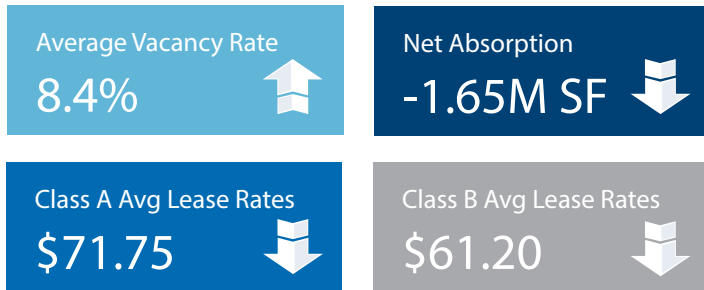




## Overall Market Information 1Q 2017



Arrows indicate changes based on previous quarter

### Market Overview

The New York City Office market ended the first quarter 2017 with a vacancy rate of 8.4%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (1,652,906) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 4,435,179 square feet. Rental rates ended the first quarter at \$65.41, a decrease over the previous quarter. There was 15,748,666 square feet still under construction at the end of the quarter.

#### Absorption

Net absorption for the overall New York City office market was negative (1,652,906) square feet in the first quarter 2017. That compares to positive 747,713 square feet in the fourth quarter 2016, negative (514,646) square feet in the third quarter 2016, and positive 1,725,288 square feet in the second quarter 2016.

#### Unemployment



#### Vacancy

The office vacancy rate in the New York City market area increased to 8.4% at the end of the first quarter 2017. The vacancy rate was 8.2% at the end of the fourth quarter 2016, 8.2% at the end of the third quarter 2016, and 8.1% at the end of the second quarter 2016.

### Significant 1st quarter lease transactions

TENANT	BUILDING	SQ FT
RBC Capital Markets	200 Vesey St*	395,279
Spotify Usa Inc.	4 World Trade Center	378,243
New York State Attorney General	28 Liberty St	342,484
Kramer Levin Naftalis & Frankel LLP	1177 Avenue of the Americas*	285,780
TommyHilfiger	285 Madison Ave	202,797
Twenty-First Century Fox, Inc.	1211 Avenue of the Americas	127,672
Pratt Institute	144 W 14th St	94,920

\*Renewal

### Market Overview *continued*

#### Deliveries and Construction

During the first quarter 2017, no new space was completed in the New York City market area. This compares to one building totaling 450,000 square feet that was completed in the fourth quarter 2016, two buildings totaling 126,643 square feet completed in the third quarter 2016, and 1,813,159 square feet in one building completed in the second quarter 2016.

#### Inventory

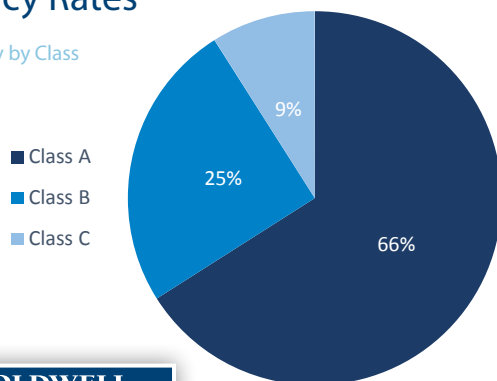
Total office inventory in the New York City market area amounted to 558,618,469 square feet in 3,790 buildings as of the end of the first quarter 2017. The Class-A office sector consisted of 328,101,332 square feet in 468 projects. There were 1,402 Class-B buildings totaling 159,449,497 square feet.

#### Cap Rates

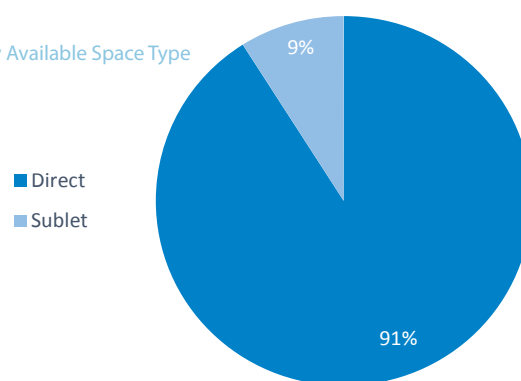
Cap rates have been higher in 2016, averaging 4.19% compared to the same period in 2015 when they averaged 4.15%.

### Vacancy Rates

Vacancy by Class

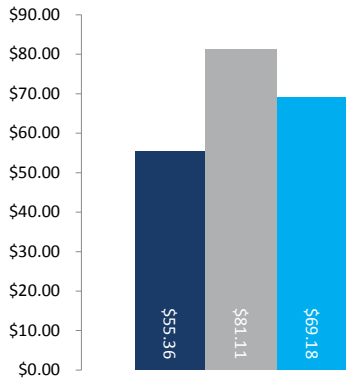


Vacancy by Available Space Type

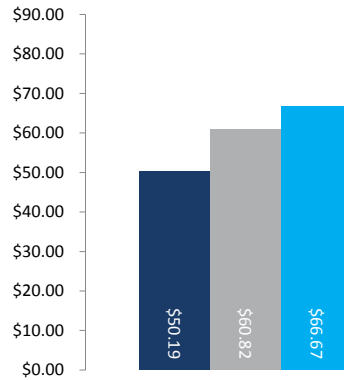


# New York City Average Rental Rates

Class A



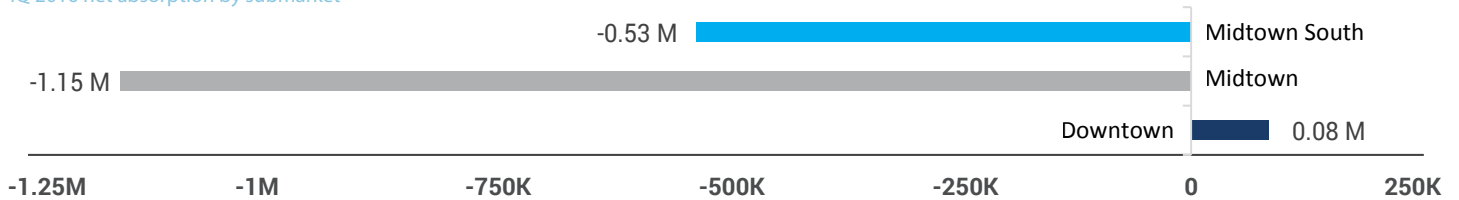
Class B



■ Downtown  
■ Midtown  
■ Midtown South

## Total Net Absorption (1,652,906) SF

4Q 2016 net absorption by submarket



## New York City Lease Rates

The average quoted rate within the Class-A sector was \$71.75 at the end of the first quarter 2017, while Class-B rates stood at \$61.20.

## Quoted Rental Rates

SUBMARKET	CLASS A	CLASS B
Chelsea	\$67.00	\$61.33
City Hall	\$50.37	\$51.34
Columbus Circle	\$68.47	\$56.64
Financial District	\$53.86	\$49.56
Gramercy Park	N/A	\$67.83
Grand Central	\$70.10	\$61.24
Greenwich Village	N/A	\$61.26
Hudson Square	\$77.31	\$74.78
Insurance District	\$59.21	\$42.38
Murray Hill	\$52.03	\$60.84
Penn Plaza/Garment	\$91.04	\$60.72
Plaza District	\$76.25	\$63.20
Soho	\$50.00	\$69.18
Times Square	\$83.21	\$62.31
Tribeca	N/A	\$76.26
U.N. Plaza	\$59.09	N/A
World Trade Center	\$56.62	\$46.24

## NYC Submarket Map

### Midtown East:

Grand Central  
Plaza District

### Midtown West:

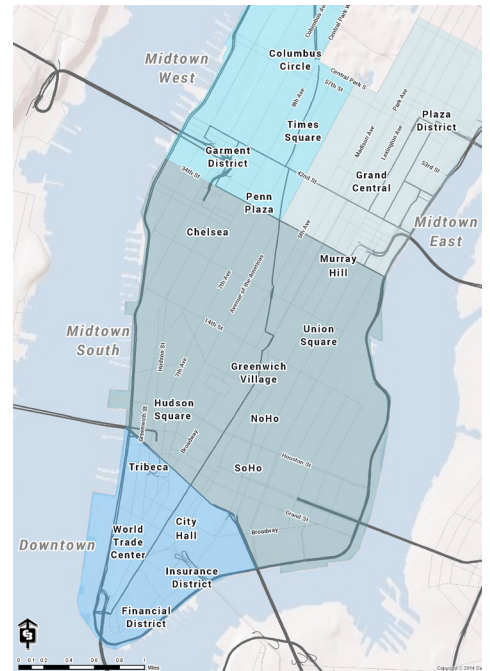
Columbus Circle  
Times Square  
Garment District  
Penn Plaza

### Midtown South:

Chelsea  
Murray Hill  
Union Square  
Hudson Square  
Greenwich Village  
NoHo  
SoHo

### Downtown:

Tribeca  
World Trade Center  
City Hall  
Insurance District  
Financial District



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