



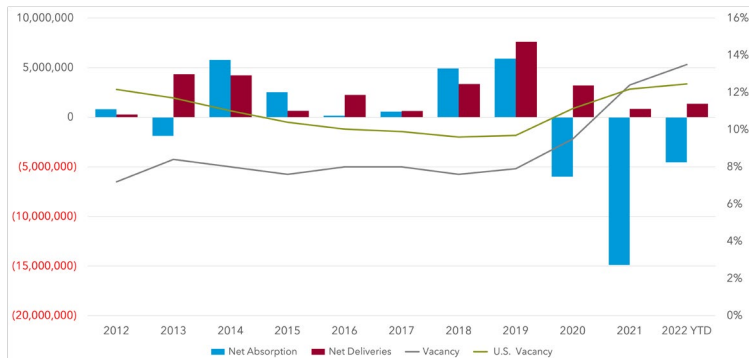
OFFICE MARKET OVERVIEW

SARAH ORCUTT, *Director of Research*

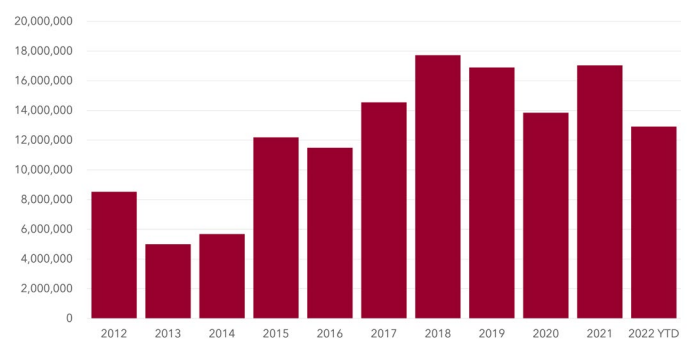
Manhattan office leasing activity totaled 8.3 million SF in Q3 2022, the strongest quarter of activity of the year and down 24.8% from the pre-pandemic quarterly average of 11.0 million SF. Trophy assets continued to attract the greatest demand, with activity driven by Hudson Yards and Avenue of the Americas/Rockefeller Center. Several leases over 100,000 SF were executed this quarter, including KPMG's 456,518 SF lease at 2 Manhattan West, the largest deal of the year thus far. Despite strong leasing activity, vacancy rates remained elevated to record levels, closing the quarter at 13.4%. Market rents have seen a faster recovery than other indicators, remaining stable at \$72.72 PSF, down just 2.6% from pre-pandemic levels.

| MARKET INDICATORS | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 |
|----------------------------|-------------|-------------|-------------|--------------|--------------|
| ▼ 12 Mo. Net Absorption SF | (6,287,887) | (5,658,667) | (5,072,665) | (14,887,052) | (17,575,751) |
| ▲ Vacancy Rate | 13.4% | 13.2% | 12.6% | 12.4% | 12.0% |
| ▲ Avg GRS Asking Rate PSF | \$72.72 | \$72.29 | \$72.29 | \$72.31 | \$72.29 |
| ◀▶ SF Under Construction | 12,920,789 | 12,920,789 | 16,096,664 | 17,059,633 | 17,301,677 |
| ▼ Inventory SF | 545,949,814 | 546,302,397 | 543,126,522 | 541,968,553 | 541,726,509 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|--|------------|-------------------------------|--|----------------|
| 40 Fulton Street New York, NY | 252,000 SF | Undisclosed | David Werner Real Estate Vornado Realty Trust | Class A |
| 830 Third Avenue New York, NY | 157,866 SF | \$72,000,000 \$456.08 PSF | Empire Capital Hldgs/Namdar Realty Gp AEW Capital Management | Class B |
| 43-45 East 53rd Street New York, NY | 134,320 SF | \$102,500,000 \$763.10 PSF | ZG Capital Partners/Rialto Capital Mgmt MEK Management Services | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|-----------------------------------|------------|------------------------------------|--------------------|--------------------|
| 2 Manhattan West New York, NY | 456,518 SF | Brookfield Properties | KPMG | Accounting |
| 1 Madison Avenue New York, NY | 347,474 SF | Hines SL Green | Franklin Templeton | Financial Services |
| 620 Eighth Avenue New York, NY | 331,112 SF | Brookfield Properties / NYTimes | Datadog | Technology |

