



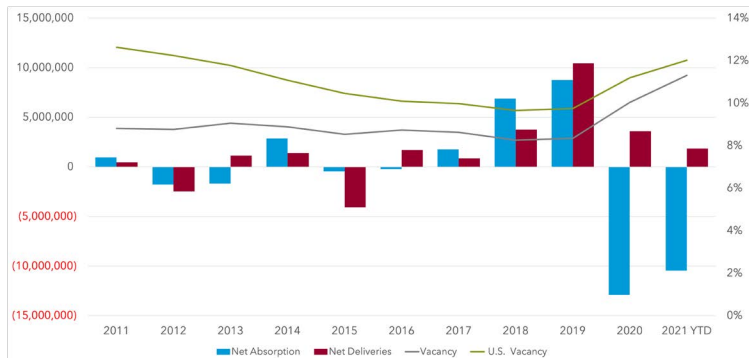
OFFICE MARKET OVERVIEW

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

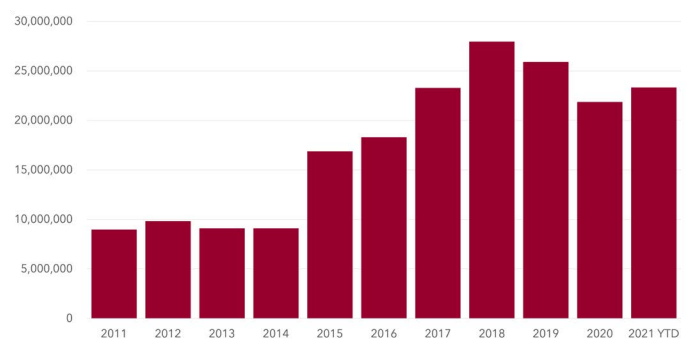
New York City is beginning to recover from the exodus of residents due to the Covid-19 pandemic. The impact on the office market is evident as the number of firms choosing to sublease their offices increased by 69%, resulting in 21.8 M SF of space being returned to the market during 1Q21. Long-term leasing activity neared record lows, as vacancy increased 12.7%, totaling 11.2% of available inventory. On a positive note, by the end of 1Q21, nearly 40% of the adults in the region have received at least one vaccination shot. The City recently notified its municipal workforce of 80,000 to return to their offices by early May. While private-sector office usage in New York continues to trend below 20%, we are optimistic that the office market will stabilize during the 2nd half of the year.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▼ Net Absorption SF	(21,810,349)	(12,904,045)	(2,266,330)	3,226,826	6,294,583
▲ Vacancy Rate	11.2%	10.0%	9.1%	8.4%	8.3%
▼ Avg NNN Asking Rate	\$57.31 PSF	\$57.41 PSF	\$57.86 PSF	\$58.66 PSF	\$59.00 PSF
▲ SF Under Construction	23,323,027	21,866,637	22,649,338	25,099,066	24,988,702
▲ Inventory SF	953,093,357	951,219,026	950,486,941	947,821,373	947,384,384

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1633 Broadway New York, NY	2,499,105 SF	\$240,000,000 \$960.34 PSF	Undisclosed Paramount Group	Class A
30 Hudson Yards New York, NY	1,463,234 SF	\$2,155,000,064 \$1,472.77 PSF	The Related Co's/Allianz RE of America Time Warner Inc. (AT&T)	Class A
1 Madison Avenue New York, NY	1,369,000 SF	\$492,200,000 \$726.33 PSF	Hines/National Pension Service of Korea SL Green Realty Corp	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
345 Park Avenue New York, NY	652,615 SF	Rudin Management Company	The Blackstone Group	Financial
787 11th Avenue New York, NY	167,348 SF	The Georgetown Co/ Pershing Sq Cap Mgmt	Icahn School of Medicine at Mount Sinai	Healthcare
245 Park Avenue New York, NY	148,232 SF	SL Green Realty Corp./HNA Group North America LLC	Houlihan Lokey	Financial

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