their required footprint.

We are greatly appreciative of the time devoted by our ownership client, as well as David at Soloff Realty and L5 Capital who served as consultants for Big Blue, in understanding the vision and their patience in its execution. In the evolution of the shopping center from a core soft good retail setting, to now a broad spectrum of food offerings, service, and fitness offerings as well

as a continued roster of national clothing retailers, our vision is coming to fruition in strengthening the merchandising mix and increasing weekly customer visits. This lease now brings the shopping center to 94% occupied.", stated Kevin Pelio, Executive Vice President of Azarian Realty Co. and The Shoppes at North Brunswick exclusive leasing agent, in announcing this new lease.

Big Blue Swim School has over 20 existing locations, with six more currently under construction throughout the U.S. This deal marks its third location in New Jersey, with the other two locations in Watchung and Paramus.

Leasing activity is at a record high at The Shoppes at North Brunswick, located at the intersection of Route 1 & 130 in North Brunswick New Jersey.

Earlier this month, Hummus Republic celebrated its grand opening. Currently, six more stores are under various stages of construction and governmental approvals, which include: The UPS Store, Inspire Physical Therapy, Workshoppes, Paris Baguette, Heavenly Cute Apparel, and Girl Scouts Dream Lab. Girl Scouts Dream Lab leased 3,500 SF and is presently undergoing a comprehensive build-out. This will be only the third location nationally for this experiential and community-oriented concept that will create an immersive brand experience for the local North Brunswick community. Girl Scout Dream Lab is estimated to open to the public at the end of the second quarter this year.

LEASING ACTIVITY IN MIDDLESEX COUNTY, NJ



Azarian Realty Co. announces three recent deals in the Middlesex County, New Jersey area.

The Shoppes at North Brunswick

Inspire Physical Therapy has leased 1,192 SF on the second floor of The Shoppes at North Brunswick in North Brunswick, NJ. The practice opened on June 26, 2023. James Azarian of Azarian Realty Co. represented the Landlord and Ginamarie Pizzola of Keller Williams Preferred Properties represented the Tenant in this transaction.



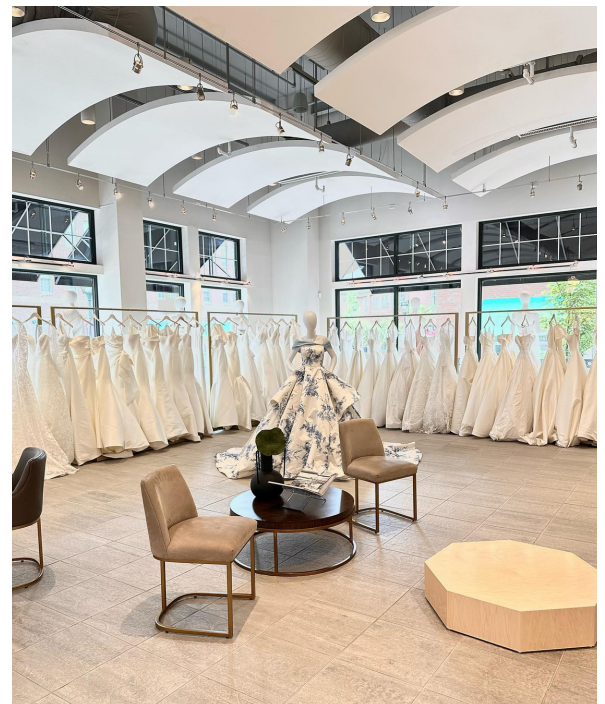
LIVINGSTON TOWN CENTER ADDS BRIDAL BOUTIQUE & MARKETING OFFICE



After 6 signed leases and 4 store openings in 2022, leasing activity at Livingston Town Center remains steady, with two recently signed deals announced by Azarian Realty Co., the exclusive leasing and managing agent for the property.

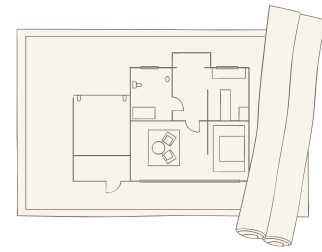
Among Azarian Realty Co.'s top deals of the year at the property is with Sareh Nouri New York, a top luxury bridal designer that will be relocating its existing flagship salon to Livingston Town Center. The salon leased a 4,434 SF end cap with high visibility along N. Livingston Avenue. The tenant is expected to open in June. Kevin Pelio of Azarian Realty Co. represented the Landlord and Jenna Forte of Compass Realty represented the Tenant in this transaction.

More recently, Vector Marketing has leased a 3,319 SF of professional second floor office space. Kevin Pelio of Azarian Realty Co. represented both the Landlord and the Tenant in this transaction.



CONSTRUCTION ZONE

By: Kevin Pelio, Executive Vice President



As noted throughout this newsletter, we have had a successful run in the lease-up of commercial space throughout the portfolio. This leasing activity has been concentrated on category leaders in the restaurant, retail, entertainment, and service industries.

Negotiation

Generally, all lease agreements include a landlord and tenant work letter which are extensively negotiated and must be adhered to in terms of workmanship and come with very strict delivery deadlines. If they are not met, there are serious ramifications, including fines and tenant termination rights. The proliferation of new leases, and the complexities of each tenant's specific space requirements, have led to a major shift in our attention to the many construction projects occurring at our properties.



Fast Bagel under construction at Plaza K Shopping Center (Woodbridge, NJ)

Coordination

Currently, we are directly responsible for the oversight of 115,000 square feet of retail space under various stages of design, preconstruction bidding, and physical renovations and construction. This includes the coordination of engineers and architects in the design of required landlord deliverables, the supervision of construction on complex delivery requirements of a space, the oversight of tenant improvements, and coordination with a tenant's design and construction team, as well as renovations to the common areas such as installation of underground utility conduits, repair, and replacement of sidewalks, garbage enclosures, and paving of parking lot.

Organization

Prior to the execution of every lease agreement, our office puts together a comprehensive work letter tracker and construction budget that we continuously update and monitor throughout the leasing and build-out phases of a new tenant. With supply chain delays still impacting many construction trades, especially the HVAC and electrical industries, it has been essential to have these detailed construction budgets and to be vigilant in carrying out these projects with creative and nimble decision-making, while leveraging industry relationships to ensure that we stay on budget and on time.



Layout concept of The Girl Scouts Dream Lab opening in September 2023 at The Shoppes at North Brunswick (North Brunswick, NJ)

Completion

I am excited to announce that Paris Baguette, Girl Scouts of America, AMPM Urgent Care, and Fast Bagel are all nearing completion of their respective projects and are slated to open for business to the public in the next few weeks. It is very rewarding seeing a tenant open for business and be successful knowing how much goes on behind the scenes during the construction process and the many challenges that are encountered along the way.

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REALTY CO.

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