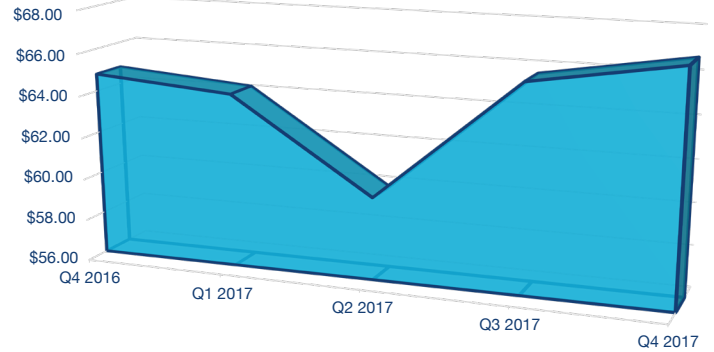


MANHATTAN Q4 2017 SNAPSHOT

AVG. RENTAL RATE	\$66.80/SF	↑
VACANCY RATE	9%	-
UNEMPLOYMENT	4%	↓

QUOTED RENTAL RATES
HISTORICAL ANALYSIS - ALL CLASSES



The Manhattan office leasing market had a strong finish in Q4 as more than 9.3 million square feet was leased. The average rental price across all office markets is now \$66.80, a slight increase from Q3. Incentives provided by landlords continue.

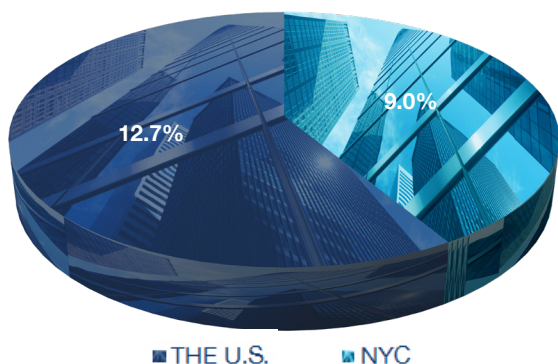
The Q4 Manhattan vacancy rate stands at 9% while the US vacancy rate dropped to 12.7%.

2017 YTD Capital Market sales continued quietly at less than 60% of YOY 2016 volume. Current cap rates range from 4% to 4.5% and average per square foot sales prices are off their highs. With fewer rate hikes expected in the short term, cap rates should rise slightly. Global pressures continue to drive a flight to quality assets and New York is the primary contender.

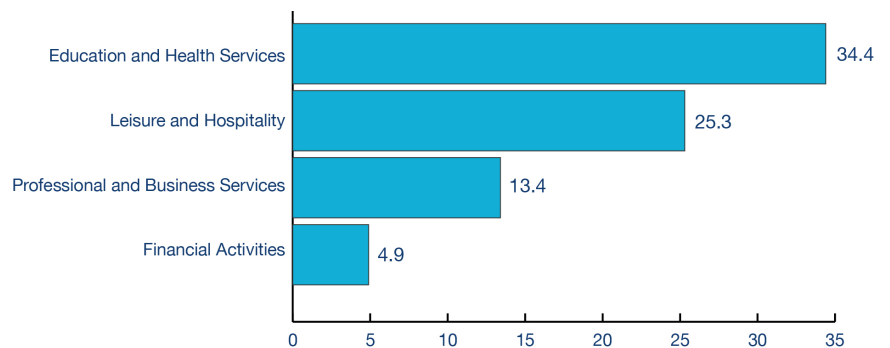
As anticipated, 2018 will see nearly 5.6 million square feet of office space (1.6% of total inventory) added to the Manhattan marketplace and lease pricing should remain consistent with 2017.

More than 60 Million tourists visited New York City in 2017 continuing the upward trend and helping to stoke the New York City economy. A 4% unemployment rate in NYC, low interest rates, rising wages and improving optimism continues to extend the long expansion of the economy and the solid NYC leasing market.

VACANCY COMPARISON



JOB GROWTH (000's) - LAST 6 MONTHS BY INDUSTRY



Source: MHP, NY.Gov, CoStar, Moody's Analytics