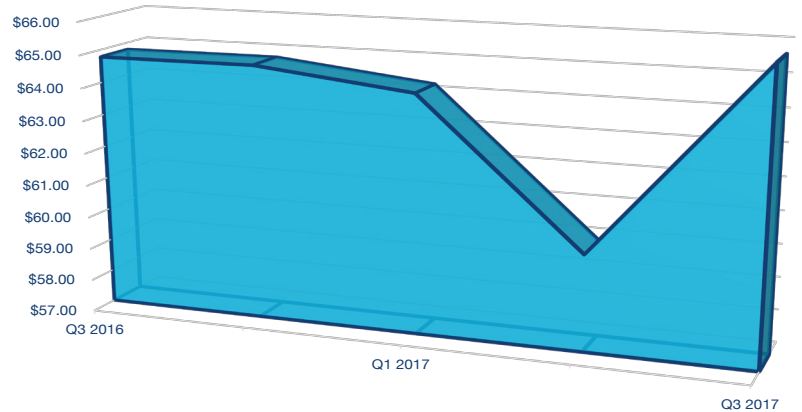


MANHATTAN Q3 2017 SNAPSHOT

AVG. RENTAL RATE	\$65.70/SF	↑
VACANCY RATE	8.2%	-
SUBLEASE AVAIL.	5,385,230 SF	↑

QUOTED RENTAL RATES
HISTORICAL ANALYSIS - ALL CLASSES



The Manhattan office leasing market ended the third quarter with more than 9 million square feet newly leased. The average rental price was \$65.70, an increase from Q2. Of note, Landlord incentives provided to Tenants have also expanded and increased.

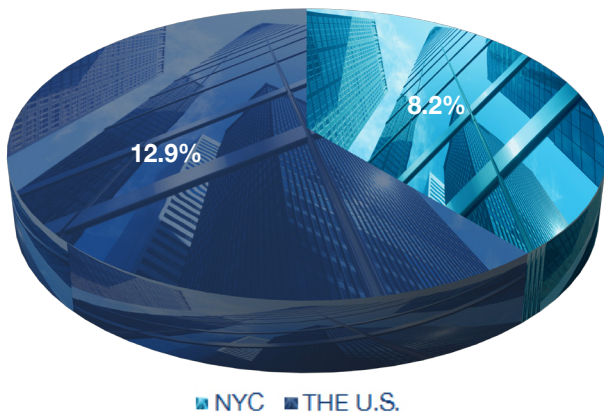
YOY Private Sector jobs in NYC rose by more than 89,000, led by Education and Health Services.

During Q3 the leasing market was punctuated by larger deals. 14 leasing transactions of more than 100,000sf were signed in Manhattan. Clarion/MHP's 180 Maiden Lane signed a 276,000 sf lease with the Department of Investigation.

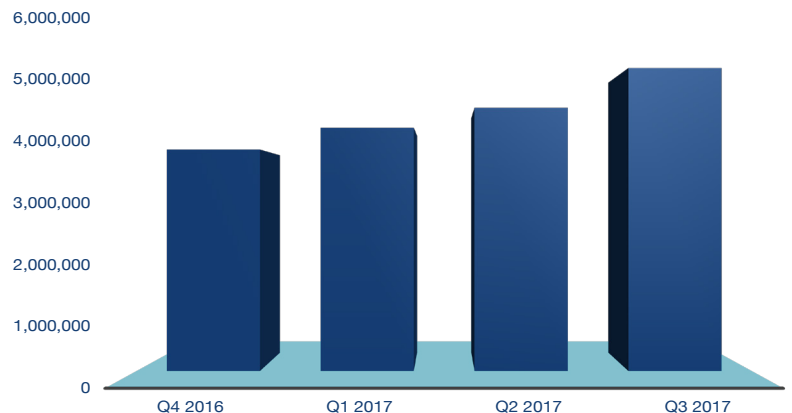
The Manhattan vacancy rate remained steady at 8.2% This is 4.7% less than the National vacancy rate of 12.9%. Vacant sublease space in Manhattan now measures nearly 5,300,000 square feet, a minuscule increase of approximately 400,000 square feet from Q2 2017.

2017 YTD Capital Market sales continued at less than 50% of YOY 2016 volume. Cap rates are expected to move up slightly in anticipation of more rate hikes by The Federal Reserve. Cap rates remain in the 4%-4.5% range. Overall pricing rose during the same period YOY from \$940psf to \$960psf.

U.S. VACANCY COMPARISON



SUBLEASE MARKET



Source: MHP, CoStar, NYS Dept. of Labor, CBRE, Newmark