



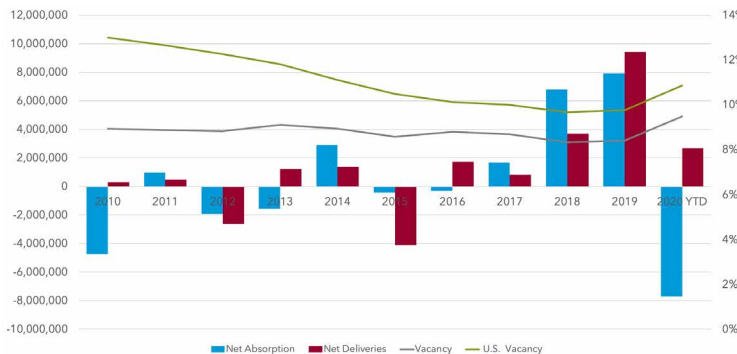
### OFFICE MARKET OVERVIEW

KENNETH SALZMAN, SIOR, *Executive Managing Director, Principal*

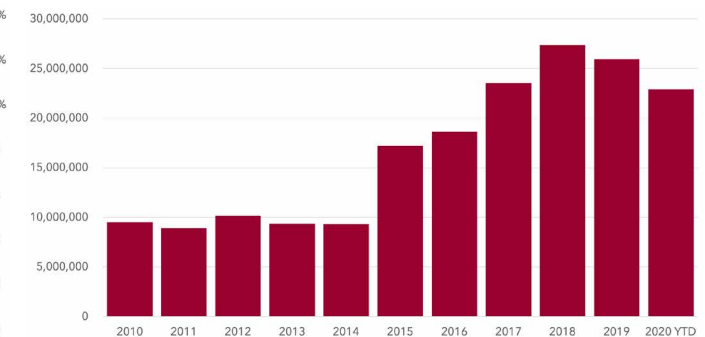
Leasing activity sharply declined as New York City has cautiously re-opened during Q3. Unemployment dropped from its peak of 18.3% in May to 16% as of August. Recovery is slow. New sublet availabilities increased 40% increase year over year, resulting in the third consecutive quarter of negative absorption. Fewer large deals were signed quarter over quarter and short-term renewals are the preferred option for both tenants and landlords. The overall vacancy rate reached 9.2% during the 3Q20. With the effect of corporate social-distancing policies and work from home trends still unknown, we anticipate that concessions will continue to increase and rents will decrease by as much as 20% off their 4Q19 high.

MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▼ Net Absorption	(3,193,443) SF	2,213,462 SF	5,337,213 SF	7,931,894 SF	5,230,428 SF
▲ Vacancy Rate	9.2%	8.5%	8.4%	8.4%	8.2%
▼ Avg NNN Asking Rate	\$58.22 PSF	\$58.56 PSF	\$58.85 PSF	\$59.05 PSF	\$58.92 PSF
▼ Under Construction	22,907,124 SF	25,169,504 SF	25,026,840 SF	25,941,893 SF	29,364,046 SF
▲ Inventory	946,357,297 SF	943,946,877 SF	943,500,539 SF	943,617,997 SF	939,544,006 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1375 Broadway New York, NY	513,401 SF	\$435,000,000.00 \$847.29 PSF	Savanna Real Estate Fund Westbrook Partners	Class B
522 Fifth Avenue New York, NY	371,406 SF	\$350,000,000.00 \$942.37 PSF	RFR Realty LLC Morgan Stanley & Co, LLC	Class A
110 Fifth Avenue New York, NY	148,940 SF	\$106,750,000.00 \$716.73 PSF	Nexland Capital Partners LLC Samson Management	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
390 Ninth Avenue New York, NY	730,000 SF	Related Companies   Vornado Realty Trust	Facebook	Tech
787 Seventh Avenue New York, NY	323,734 SF	CommonWealth Partners, LLC	BNP Paribas	Financial
28 Liberty Street New York, NY	217,638 SF	Fosun International	AIG Global Investors	Financial

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