



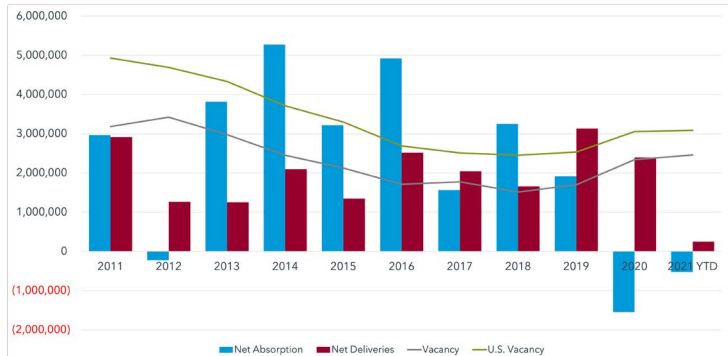
RETAIL MARKET OVERVIEW

PETER BRAUS, *Managing Principal*

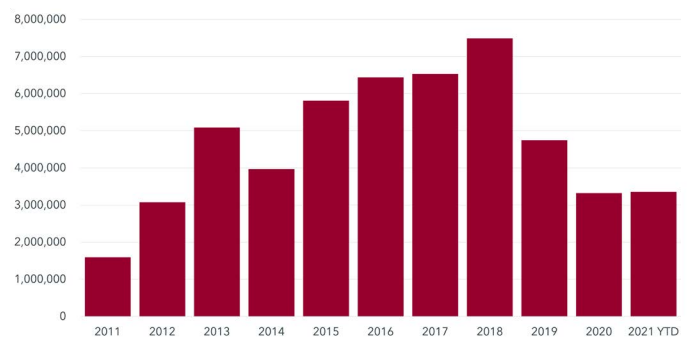
There was a marked increase in Q1 leasing activity as tenants began to regain some confidence that the pandemic was receding as vaccine distribution advances. The hospitality sector has been particularly active with second-generation restaurants attracted by lower rents and favorable terms. Manhattan has something of a "doughnut hole" in Midtown - roughly from 34th Street to 59th Street - which is hit worse as some 85% of office tenants are staying away. Neighborhood retail in Brooklyn and parts of Queens saw a significant leasing uptick. Absorption will gain with marijuana legalization and as lower rents entice new tenants to the market.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▼ Net Absorption SF	(1,976,638)	(1,546,515)	(1,484,412)	312,036	1,401,458
▲ Vacancy Rate	4.4%	4.3%	4.2%	3.9%	3.8%
▼ Avg NNN Asking Rate	\$42.15 PSF	\$42.63 PSF	\$43.65 PSF	\$44.16 PSF	\$44.34 PSF
▲ SF Under Construction	3,354,987	3,320,261	4,407,836	4,272,907	4,491,689
▲ Inventory SF	609,941,776	609,561,658	608,092,815	607,898,165	607,680,155

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
424-434 Fifth Avenue New York, NY	615,782 SF	\$850,000,000 \$1,380.36 PS	Hudson's Bay Company/WeWork Hudson's Bay Company	Multi-Tenant
555 10th Avenue New York, NY	285,421 SF	Undisclosed	RXR Realty Extell Development Company	Multi-Tenant
311-315 W 33rd Street New York, NY	270,132 SF	\$242,467,648 \$897.59 PSF	Brookfield Asset Management, Inc. SL Green Realty Corp	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
725 Fifth Avenue New York, NY	48,667 SF	Trump Organization	Gucci	Apparel
711 Fifth Avenue New York, NY	28,335 SF	Calmwater Capital	Undisclosed	Undisclosed
508-512 W42nd Street New York, NY	20,000 SF	Merchants Hospitality/ Cachet Hospitality Grp	Delmonico Steakhouse	Food

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