



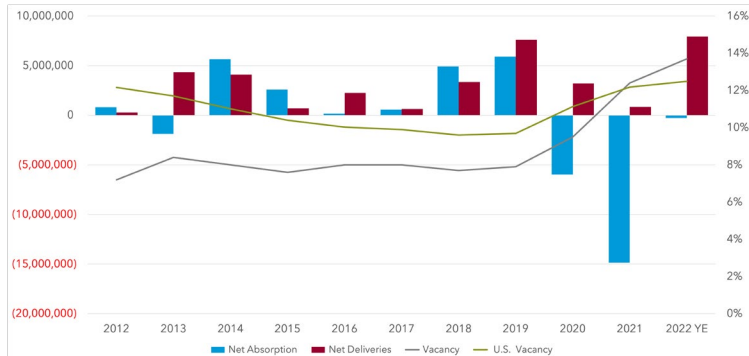
### OFFICE MARKET OVERVIEW

SARAH ORCUTT, *Director of Research*

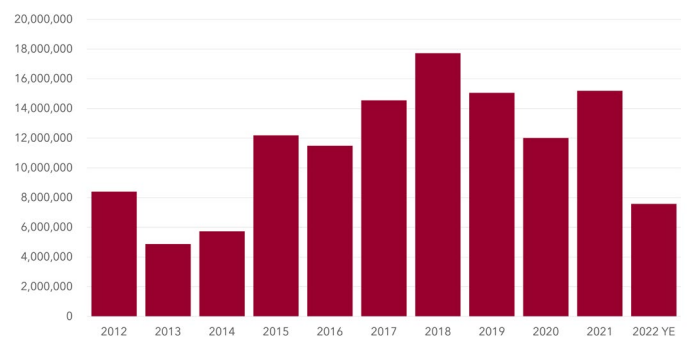
Manhattan's office leasing activity totaled 5.2 million square feet in the fourth quarter, a 49.6% year-over-year decline and the slowest quarter of activity of the year. Twelve-month net absorption totaled negative 277,283 square feet, a significant improvement from last year's 12-month net absorption of negative 14.9 million square feet. The office vacancy rate increased 130 basis points over the year to 13.7%, while market rents remained largely unchanged at \$72.66 per square foot. The largest lease transactions included Ann Taylor's 189,289 square foot renewal at 7 Times Square and Keefe, Bruyette & Woods' 156,615 square foot renewal at 787 Seventh Avenue.

| MARKET INDICATORS          | Q4 2022     | Q3 2022     | Q2 2022     | Q1 2022     | Q4 2021      |
|----------------------------|-------------|-------------|-------------|-------------|--------------|
| ▲ 12 Mo. Net Absorption SF | (277,283)   | (6,155,076) | (5,595,678) | (5,064,231) | (14,851,252) |
| ▲ Vacancy Rate             | 13.7%       | 13.4%       | 13.3%       | 12.6%       | 12.4%        |
| ▲ Avg GRS Asking Rate PSF  | \$72.66     | \$72.64     | \$72.55     | \$72.66     | \$72.57      |
| ▼ SF Under Construction    | 7,577,190   | 14,081,635  | 14,081,635  | 14,343,977  | 15,193,692   |
| ▲ Inventory SF             | 548,794,704 | 542,290,259 | 542,290,259 | 542,027,917 | 540,866,602  |

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF      | SIZE         | SALE PRICE                      | BUYER / SELLER                                                                         | BUILDING CLASS |
|----------------------------------|--------------|---------------------------------|----------------------------------------------------------------------------------------|----------------|
| 25 Water Street<br>New York, NY  | 1,113,359 SF | \$215,000,000<br>\$193.11 PSF   | GFP R.E.  Rockwood Cap  Metro Loft Mgmt<br>HSBC/EDGE Funds Advisors                    | Class A        |
| 200 Fifth Avenue<br>New York, NY | 870,000 SF   | \$280,200,000<br>\$1,192.85 PSF | Boston Properties<br>L&L Holding Co/JP Morgan Asset Mgmt                               | Class A        |
| 175 Water Street<br>New York, NY | 716,384 SF   | \$252,000,000<br>\$368.15 PSF   | One Seven Five Water LLC   99c LLC  Bushwick<br>175 Water St Owner LLC/Vanbarton Group | Class A        |

| TOP LEASE TRANSACTIONS BY SF        | SIZE       | LANDLORD                 | TENANT                  | TENANT INDUSTRY    |
|-------------------------------------|------------|--------------------------|-------------------------|--------------------|
| 7 Times Square<br>New York, NY      | 189,289 SF | Boston Properties        | Ann Taylor              | Apparel            |
| 787 Seventh Avenue<br>New York, NY  | 156,615 SF | CommonWealth<br>Partners | Keefe, Bruyette & Woods | Financial Services |
| 31 West 52nd Street<br>New York, NY | 132,502 SF | Paramount Group          | Undisclosed             | Undisclosed        |

