

LOWER MANHATTAN REAL ESTATE YEAR IN REVIEW

2011

COMMERCIAL OFFICE MARKET

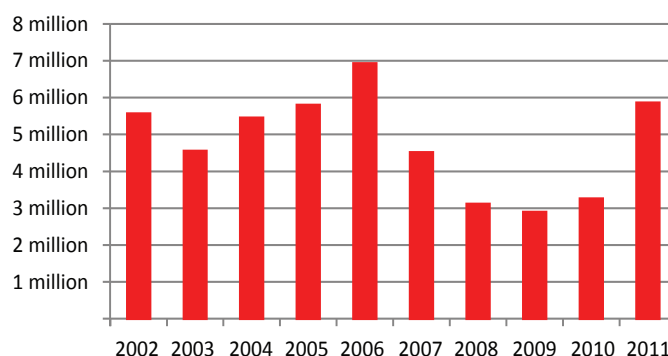
Leasing Activity

Lower Manhattan had a blockbuster year of leasing totaling 5.86 million square feet, a strong 80% increase over 2010. The year-end total was the market's second highest in the last ten years. Leasing was particularly robust in the first half of the year, but significant deals were also transacted in the second half.

Thirteen of the year's top 20 leases were over 100,000 square feet, with the World Trade Center at the center of the market's strong performance. In May, 1 World Trade saw the city's largest deal of the year when Condé Nast signed on for one million square feet. The company then took an additional 133,000 square feet in early 2012. Two government agencies also announced they would exercise their options to lease space at the World Trade Center. In September, the General Services Administration signed a preliminary agreement to lease 300,000 square feet, taking 1 World Trade to more than 50% leased. Silverstein Properties announced that the City of New York would take 582,000 square feet at 4 World Trade, accounting for approximately one-third of the space in the 1.8 million-square-foot building.

LOWER MANHATTAN LEASING ACTIVITY (SF)

Source: CBRE



Several large blocks of space added in recent years also hit occupancy milestones in 2011 as two buildings became fully leased and one building signed its first anchor tenant. At 7 World Trade Center, WilmerHale signed a 211,000-square-foot lease, and financial services firm MSCI Barra signed 125,000 square feet, taking the building to full occupancy. Oppenheimer and Co. signed 270,000 square feet, the first lease at 85 Broad Street since Goldman Sachs vacated the building for its new headquarters in Battery Park City. Oppenheimer plans to consolidate its operations and relocate employees from Midtown. And the international design and engineering firm ARUP signed nearly 100,000 square feet at 77 Water Street, the last space available in that building. ARUP will be relocating from Midtown.

Media is one of the area's growing industries. In addition to Condé Nast, publisher American Media and popular wedding planning site, The Knot, signed leases and relocated to Lower Manhattan in 2011. These media companies join more than 60 others already located in Lower Manhattan and occupy 1.3 million square feet, according to CBRE.



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TOP 20 LEASES SIGNED

Source: CoStar, Alliance for Downtown New York

	Tenant Name	Building Address	SF Leased	Quarter Signed	Transaction Type	Industry
1	Condé Nast	1 World Trade Center	1,000,000	Q2	Relocation	Creative Services
2	Bank of America/Merrill Lynch	4 World Financial Center	411,885	Q4	Renewal	FIRE
3	Bank of America/Merrill Lynch	2 World Financial Center	346,022	Q4	Renewal	FIRE
4	Oppenheimer and Co., Inc	85 Broad Street	269,105	Q3	Direct	FIRE
5	Oppenheimer Funds	2 World Financial Center	235,342	Q1	Expansion	FIRE
6	WilmerHale	7 World Trade Center	210,841	Q2	Relocation	Professional
7	Financial Services Regulatory Authority	1 World Financial Center	204,067	Q2	Expansion	FIRE
8	Commerzbank	2 World Financial Center	175,737	Q1	Conversion to direct lease	FIRE
9	MSCI Barra, Inc.	7 World Trade Center	125,000	Q3	Direct	FIRE
10	Municipal Credit Union of New York	22 Cortlandt Street	120,296	Q4	Renewal	FIRE
11	Royal Bank of Canada	3 World Financial Center	113,354	Q2	Renewal and Expansion	FIRE
12	Century 21	22 Cortlandt Street	109,000	Q2	Direct	Other
13	Abmac Financial Group, Inc.	1 State Street Plaza	103,484	Q1	Renewal	FIRE
14	American Media, Inc.	4 New York Plaza	99,054	Q1	Relocation	Creative Services
15	ARUP	77 Water Street	97,412	Q3	Relocation	Creative Services
16	Department of Youth and Community Development	156 William Street	95,927	Q1	Renewal	Government
17	New York State Office of Temporary and Disability Assistance	100 Church Street	88,900	Q1	Direct	Government
18	Aegis Communications	80 Broad Street	80,000	Q2	Renewal	Creative Services
19	CNA Insurance	125 Broad Street	74,808	Q2	Relocation	FIRE
20	International Securities Exchange	60 Broad Street	46,360	Q1	Renewal/Expansion	FIRE

Vacancy

Lower Manhattan ended the year at 9.5% total vacancy, down from 9.9% last quarter and 11.5% in 2010. According to Cushman & Wakefield, the area also maintained its ranking as the business district with the third-lowest vacancy rate in the nation. Sublease vacancy was just 0.9%, the lowest since 2000.

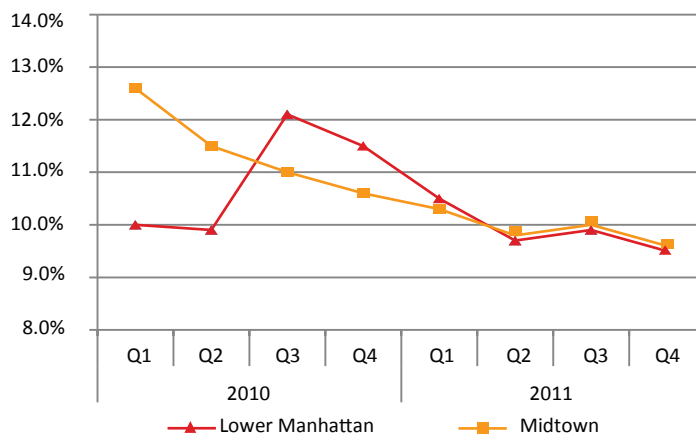
Meanwhile, Midtown's total vacancy stood at 9.6%, down from 10% in Q3 2011 and 10.6% in Q4 2010, and sublet vacancy was stable throughout 2011, ending the year at 1.6%.

Rents

Lower Manhattan rents were stable throughout 2011, and showed modest improvement during the fourth quarter. Overall average asking rents ended the year at \$39.88 per square foot, a 2% increase over last quarter and a 3% increase over last year. Class A asking rents were \$44.36 per square foot, an increase of 3% over last quarter and 4% over last year. The taking rent index (which shows taking rents as a percentage of asking rents), also improved modestly from 85.4% in Q4 2010 to 87.4% in Q4 2011.

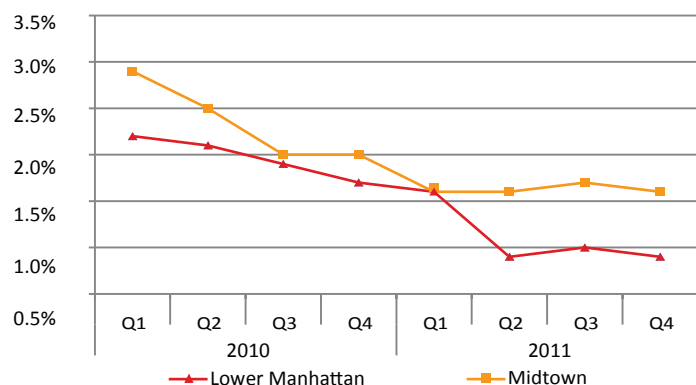
TOTAL VACANCY

Source: Cushman & Wakefield



SUBLET VACANCY

Source: Cushman & Wakefield

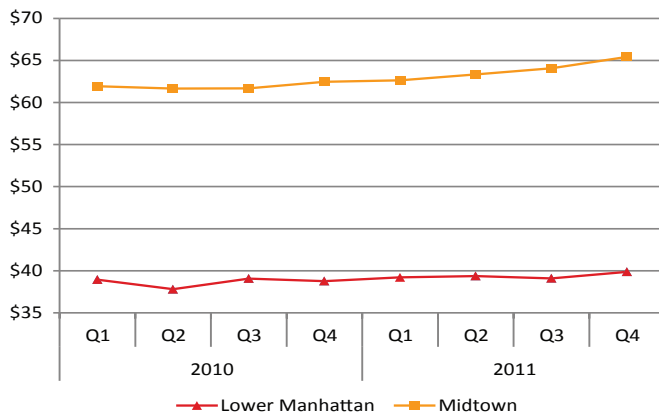


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In Midtown, year-over-year rent increases slightly outpaced Lower Manhattan. Overall asking rents were \$65.42 per square foot in Q4 2011, a 2% increase over last quarter and a 5% increase over last year. Class A rents were \$71.22 per square foot, a 2% increase over last quarter and a 5% increase over last year.

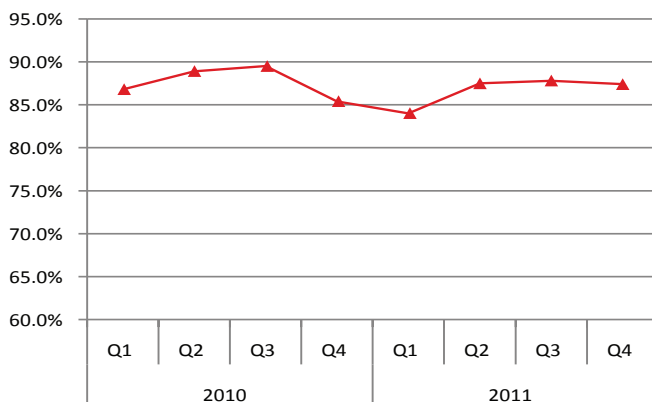
OVERALL AVERAGE ASKING RENTS

Source: Cushman & Wakefield



TAKING RENT INDEX

Source: CBRE



Other Commercial Office News

The Industrial and Commercial Abatement Program (ICAP) was extended on May 18, 2011 for an additional four years with a new expiration date of March 1, 2015. This program provides a partial exemption from or abatement of property taxes for up to 25 years for industrial and commercial buildings south of Murray Street that are newly constructed, modernized, rehabilitated, expanded, or otherwise physically improved. Those improvements must be at least 30% of the assessed value of the project in the year the building permit is issued.



LOWER MANHATTAN REAL ESTATE YEAR IN REVIEW



INDUSTRIES AND EMPLOYMENT

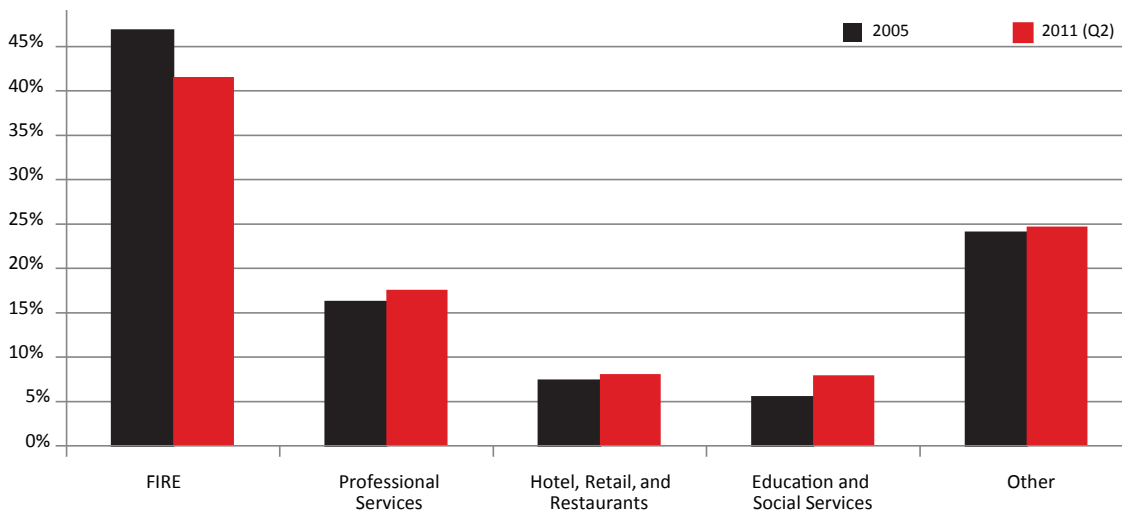
The distribution of employment by industry and the list of largest tenants show that finance, insurance, government and professional services are still Lower Manhattan's largest industries. However, a look at the companies that have relocated to Lower Manhattan show that the local economy has been diversifying over the past six years. That trend continued in 2011, and a total of 338 companies have relocated to Lower Manhattan since 2005. Of those, 17% were creative services firms (including architecture, design, and publishing companies), 16% were nonprofits, and 7% were technology companies.

At the same time, this shift was also evident in total employment. The FIRE sector (finance, insurance, and real estate) made up 47% of private sector employment in 2005. But by mid-2011 (the most recent data available), the FIRE sector's proportion had dropped to 42%—while private sector employment increased by nearly 3,000 workers. Professional Services, Education and Social Services, and Hospitality all showed increases over the same time period.

Lower Manhattan's total employment (including government) stood at 309,800 workers in mid-2011, a 1.3% improvement year-over-year, and a 2% improvement over mid-2009 when employment began to recover from the Great Recession.

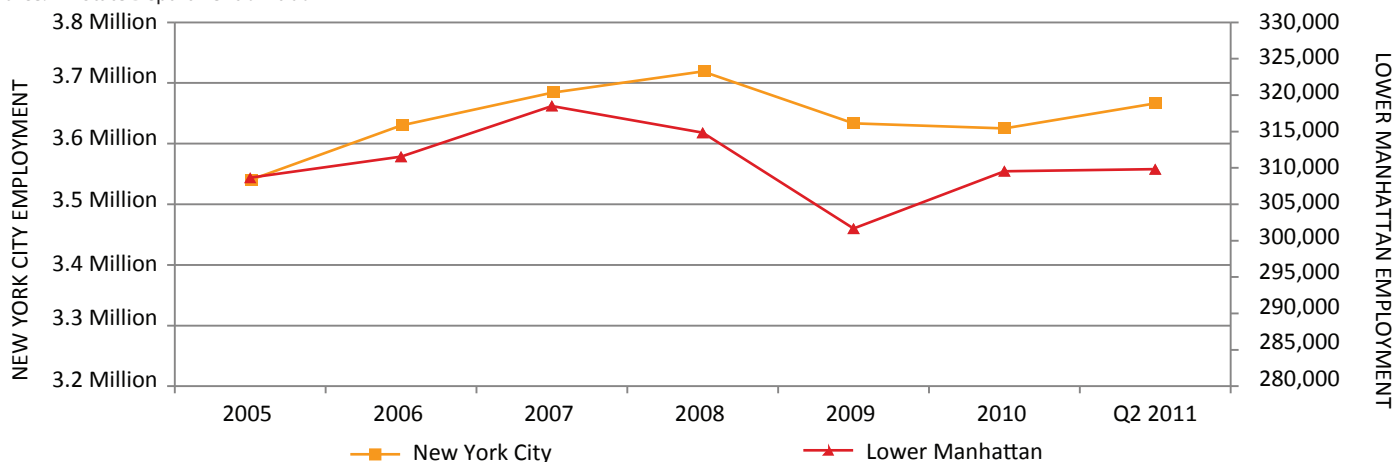
SHARE OF PRIVATE SECTOR EMPLOYMENT IN LOWER MANHATTAN, 2005 VS. 2011

Source: NY State Department of Labor



TOTAL EMPLOYMENT

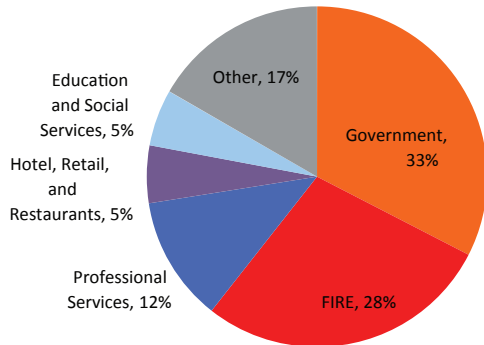
Source: NY State Department of Labor



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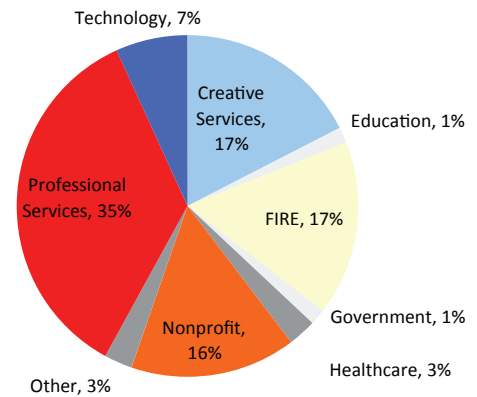
LOWER MANHATTAN WORKFORCE BY PROPORTION OF INDUSTRIES

Source: NY State Department of Labor



RELOCATIONS TO LOWER MANHATTAN, 2005-2011

Source: Alliance for Downtown New York



LOWER MANHATTAN'S LARGEST TENANTS

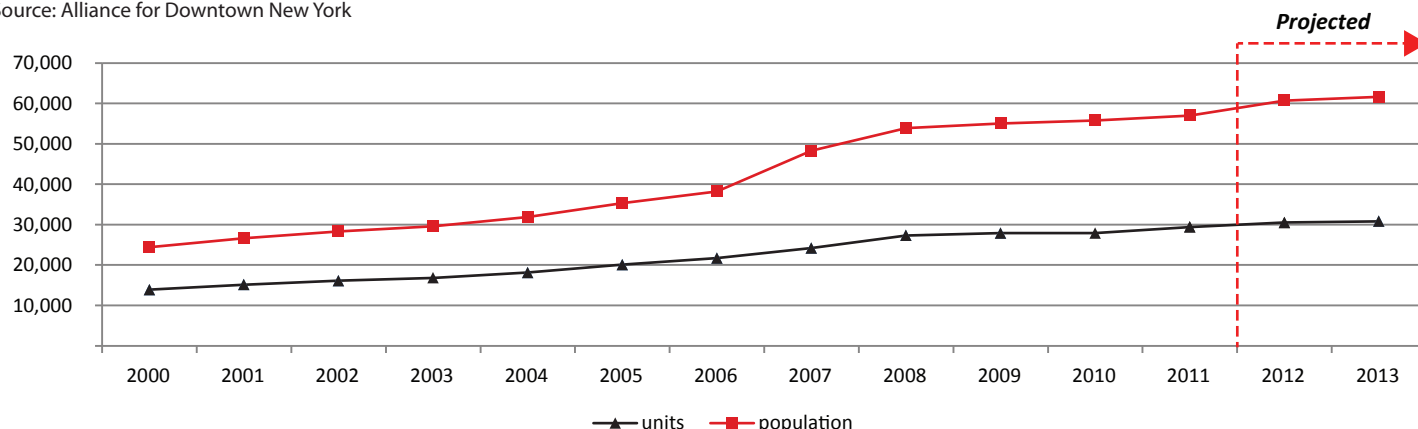
Source: CoStar, Alliance for Downtown New York

Ranking	Company Name	SF Occupied	Sector
1	City of New York Totals	4,591,222	Government
2	The Bank of New York Mellon Corporation	2,735,115	FIRE
3	Bank of America/Merrill Lynch	2,639,758	FIRE
4	The Goldman Sachs Group, Inc.	2,000,000	FIRE
5	JP Morgan Chase	1,934,172	FIRE
6	New York State	1,808,536	Government
7	Deutsche Bank	1,801,425	FIRE
8	Metropolitan Transportation Authority	1,631,166	Government
9	American Express	1,400,743	FIRE
10	Verizon Global Solutions	1,171,540	Technology
11	Standard & Poor's	1,055,994	Professional Services
12	Federal Reserve Bank	1,015,464	Government
13	Citicorp Investment Services	969,125	FIRE
14	Deloitte & Touche	947,720	FIRE
15	Cadwalader, Wickersham & Taft	938,611	Professional Services
16	U.S. Government	846,494	Government
17	New York Stock Exchange	785,542	FIRE
18	American International Group	729,467	FIRE
19	Moody's Investor Services	668,594	FIRE
20	Royal Bank of Canada	667,542	FIRE
21	Depository Trust & Clearing Corporation	608,242	FIRE
22	Sullivan & Cromwell	556,549	Professional Services
23	The Guardian Life Insurance Company of America	525,128	FIRE
24	Nomura Securities International, Inc	504,805	FIRE
25	Thomson Reuters Financial	483,609	FIRE
26	Cleary Gottlieb Steen & Hamilton	444,416	Professional Services
27	HIP Health Plan of New York	431,163	FIRE
28	Brown Brothers Harriman & Co.	429,995	FIRE
29	CME Group Inc.	419,991	FIRE
30	Fried, Frank, Harris, Shriver & Jacobson	390,710	Professional Services

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RESIDENTIAL DEVELOPMENT AND POPULATION GROWTH

Source: Alliance for Downtown New York



RESIDENTIAL MARKET

Development & Population Growth

The housing inventory continued to grow with five new buildings opening in 2011 and new construction predominating over conversions for the second consecutive year.

Battery Park City's last two residential development sites—200 and 300 North End Avenue—were completed, bringing the community to a total 7.2 million square feet of residential space. In the Financial District, Werber Management also opened a 56-unit rental building at 40 Gold Street, and Rose Associates repositioned and began leasing 25 Broad Street. Forest City Ratner's New York by Gehry opened for leasing in February

2011 and welcomed its first tenant in March. Even as construction continues on the 903-unit tower, leasing was robust throughout the year with 600 apartments leased and 570 occupied. The building is scheduled to be fully completed in the fall of 2012. This development brought Lower Manhattan's total inventory to 28,775 units in 316 buildings. Six additional buildings are in the pipeline and scheduled for completion by 2013.

The residential population also grew in 2011 to an estimated 57,000 residents in less than one square mile, and is expected to reach 60,000 residents in 2012 and 61,600 in 2013.¹

¹ The population estimate includes part-time residents

HIGHLIGHTS OF RESIDENTIAL DEVELOPMENT

Source: Alliance for Downtown New York

Address	Building Name	Lease Type	Building Type	Units	Date Open	Status
25 Broad Street	The Exchange	Condo	Conversion	347	2011	Completed
300 North End Avenue	Liberty Green	Rental	Original	193	2011	Completed
200 North End Avenue	Liberty Luxe	Condo	Original	282	2011	Completed
40 Gold Street		Rental	Original	56	2011	Completed
8 Spruce Street	New York by Gehry	Rental	Original	903	2012	Near Completion
19 Park Place		Condo	Original	25	2012	Construction
55 Murray Street		Condo	Conversion	4	2012	Construction
116 John Street		Rental	Conversion	418	2012	Construction
67 Liberty Street		Condo	Conversion	12	2012	Construction
2 John Street	180 Broadway	Dorm	Original	196	2013	Construction
113 Nassau		Rental	Original	167	2013	Construction

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Rental and Sales Market

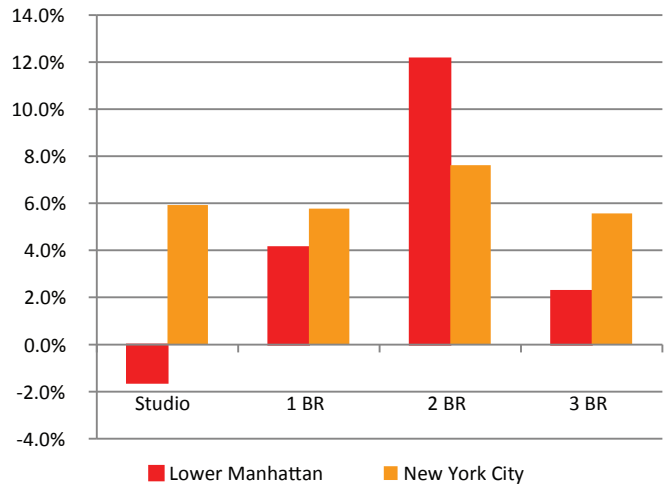
Brokers report that leasing was strong in 2011. The year-end vacancy rate of just 1.37% was stable over year-end 2010 vacancy of 1.21%, showing that demand kept pace with new inventory.

Average rents in Lower Manhattan ended the year at \$3,816, a 4.2% increase year-over-year, and somewhat slower than the Manhattan-wide increase of 6.2% over the same time period. Lower Manhattan's two-bedroom units showed the largest growth at 12% year-over-year, significantly higher than the Manhattan-wide increase for two-bedroom units of 7.8%. Studio apartments bucked the trend of steady year-over-year increases as the only unit type in Lower Manhattan to decrease, showing a modest 1.6% drop year-over-year.

The sales market also improved modestly. The volume of transactions in Lower Manhattan increased 11% over 2010, and pricing rose 3% over last year to \$1,010 per square foot in Q4 2011. Meanwhile, the Manhattan-wide average is \$1,224 per square foot, a 2% increase year-over-year.

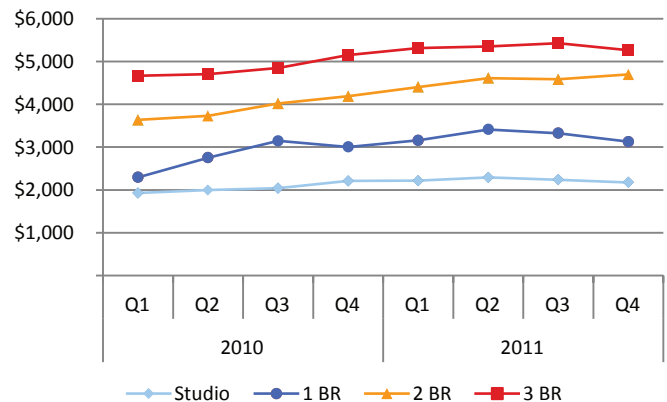
YEAR-OVER-YEAR CHANGE IN RENTS 2010-2011

Source: Citi-Habitats



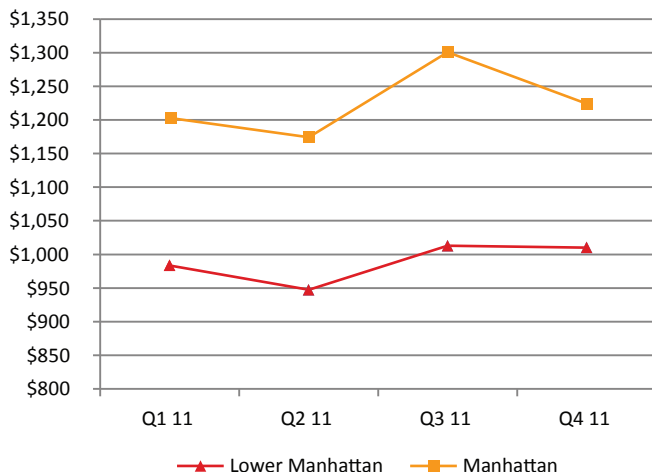
LOWER MANHATTAN AVERAGE RENTS

Source: Citi-Habitats



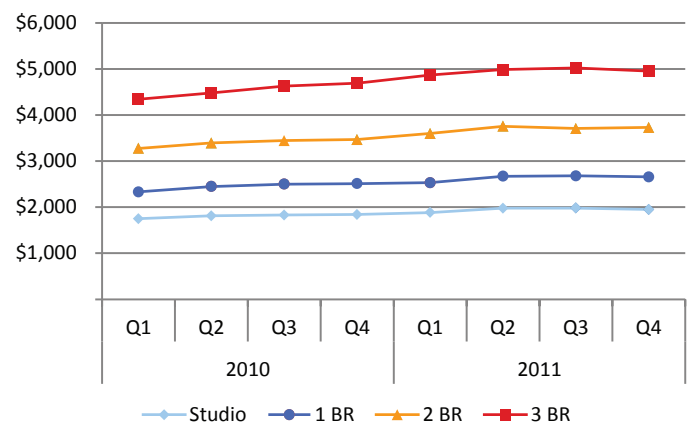
AVERAGE SALES PRICE (\$ PER SQUARE FOOT)

Source: NYC Department of Finance, Alliance for Downtown New York



MANHATTAN-WIDE AVERAGE RENTS

Source: Citi-Habitats



LOWER MANHATTAN REAL ESTATE YEAR IN REVIEW



TOURISM AND THE HOTEL MARKET

Tourism

Lower Manhattan saw another record-breaking year of tourism with 9.8 million visitors to its major museums, events, and attractions—an 8% increase over 2010. The National September 11 Memorial Plaza, which opened in September, was a major draw, attracting one million visitors in its first 3½ months.

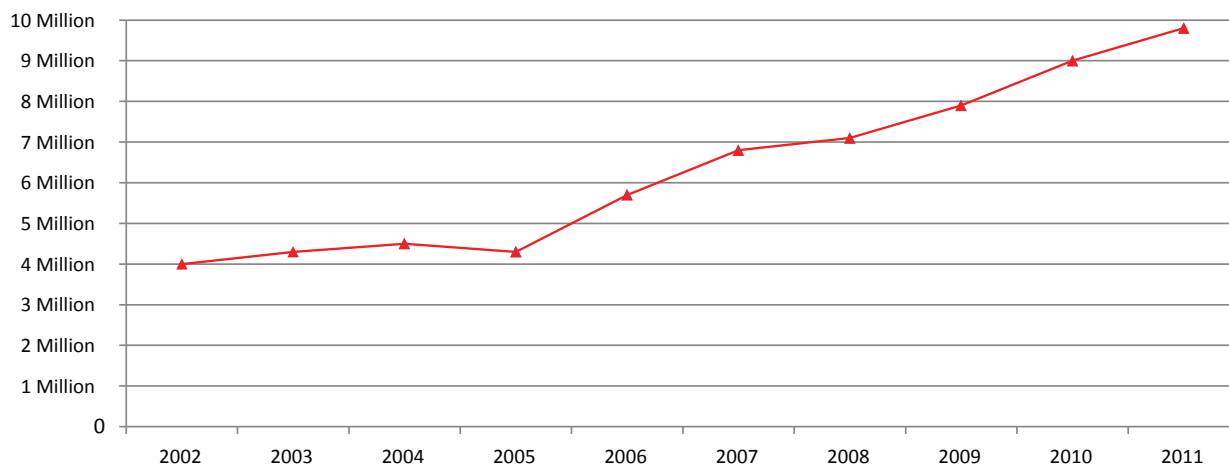
Lower Manhattan's other icons and events were also major draws, from the Statue of Liberty to two branches of the Smithsonian and the River To River Festival.

Development

Lower Manhattan has 18 hotels and 4,092 rooms—triple the number of hotels that existed pre-9/11 and 78% more rooms. Post-9/11 hotel development peaked in 2010, but the upswing continues. The former Embassy Suites Hotel, which closed in 2011 for renovations, will reopen in March 2012 as the Conrad New York with 463 suites. Seven additional hotels are in the pipeline scheduled for completion by 2014. These additions will bring the inventory to 5,074 rooms in 25 hotels.

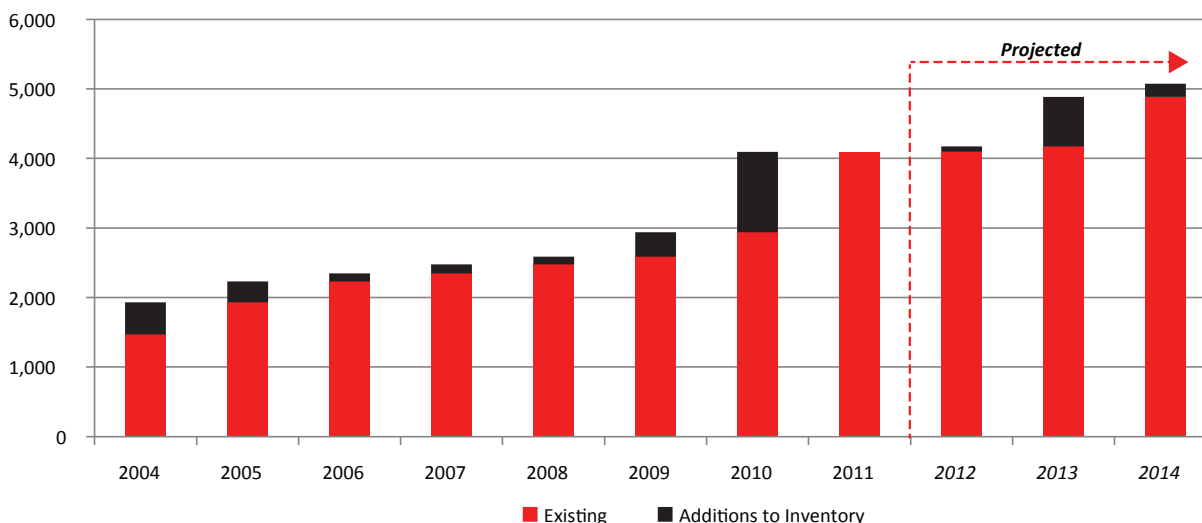
TOTAL VISITATION

Source: Alliance for Downtown New York



HOTEL ROOMS, EXISTING INVENTORY & NEW CONSTRUCTION

Source: Alliance for Downtown New York



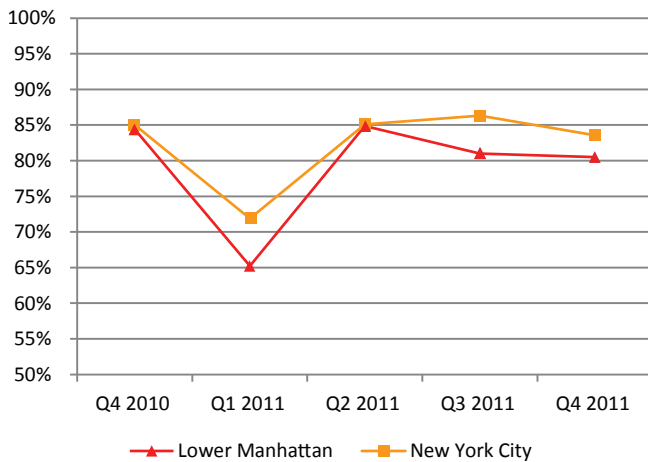
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Hotel Market Performance

Lower Manhattan's hotel performance was strong. Average daily room rate (ADR) has outpaced, or been equal to, the citywide average over the last decade, continuing that trend in 2011. The Q4 2011 ADR of \$307 was an 8% increase over last quarter, a 1% increase over last year. Lower Manhattan's ADR outpaced the citywide figure of \$283.

AVERAGE OCCUPANCY RATES

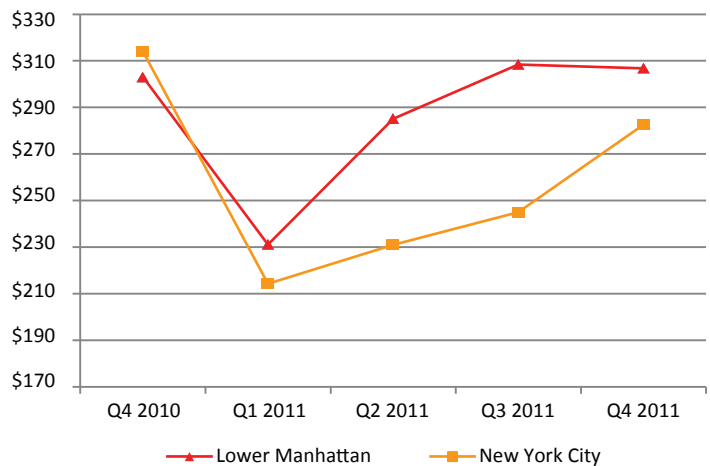
Source: Alliance for Downtown New York, NYC & Company



Meanwhile, the average occupancy rate among Lower Manhattan hotels was 80% in Q4 2011, down 5% from last quarter and last year. By comparison, the citywide occupancy rate was 84%, a 1% increase over last quarter and 2% decrease over last year.

AVERAGE DAILY ROOM RATES

Source: Alliance for Downtown New York, NYC & Company



RETAIL MARKET

Development

In 2011, notable progress was made on several of Lower Manhattan's major retail projects. Brookfield Properties began a \$250 million upgrade and expansion of retail at the World Financial Center, scheduled for completion in 2013. Plans call for more than 40 high-end fashion shops and a 25,000-square-foot gourmet food marketplace. The entire retail complex will be more than 200,000 square feet, a net gain of 13% over the former retail configuration.

Meanwhile, the Port Authority announced in June that it had advanced negotiations with Westfield to develop and manage retail at the World Trade Center site, where 360,000 square feet is scheduled to come online in 2015. Upon completion of 2 World Trade Center, the site would hold a total 488,000 square feet of retail. Retail tenants have already expressed interest in the site.

Century 21 signed a lease that will add about 76,000 square feet of retail and 12,000 square feet of office space to its Lower Manhattan flagship store at 22 Cortlandt Street. The department store also plans to renovate its existing 135,000-square-foot space.

Retail Market

Growth in employment, population, and tourism led to an increase in the annual spending power of the Lower Manhattan market, now an estimated \$4.7 billion.

At year-end, Lower Manhattan had 460 bars and restaurants, and 640 stores and storefront services for a total 1,100 establishments, 90 of which opened in 2011 for a net gain of 20 establishments. At least 13 more are coming soon.

LOWER MANHATTAN REAL ESTATE YEAR IN REVIEW

Lower Manhattan's new retailers in 2011 ranged from boutique to well-known local chains, and national staples, with several existing retailers expanding their presence. Highlights include:

- TJ Maxx opened a 32,000-square-foot store at 14 Wall Street.
- Jos. A. Bank opened at 111 Broadway.
- Duane Reade opened the chain's largest store, a 23,310-square-foot emporium featuring lavish amenities, at 40 Wall Street.
- Artsee Eyewear, a boutique eyewear shop, opened its second Manhattan location at 220 Murray Street in Battery Park City.
- Laila Rowe, a jewelry and accessory shop, opened its first Lower Manhattan location at 99 Wall Street.
- Basics Plus, a housewares store, opened at 85 John Street.
- Britches of New York, a menswear retailer, opened at Pier 17 in the South Street Seaport.

FINANCIER PATISserie



New additions to the area's restaurants and food purveyors include:

- Danny Meyer's Shake Shack opened its sixth Manhattan location, the first in Lower Manhattan, at 215 Murray Street in Battery Park City.
- Financier Patisserie opened its fourth Lower Manhattan location at 90 Nassau Street (at the intersection of Fulton and Nassau Streets).
- Francois Payard, a bakery serving French patisserie items, opened its second New York City location at 210 Murray Street also in Battery Park City.
- The Growler Bites & Brews opened at 15 South William Street, adding a dog-friendly gastropub to the popular Stone Street dining area.
- Luke's Lobster opened at 26 South William Street, bringing Maine lobster rolls to Lower Manhattan with its fourth New York City location.
- Pret A Manger opened a fifth Lower Manhattan location with a 2,548-square-foot store at 100 Church Street.
- The Fulton, a 500-seat gastropub, restaurant and sports lounge, opened at 121 Fulton Street.
- Blue Planet Grill, opened at 120 Greenwich Street, serving healthy and environmentally friendly food that is locally sourced.

In early 2012, internationally recognized hospitality leader, Danny Meyer, expanded his restaurant offerings in Battery Park City with Blue Smoke, an authentic barbecue restaurant at 255 Vesey Street and North End Grill, a white-tablecloth restaurant at 104 North End Avenue. In the Financial District, the owners of the East Village nightclub Death & Co. plan to open Demi Monde, an upscale cocktail lounge, at 80 Broad Street.

REBUILDING AND MAJOR CAPITAL IMPROVEMENT PROGRESS

World Trade Center Progress

Lower Manhattan is rebuilding for the future with \$30 billion of public and private investment.

Steel for the 104-story 1 World Trade Center has reached the 91st floor and is scheduled to top out in April 2012. Concrete has been poured to the 69th floor, and façade work has been installed above the 51st floor. The building is scheduled for completion in 2014. Steel for the 72-story 4 World Trade Center has reached 62 stories, the glass-curtain wall has been installed through the 48th floor, and the building is scheduled for completion in 2013.

Three World Trade Center will be built as a seven-story transit and retail podium, with steelwork scheduled for completion at the end of 2013. Construction of an office tower will continue when Silverstein Properties meets milestones that include raising \$300 million of private equity, pre-leasing 400,000 square feet of the office tower, and obtaining private financing. The Port Authority and New York State will then provide public backstops that will allow Silverstein Properties to get additional financing. Meanwhile, 2 World Trade Center is being built to grade in a way that preserves the opportunity for future office development.

The National September 11 Memorial Plaza was dedicated on September 11, 2011 and opened to the public the following day. One million people visited the site in the first three months after its opening. The opening of the 9/11 Memorial Museum has been delayed from September 2012 and a new date is being established.

The World Trade Center Transportation Hub, designed by Santiago Calatrava, is nearly up to street level, and finishing touches are being put on the mezzanine level. Concrete is also being poured for the No. 1 subway line's

Greenwich Street corridor. The \$3.4-billion Transportation Hub will house the New Jersey PATH station and connect underground to the Fulton Street Transit Center on the east, the World Financial Center on the west and to retail.

Meanwhile, deconstruction of 130 Liberty Street at Site 5 was completed in February 2011 and construction continued on the Vehicle Security Center (VSC) underneath the site. The VSC will serve as the main entry point for automobiles to the World Trade Center complex.

The completed World Trade Center will also include 488,000 square feet of retail space and a 1,000-seat Performing Arts Center (PAC). The \$100 million allocated to develop the PAC were secured in December 2011 when Mayor Bloomberg announced the appointment of five board members in December 2011.

THE NATIONAL SEPTEMBER 11 MEMORIAL



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Fiterman Hall

This new CUNY facility will replace the structure that was irreparably damaged on 9/11, housing classrooms, faculty offices, a café, art gallery, computer labs, and a student lab for the Borough of Manhattan Community College. Construction began in 2009, steel topped out in March 2011, and façade installation was completed during the summer of 2011. Interior fit-out is ongoing and the building is scheduled to be completed by fall 2012.

Fulton Transit Center

Construction began on the Fulton Transit Center's superstructure in January 2011, and completion of the A/C mezzanine is expected in 2012. The temporary passageway between the A/C and 4/5 trains opened in October 2011. Other significant milestones in 2011 include the opening of a new entrance at 135 William Street on August 1, 2011 and the opening of the southbound portion of the R platform on September 6, 2011. The entire project is on track for completion in 2014.

Fulton Street Reconstruction

Progress continued in replacing utility lines and improving the streetscape along Fulton and Nassau streets. Phase I on Fulton Street (from Church Street to Gold Street) was completed at the end of 2009, and Phase II broke ground in 2010. This phase runs along Nassau Street (from Ann Street to Spruce Street) and Fulton Street (from Ryders Alley to South Street) and is now active from Beekman to Spruce. The third and final phase began in early 2011 and runs along Nassau Street (from Maiden Lane to Fulton Street), Pearl Street (from John to Fletcher Street), and Gold Street (from Fulton to Spruce Street). Reconstruction work on Nassau (from Fulton to John) has begun and the street is closed. The entire project is scheduled to be completed in 2012.

East River Waterfront

The New York City Economic Development Corporation celebrated the opening of the first section of the East River Waterfront, from Wall Street to Maiden Lane, in July 2011. This initial portion contains an esplanade with seating, planters and waterside benches as well as a dog park and a lookout on the river at the foot of Wall Street. The upper level of Pier 15 opened in December 2011 featuring an "amphitheater seating area" and a lower portion that is planned for a maritime education center and café. Work continues on the rest of the East River project, which stretches from the Battery Maritime Building on the south to Pier 35 on the north and includes dedicated walking and bike trails, plantings, and seating along the river. The entire \$150 million project is scheduled for completion in 2012.

Peck Slip

The New York City Department of Design and Construction began reconstruction of Peck Slip between Water and South streets in July 2011. The project will replace the granite cobblestone and underground utilities, and install new pedestrian ramps and lighting. Following completion in winter 2016, the city will create a new Peck Slip Park in the median between South and Water streets.

FULTON TRANSIT CENTER - RESTORED MURALS



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Peter Minuit Plaza

The reconstructed Peter Minuit Plaza opened in May 2011 at the entrance to the Staten Island Ferry. Landscaping at the plaza was completed in December 2010. The Battery Conservancy completed construction of the New Amsterdam Plein & Pavillion, which was designed by famed Dutch architect Ben van Berkel and made possible with major funding from the government of the Kingdom of the Netherlands. The pavilion and plaza created a 5,000-square-foot space featuring regional organic food by Merchants Market as well as a visitor information booth by the Alliance for Downtown New York. The Downtown Alliance installed a free public Wi-Fi hotspot there in early 2011.

Battery Maritime Building

Developers of the Battery Maritime building, a National Historic Landmark, secured financing in 2011 and will begin the next stage of rehabilitation in 2012. The New York City Economic Development Corporation funded the restoration of the façade, which was completed in 2005, and then selected the Dermot Company to pursue the interior development in 2007. Dermot, in partnership with the Poulakakos family, will build a 67-room boutique hotel and rooftop restaurant on top of the existing building and restore the great hall for public use.

PROPERTY SALES

Commercial sales in 2011 eclipsed the previous year in terms of volume of transactions and total sales. Ten deals were completed in 2011, compared to seven in 2010. In 2011, total sales were \$877 million, nearly three times the total of \$310 million in 2010. The following is an overview of transactions in order of sale price.²

Office

In June, Seattle-based Sabey Corp. acquired the majority interest in 375 Pearl Street from M&T Bank (which acquired the property after the previous borrower/owner, Taconic, defaulted on its mortgage) for \$120 million, or \$146 per square foot. Sabey plans to upgrade the building's power and technological infrastructure.

SouFun Holdings purchased 72 Wall Street in August from Young Woo & Associates for \$46 million, or \$180 per square foot. Young Woo paid about \$100 per square foot when it bought the building, packaged with 70 Pine Street, in 2009.

Conversions and Mixed-Use Development Projects

The American Stock Exchange building at 78 Trinity Place sold in a package with adjacent 123 Greenwich Street in February for \$65 million or \$240 per square foot. The new owners, Steinhardt Management, plan to convert 78 Trinity Place to a hotel and transfer its air rights to 123 Greenwich Street for a residential conversion.

A partnership of Crown Acquisitions, Highgate Holdings, and the Carlyle Group purchased 170 Broadway from AMG Realty in December for \$55 million or \$372.01 per square foot. The building was delivered vacant except for retail tenants, and the new owners plan to convert the property to hotel with retail.

Metro Loft Management closed on the sale of 70 Pine Street in December for \$205 million, or about \$186 per square foot, with plans to convert the building (though the new land use has not yet been announced). Metro Loft bought the building from Young Woo & Associates.

² Sources of transactional information: Massey Knakal

LOWER MANHATTAN REAL ESTATE YEAR IN REVIEW



Residential

UDR bought 95 Wall Street in August from the Moinian Group, which converted the building from commercial office use and reopened it as a 507-unit luxury residential rental building in 2008. The building was 93% occupied at the time of sale and sold for \$326 million, or \$715.03 per square foot. This transaction was one of the city's top 20 property sales in 2011.

In July, Robert Quaco purchased 264 Water Street, an eight-story residential loft building, with plans to upgrade apartments and hold the asset long-term. The building sold for \$15.4 million, or \$374.38 per square foot.

The Lam Group bought 21-23 Maiden Lane from Regal Real Estate in October for \$14.5 million, or \$383.60 per square foot. The 40,000-square-foot building is income-generating with 30 residential units and two retail tenants.

Other

Otera Capital bought 33 Beekman, a vacant parcel, from the McSam Group in June for \$15.7 million, or \$114 per marketed buildable square foot.

The Blue School's purchase of 241 Water Street closed in February 2011 for \$15.1 million or \$472 per square foot. The group, run by the founders of the innovative Blue Man Group performance troupe, moved their preschool into the 33,000-square-foot building from its location in the East Village and opened in September.

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Documents include a complete list of residential and hotel developments, available retail spaces and a summary of leasing incentives.

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