

LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

Q3 2013

COMMERCIAL OFFICE MARKET

One year after Hurricane Sandy, Lower Manhattan's commercial market is strong. Data suggest that not only has it recovered, but that it is actually better off than it was before the storm struck in the fourth quarter of 2012. Leasing momentum has accelerated, with nearly 4.7 million square feet leased since the storm. The last large tenants that had been displaced have returned or have announced that they will by the end of the year. The Guardian Life Insurance Company moved back into its offices at 7 Hanover Square, while 4 New York Plaza has seen the return of American Media and, soon, JP Morgan Chase and the Daily News

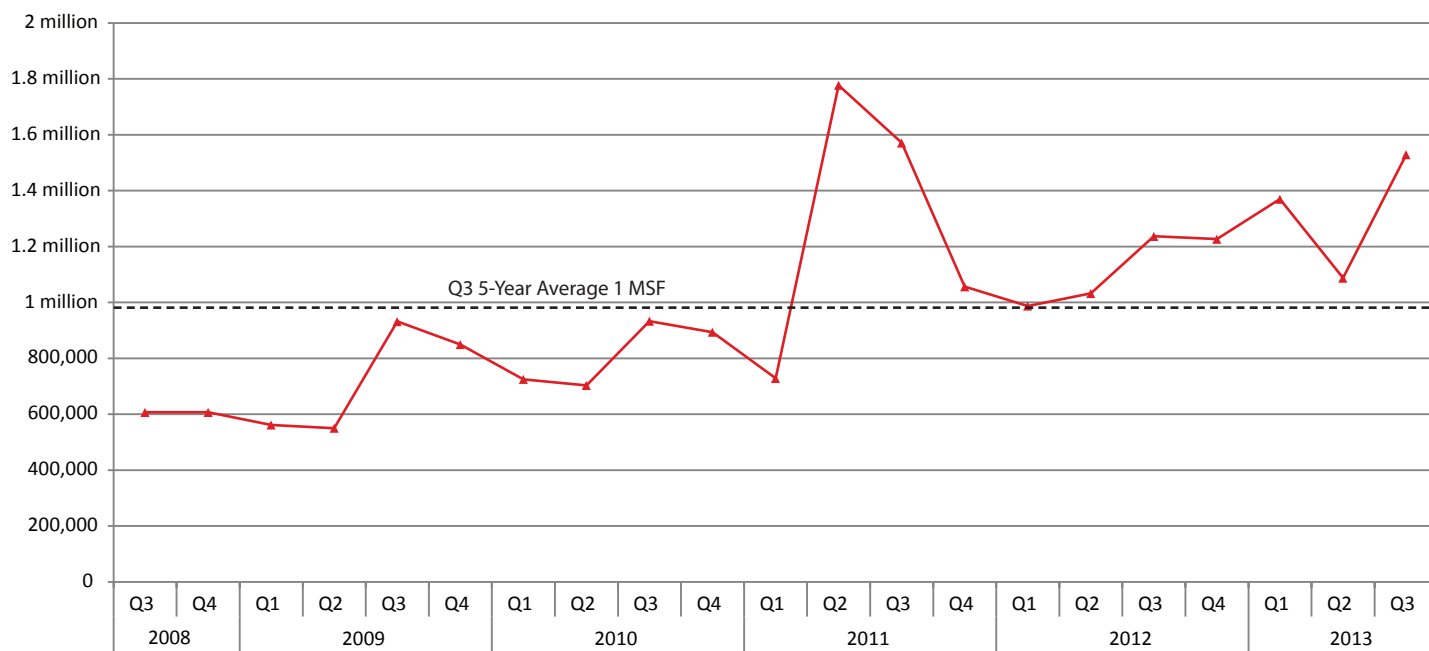
as well. The growing market has also been buoyed by a rapidly diversifying economy, as more and more tech and creative companies move south of Chambers Street. The net effect: there is continued confidence in the benefit of a Lower Manhattan business address.

Leasing Activity

Lower Manhattan logged its most impressive quarter year-to-date, with leasing up 41% from last quarter and 53% better than the 5-year average. With this quarter, year-to-date leasing is 22% greater than this time last year.

LOWER MANHATTAN LEASING ACTIVITY BY QUARTER (sf), Q3 2008-Q3 2013

Source: CBRE



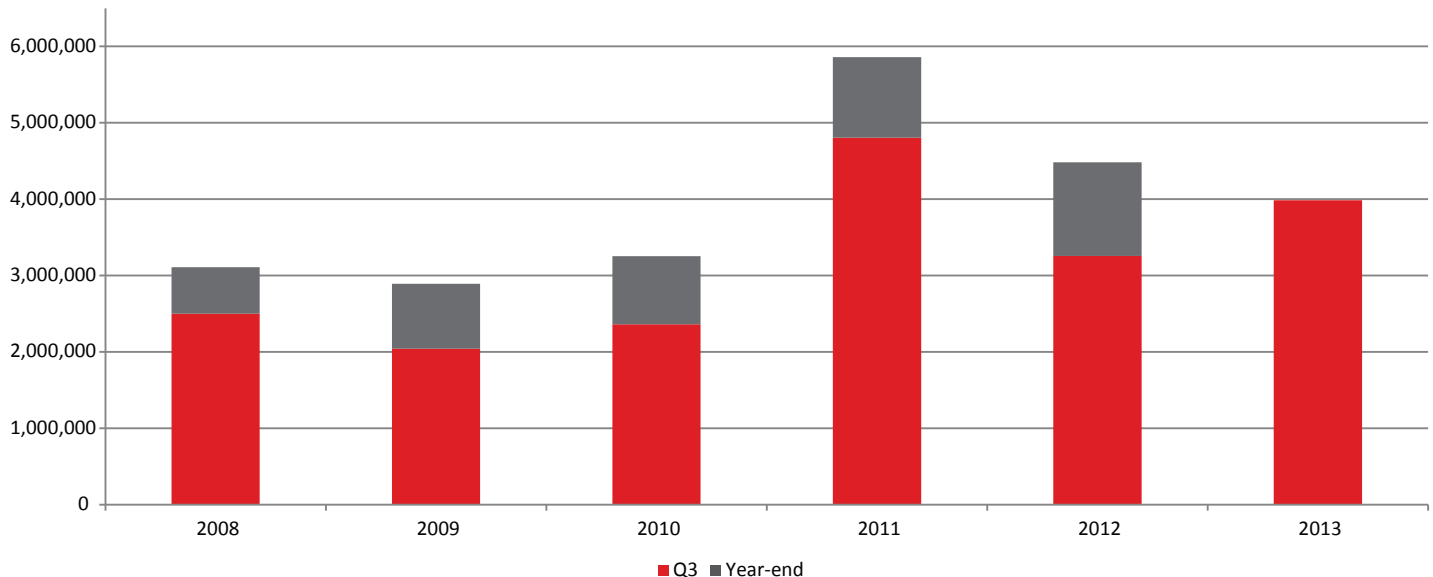
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A diverse group of Lower Manhattan tenants has driven leasing volume, absorbing large blocks of space. New York City Health and Hospitals Corporation topped the list with its deal involving 221,000 square feet at 55 Water Street. The government agency will be consolidating various locations, including offices elsewhere in Lower Manhattan (160 Water Street and 33 Whitehall Street). The second largest lease was signed by the Port Authority of New York and New Jersey for 119,000 square feet at 115 Broadway,

where the agency renewed until 2016 in anticipation of its move to 4 World Trade Center. Canada-based Scotiabank took 99,000 square feet at 250 Vesey Street (4 Brookfield Place) and will be relocating from 1 Liberty Plaza. Droga5, a global advertising firm, will move from Midtown South to occupy 92,000 square feet at 120 Wall Street. These leases helped reduce availabilities by 600,000 square feet over last quarter; 9.2 million is available now or within the next six months.

LOWER MANHATTAN YEAR-TO-DATE LEASING (sf)

Source: CBRE



TOP TEN LOWER MANHATTAN LEASES, Q3 2013

Source: CBRE, CoStar, Alliance for Downtown New York

	Tenant Name	Building Address	SF Leased	Transaction Type	Sector
1	Health & Hospitals Corporation	55 Water Street	221,180	Direct	Government
2	The Port Authority of NY & NJ	115 Broadway	118,518	Renewal	Government
3	Bank of Nova Scotia	250 Vesey Street	99,311	Direct	FIRE
4	Droga5	120 Wall Street	91,442	Relocation	Creative Services, Advertising
5	WeWork	25 Broadway	86,322	Direct	Professional Services, Other
6	OppenheimerFunds Inc.	225 Liberty Street	54,399	Expansion	FIRE
7	Success Academy Charter Schools	120 Wall Street	53,908	Relocation	Education
8	Pacific College of Oriental Medicine	110 William Street	41,900	Relocation	Education
9	AFS-USA	120 Wall Street	40,030	Direct	Nonprofit
10	U.S. Equal Employment Opportunity Commission	33 Whitehall Street	39,721	Direct	Government

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Tech tenants continued to make commitments in Lower Manhattan in the third quarter, with leasing totaling 270,000 square feet – a 150% increase over the second quarter.¹ Year-to-date leasing for tech tenants is already up 66% over 2012 totals. WeWork, a leading provider of co-working space for small businesses in tech, media and creative services, made its second commitment downtown, signing a lease for 86,000 square feet at 25 Broadway.

Two companies relocating to Lower Manhattan signed two of the top five tech deals citywide this quarter: Epsilon Data Management, a market intelligence and technology company, is moving from Midtown South to take 35,000 square feet at 199 Water Street; and GT Nexus, a software development firm, is relocating to a 33,000-square-foot

space at 55 Water Street. It is worthy of note that several other tech firms are migrating to Lower Manhattan from Midtown South, including PulsePoint, an advertising and media technology company, and Think Passenger, a social marketing and online community engagement company. PulsePoint will occupy 23,000 square feet at 20 Broad Street, and Think Passenger is relocating to 30 Broad Street. Fundtech, a financial technology company, signed a deal for 26,000 square feet at 140 Broadway, and will be relocating from Jersey City, New Jersey.

Since Hurricane Sandy, Lower Manhattan has seen more relocation activity. Fifty-one tenants signed deals to relocate, totaling more than 1 million square feet — a 13% increase over relocations in the same time period preceding the storm.

¹ Source of top tech deals and tech leasing volume: Jones Lang LaSalle

TOP 15 RELOCATIONS, Q3 2013

Source: CBRE, CoStar, Alliance for Downtown New York

Tenant Name	Building Address	SF Leased	Previous Location	Sector
Droga5	120 Wall Street	91,442	Midtown South	Creative Services, Advertising
Success Academy Charter Schools	120 Wall Street	53,908	Harlem	Education
Pacific College of Oriental Medicine	110 William Street	41,900	Midtown South	Education
Epsilon Data Management	199 Water Street	34,792	Midtown South	Professional Services, Other
FUNDtech	140 Broadway	26,206	Jersey City, NJ	Technology
Exponents	17 Battery Place	23,343	Midtown South	Nonprofit
PulsePoint	20 Broad Street	23,170	Midtown South	Technology
LiveIntent	100 Church Street	20,000	Midtown South	Technology
Progressive Home Health Services	90 Broad Street	18,033	Midtown	Healthcare
VillageCare	120 Broadway	17,588	Midtown	Healthcare
UnitedLex Corporation	100 Broadway	17,392	Midtown	Professional Services, Other
HealthCare Chaplaincy	65 Broadway	16,000	Midtown	Nonprofit
World Trade Centers Association	120 Broadway	11,911	Midtown	FIRE
The New Press	120 Wall Street	8,149	Midtown South	Creative Services, Media
Think Passenger	30 Broad Street	5,335	Midtown South	Technology

LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

Rent

Pricing remains attractive in Lower Manhattan, with overall asking rents \$14 less than Midtown South and \$22 less than Midtown. Midtown South's overall asking rents increased for a fifth consecutive quarter, reaching \$60 per square foot, and continued to drive leasing to Lower Manhattan. Remaining stable over last quarter, Lower Manhattan's overall asking rent was \$46 per square foot for the second quarter; this is a 16% increase over last year.

The pricing spread between Lower Manhattan and Midtown South is greatest in the Class A market. Class A rents in both areas are up 12% over last year, but Midtown South's rate is \$74 per square foot, while Lower Manhattan's is \$51 per square foot—a difference of \$23. The 12% increase in Lower Manhattan was spurred by the continued marketing of large blocks of Class A space that were added to the market in the second quarter.

Vacancy

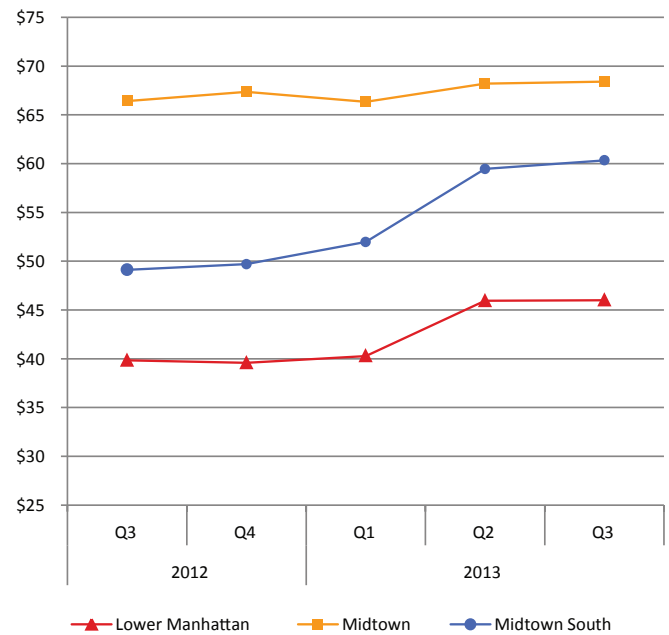
Lower Manhattan's vacancy rate is the fourth lowest nationwide and has dipped below rates found in Midtown, despite the addition of large blocks of space to the inventory in the second quarter of 2013.² Midtown's vacancy rate rose this quarter from 10.8% to 11.4%, while Lower Manhattan's vacancy rate dropped from 11.6% last quarter to 10.9%. The decline stemmed from significant leasing of large availabilities in the market.

Brisk leasing activity in the third quarter reduced the Class A availabilities that had driven up Lower Manhattan's vacancy rate last quarter. Within the next six months, there will be 800,000 fewer square feet of Class A space vacant or available, compared to the same time period during the previous quarter. The two east side submarkets most affected by the hurricane, Financial East and Insurance, accounted for more than 80% of the positive absorption

of Class A space this quarter. Both now have lower Class A vacancy rates that they did one year ago. Lower Manhattan's overall vacancy rate among Class A properties dropped from 13.9% last quarter to 12.9%.

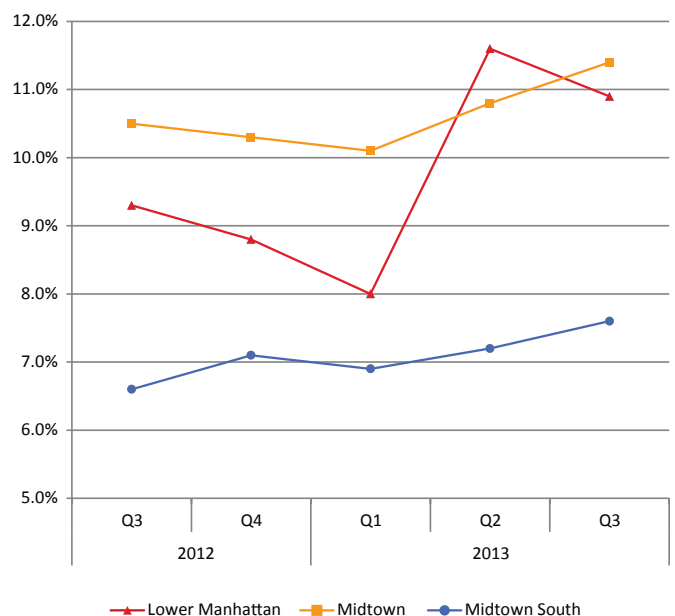
OVERALL AVERAGE ASKING RENTS

Source: Cushman & Wakefield



TOTAL VACANCY

Source: Cushman & Wakefield



² Source of national rank of vacancy: Cushman & Wakefield

LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

PROPERTY SALES

Investor interest in Lower Manhattan remains robust, and the commercial sales market shows healthy prospects with \$814 million in sales year-to-date. Interest in office buildings, as well as development sites, was particularly strong this quarter, and pricing per square foot was up year-over-year.³

Commercial Office Buildings

5 Hanover Square was sold by Savanna to CIM Group for \$104 million or approximately \$356 per square foot. The property has around 292,000 rentable square feet and is about 96% occupied.

Madison Capital and Meadow Partners sold 100 Broadway to Northwood Investors for \$150 million or about \$400 per square foot. The 24-story office tower has 380,000 rentable square feet and is about 90% occupied.

180 Water Street was sold by Melohn Properties to Emmes Asset Management for \$151 million or around \$333 per square foot. The 16-story, 453,857-square-foot tower is currently 100% occupied by one tenant, the New York City Human Resources Administration, but it will be moving to 4 World Trade Center after the building opens in late 2013.

In a major transaction that will be detailed in the next report, JPMorgan Chase is selling 1 Chase Manhattan Plaza for \$725 million to Fosun International of China. The 2.2 million-square-foot, 60-story office tower, bordered by Nassau, Liberty, William and Pine streets, is a Lower Manhattan landmark.

Retail Condominiums

333 Rector Place, a retail condominium, was sold for \$6.9 million or approximately \$287 per square foot. It includes three commercial spaces, which sold for \$3.3 million in total at about \$477 per square foot. The site also has a

17,130-square-foot parking garage, which can hold up to 70 cars and which sold for \$3.6 million.

GLL Real Estate Partners has paid Centurion Real Estate Partners \$53 million for a 369-space parking garage in 1 River Terrace, a 320-unit condominium tower in Battery Park City. Goldman Sachs, located one block away, has a long-term lease on the 67,000-square-foot garage.

Conversion and Mixed-Use Development

8 Maiden Lane, a partially vacant, mixed-use building, was purchased for \$5.6 million, or around \$202 per buildable square foot, by a syndication of Chinese buyers. The building includes 21,000 square feet of air rights. The buyer also owns the adjacent site, 10-12 Maiden Lane, and plans to develop a 25-story, 191-room hotel on these two sites.

15 Warren Street, a fully occupied, mixed-use building, sold for \$5.25 million or about \$603 per square foot. The building contains two commercial spaces comprising just under 2,000 square feet as well as three residential units on the upper floors.

Fortis Property Group purchased 151-161 Maiden Lane, a vacant development site located between Front and South Streets, for \$64 million or approximately \$256 per buildable square foot. Proposed development plans include a 250,000-square-foot tower with 175 residential units, a hotel and retail space.

St. John's University sold 101 Murray Street for \$223 million to a partnership comprising Witkoff Group, the Vector Group and the Fisher Brothers. The sale equaled \$600 per buildable square foot, near record pricing for Lower Manhattan. Development plans include a 370,000-square-foot condominium tower. St. John's University will vacate the site after the 2013-2014 academic year.

³ Source of NYC commercial transaction information: Massey Knakal

LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

RESIDENTIAL

Inventory and Development

Lower Manhattan is home to 61,000 residents, who live in 30,500 units in 351 mixed-use and residential buildings.⁴ The pipeline of residential development includes 1,556 units – 186 of which are scheduled for completion in 2013 – in eight buildings currently under construction. The buildings include The Lara, a 168-unit rental building at 113 Nassau Street, and Warren Lofts, an 18-unit condo building at 37 Warren Street.

In addition, a Pace University dormitory at 180 Broadway opened in September which houses 600 students.

⁴ Population estimate includes part-time residents.

Rose Associates is overseeing the interior demolition of 70 Pine Street, where the conversion of the former AIG headquarters will add another 644 rental units by 2014. Fisher Brothers is continuing demolition work on the existing building at 22 Thames Street in preparation for the construction of a new, 428-unit rental building. Time Equities secured construction financing and plans to begin construction soon on 180 condominium units at 50 West Street.

As development projects increase the total inventory, the residential population will climb to an estimated 63,000 residents in 2014 and 64,000 in 2015.

HIGHLIGHTS OF RESIDENTIAL DEVELOPMENT

Source: Alliance for Downtown New York

Address/Building Name	Lease Type	Building Type	Units	Date Open	Status
67 Liberty	Condo	Conversion	12	2013	Complete
2 John Street/180 Broadway	Dorm	New Construction	196	2013	Complete
113 Nassau/The Lara	Rental	New Construction	168	2013	Under Construction
136 Church Street/Warren Lofts	Condo	Conversion	12	2013	Under Construction
70 Pine/AIG Building	Rental	Conversion	644	2014	Under Construction
19 Park Place/Tribeca Royale	Condo	New Construction	21	2014	Under Construction
33 Beekman	Dorm	New Construction	253	2015	Under Construction
87 Chambers Street	Condo	New Construction	17	2015	Under Construction
5 Beekman Street	Hotel/Condo	Conversion	85	2015	Under Construction
22 Thames	Rental	New Construction	350	2017	Under Construction
233 Broadway/Woolworth Building	Condo	Conversion	40	2015	Planned
12 Warren Street	Condo	New Construction	24	2015	Planned
50 West Street	Condo	New Construction	180	2016	Planned
30 Park Place	Hotel/Condo	New Construction	157	2016	Planned
101 Murray Street	Condo	New Construction	200	TBD	Planned
114-120 Fulton Street	Condo	New Construction	463	TBD	Planned
161 Maiden Lane	Condo	New Construction	80	TBD	Planned

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Sales Market (Combined Condos and Co-ops)⁵

The outlook for Lower Manhattan's residential sales market is promising with rising sales activity and pricing approaching pre-Sandy levels.

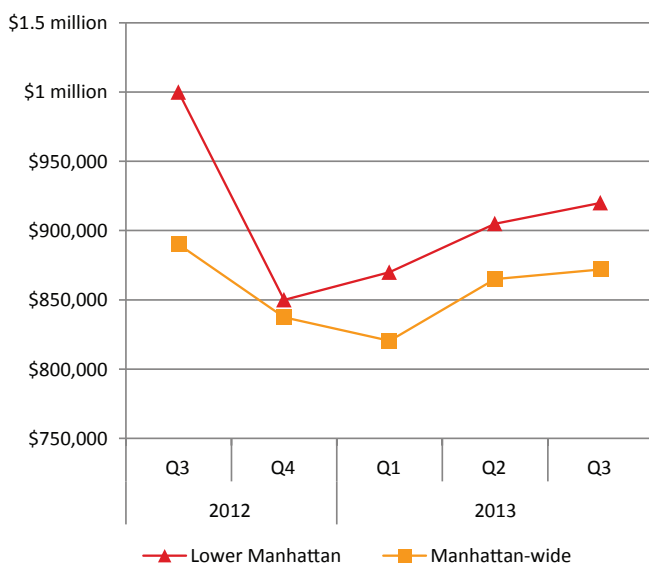
Residential sales volume is up 58% from this time last year and 10% over last quarter. The sales pace is also robust — Lower Manhattan properties spent an average of 87 days on the market, on par with Manhattan-wide sales, and sold twice as fast as they did this time last year. Buyer interest has continued unabated post-Sandy.

Sales price indicators are still down slightly year-over-year but have shown steady increases after a sharp drop in the fourth quarter of 2012, post-Sandy. Median sales prices are down 8% from this time last year, but prices have been gaining strength over the past three quarters. The average sales price per square foot trended similarly, dropping 2% year-over-year to an average of \$1,112 per square foot. Manhattan-wide pricing has been more stable year-over-year with the average sales price per square foot rising 3% to \$1,137 per square foot, just above Lower Manhattan's average for the fourth consecutive quarter.

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

MEDIAN SALES PRICE

Source: Miller Samuel/Douglas Elliman



Rental Market⁶

Lower Manhattan's rental market is active, with low vacancy and pricing that is down just slightly year-over-year.

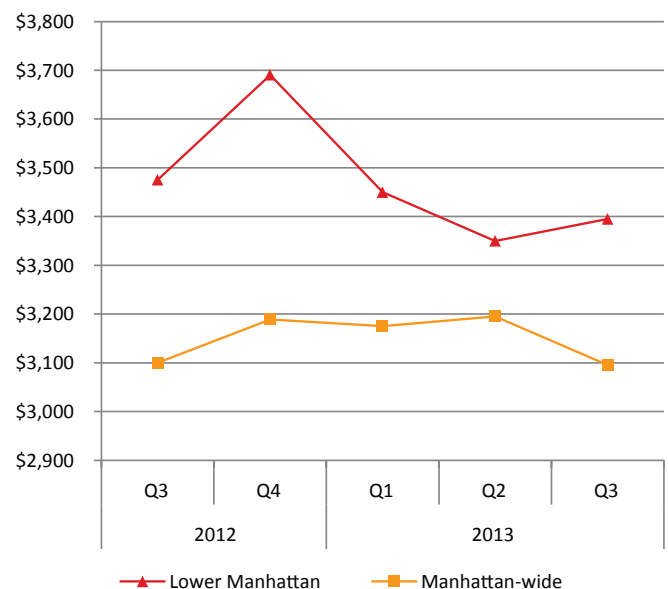
Brokers report positive momentum in the rental market in Lower Manhattan, and the vacancy rate remains low at 1.5%, slightly above the vacancy rate this time last year. "New rental activity is up sharply from last year, rising 23% to 1,023 rentals," said Jonathan Miller, president of appraisal firm Miller Samuel. "The gain represented a release of pent-up demand as several buildings, offline due to Hurricane Sandy, returned to the market last quarter."

Pricing has declined slightly since the third quarter of 2012. The median rental price in Lower Manhattan was \$3,395, down year-over-year for the third consecutive quarter and down 2% compared to this time last year. The average rental price per square foot trended similarly and was 1.7% lower than it was last year. Despite these changes, Lower Manhattan held a 10% premium over Manhattan median rents this quarter, as the Manhattan-wide median rental price dropped year-over-year to \$3,095 for the first time in two years.

6 Source of data on rents, market share of rentals, active listings and days on market: Miller Samuel/Douglas Elliman. Source of vacancy: CitiHabitats

MEDIAN RENTAL PRICE

Source: Miller Samuel/Douglas Elliman



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HOSPITALITY

Tourism

Tourism made significant gains in the third quarter as attractions that were shuttered by Hurricane Sandy resumed operation. Two major tourist sites, the Statue of Liberty and Castle Clinton, reopened on July 4. Ellis Island reopened to the public on October 28, and the New York City Police Museum announced that it will be reopening in a temporary space at 45 Wall Street in November. While the Seaport Museum remains closed, discussions about its future are continuing. Tourism numbers were also strengthened by the September 11 Memorial, which has recorded 4 million visitors through the third quarter of 2013 and more than 10 million since it opened in 2011. Momentum continues to build as the September 11 Museum nears completion, with an expected opening date in late spring 2014.



Eleven hotel development projects, including 2,018 hotel rooms, are under construction. One of these, a 65-room Hampton Inn at 32 Pearl Street, is slated to be complete in late 2013. An additional 1,717 hotel rooms are scheduled to be finished in 2014, including units at a 243-room Marriott Residence Inn at 170 Broadway and the 264-room Four Points by Sheraton at 217 Pearl Street. Work continues on the conversion of 5 Beekman Street to a 285-room Thompson

Hotel Development and Inventory

The number of hotels in Lower Manhattan continues to grow, as construction proceeds on several new projects and as others come into the pipeline. Today, the area has 18 hotels with 4,092 rooms.

HIGHLIGHTS OF HOTEL DEVELOPMENT

Source: Alliance for Downtown New York

Hotel	Location	Floors	Rooms	Year Open	Owner/Developer	Status
Hampton Inn	32 Pearl Street	8	80	2013	Hersha Hospitality Trust	Under Construction
Holiday Inn	99 Washington Street	50	350	2014	McSam Hotel Group	Under Construction
Independent hotel	24-26 John Street	21	95	2014	Duc Construction Corp	Under Construction
Aloft Hotel	49 Ann Street	18	113	2014	107 West Broadway Realty Corp	Under Construction
Fairfield Inn & Suites	161 Front Street	32	200	2014	Lam Group	Under Construction
Marriott Residence Inn	170 Broadway	18	243	2014	Highgate, Crown, Carlyle Group	Under Construction
Four Points by Sheraton	217 Pearl Street/ 6 Platt Street	30	264	2014	Lam Group	Under Construction
Residence Inn/ Courtyard by Marriott	215 Pearl Street	39	320	2014	Lam Group	Under Construction
TBD	70 Pine Street		132*	2014	Rose Associates	Under Construction
Boutique	Battery Maritime Building		61	late 2014/ early 2015	The Dermot Group	Under Construction
Thompson Hotels	5 Beekman Street/ 115 Nassau Street	9/46	160	2015	GB Lodging Group	Under Construction
Boutique	100 Greenwich Street	26	200	2014	Jiten Hotel Management	Planned
Courtyard by Marriott	133 Greenwich Street	31	317	2015	Hidrock Realty	Planned
Hilton	6 Water Street	29	249	2015	McSam Hotel Group	Planned
Four Seasons	30 Park Place	20 (of 67)	149	2015	Silverstein Properties	Planned
TBD	11 Stone Street	26	170	TBD	Premier Emerald	Planned
TBD	84 William Street	19	TBD	TBD	Prodigy Networks	Planned
TBD	17 John Street	TBD	TBD	TBD	Prodigy Networks	Planned

* Extended-stay units

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Hotel, and construction has begun on a 61-room boutique hotel at the Battery Maritime Building that is being developed by the Dermot Group. These additions will bring the total inventory to 6,110 rooms in 29 hotels by 2015.

There are four hotel projects in the pre-construction phase. McSam Hotel Group announced plans for a 29-story, 249-room hotel at 6 Water Street in the second quarter and received building permits in October 2013; work is expected to begin before the end of the year. Silverstein Properties secured building permits for 30 Park Place, a 67-story, hotel-condominium tower, which will include a 149-room Four Seasons Hotel and 157 condominium units. Also in the pipeline: a 317-room Courtyard by Marriott at 133 Greenwich Street, developed by Hidrock Realty; and a 200-room boutique hotel at 100 Greenwich Street, developed by Jiten Hotel Management .

Occupancy and Room Rates

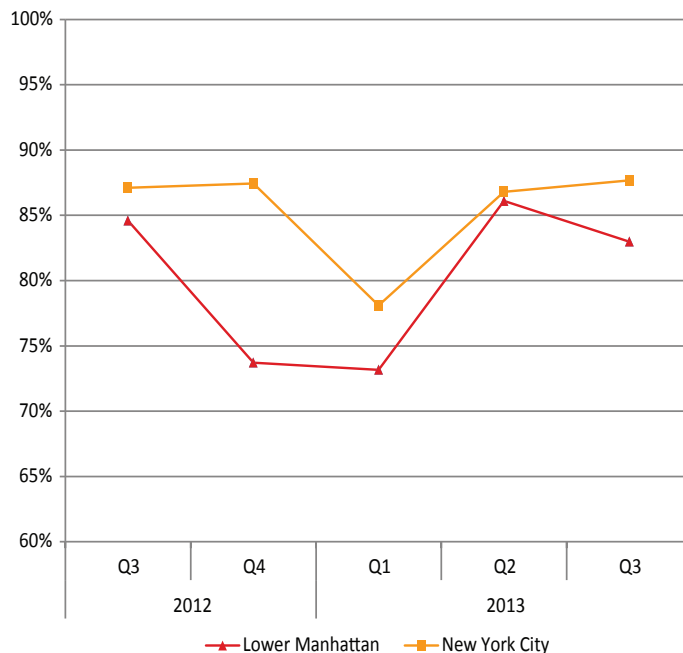
Lower Manhattan's hotel market is active. All 18 hotels in Lower Manhattan are now fully open; the last two affected by Sandy reopened in April.

The occupancy rate was 83%, down just 2% from last year — despite the impact of the storm. The citywide occupancy rate was also stable at 87.7%, down from 88.4% from last year.

Lower Manhattan's average daily room rate (ADR) remained above the citywide average, with a 9% premium this quarter. The average daily room rate (ADR) in Lower Manhattan was \$280, a 3% increase over last year. The citywide ADR was \$257 and has trended similarly, up 4.1% year-over-year.

AVERAGE OCCUPANCY RATE, Q3 2013

Source: Alliance for Downtown New York



AVERAGE DAILY ROOM RATE (ADR), Q3 2013

Source: Alliance for Downtown New York



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RETAIL

Development

Lower Manhattan retail will take a huge step forward 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 (formerly the World Financial Center), scheduled for completion in 2014. Brookfield has begun leasing at the revamped complex, and, this quarter, added luxury retailers, such as Judith & Charles, Scoop, Salvatore Ferragamo, Ermenegildo Zegna, and Parm, a full-service, sit-down Italian restaurant.

Another 65,000 square feet of commercial space is being developed at Fulton Center for completion in 2014. In 2015, Westfield World Trade 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, World Trade Center Transit Hub and Fulton Center, connecting all these major retail projects.

In October, The Howard Hughes Corporation began the redevelopment of Pier 17 at the Seaport. According to the company's estimate, the new site will provide 365,000 square feet of retail, dining and entertainment by 2015. Across the street from Pier 17, on the historic cobblestone section of the Seaport, the Howard Hughes Corporation celebrated four months of its successful summer programming series, SEE/CHANGE, which offered an outdoor film series, retail, culinary, and cultural events. SEE/CHANGE will continue this autumn with FALL FEST, featuring a German bakery and bar, pop-up retailers and a pumpkin patch. On the weekends, the Seaport will also host YOUTHMARKET, a network of urban farm stands operated by neighborhood youth.

BROOKFIELD PLACE



FULTON CENTER



PIER 17



LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

New Openings and New Leases

One year after Hurricane Sandy, the impact on the retail market has been contained, and retailer confidence is robust. Recent openings and news of new leases indicate an abundance of stores, services and dining to come. While 30% of Lower Manhattan's shops, restaurants and storefront services were closed for more than a week after the storm, more than 90% of these retailers had reopened by February 2013. Today just 66 remain closed due to Hurricane Sandy, and many of these spaces have been occupied by new tenants or will be soon. Today, Lower Manhattan has a total of 1,027 retailers.

The Seaport area has seen a post-Sandy resurgence this quarter with several reopenings. Abercrombie & Fitch, Superdry, Guess, Local Charm, and the TKTS ticket booth reopened in the retail storefronts owned by the Howard Hughes Corporation along Fulton Street. In the area of Historic Front Street, reopenings include Salty Paw, Suteishi, Barbalu, Bin No. 220, Keg No. 229 and Paris Café. Three more of the original Front Street retailers are expected to reopen soon, including Il Brigante, Jack's Stir Brew Coffee and Nelson Blue.

Retail momentum is brisk in Lower Manhattan. Since the fourth quarter of 2012, 73 retailers have opened new establishments. This quarter recorded 25 openings, including 15 bars and restaurants and 10 new stores and storefront services. Several more are expected soon.

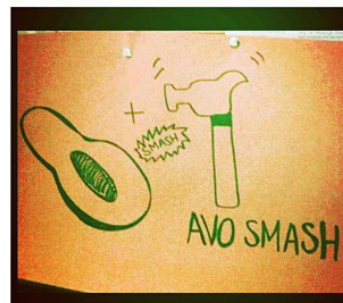
Among several restaurants and retailers who recently opened in Lower Manhattan:

- Clinton Hall, a 200-seat indoor-outdoor beer garden, at 90 Washington Street;
- Trading Post, a restaurant, bar and lounge, in the historic 1840 Greek Revival building on 170 John Street;
- Open Kitchen, a 24-hour upscale market and eatery, at 15 William Street;

- Bluestone Lane, an Australian-influenced coffee shop, at 30 Broad Street;
- Planet Fitness at 25 Broadway (its first Lower Manhattan location); and
- Reserve Cut, an upscale kosher steakhouse, at The Setai at 40 Broad Street.

The coming months will bring even more new retailers to the Lower Manhattan market. Fairway Market is planning its fifth Manhattan location, and first Lower Manhattan location, at 255 Greenwich Street. Smashburger will open its first Manhattan eatery at 136 William Street this spring.

BLUESTONE LANE



OPEN KITCHEN



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REBUILDING AND MAJOR CAPITAL IMPROVEMENT PROGRESS

World Trade Center

The World Trade Center site has marked many milestones in the third quarter. 4 World Trade Center has seen significant recent activity and will host a ribbon-cutting ceremony when it officially opens on November 13 at 11 A.M. The building, which topped out at 72 stories, is 50% leased to the Port Authority and the City of New York. At Three World Trade Center, Silverstein Properties signed a term sheet with Group M, a division of branding and communications giant WPP. The company plans to occupy 500,000 square feet — or about 35% of the building — for 20 years and to move over 3,000 employees from two Midtown locations to 3 WTC in 2017. Once final, the deal would more than satisfy pre-leasing requirements that trigger public and private financing to allow construction of the office space to commence.

The exterior of One World Trade Center is nearing completion. The exterior hoist will soon be removed, so the final façade panels can be installed. The glass curtain wall around the lower-level podium is also almost finished, and crews are installing sidewalks and bollards on surrounding streets. The building's interior is undergoing fit-out, which is expected to be done in early 2014. The building is currently 55% leased; tenants include Condé Nast, Beijing Vantone China Center and the U.S. General Services Administration. The leasing team has also announced plans to lease 94,000 square feet to smaller office tenants. Up to 18 separate tenants can occupy the space, on the 45th and 46th floors. The offices could be as small as 2,000 square feet or as large as 43,000 square feet. In addition, Legends Hospitality will operate the 120,000-square-foot observation facility on floors 100, 101 and 102, which will include food and dining operations, a viewing deck, as well as an area where visitors can watch a video on the construction and history of the World Trade Center.

WORLD TRADE CENTER



Source: Joe Woolhead courtesy of Silverstein Properties Incorporated

4 WORLD TRADE CENTER



Source: Joe Woolhead courtesy of Silverstein Properties Incorporated

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The 110,000-square-foot 9/11 Memorial Museum's interior is undergoing fit-out and artifact installation and is scheduled to open in late spring 2014. Meanwhile, the 9/11 Memorial has welcomed more than 10 million visitors since it opened in September of 2011.

The World Trade Center Transportation Hub, designed by Santiago Calatrava, reached a major milestone in October with the opening of the World Trade Center West Concourse, an underground pedestrian connection linking the World Trade Center PATH station on the east end to Brookfield Place Pavilion and the Battery Park City Ferry Terminal on the west end of the concourse. This is the first portion of the hub to open to the public. Meanwhile, construction continues on the hub's above-ground oculus and is visible rising above the street. When the 800,000-square-foot Transportation Hub is complete, it will house the PATH station and a multi-level retail complex, and connect via underground passageways to the Fulton Center on the east and Brookfield Place on the west. Construction is slated for completion in 2015.

Mechanical systems are being finalized at the Vehicle Security Center (VSC), where work will continue through 2014. Infrastructure is being installed for the construction of Liberty Park. Additionally, the Greek Orthodox Archdiocese has selected Santiago Calatrava as the architect for its planned new Church of St. Nicholas, which will rise on the east side of the VSC at 130 Liberty Street.

Vesey Street Bridge

The Port Authority of New York & New Jersey, in conjunction with the New York State Department of Transportation, began deconstruction of the Vesey Street Bridge on October 7. Once the eastern side of the bridge has been removed, destruction of the bridge span and western

WORLD TRADE CENTER TRANSPORTATION HUB



Source: Joe Woolhead courtesy of Silverstein Properties Incorporated

FULTON CENTER



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side will commence. During deconstruction, pedestrian managers and traffic enforcement agents will help assist those crossing West Street. Once completed, street-level access will be available across West Street to Battery Park City.

Fulton Center

Significant progress on the MTA's Fulton Center is visible above and below ground. Glass installation on the main building is complete, and the construction of a new entrance at 150 William Street was finished in July of 2013. The exterior and interior restoration of the 19th Century Corbin Building is now complete, and street-level entrances and escalators are scheduled to open soon. The entire project is on track to be finished in June of 2014.

Pier 17 Redevelopment

The Howard Hughes Corporation began the redevelopment of Pier 17 with a groundbreaking ceremony on October 17. Plans include 365,000 square feet of retail, dining, and entertainment space, as well as a new food market in the Pier 17 building and another 10,000-square-foot food market in a future development of the Tin Building. Both sites will be open 7 days a week and will highlight regional purveyors.

Fulton Street Reconstruction

The reconstruction of Fulton Street, which began in 2009, is nearing completion. The project replaced all underground utilities, including water mains, sewers, electric and gas. The effort also included construction of new streets, curbs and sidewalks, as well as the installation of new signage and lighting. The last section, from Pearl to Water Street, will be reconstructed in spring 2014.

Broadway Reconstruction

The Department of Design and Construction (DDC) has launched a \$42 million capital reconstruction project on Broadway, referred to as Broadway 1, stretching from Ann Street to Rector Street. This project will replace all underground infrastructure, including water mains, sewers, electric, gas and other utilities, as well as construct new streets and curbs. Work began in August 2013 on Phase One, between Rector and Pine Street, and will continue through December 2013. Crews will focus on two blocks at a time, moving northward on the west side, then southward on the east side. The full project is scheduled to be finished in 2017.

Visit WWW.DOWNTOWNNY.COM/RESEARCH for additional publications on the Lower Manhattan real estate market and economy. Documents include a complete list of residential and hotel developments, available retail spaces, a summary of leasing incentives, and *Back to Business: The State of Lower Manhattan Four Months After Hurricane Sandy*, a report on the impact of Hurricane Sandy on Lower Manhattan and the district's swift and remarkable progress toward recovery.

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