

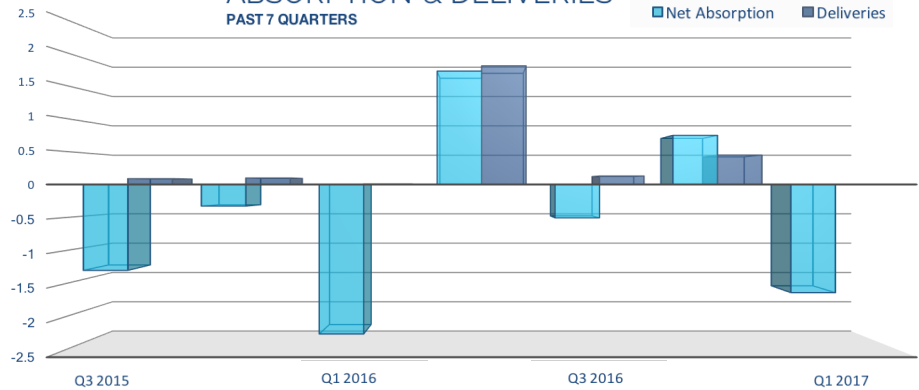
THE MHP^{OV}

Q1 MARKET ANALYSIS 2017

MANHATTAN Q1 2017 SNAPSHOT

AVG ASKING RENT **\$65.41/SF** ↓
VACANCY RATE **8.4%** ↑
NET ABSORPTION **-1,652,906 SF** ↓

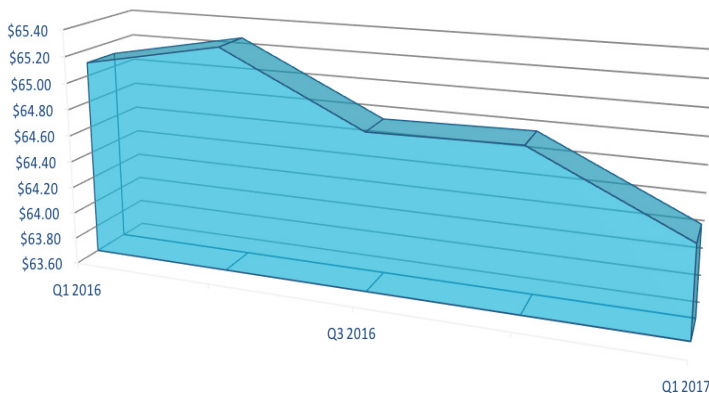
ABSORPTION & DELIVERIES PAST 7 QUARTERS



The New York City office leasing market ended the first quarter of 2017 with a negative absorption rate of nearly 1,700,000 square feet. The vacancy rate ticked upwards by .2% to 8.4% from Q4 2016. Average rents across the NYC office market fell negligibly during the same period to \$65.41 per square foot. Vacant sublease space in the Manhattan market increased to almost 4.5M square feet by the end of the first quarter 2017, an increase of approximately 200,000 square feet from Q4 2016. Almost 16M square feet currently under construction would add to the nearly 560M square feet of current office space in the NYC market. 2016 sales fell slightly from 2015 while the average sales price per square foot rose by approximately \$30 per square foot. 2016 cap rates averaged 4.19% up slightly from 2015.

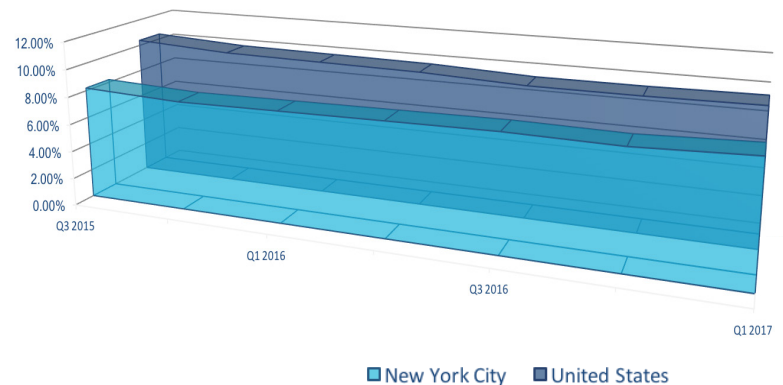
QUOTED RENTAL RATES

HISTORICAL ANALYSIS - ALL CLASSES



U.S. VACANCY COMPARISON

PAST 7 QUARTERS



Source: CoStar Group, Inc.