



ALLIANCE FOR DOWNTOWN NEW YORK

LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

Q3 2014

COMMERCIAL OFFICE MARKET

Momentum Building in Lower Manhattan Market

YTD leasing up

29%

year-over-year

Lower Manhattan's robust leasing only grew stronger in the third quarter, outpacing last year's activity and demonstrating the district's desirability and ability to absorb large blocks of space. Driven by large deals that include both existing and new tenants, the surge of leasing spurred a strong drop in vacancy year-over-year. Even

though rents are up since this time last year, Lower Manhattan clearly remains the value proposition in Manhattan, driving leasing and bolstering the market. The influx of tenants relocating downtown also reflects a rich diversity — from technology to retail trade to hospitality to architecture and design firms — as the neighborhood continues to evolve into a vibrant, mixed-use central business district. Investors have noticed all of this, and their confidence in the market has deepened — office sales volume year-to-date is already more than double last year's year-end volume.

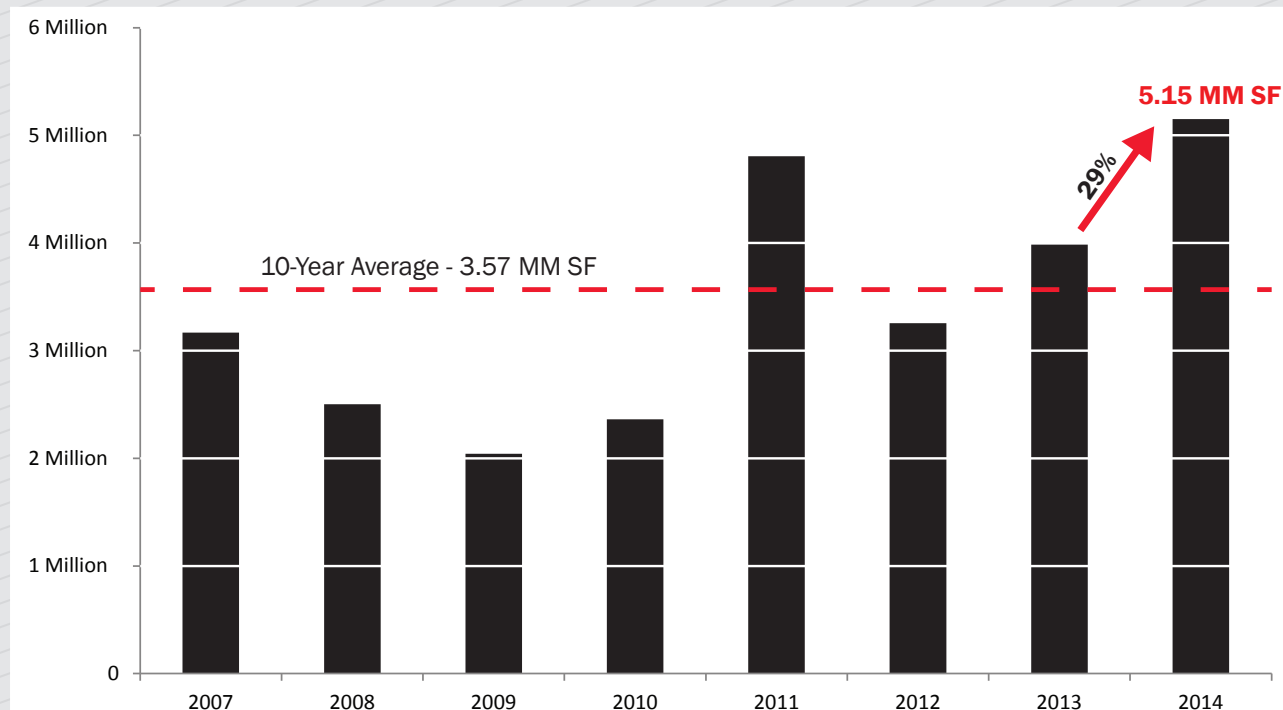
Q3 leasing totaled 1.63 million square feet, up 29% year-over-year. This makes for the best year-to-date leasing activity since 2006 and is 44% higher than the 10-year average, according to CBRE. Large leases — especially in the World Trade Center submarket — are driving this activity, which includes the three largest deals and nearly half (9) of all of the top 20 deals in the third quarter. Much of this activity occurred at the 8.5-million square foot Brookfield Place complex, which is now 95% leased.

“These commitments from Hudson’s Bay Company speak to the allure of Downtown as both a retail and office destination,”

– Dennis Friedrich, CEO of Brookfield Property Partners

Q3 YTD LEASING ACTIVITY BEST YEAR SINCE 2006

Source: CBRE

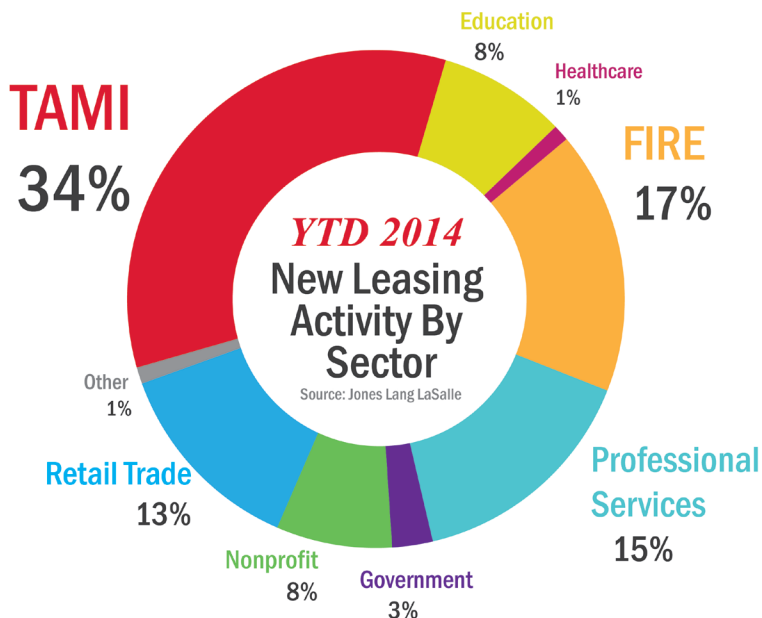


Three deals of over 100,000 square feet closed this quarter, including one expansion of an existing Lower Manhattan tenant and two relocations from outside the local market. **Jane Street Capital**, a financial trading firm, signed for 114,000 square feet in Brookfield Place and will move its operations from 1 New York Plaza. This commitment will more than double the firm's Lower Manhattan footprint (it previously had only 56,000 square feet at 1 New York Plaza). **Hudson's Bay Company**, the owner of Lord & Taylor and Saks Fifth Avenue, committed to a total of 399,000 square feet at Brookfield Place. The company is relocating from two Midtown locations to 225 Liberty Street and 250 Vesey Street. The third largest deal was signed by **MediaMath**, a global digital marketing company, which completed a lease early in the third quarter for 106,000 square feet at 4 World Trade Center and will relocate nearly 300 employees from three separate Midtown locations in January 2015.

MediaMath is among 6 total Technology, Advertising, Media and Information (TAMI) tenants that committed to relocate to Lower Manhattan in the third quarter. They include **Gyro**, an advertising agency, that signed a lease for 21,300 square feet at 115 Broadway and will be relocating from Midtown South. **Tupelo-Honey Raycom**, a television production company will move from Midtown to 12,758 square feet at 50 Broad Street.

LEASING ACTIVITY BY SECTOR, YTD 2014

Source: Jones Lang LaSalle



"MediaMath's move to 4 World Trade is yet another big step in the resurgence of Lower Manhattan and the growth of New York City's tech ecosystem,"

— Mayor Bill de Blasio

TOP 15 LEASES IN LOWER MANHATTAN; Q3 2014

Source: Downtown Alliance, CoStar, Colliers International, CBRE

	TENANT NAME Location	SF LEASED Transaction Type	SECTOR
1	Hudson's Bay Company 225 Liberty Street & 250 Vesey Street	398,712 Relocation	Other, Retail Trade
2	Jane Street Capital, LLC 250 Vesey Street	114,000 Moving within LM and Expansion	FIRE
3	MediaMath 4 World Trade Center	106,000 Relocation	Technology
4	BCG Brokers 199 Water Street	71,990 Renewal	FIRE
5	AKF Engineers 1 Liberty Plaza	57,018 Relocation	Professional Services, Design
6	New York County District Attorney's Office 250 Vesey Street	55,667 Expansion	Government
7	NYC Dept of Citywide Administrative Services 123 William Street	40,610 Expansion	Government
8	The Foundation Center 32 Old Slip	38,723 Relocation	Nonprofit
9	Nielsen Media Research 85 Broad St	38,693 Expansion	TAMI, Marketing
10	Howard Hughes Corporation 199 Water Street	36,985 Renewal & Expansion	FIRE
11	The Center for Reproductive Rights 199 Water Street	35,995 Moving within LM	Nonprofit
12	Servcorp 1 World Trade Center	34,775 New NYC Location, 2nd LM location	Professional Services, Other
13	Securities Training Corporation 123 William Street	32,356 Moving within LM	Education
14	Regus 80 Broad Street	30,320 Renewal	Professional Services, Other
15	Morningstar 4 World Trade Center	30,000 Relocation	FIRE

LOWER MANHATTAN: A HUB FOR ARCHITECTURE FIRMS

Lower Manhattan is also becoming a magnet for architecture and design firms. Six new companies join the district's already strong roster, which includes Skidmore Owings Merrill, SHoP Architects, AECOM, Bjarke Ingels Group, Cooper Carry, Pei Cobb Freed and many others. Two of the new firms, Handel Architects and Boddewyn Gaynor Architects, committed to move to 120 Broadway. Famous in architecture and city planning circles for being the building that inspired New York City zoning regulations, the skyscraper is now a mini-hub for architecture firms – it is already home to Beyer Blinder Belle and Matthews Nielsen Landscape Architects.

Other newcomers include:

- **AKF Engineers**, relocating to 57,000 square feet in 1 Liberty Plaza from Midtown;
- **Morris Adjimi Architects**, moving to 60 Broad Street from Midtown South;
- **Cooper Robertson Partners** relocating to 123 William Street from Midtown;
- **The RBA Group**, moving from Union Square to 18,646 square feet at 32 Old Slip.

6

Architecture firms relocating this quarter to Lower Manhattan.

129,000 SF

Signing leases for over 129,000 square feet of office space.

TOP 20 RELOCATIONS IN Q3 2014

Source: Downtown Alliance, CoStar, Colliers International, CBRE

	Tenant Name Location	SF Leased Previous Location	Sector
1	Hudson's Bay Company 225 Liberty Street and 250 Vesey Street	398,712 Midtown	Other, Retail Trade
2	MediaMath 4 World Trade Center	106,000 Midtown	Technology
3	AKF Engineers 1 Liberty Plaza	57,018 Midtown	Professional Services, Design
4	The Foundation Center 32 Old Slip	38,723 Midtown South	Nonprofit
5	Morningstar 4 World Trade Center	30,000 Midtown	FIRE
6	Clearinghouse 200 Liberty Street	28,668 Midtown	FIRE
7	Consortium for Worker Education 83 Maiden Lane	26,416 Midtown South	Nonprofit
8	Gyro 115 Broadway	21,312 Midtown South	TAMI, Advertising
9	Handel Architects 120 Broadway	21,286 Midtown South	Professional Services, Design
10	DeCorato Cohen & Sheehan & Federico 90 Broad Street	18,983 Midtown	Professional Services, Law

	Tenant Name Location	SF Leased Previous Location	Sector
11	The RBA Group 32 Old Slip	18,646 Midtown South	Professional Services, Design
12	American Construction 120 Broadway	17,162 Midtown South	Professional Services, Other
13	Educators 4 Excellence 80 Pine Street	13,427 Midtown	Education
14	Tupelo-Honey Raycom 50 Broad Street	12,758 Midtown	TAMI, Media
15	Morris Adjimi Architects 60 Broad Street	12,679 Midtown South	Professional Services, Design
16	Cooper Robertson & Partners 123 William Street	12,658 Midtown	Professional Services, Design
17	ID Public Relations 40 Wall Street	9,248 Midtown South	TAMI, Public Relations
18	Gotham Medical 123 William Street	8,247 Midtown South	Healthcare
19	Prolifics 5 Hanover Square	7,620 Midtown	TAMI, Technology
20	Boddewyn Gaynor Architects 120 Broadway	6,993 Midtown South	Professional Services, Design

Vacancy Goes Down, Down, Down

The quarter saw a notable drop in vacancy. For the first time in seven quarters, Lower Manhattan's overall vacancy rate has trended below 10%, according to Cushman & Wakefield. Less than one year ago, the district's vacancy rate was 12.2% in the fourth quarter. Over the past three quarters, energetic leasing has driven the vacancy rate down to 9% — 1 percentage point down from the second quarter. What spurred the drop? Significant positive absorption — as large blocks of space were added to the market, even more space has been leased. This is a testament to the desirability of the Lower Manhattan market. Year to date, Lower Manhattan has recorded 2.69 million square feet of positive absorption.

Throughout all of Manhattan, Lower Manhattan accounted for 50% of all positive absorption, driven in large part by leasing in the World Trade Center submarket. The submarket accounted for more than 2 million square feet of the positive absorption in Lower Manhattan year to date, according to Cushman & Wakefield.

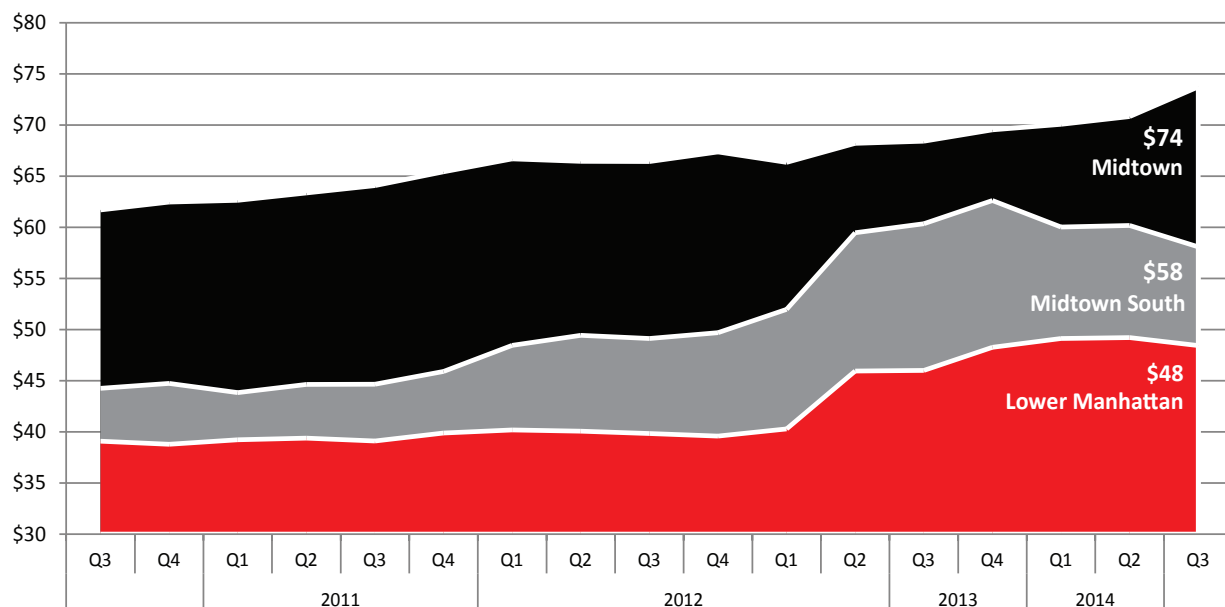
Rents Up, But Still a Good Deal

Companies clearly recognize that they can get more bang for their buck in Lower Manhattan. Even as overall asking rents increase year-over-year in Lower Manhattan, they are still on average \$15.60 less than Midtown and \$9.65 less than Midtown South.

Average asking rents actually trended down slightly this quarter, dropping by 1.6%, but are still up 5.3% year-over-year. Two submarkets are fueling this overall increase: rents are up 17.9% in the World Trade Center submarket and 22% in the Insurance submarket (generally North of Liberty, East of Broadway and south of the Brooklyn Bridge).

OVERALL AVERAGE ASKING RENTS, Q3 2010-Q3 2014

Source: Cushman & Wakefield

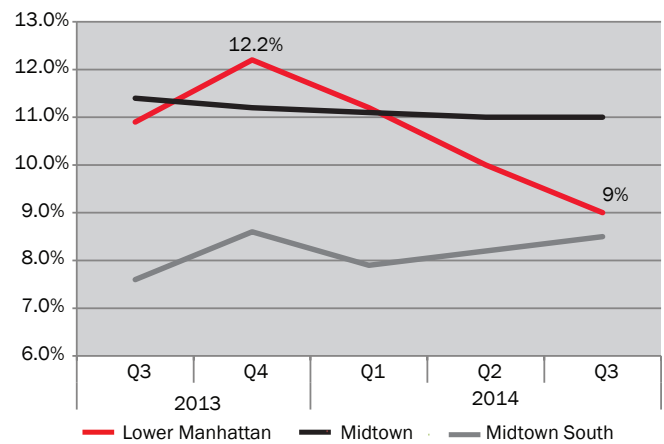


50%

Lower Manhattan accounted for 50% of all positive absorption Manhattan-wide

VACANCY RATES BY SUBMARKET, Q3 2014

Source: Cushman & Wakefield



Confidence in Office Market Leads to Boom in Sales

Robust sales volume of Lower Manhattan office properties so far this year is already double that of all of 2013, demonstrating continued confidence in the downtown market. According to Massey Knakal, 14 office buildings have traded hands since the beginning of 2014, accounting for over \$3.5 billion in sales. The average price per square foot has trended up by 21%, from \$359 per square foot in 2013, to \$435 per square foot for office trades year to date.

This quarter's trades include:

- A partnership between Clarion Partners and Murray Hill Properties purchased **180 Maiden Lane**, a 1.1-million square foot tower, for \$470 million or about \$427 per square foot from a partnership between SL Green Realty and the Moinian Group. SL Green purchased the minority interest in the building in 2011, and since then, it has assumed management and leasing as well as undertaken significant lobby renovations and other building improvements. Currently, the building is about 76% vacant. A large block of space was made available for lease due to AIG's consolidation in 175 Water Street, which freed up 800,000 square feet in the building.
- Normandy Real Estate Partners purchased a 50 percent stake in **80 and 90 Maiden Lane** from The Chetrit Group for \$105 million, or approximately \$177 per square foot. Combined, the properties comprise 594,000 square feet, and the deal values the combined properties at about \$210 million. AM Property Group will remain the owner of the other 50 percent stake in the two properties.

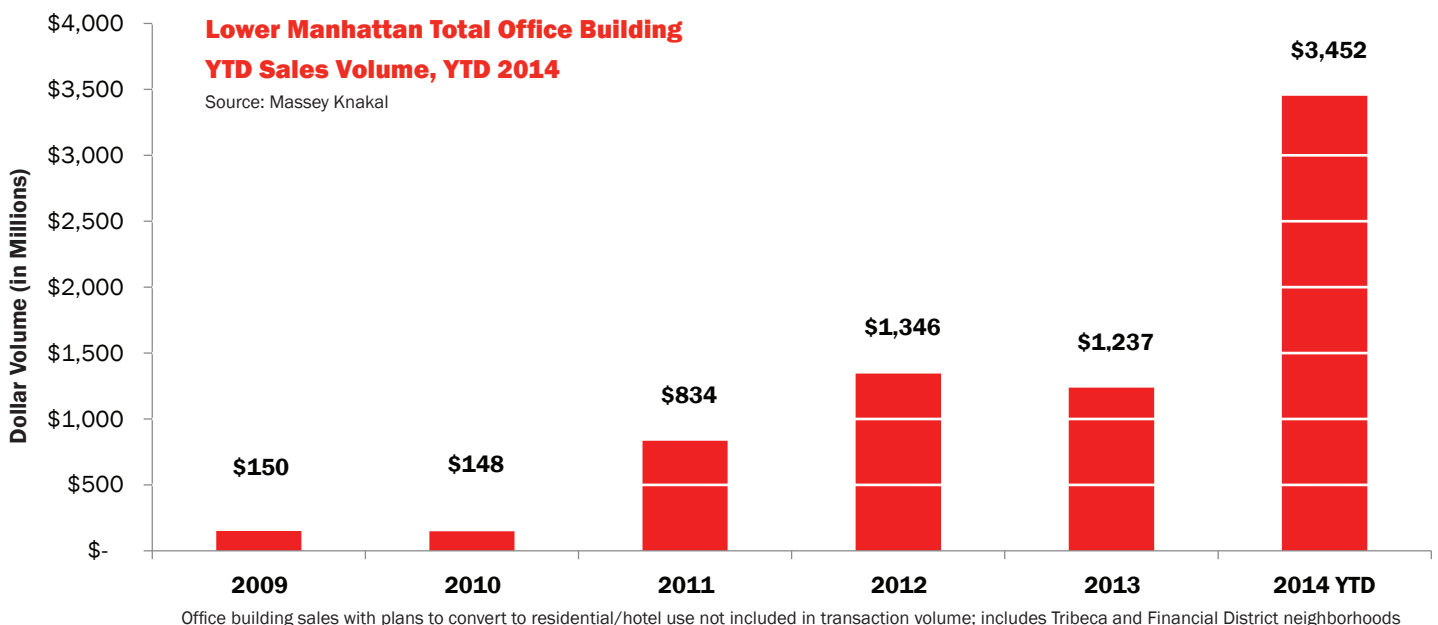


180 Maiden Lane
Purchased by Clarion Partners and
Murray Hill Properties for \$470 million

- Travelers Companies sold its 49 percent stake in **77 Water Street**, a 612,237-square foot tower, to Principal Real Estate Investors, an affiliate of Principal Financial Group, for \$117.6 million or about \$384 per square foot. The deal values the property at more than \$235 million. The William Kaufman Organization will retain the controlling 51 percent stake in the property.

Other deals announced in the 2nd quarter, closed this quarter:

- The sale of **222 Broadway** closed for \$502 million, with the majority stake purchased by Deutsche Asset and Wealth Management from L&L Holdings. L&L Holdings will retain a minority stake in the property.
- **80 Broad Street** closed for \$175 million, purchased by Broad Street Development from Savanna Investment Fund.



RETAIL MARKET

The Best Place for Lunch, Dinner and A Lot More

Momentum in the retail sector is intensifying, as more companies move to Lower Manhattan, the residential population continues to grow and major development projects near completion. A host of new stores and eateries is emerging throughout the district, as 1.8 million square feet of new or repositioned retail space comes online over the next couple years. This is coinciding with an increase in rents; according to Cushman & Wakefield, Lower Manhattan retail asking rents in the third quarter are \$421 per square foot, up 22% from last quarter and 52% from one year ago. The proliferation of new deals is redefining this bustling neighborhood: once known to be the best place to get lunch, Lower Manhattan will soon become New York's new destination for the hottest restaurants.

Lower Manhattan retail will take unprecedented strides in 2014 and 2015, as major capital improvement projects are unveiled. These include an upgrade and expansion of 200,000 square feet of retail at **Brookfield Place**, which is scheduled for completion in 2014/2015. Brookfield has continued with retail leasing at the revamped complex, and this quarter, it added Vilebrequin, Tory Burch and a four-floor, 85,000-square foot Saks Fifth Avenue (the first luxury department store in Lower Manhattan) to its roster. L'Atelier, a fine dining restaurant by Michelin-starred chef Joel Robuchon, is slated to open in spring 2015. Parm and Amada are also on the menu of dining locations soon to open. Brookfield Place's dining terrace, Hudson Eats, saw the opening of Blue Ribbon Sushi; Northern Tiger will be the last eatery to open at Hudson Eats later this year. And "Le District", a 25,000-square foot French marketplace, is expected to open in phases from late 2014 to early 2015. The entire complex is scheduled to be completed March 2015.

Another major new shopping destination will provide 65,000 square feet of commercial space at **Fulton Center**. The transportation component will open November 10, while the commercial space will come online later this year. Retail shops and kiosks will be located on the platform and street levels, while dining and office space will be on the second and third concourse levels. No tenants have been announced, although Westfield, the net lessee for the space, has stated that the center is fully leased.

In late 2015, **Westfield World Trade Center** will open 350,000 square feet of new retail, dining and entertainment space in the World Trade Center Transportation Hub and the base of Four World Trade Center. An underground retail passageway will link Brookfield Place, the World Trade Center Transit Hub and Fulton Center, connecting all these major retail projects.



Courtesy of The Beekman

The Beekman Hotel

Keith McNally and Tom Colicchio will debut restaurants in The Beekman Hotel in fall 2015



Courtesy of Brookfield Place

Brookfield Place

200,000 SF of retail and restaurant space opening in phases from fall 2014 to spring 2015

The Howard Hughes Corporation finished demolition of the original **Pier 17** at the Seaport. Construction of the new pier commenced in October 2014. According to the company's estimate, the new pier will provide 365,000 square feet of retail, dining and entertainment by 2016. The renovation of the Fulton Market Building was approved by the Landmarks Preservation Commission, with iPic planning to open an eight-screen movie theater in spring 2015.

One New York Plaza announced new retail tenants, making the upgraded retail concourse 65 percent leased. Retailers will include Starbucks, Chipotle, Chop't and Retro Fitness.

Retail Condo Sales

According to Massey Knakal, retail condo sales volume is already up 120% from 2013 (\$79M) to YTD 2014 (\$174M). This figure excludes the purchase by Westfield of the Port Authority's stake in the World Trade Center retail complex, which also occurred earlier in 2014.

This quarter saw the sale of three retail condo properties:

- Thor Equities purchased three retail condominiums, totaling 4,900 square feet, at **120 Greenwich Street** for \$31.1 million. The current retail tenants include Blue Planet Grill and Koko Asian restaurant.
- The remaining 50 percent stake in **88 Greenwich Street** was purchased by Thor Equities from Buttonwood Development for \$12.5 million. The 50,000-square foot retail condo is valued at \$25 million. The Department of Motor Vehicles occupied the full second floor until earlier this year, while ground-floor tenants include Town Residential, Dunkin' Donuts and Caffè Bene.
- The retail condos at **34 Cliff Street** and **50 Fulton Street**, totaling 9,424 square feet, were sold to Steve Kachanian by Jack Vickers for \$15 million. 34 Cliff Street also has 19,000 square feet of air rights. Current tenants include McDonald's and Calderon Locksmith.

Food and Drink Offerings Expand

This quarter saw the opening of 26 shops and restaurants including:

- **Cedar Local**, a cocktail bar, at 25 Cedar Street;
- **Washington Market Tavern**, a high-end restaurant and bar, at 41 Murray Street;
- **Denny's**, which opened its first NYC location at 150 Nassau;



Courtesy of Ramsay de Giv for The Wall Street Journal

Denny's

Opened its first New York City location at 150 Nassau Street



Courtesy of L.O.L. Kids

L.O.L. Kids

Opened at 216 Front Street in the South Street Seaport



Courtesy of Local Bozo

Cedar Local

Opened at 25 Cedar Street

- **Morsi**, an Italian trattoria, opening at 22 Warren Street;
- **St. George's Tavern**, which opened at 103 Washington Street and will adjoin the recently-opened 492-room Holiday Inn.

The continuing retail revolution in Lower Manhattan is ushering in headlining restaurants in the coming months. Among the highlights:

- **Da Claudio** at 21 Ann Street, is relocating from its original home in the Seaport.
- **Little Park**, a restaurant by NoHo Hospitality Group, is moving to the redesigned Smyth Hotel at 85 West Broadway.
- The Beekman Hotel officially announced it will house restaurants operated by **Keith McNally** and **Tom Colicchio**. McNally's restaurant will have 90 seats and serve breakfast, lunch and dinner. Colicchio will run the lounge, called the "Living Room", as well as room service and catering for the hotel and adjacent Beekman Residences.
- **Harbor House at Pier A** at 22 Battery Place will open this fall with an oyster bar, full-service restaurant and event space.
- **Eataly**, the popular Midtown South Italian food market, will open a second location in 2015/2016 at 4 World Trade Center.

Lower Manhattan will see
1.8 MILLION SF
of new and repositioned retail by 2016

\$5.2 BILLION
in annual spending power



Courtesy of Washington Market Tavern

Washington Market Tavern

A seasonal American restaurant opened at 41 Murray Street in Tribeca



Courtesy of Morsi

Morsi

An Italian trattoria opened at 22 Warren Street in Tribeca

TOURISM & HOSPITALITY

A Surge of Hotel Development

The district is now home to 4,681 hotel rooms in 20 hotels – a 14% increase over the past year. By the end of 2016, another 18 hotels will add 3,465 more rooms, bringing the total room count to 8,146 – nearly double the current inventory in Lower Manhattan.

Among recent hotel development highlights:

- The world's tallest **Holiday Inn** opened on October 24th at 99 Washington Street. The 50-story hotel has 492 rooms and is attached to St. George's Tavern in the landmarked former St. George's Syrian Catholic Church.
- Two hotels are expected to open before the year's end, adding 419 rooms to Lower Manhattan's hotel inventory. The 176-room **Fairfield Inn & Suites** at 161 Front Street and 243-room **Marriott Residence Inn** at 170 Broadway are both set to begin welcoming guests in November 2014.
- Renderings were released for the new **Hotel Indigo** at 8-12 Maiden Lane. The 24-story, 75,467-square foot hotel will have 192 rooms and has a 2016 completion date. The hotel will replace a series of vacant buildings.
- Prodigy Network closed on the purchase of **17 John Street** for \$85.3 million. The property, currently a MetroLoft apartment building, will be converted to a 191-room extended-stay hotel. Prodigy Network is also currently converting 84 William Street into a 141-room AKA Wall Street extended-stay hotel, slated to open summer 2015.

Highest Occupancy in Four Years

Lower Manhattan's occupancy rate has climbed five percentage points since the third quarter of 2013, settling at 88%, and making for the strongest quarter since the third quarter of 2008. Lower Manhattan hotel occupancy remains on par with New York City's occupancy, with Lower Manhattan lagging by only 0.5 percentage points. Lower Manhattan's third quarter average daily rate (ADR) is \$288, up 3% year-over-year. The ADR is currently 9% higher than NYC's ADR of \$265¹.

¹ Source of NYC hotel ADR & occupancy: NYC & Company, Source of Lower



Holiday Inn

The world's tallest Holiday Inn opened at 99 Washington Street with 492 rooms



Fairfield Inn & Suites

Opening this fall at 161 Front Street

HOTEL DEVELOPMENT PIPELINE

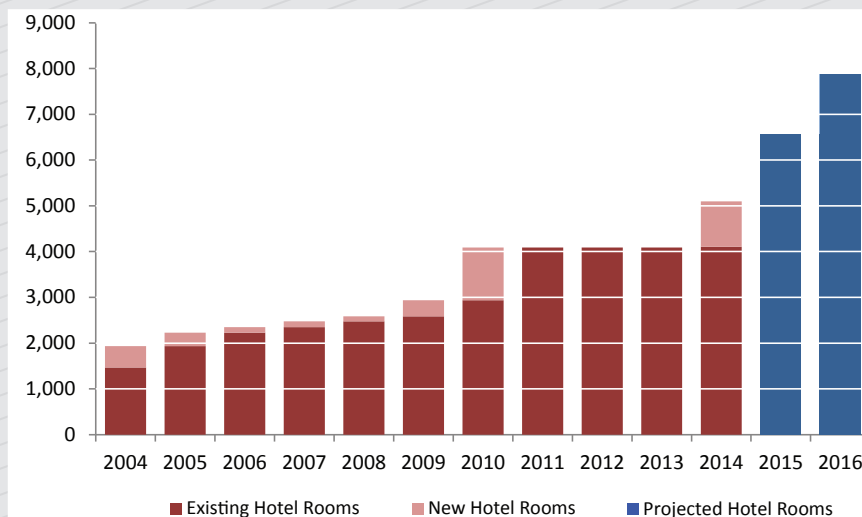
Source: Downtown Alliance

	Hotel & Address	Owner/ Developer	Rooms/ Floors	Open Date
1	Fairfield Inn & Suites 161 Front Street	Lam Group	176/32	2014
2	Marriott Residence Inn 170 Broadway	Highgate, Crown, Carlyle Group	243/18	2014
3	Four Points by Sheraton 6 Platt Street	Lam Group	264/30	2014
4	Aloft Hotel 49 Ann Street	107 West Broadway Realty Corp	125/18	2014
5	Furnished Quarters 70 Pine Street	Rose Associates	132 4 (of 66)	2014
6	Boutique Hotel 24-26 John Street	Westbury Realty Associates	128/21	2015
7	Boutique Hotel Battery Maritime Building	The Dermot Group	61/5	2015
8	The Beekman Hotel 5 Beekman Street	GB Lodging Group	287/9	2015
9	Courtyard by Marriott 133 Greenwich Street	Hidrocks Realty	317/31	2015
10	AKA 84 William Street	Prodigy Networks	141/	2015
11	Boutique Hotel 100 Greenwich Street	Jiten Hotel Management	200/26	2015
12	Four Seasons 30 Park Place	Silverstein Properties	179 21 (of 82)	2016
13	Marriott Residence Inn (upper floors) 215 Pearl Street	Lam Group	322/40	2016
14	Courtyard by Marriott (lower floors) 215 Pearl Street			
15	Hilton 6 Water Street	Magna Hospitality Group	249/29	2016
16	Hotel Indigo 10-12 Maiden Lane	10-12 MLane, LLC	190/25	2016
17	Extended Stay Hotel 17 John Street	Prodigy Networks	191/23	2016
18	TBD Hotel 151 Maiden Lane	Fortis Property Group	271/33	TBD
Total Hotel Rooms in Development Pipeline			3,465	



LOWER MANHATTAN HOTEL ROOM GROWTH BY YEAR

Source: Downtown Alliance



RESIDENTIAL MARKET

Host of Residential Projects in the Works

Residential development in Lower Manhattan continues to expand. The district is home to an estimated 61,000 residents, who live in 30,500 units in 323 mixed-use and residential buildings. The pipeline of residential development includes 1,700 units in ten buildings under construction, which are expected to drive additional population growth south of Chambers Street.

Upcoming projects include:

- Rose Associates' building at **70 Pine Street**, which is expected to open early spring 2015 with 644 rental units.
- Continuing construction on The Beekman Residences at **5 Beekman Street**, a 51-story tower with 68 condo units. The new residential tower will join the 287-room Beekman Hotel, both developed by GFI Development and GB Lodging. The Beekman is scheduled for completion in late 2015.

In addition to projects already in construction, there are additional developments in the planning stages, which if completed, would add over 1,800 units to the Lower Manhattan inventory.

- Plans were filed by Fisher Brothers and the Witkoff Group for a 62-story, 950-foot tall residential tower at **101 Murray Street** called 101 Tribeca. The tower will have 365,162 square feet of residential space divided among 139 condos. Demolition of the building that was home to St. John's University is underway.
- Michael Shvo, who bought **125 Greenwich Street** in the second quarter for \$180 million, announced updated plans for the site. Shvo will partner with Bizzi & Partners to build a 1,356-foot-tall condo tower. The 77-story, Rafael Vinoly-designed building will be a mere 12 feet short of One World Trade Center's roof. The tower will have 128 condo units and 20,752 square feet of retail. A completion date has not been announced.
- A recently closed parking garage at **54-56 Fulton Street** will be replaced by a 23-story, 120-unit rental building called Exhibit. The 130,000-square foot building is being developed by Socius Development Group and the Brauser Group and will include 20% affordable housing.

RESIDENTIAL PIPELINE

Source: Downtown Alliance

	Address & Building Name	Lease & Building Type	Units	Open Date	Status
1	70 Pine Street AIG Building	Rental Conversion	644	2015	Construction
2	19 Park Place Tribeca Royale	Condo New Construction	21	2015	Construction
3	33 Beekman Street	Dormitory New Construction	378	2015	Construction
4	87 Chambers Street	Condo New Construction	24	2015	Construction
5	5 Beekman Street The Beekman Residences	Hotel/Condo New Construction	68	2015	Construction
6	20 Exchange Place	Rental Conversion	221	2015	Construction
7	30 Park Place Four Seasons Residences	Hotel/Condo New Construction	159	2016	Construction
8	50 West Street	Condo New Construction	191	2016	Construction
9	233 Broadway Woolworth Residences	Condo Conversion	34	2016	Construction
10	12 Warren Street	Condo New Construction	24	2015	Construction
11	112-118 Fulton Street	Condo New Construction	460	2017	Planned
12	56 Fulton Street Exhibit	Rental New Construction	120	2016	Planned
13	74 Trinity Place	Condo New Construction	111	2017	Planned
14	123 Greenwich Street	Rental New Construction	128	2017	Planned
15	101 Murray Street 101 TriBeCa	TBD/Hotel New Construction	139	2016	Planned
16	140 West Street Barclay Square	Condo Conversion	166	2016	Planned
17	151 Maiden Lane	TBD New Construction	74	TBD	Planned
18	180 Water Street	Rental Conversion	600	TBD	Planned
19	149 Church Street	TBD New Construction	24	TBD	Planned
20	92 Fulton Street	Rental New Construction	10	TBD	Planned
21	45 Park Place	Condo New Construction	46	2017	Planned
22	99 Wall Street	Condo Conversion	TBD	TBD	Planned

Three new projects were also announced:

- Cape Advisors filed permits for a new 12-story, 67,000-square foot residential building at **149 Church Street**. The permits call for 24 units averaging 2,000 square feet, as well as 4,000 square feet of retail space at the base. The structure will be replacing a 5-story mixed used building.
- The Claremont Group secured \$52.4 million in funding to convert **99 Wall Street** from a 91,000-square foot office building to condominiums.
- Fisher Brothers announced that a new 17-story building at **92 Fulton Street** will be 100% permanent affordable housing. The site, now a vacant lot, will have only ten units in the building.

In other residential market news, **Southbridge Towers** residents voted to leave the Mitchell-Lama subsidy program, allowing for future sales to be market-rate. The 1,607-unit complex was built under the Mitchell-Lama program in 1969.

Consistent Pace in Residential Market

Rentals

The market for rental apartments in Lower Manhattan remains strong. Median rents are up 6.9% year-over-year at \$3,630, well outpacing the Manhattan-wide median rent growth of 3.8% over the same period. Rent increases reflect a very tight market, which has just 1.25% vacancy².

Sales

Lower Manhattan residential sales trends kept pace with the overall Manhattan market in Q3 2014, experiencing a slight dip in pricing and activity from Q2 – but solidly ahead of this time last year. Year-over-year, sales prices are up 9% in Lower Manhattan, reaching an average of \$1,213 per square foot – a modest 4.5% below the Manhattan average of \$1,270³.

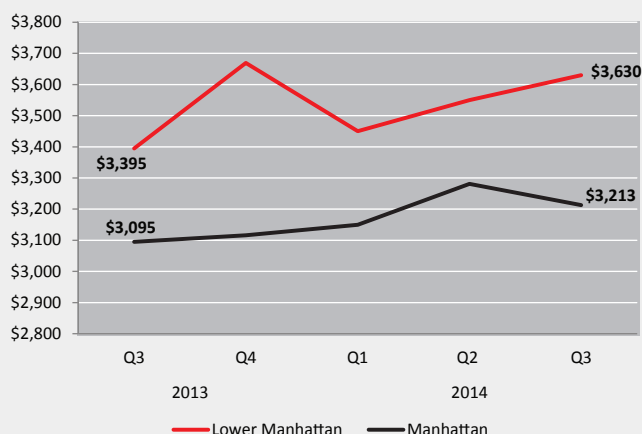
² Source of rental rents: Miller Samuel/Douglas Elliman,

Source of rental vacancy rate: Citi Habitats

³ Source of sales market data: Miller Samuel/Douglas Elliman

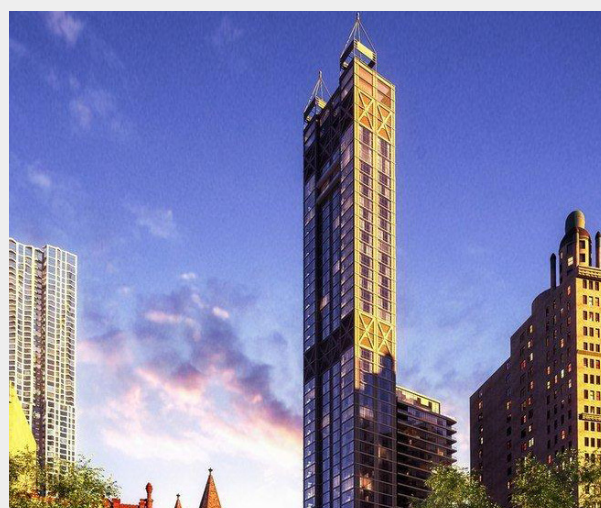
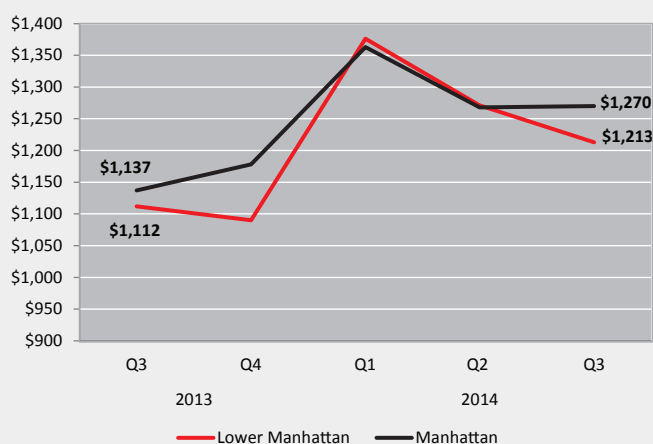
MEDIAN RENTAL PRICES

Source: Miller Samuel/Douglas Elliman



AVERAGE SALES PRICE (\$) PER SF

Source: Miller Samuel/Douglas Elliman



The Beekman Residences

51-story tower with 68 condo units adjoining the historic 287-room Beekman Hotel, opening late 2015

61,000 residents

World Trade Center & Other Rebuilding Updates

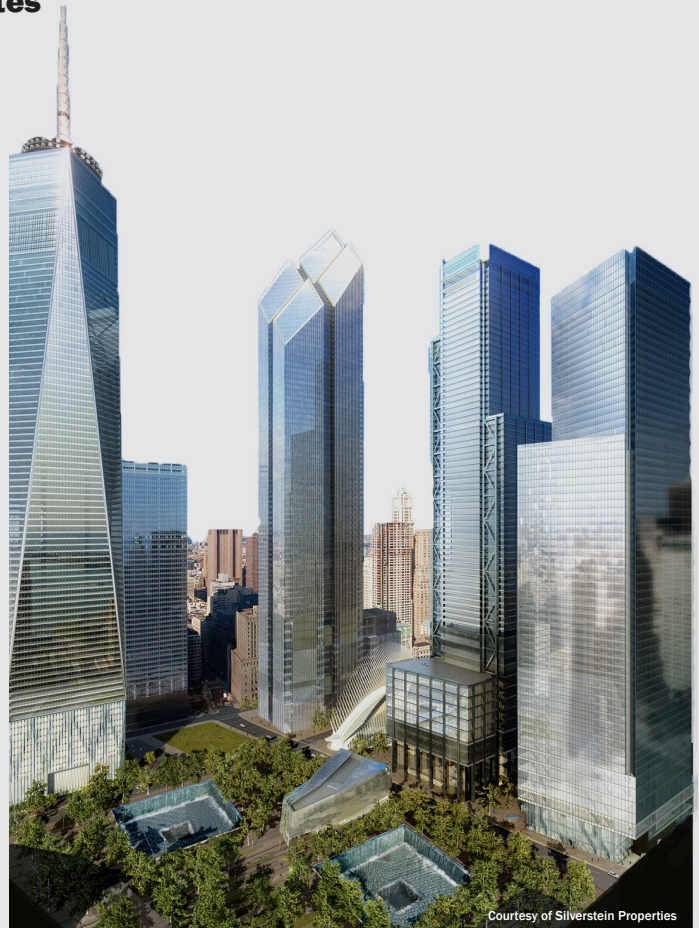
Progress continues at the World Trade Center. Significant milestones are expected over the next few months, as One World Trade Center opens its doors. Recent highlights include:

In late October, Silverstein Properties sold \$1.6 billion of tax-exempt Liberty Bonds, generating the final piece of financing required to complete the construction of **3 World Trade Center**. The 2.8-million-square-foot tower is expected to be delivered in 2018.

The MTA announced that November 10, 2014 will be the official opening of **Fulton Center** and the Dey Street Concourse.

4 World Trade Center welcomed its first occupants when Port Authority employees moved in on October 27, 2014.

One World Trade Center is now open, and Condé Nast employees began moving in during the first week of November. The sidewalks adjacent to One World Trade Center on West Street from the September 11 Memorial to Vesey Street are open.



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If you have questions or require additional information, please contact RESEARCH@DOWNTOWNNY.COM.