

SNAPSHOT OF THE NYC COMMERCIAL MARKET

1ST QUARTER 2023

PREPARED BY:

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SUMMARY OF THE COMMERCIAL OFFICE MARKET-Q1 2023

THE NEW YORK CITY ECONOMY IS IMPROVING

In March 2023, the hotel occupancy rate was 82.7%. In April 2020, the occupancy rate was 32%. The daily ridership in March 2023 was 3,259,000. Subway ridership was 391,000 per day in March 2020. The current rate of unemployment is 5.4%. The unemployment rate in NYC in April 2020 was 21.4%.

OVERALL MARKET

In New York City, the market has stabilized. For the last two years, the availability rate in Manhattan has changed by 60 basis points. Today's availability rate is 17.8%. For the past two years, rent fluctuated by one dollar. In New York City, the average monthly rent is \$53.98.

VACANT VERSUS AVAILABLE

Over the past two years, the available space has been consistent. There are 104,933,000 rsf available now. There were 104,700,000 available in the third quarter of 2021. The definition of available is the sum of vacant space that is immediately available and already being marketed because a tenant occupies it. However, Vacancy is still increasing. Currently, 73,575,000 rsf is vacant, compared to 61,664,000 rsf in Q3 2021

DIRECT SPACE VERSUS SUBLET MARKET

In contrast, to sublet space, which is growing, direct space is shrinking.

Direct space is 80,294,835 rsf today compared to 82,729,487 rsf in the third quarter of 2021. Today, there are 24,749,246 rsf of sublet space, compared to 22,076,378 rsf in Q3 2021. Please note that the amount of sublet space is at its highest level since the start of the pandemic.

LEASING ACTIVITY YEAR BY YEAR

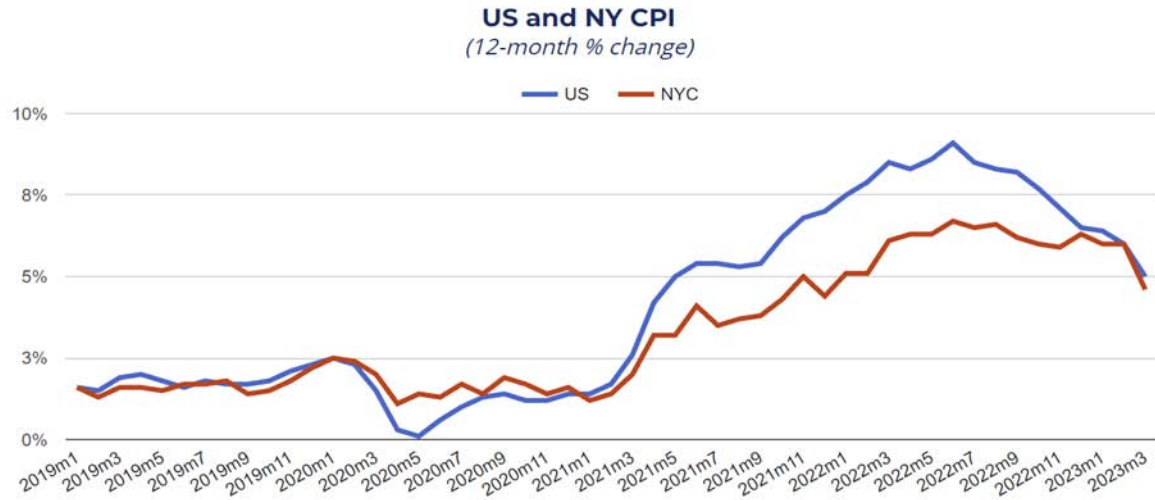
Every year since the beginning of the pandemic, leasing activity has been more than the previous year. 24,447,353 RSF were leased in 2020. 31,943,786 SF in 2021. Finally, in 2022, 36,605,568 SF were leased.

SUMMARY

The overall economy is improving. The commercial real estate market remains steady. However, it would be more challenging for landlords to lease space due to the rise in sublet space and vacant space. As a result, landlords will need to be more flexible on the term, the right to cancel the lease, give new installation, and provide furniture.

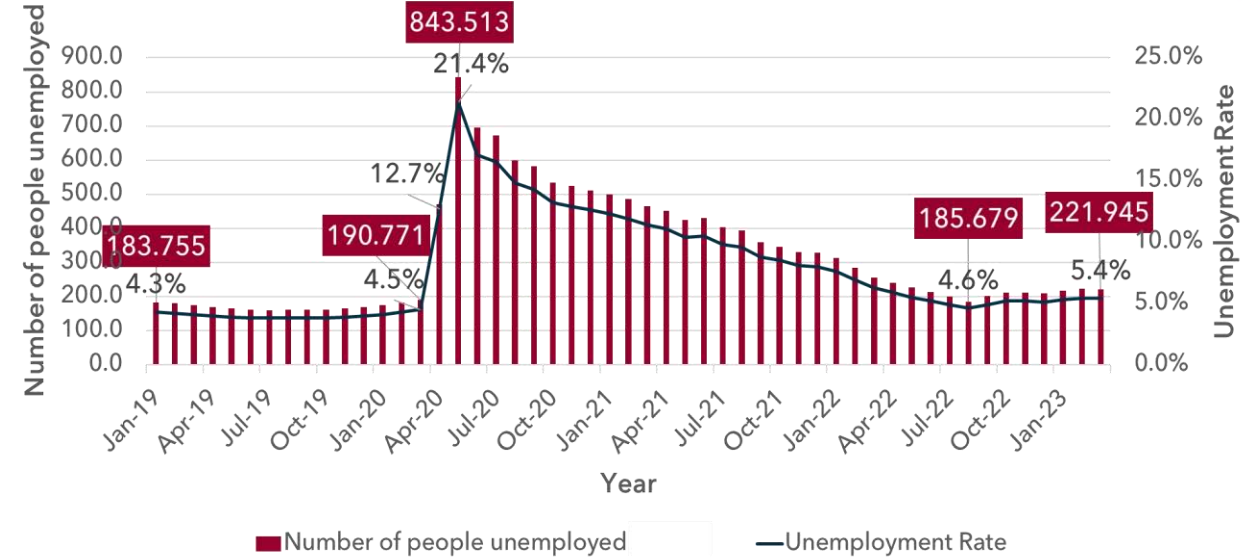
ECONOMIC INDICATORS - 1Q 2023

INFLATION AND HOUSING COSTS

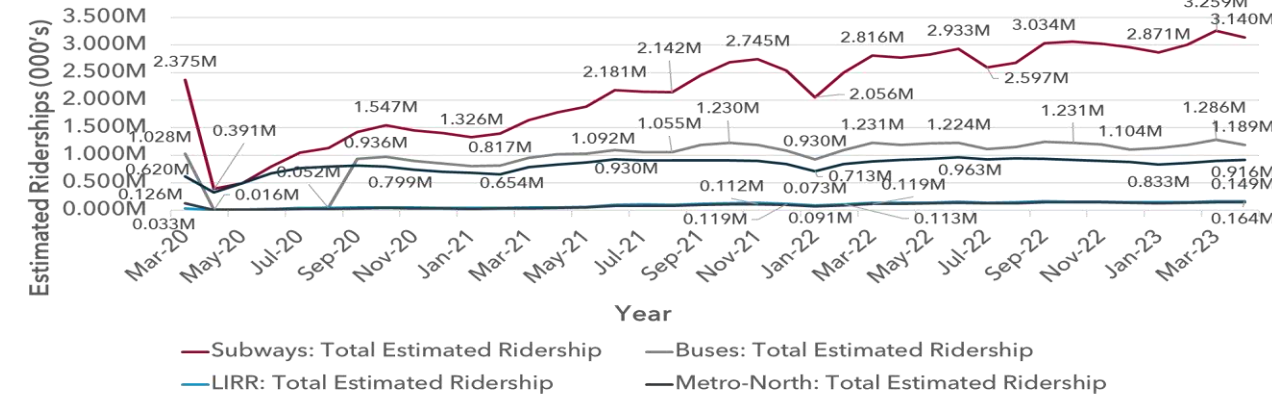


Source: BLS

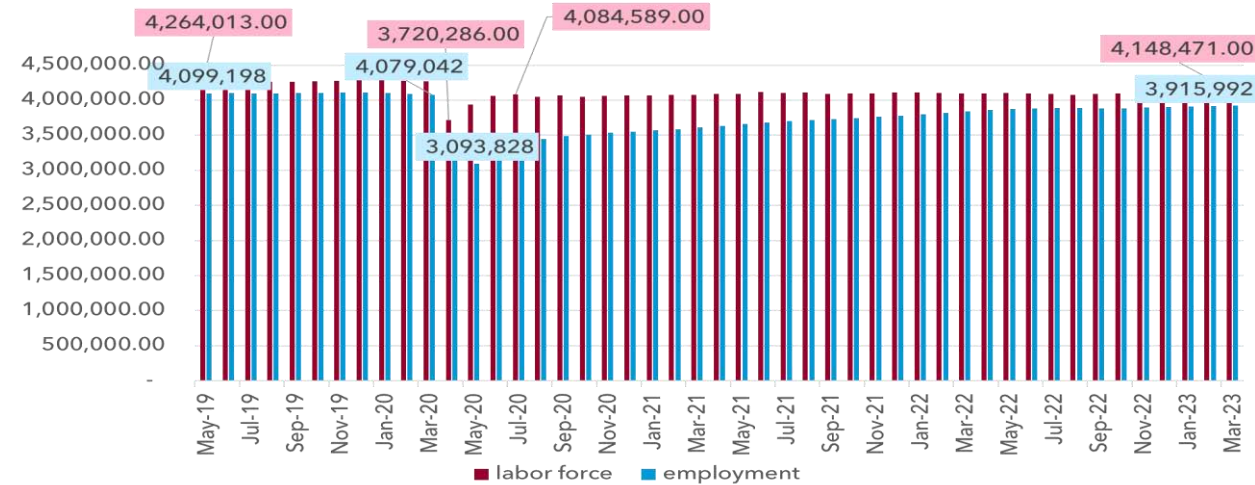
NYC UNEMPLOYMENT



MTA TRANSPORTATION



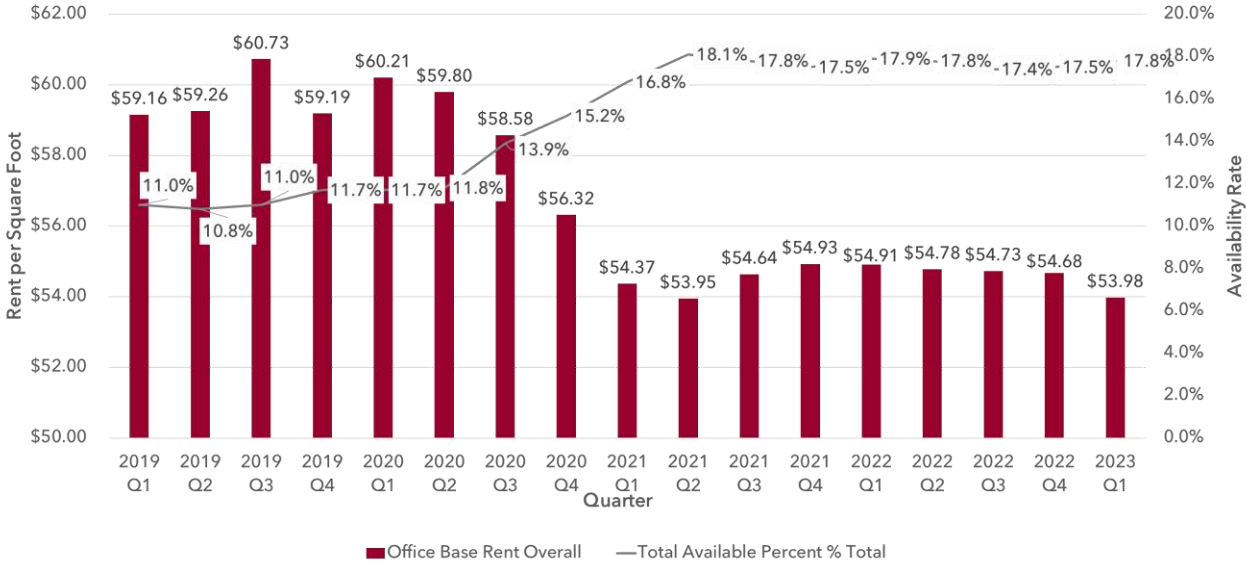
NYC LABOR FORCE VS TOTAL EMPLOYED



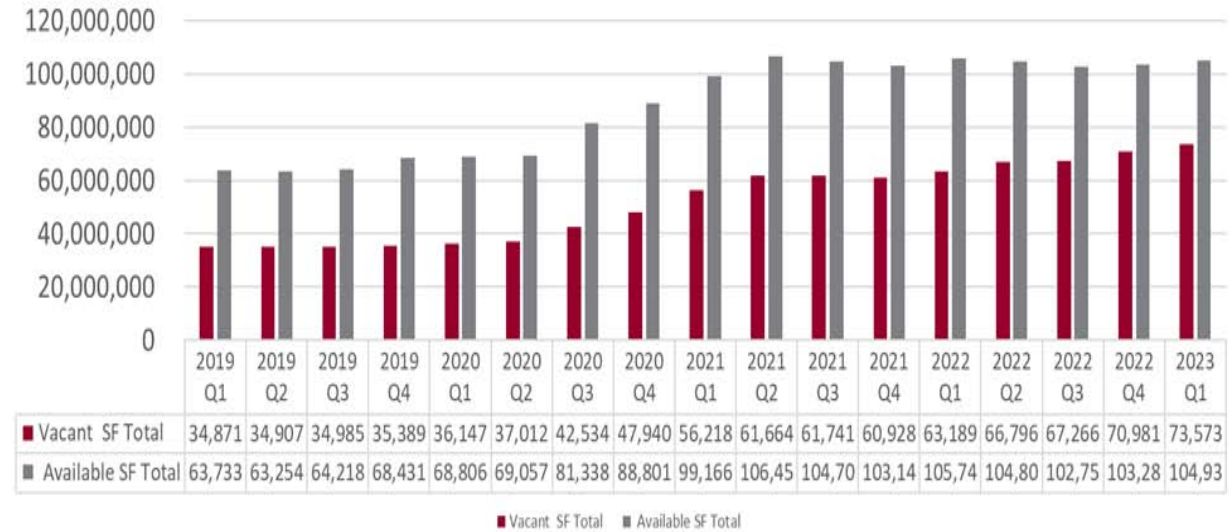
LOCAL EXPERTISE. INTERNATIONAL REACH. WORLD CLASS.

OVERALL MARKET CHART - 1Q 2023

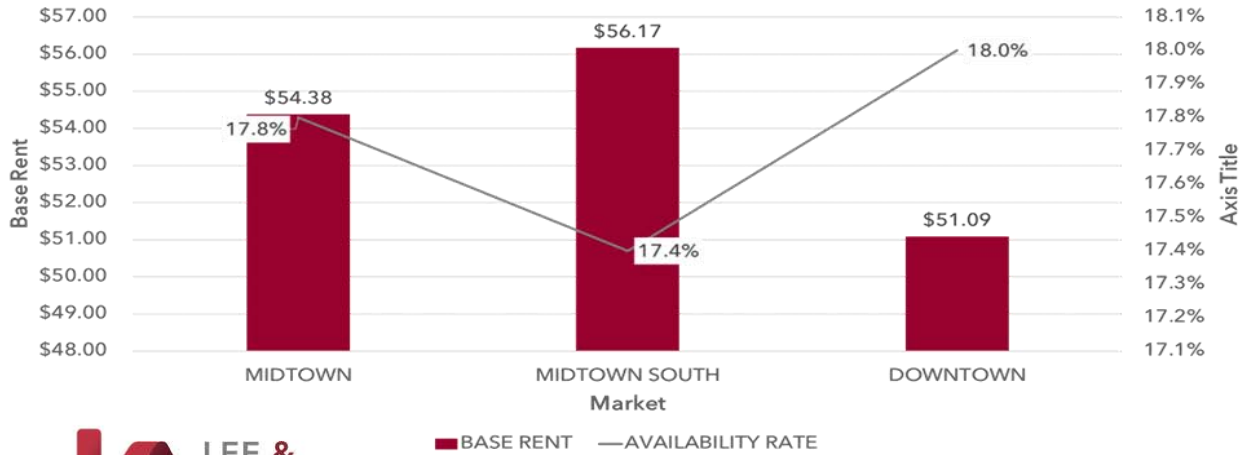
MANHATTAN OVERALL RENT AND AVAILABILITY RATES



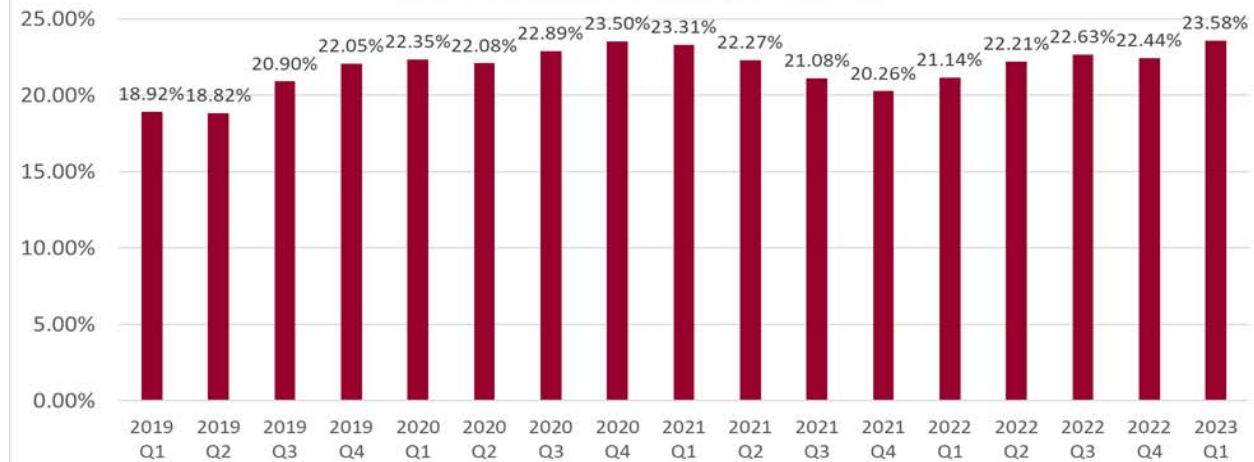
Vacant SF Total Versus Available SF Total



RENT AND AVAILABILITY RATES - OVERALL MARKET

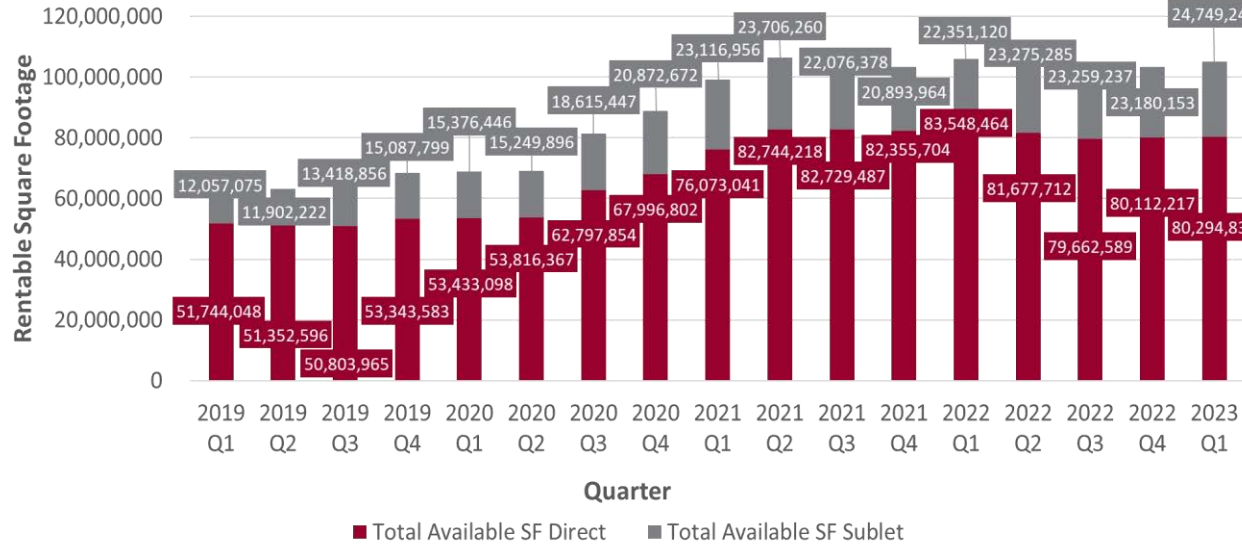


Percent Sublet to Total Availability

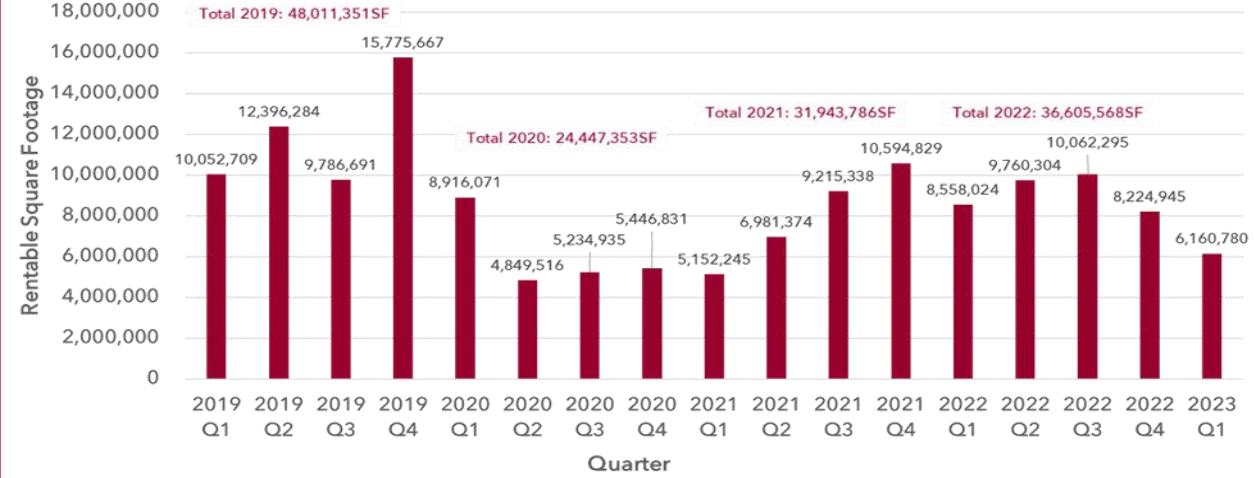


OVERALL MARKET CHART - 1Q 2023

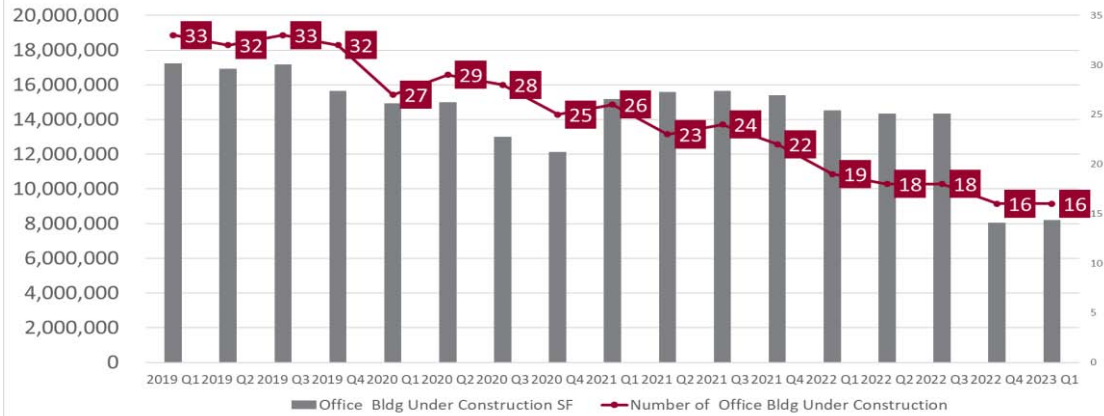
MANHATTAN RSF DIRECT TO SUBLEASE



MANHATTAN LEASING ACTIVITY SF TOTAL



Under Construction Office Bldgs SF Versus Number of Office Bldgs Under Construction



OVERALL MANHATTAN LEASING ACTIVITY BY CLASS



Numbers have been rounded

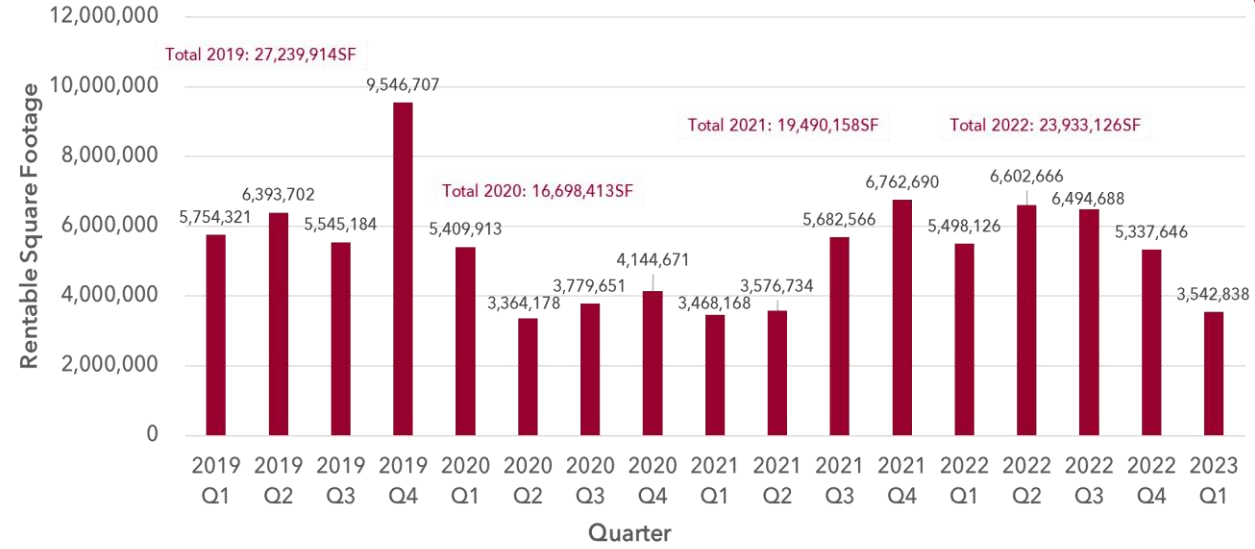
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MIDTOWN CHART - 1Q 2023

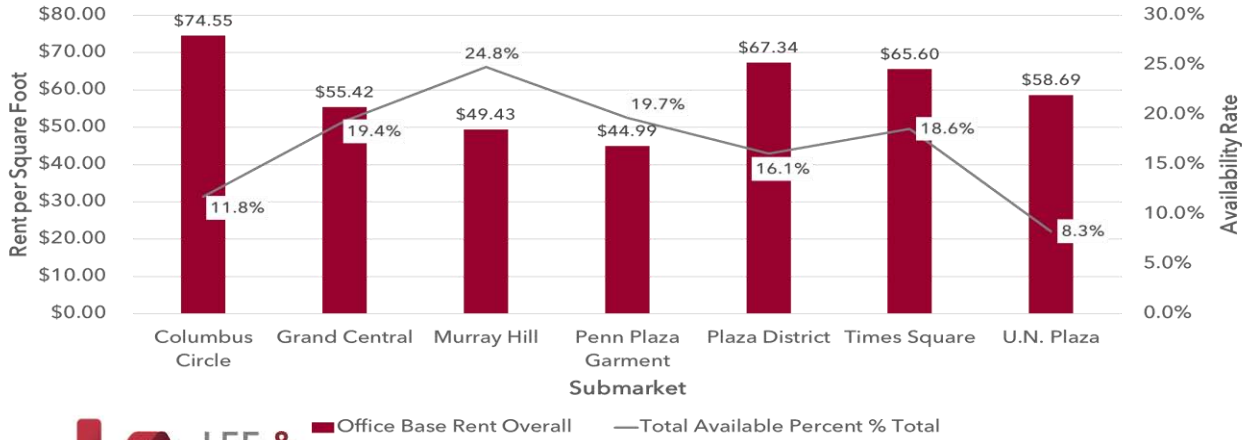
MIDTOWN RENT AND AVAILABILITY RATES



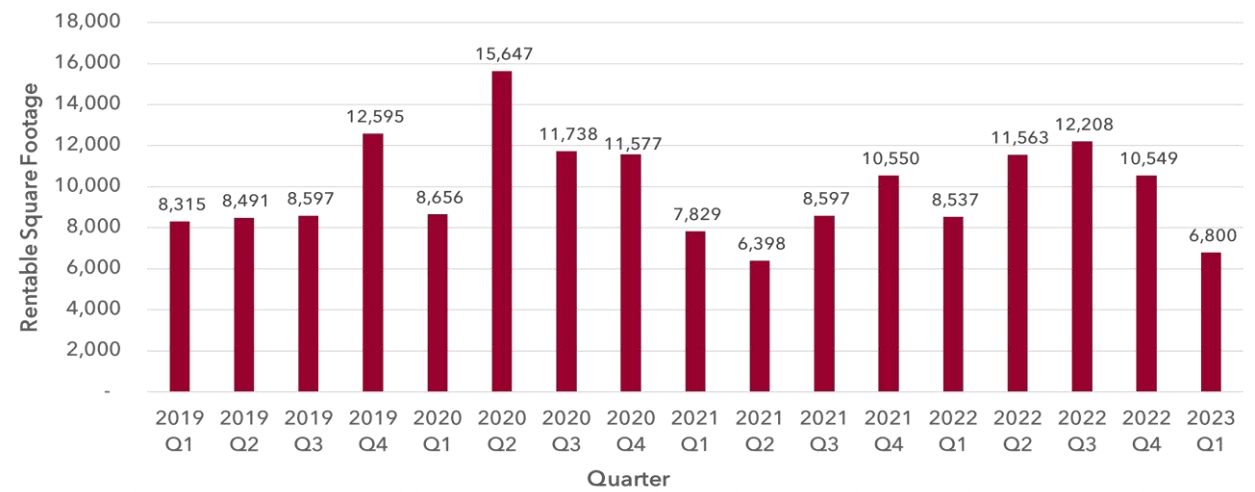
MIDTOWN LEASING ACTIVITY SF TOTAL



RENT AND AVAILABILITY RATES - MIDTOWN SUBMARKET

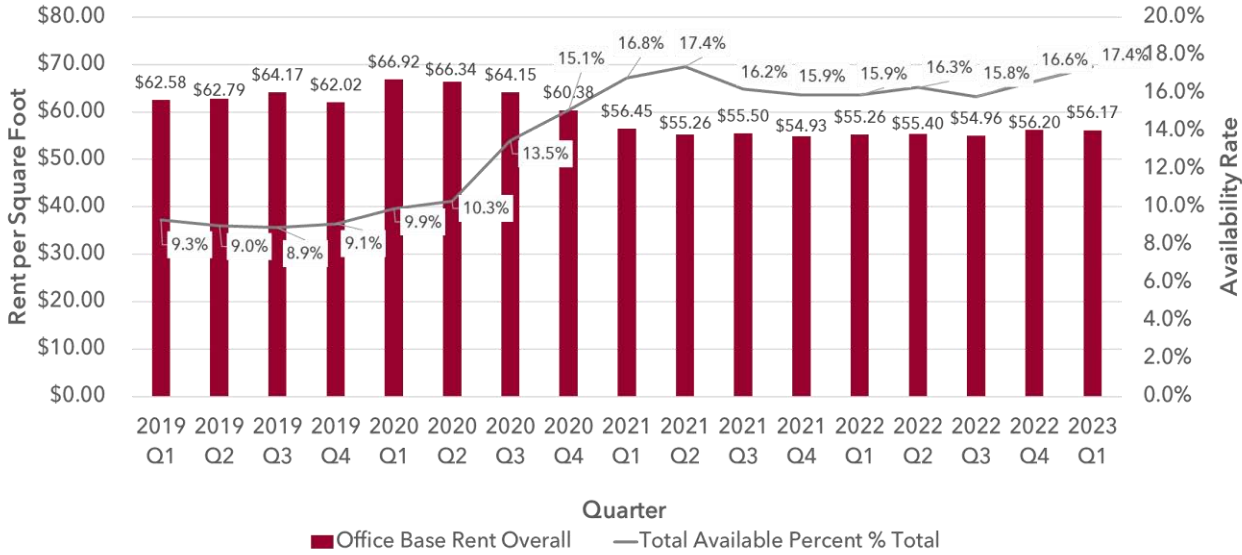


MIDTOWN DEAL SIZE

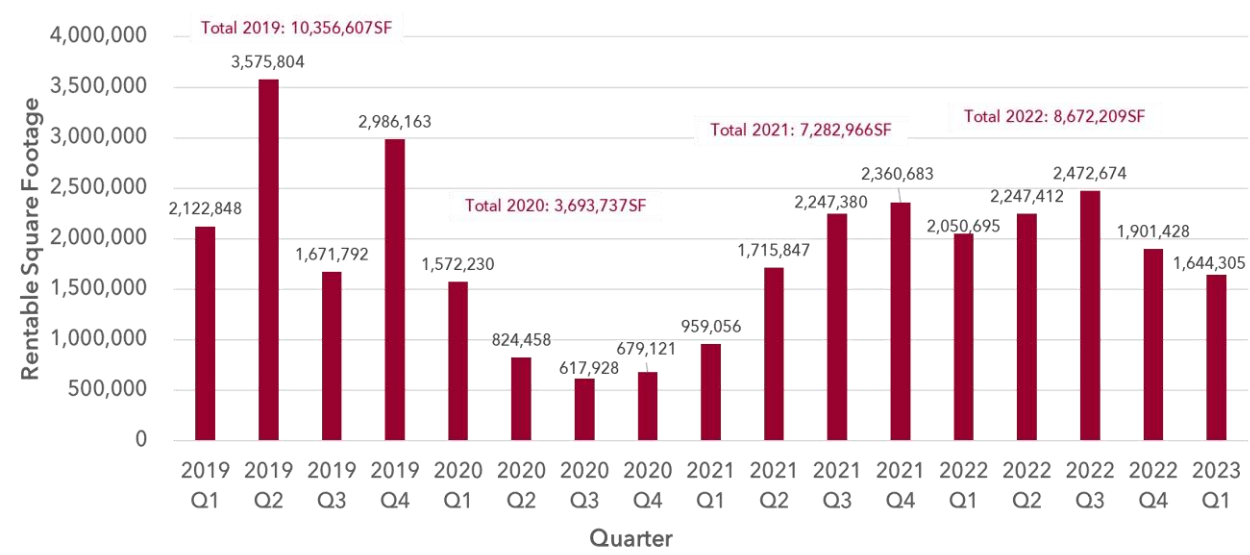


MIDTOWN SOUTH CHART - 1Q 2023

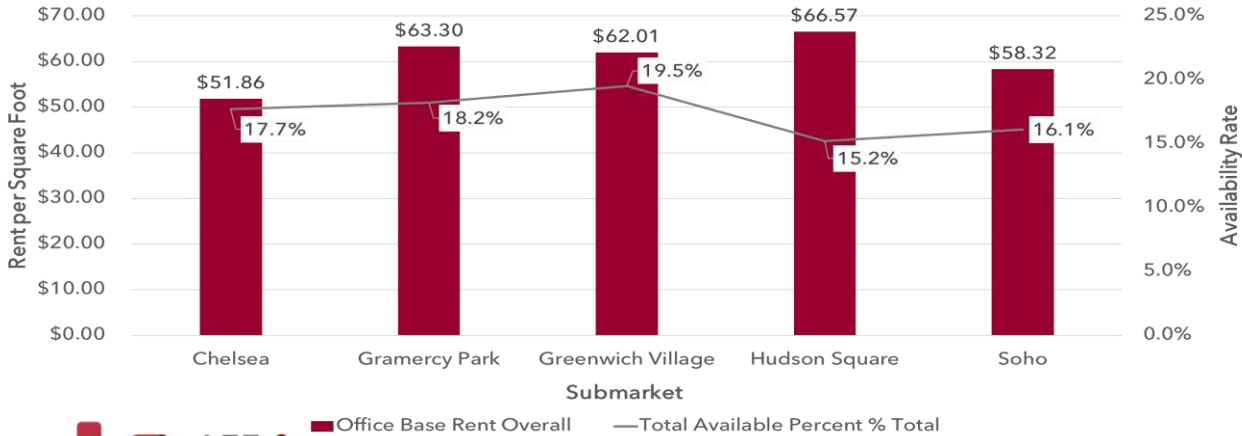
MIDTOWN SOUTH RENT AND AVAILABILITY RATES



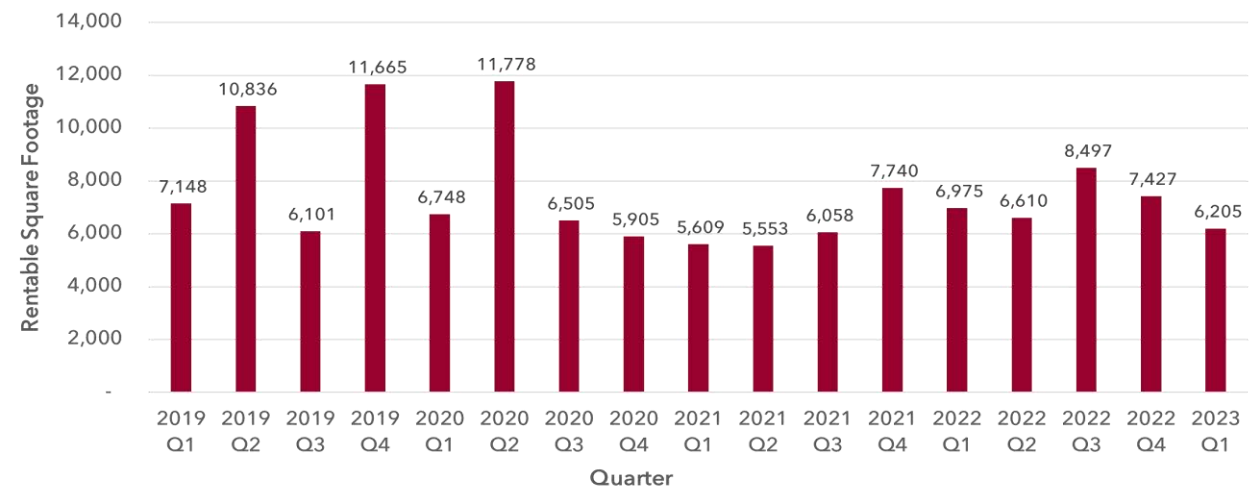
MIDTOWN SOUTH LEASING ACTIVITY SF TOTAL



RENT AND AVAILABILITY RATES - MIDTOWN SOUTH SUBMARKET

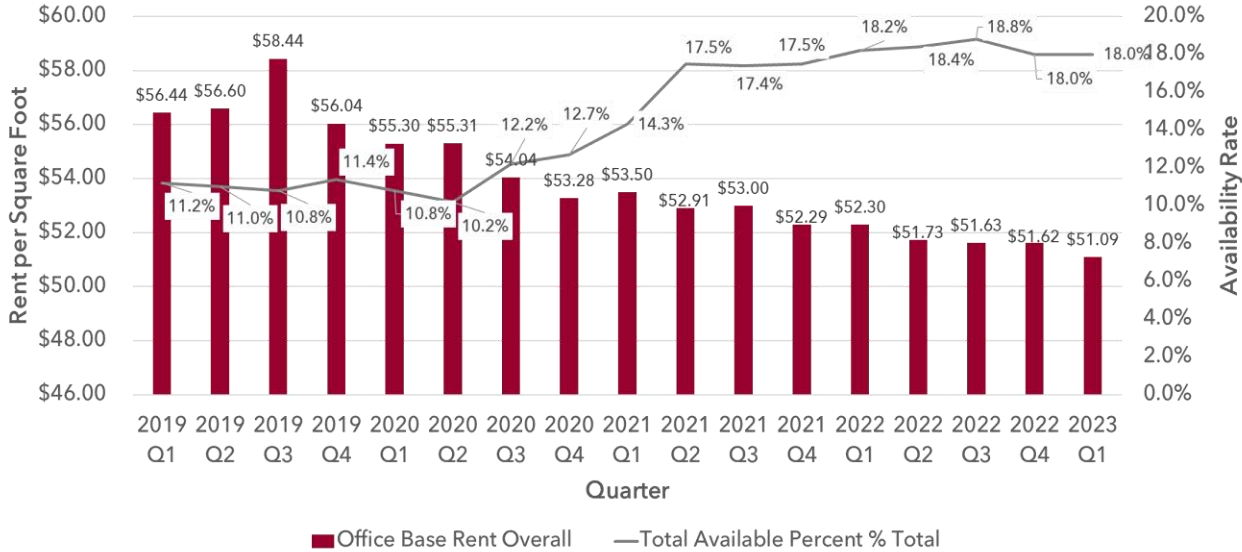


MIDTOWN SOUTH DEAL SIZE

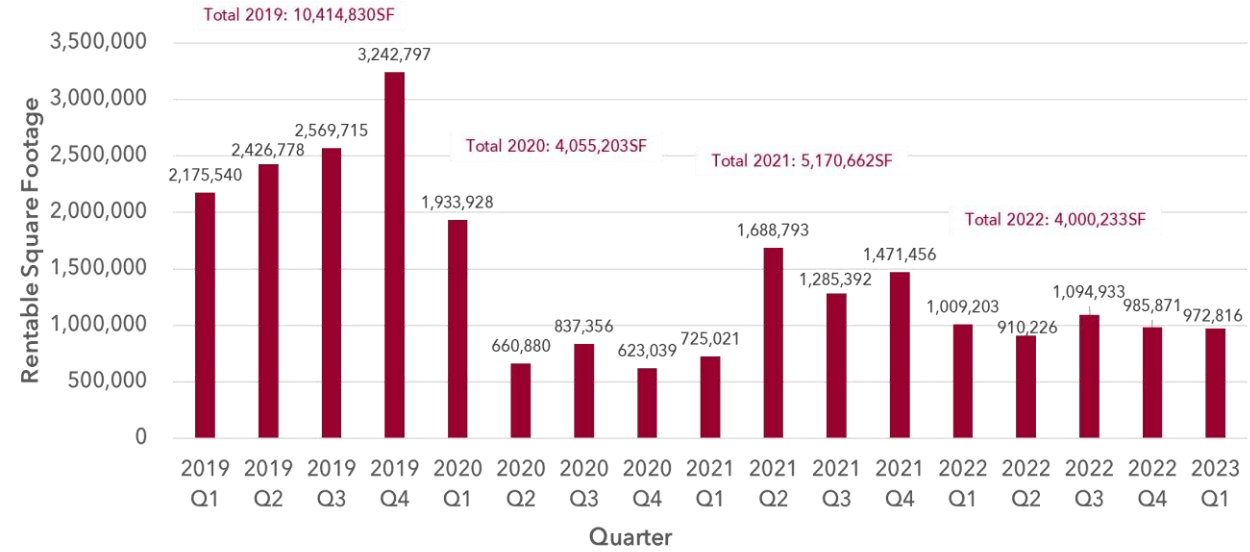


DOWNTOWN CHART - 1Q 2023

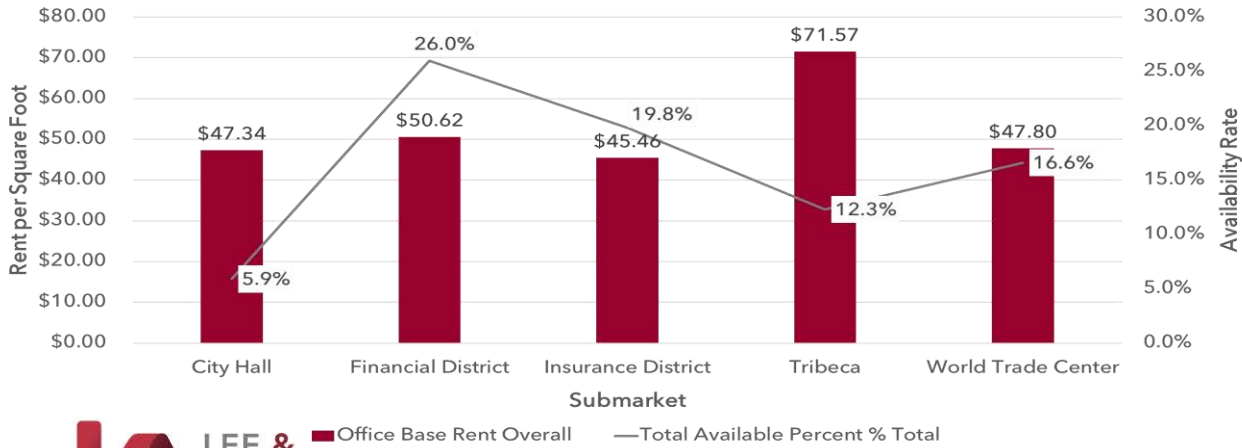
DOWNTOWN RENT AND AVAILABILITY RATES



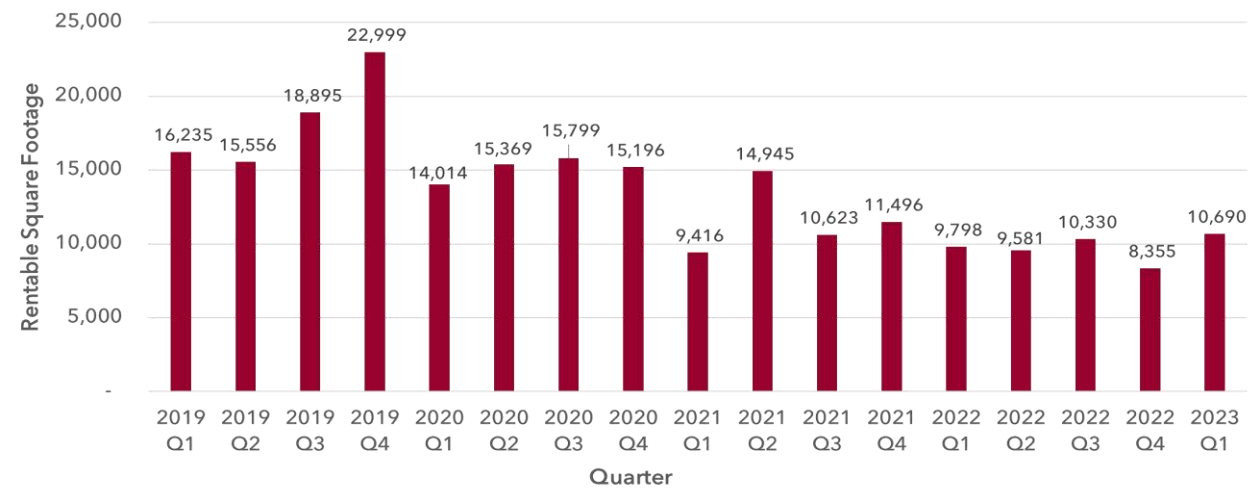
DOWNTOWN LEASING ACTIVITY SF TOTAL



RENT AND AVAILABILITY RATES - DOWNTOWN SUBMARKET



DOWNTOWN DEAL SIZE



LARGEST DEALS COMPLETED- 1Q 2023

10 LARGEST DEALS COMPLETED IN MANHATTAN – 1Q 2023

| TENANT | MARKET | ADDRESS | TRANSACTION TYPE | SF |
|---|---------------|----------------------------|------------------|---------|
| Two Sigma | Midtown South | 100 Avenue of the Americas | Renewal | 265,217 |
| Cadwalader, Wickersham & Taft | Downtown | 200 Liberty St | New | 220,156 |
| CBS | Midtown | 555 W 57th St | Renewal | 186,882 |
| Wilson Sonsini Goodrich & Rosati | Midtown | 31 W 52nd St | New | 132,502 |
| Sheppard, Mullin, Richter & Hampton LLP | Midtown | 30 Rockefeller Plaza | Renewal | 109,419 |
| Braze | Midtown South | 63 Madison Avenue | New | 92,306 |
| Joele Frank | Midtown | 22 Vanderbilt Avenue | New | 78,353 |
| Revlon | Downtown | 55 Water St | New | 68,518 |
| STV | Midtown | 350 Fifth Ave | New | 65,248 |
| Greater New York Hospital Association | Midtown | 555 W 57th St | Renewal | 58,017 |
| The King's College | Downtown | 52 Broadway | Renewal | 52,542 |

5 LARGEST DEALS COMPLETED IN MIDTOWN SOUTH – 1Q 2023

| TENANT | MARKET | ADDRESS | TRANSACTION TYPE | SF |
|--------------------|---------------|----------------------------|------------------|---------|
| Two Sigma | Midtown South | 100 Avenue of the Americas | Renewal | 265,217 |
| Braze | Midtown South | 63 Madison Avenue | New | 92,306 |
| ZocDoc | Midtown South | 568-578 Broadway | Renewal | 46,076 |
| Esprit | Midtown South | 160-170 Varick St | New | 38,248 |
| Palo Alto Networks | Midtown South | 1 Madison | New | 28,903 |

5 LARGEST DEALS COMPLETED IN MIDTOWN – 1Q 2023

| TENANT | MARKET | ADDRESS | TRANSACTION TYPE | SF |
|---|---------|----------------------|------------------|---------|
| CBS | Midtown | 555 W 57th St | Renewal | 186,882 |
| Wilson Sonsini Goodrich & Rosati | Midtown | 31 W 52nd St | New | 132,502 |
| Sheppard, Mullin, Richter & Hampton LLP | Midtown | 30 Rockefeller Plaza | Renewal | 109,419 |
| Joele Frank | Midtown | 22 Vanderbilt Avenue | New | 78,353 |
| STV | Midtown | 350 Fifth Ave | New | 65,248 |

5 LARGEST DEALS COMPLETED IN DOWNTOWN– 1Q 2023

| TENANT | MARKET | ADDRESS | TRANSACTION TYPE | SF |
|---|----------|----------------|------------------|---------|
| Cadwalader, Wickersham & Taft | Downtown | 200 Liberty St | New | 220,156 |
| Revlon | Downtown | 55 Water St | New | 68,518 |
| The King's College | Downtown | 52 Broadway | Renewal | 52,542 |
| MetTel, Inc. | Downtown | 55 Water St | New | 50,079 |
| Brennan Center for Justice at NYU School of Law | Downtown | 120 Broadway | Renewal | 49,938 |

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