



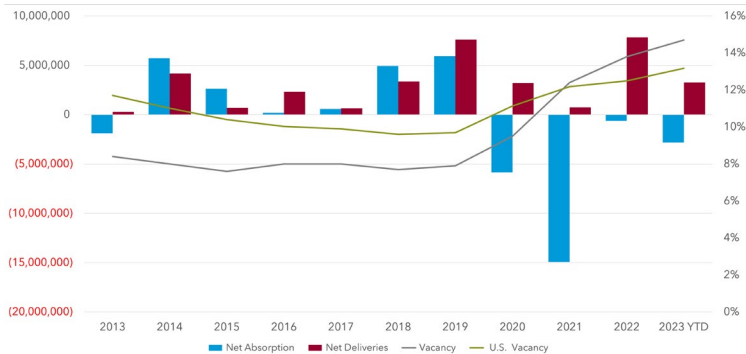
OFFICE MARKET OVERVIEW

SARAH ORCUTT, *Director of Research*

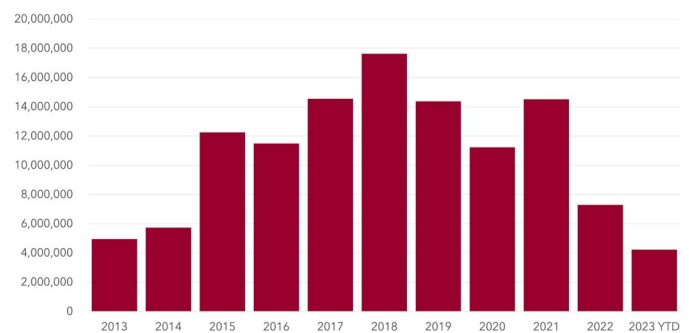
Manhattan captured 6.2 million square feet of demand in the second quarter of 2023, marking a 31.4% year-over-year decline but outpacing Q1 2023 by 7.4%. With economic uncertainty and the persisting remote-work trend weighing on the market, large transactions have slowed from historical levels and are predominantly expiration driven. Manhattan's vacancy rate increased for the twelfth consecutive quarter to 14.8%, and 12-month net absorption totaled negative 223,852 square feet. Market rents have remained relatively flat for several quarters, ending the latest period at \$70.77 PSF. Market inventory increased by 3.3 million square feet from the prior quarter due to two new construction deliveries.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▲ 12 Mo. Net Absorption SF	(223,852)	(3,922,052)	(618,659)	(6,162,822)	(5,606,042)
▲ Vacancy Rate	14.8%	14.3%	13.8%	13.4%	13.3%
▲ Avg GRS Asking Rate PSF	\$70.77	\$70.68	\$70.70	\$70.86	\$70.96
▼ SF Under Construction	4,223,268	7,499,870	7,287,870	13,499,630	13,499,630
▲ Inventory SF	550,835,827	547,559,225	547,559,225	541,347,465	541,347,465

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1 Liberty Plaza New York, NY	2,346,000 SF	\$490,000,000 \$426.26 PSF*	Brookfield Asset Management Blackstone, Inc.	Class A
245 Park Avenue New York, NY	1,784,480 SF	\$998,000,000 \$1,120.77 PSF*	Mori Trust Company SL Green Realty Corporation	Class A
50 W. 47th Street New York, NY	397,000 SF	\$1,232,858 \$3.11 PSF	Gem Tower Sky Blue LLC Extell Development Company	Class A

*Partial interest sales. The price PSF reflects portion of property sold in the transaction, not on total property SF.

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
110 William Street New York, NY	630,000 SF	Pacific Oak Capital Advisors	Department of Citywide Administrative Services (DCAS)	Government Agency
200 Park Avenue New York, NY	256,840 SF	Irvine Company	Paul Hastings	Legal Services
51 West 52nd Street New York, NY	242,464 SF	Harbor Group International	Wachtell, Lipton, Rosen & Katz	Legal Services

