



ALLIANCE FOR DOWNTOWN NEW YORK

LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

Q1 2015

COMMERCIAL OFFICE MARKET

WeWork Signs one of Manhattan's Largest Deals in Q1 2015

Following a robust 2014 with the highest recorded activity in nine years, Lower Manhattan's leasing slowed somewhat in the first quarter of this year. Down 32% from last quarter and 29% year-over-year, leasing is expected to regain momentum in the year ahead. And with the second quarter dawning and a spring thaw underway, brokers report that tenant interest is brisk and a pick-up in leasing is expected in the second quarter.

While leasing was less active this quarter, interest in relocating to or expanding in Lower Manhattan remained strong. Four out of the top five deals were relocations and expansions among new and existing tenants. **WeWork** opened its third Lower Manhattan location at 85 Broad Street early in the second quarter, signing the first quarter's largest deal in Lower Manhattan and the third

WeWork signs first quarter's

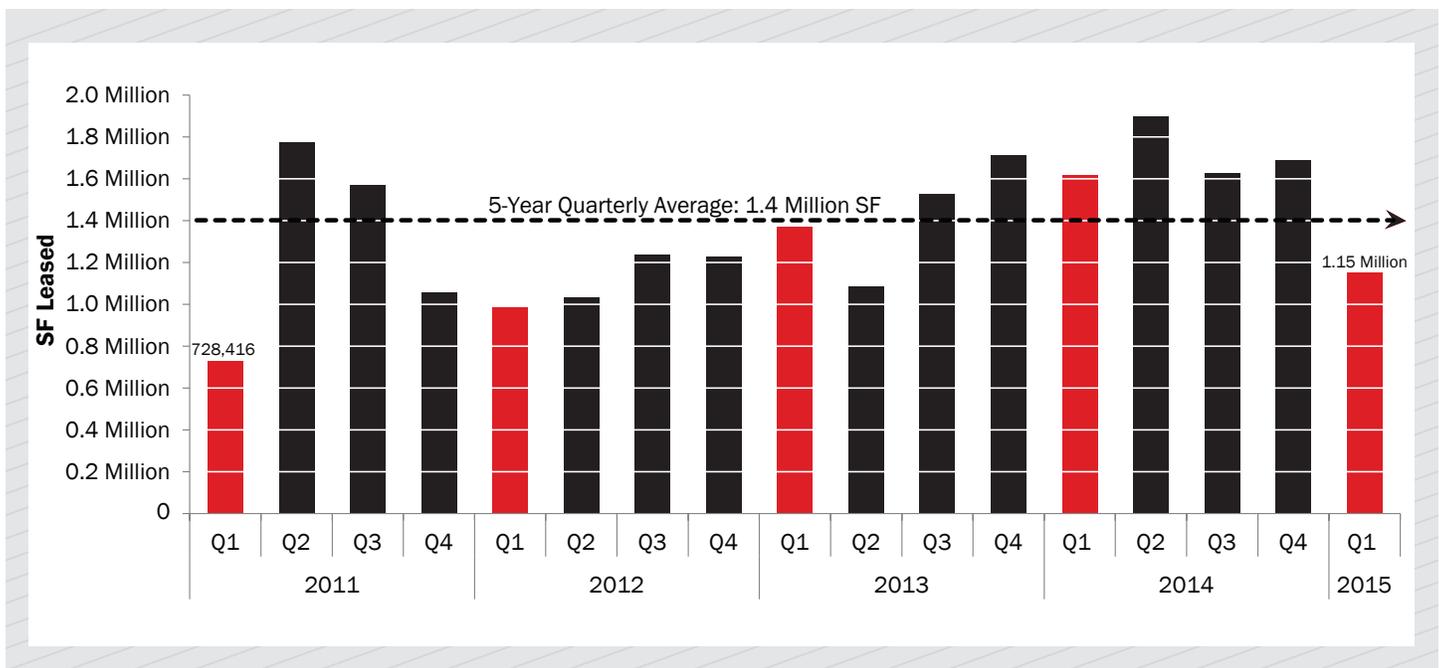
3rd Largest

*deal citywide in
Lower Manhattan*

largest deal citywide. With a lease for 234,879 square feet in 85 Broad Street, **WeWork** now occupies a total of more than 744,000 square feet of commercial space and joins the ranks of Lower Manhattan's largest tenants.

LOWER MANHATTAN LEASING ACTIVITY, Q1 2011 - Q1 2015

Source: Downtown Alliance, CBRE



Other top deals included the relocation of **Planned Parenthood** to 65,000 square feet in 123 William Street, following the sale of its office condominium in Midtown. **Banco Santander**, a Spanish bank expanding in New York City, is relocating and consolidating its headquarters at a 42,128-square-foot space at 200 Liberty Street in Brookfield Place. **Namely**, a human resources software company, is relocating from Midtown to 41,982 square feet in 195 Broadway.

TAMI accounted for
47%

All Relocations by SF since 2011

These tenants are contributing to an ongoing trend, joining more than 172 tenants who have signed leases to relocate to Lower Manhattan just since 2011. According to CBRE, Lower Manhattan has seen a net gain of more than 7 million square feet since 2011, reflecting the addition of 2 million square feet in the past year alone. The trend cuts across a diverse set of sectors, but the TAMI sector is leading the charge, accounting for 47% of all relocations by square footage.

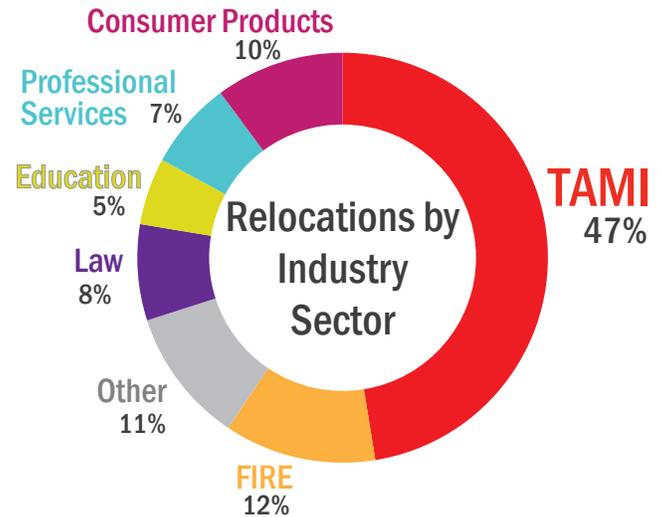
TOP 15 LEASES, Q1 2015

Source: Downtown Alliance, CBRE, CoStar, Colliers International

	Tenant Name Location	SF Leased Transaction Type	Sector
1	WeWork 85 Broad Street	234,879 Expansion	Professional Services
2	Ambac Financial Group 1 State Street	79,740 Renewal	FIRE
3	Planned Parenthood 123 William Street	65,000 Relocation	Nonprofit
4	Banco Santander 200 Liberty Street	42,128 Relocation	FIRE
5	Namely 195 Broadway	41,982 Relocation	TAMI
6	Schnader, Harrison, Segal & Lewis 140 Broadway	38,161 Renewal & Expansion	Professional Services
7	D.F. King & Company 48 Wall Street	25,650 Relocation	Professional Services
8	New York City School Construction Authority 17 Battery Place North	24,343 Relocation	Government

LOWER MANHATTAN RELOCATIONS BY INDUSTRY SECTOR, Q1 2011 - Q1 2015

Source: CBRE



More than

7 Million SF

*Net Relocations to Lower Manhattan
since 2011*

	Tenant Name Location	SF Leased Transaction Type	Sector
9	Empire BlueCross BlueShield 1 Liberty Plaza	22,961 Expansion	FIRE
10	FMS Wertmangement Service GmbH 88 Pine Street	21,760 Relocation	FIRE
11	NBBJ 140 Broadway	20,120 Moving Within LM	FIRE
12	Judlau 42 Broadway	18,000 Relocation	Professional Services
13	Girl Scouts of Greater New York 40 Wall Street	17,500 Relocation	Nonprofit
14	Regency International Designs 50 Broadway	16,981 Relocation	Other
15	Bliss World Holdings (HQ) 200 Vesey Street	15,900 Relocation	Other

Robust Relocation Activity Continues

In the first quarter, this trend continued and was fueled by deals of all sizes and industries. Several nonprofits committed to relocate to Lower Manhattan, including **Girl Scouts of Greater New York** (moving to 17,500 square feet in 40 Wall Street), **Action Against Hunger** (relocating to 15,641 square feet in 1 Whitehall Street) and **InterExchange**, a cultural exchange program provider (taking 14,513 square feet in 100 Wall Street).

Several additional TAMI firms have also committed to set up shop downtown and will join the more than 800 TAMI tenants working in Lower Manhattan today. They include:

- **Zeno Group**, a marketing agency, relocating from Midtown South to 12,000 square feet in 140 Broadway;
- **Shareablee**, a social media analytics firm, which has signed a lease for 8,211 square feet at 123 William Street and will be moving from Midtown South;
- **Union Design**, a visual communications design company, relocating to 3,692 square feet in 50 Broad Street from Midtown South.

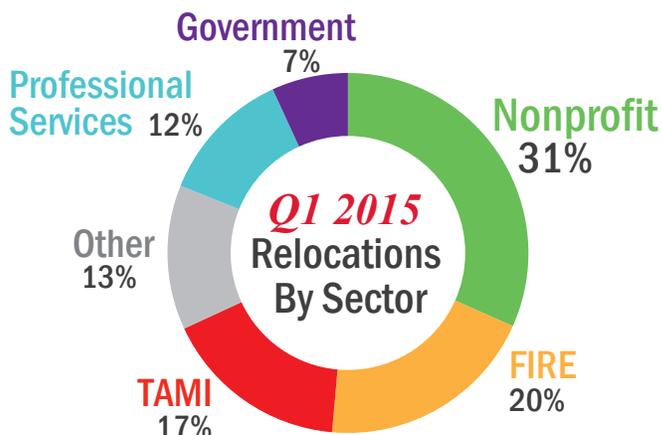
TOP 20 RELOCATIONS, Q1 2015

Source: Downtown Alliance, CBRE, CoStar, Colliers International

	Tenant Name Location	SF Leased Previous Location	Sector
1	Planned Parenthood 123 William Street	65,000 Midtown	Nonprofit
2	Banco Santander 200 Liberty Street	42,128 Multiple	FIRE
3	Namely 195 Broadway	41,982 Midtown	TAMI
4	New York City School Construction Authority 17 Battery Place North	24,343 Long Island City	Government
5	FMS Wertmangement Service GmbH 88 Pine Street	21,760 Midtown	FIRE
6	Judlau 42 Broadway	18,000 Midtown South	Professional Services
7	Girl Scouts of Greater New York 40 Wall Street	17,500 Midtown	Nonprofit
8	Regency International Designs 50 Broadway	16,981 Midtown South	Other
9	Bliss World Holdings (HQ) 200 Vesey Street	15,900 Midtown South	Other
10	Action Against Hunger 1 Whitehall Street	15,641 Midtown	Nonprofit

LOWER MANHATTAN RELOCATIONS BY INDUSTRY SECTOR, Q1 2015

Source: Downtown Alliance



More than **TAMI**
800 Tenants

Technology, Advertising, Media, & Information

	Tenant Name Location	SF Leased Previous Location	Sector
11	InterExchange 100 Wall Street	14,513 Midtown South	Nonprofit
12	Permasteelisa Group 7 World Trade Center	13,341 Midtown South	Professional Services
13	Le Pain Quotidien (HQ) 50 Broad Street	12,667 Midtown South	Other
14	Zeno Group 140 Broadway	12,000 Midtown South	TAMI
15	Skyline Engineering 88 Pine Street	6,770 Midtown South	Professional Services
16	Union Design LLC 50 Broad Street	3,692 Midtown South	TAMI
17	Murphy Kennedy Group 61 Broadway	3,027 Brooklyn	Professional Services
18	The Pegasus Group 115 Broadway	2,767 Midtown	FIRE
19	Casablanca Capital 1 World Trade Center	2,390 Midtown	FIRE
20	Banks and Sadler 80 Maiden Lane	1,778 Midtown	Professional Services

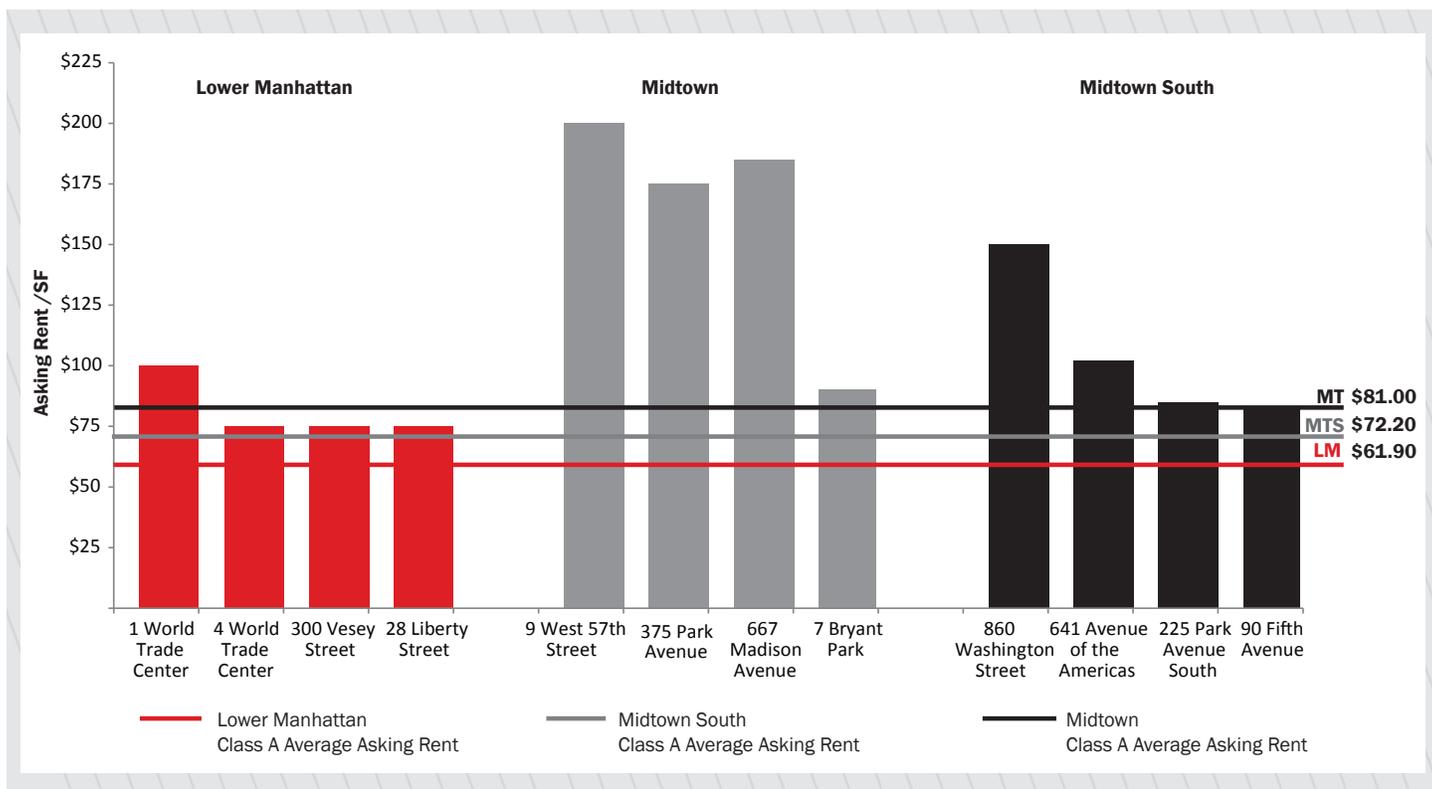
Rents Reach Highest Quarter-End in Market's History

Rents are on the rise across building classes in Lower Manhattan. Class A rents rose 12.5% over the last quarter to an average asking rent of \$61.90. This represents the highest quarter-end asking rent in the market's history and the first quarter-end to breach \$60 ever. This quarterly increase reflects the addition of availabilities at **28 Liberty Street** (formerly Chase Manhattan Plaza) where space is being marketed in the range of \$62 to mid \$70's per square foot, depending on floor.

Asking rents in several premium Lower Manhattan properties are now on par with average asking Class A Midtown rents. Other Class A buildings in Lower Manhattan with asking rents at the top of the market include **1 World Trade Center**, 225 Liberty Street, **300 Vesey Street**, and **4 World Trade Center**, where rents range from mid-\$70's per square foot for **300 Vesey Street** to rents that reach as high as \$100 per square foot for floors at the top of 1 World Trade Center. Still, these premium properties are a relative bargain to comparable properties in Midtown and Midtown South, where asking rents for highly prized spaces can climb to \$200 per square foot.

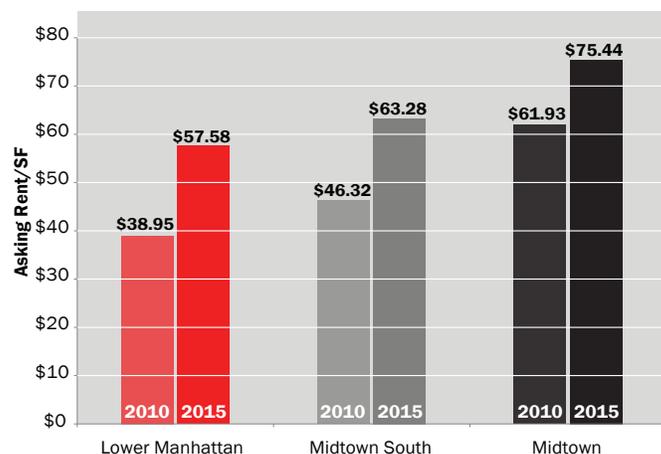
HIGHEST AVERAGE ASKING RENTS BY MANHATTAN SUBMARKET

Source: Downtown Alliance, CoStar



OVERALL AVERAGE ASKING RENTS BY MANHATTAN SUBMARKET, Q1 2010 VS. Q1 2015

Source: Cushman & Wakefield



Lower Manhattan Class A rents reached

\$61.90

the highest quarter-end asking rent in the market's history

Lower Manhattan's average Class A asking rents have increased 49% since the trough post-recession, outpacing Midtown's growth of 24% and on par with Midtown South's increase. Lower Manhattan's Class A asking rent growth reflects the repricing of space as well as the addition of new construction and existing Class A space to the market.

Class B rents in Lower Manhattan are on the rise as well, growing to \$41.90, its highest level since the first quarter of 2009, and up 9% year over year. With this upward pressure in rents across classes, brokers report that market dynamics are shifting, and it is increasingly challenging for tenants to find leasing opportunities below \$40 per square foot in Lower Manhattan. Meanwhile in the rest of Manhattan, the average asking Class B rent in Midtown South is \$65.70, a 52% premium over Lower Manhattan and Midtown's average Class B asking rent is \$54.70, a 26% premium over Lower Manhattan.

*Lower Manhattan's
Class A Asking Rents up*

49.3%

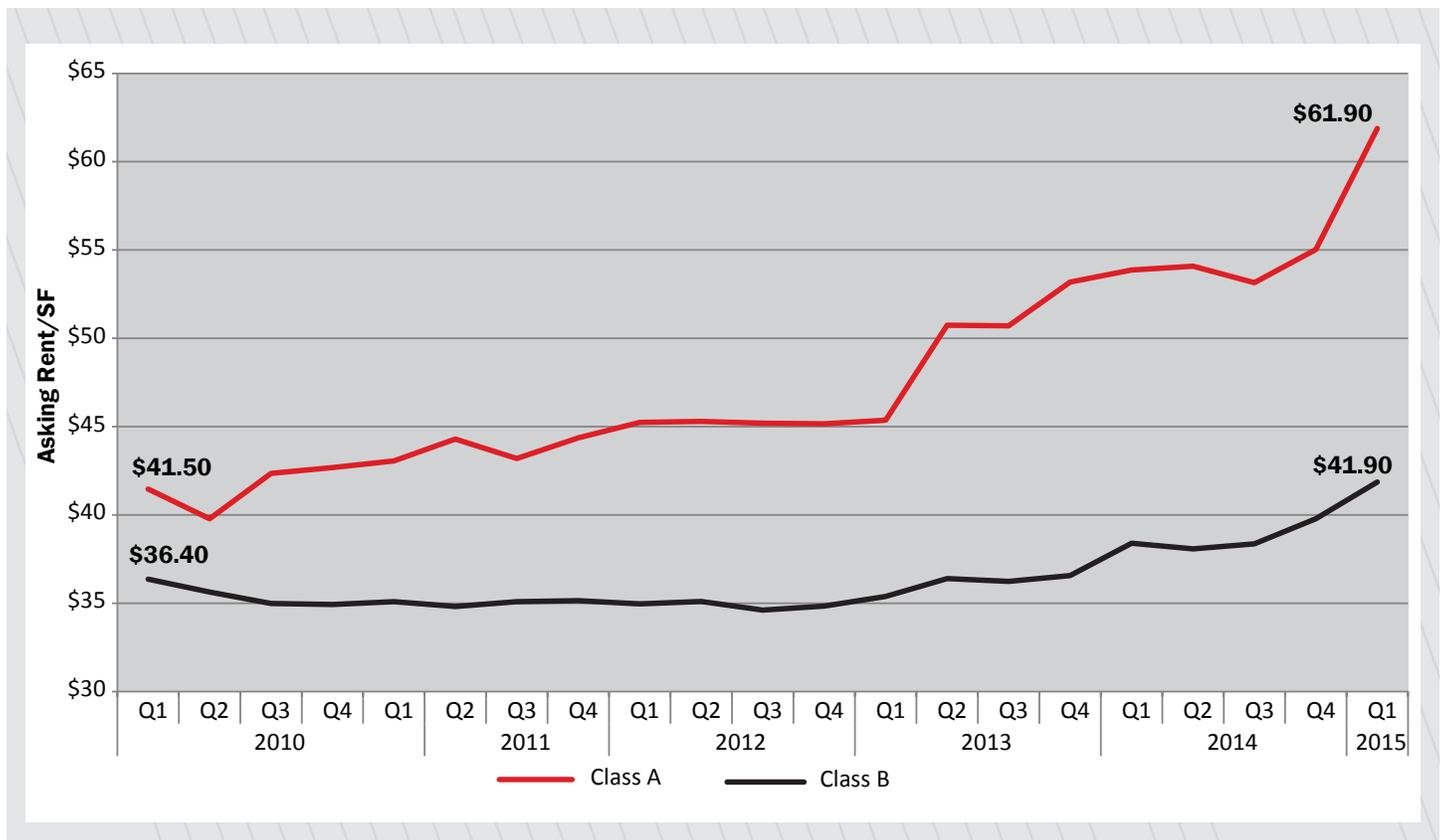
*from the market trench
in Q1 2010*

49.2%
*increase in
MTS*

23.5%
*increase in
MT*

LOWER MANHATTAN CLASS A AND CLASS B AVERAGE ASKING RENTS, Q1 2010 - Q1 2015

Source: Cushman & Wakefield



Vacancy

The vacancy rate trended upwards slightly in the first quarter, up 0.7 percentage points from last quarter to 10.4%, with the addition of space at 28 Liberty to the market and slightly sluggish first quarter leasing activity. Still, the vacancy rate is down 0.8 percentage points year-over-year, reflecting positive absorption over the past year. The amount of available space is down 4.5% year-over-year.

Over the past year, Class B office buildings in Lower Manhattan have reflected the largest reduction by total square footage in available space across classes. Steady leasing activity in Class B buildings has led to a 22.7% reduction in available space in this market year-over-year. The Class B vacancy rate is 6.5%, down 2.0% year-over-year.

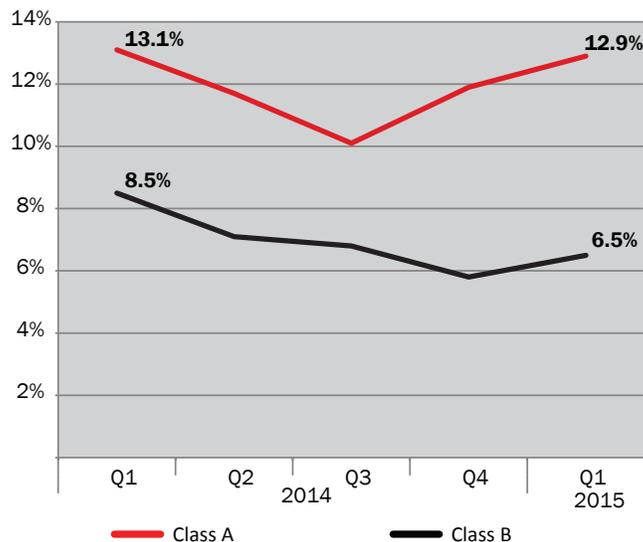
Meanwhile, vacancy rates in Midtown and Midtown South are basically flat over last quarter and down slightly year-over-year as well. Manhattan-wide, the vacancy rate is 9.2%.

Commercial Sales

The sale of **180 Maiden Lane** to MHP Realty Services and Clarion Partners closed in the first quarter for \$470 million (or about \$400 per rentable foot). Currently, the property is undergoing a \$28 million renovation program, which is designed to enhance its appeal among TAMI tenants. Cushman & Wakefield and MHP are jointly marketing the property's 800,000 square feet of vacant space.

LOWER MANHATTAN CLASS A AND B VACANCY RATES, Q1 2014 - Q1 2015

Source: Cushman & Wakefield



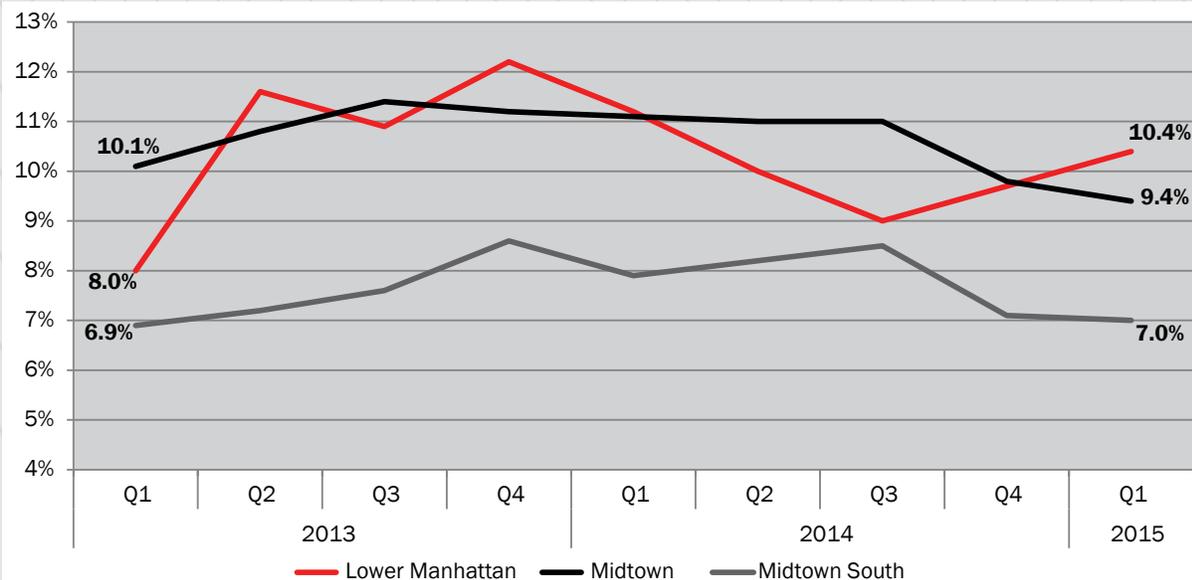
Lower Manhattan Overall Vacancy Rate

10.4%

down 0.8 percentage points y-o-y

OVERALL VACANCY RATES BY MANHATTAN SUBMARKET, Q1 2013 - Q1 2015

Source: Cushman & Wakefield



RETAIL MARKET

Development

Brookfield Place's extensive renovation of 375,000 square feet of curated retail, restaurant, lifestyle and public space was officially unveiled on March 26. Among Brookfield's new offerings are luxury fashion labels, contemporary brands, chef-inspired restaurants and gourmet food markets (see feature).

Opening in the next year, **Westfield World Trade Center** will become an iconic destination with 150 stores and restaurants in the Oculus in the World Trade Center Transportation Hub and at the base of 3 and 4 World Trade Center. The 365,000-square-foot complex previewed its extensive retail and dining roster, which will include Hugo Boss, Michael Kors, Banana Republic, and Desigual. Mario Batali's Eataly will serve as the culinary anchor among many other food, beverage and dining options. Westfield also has partnerships with the National September 11 Memorial Museum and the CFDA/Vogue Fashion Fund and will collaborate with Lower Manhattan schools and the arts community as well.

Construction of **Fulton Center's** 65,000 square feet of commercial and retail space is underway, with a scheduled completion in late 2015. Shake Shack announced this quarter that it plans to open a location on the second floor of Fulton Center. The major transportation hub debuted in November 2014 and has improved connections between nine subway lines and five existing subway stations. More than 300,000 commuters, residents and tourists are expected to cross through each day. An underground retail passageway will link Brookfield Place, Westfield World Trade Center and Fulton Center, conveniently connecting all three major retail projects.

The Howard Hughes Corporation continues with the building of the new Pier 17 at the **South Street Seaport**. The revamped pier and revitalized historic area will provide 365,000 square feet of retail, dining and entertainment by 2017. This will include an eight-screen movie theater that iPic Theaters plans to open in early 2016 in the Fulton Market Building. Additional components of the Seaport redevelopment plan are undergoing an approvals process this year.

Retail Condo Sales

In the first quarter, three retail condominiums have traded in Lower Manhattan, reflecting almost \$64 million in sales and an average price per square foot of \$1,273.

- The Klein Group purchased an 8,800-square-foot retail condominium at 261 Broadway for \$21.8 million (or \$2,477 per square foot).

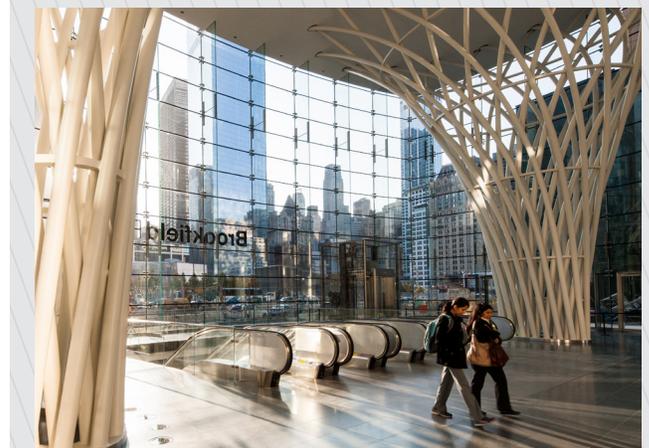
*Source of retail condo transactions:
Cushman & Wakefield*



Westfield

WORLD
TRADE
CENTER

Over 150 stores and restaurants at Westfield World Trade Center are expected to open late 2015.



Brookfield Place

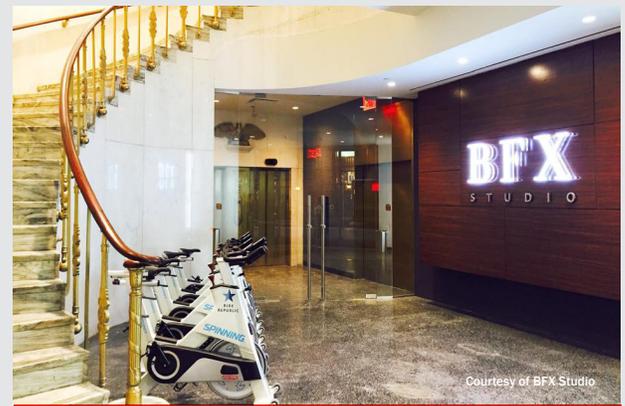
The 375,000-square-foot retail complex opened March 26, 2015. Additional stores and restaurants will open throughout the summer and fall.

- Magnum Properties closed on a 40,000-square-foot retail condominium at 140 West Street; it purchased the property from Verizon for \$40 million. Magnum is also developing the top 22 floors of this building into 166 luxury residential condominiums, which it purchased in Fall 2013 for \$274 million.
- A 1,440-square-foot retail condominium in 77 Warren Street was purchased for \$2.2 million (or \$1,493 per square foot). The retail condominium currently leased by Warren 77, a sports bar which holds a lease through 2023.

New Openings and Announcements throughout District

At the end of the first quarter, the district had 1,090 stores and restaurants – an 11 percent increase over last year. Lower Manhattan saw 45 new stores and restaurants during the first quarter.

- The grand opening of **Brookfield Place's** repositioned retail space welcomed luxury and contemporary brands to the downtown retail scene (see feature).
- **Gap** unveiled a 19,000 square-foot location at 170 Broadway, at the base of the new 243-bed Marriott Residence Inn. This is the first flagship Gap to open in New York City in ten years.
- Seven shops opened in the Seaport, including **Brother Vellies**, **Carlos Falchi Couture** and **William Okpo**. The Howard Hughes Corporation also partnered with Women's Wear Daily in creating **Seaport Studios**, a 5,000-square-foot space dedicated to showcasing emerging fashion designers. Additionally, **The Hideaway**, a restaurant and bar featuring craft cocktails and crab boils, opened in the Seaport at 22 Peck Slip
- **Kuu Ramen** began operating at 20 John Street in the former Roxy East-West Diner.
- 1 New York Plaza began the rollout of its refurbished retail concourse with the opening of **Chipotle**, **Starbucks** and **Retro Fitness**. **Schnippers Quality Kitchen** and **Naya Express** will be unveiling locations in the building as well.
- **Shake Shack** will make its second Lower Manhattan home on the second floor of Fulton Center, with an anticipated opening in 2016.
- Legendary and influential restaurant **Nobu** announced it is leaving Tribeca for a 14,000 square-foot space in 195 Broadway's grand lobby. The famed Japanese restaurant will open in early 2017.



Courtesy of BFX Studio

BFX Studio

Opened at 30 Broad Street, offering boutique fitness facilities



Gap

Opened its first NYC flagship in 10 years at 170 Broadway



Courtesy of L&L Holdings

Nobu

Announced it will leave its Tribeca location for 195 Broadway in 2017

Brookfield Place unveils as “the heart of the new downtown”

The wait is over at Brookfield Place. The much-anticipated \$250 million redevelopment of the former World Financial Center into 375,000 square feet of curated retail, restaurant and lifestyle options was unveiled on March 26th.

Saks Fifth Avenue will open a four-floor, 75,000 square-foot store to anchor the complex. This is Lower Manhattan's first luxury department store and is expected to open in February 2016.

During the first quarter, Salvatore Ferragamo, Tory Burch, Burberry, Satya Jewelry and Omega all began welcoming customers in the Winter Garden. Hermès, Bottega Veneta, Ermenegildo Zegna, Gucci, Davidoff Cigars, Kamakura Shirts and Aspinall of London will join them later this year.

Contemporary brands Michael Kors, J.Crew, Bonobos, Diane von Furstenberg, Theory, Paul Smith, Vince, Judith & Charles, Lululemon, Cos Bar, Babesta and Posman Books were introduced in the north pavilion off Vesey Street. Later this year, Vilebrequin, Calypso St. Barth and Scoop NYC will open shops here as well.

Le District, a 30,000-square-foot, French-inspired marketplace, became a major addition to Lower Manhattan's dining scene, featuring culinary-specific stations and fresh groceries. Beaubourg, a brasserie-style restaurant, and le Bar joined the food emporium. L'Appart, an intimate restaurant, will open later this year. Le District will also feature 7,000 square feet of outdoor dining along the Hudson River.

Lifestyle amenities, such as an Equinox fitness center (which opened in February), will be joined by the Institute of Culinary Education, inaugurating its new 74,000-square-foot facility later this spring.

Signature restaurants, L'Atelier de Joel Robuchon, Amada and Parm, plan on launching this summer and fall;

Hudson Eats, a 600-seat food hall with 14 fast-casual eateries, opened this past summer. Eateries include Mighty Quinn's, Num Pang, Black Seed Bagels, Little Muenster, Dos Toros, Olive's, Skinny Pizza, Umami Burger, Chop't, Sprinkles, Dig Inn, Tartinery, Blue Ribbon Sushi and Northern Tiger.

*“Lower Manhattan is
rewriting its history.”*

- Andrew Rosen, CEO of Theory



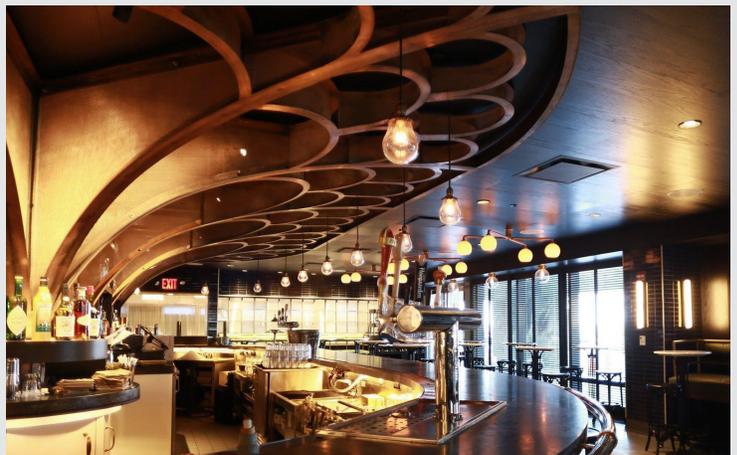
Luxury Retail

Courtesy of Brookfield Place



Public Spaces

Courtesy of Eugene Gologursky/
Getty Images for Brookfield Place



Le District

Courtesy of Eugene Gologursky/
Getty Images for Brookfield Place

TOURISM & HOSPITALITY

Record Year for Tourism

2014 was a major year for tourism in Lower Manhattan, as the district welcomed 12.4 million unique visitors — a 30% increase since 2013 and 10% gain over 2012. Tourism is expected to continue growing throughout 2015 with the opening of the 120,000-square-foot One World Observatory on May 29. The attraction projects it will host 3 million visitors annually. Operated by Legends Hospitality, the observatory will offer iconic views, seated and casual dining, a theater and special events.

Hotel Development Takes Off

There are currently 5,100 hotel rooms in 22 hotels throughout Lower Manhattan — a 25 percent increase over the past year. This quarter, the **Fairfield Inn & Suites** opened at 161 Front Street with 176 rooms.

Currently, there are about 2,500 hotel rooms in 15 hotels under construction and another 1,029 hotel rooms in the planning stages in five hotels. In 2015, seven hotels will open, growing Lower Manhattan's current hotel room inventory by 30 percent. Altogether, this will mean almost 1,300 new rooms at the following hotels:

- **Aloft Hotel** at 49 Ann Street, 125 rooms;
- **Four Points by Sheraton** at 6 Platt Street, 262 rooms;
- **Q&A**, an extended stay hotel operated by Furnished Quarters at 70 Pine Street, 132 rooms;
- **Riff Hotel** at 102 Greenwich Street, 20 rooms;
- **The Beekman Hotel** in the historic Temple Court building at 5 Beekman Street, 287 rooms;
- **Courtyard by Marriott** at 133 Greenwich Street, 317 rooms;
- **AKA Wall Street** at 84 William Street, 141 rooms.

Occupancy and ADR

Lower Manhattan's average hotel occupancy in the first quarter was 72%, on par with this time one year ago. The rate remains just below the New York City average of 75%, which was also on par with its performance from one year ago.

During the first quarter, Lower Manhattan's average daily room rate (ADR) was \$258, up 5% from last year and 27% higher than New York City as a whole. The city's average daily room rate in New York City was down slightly, dipping 5% year-over-year to \$203.

Source of citywide hotel figures: NYC & Company

Source of tourism estimates: Audience Research & Analysis



Courtesy of Hidrock Realty

Courtyard by Marriott

Construction continues on Hidrock Realty's 317-room hotel at 133 Greenwich Street. Projected to open late 2015, the hotel will also feature retail space and a rooftop bar

12.4 MILLION

estimated number of visitors in 2014



Courtesy of Fairfield Inn & Suites

Fairfield Inn & Suites

Opened at 161 Front Street in March 2015 with 176 rooms

LOWER MANHATTAN HOTEL DEVELOPMENT PIPELINE

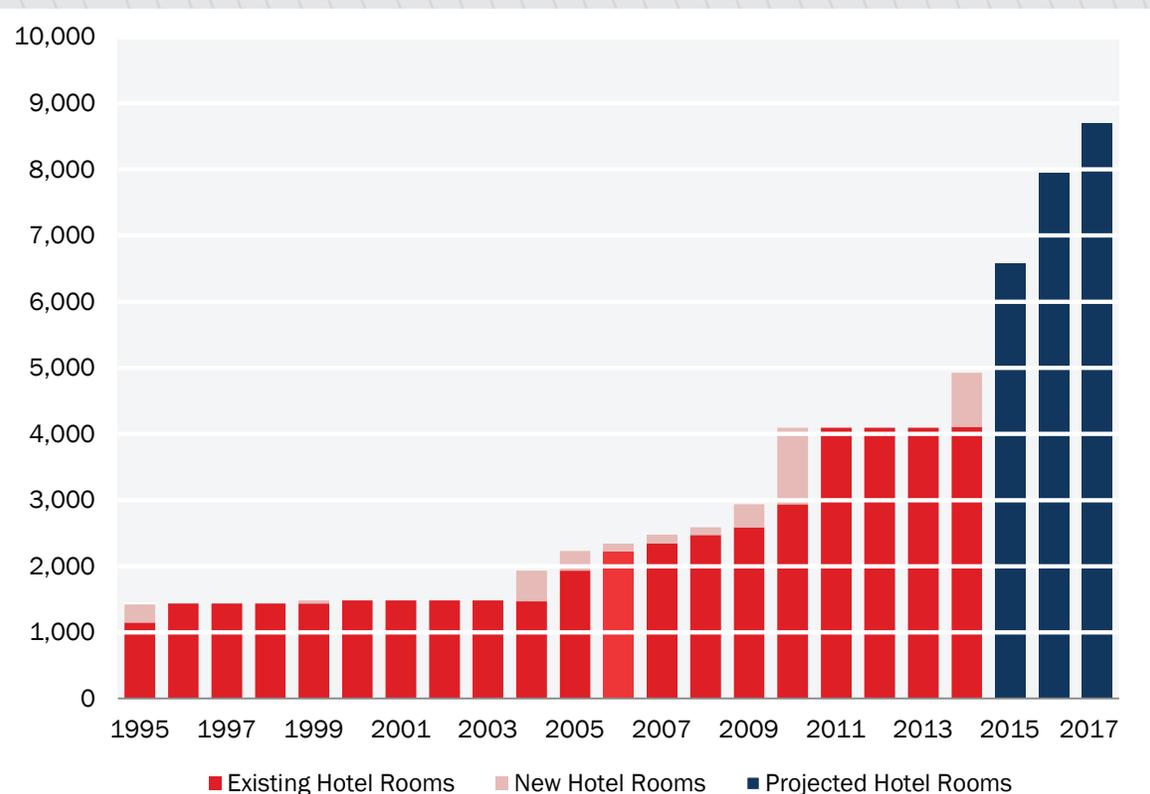
Source: Downtown Alliance

	Hotel & Address	Owner/ Developer	Rooms/ Floors	Open Date
1	Aloft Hotel 49 Ann Street	107 West Broadway Realty Corp	125/18	2015
2	Four Points by Sheraton 6 Platt Street	Lam Group	262/30	2015
3	Q&A 70 Pine Street	Rose Associates	132/4(of 66)	2015
4	Riff Hotel 102 Greenwich Street	Royal United Builders	20/5	2015
5	The Beekman Hotel 5 Beekman Street	GB Lodging Group	287/9/46	2015
6	Courtyard by Marriott 133 Greenwich Street	Hidrock Realty	317/31	2015
7	AKA 84 William Street	Prodigy Networks	141/19	2015
8	Boutique hotel Battery Maritime Building	The Dermot Group	61/5	2016
9	Boutique hotel 24-26 John Street	Westbury Realty Associates	128/21	2016
10	Boutique hotel 100 Greenwich Street	Jiten Hotel Management	192/25	2016

	Hotel & Address	Owner/ Developer	Rooms/ Floors	Open Date
11	Four Seasons 30 Park Place	Silverstein Properties	189/21 (of 82)	2016
12	Residence Inn (upper floors) 215 Pearl Street	Lam Group	322/40	2016
13	Courtyard by Marriott (lower floors) 215 Pearl Street	Lam Group	322/40	2016
14	Hilton Garden Inn 6 Water Street	McSam Hotel Group	249/29	2016
15	Hotel Indigo 10-12 Maiden Lane	10-12 MLane Inc.	190/25	2017
16	TBD Hotel 11-13 Stone Street	Premier Emerald LLC	143/27	2018
17	Extended Stay Hotel 17 John Street	Prodigy Networks	230/23	2018
18	TBD Hotel 151 Maiden Lane	Fortis Property Group	271/33	TBD
19	TBD Hotel 50 Trinity Place	Fit Investment Group	188/29	TBD

LOWER MANHATTAN HOTEL ROOM GROWTH BY YEAR

Source: Downtown Alliance



RESIDENTIAL MARKET

Inventory and Development

Lower Manhattan is home to more than 60,000 residents, who live in 31,000 units in 323 buildings.

During the first quarter, construction continued on over 2,300 residential units in 12 properties. A total of 927 residential units are expected to come online in 2015 including 865 rental units and 62 condominiums. Among the projects making construction progress in the first quarter of 2014:

- Excavation started at **112-118 Fulton Street**. Carmel Partners' 63-story, 460-unit condominium tower is anticipated to be completed in 2018. Dutch Street will be closed through November. Lightstone Group sold the development site to Carmel Partners last year for \$171 million.
- Demolition of the former St. John's University site at 101 Murray is underway. Fisher Brothers and the Witkoff Group, began sales in the first quarter for the 66-story, 154-unit condominium tower, now known as **111 Murray Street**.

In addition to those currently under construction, there are now more than 2,400 units across 16 properties in the planning stages. Among the projects announced as moving forward this quarter:

- Lexin Capital filed permits for a 40-story, 197-unit residential tower at **75-83 Nassau Street**. Lexin Capital paid \$63.4 million for land and air rights in 2014 which included 75-81 Nassau Street (sold by Century 21 department store), 83 Nassau Street and the development rights at 85 Nassau.
- Lightstone Group filed plans for a 50-story residential condominium and hotel tower at **130 William Street**. The firm's plans include 188 residential units. Lightstone purchased the site for \$60 million last year after flipping its development site one block away at 112-118 Fulton Street. The group also paid \$15.4 million to purchase 69,000 square feet of air rights from 92 Fulton Street, a site owned by developer Harold Thurman.



75-83 Nassau Street

Lexin Capital will replace existing buildings with a 40-story, 197-unit residential tower.



111 Murray Street

Demolition of former St. John's University site is underway. The 66-story, 154-unit condo tower expects to be completed in 2018.

HIGHLIGHTS OF LOWER MANHATTAN RESIDENTIAL DEVELOPMENT

Source: Downtown Alliance

	Address & Building Name	Lease & Building Type	Units	Open Date
Rental Buildings Under Construction				
1	70 Pine Street	Rental Conversion	644	2015
2	20 Exchange Place	Rental Conversion	221	2015
Rental Buildings Planned for Development				
1	60 Fulton Street Exhibit	Rental New Construction	120	2016
2	110 Wall Street WeWork/WeLive	Rental Conversion	232	2016
3	180 Water Street	Rental Conversion	600	2017
Condo Buildings Under Construction				
1	19 Park Place	Condo New Construction	21	2015
2	87 Chambers Street Reade Chambers	Condo New Construction	17	2015
3	12 Warren Street	Condo New Construction	24	2015
4	5 Beekman Street The Beekman Residences	Condo New Construction	68	2016
5	30 Park Place Four Seasons Residences	Condo New Construction	157	2016
6	50 West Street	Condo New Construction	191	2016
7	233 Broadway Woolworth Residences	Condo Conversion	34	2016
8	140 West Street Ralph Walker Tribeca	Condo Conversion	166	2016
9	112-118 Fulton Street	Condo New Construction	460	2018
Condo Buildings Planned for Development				
1	68-74 Trinity Place	Condo New Construction	111	2017
2	45 Park Place	Condo New Construction	46	2017
3	49-51 Chambers Street	Condo Conversion	81	2017
4	151 Maiden Lane	TBD New Construction	74	2017
5	125 Greenwich Street	Condo New Construction	128	2018
6	111 Murray Street	Condo New Construction	154	2018
7	130 William Street	Condo New Construction	188	TBD
8	101 Wall Street	Condo Conversion	52	TBD
9	1 Wall Street	TBD Conversion	TBD	TBD
10	75-83 Nassau Street	TBD New Construction	197	TBD

Rise in Average Price per Square Foot

Overall, the Lower Manhattan sales market slowed in the first quarter, with the total number of sales down by 36% from a year ago. While sales totals were down, average sales price in Lower Manhattan rose 25% year over year. Meanwhile, Manhattan-wide sales activity saw a 20% decrease year-over year and average sales price down by 2%.

Lower Manhattan's average price per square foot increased 4% over last quarter to \$1,307 per square foot, but saw a 5% increase year-over-year. The Manhattan average price per square foot slightly decreased from last quarter by 2% and saw a 7% decrease from last year.

Source of sales market data:
Miller Samuel/Douglas Elliman

AVERAGE SALES PRICE (\$) PER SF

Source: Miller Samuel/Douglas Elliman



More than

60,000
residents

CAPITAL IMPROVEMENT PROGRESS

World Trade Center (WTC)

4 World Trade Center

The 72-story, 2.3 million-square-foot office tower was completed in November 2013. The building is 62% leased to the Port Authority, the City of New York, MediaMath, IEX and Morningstar. Silver Suites, a short-term office provider, signed a 47,000-square-foot lease at the beginning of the second quarter of 2015.

One World Trade Center

The 104-story, 3 million-square-foot office tower opened on November 3, 2014. Condé Nast is now fully moved into the building and occupies 1.2 million square feet.

The building is currently 64% leased, with tenants including Condé Nast, Beijing Vantone China Center, U.S. General Services Administration, Servcorp, KiDs Creative, High Five Games, xAd, Incandescent Technologies, Cushman & Wakefield, BMB Group, Westfield and Legends Hospitality Group. TAMI-sector firms now comprise nearly half of the building's leaseholders.

In the first quarter, the Durst Organization announced that they are adding a third floor of 47,000 square feet of pre-built office space.

One World Observatory, Legends Hospitality's 120,000-square-foot observation facility on floors 100, 101 and 102, is scheduled to open on May 29; over three million visitors are expected annually.

Three World Trade Center

The 2.5 million-square-foot office tower that is tentatively scheduled to top out in December 2016 and to be completed in 2018. Group M Worldwide finalized a lease for 515,000 square feet in the fourth quarter of 2014.

Two World Trade Center

The 88-story, 2.8 million-square-foot office tower is currently being actively marketed to potential anchor tenants. In the first quarter, Silverstein Properties began discussions with News Corp. and 21st Century Fox to relocate their Manhattan headquarters to 2 World Trade Center, the final tower planned as part of the World Trade Center redevelopment. If finalized, the deal would account for approximately 50% of the towers 2.8 million-square-foot office space.



One World Trade Center

The tallest building in the western hemisphere opened in 2014.

The 104-story, 3 million-square-foot tower is currently 64% leased.

Condé Nast has fully occupied its 1.2 million-square-foot lease. Other tenants: High Five Games, xAd, & KiDs Creative.

Legends Hospitality will open One World Observatory on May 29.



Four World Trade Center

It opened in November 2013.

The 2.3 million-square-foot office tower is 62% leased.

Tenants include: Port Authority of New York & New Jersey, NYC Human Resources Administration, IEX, MediaMath and Morningstar.

National September 11 Memorial Museum

The 100,000-square-foot National September 11 Memorial Museum officially opened on May 21, 2014 and has since welcomed over 2 million visitors.

The National September 11 Memorial, which opened in September 2011, has drawn more than 18 million visitors.

The World Trade Center Transportation Hub

The 800,000-square-foot space will house the PATH station and Westfield's 350,000-square-foot retail complex and connect to Fulton Center on the east and Brookfield Place on the west. In advance of the opening of the World Trade Center Transportation Hub, the temporary PATH station deconstruction is scheduled to begin in the second quarter of 2015; and new entrances and exits will be relocated to WTC Towers 2 and 4.

Pier 17 Redevelopment

The Howard Hughes Corporation completed the deconstruction of Pier 17 and pier replacement and superstructure will continue through 2015. The development plan includes 365,000 square feet of retail, dining, and entertainment space, as well as a new food market in the Pier 17 building.

Battery Park

Phase I of the Battery Bikeway opened with expanded pedestrian sidewalks and seating. Phase II, beginning in 2015, will connect Manhattan's east and west bike paths. The SeaGlass Carousel will open this Memorial Day.

The Battery Oval, a three-acre lawn, will reopen to the public in 2015. The space has an audience capacity of 5,000 people. In the fall, the Oval will be populated by 300 chairs chosen in a design competition.

In March 2015, the Mayor's Office announced that \$8 million will go to flood protection design and the first phase of implementation at Battery Park. Another \$6.75 million will go to advanced planning and environmental review for comprehensive flood protection from the Manhattan Bridge along the tip of Lower Manhattan until the north end of Battery Park City. In total, the city and state have devoted \$14 million to plan and build resiliency infrastructure in Lower Manhattan.

Transportation Infrastructure

Fulton Center

Fulton Center officially opened in November 2014. The 65,000-square-foot of commercial space at Fulton Center is fully leased and tenants are expected to include beauty salons, drugstores, and grab-n-go eateries. The retail portion is expected to open late 2015.

South Ferry station

The Metropolitan Transportation Authority awarded a \$194 million contract to rebuild the South Ferry subway station that was damaged in Hurricane Sandy. The station will benefit from permanent flood protection measures, become wheelchair accessible and allow entry and exit for ten cars along the No. 1 line. Completion is expected in 2017.

Broadway Reconstruction

The Department of Design and Construction launched a \$42 million capital reconstruction project on Broadway, referred to as Broadway 1, stretching from Ann Street to Rector Street. This project will involve replacing all underground infrastructure — including water mains, sewers, electric, gas and other utilities — as well as constructing new streets and curbs. 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.



Battery Park

Bikeway opened in April and the SeaCarousel will debut this summer. The Battery Oval, the three-acre lawn, will open later this year

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 other research reports including:

TAMI Takes Lower Manhattan, a report on the growth of technology, advertising, media, and information companies moving south of Chambers Street;

Everything Old is New Again: Conversions of Historic Properties in Lower Manhattan, a report on historic properties preserved through significant investment and changes in use;

The Golden Age of Transit in Lower Manhattan, a report released on Fulton Center's opening, describing the more than \$6.4 billion of transit investments since 2005 and how these investments benefit a large, and growing labor force;

Going to the Head of the Class: The Growth of Higher Education in Lower Manhattan, a report on the growth of higher education in Lower Manhattan;

A Surge of Bits and Bytes: The State of Tech and Innovation in Lower Manhattan, a report on Lower Manhattan's growing technology industry;

The Brain Gain, a report on how the region's shifting demographics are favoring the Lower Manhattan business district;

If you have questions or require additional information,

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