

Downtown



ALLIANCE FOR DOWNTOWN NEW YORK

**LOWER MANHATTAN REAL ESTATE
YEAR IN REVIEW 2015**



ALLIANCE FOR DOWNTOWN NEW YORK

LOWER MANHATTAN REAL ESTATE YEAR IN REVIEW

2015

2015 marked the beginning of an entirely new chapter in Lower Manhattan's dramatic transformation. A new energy took hold in the area, as Condé Nast completed its move to One World Trade Center and new employees from Time, Inc., MediaMath and other relocating companies filled the streets of the district. The opening of the retail at Brookfield Place and One World Observatory – along with the openings of restaurants, several new hotels and residential buildings – brought a record number of transit riders and visitors to the area in 2015 and kicked off a surge in employment growth that is expected to extend through the end of the decade... and beyond.

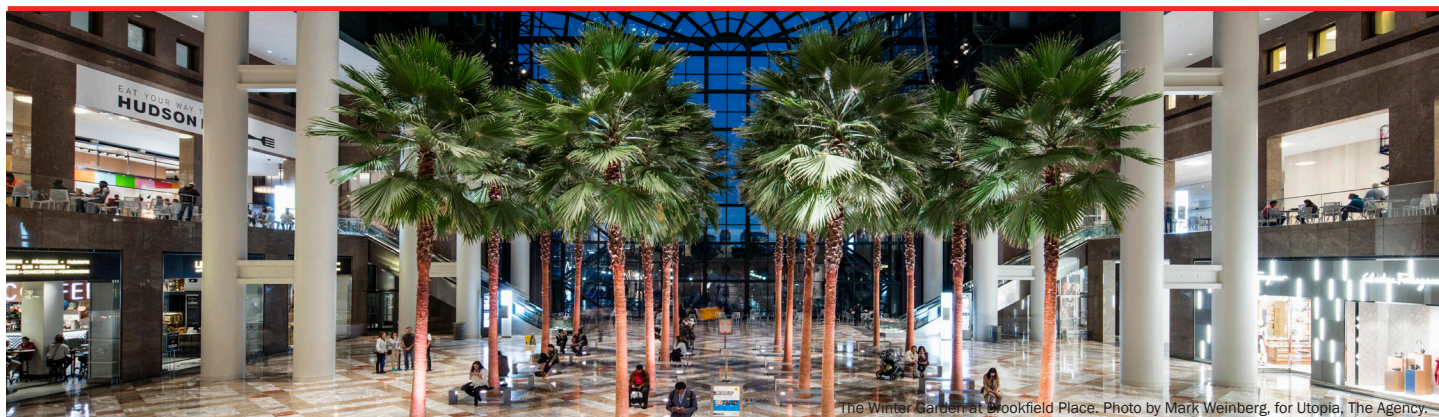
Lower Manhattan's office market reached new heights in 2015. **Average asking rents hit their highest level in the market's history.** Despite 21st Century Fox/News Corp's decision to cancel a planned relocation to 2 World Trade Center, the Lower Manhattan market had a solid year of leasing with 4.6 million square feet of transactions. Once again, TAMI (Technology, Advertising, Media and Information) tenant relocations played a big part in the overall leasing activity, lead by the announcement of the Associated Press's relocation to Brookfield Place and SportsNet NY's lease at 4 World Trade Center.

2015 also saw the aggressive expansion of coworking spaces downtown, most notably WeWork's 234,879-square-foot deal at 85 Broad Street. Other tenants seized on Lower Manhattan's ever-growing appeal and still favorably-priced Class A product to take space at the district's trophy properties, with substantial leasing commitments at the World Trade Center, as well as Brookfield Place, 180 Maiden Lane, 28 Liberty Street and 195 Broadway.

Lower Manhattan lived up to Lonely Planet's 2014 prediction that it would be "One of the World's Hottest New Experiences for 2015." The district tallied **14.2 million in unique visitors in 2015, a 14 percent jump from last year's 12.4 million total.** Major drivers include the opening of One World Observatory in May 2015, and banner years for the Statue of Liberty and Ellis Island. Accompanying this growth in visitors is the robust rise in hotel rooms south of Chambers Street. **In 2015, 433 hotel rooms opened, and more than 1,500 projects are anticipated to come online during 2016.** At the same time, both average daily room rates and occupancy saw slight dips as the market adjusted to an increase in inventory.

Retail took a major leap forward as the shopping component of Brookfield Place's \$250 million renovation opened in Battery Park City, including major fashion brands like Bottega Veneta, Burberry and Gucci. This year's leasing news also confirmed that Lower Manhattan is New York City's newest food destination: major announcements were made by Nobu, Jean-Georges Vongerichten and Wolfgang Puck, among others. National brands, including Dean & DeLuca, Target and Anthropologie, also made Lower Manhattan commitments in 2015.

Looking at the year ahead, there is much to be excited about. **The Port Authority has set a date for the official opening of the World Trade Center Transportation Hub in early March,** which will be followed by the arrival of both Eataly and Saks Fifth Avenue. Before the end of the year, Westfield will unveil 125 new stores and restaurants at Westfield World Trade Center – cementing the area's status as a regional shopping and dining destination. **With all this and more in store, 2016 is sure to be another banner year for Lower Manhattan.**



The Winter Garden at Brookfield Place. Photo by Mark Weinberg, for Utopia, The Agency.

EMPLOYMENT AND THE OFFICE MARKET

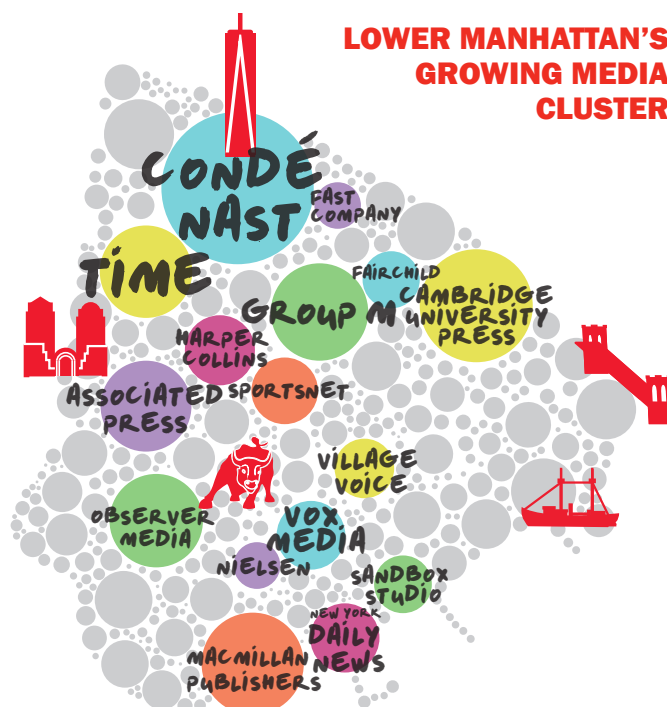
Commercial Leasing

Lower Manhattan's office market had an active year with several large leases signed in 2015 and major commitments made from premier tenants. Leasing slowed after a record year in 2014.

This was especially notable in the beginning of the year, as the market took a slight pause from a busy 2014 year-end. However, momentum picked up throughout the year, as the fourth quarter also yielded several large announcements hinting at a promising year ahead.

Overall, Lower Manhattan had a quieter year, but still posted a solid 4.6 million square feet in leasing activity (down 33 percent from last year's total). Fourth quarter leasing activity totaled 1.21 million square feet, down 12 percent from the third quarter and nine percent below the five-year quarterly average. Tenants signed seven deals over 100,000 square feet in 2015, and these reflected a healthy mix of renewals along with expansions and relocations.

2015's top deals highlighted the continued rise of two sectors in Lower Manhattan: coworking and the technology, advertising, media and information (TAMI) industries. Together, they accounted for over 48 percent of all new leasing activity. In 2015, **WeWork** was the most active example of coworking's power in the market: the company's lease at 85 Broad Street was the largest lease signed in Lower Manhattan overall and the 9th

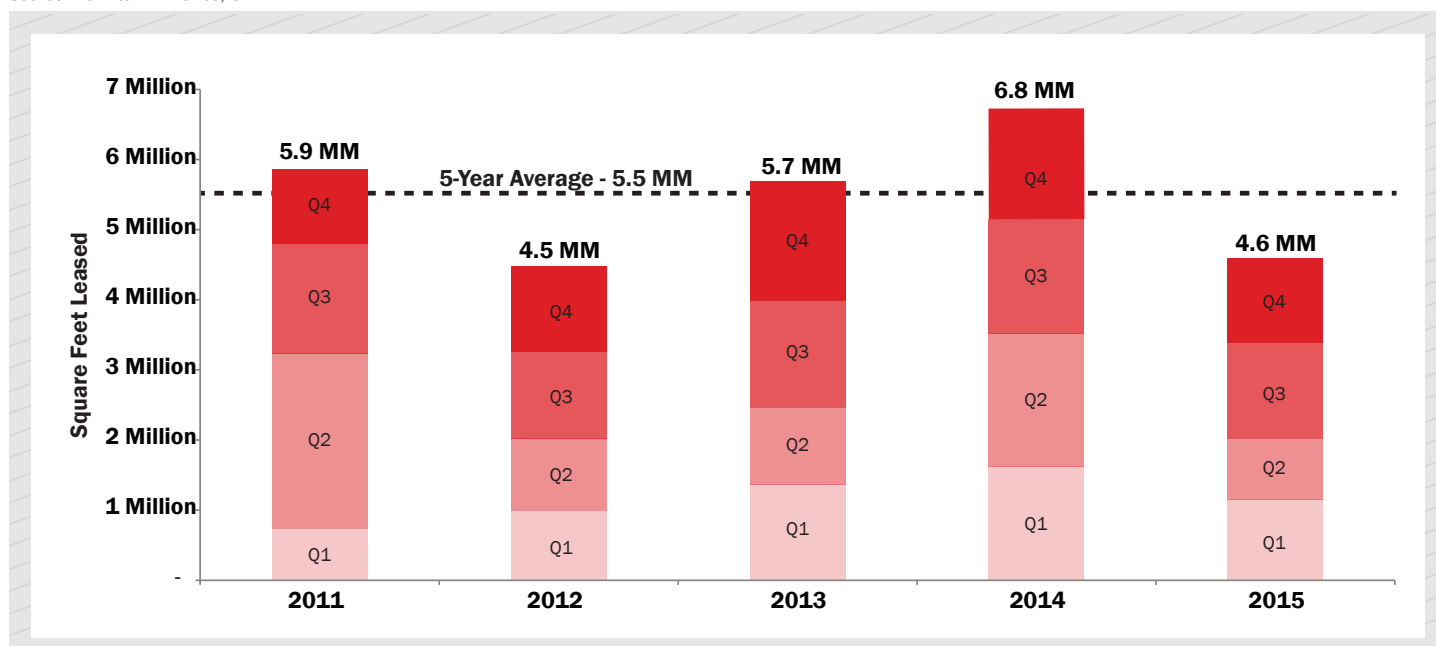


"The Associated Press coming to Lower Manhattan further solidifies Downtown's position as the media center of New York City."

-Jerry Larkin, EVP, Brookfield Properties

LOWER MANHATTAN ANNUAL LEASING ACTIVITY, 2011-2015

Source: Downtown Alliance, CBRE



LOWER MANHATTAN TOP LEASES, 2015

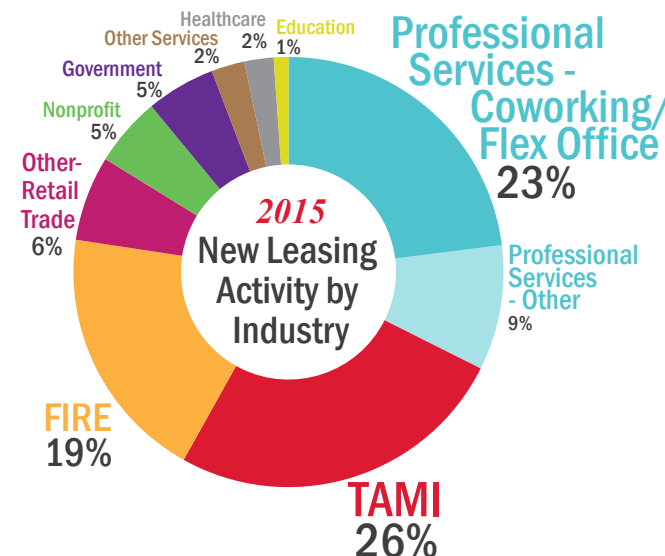
Source: Downtown Alliance, CBRE, JLL, CoStar, Colliers International

	Tenant Name Location	SF Leased Transaction Type	Quarter Signed Sector
1	WeWork 85 Broad Street	234,879 Expansion	Q1 Prof. Services
2	Teachers' Retirement System of the City of NY 55 Water Street	200,000 Renewal & Expansion	Q4 Government
3	The Associated Press 200 Liberty Street	172,352 Relocation	Q4 TAMI, Media
4	Group M 3 World Trade Center	171,495 Expansion & Relocation	Q4 TAMI, Media
5	Knight Capital Group 300 Vesey Street	168,873 Relocation	Q3 FIRE
6	NYC Department of City Planning 120 Broadway	115,011 Moving Within LM	Q3 Government
7	Ironshore Holdings 28 Liberty Street	101,958 Moving Within LM	Q3 FIRE
8	Vox Media 85 Broad Street	85,733 Relocation	Q4 TAMI, Media
9	Gucci America 195 Broadway	83,964 Relocation	Q3 Other, Retail Trade
10	SportsNet NY 4 World Trade Center	83,546 Relocation	Q4 TAMI
11	Ambac Financial Group, Inc. 1 State Street	79,740 Renewal	Q1 FIRE
12	Moody's Investor Services One World Trade Center	76,001 Expansion	Q3 FIRE
13	Morgan Stanley Smith Barney 1 New York Plaza	68,325 Expansion	Q2 FIRE
14	Sandbox Studio 55 Water Street	67,706 Relocation	Q3 TAMI, Media
15	Planned Parenthood 123 William Street	65,000 Relocation	Q1 Nonprofit
16	The Port Authority of New York and New Jersey 115 Broadway	62,250 Renewal & Downsize	Q2 Government
17	Globe Tax 1 New York Plaza	60,000 Moving Within LM	Q2 FIRE
18	33 Universal, Inc. 33 Whitehall Street	50,667 New LM Location	Q4 TAMI, Media
19	Interactive Data Corporation 100 William Street	44,596 Renewal	Q3 FIRE
20	Silver Suites Offices 4 World Trade Center	43,019 Expansion	Q3 Prof. Services

**8 out of the top 20 deals
in 2015 were relocations**

NEW LEASING ACTIVITY BY INDUSTRY IN LOWER MANHATTAN, 2015

Source: Jones Lang LaSalle



largest deal citywide. With this lease, WeWork now holds five locations south of Chambers Street with a total footprint of over 775,000 square feet.

TAMI relocations were another notable force in Lower Manhattan last year. The **Associated Press**, a media and news organization, finalized its lease in the fourth quarter for 172,352 square feet in 200 Liberty Street at Brookfield Place, making it the largest relocation lease of 2015. The company will be moving from 450 West 33rd Street in Midtown and adding 600 employees to Lower Manhattan's growing media cluster when it sets up shop in 2017. The Associated Press is only the latest in a string of media companies to claim Lower Manhattan as its home base. **Time Inc.** moved into Brookfield Place this year, joining existing tenants such as **Condé Nast** and **HarperCollins**, among many others.

Other contributions to this year's TAMI relocation wave:

- **GroupM** expanded its commitment in Lower Manhattan, signing on for an additional 171,495 square feet in 3 World Trade Center in the fourth quarter. The firm's total footprint at 3 World Trade Center will now be more than 686,000 square feet, or a 27 percent share of the property, when it moves into the completed building in 2018.
- **Vox Media**, a digital media company, finalized a 85,773-square-foot lease at 85 Broad Street and will be relocating from Midtown. Curbed, Eater and Racked are among some of the company's media brands.
- **SportsNet NY**, a regional sports and entertainment television network, will be moving its headquarters to 4

World Trade Center from the Time-Life Building in Midtown. The company signed a 83,546-square-foot deal in the fourth quarter.

- **Sandbox Studio**, a photography studio and production company, signed a lease for 67,706 square feet in 55 Water Street in the third quarter. The TAMI company is relocating from the Hudson Square neighborhood in Midtown South.
- **Namely**, a human resources software company, committed to a total of 83,919 square feet in 2015. In the first quarter, it signed a lease for 41,982 square feet in 195 Broadway with plans to relocate from Midtown. During the fourth quarter, the company doubled this commitment, signing on for an additional floor.

The year's top deals also featured the fashion industry, another addition to Lower Manhattan's growing community of creators and innovators. International fashion powerhouse **Gucci America** signed one of the year's top deals during the third quarter, taking 83,964 square feet in 195 Broadway. The firm joins a growing roster of fashion and retail brand headquarters — including **FULLBEAUTY Brands, Hugo Boss, Revlon** and **Hudson's Bay Company** (parent company of Saks Fifth Avenue, Lord & Taylor, etc.) — all of whom made commitments in 2014.

Financial services companies remained active in the Lower Manhattan market in 2015. **Knight Capital Group** (KCG) committed to relocating to 168,873 square feet in 300 Vesey Street in Brookfield Place. The firm is moving from Jersey City to the building formerly owned by the New York Mercantile Exchange (NYMEX). **Moody's Corporation**, one of Lower Manhattan's largest FIRE tenants, also signed on for a 76,000-square-foot space in One World Trade Center during the third quarter. This makes Moody's — already a 836,900-square-foot tenant in the 100 percent-leased 7 World Trade Center building — Lower Manhattan's 15th largest tenant, with a total of more than 912,000 square feet.



Source: Silverstein Properties

Group M

3 World Trade Center

Group M originally took 520,000 square feet in 2013 at 3 World Trade Center.

In the fourth quarter, it also signed a 170,000-square-foot expansion deal.

The marketing agency will relocate from Midtown once the 2.5 million-square-foot tower is complete in 2018.

“This 170,000-square-foot expansion enables GroupM and WPP to accommodate additional professionals in highly efficient space—with excellent transportation access—in a location emerging as the place to be.”

-Gregory Tosko, Vice Chairman, CBRE

WORLD TRADE CENTER LEASING UPDATE

Source: Downtown Alliance, Silverstein Properties, Durst Organization

	Total Square Footage	Total Available Square Footage	Percent Leased	Status	2015 Milestones	2015 Major Leasing News
4 World Trade Center	2,300,000 SF	769,736 SF	70%	Opened Nov. 2013	140,000 SF of leases signed in 2015	SportsNet NY (84,000 SF); SilverSuites (47,000 SF); PadillaCRT (14,000 SF)
1 World Trade Center	3,000,000 SF	1,120,097 SF	64%	Opened Nov. 2014	200,000 SF of leases signed in 2015; approximately 2/3 of building is now rented	xAd (83,000 SF); Moody's (76,000 SF); Beijing Vantone (32,000 SF)
3 World Trade Center	2,500,000 SF	1,120,097 SF	28%	Opening 2018	Construction continues, topping out summer 2016	GroupM expanded by 170,000 SF, their space now totals 690,000 SF
2 World Trade Center	2,800,000 SF	2,800,000 SF	0%	TBD	Redesign of tower by Bjarke Ingels Group	21 st Century Fox & News Corp canceled deal to relocate to 2 WTC

COWORKING AND SHARED OFFICE SPACE PROVIDERS EXPAND IN LOWER MANHATTAN

Coworking and shared office providers continued to build their mark on Lower Manhattan in 2015. Including 2015's commitments, there are now 27 coworking and shared office locations across 16 unique providers currently operating or opening soon in Lower Manhattan.

Lower Manhattan's office market offers a variety of short term options from coworking to more traditional flexible office space providers. Lower Manhattan has 17 shared office space locations including Regus, SilverSuites and Servcorp and 10 coworking spaces including WeWork and Cowork|rs. These operators service tenants who need the flexibility of a furnished workspaces and a short term commitment. "Coworking" spaces differentiate themselves by marketing a sense of community, an entrepreneurial environment and amenities such as free coffee, beer and snacks, hip furnishings, lounge space and programming including social events

WeWork now ranks as the 17 largest tenant overall south of Chambers Street, occupying over three-quarters of a million square feet. With its five locations, WeWork has over 5,600 members working in Lower Manhattan. In 2015, WeWork completed the largest lease signed in Lower Manhattan (9th largest deal citywide), with a 234,879-square-foot commitment at 85 Broad Street. WeWork also occupies 291,117 square feet at 110 Wall Street where they have opened a 4th coworking location and are now beta testing a co-living concept, WeLive, as of early 2016. WeWork John Street is planned to open in the Corbin Building, adjacent to the Fulton Center, in March 2016.

The Yard, also announced a lease in Lower Manhattan this year, with plans to open in 34,095 square feet at 116 Nassau Street. This is the company's first Lower Manhattan location and 7th New York City location.

Cowork|rs executed commitments for two locations in 2015. In the second quarter, Cowork|rs signed a 30,000-square-foot lease at 55 Broadway, to operate its first location in Lower Manhattan. Also, in the second quarter, Cowork|rs added another lease for 40,000 square feet in 60 Broad Street. Cowork|rs now has five locations citywide.

In 2015, Verizon also announced an initiative to open a coworking space, **The Grind**, in its former headquarters at 140 West Street. The Grind will occupy about 10,000 square feet and is planned as a test model for operating other Grind locations in Verizon spaces in New York City and across the country. This space offers access to Verizon high speed broadband and other platform technologies and is scheduled to open early this year. There are two other Grind locations in Manhattan.

Overall, the coworking and shared office space trend is having a profound effect on Lower Manhattan's office market, absorbing large blocks of space as well as changing the way people work and use the market's office buildings. Professional and Business Services, which includes shared office providers, accounted for the greatest share of leasing activity by industry in 2015, accounting for 32.4 percent or almost a third of all new leasing activity.

LMHQ

In summer 2015, the Downtown Alliance opened Lower Manhattan HQ, **LMHQ**, at **150 Broadway**. As a new type of workspace, LMHQ serves as a clubhouse for the growing creative community in Lower Manhattan. With a full-service coffee bar, large event space and various-sized meeting rooms, LMHQ is an ideal place to brainstorm, socialize, network and collaborate in Lower Manhattan. Membership is available for individuals and companies. LMHQ serves as an annex to existing office space for off-site meetings with conference rooms that can be rented by the hour, day or week. With a robust calendar, LMHQ is the newest hub for thought leadership events and networking in Lower Manhattan.



Photo Courtesy of Gensler.

Private Sector Employment Reaches Peak Since 2001

Lower Manhattan's employment market and economy continued to surge ahead in 2015. As of the second quarter, the district's private sector payroll employment had reached more than 227,000, the highest level since September 11, 2001.¹

Lower Manhattan's private sector employment growth stems, in large part, from the influx of new tenants moving here from outside the district. This trend has been particularly strong among the technology, advertising, media and information (TAMI) sectors. This has created a shift in the overall composition of private sector employment in the district.

Among the TAMI firms who relocated just in 2015:

- **Condé Nast** fully occupied its 1.2-million-square-foot office in One World Trade Center;
- **Time Inc.** moved into more than 669,000 square feet in Brookfield Place;
- **Macmillan Science and Education** relocated to a 176,000-square-foot office at 1 New York Plaza.
- **MediaMath** moved into its 106,000-square-foot space at 4 World Trade Center.
- **High 5 Games** migrated from Union Square to more than 87,000 square feet in One World Trade Center;
- **xAd** moved into a 44,000-square-foot headquarters at One World Trade Center, as well as committed to occupying an additional floor.

Lower Manhattan Total Employment

267,000

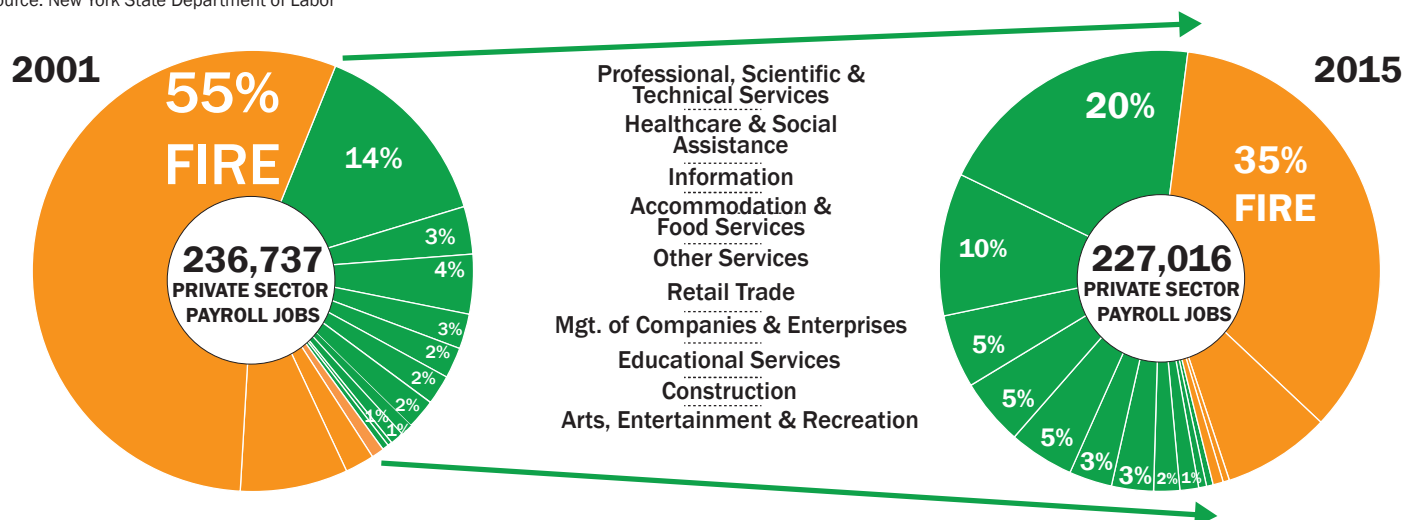
Lower Manhattan currently has 267,000 total payroll workers, including 227,000 private sector payroll workers. As of Q1 2015, the New York State Department of Labor revised reporting locations for government sector employment, resulting in a decrease in the government sector worker count in Lower Manhattan. Therefore, changes do not reflect an actual drop in Lower Manhattan employment.

Since 2001, the FIRE sector's share of private sector employment in Lower Manhattan has decreased from 55 percent to 35 percent as of mid-2015. Meanwhile, a variety of other industries — from Healthcare and Social Services to Professional Services and Information — have stepped in to fill the gap. This year's move-ins echo this trend, as major TAMI companies relocated from elsewhere in New York City into more than 2.3 million square feet of office space south of Chambers Street. The growth of TAMI, whose employment shows up largely in the Professional Services and Information sectors, is radically changing the face of Lower Manhattan's workforce.

¹ Q2 2015 reflects latest data available. Source: NYS Department of Labor

SHARE OF LOWER MANHATTAN PRIVATE SECTOR PAYROLL EMPLOYMENT BY INDUSTRY, 2001 - 2015

Source: New York State Department of Labor



Source: QCEW and 2015 reflects data as of Q2 2015, latest available. Note: Miscellaneous includes four sectors: Unclassified, Manufacturing, Agricultural & Mining and Utilities. Other Services include personal services, such as repair shops, laundries, hair salons, health clubs, etc., as well as a variety of non-profits, unions, trade associations, etc.

These changes are all signs that the renaissance fundamentally transforming Lower Manhattan and its economy is continuing. Investment and development is ushering in the most significant and sustained period of job growth in Lower Manhattan over the last 30 years. Additional major tenants have already signed on to move to Lower Manhattan over the next several years, including the **Associated Press** and **Group M**.

Other catalysts in this transformation of Lower Manhattan include: the 2.5 million square feet of new state-of-the-art office space that will be delivered at 3 World Trade Center; the opening of 23 hotels and more than 5,200 residential units; and the addition of over 2.3 million square feet of retail. The area's employment boom includes new jobs in office-using industries such as professional services, information, media, management, and business and financial services — as well as building services, retail and hospitality. **Overall, Lower Manhattan is projected to add 40,000 new private sector payroll jobs before the end of the decade.**

40,000 *new private sector payroll jobs by 2019*

LOWER MANHATTAN PRIVATE SECTOR PAYROLL EMPLOYMENT, CHANGE IN INDUSTRY COMPOSITION, 2001-2015

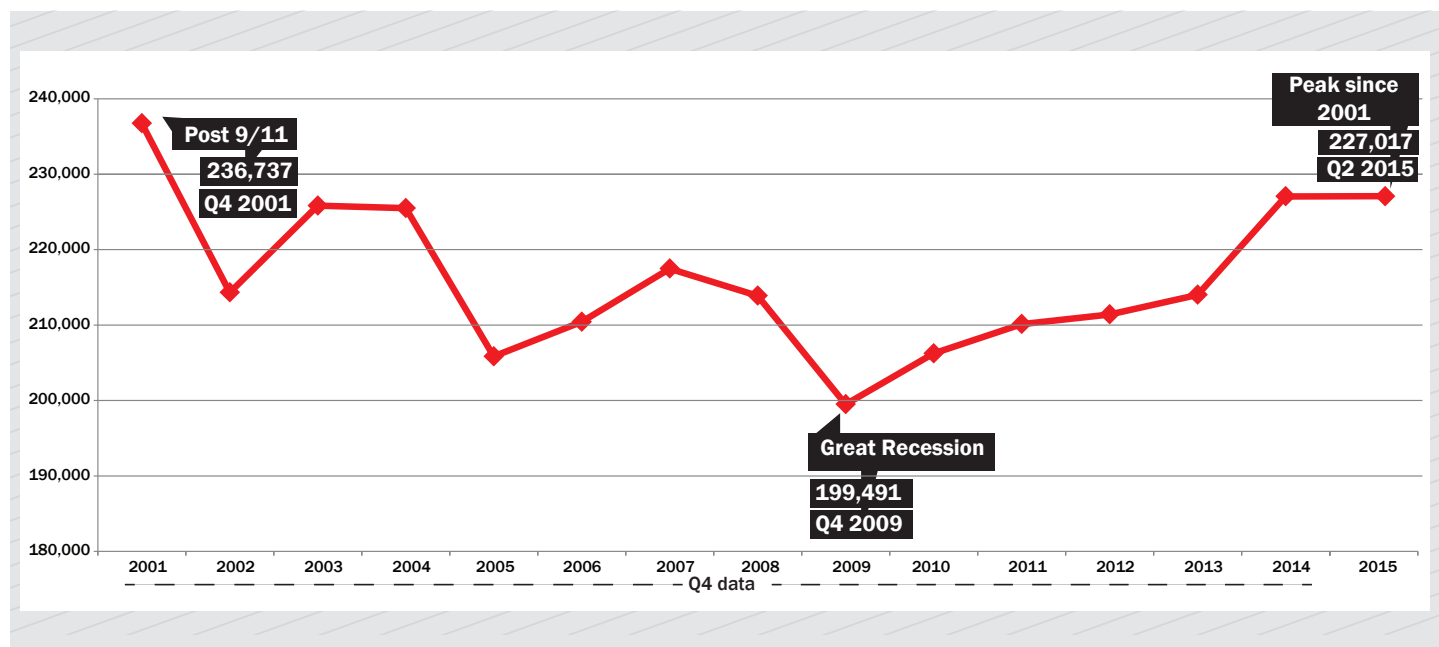
Source: New York State Department of Labor

Industry	2015	
	Total	Change from 2001
FIRE	79,392	-51,275
Administrative & Support Services	17,936	-745
Wholesale Trade	1,690	-3,345
Transportation & Warehousing	1,045	-1,168
Professional, Scientific & Technical Services	45,109	11,521
Healthcare & Social Assistance	23,722	15,452
Information	11,089	774
Accommodation & Food Services	12,217	6,158
Other Services	10,826	5,465
Retail Trade	6,966	1,827
Mgt. of Companies & Enterprises	7,144	2,001
Educational Services	4,315	2,242
Construction	3,144	802
Arts, Entertainment & Recreation	1,301	544
Miscellaneous	1,120	26
Total, All Private Sector Jobs	227,016	

Reflects Q2 2015 QCEW, latest available

LOWER MANHATTAN PRIVATE SECTOR PAYROLL EMPLOYMENT, 2001-2015

Source: New York State Department of Labor



Source: QCEW, 2015 reflects data as of Q2 2015, latest available.

LOWER MANHATTAN'S LARGEST TENANTS IN 2015

Source: Downtown Alliance, CBRE, CoStar

	Tenant Name	SF Occupied	Sector
1	City of New York	8,277,549	Government
2	Goldman Sachs	2,100,000	FIRE
3	United States Federal Government	1,760,938	Government
4	New York State Government	1,619,595	Government
5	American International Group (AIG)	1,543,659	FIRE
6	Deutsche Bank AG	1,530,500	FIRE
7	Metropolitan Transportation Authority	1,469,981	Government
8	American Express Company	1,347,125	FIRE
9	Condé Nast	1,268,132	TAMI, Media
10	Bank of America Corporation	1,204,197	FIRE
11	Morgan Stanley	1,185,206	FIRE
12	McGraw-Hill	1,050,787	FIRE
13	JPMorgan Chase & Co.	1,014,373	FIRE
14	Citigroup Inc.	885,500	FIRE
15	Moody's Corporation	868,882	FIRE
16	Port Authority of New York & New Jersey	788,460	Government
17	WeWork	775,226	Professional Services, Coworking
18	Time Inc.	669,832	TAMI, Media
19	Sullivan & Cromwell	634,108	Professional Services, Law
20	Guardian Life Insurance Company of America	604,140	FIRE
21	Royal Bank of Canada	592,267	FIRE
22	New York City Health & Hospitals Corporation	591,897	Government
23	Verizon Communications	556,194	TAMI, Technology
24	EmblemHealth	550,015	FIRE
25	Cadwalader, Wickersham & Taft	528,236	Professional Services, Law
26	Cleary Gottlieb	516,265	Professional Services, Law
27	CME Group	449,430	FIRE
28	NASDAQ	416,817	FIRE
29	Milbank, Tweed, Hadley & McCloy	382,979	FIRE
30	Fried, Frank, Harris, Shriver & Jacobson	378,960	FIRE

Note: Tenants in bold are new to this list. List reflects 2015 occupancy.



Rents Continue to Set New Records

Lower Manhattan's overall average asking rent set a new record for the fifth quarter in a row, reaching \$59.60 per square foot by the fourth quarter of 2015. While the district remains the least expensive of the three Manhattan submarkets, the increases in downtown rents have raised the floor for pricing across all segments — including Classes A, B and C. While deals in the low 40's per square foot were typically available in Lower Manhattan as recently as one year ago, now even average Class C rents are climbing and poised to hit \$50 per square foot. Lower Manhattan still presents a favorable rent when compared to other Manhattan submarkets but this also indicates a tightening price environment across all classes.

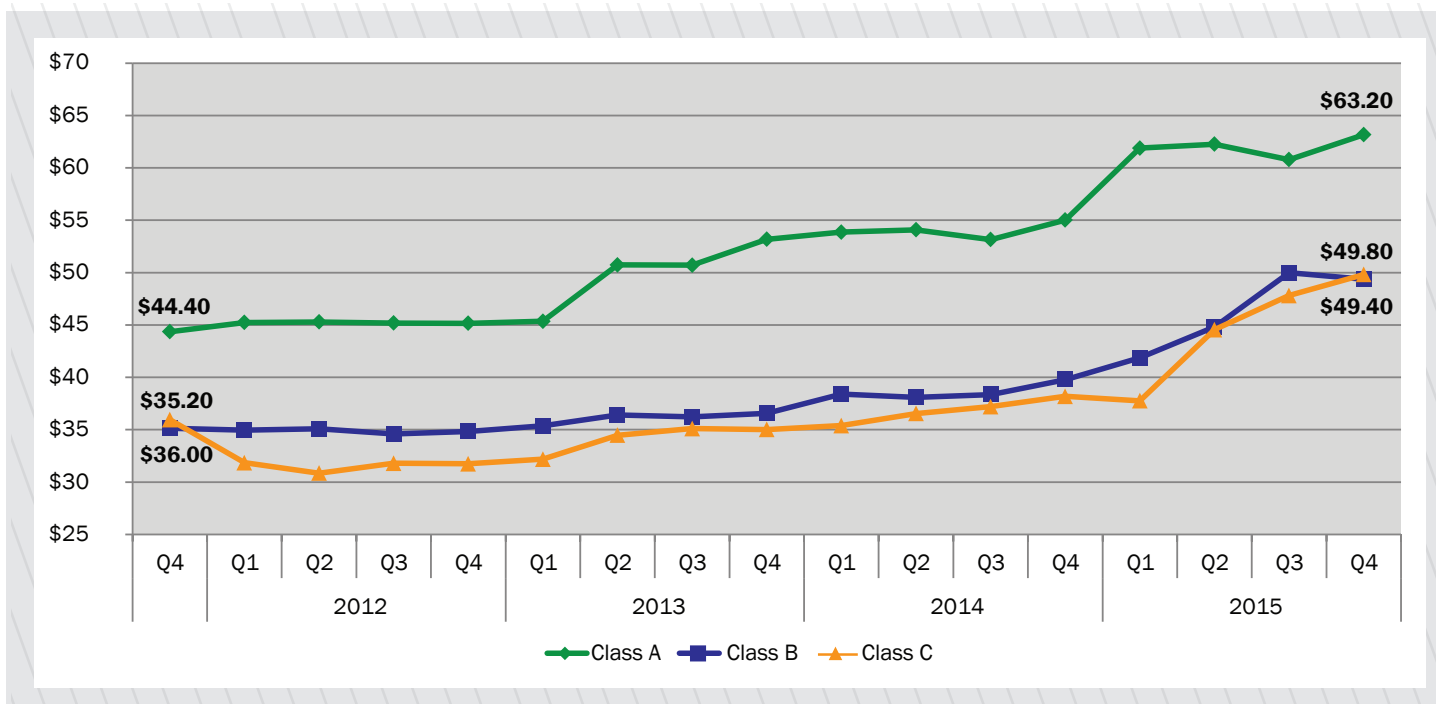
In fact, the biggest change has occurred in the Class C market, where rents have surged 30.4 percent year-over-year to \$49.80 — up by more than \$10 per square foot on average. This includes buildings such as 150 Broadway with asking rents now in the \$50 per square foot range (up from \$40 in mid-2014) and space at 17 Battery Place South, 11 Broadway and 160 Broadway — all of which is being marketed in the \$45-to-low 50's range. Class B rents also had a strong year-over-year increase, up 24.1 percent — or nearly \$10 per square foot — to an average of \$49.40.

Lower Manhattan maintains its biggest pricing advantage in Class A office space market, but rising rents means that its \$63.20 per-square-foot average is creeping up on Midtown. Lower Manhattan's average Class A asking rent is now \$18.50 below Midtown, compared to a \$25.20 discount one year ago. That said, rent growth in Midtown South continues to outpace Lower Manhattan: Class A product in Midtown South is hovering at about \$76.80 per square foot (\$13.70 higher than Lower Manhattan), up from a \$11.40 premium one year ago. The average asking rent for Lower Manhattan Class A space, \$63.20, reflects a diverse set of buildings and rents in the market: asking rents for Class A properties can start in the \$50s (for properties such as 180 Maiden, 85 Broad Street and 55 Water Street), go up to the \$60s (for space in 28 Liberty) and, finally, climb into the \$70's for space in the World Trade Center.

The market's appeal continues to grow as amenities, retail and dining options and high-quality office space expand quickly. All of this is pushing rents higher but also presenting a meaningful price advantage to the larger Manhattan market, which continues to stoke tenant interest.

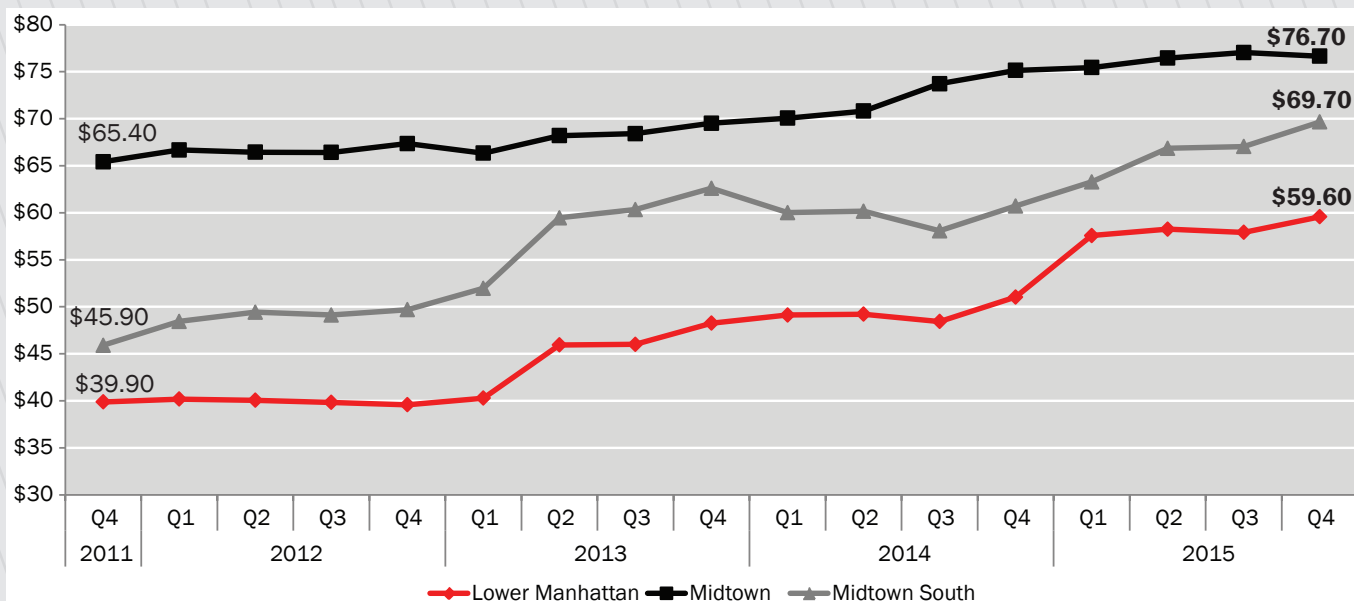
LOWER MANHATTAN ASKING RENTS BY OFFICE CLASS, Q4 2011 - Q4 2015

Source: Cushman & Wakefield



MANHATTAN OVERALL AVERAGE ASKING RENTS, BY OFFICE SUBMARKET, Q4 2011 - Q4 2015

Source: Cushman & Wakefield



*Lower Manhattan
Overall Asking Rent
Historic Market High*

\$59.60

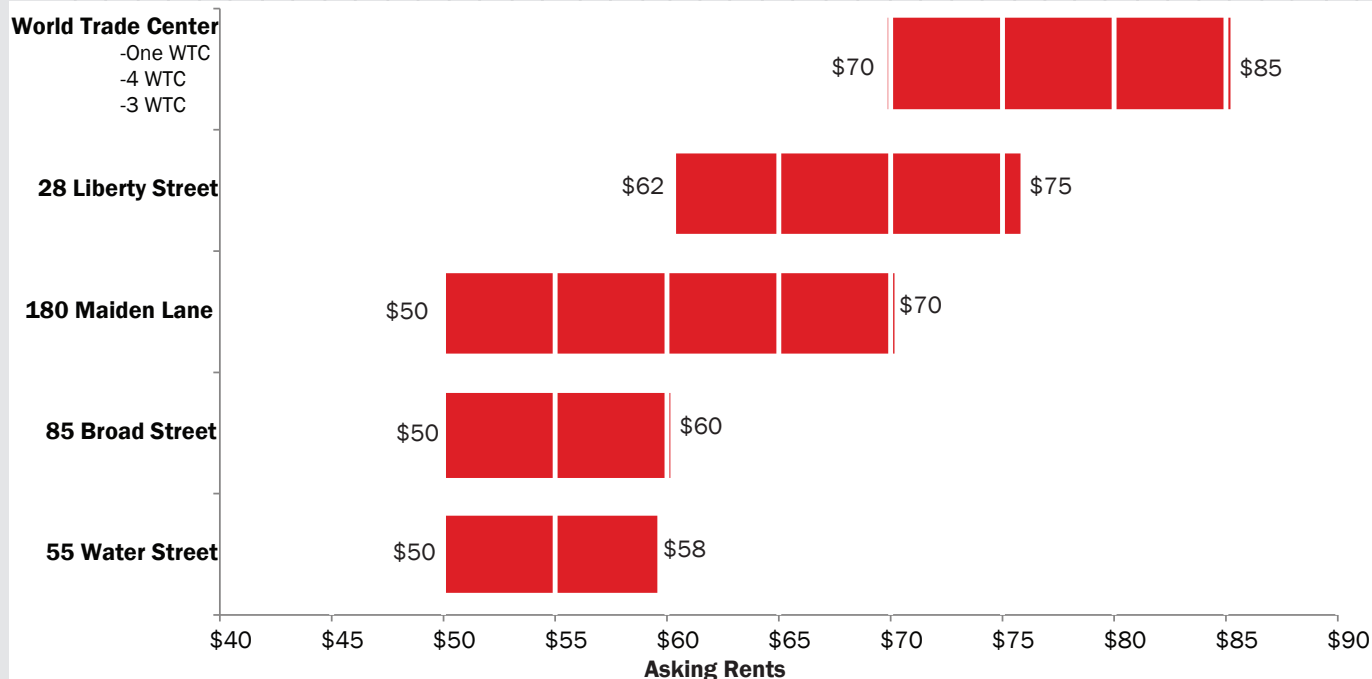
*Class A Rents
in LM:*

\$18.50
Less than MT

\$13.70
Less than MTS

ASKING RENTS IN CLASS A LOWER MANHATTAN OFFICE PROPERTIES

Source: Downtown Alliance, CoStar



Vacancy Below 10 Percent

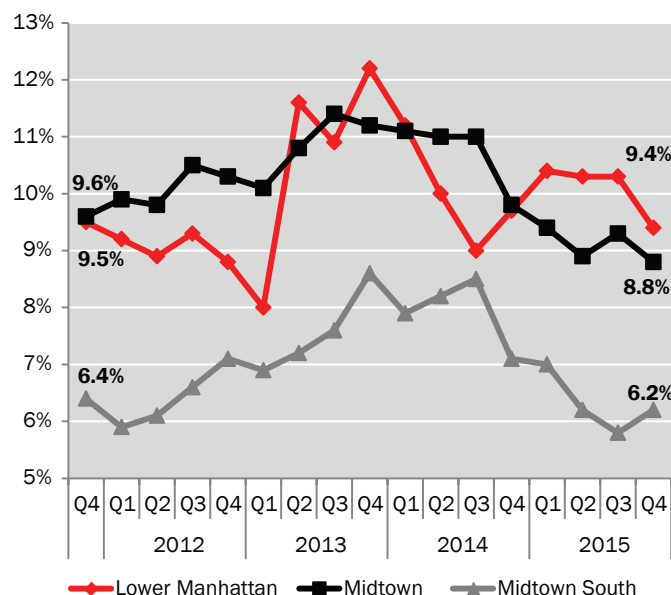
Steady leasing activity throughout 2015 pushed the overall vacancy rate down year-over-year to 9.4 percent.

Last year's leasing chipped away at some of Lower Manhattan's largest blocks of available Class A space. As a result, the Class A vacancy rate posted a 0.6 percentage point reduction year-over-year and an impressive 3.6 percentage point drop from a peak in the fourth quarter of 2013. The top three largest blocks of Class A space are at the World Trade Center, including 1.8 million square feet at 3 World Trade Center, 1.1 million square feet at One World Trade Center and 769,000 square feet at 4 World Trade Center. Availability at the World Trade Center was reduced last year by 516,770 square feet in leasing deals. Other large blocks of space include:

- In 2015, Fosun announced its first deal at **28 Liberty Street** since purchasing the property. Ironshore signed a lease for more than 101,000 square feet, leaving 875,079 square feet available at the building.
- **180 Maiden Lane** signed over 98,000 square feet of deals in 2015, dropping availability to 746,969 square feet.
- **85 Broad Street** posted the largest reduction among Lower Manhattan's large blocks of Class A space. The property signed 390,399 square feet across six leases in 2015 and now has less than 148,000 square feet available.
- **375 Pearl Street** also has a significant amount of space on the market totaling over 762,000 square feet; 2015 saw a 18,000 square feet absorbed by a lease from the NYPD.

MANHATTAN VACANCY RATES BY SUBMARKET, Q4 2011 - Q4 2015

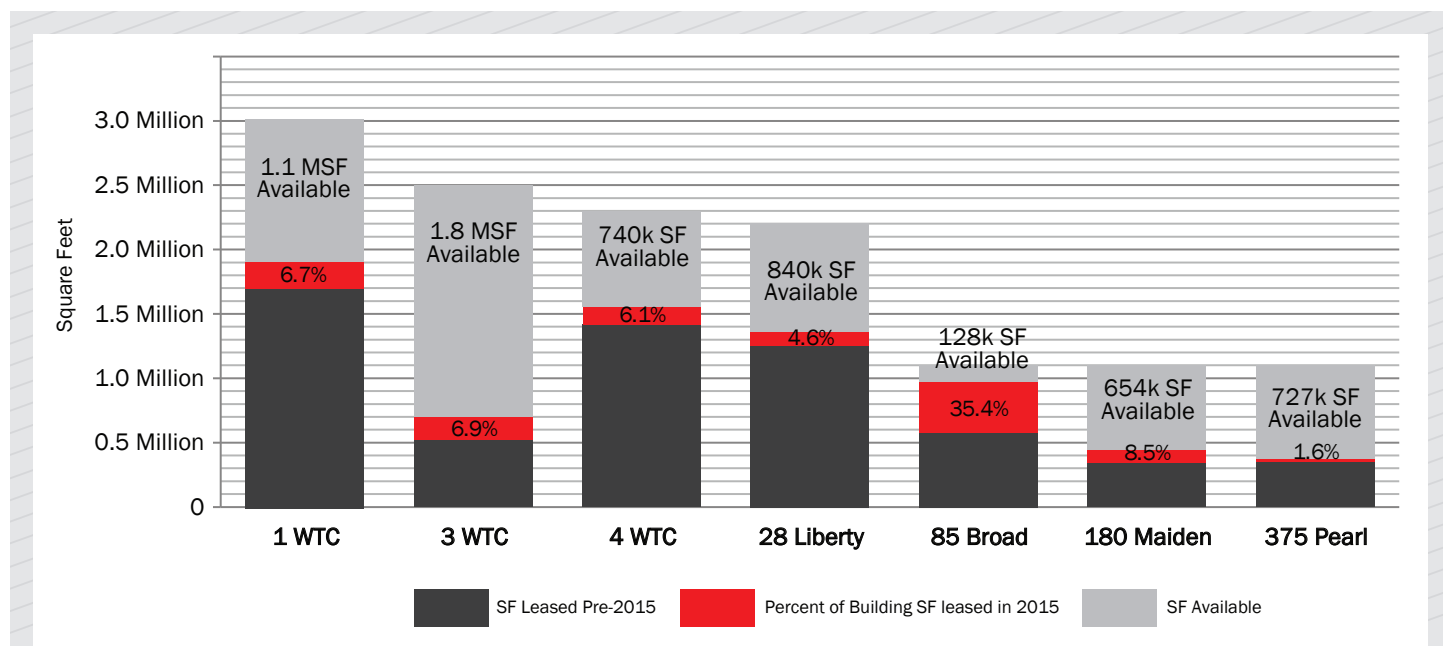
Source: Cushman & Wakefield



Vacancy in Lower Manhattan trended similarly with the other tight submarkets of Midtown and Midtown South. Midtown's overall vacancy rate is 8.8 percent, down one percentage point from 2014. Midtown South continues to maintain the lowest vacancy rate of Manhattan submarkets, at 6.2 percent, also down one percentage point year-over-year.

LOWER MANHATTAN'S LARGEST BLOCKS OF SPACE & 2015 LEASING ACTIVITY

Source: Downtown Alliance, CoStar



\$3 Billion in Property Sales

Lower Manhattan experienced a total of \$3 billion in property sales in 2015. While down from 2014 levels, the sales reflected confidence in Lower Manhattan across market sectors.

This sales activity includes 30 transactions across buildings, development sites and air rights transfers. Several properties traded twice in one year.

Office Buildings

Seven office buildings and one ground lease traded in 2015. This represents \$1.86 billion in transactions across more than 3.5 million square feet of commercial space and a 43,847-square-foot ground lease. Total sales include the following (listed chronologically by closing date):

- A partnership between Clarion Partners and Murray Hill Properties purchased **180 Maiden Lane**, a 1.2-million-square-foot office tower, from SL Green Realty and the Moinian Group for \$470 million (or \$394 per square foot). The property has been undergoing a \$28 million renovation and has attracted more than 98,000 square feet of activity since gaining new ownership. 180 Maiden is currently 38 percent leased.
- The Chetrit Group purchased a partial interest in **65 Broadway** — a 350,000-square-foot tower — from two different sellers, yielding a 50.5 percent ownership in the property. Cammeby's Management sold a 37.5 percent interest to the Chetrit Group for \$45.5 million, or about \$326 per square foot. Corner Realty sold a 12.98 percent interest to the Chetrit Group for \$10.9 million, or \$226 per square foot. The property is currently 89 percent leased, and its largest tenant, New York Cares, occupies 18,000 square feet. AM Property Group will maintain the other 49.5 percent ownership.
- **123 William Street** was purchased by American Realty Capital from East End Capital/JV Green Oak for \$253 million, or \$460 per square foot. The 545,000-square-foot tower is now 98 percent leased. Recent large deals include Planned Parenthood's relocation to a 65,000-square-foot space in September 2015 from Midtown.
- RXR Realty purchased **32 Old Slip**, a 1.16-million-square-foot tower, for \$477.5 million from Beacon Capital Partners. 32 Old Slip is currently 91 percent leased. RXR Realty also sold the ground lease for 32 Old Slip to Melohn Properties and David Werner Real Estate for \$198 million.
- Cornerstone Real Estate Advisors purchased **100 Wall Street** from Savanna for \$275 million, or \$529 per square foot — the highest price per square foot paid for a Lower Manhattan office building East of Broadway. The 520,000-square-foot property is currently 89 percent leased.

Source of property sales transactions: Newmark Grubb Knight Frank



32 Old Slip

This 1.16 million-square-foot office tower was purchased by RXR Realty for \$477.5 million.

The property is currently 91% leased.

Courtesy of CoStar

\$3 Billion

in Property Sales in 2015



180 Maiden Lane

This 1.2 million-square-foot office tower was purchased by Clarion Partners & Murray Hill Properties for \$470 million.

The property is completing a \$28 million renovation.

Courtesy of CoStar

- **40 Exchange Place** was purchased by a partnership between Newmark Holdings and JV Northwind Group from Weiss Realty for \$115 million. The buyers are planning renovations to enhance the property's appeal to small and mid-sized tenants.
- **74 Broad Street**, a 22,000-square-foot office building, was purchased by Daniel Ridloff from Alpha-Beta Flats for \$14.3 million.

Office Condos

Three office condominiums closed in 2015, including:

- Masjid Manhattan purchased a 2,135-square-foot office condominium in **30 Cliff Street** from Laborers' Local 78 for \$900,000 or \$422 per square foot.
- Two office condominiums sold at **40 Rector Street** for an average price of \$508 per square foot. Language Studies International purchased a 14,697-square-foot office condominium in 40 Rector Street from Phillips International for \$7.6 million, or \$519 per square foot. Harry Jho purchased an 8,812-square-foot office condominium in 40 Rector Street, also from Phillips International, for \$4.3 million, or \$489 per square foot.

Retail Buildings and Condominiums

Lower Manhattan had more than \$185 million in retail property transactions in 2015 across nine properties, representing more than 200,000 square feet. The transactions include five stand-alone buildings and three retail condominiums.

- The top retail transaction of 2015 was Magnum RE Group's purchase of an 80,024-square-foot-retail condominium at **140 West Street** from Verizon for \$40 million, or about \$500 per square foot. The purchase includes the ground floor as well as three subgrade concourses. The retail condominium is in the same building as the Ralph Walker Tribeca, a 161-unit residential condominium building scheduled to be completed in 2016. Future tenants for the retail project have not been announced.
- **74 Pearl Street**, an 8,115-square-foot building, was purchased for \$10 million by Simon Blitz from Kenneth Gans. The property currently holds two commercial spaces and four residential units. The buyers also own the adjacent 40 Water Street, but development plans have not been disclosed. LDF Floral and Event Design occupies the ground floor retail space.
- The Doria Company purchased a 14,417-square-foot retail condo at **261 Broadway** from The Klein Group and Alto RE Funds for \$23 million, or about \$1,595 per square foot. A Bank of America location currently occupies about 50 percent of the retail space.

- A retail condominium at **41 Murray Street** was purchased by Barry Lipsitz from EDG Property for \$5.5 million, or \$728 per square foot. Rosa Mexicano occupies the ground floor space and opened its fourth location in fall 2015.
- Goldman Properties purchased **85 Pearl Street**, a 6,000-square-foot building with four residential units and a ground floor retail space, from Algira Realty. The purchase price was \$1.3 million, or \$221 per square foot. Currently, Stone Street Tavern occupies the 1,500-square-foot ground floor space.
- The Greystone Company purchased a 2,990-square-foot retail building at **108 Chambers Street** for \$17 million from Ashkenazy Acquisition. The property was also purchased with 12,000 square feet of air rights. Short term plans include signing a new retail tenant to the space.
- Crown Acquisitions purchased **144 Fulton Street**, an 8,071-square-foot building, for \$25 million, from Fulton Street Partners. The property is adjacent to Fulton Center.
- SL Green paid \$63.7 million for two adjacent properties, **5-7 Dey Street** and **187 Broadway**, representing a combined 74,186 square feet. The Dey Street property is a 66,686-square-foot office building, and 187 Broadway is presently a two-story retail building with a current tenant in place, Payless ShoeSource in place. Future plans for the building have not been confirmed.



140 West Street

Magnum RE Group purchased a 80,024-square-foot retail condo for \$40 million.

Part of the former Verizon headquarters is being converted to Ralph Walker Tribeca, a 161-unit condo project.

Courtesy of CoStar

Development Sites & Air Rights Transfers

In 2015, there were eight transactions for development sites/air rights, and one development site which traded twice in one year including:

- In March, The Lightstone Group purchased 68,752 square feet of air rights at **82-88 Fulton Street** from Thurcon Properties for \$15.4 million. In May, The Lightstone Group also purchased **92-94 Fulton Street** from Fisher Brothers for \$23.3 million. Both are being incorporated into the buyer's development at 130 William Street, where they are building a 50-story hotel and condominium project scheduled to be delivered in 2018.
- **45 Beekman Street**, between William and Gold Streets, was purchased by Northwind Group from Jack Resnick & Sons for \$9.8 million. The property includes 21,600 buildable square feet and is planned as a development site.
- In August, the Howard Hughes Corporation (HHC) sold a development assemblage entitled for an 820,000-square-foot tower, including 440,000 square feet of residential and 380,000 square feet of commercial space, to China Oceanwide Holdings for \$390 million (or \$476 per buildable square foot). The site includes **80 South Street, 163 Front Street** and air rights from **163 Front Street** and **175 Front Street**. Howard Hughes had previously made these purchases for a total price of more than \$192 million.
- **120-122 Water Street** was purchased by an unnamed LLC and S&V Capital Corp from NY Times Square Hotel Group for \$20.1 million. The site is a planned hotel project and the buyer is affiliated with Atlas Hotel Group.
- **45 Broad Street** was purchased by a partnership between Madison Equities, AMS Group and Pizzarotti for \$86 million from LCOR, California State Teacher's Retirement System and GI Partners. The buyers paid about \$297 per buildable square foot and are planning a 210-unit, 65-story residential condominium.
- Clarion Partners purchased a 70 percent interest in **86 Trinity Place** from Steinhardt Management for \$105 million. 86 Trinity Place is a 181,725-square-foot, landmarked building, formerly home to the American Stock Exchange, and is currently vacant. Previous plans included a retail and hotel conversion. GHC Development will remain a 30 percent owner.
- MetroLoft acquired the leasehold in **20 Broad Street** from Vornado Realty Trust for \$185 million, or about \$391 per square foot. The New York Stock Exchange, the building's major tenant, plans to vacate in 2016. The buyers plan to convert the property to a rental residential building.



20 Broad Street

This 473,000-square-foot office building was purchased by MetroLoft for \$185 million.

NYSE plans to vacate in 2016.

The buyer plans to convert the building to 500 rental units.



45 Broad Street

Madison Equities, AMS Group and Pizzarotti purchased this vacant lot for \$86 million in the fourth quarter.

Plans include a 65-story residential condominium for completion in 2019.

Source of property sales transactions: Newmark Grubb Knight Frank

RETAIL MARKET

As Lower Manhattan continues to undergo dramatic changes — a growing and affluent residential base, a rapidly diversifying office tenancy, surging tourism and huge investments in capital improvements — the area is emerging as a major shopping and dining destination. The significant retail activity at Westfield World Trade Center, Brookfield Place and the Seaport District are creating a positive spillover effect throughout the rest of the neighborhood, as more retailers recognize the benefits of locating in the district. Renowned restaurateurs and chefs are opening new locations in the neighborhood, while major fashion brands and lifestyle amenities are catering to new populations.

New Retail

Beginning in March 2015, **Brookfield Place** unveiled major components of their 375,000-square-foot retail renovation including fashion retail, dining and public space. Throughout the year, luxury and contemporary brands continued to open, as other deals were announced for 2016 and beyond. Among the openings:

- An **Equinox** fitness center opened in early 2015, joining **Hudson Eats** (a 600-seat dining terrace with 14 fast-casual eateries) that opened in 2014.
- Forty retail shops, ranging from international fashion houses — including **Hermès**, **Bottega Veneta**, **Salvatore Ferragamo**, **Burberry**, **Omega** and **Ermenegildo Zegna** — to contemporary brands, such as **Diane von Furstenberg**, **Theory**, **Michael Kors**, **Vince**, **Paul Smith** and **Lululemon**, were unveiled.
- **Le District**, a 30,000-square-foot, French-inspired marketplace operated by the Poulakakos family, opened to much acclaim. Within Le District, eateries Beaubourg, L'Appart and Le Bar joined the food emporium. Le District also features 7,000 square feet of outdoor waterfront dining. While not a restaurant, **The Institute of Culinary Education** enhanced Brookfield's culinary character, inaugurating its new 74,000-square-foot facility this past summer.
- Adding to the complex's rich dining mix, **Parm** opened over the summer. Looking ahead, **Amada** will open its doors in February and **True Food Kitchen** will debut in early fall 2016.
- **Saks Fifth Avenue** will open a four-floor, 85,000-square-foot store to anchor the complex. This will be Lower Manhattan's first luxury department store and is expected to open in June 2016. Additionally, a 16,750-square-foot **Saks Fifth Avenue Men's Store** will join the larger department store in 2017.

Brookfield Place



Luxury Retail



Public Spaces



Le District



Courtesy of Westfield

Westfield WORLD TRADE CENTER

Over 125 stores and restaurants at Westfield World Trade Center are expected to open in fall 2016.



Courtesy of Howard Hughes Corporation

Seaport District NYC

iPic Theaters plans to open this summer in the Fulton Market Building in the Seaport District. The new Pier 17 and revitalized historic area will open in late 2017.

Opening in fall 2016, **Westfield World Trade Center** will become an iconic destination with 125 stores and restaurants located in Santiago Calatrava's Oculus and at the base of the 3 and 4 World Trade Center buildings. The 365,000-square-foot, fully-leased complex previewed its retail and dining roster, which includes **Hugo Boss**, **Kate Spade New York**, **Banana Republic**, and **H&M**. Mario Batali's **Eataly**, planning a late summer 2016 opening, will serve as the culinary anchor among many other food, beverage and dining options.

The fit-out of **Fulton Center**'s 65,000-square-feet of commercial and retail space began in 2015 and stores began opening in early 2016. Westfield is the master leaseholder of the transit center, and retail tenants will include **Shake Shack**, **Irving Farm Coffee Roasters** and **Zaro's Bakery**. **WeWork** will occupy office space in the Corbin Building and the third floor of Fulton Center, opening in March of 2016. The transportation hub opened in November of 2014, improving connections between nine subway lines and five subway stations. A total of 300,000 commuters, residents and tourists pass through each day. The last piece of the transit complex is an underground retail passageway that will link Brookfield Place, Westfield World Trade Center and Fulton Center, which is expected to open in early March.

The **Seaport District** had an active 2015, with a number of public programs and announcements setting the stage for what the future of the District will look like come 2017 when the new Pier 17 is set to open. Plans are underway by The Howard Hughes Corporation to complete and restore the Tin Building – future home to the Jean-Georges food market, new lighting and pavilions under the FDR, and an extension of Fulton and Beekman Streets onto Pier 17, creating a loop road. Pier 17 construction continues and, when completed, will feature a one-and-a-half-acre rooftop. The new pier and revitalized historic area will provide 365,000 square feet of retail, dining and entertainment.

- In 2015, The Howard Hughes Corporation partnered with (WWD) Women's Wear Daily to launch **Seaport Studios**, a retail concept space dedicated to emerging fashion designers. The corporation also partnered with eight of New York's leading cultural institutions – including HarperCollins and Guggenheim – to launch the **Seaport Culture District**, a series of over 100 cultural events at multiple locations throughout the Historic District. The District featured the popular **Seaport Smorgasburg**, a curation of local vendors offering delicious food options.
- **iPic Theaters** continues construction in the restored Fulton Market Building and plans to open an eight-screen cinematic and culinary theatre experience in 2016.

- **Jean-Georges Vongerichten** was announced as a culinary anchor within the Seaport District. The celebrated chef will launch two major projects: a 40,000-square-foot, fresh food marketplace inside the Tin Building and a 10,000-square-foot restaurant in the newly opened Pier 17. Both are scheduled to open in 2017.
- Popular New York independent bookstore, **McNally Jackson Books**, revealed plans to open a location along Schermerhorn Row in 2017.

Fosun Property Holdings received approval by the city's Landmarks Preservation Commission to create more than 200,000 square feet of retail below the plaza at **28 Liberty Street**. Plans include creating a set of glass-enclosed entrances on the plaza and along the black marble walls, which would give pedestrians additional access to five levels of subterranean space. Fosun is in active negotiations with a hospitality partner to run the catering and events space on the 60th floor of the tower.

Macklowe Properties filed plans in fall 2015 and received landmarks approval in early 2016, paving the way for the conversion of **One Wall Street** into 524 apartments. The property will feature approximately 90,000 square feet of retail, including a newly created glass storefront on the adjacent, non-landmarked Annex building and the repositioning of the mosaic Red Room in the landmarked, Art-deco tower.

Lower Manhattan Retail Market Fast Facts

- Average annual employee wage is **\$133,000** with private-sector payroll employment at **227,000** and public-sector payroll employment at **40,000**.
- Average household income of the approximately **60,000 residents** is **\$206,000**.
- Over **53,000 full and part-time students** enrolled at 25 institutions of higher and continuing education.
- **14.2 million unique visitors** in 2015.
- **\$6.5 million in annual spending power** in the local market.
- More than **2.3 million square feet of new and repositioned retail space**; with a total retail inventory of more than 6.7 million square feet of retail by year-end 2019.



Fosun received landmarks approval to create 200,000 square feet of retail below the plaza at 28 Liberty Street.



Macklowe received landmarks approval to add around 90,000 square feet of retail to One Wall Street.



Nobu and Anthropologie will open at 195 Broadway in 2017.



Industry Kitchen opened at 70 South Street near the Seaport.



Zara debuted its 30,000-square-foot store at 222 Broadway, joining the Gap and Urban Outfitters along the street.



Malt House, an American tavern, opened at 9 Maiden Lane.

New Openings and Announcements throughout District

At the end of 2015, the district had 1,107 stores and restaurants – a 6 percent increase over 2014. A total of 110 new stores and restaurants opened in Lower Manhattan in 2015.

Sit-down dining establishments across a variety of cuisines opened this year, including **Dorlan's Tavern & Oyster Bar**, **Malt House**, **Gunbae TriBeCa**, **Rosa Mexicano**, **VBar**, **Le Pain Quotidien**, **Industry Kitchen** and **The Hideaway Seaport**.

Joining the surging number of new eateries in 2015, celebrity chefs and restaurateurs announced the upcoming arrival of even more culinary talent to the district: **Keith McNally and Tom Colicchio** at The Beekman at 5 Beekman Street; **Nobu** at 195 Broadway; **Wolfgang Puck** at Four Seasons at 30 Park Place; **April Bloomfield and Ken Friedman** to the rooftop space at 70 Pine Street; and **Wylie Dufresne** to AKA Wall Street at 84 William Street. **Jean-Georges Vongerichten** will also bring a flagship restaurant and food market to the Seaport District.

The growing residential population and increasingly diverse office mix in the district are leading to a rise in food markets. This spring, **Eataly** will open a 42,000-square-foot Italian market at 4 World Trade Center, and **Urban Market** plans to open a 13,000-square-foot grocery store at 70 Pine Street. **Dean & DeLuca** will unveil an 18,500-square-foot gourmet food market and eatery at 40 Wall Street in late summer 2016.

Zara and **Gap** opened at 222 and 170 Broadway, respectively, in 2015, joining **Urban Outfitters** in making lower Broadway a strong retail corridor and in linking major retail projects on the east and west sides of the district. **Anthropologie** announced plans for a 20,000-square-foot store at 195 Broadway, while **Saks Off 5TH** will open a 55,000-square-foot location in One Liberty Plaza (both are scheduled for 2017).

Target announced plans to open a 45,000-square-foot location at 255 Greenwich Street in October 2016, making it the second Manhattan location for the big box retailer.

Retail Rents and Condo Sales

While the overall Manhattan retail leasing market saw some softening in ground floor asking rents, Lower Manhattan's ground floor retail asking rents have increased by 16 percent over the past year to an average of \$308 per square foot, according to the Real Estate Board of New York (REBNY). Key areas along Broadway and Wall Streets are experiencing asking retail rents as high as \$600-per-square-foot. The continued strength is being attributed to an "increase in residential development and a resurgence of neighborhood vitality," according to REBNY.

TOURISM & HOSPITALITY

2015 was a record-breaking year for hospitality, as 58.3 million people visited New York City. As the city experiences a rise in tourism, Lower Manhattan is leading the way with 14.2 million unique visitors in 2015. Last year saw the opening of One World Observatory which attracted 1.5 million visitors in its first seven months alone. Even longstanding, favorite attractions the Statue of Liberty and Ellis Island saw growth in attendance. All this leisure and business travel has attracted the attention of the hotel industry, sparking a hotel building surge in the last several years and adding new brands, ranging from luxury to boutique to budget. The number of hotel rooms is expected to grow by 30 percent by the end of 2016.

Record Year for Tourism

Lower Manhattan welcomed 14.2 million unique visitors last year, up 14 percent from 2014 and up 48 percent from 2013, when the aftermath of Hurricane Sandy hampered the local tourism market.

In 2015, Lower Manhattan unveiled its newest tourist attraction — the 120,000-square-foot One World Observatory, which opened on May 29th. In its first seven months, it welcomed 1.5 million visitors. Operated by Legends Hospitality, the observatory provides iconic views from the 100-102nd floors of the 1,776-foot-tall One World Trade Center. In addition to the views, the Observatory offers seated and casual dining, a theater and special events space.

The National September 11 Memorial has drawn more than 23 million visitors since opening in September 2011, while the National September 11 Memorial Museum (which opened in May 2014) had three million visitors in 2015. The Statue of Liberty and Ellis Island attracted 4.23 million visitors last year, the greatest visitation since before September 11, 2001.

14.2 MILLION

estimated number of visitors in 2015

Source of visitor estimates: Audience Research & Analysis

One World Observatory Opens

Named one of the “world’s hottest new travel experiences” by Lonely Planet, the 120,000-square-foot One World Observatory opened to the public on May 29th. Operated by Legends Hospitality, the observatory offers iconic views from the 100-102nd floors of the 1,776-foot-tall One World Trade Center.

At the base, guests learn about the personal stories of those who built One World Trade Center. Five dedicated elevators bring visitors to the 102nd floor in 60 seconds, featuring a virtual time-lapse of the development of the New York City skyline. At the top, the See Forever Theater and City Pulse present imagery of the city, neighborhoods and landmarks. Ticketed guests are also able to visit three distinct dining options from casual café fare to seated fine dining.

In its first seven months of operation, the Observatory has already welcomed 1.5 million visitors.



Hotel Development Takes Off

By the end of 2015, hotel inventory reached over 5,300 hotel rooms throughout Lower Manhattan — a 30 percent increase in just two years. While Lower Manhattan makes up a smaller piece (less than five percent) of New York City's total hotel inventory of 105,000 hotel rooms, 22 percent of hotel rooms under construction in all of New York City are in Lower Manhattan.

Three hotels opened in 2015, adding 433 rooms:

- **The Fairfield Inn & Suites** in March at 161 Front Street with 176 rooms.
- **The Aloft Hotel** at 49 Ann Street in July with 125 rooms.
- **The Q&A Hotel** at 70 Pine Street in November with 132 rooms. The property was converted from AIG's former headquarters and will see the addition of 35,000 square feet of retail and 644 rental units added to the market later this year.

Some 3,500 hotel rooms in 21 hotels are currently in the development pipeline. In 2016, inventory is expected to grow by up to 30 percent, as nearly 1,540 rooms in nine properties will come online in 2016. If all these projects meet current deadlines, the hotel inventory in Lower Manhattan will reach nearly 7,000 rooms by year-end 2016. Those scheduled for completion in 2016 include:

- **Four Points by Sheraton** at 6 Platt Street, 262 rooms (opened late January 2016);
- **Riff Downtown** at 102 Greenwich Street, 20 rooms (opened late January 2016);
- **AKA Wall Street** at 84 William Street, 141 rooms;
- **The Downtown Association** at 60 Pine Street, 36 rooms;
- **Courtyard by Marriott** at 133 Greenwich Street, 317 rooms;
- **The Beekman Hotel** at 5 Beekman Street, 287 rooms;
- **Four Seasons Downtown** at 27 Barclay Street, 189 rooms;
- **Fairfield Inn & Suites** at 100 Greenwich Street, 192 rooms;
- **The Artezen Hotel** at 24-26 John Street, 89 rooms;

30% *year-over-year growth in hotel rooms by year-end 2016*



Courtesy of The Fairfield Inn & Suites

Fairfield Inn & Suites

The Fairfield Inn & Suites opened in March at 161 Front Street, with 176 rooms.



Courtesy of The Aloft Manhattan Downtown

Aloft Hotel

The Aloft Manhattan Downtown Hotel, at 49 Ann Street, opened in late July. The hotel has 125 rooms.



Courtesy of The Q&A Hotel

Q&A Hotel

The Q&A Hotel opened this fall at 70 Pine Street with 132 extended-stay rooms.

LOWER MANHATTAN HOTEL DEVELOPMENT PIPELINE

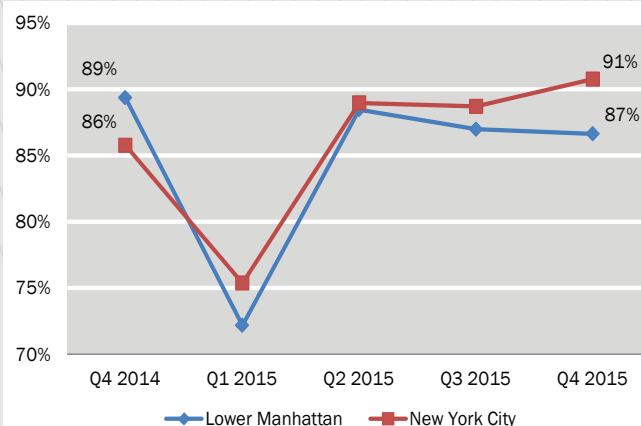
Source: Downtown Alliance

	Hotel & Address	Owner/ Developer	Rooms/ Floors	Open Date
1	Four Points by Sheraton 6 Platt Street	Lam Group	262/30	2016
2	AKA Wall Street 84 William Street	Prodigy Networks	140/19	2016
3	Down Town Association 60 Pine Street	Down Town Association	33/9	2016
4	Riff Downtown 102 Greenwich Street	Royal United Builders	36/5	2016
5	The Beekman Hotel 5 Beekman Street	GB Lodging Group	287/9	2016
6	Courtyard by Marriott 133 Greenwich Street	Hidrock Realty	317/31	2016
7	The Arzen Hotel 24-26 John Street	Westbury Realty Associates	89/21	2016
8	Fairfield Inn & Suites 100 Greenwich Street	Jiten Hotel Management	192/25	2016
9	Four Seasons Downtown 30 Park Place	Silverstein Properties	189/21 (of 82)	2016
10	Hilton Garden Inn 6 Water Street	McSam Hotel Group	250/29	2017
11	Marriott Residence Inn 215 Pearl Street	Lam Group	120/40 (upper floors)	2017
12	Courtyard by Marriott 215 Pearl Street	Lam Group	200/40 (lower floors)	2017
13	AC Hotel Marriott 151 Maiden Lane	Fortis Property Group	271/33	2017
14	Hotel Indigo 8-12 Maiden Lane	10-12 MLane Inc.	190/25	2017
15	Extended Stay Hotel 17 John Street	Prodigy Networks	106/23	2017
16	Boutique Hotel Battery Maritime Building	New York City Regional Center	61/5	2017
17	TBD Hotel 11-13 Stone Street	Premier Emerald LLC	143/27	2018
18	TBD Hotel 130 William Street	Lightstone Group	TBD/12 (of 50)	2018
19	TBD Hotel 143 Fulton Street	Tribeca Associates	228/26	2018
20	TBD Hotel 50 Trinity Place	Fit Investment Group	188/29	TBD
21	TBD Hotel 120-122 Water Street	NY Times Square Hotel Group	150/31	TBD
Total Hotels in the Pipeline			21	
Total Hotel Rooms in the Pipeline			3,452	

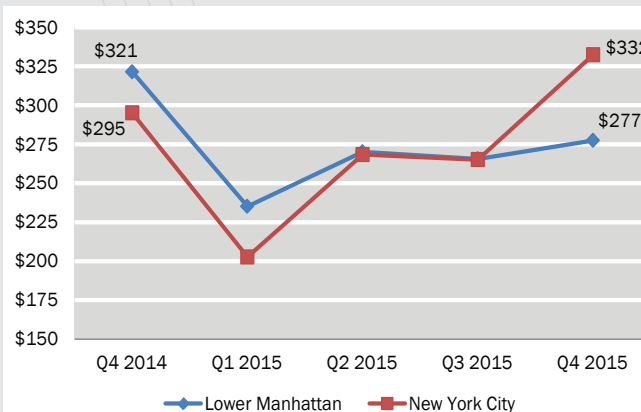
Occupancy and Average Daily Room Rate

Performance of the Lower Manhattan hotel market has lost some ground since 2014 as supply growth outpaced demand, which has yet to reach its full potential. The fourth quarter's average occupancy was 87 percent, flat from the previous quarter and 2.7 percentage points below the rate from one year ago. Lower Manhattan's hotel occupancy fell a few percentage points below New York City's occupancy across quarters and the year. The average daily room rate (ADR) took a notable turn down; Lower Manhattan's ADR in Q4 2015 was \$277, up 4.5 percent from Q3 2015 but down 14 percent year-over-year. The district's ADR, once on par with New York City, is now 17 percent lower than the city's rate of \$332. While downtown supply continues to increase, future demand is expected to grow with the addition of new office product, residential buildings and retail destinations in Lower Manhattan in the next several years.

LOWER MANHATTAN HOTEL OCCUPANCY



LOWER MANHATTAN AVERAGE DAILY ROOM RATE (ADR)



Source of New York City hotel figures: NYC & Company

RESIDENTIAL MARKET

2015 was another eventful year for the Lower Manhattan residential market. While only 239 residential units were completed last year, more than ten projects were announced. 2016 is sure to be a big year, as many high-profile projects move forward, adding another 1,500 units to the market by year's end.

Inventory and Development

Lower Manhattan has 30,000 units in 319 mixed-use and residential buildings and an estimated population of approximately 60,000. There are currently 5,900 units in 32 buildings under construction or planned for development, amounting to approximately 46 percent condos, 39 percent rental units and 15 percent whose tenure is yet to be determined.

2015 saw the addition of 239 residential units to the market:

- CBSK Ironstate wrapped up construction of 18 condo units at **87 Chambers Street**.
- The second and final phase of **20 Exchange Place**'s conversion by DTH Capital was completed, adding 221 rental units to the existing 556.

The pipeline of residential development includes over 1,500 units in ten buildings under construction (56 percent rental and 44 percent condo) with plans to open in 2016. Among them:

- Rose Associates' building at **70 Pine Street** completed the initial units in 2015 and will continue to roll out its 644 rental units throughout 2016.
- Rudin Management's **110 Wall Street** completed the initial phases of conversion, with WeWork opening both an office and its first residential offering, WeLive. The micro-unit concept will add 232 units throughout the year, eventually housing 600 people.
- Construction continues on The Beekman Residences at **5 Beekman Street**, a 51-story tower with 68 condo units. The new residential tower will join the 287-room Beekman Hotel, both developed by GFI Development and GB Lodging. The Beekman Residences are scheduled for completion in mid-2016.
- Silverstein Properties' Four Seasons Residences at **30 Park Place** is scheduled to debut in mid-2016. The 82-story tower will offer 157 condo units and 189 hotel rooms.
- Magnum Real Estate is converting the top 22 floors of the former Verizon Building at **100 Barclay Street** into 166 condo units. Approximately 100,000 square feet of retail is also planned at the base. The tower is expected to open in mid-2016.
- Construction continues on **50 West Street**, a 65-story, 191-condo unit tower. The building, developed by Time Equities, will open in late 2016.
- The Claremont Group plans to complete its conversion of **101 Wall Street** to 52 condominiums by the summer.



Courtesy of CoStar

70 Pine Street

Rose Associates began leasing the tower in early 2016.

The office conversion of AIG's former headquarters will have 644 luxury rental units, a 132-room extended stay hotel and 35,000 square feet of retail space.



Courtesy of CoStar

One Wall Street

Macklowe Properties received landmarks approval to convert the tower in early 2016.

The historic office building will be converted to 524 luxury condo and rental units, split equally, and 90,000 square feet of retail space.

HIGHLIGHTS OF LOWER MANHATTAN RESIDENTIAL DEVELOPMENT

Total Units Under Construction & in Planning Stages: 5,900+

Source: Downtown Alliance

	Address & Building Name	Lease & Building Type	Units	Open Date
1	70 Pine Street	Rental Conversion	644	2016
2	110 Wall Street WeWork/WeLive	Rental Conversion	232	2016
3	60 Fulton Street Exhibit	Rental New Construction	120	2017
4	180 Water Street	Rental Conversion	565	2017
Rental Units Under Construction			Over 1,800	
1	19 Park Place	Condo New Construction	21	2015
2	12 Warren Street	Condo New Construction	24	2016
3	5 Beekman Street The Beekman Residences	Condo/Hotel New Construction	68	2016
4	30 Park Place Four Seasons Residences	Condo/Hotel New Construction	157	2016
5	50 West Street	Condo New Construction	191	2016
6	101 Wall Street	Condo Conversion	52	2016
7	100 Barclay Street Ralph Walker Tribeca	Condo Conversion	161	2016
8	233 Broadway Woolworth Residences	Condo Conversion	34	2017
9	49-51 Chambers Street	Condo Conversion	81	2017
10	161 Maiden Lane 1 Seaport	Condo New Construction	80	2017
11	111 Murray Street	Condo New Construction	154	2018
12	125 Greenwich Street	Condo New Construction	275	2018
13	1 Wall Street	Rental/Condo Conversion	262/262	2018
14	112-118 Fulton Street	Condo New Construction	483	2019
Condo Units Under Construction			Over 2,000	
1	30 Warren Street	Condo New Construction	23	2017
2	130 William Street	Condo/Hotel New Construction	188	2018
3	45 Park Place	Condo New Construction	50	2019
4	75-83 Nassau Street	Rental/Condo New Construction	197	2018
5	1 Beekman Street	Condo New Construction	29	2018
6	45 Broad Street	Condo New Construction	210	2019
7	71 West Broadway	Condo New Construction	35	TBD
8	77 Greenwich Street Former Syms site	Condo New Construction	85	TBD
9	20 Broad Street	Rental Conversion	500	TBD
Condo & Rental Buildings Planned for Development			Over 2,000	

Residential development activity will increase throughout the next year, as plans for seven projects comprising over 1,000 units come to market in 2017:

- The former parking garage at **60 Fulton Street** is being replaced by a 23-story, 120-unit rental building. The building is being developed by Socius Development Group and the Brauser Group and will include 20 percent affordable housing;
- Emmes Realty is currently converting **180 Water Street** into 565 rental units. The conversion will also include the addition of seven stories to the building;
- Alchemy Properties continues its historic conversion of the top 30 floors of **233 Broadway**. The Woolworth Residences will have 34 condo units;
- Fortis Property Group began construction this year on a 60-story, 80-condo unit tower at **161 Maiden Lane**. The property will also be adjacent to a new 271-room hotel.

Many other properties made headlines throughout the year. Over 3,800 units in 14 buildings are in the planning stages with future openings in 2018 and beyond. Among them:

- Macklowe Properties filed plans in fall 2015 and received landmarks approval in early 2016, paving the way for the conversion of **One Wall Street**. The tower is expected to include 524 condominiums and rental apartments, split equally, and over 90,000 square feet of retail. The tower was purchased for \$585 million in 2014. The completion date is anticipated for 2018.
- Michael Shvo, who bought **125 Greenwich Street** for \$180 million, will partner with Bizzi & Partners to build a 91-story, Rafael Vinoly-designed building with 275 condo units and retail at the base. A completion date is set for 2018.
- Fisher Brothers and the Witkoff Group completed demolition of the old St. Johns University building and broke ground this past summer at **111 Murray Street** for a 64-story, 157-unit condo tower. The building is expected to be completed in 2018.
- Excavation and foundation work continues at **112-118 Fulton Street** for a 63-story, 483-unit building. Carmel Partners purchased the demolished site from Lightstone Group in 2014 for \$171 million – a 170 percent increase in the original price Lightstone paid in 2013 in acquiring the parcels and air rights. The building is expected to be completed in 2019.

An Evolving Educational Landscape in Lower Manhattan



Lower Manhattan's education landscape continued to evolve, influencing the residential market in several ways. The area south of Chambers Street has 26 K-12 grade schools (public and private) that enroll nearly 13,000 students, as well as 25 institutions of higher learning with over 52,000 full and part-time students. This year, a new public grade school opened and another primary school was announced. On the other end of the spectrum, Pace University opened a new student residence hall.

The expanding residential population creates a steady, increased demand for new primary schools in Lower Manhattan. The most recent addition is the Peck Slip School (P.S. 343), which opened its brand-new location at **1 Peck Slip** in the Seaport. The school was initially being housed at Tweed Courthouse until the \$58 million renovation of the former post office was complete. Facilities include a cafeteria, library, "gymnasium" and a rooftop playground. The school has approximately 280 students with pre-K through third grade and will grow to eventually include fifth graders. In early 2016, the city's School Construction Authority announced a 476-seat primary school at **77 Greenwich Street** at the site of the former Syms clothing store. The school will be at the base of a new residential tower by Trinity Place Holdings. A timeline for the project has not yet been established.

Pace University, once seen as a "commuter school," has been undergoing a major transformation and now offers housing in Lower Manhattan for over 70 percent of its students. Over the past two years, the number of Pace students living in university-owned residence halls in Lower Manhattan has more than doubled, reaching 2,600. The university recently opened a 34-story, 770-bed residence hall at **33 Beekman Street**, complete with a 3,000-square-foot public plaza. Two years ago, Pace opened a 23-story, 600-bed residence hall at **182 Broadway**, introducing 24,000 square feet of retail to the market, featuring an Urban Outfitters.

- **130 William Street** will be demolished to make room for the Lightstone Group's planned 50-story tower. The new building will adjoin soon-to-be demolished buildings at 90-94 Fulton Street and will include 188 residential units and a yet to be determined amount of hotel rooms. Completion is set for 2018.
- Lexin Capital filed permits for a 40-story, 197-unit residential tower at **75-83 Nassau Street**. Lexin bought the collection of buildings in 2014 for \$63.4 million and is currently in the process of demolition. Anticipated completion is in 2018.
- Soho Properties' announced plans for a 70-story, 50-unit luxury condo tower at **45 Park Place**. The tower, planned for 2018, will also include a public plaza connected to a three-story Islamic museum and prayer space.
- Madison Equities closed on the \$86 million purchase of a vacant lot at **45 Broad Street**. The developer is planning an 86-story, 210-unit condo tower with an office component at the base. Completion is anticipated for 2019.
- MetroLoft purchased a controlling stake in Vornado's **20 Broad Street**, with plans to convert the 27-story office building into 500 rental apartments when the New York Stock Exchange consolidates its office space next year and leaves the building.
- In early 2016, Trinity Place Holdings announced the redevelopment of the former SYMS clothing store at **77 Greenwich Street**. The tower will comprise 85 condo units and a public primary school at the building's base. The company anticipates a 2019 completion.
- A slew of new construction is proposed in the collection of buildings along Park Row once occupied by J&R Music and Computer World. Urban Muse plans a 25-story residential tower at **1 Beekman Street**, while L&M Development is eyeing a new residential tower at **23-31 Park Row**. Plans for the latter are still in discussion.

approximately:
60,000 residents
average household income:
\$206,000

Residential Rental Market

According to residential statistics published by Miller Samuel/Douglas Elliman, Lower Manhattan's median rent was just slightly below median rents in greater downtown (defined as south of W. 34th Street and E. 42nd to the Battery). Lower Manhattan's median rent, \$3,645, decreased one percent over the last quarter and year-over-year. The greatest yearly increase (9 percent) occurred on Manhattan's east side. Overall, Manhattan's median rent of \$3,361 decreased slightly since last quarter but is up by four percent from last year.

Residential Sales Market

It is notable that median sales prices for Lower Manhattan co-ops and condos hit a record high at the end of 2015, demonstrating the growing appeal of residential ownership opportunity in Lower Manhattan. The median sales price jumped to \$1.35 million – 18 percent greater than the median in 2014. With a number of the newer, luxury developments ramping up closings, the median in 2015 saw a 60 percent increase from 2012's \$870,000. Across comparable geographies, the median sales price for Manhattan's west side (defined as west of 6th Avenue, between W. 116th and W. 34th Street) saw the greatest increase over the past year at 29 percent growth.

While pricing went up, the number of sales in Lower Manhattan slowed significantly since last year, with the total number of sales down by 17 percent due to climbing prices and falling inventory. However, with many new residential developments under construction, sales volumes are anticipated to pick up.

Despite a drop in the number of sales, the average price per square foot (PPSF) in the district has shown five straight quarters of growth. Lower Manhattan's average PPSF of \$1,394 saw an increase of 11 percent year-over-year, despite having the lowest average PPSF across comparable geographies. The lower PPSF can be attributed to Lower Manhattan not having the same premium for larger, contiguous spaces as units further uptown.

60%

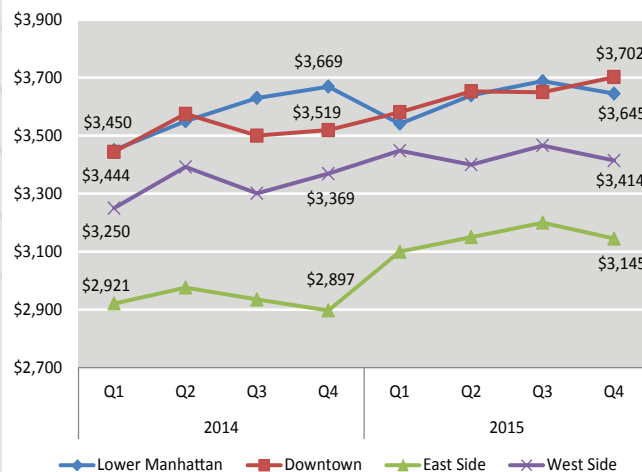
increase in median sales price for Lower Manhattan condos & co-ops, 2012-2015

Source of residential sales and rental data:
Miller Samuel/Douglas Elliman

¹Lower Manhattan defined as south of Chambers Street to the Battery. Downtown defined as south of W. 34th and E. 42nd Street to the Battery. East Side defined as east of 6th Avenue, between E. 96th and E. 42nd Street. West Side defined as west of 6th Avenue, between W. 116th and W. 34th Street.

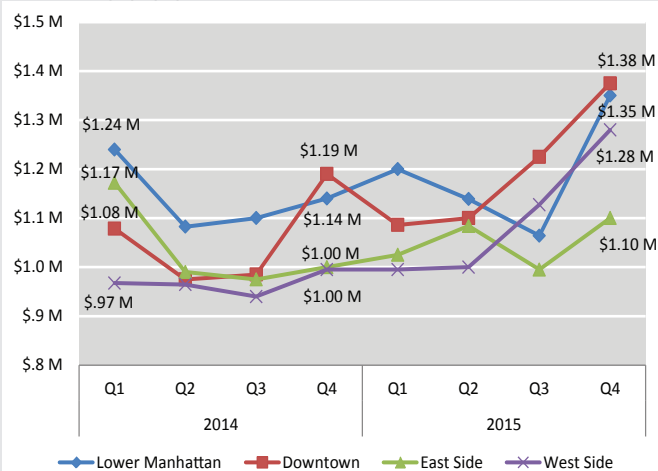
MEDIAN RENTAL PRICE

Source: Miller Samuel/Douglas Elliman



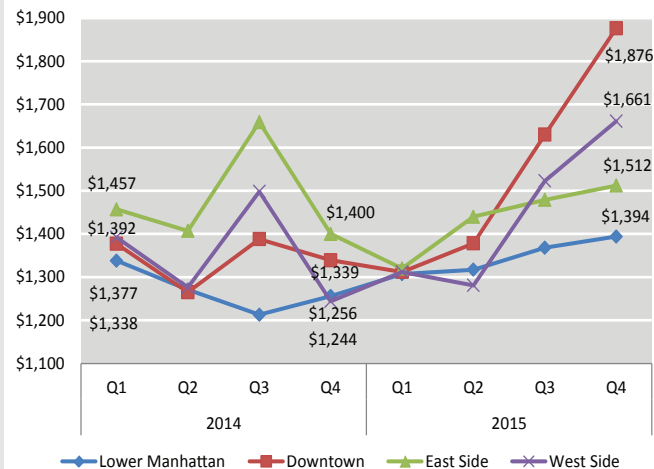
MEDIAN SALES PRICE

Source: Miller Samuel/Douglas Elliman



AVERAGE SALES PRICE (\$) PER SF

Source: Miller Samuel/Douglas Elliman



MAJOR PROJECTS UPDATE

2015 was marked by progress on several major projects and capital improvements. Among them: the completion of Brookfield Place's extensive retail repositioning, the continued occupancy of One World Trade Center, the ongoing construction of Three World Trade Center and the unveiling of One World Observatory. The greater Lower Manhattan area was also the recipient of hundreds of millions of federal and city dollars to fund resiliency and storm protections. 2016 promises to be another momentous year with the opening of the World Trade Center Transportation Hub and Westfield World Trade Center.

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 almost 70 percent leased to MediaMath, PadillaCRT, Silver Suites, IEX, Morningstar, the Port Authority and the City of New York. SNY (SportsNet New York) signed an 83,000-square-foot deal for office and studio space in the fourth quarter.

One World Trade Center

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

One World Trade Center is currently 64 percent leased; other tenants include the U.S. General Services Administration, High 5 Games, Moody's, xAd, Servcorp, Beijing Vantone China Center, Westfield, SHVO, Cushman & Wakefield and Juno Lab. TAMI sector firms now comprise nearly half of the building's rentable square footage. In the fourth quarter, deals signed pushed One World Trade Center over the two million-square-foot office leasing threshold. These included marketing company xAd (which inked a 43,000-square-foot expansion, bringing their total space to 86,500 square feet) and bio-tech firm, Progenics Pharmaceuticals (which signed for a 26,560-square-foot space on the 47th floor).

One World Observatory, Legends Hospitality's 120,000-square-foot observation facility on floors 100, 101 and 102, welcomed 1.5 million visitors in the seven short months since opening on May 29th.

Three World Trade Center

The 2.5 million-square-foot office tower is scheduled to top out in summer 2016 and to be completed in 2018. In the fourth quarter, anchor tenant GroupM Worldwide finalized an expansion, adding 170,000 square feet to the existing 520,000 square feet signed in 2014. The tower is currently 28 percent leased.



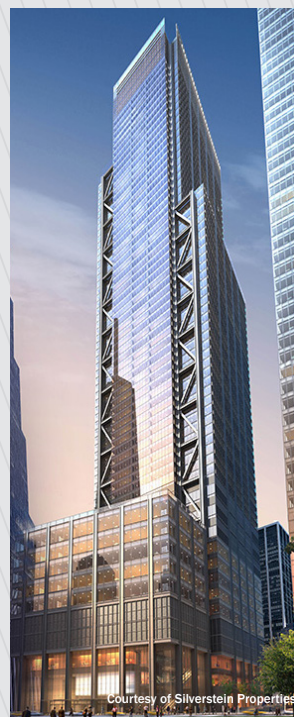
One World Trade Center

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 opened One World Observatory on May 29th.



3 World Trade Center

The 2.5 million-square-foot building is scheduled to be completed in 2018.

GroupM finalized an expansion in 2015, adding 170,000 square feet to the existing 520,000 square feet signed in 2014.



Courtesy of Silverstein Properties

World Trade Center Transportation Hub

The 800,000-square-foot facility will house the PATH station and Westfield's 350,000-square-foot retail complex and will offer underground connections to Fulton Center and Brookfield Place.

The complex will open in early March, while the fully-leased retail portion will open in fall 2016.



Courtesy of Greek Orthodox Archdiocese of America

Liberty Park & St. Nicholas Greek Orthodox Church

The 1.5-acre park, located atop the Vehicle Security Center, will open this spring and offer pedestrian access via the Liberty Street Bridge to Brookfield Place.

The Calatrava-designed St. Nicholas Greek Orthodox Church broke ground in late 2014 and is expected to be completed in 2017.

Two World Trade Center

After over a year of negotiation between Silverstein Properties and 21st Century Fox and News Corp to anchor 1.3 million square feet, the deal was called off in early 2016. Silverstein will postpone work on the tower until an anchor tenant agrees to lease a substantial portion of the building.

National September 11 Memorial Museum

The 100,000-square-foot National September 11 Memorial Museum debuted in May of 2014 and welcomed over three million visitors in 2015. The National September 11 Memorial, which opened in September 2011, has drawn more than 23 million visitors.

The World Trade Center Transportation Hub

The 800,000-square-foot World Trade Center Transportation Hub will officially open in the first week of March 2016, providing underground access to One World Trade Center, 4 World Trade Center, the corner of Liberty and Church Streets and Vesey Street. Additional underground access will be available to Fulton Center and Brookfield Place. The temporary PATH station will be deconstructed. Westfield's 365,000-square-foot retail complex will open in fall 2016.

Liberty Park

The 1.5-acre park, located on the roof of the World Trade Center Vehicle Security Center (VSC), nears completion this summer. The park will have a "living wall" along the northern Liberty Street side and will feature seating for several hundred people along the perimeter of the planting beds.

The Liberty Street Bridge, opening this spring on the west side of the park, will connect pedestrians to Brookfield Place in Battery Park City. The eastern side of the new park will feature the new \$35 million, Santiago Calatrava-designed St. Nicholas Greek Orthodox Church. The church broke ground in late 2014 and is expected to be completed in 2017.

Vehicle Security Center (VSC)

The VSC, at Liberty Street between Greenwich and West Streets, will serve as the complex's main entry point for automobiles, trucks and buses. It is expected to be completed in phases from mid-2016 through 2017. Across the World Trade Center campus, security barriers are being installed to limit automobile and truck access, although pedestrians will be able to freely cross the site.

Performing Arts Center at the World Trade Center (PAC WTC)

The Performing Arts Center at the World Trade Center announced REX as its new architect, replacing Frank Gehry. The Lower Manhattan Development Corporation (LMDC) recently authorized \$10 million in funding for design and engineering services. The project has been scaled down to \$200 million for above-ground construction, with half of the funding to come from LMDC and the other half to be raised privately. The site for the PAC WTC is currently occupied by the temporary PATH entrance, which will be demolished when the World Trade Center Transportation Hub opens in 2016.

Transportation Infrastructure

Fulton Center

The fit-out of Fulton Center's 65,000 square feet of commercial and retail space began in 2015 and will continue in phases throughout early 2016. Westfield is the master leaseholder of the transit center, and retail tenants will include **Shake Shack, Irving Farm Coffee Roasters** and **Zaro's Bakery**. **WeWork** will occupy office space in the Corbin Building and the third floor of Fulton Center, opening in March of 2016. The transportation hub opened in November of 2014, improving connections between nine subway lines and five subway stations. A total of 300,000 commuters, residents and tourists pass through each day. The last piece of the transit complex is an underground retail passageway that will link Brookfield Place, Westfield World Trade Center and Fulton Center, which is expected to open in early March.

Broadway Reconstruction

In 2014, the Department of Design and Construction (DDC) 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. 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.

Citywide Ferry Service

In early 2015, Mayor de Blasio proposed extensively expanding the city's ferry service. In addition to the existing East River Ferry, there would be five new routes, providing a total of 21 landings. Routes to Astoria, South Brooklyn and the Rockaways are anticipated for 2017, while 2018 will see routes added to the Lower East Side and Soundview in the Bronx. All routes will have a stop at Pier 11-Wall Street. One-way tickets will cost \$2.75, and 4.6 million trips are projected annually.

12,000

daily MTA customers added in 2015 in Lower Manhattan

Subway Sets Ridership Records

The Metropolitan Transportation Authority (MTA) set a new modern record on Thursday, October 29th, 2015, when over 6.2 million people entered the New York City Transit subway system. The subway carried 50,000 more people that day than on the day the previous record was set, just one year earlier. Substantial subway growth has occurred in Lower Manhattan, with over 12,000 daily customers added in the past year as new commercial offices continue to open. Fulton Center was the heaviest trafficked station in Lower Manhattan in 2015, with 21.7 million customers using its four subway platforms. The greatest weekend traffic increases occurred at the Chambers Street-WTC (A,C,E)/Park Place (2,3) stop, which can be attributed to tourism and retail growing around the World Trade Center. Ridership in neighboring residential communities in northern Brooklyn has also added a weekday average of over 14,000 customers along portions of the A/C, J/M/Z, G and L subway lines.



Citywide Ferry Service

The city plans to add five new ferry routes on the East River over the next two years. All routes will have stops at Pier 11-Wall Street and will cost \$2.75 for a one-way ticket.

Waterfront

The Battery

The SeaGlass Carousel opened to much fanfare on August 20th. Construction on the \$16 million, aquatic-themed carousel began in 2010. The Battery Oval, a three-acre lawn, will reopen to the public in 2016 and will be populated by 300 chairs chosen in a design competition. Designs are now being finalized for an expanded new playground of 1.4 acres, which is scheduled to open in 2017.

Governors Island

The 2015 summer season was the second time the Island was open seven days a week, tripling public access from 40 days to 120 days. The Landmarks Preservation Commission approved plans for Italian day spa, QC Terme, to occupy 78,000 square feet across three buildings (soon making Governors Island a year-round destination). In addition, the City and the Trust for Governors Island announced an expansion of weekend ferry service from Brooklyn's Pier 6, providing other access points to the island in addition to the existing ferries already departing from Lower Manhattan's Battery Maritime Building.

Thirty acres of new park and public spaces were completed in 2014, including Liggett Terrace, Hammock Grove and the Play Lawn. The Hills, four man-made hills ranging in heights from 25 to 70 feet and totaling ten acres, are under construction and will promise a dramatic new experiences as well as views of the Harbor and Lower Manhattan skyline. The Hills are expected to be completed in summer 2016.

Seaport District

Construction of the new Pier 17 progressed through 2015, as it received approval from the Landmarks Preservation Committee. Additional components of the Seaport redevelopment plan include affordable housing in Schermerhorn Row, space for the South Street Seaport museum, a reconstructed Tin Building (relocated away from the FDR and out of the floodplain), lighting and pavilions under the FDR and an extension of Fulton and Beekman Streets onto Pier 17. The Howard Hughes Corporation put plans on hold for a residential tower at the site of the New Market Building. When completed in late 2017, the new pier and revitalized historic area will provide 365,000 square feet of retail, dining and entertainment.

Resiliency Enhancements

Federal, State & City Investments

In early 2016, the Federal government announced the City would be awarded \$176 million in federal funding for the US Department of Housing and Urban Development's National Disaster Resilience Competition. The money will go to help build a barrier of flood walls, berms and deployable flood barriers to protect the tip of Manhattan from flooding. This is in addition to Mayor de Blasio's announced investment of \$100 million of City capital funds for storm protections. The project will extend from the Lower East Side, around the tip of the island, all the way to Battery Park City. Separately, the City set aside nearly \$15 million, including \$6.75 million from the City and State, for preliminary design and environmental review and another \$8 million for first-phase flood protection design and implementation in Battery Park.

South Ferry station

The MTA announced the main entrance to the South Ferry station will close for several months (reopening August 2016) as Sandy-damaged equipment is replaced and flood mitigation measures are put into place. During construction, the old South Ferry station will remain operational and accessible from alternative entrances. The construction is part of a \$194 million contract to rebuild the South Ferry subway station that was damaged in Hurricane Sandy. The station will get permanent flood protection measures and become wheelchair-accessible and will allow entry and exit for all ten cars along the No. 1 line. Completion is expected in 2017.



Courtesy of The Battery Conservancy

SeaGlass Carousel in The Battery

In The Battery, the SeaGlass Carousel opened this summer, while the Battery Oval, a three-acre lawn, will reopen to the public in spring 2016.

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:

Surging Ahead: Lower Manhattan's Economic Revival and What It Means For New York, a report on the major advances in Lower Manhattan's economy expected over the next five years as a result of post-September 11th investments and the area's status as a burgeoning center for some of New York City's highest value, most dynamic industries;

The Brain Gain, 2015 Report, updated report on how the region's shifting demographics continue to favor the Lower Manhattan Business District. Previously released in 2012, updated data shows an even stronger trend;

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 how the more than \$6.4 billion of transit investments made since 2005 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.



Alliance for Downtown New York
120 Broadway Suite 3340
New York, NY 10271
212.566.6700
DowntownNY.com
Telephone: 212-835-2787
Email: Research@DowntownNY.com