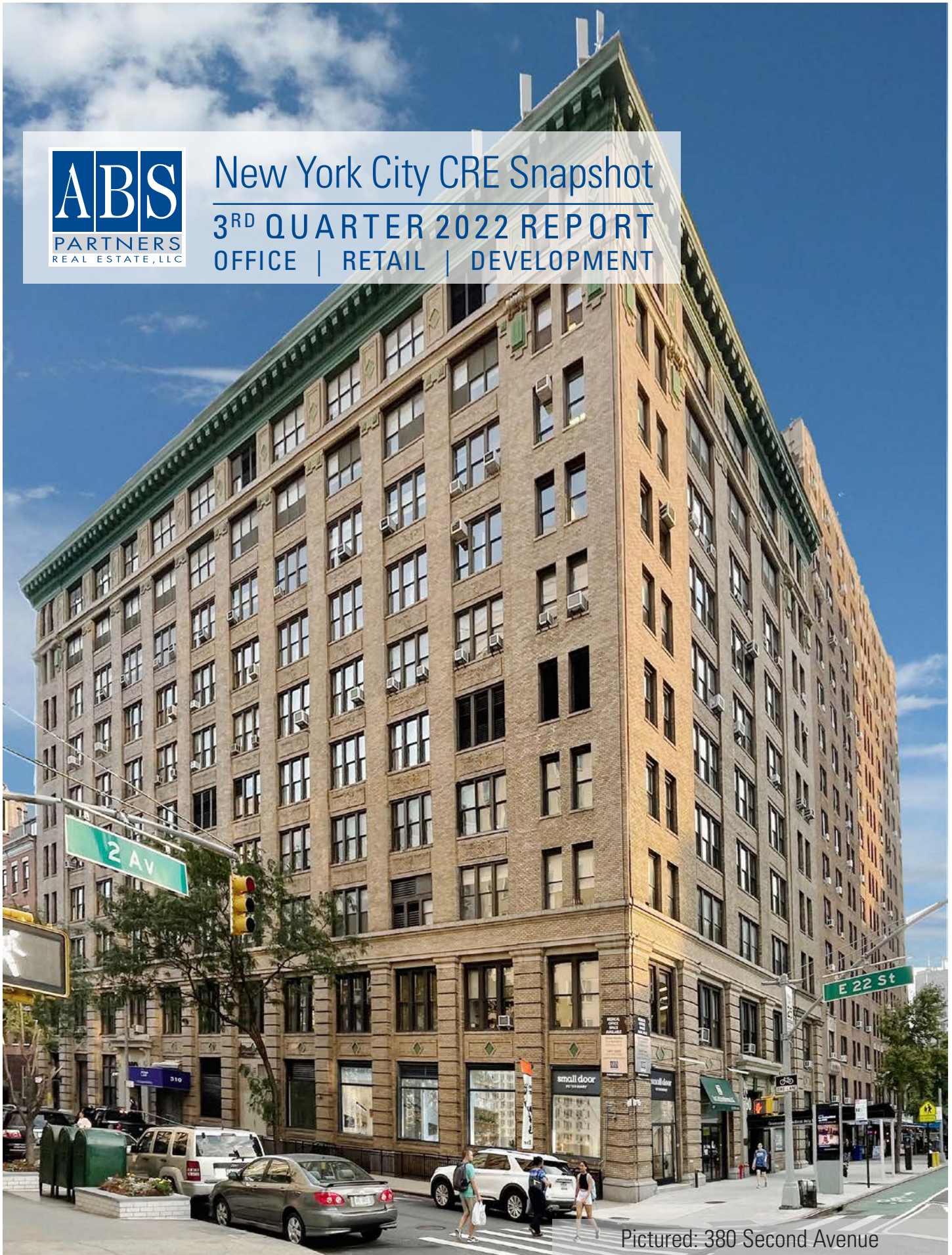




# New York City CRE Snapshot

## 3<sup>RD</sup> QUARTER 2022 REPORT

OFFICE | RETAIL | DEVELOPMENT



Pictured: 380 Second Avenue





Downtown - World Trade Center - Remembering 9/11

## Quarterly News Highlights\*

### General News

#### **FY 2023 Tentative Property Tax Assessment Roll Reflects Partial NYC Economic Recovery| July 7, 2022**

Although remaining largely below pre-pandemic values, the Tentative Property Tax Assessment Roll for New York City's Fiscal Year 2023 (FY23) reflects rising property values compared to FY 2022. Released by the New York City Department of Finance in mid-January 2022, the tentative assessment roll for FY22/23 that totals \$1.398 trillion represents an 8.2% increase year-over-year. Class 4 properties citywide, which consists of commercial properties, have an increase in market value of 11.72% year-over-year; while Class 2 (primarily co-op, condo, and rental apartment buildings) market value of 8.71% has risen at a somewhat more moderate pace. The total tentative assessed value of Manhattan's Class 4 properties for FY22/23 is \$89.515 billion — increasing 8.65% year-over-year and representing 71.3% of the citywide Class 4 total of \$125.564 billion. Within the Class 4 category, the market value of Manhattan's office properties and office condominiums increased 9.21% year-over-year and retail properties and retail condominiums increased 8.09%.

Sources: <https://www1.nyc.gov/site/finance/about/press/2023-tentative-property-tax-assessment-roll.page>

[https://www1.nyc.gov/assets/finance/downloads/pdf/22pdf/fy23\\_tentative\\_roll\\_comparative\\_summary.pdf](https://www1.nyc.gov/assets/finance/downloads/pdf/22pdf/fy23_tentative_roll_comparative_summary.pdf)

# News Highlights (cont'd)

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## **CPI Gain in June Marks 41-Year High | July 13, 2022**

In June 2022, the Consumer Price Index rose 9.1% year-over-year, and 1.3% from the previous month in a broad-based advance, as U.S. inflation accelerated more than forecast, and expected to “keep the Federal Reserve on track for another big interest-rate hike later this month.” According to the U.S. Department of Labor’s (DOL) press release, the increase in June was the largest gain since the end of 1981. A 1.1% and 8.8% gains month-over-month and year-over-year respectively had been projected by economists “based on the Bloomberg survey median,” as gains top estimates for the fourth consecutive month. The largest contributors were the indexes for shelter, used cars and trucks, medical care, motor vehicle insurance, and new vehicles. Following the DOL’s press release, “treasury yields and the dollar jumped, while U.S. stock futures fell.”

Sources: <https://www.crainsnewyork.com/economy/consumer-price-index-rises-9-percent-biggest-gain-41-years>

U.S. DOL Press Release: <https://www.bls.gov/news.release/pdf/cpi.pdf>

## **Recession Signals Intensify Amid a Widening Treasury Yield Gap | July 14, 2022**

The gap, or inversion, between the 2-year and 10-year U.S. Treasury yields widened further on Thursday, marking another record dating back to 2000, as “major bank earnings commenced and traders continued to digest the higher-than-expected 9.1% year-over-year rise of the Consumer Price Index (CPI) for June 2022 — the highest level of inflation in the U.S. in 40 years. The benchmark 10-year Treasury note had a 9 basis points increase to a yield of 2.995%, and the 2-year Treasury yield, “which is more sensitive to monetary policy changes than its longer-term counterparts,” similarly rose 9 basis points to 3.232%; while the 30-year Treasury bond traded 5 basis points higher to a yield of 3.118% (yields move inversely to prices, and a basis point is equal to 0.01%). As the Federal Reserve continues to achieve a maximum inflation of 2% over the longer run, some analysts predict that decisions could be made to raise the target range for the federal funds rate by 100 basis points at the next Federal Open Market Committee (FOMC) meeting July 26-27, surpassing the 75 basis points hike announced on June 15, 2022.

Sources: <https://www.cnbc.com/2022/07/14/bond-yields-rise-as-yield-curve-inversion-sends-worrying-signals-.html>

## **Fiscal Pressures Heighten for MTA | July 20, 2022**

The largest transit system in the U.S., the Metropolitan Transportation Authority (MTA) continues to face financial challenges following the dramatic drop in ridership and ridership revenue during the pandemic according to the recent Economic and Policy Insights article released by the New York State Comptroller’s Office. Especially critical to the economic health of New York City and its residents, the MTA has the largest share of commuters who use public transit among comparable U.S. metro areas served by combined bus and heavy rail (subway) operations. In addition to fostering foot traffic and economic activity in and around travel hubs, neighborhood stations and bus stops, public transit also effectively improves the city’s affordability of living by reducing the need for a vehicle.

Ridership and farebox revenue at the MTA were particularly hard hit due to the severe impact of the pandemic on New York City, regional density of employment, the number of jobs that were lost and a higher reliance on mass transit in the New York metropolitan area. According to the latest year-to-date data from May 2022, the farebox ratio for New York City Transit (NYCT) was 31.9%, compared to the budgeted 40%; while in 2019, the NYCT’s and MTA agency-wide farebox operating ratio was 52.8% and 51.1% respectively. Once federal relief aid is exhausted, MTA will need to take creative measures to close the financial gap between pre-pandemic, budgeted and actual farebox operating ratios system-wide, such as a possible recalibration of service to meet shifting trends in demand amid continued office tenants’ remote and hybrid work policies — a challenge that will dictate the options the agency has to close its structural budget gap, while keeping in mind the potential impact of such changes on services and the regional economy.

Sources: <https://www.osc.state.ny.us/reports/osdc/existential-questions-facing-national-public-transit-systems-create-new-fiscal-pressures-mta>





Midtown - Penn Plaza Area

## News Highlights (cont'd)

### Consumer Confidence Index Decreases for the Third Consecutive Month | July 26, 2022

According to The Conference Board's July 26, 2022 press release, the **Consumer Confidence Index** fell for the third consecutive month to 95.7 (1985=100) in July, representing a more moderate 2.7 point month-over-month lowering compared to the sharper 4.5 point decline in June. The **Present Situation Index** lowered 5.9 points from 147.2 in June to 141.3, in contrast to the nominal 0.4 point lowering last month — a sign economic growth has slowed at the start of Q3 2022. Although the **Expectations Index** held relatively steady, lowering 0.5 points to 65.3, the index remains well below a reading of 80, suggesting recession risks persist and concerns about inflation—rising gas and food prices, in particular — continued to weigh on consumers.

Sources: <https://www.conference-board.org/topics/consumer-confidence>

### NYC Tourist Volume Continues to Improve as Pre-Pandemic Gap Narrows | July 27, 2022

Tourist volume in New York City is forecast to reach 56.7 million in 2022 and 63.7 million in 2023 according to the NYC Travel & Tourism Outlook released in late June by the city's official marketing organization and convention and visitors bureau NYC & Company. Although remaining below the 66.6 million visitors in 2019, the 2022 volume forecast represents a 154% increase over the 22.3 million people that visited the five boroughs in 2020. Although domestic tourist volume was resilient in 2021 and forecast to exceed pandemic levels by 2023, international visitor volume, which experienced the deepest declines from the pandemic, has bounced back in 2022 and forecast to triple the 2.7 million volume by 2023. Leisure travelers account for the majority of visitors and are forecast to reach a volume of 47.7 million, or 84% of total volume, in 2022; while business travel is forecast to reach 9.0 million, or 16% of total 2022 volume —remaining 20% below the traditionally leisure/business traveler split of 80%/20% respectively. Improving tourist volume has pushed year-to-date hotel occupancy to 64.3%, which is 21.9% below the 2019 benchmark; and the average daily rate (ADR) rose 3.5% to \$248.42 compared to the 2019 benchmark.

Sources: [https://assets.simpleviewinc.com/simpleview/image/upload/v1/clients/newyorkcity/2022\\_Travel\\_Tourism\\_Factsheet\\_June\\_Update\\_jm\\_bb67b6c9-a28c-47e3-b853-955c7c32cffe.pdf](https://assets.simpleviewinc.com/simpleview/image/upload/v1/clients/newyorkcity/2022_Travel_Tourism_Factsheet_June_Update_jm_bb67b6c9-a28c-47e3-b853-955c7c32cffe.pdf)



Downtown - View from Robert Wagner Park Esplanade

## News Highlights (cont'd)

### REBNY Report: Real Estate Broker Confidence | Q2 2022 | July 28, 2022

New York City's real estate broker confidence declined for the third consecutive quarter, falling into a negative index for the first time since 2020 according to the Real Estate Board of New York's (REBNY) **Real Estate Broker Confidence** report for the 2nd quarter. The Current Confidence Index (CCI) among residential brokers declined from 31.41 to negative 1.74 quarter-over-quarter, and the CCI among commercial brokers declined from 17.05 to negative 37.72. Similarly, the Residential Expectations Index (EXI) of the 6-month outlook dropped from 22.98 to negative 10.07, and the Commercial EXI fell more sharply from 21.51 to negative 34.87 — the lowest mark since 2020. Top concerns contributing to the index declines include interest rates, inflation, and unease about the economy. While the residential sector is holding up relatively well due to the desire to live in New York City remaining strong, the office sector is moving in different directions, some segments gaining traction during recent months — with demand for the highest-caliber space holding steady.

Sources: [https://www.rebny.com/content/dam/rebny/Documents/PDF/News/Research/Broker\\_Confidence\\_Index\\_Reports/REBNY\\_2022\\_Report\\_BrokerConf\\_Q2\\_v02.pdf](https://www.rebny.com/content/dam/rebny/Documents/PDF/News/Research/Broker_Confidence_Index_Reports/REBNY_2022_Report_BrokerConf_Q2_v02.pdf)

### U.S. GDP Annual Rate Decreases for 2nd Consecutive Qtr - Consumer Sentiment Weakens | July 28, 2022

The Bureau of Economic Analysis (BEA) released on Thursday, July 28, 2022, the advanced estimate of the U.S. real gross domestic product. Currently based on incomplete source data or subject to further revision, the annual rate of 0.9% in the 2nd quarter is the second consecutive decrease, having fallen to an annual rate of 1.6% in the 1st quarter— a reversal of the previous six quarters of positive annual rates. Increase in exports and personal consumption expenditures (PCE) partially offset the decreased in private inventory investment, residential fixed investment, federal government spending, state and local government spending, and nonresidential fixed investment. During the same period, current-dollar GDP increased 7.8% at an annual rate, or \$465.1 billion, compared o 6.6%, or \$383.9 billion, in the previous quarter; and the price index for gross domestic purchases increased 8.2%, compared to an 8.0% increase in the 1st quarter, while the PCE price index increased at the same rate as the 1st quarter by 7.1%.

Although the official arbiter of recessions in the U.S. is the National Bureau of Economic Research (NBER), it usually doesn't make a recession determination until long after a significant decline in economic activity, spread across the economy for more than a few months. While two straight quarters of declining economic output meets a commonly used definition of recession, most economists surveyed in July by The Wall Street Journal "expect the economy to grow in the 3rd quarter and in 2022 as a whole, though lately they have lowered their estimates." Being described as a "sharp and necessary deceleration rather than a recession—the slower growth needed to rebalance the economy's supply and demand for goods and services impacted during the pandemic, and stabilize wage growth and inflation, the "GDP report underscored the challenges facing U.S. businesses, households, and policy makers—including high inflation, weakening consumer sentiment, and supply-chain volatility."

Sources: <https://www.wsj.com/articles/us-q2-gdp-growth-economy-11658981184>

<https://www.bea.gov/news/2022/gross-domestic-product-second-quarter-2022-advance-estimate>





Downtown - FiDi Staten Island Ferry Station

## News Highlights (cont'd)

### The "Great Resignation" Continues to Take Center Stage | August 5, 2022

In May 2021 the term coined the "**Great Resignation**" arose, describing the record number of people leaving their jobs since the beginning of the pandemic. It has been suggested that the trend was "made possible by pent-up demand from shutting down the economy and offering fiscal stimulus programs that inadvertently incentivized people not to work." In April 2020, labor force participation fell to a low of 60.2% as states began to implement the historic enhancement of unemployment benefits that Congress included in the \$2.2 trillion CARES Act relief package. The 62.2% labor force participation rate in July 2022 remains lower than the 63.4% rate in February 2020, and represents a more significant decline from the 66.5% rate a decade ago according to BLS data. The reduction in labor force participation has left some companies inadequately staffed, intensifying competition to attract, recruit, hire, and retain blue and white-collar workers.

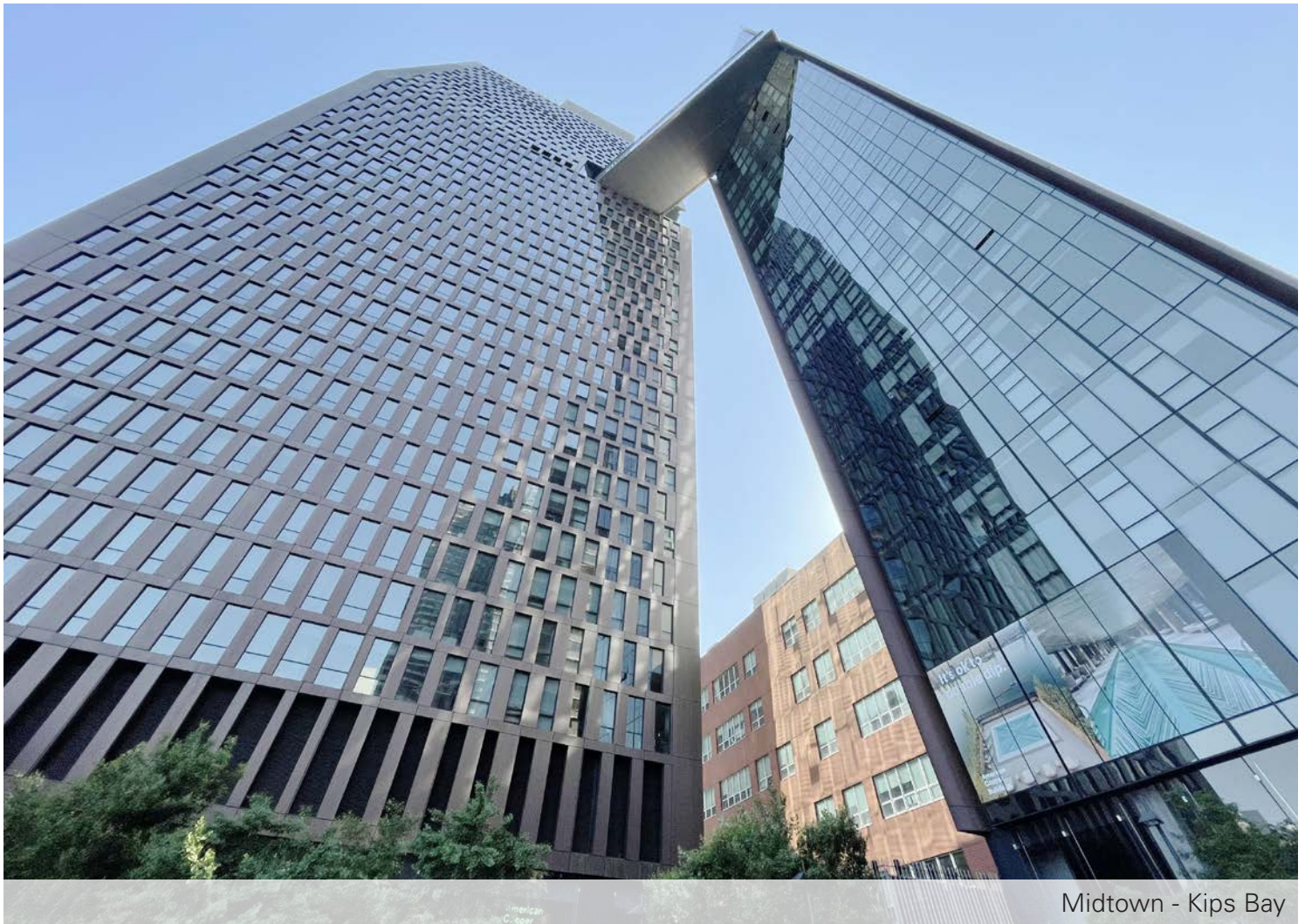
The extended period of working from home with no commuting during the height of the pandemic also prompted many people to decide that their work-life balance has become more important to them, with remote work also opening the door to the decoupling of jobs from geography, making the choice of where to live more flexible. According to the U.S. Bureau of Labor Statistics' (BLS) release of its August 2, 2022 **Job Openings and Labor Turnover Survey**, the seasonally adjusted total number and rate of job separations (quits, layoffs and discharges, and other separations) in June 2022 was 5.9 million and 3.9% respectively, of which quits (generally voluntary separations initiated by the employee) accounted for 4.2 million, or 71.2%.

The number of job hires and rate held steady throughout the first half of the year, totaling 6.4 million in June 2022, but the rate of 4.2% reflected a slowdown from the high rate of 6.1% in May 2020. The quits rate of 2.8% in June 2022, although surpassing the seasonally adjusted rate of 2.4% recorded in January 2001, is below the current record high of 3.0% first reached in November 2021 and matched in December 2021, suggesting that some found new jobs and others left the labor force. Although historical quits rates in the U.S. have likely reached levels as high as those observed today, the rates over the last year are higher than those recorded in the preceding two decades according to **The "Great Resignation" in Perspective** monthly July 2022 labor review by the BLS.

To get a better understanding of the current job market, a survey of more than 15,000 job seekers nationwide was completed over a three-month period by artificial intelligence job-search platform Joblist. Among the categories of key questions, Joblist's **U.S. Job Market Report: Q2 2022** released on July 11, 2022 included the findings of the question "Are people starting to regret quitting their jobs during the Great Resignation?" Among the respondents of Joblist's survey, one in four workers (26%) who quit their previous job now have regrets of the decision for various reasons, of which the most popular (40%) is that they quit without a new job lined up and the job market proving to be more difficult than expected – despite U.S. job openings at near record levels. Among those that quit and found a new job, 42% said that the new job did not live up to their expectations.

Sources: <https://www.joblist.com/jobs-reports/q2-2022-united-states-job-market-report>

<https://www.bls.gov/news.release/pdf/jolts.pdf>



Midtown - Kips Bay

## News Highlights (cont'd)

### **Congestion Pricing Plan Back on the Table | Aug 10, 2022**

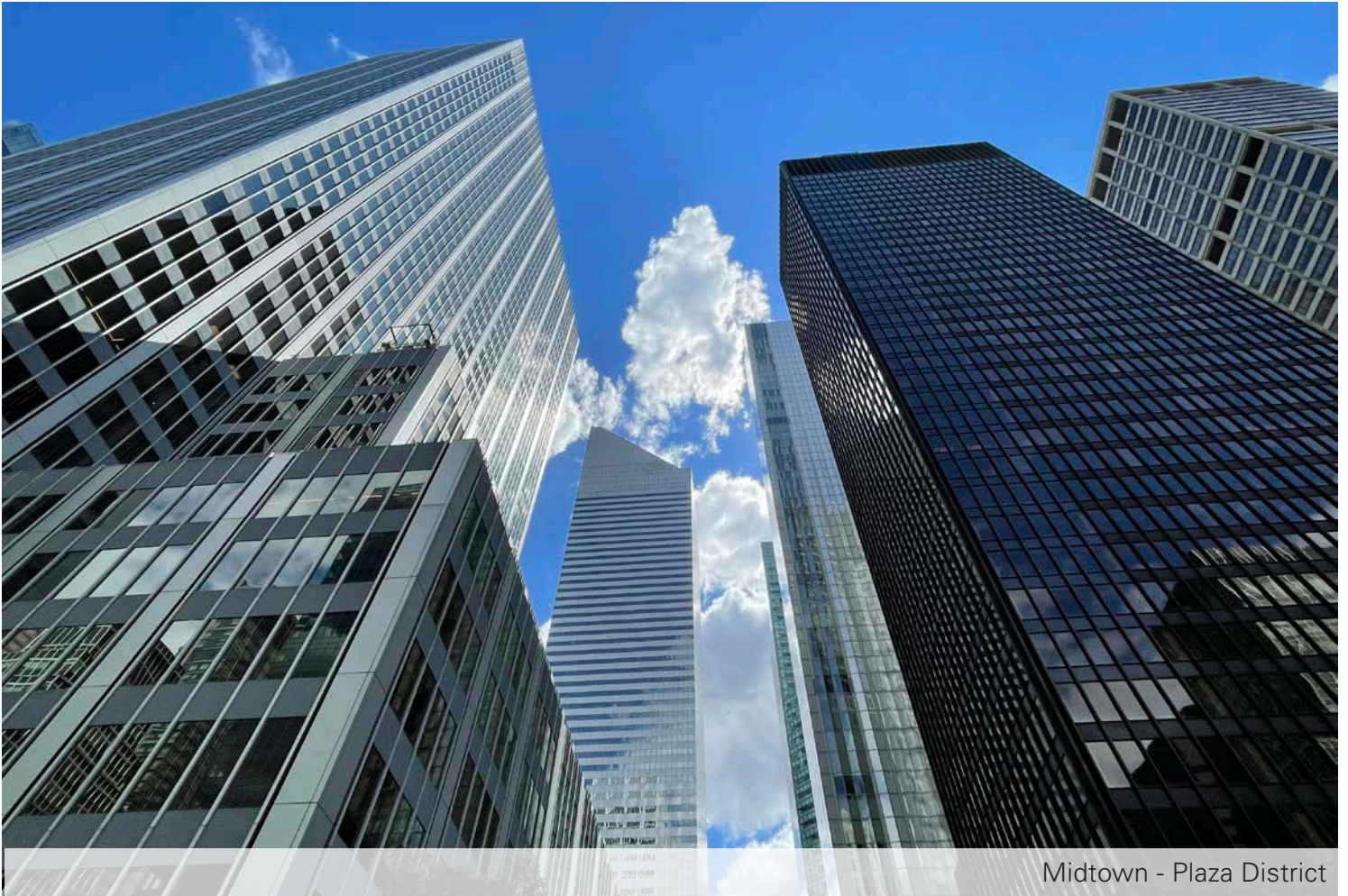
At a time when the Metropolitan Transportation Authority (MTA) looks to fill budget gaps increased by the continued reduction in ridership, the long-stalled congestion pricing plan initially proposed under the Cuomo administration in 2017 has taken center stage. The Central Business District Tolling Plan (CBDTP) would affect vehicles entering the Central Business District (CBD) which extends from 60th Street and south. According to the environment assessment for congestion pricing released by the MTA, the agency showed that it could cost between \$5 to \$23 to drive through Manhattan's CBD, depending on the time of day and type of car; and commercial trucks could pay anywhere from \$12 to \$82 during peak hours. The toll would be paid using E-Z Pass and the program would allow residents of the CBD making less than \$60,000 to get a New York State tax credit for CBD tolls paid. Qualifying authorized emergency vehicles and qualifying vehicles transporting people with disabilities would be exempt from the toll.

According to the environmental assessment report, "MTA commuter trains, buses and subway ridership would increase 1 to 2 percent and raise an estimated \$15 billion per year from tolls alone, contributing to the agency's \$55 billion capital plan for 2020 to 2024." In addition, overall traffic would be cut by 15 to 20 percent after CBDTP is implemented, with truck traffic decreasing by 55 to 85 percent. Findings within the assessment also determined that about "5 percent of trips into the proposed toll zones by car were made from within New York City from the outer boroughs, 3 percent were from the outlying counties, 3 percent from New Jersey, and 0.2 percent from Connecticut," indicating that a minority of tri-state residents would be impacted. The CBDTP will now go through the public review process with six public hearings scheduled throughout August; and "if the Federal Highway Administration (FHWA) approves the plan, the state will have 310 days to design, plan and finalize everything that will be implemented."

Sources: <https://commercialobserver.com/2022/08/mta-could-toll-drivers-up-to-23-in-parts-of-manhattan-under-congestion-pricing-plan/>

MTA: <https://new.mta.info/project/CBDTP>





Midtown - Plaza District

## News Highlights (cont'd)

### Lower Manhattan's Office Leasing Totals Decline in Q2 | August 11, 2022

According to the Q2 2022 report released by the Alliance for Downtown New York, office leasing square footage totals during the 2nd quarter in Lower Manhattan declined noticeably from the previous quarter, primarily due to a lack of large transactions, marking the second consecutive quarter during which leasing activity declined. In contrast, the retail and hotel markets in the neighborhood showed positive momentum as an increasing number of tourists returned to Lower Manhattan. The number of retail openings during the 2nd quarter, continued to outpace 2019 levels for the second consecutive quarter, the majority of the openings filling vacancies created during the pandemic.

Sources: <https://downtownny.com/research/lower-manhattan-real-estate-overview-q2-2022/>

### Trepp Report: 2022 CRE Sentiment Survey | August 16, 2022

Responses to a polling by Trepp of its 20,000-plus listeners, clients, and blog readers of their opinions on the near-term future of commercial real estate (CRE) and commercial mortgage-backed securities (CMBS) markets have been compiled in the 2022 CRE Sentiment Survey released in August by the leading data provider for the finance, commercial real estate, and banking markets. Representing a mix of respondents from commercial real estate, banks, capital markets/structured finance, and academia, the "prevailing sentiment is that a variety of adverse conditions will impact business, but commercial real estate and the broader financial markets will avoid worst-case scenarios," with 59.3% expecting a recession to likely happen by 2023. Key takeaways on the outlook of the CRE market indicated that by the end of 2022, 52.79% of respondents expect CRE fundamentals to somewhat worsen; 46.78% expect CRE sales activity to drop significantly; 41.21% expect CRE leasing to hold steady; and among the 5 major property types — office, retail, multifamily, lodging, and industrial, 70% expect the office sector to face the most distress for the remainder of 2022, despite 70% of survey participants reporting to be in the office at least 3 days per week.

Sources: <https://www.trepp.com/instantly-access-2022-cre-sentiment-survey-results>



# News Highlights (cont'd)

## OSC Report: Review of NYC's Financial Plan 2023| August 16, 2022

According to the review by the New York State Comptroller's Office (OSC), the "release of New York City's Fiscal Year 2023 adopted budget and accompanying Financial Plan (the "June Plan") cemented significant improvement of the city's fiscal position since June 2021. The prepayment of \$6.1 billion in FY 2023 expenses; the elimination of \$1 billion in recurring unidentified labor savings; the addition of funding for wage increases on 1.25 percent for its municipal workforce; as well as the putting away of \$1.45 billion (an increase of \$950 million) into its Rainy Day Fund and \$750 million into its Retiree Health Benefits Trust were enabled by the city's estimated FY 2022 operating budget results.

Primarily contributing to the city's improved fiscal position occurring in FY 2022 were four factors in tandem: Tax revenue collections which exceeded June 2021 projections by over \$6.2 billion; additional extraordinary federal aid; a record year for pension returns in FY 2021 creating savings beginning in FY 2022; and saving from lower-than-planned staffing levels including the elimination of vacant positions. The OSC's review further indicates that "while the city's published gaps are manageable by historical standards, averaging 5.3 percent from fiscal years 2024 through 2026 (3.3 percent excluding contingency line items), these factors may create risks that worsen the city's budget volatility substantially," and potentially lead to structural budgetary imbalance if left unaddressed.

In FY 2023 total revenues are expected to decline by 9.4 percent from the record high of \$111.6 billion in FY 2022 to \$101.1 billion due to lower tax revenues and federal aid for COVID-19 relief. While the city's projected decrease in tax revenues of 1.2 percent in FY 2023 is reasonable, it does not take into account a recession. During the first two full fiscal years of the last two recessions, city fund revenues declined by 4.2 percent in FY 2002 and 5.9 percent in FY 2009. Furthermore, the Federal Reserve's monetary easing policy during the pandemic has shifted its focus on monetary tightening to tame inflation, which has already begun to create pressure on asset prices and firm profitability. The OSC suggests that in preparation for another local economic slowdown, the city will need to actively manage its budget and should put a renewed focus on performance to both identify areas of efficiency and ensure scarcer funds are being spent in a manner consistent with their stated purpose.

Additional comments by the New York City Comptroller on the city's Fiscal Year 2023 Adopted Budget released on August 24th indicate that although city revenue will be higher than the projections in Mayor Adams' June 2022 Financial Plan — \$37 million in FY 2023, \$171 million in FY 2024, \$725 million in FY 2025, and \$462 million in FY 2026, "these offsets are nowhere near the amount of expense risks and known funding shortfalls." Furthermore, the "impact of stock market declines on New York City's pension investments returns in FY 2022 will impose additional costs on the city's budget beginning in FY 2024. Net additional spending is projected to be \$869 million in FY 2023, \$2.22 billion in FY 2024, \$3.35 billion in FY 2025, and \$5.57 billion in FY 2026. The restated budget gaps are \$869 million in FY 2023, \$6.43 billion in FY 2024, \$7.07 billion in FY 2025, and \$9.55 billion in FY 2026," requiring proactive "long-term planning for the city's budget and its economic development programs, further contributions to reserves, and a thoughtful PEG [program to eliminate the gap] program."

Sources: <https://www.osc.state.ny.us/files/reports/osdc/pdf/report-6-2023.pdf>

Sources: <https://www.osc.state.ny.us/files/reports/osdc/pdf/report-6-2023.pdf>

## LIRR East Side Access Terminal to Open December 2022 | August 22, 2022

The highly anticipated East Side Access project, re-named **Grand Central Madison**, is nearing construction completion according to the recent press release by the Metropolitan Transportation Authority (MTA). The new 700,000-square-foot terminal which runs along Madison Avenue from 43rd Street to 48th Street is expected to open in December 2022, bringing Long Island Rail Road (LIRR) service to the east side. This transformative project represents the first expansion of LIRR service in more than a century. Approximately 45% of LIRR passengers are expected to use the new service to Grand Central, existing through multiple new access points including four street-level means of egress to Madison Avenue, as well as existing spaces of Grand Central and the passageways between 45th and 47th Streets. As a result of the project and system-wide changes, overall LIRR service will increase by more than 40% while alleviating crowding in Penn Station.

Sources: <https://new.mta.info/grandcentralmadison>





Downtown - View of Battery Park City from Pier 26

## News Highlights (cont'd)

### **CRE Leaders Optimistic that Congestion Pricing will Pay Off in Long Term | September 1, 2022**

The Central Business District Tolling Plan (CBDTP), more commonly called the congestion pricing plan, is expected to launch this month as it continues to spark debate in and around New York City. The plan that follows in the footsteps of London, Stockholm, and Singapore will impose a congestion fare on drivers passing through Manhattan's central business district from the tip of Lower Manhattan through Midtown to 60th Street. Those is opposition to the plan claim it will harm small businesses, result in higher prices for consumers, and place an undue burden on commuters from New Jersey. However, leaders in commercial real estate believe that the plan "will pay off in the long term for the city's environmental goals, quality of life, and for property types from aging office buildings to retail corridors;" and that the "short-term pain for businesses operating in the affected area is outweighed by the overall positive impacts of the fees." It has been further pointed out that "our mass transit system is the cardiovascular system of the city and region, and in addition to generating a new and sustainable revenue stream for the city's mass transit infrastructure, congestion pricing will reduce traffic and air pollution."

Sources: <https://www.bisnow.com/new-york/news/economy/office-landlords-applaud-small-business-owners-frets-as-new-yorkers-await-final-congestion-pricing-114626>

### **Manhattan's Return to Office Volume as of Mid-September Near 50% | September 15, 2022**

On September 15th, 2022, the Partnership for New York City released the results of an updated Return to Office Survey based on feedback from more than 160 major Manhattan office employers between August 29 and September 12, 2022. As of mid-September, 49% of Manhattan office workers are currently in the office on an average weekday, up from 38% in April. However, only 9% of employees are in the office five days a week, while the share of office employees working fully remote lowered from 28% in April to 16% in mid-September. Looking ahead, although it is projected that by January 2023, 54% of workers will be in the office on an average weekday, 77% of employers indicated a hybrid office schedule will be their predominant post-pandemic policy. Among the industry groups surveyed, real estate firms expect average daily attendance to remain at 82% by January 2023 at the high, in contrast to the technology industry where average daily attendance is projected to reach 50% at the low; while law and financial firms project 61% to 63% attendance.

Sources: <https://pnyc.org/news/partnership-survey-finds-slow-but-steady-increase-in-workers-returning-to-the-office-topping-50-by-the-end-of-the-year/>



## News Highlights (cont'd)

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### **Proposal for Casino on Hudson Yards Site Announced | September 16, 2022**

Among the growing list of big names in the real estate industry vying for the downstate casino license is the Related Companies, which has teamed up with Wynn Resorts on the proposal to construct it on the undeveloped 6.2 million-square-foot western portion of the Hudson Yards site, representing a shift from earlier plans to build housing, offices, and a school. Advantages of the location include immediate access to the 7-train which runs from Hudson Yards through Queens, numerous office tenants nearby, and the site sitting next door to Javits Center. Although the New York State Legislature approved three downstate casino licenses earlier this year, the first two are expected to be awarded to The Genting Group to add table games to its Aqueduct Racetrack in South Ozone Park, and to VICI Properties to operate the Empire City Casino in Yonkers.

While Related is the first to land a contract with a major casino operator, others competing for the license include Vornado Realty Trust for a location near Herald Square; L&L Holding considering adding a gambling facility at its under construction TSX Broadway development; SL Green Realty considering one at 1515 Broadway; Hard Rock Café is eyeing three sites in Manhattan; Morris Bailey is looking into one at the former McAlpin Hotel; and both Thor Equities and John Catsimatidis are floating the idea of casinos in Coney Island. Although a formal request for proposals (RFP) has yet to be issued by the state Gaming Commission, a Gaming Facility Location Board is expected to be created by October 6, which will be a big step forward toward putting out an RFP.

Sources: <https://commercialobserver.com/2022/09/related-wynn-seeking-casino-license-for-undeveloped-section-of-hudson-yards/>

### **Largest NYS Environmental Bond Act will be on Nov. 8 Ballot | September 16, 2022**

The Clean Water, Clean Air and Green Jobs Bond Act that will be on the November 8, 2022 general election ballot, which is the renamed and expanded version of the Restore Mother Nature Bond Act of 2020, will provide billions of dollars in climate adaptation and resilient infrastructure. If approved by voters, the measure would authorize \$4.2 billion in general obligation bonds for numerous climate-friendly projects. “The money falls into four core categories: more than a billion for climate change mitigation, another one billion for restoration and flood risk reduction, at least \$650 million for water quality and resilient infrastructure and another \$650 million for open space conservation and recreation.” It has been estimated in a report by infrastructure consulting firm AECOM and the nonprofit that advocates for resilient investments, Rebuild By Design, that the bond act would support the creation of at least 38,000 jobs; and “when leveraged funding is factored in the report projects that the ballot initiative would ultimately support \$8.71 billion in spending in the state and create 84,000 jobs.”

Sources: <https://www.crainsnewyork.com/climate-change/largest-environmental-bond-act-ny-history-ballot-nov-8>

Sources: <https://cleanwaterandjobs.org/wp-content/uploads/2022/02/AECOM-update-2022-Bond-Act.pdf>

### **Security Cameras to be Installed Across Entire MTA Subway Car Fleet | September 20, 2022**

As part of continued efforts to deter crime and enhance subway safety, New York City’s entire subway fleet will be outfitted with two security cameras in each train car according to the press release by Governor Hochul’s office. The Metropolitan Transportation Authority New York City Transit (MTA) has received a total of \$5.5 million in new funding — a \$2 million award through the Urban Area Security Initiative federal grant program and \$3.5 million from the Subway Action Plan to cover the cost and installation of 12,710 security cameras across the MTA’s entire 6,355 subway car fleet. The entire installation is expected to be completed sometime in 2025, with 200 cars per month having cameras installed once installation begins. In addition, the new R211 subway cars that will be starting to deliver in early 2023 will already be camera-equipped.

Sources: <https://www.governor.ny.gov/news/governor-hochul-announces-mta-install-security-cameras-every-new-york-city-subway-car>





North View from West Street in Chelsea Area

## News Highlights (cont'd)

### Office Market

#### **Working Remote May be Losing its Luster | July 8, 2022**

U.S. remote work, which reached its peak during the summer of 2021 as the Delta variant dominated COVID-19 cases nationwide, saw a slightly negative trend in the 1st quarter of 2022 according to a June 29 report released by web data provider Coresignal. The examination of more than 40 million public job postings from August 2020 through March 2022 revealed that from June through August 2021, the percent of jobs available for remote work increased by nearly 67%. California had the highest number of remote work postings, followed by Texas and New York, possibly due to the saturation of tech companies within these states. However, as of February 2022, only 10% to 15% of job offerings allowed remote work, but despite return-to-work mandates and hybrid policies on the rise, slightly less than half of workers whose employers expected them to return to the office are going in five days a week. Looking ahead, remote work is unlikely to become extinct, the workforce demanding it remain as a viable opportunity, making it likely that “employees, executive, and the government will have to find a common ground.”

Sources: <https://fortune.com/2022/07/08/remote-jobs-declining-first-time-since-pandemic-started/>

#### **Nonprofit Organization Locks in 30-Year Leasehold Condo Interest in Midtown| July 10, 2022**

The New Alternatives for Children (NAC) organization will be relocating to 60,000 square feet at 825 Seventh Avenue. The 1982 founded nonprofit that provides services related primarily to medically complex children will relocate and expand from 49,000 square feet at 37 West 26th Street, having secured a 30-year leasehold condominium interest with an asking rent in the mid-\$60s per square foot that will be fixed for the life of the lease term. NAC’s new space will spread across three newly built-out floors, including a setback terrace.

Sources: <https://nypost.com/2022/07/10/nyc-nonprofit-new-alternatives-for-children-finds-midtown-home/>

# News Highlights (cont'd)

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## **Remaining Full Floors Vacated by Condé Nast in Times Square Leased | July 10, 2022**

Chicago Trading Company (CTC) as signed a lease for 68,339 square feet at One Five One West 42nd Street (formerly known as 4 Times Square). The deal for the entire 36th and 37th floors within the tower had an asking rent of \$110 per square foot. The trading firm currently has a Manhattan office at 1120 Sixth Avenue according to its website; and is expected to relocate to the new space less than two block north. The recent transaction is particularly notable since the lease fills the remaining full floors vacated a few years ago by publisher Condé Nast and law firm Skadden Arps Slate Meagher & Flom upon relocating to the World Trade Center and Manhattan West respectively.

Sources: <https://nypost.com/2022/07/10/durst-organizations-times-square-tower-fills-last-vacancy/>

## **Insurance Firm Renews 60K-sf Office on Third Ave | July 15, 2022**

Berkely Insurance Company has renewed its 60,000-square-foot space at 757 Third Avenue. A tenant at the 504,953-square-foot building since 2014, the company will continue to occupy the 10th and 11th floors under an 8-year lease. In addition to being one of the first U.S. office buildings to receive Viral Response Approval from leading healthy building certification system Fitwel, for mitigating the spread of COVID-19, tenants enjoy a dedicated amenity center that includes The Library lounge, a full kitchen, pantry, coffee bar, wellness club, event, and conference space.

Sources: <https://rew-online.com/60000-s-f-renewal-a-bellwether-for-office-recovery/>

## **Wall St Tower Attracts 50K-sf Lease | July 15, 2022**

Flexible space provider Jay Suites has leased 50,000 square feet at 40 Wall Street. The 12-year lease includes the entire 27th floor plus the entire 28th and 29th floors which are interconnected and formerly occupied by WorkBetter until vacated by the coworking company during the pandemic. The deal had an asking rent of \$40 per square foot, the building featuring a new tenant amenity and event space dubbed The Vault, which includes a wine room, café, bar, pool room and lounges within a repositioned former banking space.

Sources: <https://therealdeal.com/2022/07/15/co-working-firm-gets-50k-sf-low-rent-at-trumps-40-wall-street/>

## **Center for an Urban Future and Tech: NYC Report: New York's New Jobs Engine | July 15, 2022**

Over the past 15-years, the technology sector has become a major new economic force in New York City, establishing the city as the nation's second-largest tech hub behind San Francisco. According to the New York's New Job Engine report released by the Center for an Urban Future in partnership with Tech: NYC in mid-July, while becoming the city's "most dependable economic engine and reliable source of new well-pay jobs, despite enormous future potential, the "tech sector's long-term sustainable growth in New York is by no means assured." Currently accounting for 5.2% of the city's total private sector employment, "several still-evolving trends could dampen New York's growth," of which remote work is chief among them. It has become easier than ever for tech workers, and the companies that employ them—to locate elsewhere, opening the door for several other cities offering comparatively affordable real estate to make plays to poach them. The report offers several recommendations focused on helping New York to overcome these and other challenges to build a larger, more sustainable, and more inclusive tech ecosystem," while also pointing out that the strengthening of the tech sector as NYC's new jobs engine is unlikely to happen without renewed support from city leaders.

Sources: [https://nycfuture.org/pdf/CUF\\_New\\_Jobs\\_Engine\\_Report.pdf](https://nycfuture.org/pdf/CUF_New_Jobs_Engine_Report.pdf)

## **iCapital Expands 42nd St Office 4th Time in 5 Years | July 17, 2022**

Fintech firm iCapital Network has expanded its footprint at One Grand Central Place, 60 East 42nd Street for the fourth time since relocating to the building in 2017 from 441 Lexington Avenue. Initially leasing approximately 17,573-square-foot space on the entire 26th floor, iCapital roughly doubled its office in 2019, adding the entire 27th floor; and again in 2021 with the addition of the entire 25th floor bringing the company's footprint at the time to over 70,000 square feet. The latest 2-floor signing, which was referred to by the company's CEO as part of "ongoing expansion," will add 59,000 square feet, increasing iCapital's space to approximately 141,000 square feet. Asking rent at the building that is now 93.5% leased is \$80 per square foot, representing an \$11 per square foot increase of the \$69 per square foot asking rent of the 2021 extension.

Sources: <https://nypost.com/2022/07/17/fintech-firm-icapital-expands-footprint-at-one-grand-central/>





Midtown - View from NYC Ferry

## News Highlights (cont'd)

### **Fashion Brand Relocating HQ to South Street Seaport's Fulton Market Building | July 18, 2022**

Alexander Wang has signed a 15-year lease for 46,000 square feet at the Fulton Market Building. The deal that brings the 3-story building to 100% occupancy, gives the high-end fashion house a building-within-a-building space featuring a private entrance, dedicated elevators, and grand escalators; and enables the firm to consolidate its new headquarters on a single, column-free floor. Alexander Wang will essentially be making a parallel move within the Lower Manhattan neighborhood sometime next year from a 45,000-square-foot space at 386 Broadway.

Sources: <https://commercialobserver.com/2022/07/alexander-wang-fulton-market/>

### **The Uncoupling of Job Growth and Absorption by Hybrid and Remote Work Policies | July 19, 2022**

At a time when companies are contending with the potential for a significant downturn, along with the increased preference by employees to work remotely — a trend further fueled by the pandemic, some companies may consider taking the path of least resistance by cutting costs and making employees happy by organizing remote work policies. Research shows the shift to hybrid, and the return to office, is still extremely complicated. Numerous companies have introduced iterations on remote work policies, from becoming fully remote to embracing some version of trusting white-collar workers to do what's best for themselves. Hybrid means fewer in-person interactions, but not necessarily a sacrifice in culture. Corporations have been cautious about making a jump toward remote, due to elevated levels of turnover amid a slowing but still competitive labor market. But moving quickly to a required fully on-site arrangement could spark a percentage of workforce loss.

While “these shifts could signal the start of a cascade of subleasing and shrinking footprints, a sign that the overwhelming corporate caution about giving up the office for good is changing.” It's also important to note that remote work isn't necessarily tied to a reduction in space. Firms aren't suddenly walking out on 95 percent of their space, but some are unloading and subleasing, while others are trading up to higher-quality office space. Labor is, of course, key to many companies' thought processes. Firms are still juggling how much real savings they get from cutting their space versus how much extra cost they may take on from constant turnover due to a degradation of workplace culture from remote working. There's also a suggestion that a recession would diminish the bargaining power of workers and make it easier to force them back into offices. It's unclear how that shift will affect retention long term, especially for workers who have grown to appreciate the time saved by avoiding commutes.

While remote work suggests the need to reimagine the modern office, the concept of the office has always been in dynamic flux, hybrid has been around for decades, and space optimization has been a priority of top companies for years. The pandemic merely accelerated existing trends. Densification was a major headwind before the pandemic; the rise in open-office plans between 2010 and 2020 resulted in the longest prolonged mismatch between higher job growth and less office absorption — or space taken off the market.

What's less reported on, but perhaps more telling long term, is how firms are increasing headcount without adding more space, a de facto reduction in future demand for office space. Accommodating hybrid and remote workers has led to an uncoupling of job growth and absorption; and allows existing office space to work for many more employees. Year-to-date comparisons of job growth to office absorption show the largest mismatch in three decades — “while office-using jobs have grown, employees consumed less space on average and leasing activity remains roughly 25 percent below 2019 levels.”

Sources: <https://commercialobserver.com/2022/07/yelp-return-office-companies-remote/>



Downtown - Financial District View from Seaport

## News Highlights (cont'd)

### **Longtime Tenant Renews 75K-sf Lease in LIC | July 28, 2022**

Standard Motor Products has signed a 10-year renewal of its 75,000-square-foot headquarters location at 37-18 Northern Boulevard in Long Island City, Queens. The company that produces parts for manufacturers has been a tenant within its namesake building for more than 70 years. The 7-story, 357,000-square-foot building located near Sunnyside Yards underwent a \$14 million renovation in 2015; and features a large rooftop farm operated by Brooklyn Grange.

Sources: <https://commercialobserver.com/2022/07/standard-motor-products-renews-75k-sf-long-island-city-hq/>

### **Dock 72 Attracts Design Firm in 71K-sf Relocation Deal | July 31, 2022**

Digital design firm Huge will be relocating to the Brooklyn Navy Yard, having signed a 12-year lease for 71,000 square feet. The space that spreads across the entire top 15th floor and portion of the 14th floor of Dock 72 will serve as a “Global Experience Center;” and “will function more like a clubhouse” than a traditional office setup, providing employees and guests “a complete reimaging of the traditional workplace.” Huge will be slightly downsizing from their current office of about 80,000 square feet at 45 Main Street in DUMBO, where the company started in a 2,500-square-foot space, and over the years increased its footprint to about 80,000 square feet with a final expansion of 25,000 square feet in the fall of 2014 under a 5-year lease that included a 5-year renewal option according to reports at the time.

Sources: <https://nypost.com/2022/07/31/design-firm-to-drop-anchor-at-dock-72-on-brooklyn-waterfront/>



# News Highlights (cont'd)

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## **Capital One Defies Downsizing Trend with Double-Play Big Block Deals | August 4, 2022**

McClean, VA-based Capital One has decided to remain in the 78,000-square-foot space at **11 West 19th Street** that the lender is currently subleasing from advertising firm Publicis Groupe. Having initially subleased the space in January 2017, the bank recently signed a 7.5-year direct deal with the landlord for the space that spans the entire 2nd through 4th floors at an asking rent of \$72 per square foot. Capital one currently occupies a total of 130,000 square feet within the 11-story building, expanding by 52,000 square feet on the entire 5th and 6th floors through a separate 16-year lease signed in May 2017 with 11-years of term remaining. News of the 19th Street signing comes about one day following the announced 12-year extension and expansion of the bank's offices in the Flatiron District at **114 Fifth Avenue**. Capital One has increased its footprint within the 19-story, 352,000-square-foot building to 116,296 square feet spread across the 2nd through 7th floors with the addition of 60,000 square feet as part of the deal, having initially leased about 40,000 square feet in 2014. Asking rent was \$110 per square foot.

Sources: <https://commercialobserver.com/2022/08/capital-one-lease-11-west-19th-street/>  
<https://commercialobserver.com/2022/08/whats-in-your-building-capital-one-expands-footprint-at-114-fifth-avenue/>

## **Fashion House Renews 130K-sf Flatiron HQ | August 5, 2022**

Tory Burch is keeping its headquarters location of about 15-years at 11 W 19th Street. The fashion house recently signed a 13-year renewal for the 130,000 square feet it currently occupies at the building. Initially leasing approximately 26,000 square feet in 2007, expansions over the years included a 5-year, 52,000-square-foot sublease from Epsilon Interactive according to reports in 2013. Asking rent for the renewal was \$72 per square foot. News of the signing came just one day following the 78,000 square foot sublease-to-lease deal by Capital One at the building, a sign that the office will continue to be a vital part of companies in the future.

Sources: <https://commercialobserver.com/2022/08/tory-burch-renewal-11-west-19th-street/>

## **Big Block 173K-sf Renewal Signed in Hudson Square | August 7, 2022**

Public relations firm Edelman will be remaining at 250 Hudson Street for another 15 years. A tenant at the Hudson Square location for 13 years, Edelman's current office spreads across 173,618 square feet within the 1932-vintage former printing trades building that underwent a \$40 million conversion to Class A office space in 2009. Financial terms of the deal were not disclosed.

Sources: <https://nypost.com/2022/08/07/pr-firm-edelman-bucks-work-from-home-trend-with-renewed-lease-in-hudson-square/>

## **City Agency Relocating to 109K-sf at the Equitable Building | August 15, 2022**

The New York City Housing Development Corporation (HDC) will be relocating from their current location at 110 William Street to nearby the Equitable Building. The city agency recently leased 109,000 square feet spanning the entire 2nd and 3rd floors within 120 Broadway, where the asking rent was in the low-\$60 per square foot range. Terms of the lease were not released.

Sources: <https://commercialobserver.com/2022/08/new-york-city-housing-agency-snaps-up-109k-sf-at-120-broadway/>

## **BuzzFeed Downsizing at Former NY Times Building | August 23, 2022**

Digital media firm BuzzFeed will be relocating from its location of approximately 8-years at 225 Park Avenue South to Times Square. The company, which in 2014 had leased roughly 164,000 square feet spanning the entire 11th through 16th floors at the Flatiron Building, will be downsizing to approximately 60,000 square feet at 229 West 43rd Street. BuzzFeed will not be leaving a large vacancy at the Park Avenue South building upon relocating, having in 2017 subleased the entire 27,000-square-foot 11th floor to the online marketplace for educators, Teachers Pay Teachers, which BuzzFeed had been warehousing; while workflow management platform Monday.com has agreed to sublease 109,507 square feet on floors 13 through 16 for the remainder of the term that extends May 31, 2026 at a starting rent of \$757,000 per month with monthly increases moving forward. Full details of the Times Square lease were not released.

Sources: <https://therealdeal.com/2022/08/23/buzzfeed-drops-half-of-office-footprint-in-times-square-move/>



Downtown - 1 Centre Street, City Hall Area

## News Highlights (cont'd)

### **KPMG LLP Reducing U.S. HQ by Over 40% in Move to Manhattan West | August 23, 2022**

The under construction Two Manhattan West tower within the 5-building complex will be welcoming a big block tenant to its roster, having attracted global audit and consulting firm KPMG LLP. However, the recent lease signing for 456,000 square feet represents a more than 40% reduction of the company's U.S. headquarters. Currently occupying roughly 800,000 square feet at three Midtown office buildings — current headquarters at 345 Park Avenue, 460 Lexington Avenue, and 1350 Sixth Avenue, the move slated for some time in 2025 will enable KPMG to consolidate in a smaller space spread across 12 floors as it embraces hybrid work; and although not initially planning to significantly reduce its space when launching a search for a new Manhattan office in 2018, the pandemic changed that. Full details of the deal were not released.

Sources: <https://www.wsj.com/articles/kpmg-to-cut-manhattan-office-space-in-move-to-new-u-s-headquarters-at-hudson-yards-11661270438>

### **Global Law Firm Heading South to 180K-sf Space at the World Trade Center | August 24, 2022**

Freshfields Bruckhaus Deringer LLP will be relocating from its current office at 601 Lexington Avenue in early 2024. The global law firm was a tenant at the Plaza district building for about 11-years, having initially occupied 108,000 square feet according to reports at the time. Freshfields' new 180,000-square-foot office will be located in Lower Manhattan at 3 World Trade Center, 175 Greenwich Street. The space will spread across the entire 51st through 54th floor in the tower under a 15-year lease, Freshfields joining tenants WPP/GroupM, Uber, McKinsey, Diageo, Hudson River Trading and IEX. Financial terms of the deal were not released.

Sources: <https://www.wsj.com/articles/kpmg-to-cut-manhattan-office-space-in-move-to-new-u-s-headquarters-at-hudson-yards-11661270438>



# News Highlights (cont'd)

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## **Big Block 331K-sf Sublease at Brookfield Place Hits Market | September 12, 2022**

Following the recent \$2.7 billion acquisition by IAC's Dotdash of Meredith Holdings Corp., the newly rebranded publisher Dotdash Meredith is downsizing its space within Brookfield Place at 225 Liberty Street. A total of 221,509 square feet spanning entire 7th through 9th floors has come online, the sublease that extends through December 2032 has an asking rent of \$49 per square foot — about half what landlord Brookfield Office Properties "wants for some direct leases at the property." Another 68,000 square feet of Dotdash's former offices at nearby 28 Liberty Street has been introduced to the market with an asking rent of \$50 per square foot as a result of the merger.

Sources: <https://therealdeal.com/2022/09/12/publisher-puts-331k-sf-up-for-sublease-at-brookfield-place/>

## **Cohen & Steers Expanding to 161K-sf in Relocation Deal | September 13, 2022**

Real estate asset manager Cohen & Steers has signed a 15-year lease for 161,000 square feet at 1166 Sixth Avenue. As a result of the deal, the firm will be relocating from 280 Park Avenue and nearly doubling its current office space of approximately 87,000 square feet in the move. Asking rent for the space that spans the entire 27th through 30th floors was \$87 per square foot.

Sources: <https://commercialobserver.com/2022/09/cohen-steers-lease-1166-avenue-of-the-americas/>

## **Big Block Lease at 1301 AOA Secured Prior to Vacating Tenant Lease Expiration | September 14, 2022**

Law firm O'Melveny & Myers LLP (OMM) has signed a 15-year lease for 142,000 square feet at 1301 Avenue of the Americas. News of the deal comes prior to existing tenant Credit Agricole's lease expiration in February 2023. OMM's space within the 1.7 million-square-foot tower located between 52nd and 53rd Streets will spread across the entire 17th through 20th floors. Although the size of OMM's current office at 7 Times Square is unclear, according to a 2003 press release by the New York Times, OMM was the first tenant at the tower which was under construction at the time, agreeing to 20-year lease for about 205,000 square feet spanning floors 27 through 33, ultimately leasing 298,000 square feet on floors 26 through 34. In 2006 OMM added an additional 57,000 square feet on the entire 36th and 37th floors at \$85 per square foot, also making a deal to gain access to the entire 35th floor in 2009 upon the existing tenant's lease expiration per a Crain's New York press release at the time.

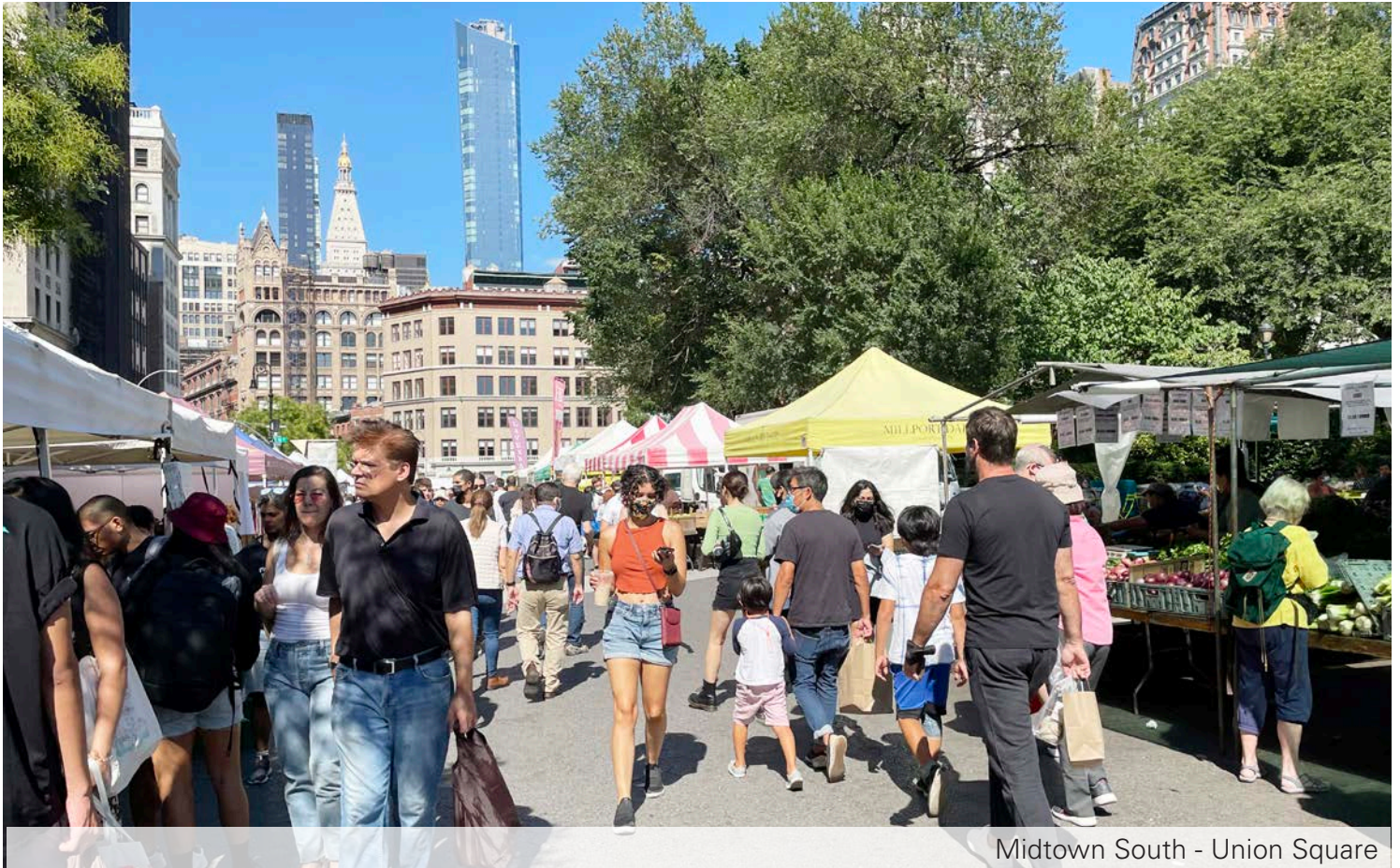
Sources: <https://ir.pgpre.com/investors/news/news-details/2022/Paramount-Signs-142000-Square-Foot-Lease-at-1301-Avenue-of-the-Americas/default.aspx>

## **Investment Management Firm Signs 347K-sf Lease at One Madison | September 29, 2022**

Franklin Templeton has signed a 15-year lease for 347,474 square feet on One Madison Avenue, asking rent for the space was reportedly \$145 per square foot. The investment management firm's new offices will spread across the entire 11th through 22nd floors in the tower portion of the building. Franklin Templeton will be joining another big block tenant, International Business Machines Corp. (IBM), which signed a lease for 328,000 square feet back in March. The full block building that stretches between East 23rd and 24th Streets is currently undergoing a redevelopment and expansion that is scheduled for completion in November 2023, the latest signing brings occupancy to 55% according to the press release by landlord SL Green Realty. Franklin Templeton's signing is the second big block deal reported in the last week of September, news of the 283,000-square-foot lease by hedge fund D.E. Shaw Group at One Manhattan West, 400 West 33rd Street was released just three days prior.

Sources: <https://slgreen.gcs-web.com/news-releases/news-release-details/sl-green-inks-347000-square-foot-lease-franklin-templeton-one>

Sources: <https://therealdeal.com/2022/09/26/hedge-fund-finds-283k-sf-at-two-manhattan-west/>



Midtown South - Union Square

## News Highlights (cont'd)

### Retail Market

#### **Pace of Search for NYC Retail Space Heightens Among Potential Cannabis Vendors | July 7, 2022**

The expectation that vendor license applications awarded by New York State's Office of Cannabis Management (OCM) are slated to open at some point in the next 30 to 90 days has prompted aspiring vendors to accelerate the pace of their searches for available retail space, signing lease agreements with a range of different conditions. Over the past 12 months, the number of potential cannabis tenants, made up of a mix of "experienced business owners to aspiring entrepreneurs looking at densely populated NYC," has quadrupled. While the impending opening of applications has contributed to heightened activity, two other factors are driving pressure including signs of the retail market recovering, resulting in a tighter market with more competitors for space. In addition, more and more landlords have gradually become open to leasing to a cannabis space, adding more potential to the market; and although risk remains a factor at the center of many landlords' decisions, since marijuana is still illegal at the federal level, meaning that federally chartered banks cannot accept payments from landlords leasing to cannabis businesses, it is no longer as off-putting as it was a year ago.

Source: <https://www.bisnow.com/new-york/news/retail/with-vendor-applicants-raring-to-go-nycs-cannabis-leasing-market-hits-breakneck-pace-113644>

#### **Former Times Square Modell's Attracts New Tenant | July 7, 2022**

Florida-based national candy chain IT'SUGAR has leased the 20,355-square-foot space at 234 West 42nd Street that formerly served as the home of sportswear and athletic equipment retailer Modell's Sporting Goods. While the deal was described as a "pop-up," the 3-year lease includes options to extend. Asking rents on the ground and lower level were \$300 per square foot and \$150 per square foot respectively. According to marketing material posted on online real estate platform Costar, the space included approximately 4,900 square feet on the ground level with 45' of frontage and 28' ceiling height, plus 15,150 square feet of lower-level space with a ceiling height of 14'-6".



Source: <https://commercialobserver.com/2022/07/itsugar-setting-up-shop-in-former-modells-in-times-square/>



## News Highlights (cont'd)

### High-End Athletic Footwear Brand to Debut 1st NYC Store in SoHo | July 29, 2022

Los Angeles, CA-based APL, also known as Athletic Propulsion Labs, has signed a lease for 8,000 square feet at 75 Prince Street (aka 568-578 Broadway) in SoHo. The 10-year deal will establish the high-end athletic footwear brand's first New York City location. Asking rent for the space that was formerly part of an Armani store was \$400 per square foot.



Source: <https://therealdeal.com/2022/07/29/celeb-loved-footwear-brand-apl-opening-soho-store/>

### Rapid Grocery Delivery Retailer Opening Doors to Public at New DoBro Location | August 2, 2022

Rapid grocery delivery retailer Boxed is expanding its same-day grocery delivery service in Manhattan and Brooklyn, having recently signed a 10-year lease for the entire ground level of 470 Vanderbilt Avenue. The new Downtown Brooklyn outpost will span 14,795 square feet, and atypical to most other rapid delivery warehouses, will allow customers to shop in person. Asking rent for that space was \$50 per square foot. News of the deal comes at a time when similar companies are shrinking their New York City operations.



Source: <https://commercialobserver.com/2022/08/boxed-grocery-store-470-vanderbilt-avenue-brooklyn/>

### German Grocery Chain to Make its Brooklyn Debut | August 3, 2022

German discount grocery chain Lidl has signed a lease for 25,000 square feet at 120 5th Avenue. The new location will establish Lidl's first Brooklyn outpost; and be situated at the base of a 180-unit mixed-use development expected to be delivered in 2024. Terms of the lease were not released. News of the deal comes less than one month following Lidl's lease for 35,000 square feet within the 440,000-square-foot Queens Place Mall in Elmhurst, Queens.



Source: <https://commercialobserver.com/2022/08/more-than-just-a-lidl-love-for-nyc-grocery-chain-plans-brooklyn-outpost/>

### Fine Fare Supermarkets Opening 30K-sf Grocery in East New York | August 12, 2022

Residents in the East New York neighborhood will be welcoming a new grocery store this fall at 50 Pennsylvania Avenue. Fine Fare Supermarkets signed a 25-year lease for the 20,000-square-foot space at the base of the 218-unit affordable mixed-use building known as 50 Penn. Asking rent was in the \$40 per square foot range.



Source: <https://therealdeal.com/2022/08/12/key-food-nabs-20k-sf-at-pennrose-project-in-brooklyn/>

### Immersive 30K-sf Cannabis Museum Opening in SoHo | August 15, 2022

The House of Cannabis will be launching sometime this fall at 427 Broadway. The 30,000-square-foot SoHo location will spread across three floors under a 10-year lease with a 5-year option. Although there won't be any cannabis on site, the museum will educate visitors about the history of cannabis through an immersive experience including rotating art exhibitions, "LED light shows, sound technology, digital journeys and even smell to create an all-around 4-D experience.

Source: <https://therealdeal.com/2022/08/15/former-las-vegas-nightclub-owner-bringing-30k-sf-cannabis-museum-to-soho/>

### Sneaker Retailer Making NYC Debut in Herald Square | September 2, 2022

Legacy, a sneaker retailer spawned when used sneaker trade went bigtime a while ago is opening its first New York City location. Founded in 2020 as a consignment shop in Pennsylvania the new store will only be selling new merchandise. Legacy was drawn to the 1 West 34th Street location because it has a presence of every major sneaker brand along the Herald Square retail corridor. The 8,000-square-foot store located on the corner of 5th Avenue across from the Empire State Building will be opening within the next few weeks under a long-term lease. Asking rent for the space that is equally split between ground level selling and basement storage space was \$350 per square foot.



Source: <https://therealdeal.com/2022/09/02/streetwear-consignment-shop-lands-8k-sf-at-1-west-34th-street/>



Midtown South - SoHo

## News Highlights (cont'd)

### Printemps Opening First U.S. Store on Wall Street | September 7, 2022

Wall Street will be adding a luxury department store to its lineup of retail offerings. France-based Printemps square feet spread across 2-floors at the base of One Wall Street, which recently completed a residential planned opening in the spring of 2024 marks Printemps' first U.S. location. As part of the deal, the retailer will have a "store façade" that measures 346 linear feet along the former Bank of New York building's Broadway frontage; and the historical interior Red Room, one of the rare 50 interior landmarks in New York City, will be one of the many highlights of the store. Upon opening, Printemps "will be of a different scale, bringing a local approach and focusing on increased omnichannel and seamless experiences" as part of the brand's ongoing transformation. Full details of the deal were not released.

**PRINTEMPS**

Source: <https://www.prnewswire.com/news-releases/printemps-to-open-first-us-store-in-new-york-301618837.html>

### Lincoln Market Opening Second Manhattan Store | September 15, 2022

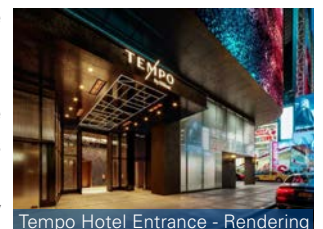
Small-format grocer Lincoln Market has leased 10,621 square feet of ground level space at the base of 501 Avenue of the Americas (alternate addresses 100-102 West 13th Street and 101-115 West 12th Street). The signing of the 20-year lease at the West Village condo building will establish Lincoln Market's second Manhattan location upon opening in the 3rd quarter of 2023. The space that had an asking rent of \$95 per square foot was formerly the home of a Rite Aid pharmacy until shuttering last year.



Source: <https://commercialobserver.com/2022/09/lincoln-market-greenwich-village-501-avenue-of-the-americas/>

### Hilton to debut First-Ever Tempo-Branded Hotel within the New TSX Broadway | September 18, 2022

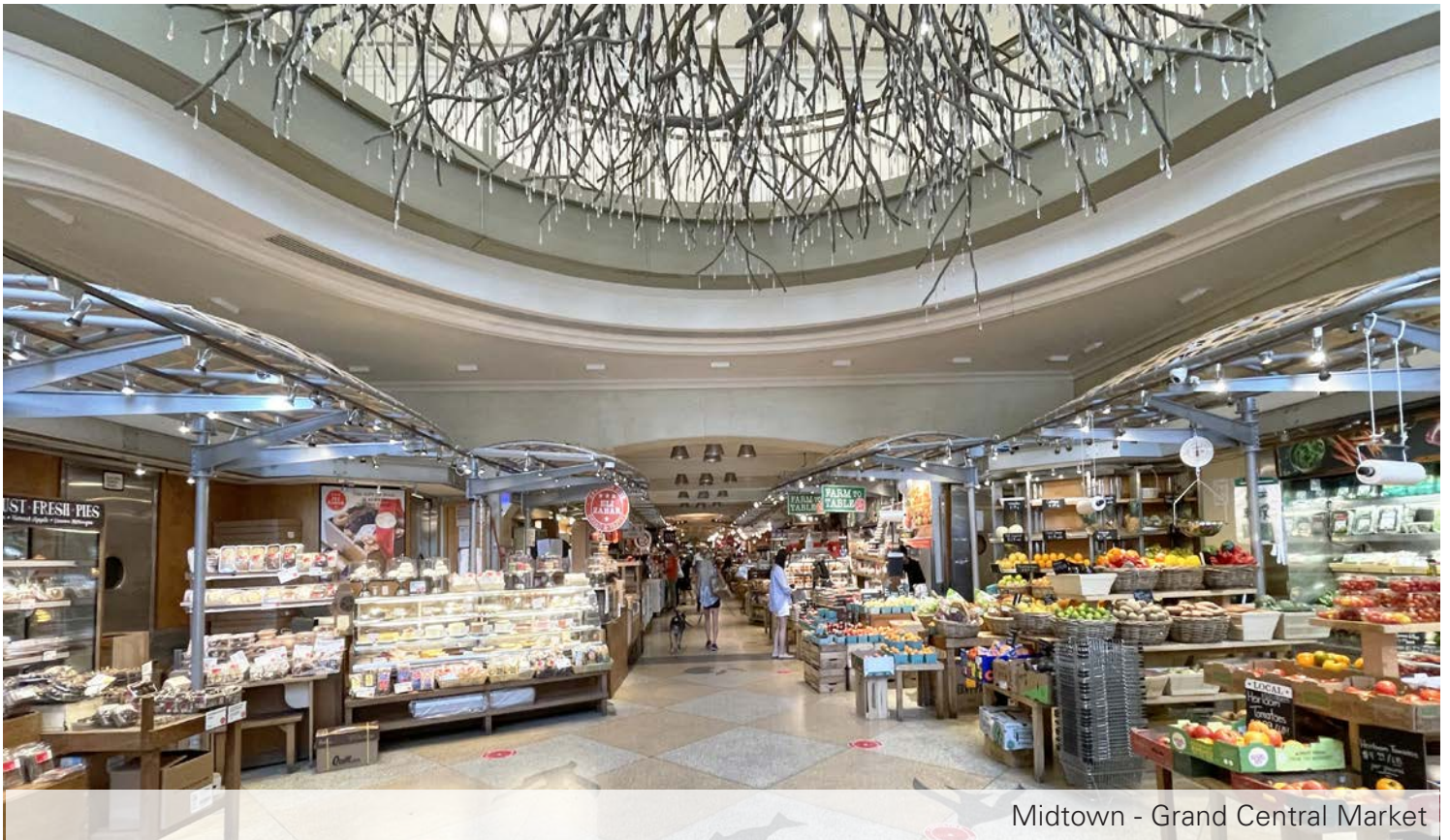
The hotel portion of the currently under construction TSX Broadway at 1568 Broadway in Times Square will be operated by Hilton Worldwide Holdings which plans to debut its first-ever Tempo-branded location upon opening in 2023. The 661-key hotel spanning 36 floors of the building will include a fitness center; an 11th floor open-sky lobby with co-working spaces; a restaurant, bar, lounge and outdoor dining terrace overlooking Times Square. A "Get Ready Zone" for organization or working will be in each room as well as a bathroom with Bluetooth speakers. In addition, a small collection of wellness guestrooms will feature a Peloton spin bike. Hotel guests will also have access to onsite entertainment and performance program by TSX Entertainment, which will occupy a large portion of the approximately 550,000-square-foot building.



Tempo Hotel Entrance - Rendering

Source: <https://newyorkyimby.com/2022/09/renderings-reveal-tempo-by-hilton-at-tsx-broadway-in-times-square-manhattan.html>





Midtown - Grand Central Market

## News Highlights (cont'd)

### Tin Building Food Hall Opens at South Street Seaport | September 19, 2022

The Tin Building by chef Jean-Georges Vongerichten is a sprawling new culinary destination located in lower Manhattan's historic Seaport District at 96 South Street, adjacent to Pier 17. Recently opening in September, the city's newest food market is located within the historic structure that was dismantled and rebuilt 32 feet further north from its original location along the East River. The market features six full-service restaurants, six fast-casual counters, four bars, a grocery store, and private dining space, all spread across two floors.



Source: <https://newyorkyimby.com/2022/09/the-tin-building-opens-at-96-south-street-in-the-seaport-district.html>

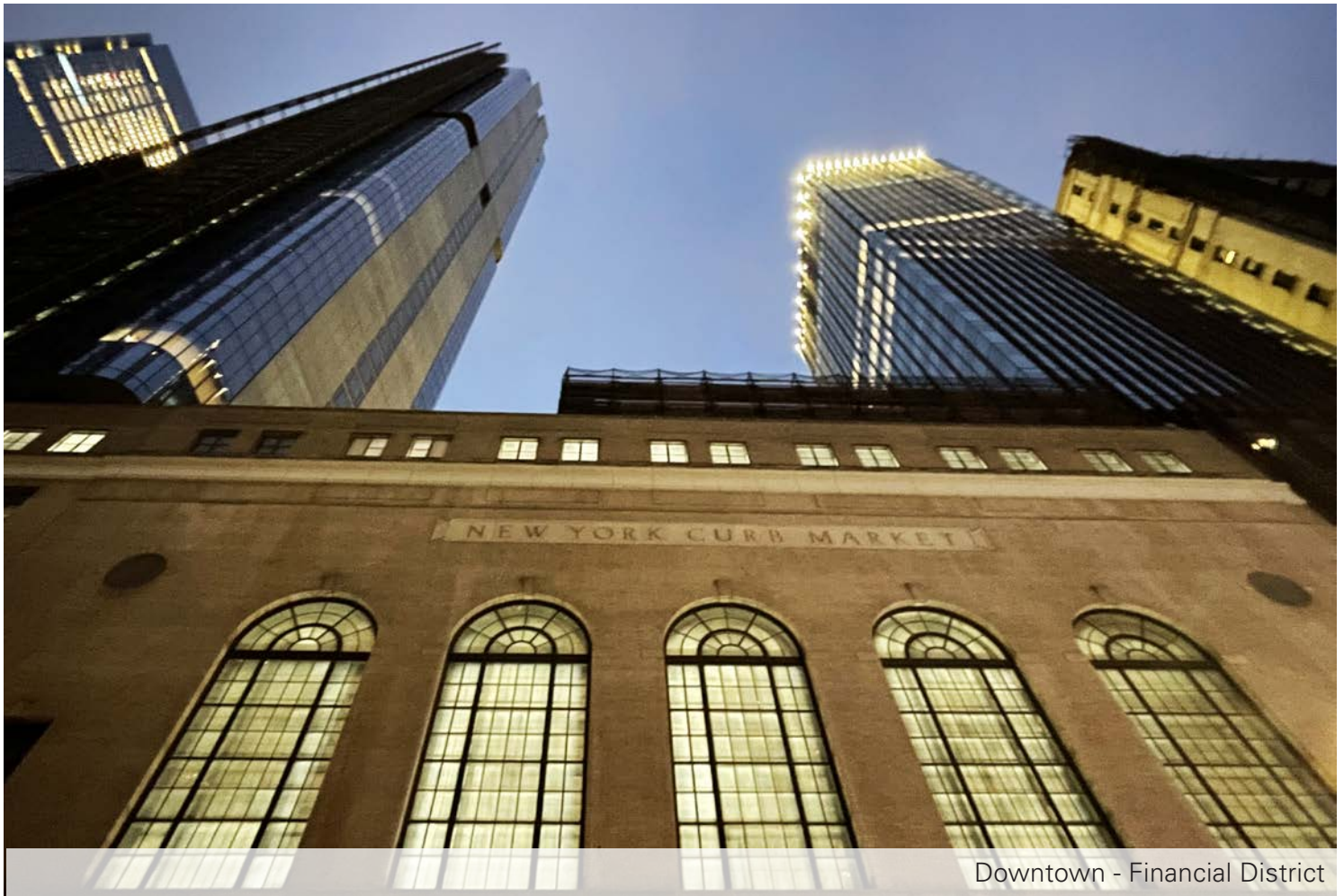
Source: <https://www.tinbuilding.com/>

### Upper West Side Retail Condo Trades for \$8.95M | September 25, 2022

Aperture Foundation has purchased for \$8.95 million the retail condo at the base of the 7-story mixed-use condominium building at 380 Columbus Avenue, also known as 101 West 78th Street. According to city records the 12,201-square-foot unit includes 5,584 square feet of ground level space and 6,347 square feet on the lower level. The not-for-profit foundation that connects the photo community and its audiences financed the purchase with a \$5.95 million purchase money mortgage from seller 101 West 78th LLC.

Source: <https://rew-online.com/adelaide-polsinelli-sells-prime-upper-west-side-retail-condo%ef%bf%bc/>





Downtown - Financial District

## News Highlights (cont'd)

### Investment Sales

#### **Sale of West Village Office Building Fetches \$288M | July 12, 2022**

Meadow Partners has purchased the 203,412-square-foot office building at 95 Morton Street for \$288.238 million, or about \$1,417 per square foot. The West Village property that spans the entire Washington Street blockfront between Morton and Barrow Streets was sold by RFR Realty, having acquired the asset in April 2017 for \$205.962 million, or about \$1,013 per square foot according to city records. German lender Deutsche Bank provided a \$60 million gap mortgage as well as the assignment of existing debt in the amount \$95 million from California-based Wells Fargo. Recent leasing activity reported in January 2022 includes a 75,000-square-foot lease spanning three floors by Jacksonville, FL-based Fanatics. The sports e-commerce firm that had recently been acquired by trading card giant Topps relocated from 205 Hudson Street in Hudson Square, expanding from 50,000 square feet in the move.

Source: <https://www.crainsnewyork.com/real-estate/rfr-offloads-troubled-west-village-office-building>

#### **Sixth Avenue Building In Contract for Price Just Shy of \$350M Sought by Sellers | July 19, 2022**

Empire Capital Holdings has entered into contract to purchase 1330 Avenue of the Americas for about \$325 million, or just shy of the \$350 million sellers Blackstone Group and RXR Realty were hoping to fetch. The sale is expected to close by the end of the year, the contract vendee planning to put new debt on the property to fund the purchase. News of the pending sale comes about 6 weeks following initial reports of the 40-story building formerly known as the Financial Times Building being offered for sale, having been purchased by an RXR-led investor group in 2010 for about \$400 million in 2010, with Blackstone acquiring majority ownership in 2015 as part of an approximately 50% stake in a 6-building RXR office portfolio.

Source: <https://commercialobserver.com/2022/07/empire-capital-holdings-1330-avenue-of-the-americas-325m/>



# News Highlights (cont'd)

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## **Plaza District Office Building Trades for \$72M | August 31, 2022**

The onetime headquarters of the Girl Scouts of America has traded for \$72 million. Located on the corner of East 51st Street at 830 Third Avenue, Empire Capital has purchased the 14-story, approximately 157,866-square-foot building from AEW Capital Management, financing the transaction with a \$53 million loan from Truist Bank. News of the sales comes about six weeks following reports of Empire entering into contract to purchase 1330 Avenue of the Americas for \$325 million

Source: <https://therealdeal.com/2022/08/31/empire-capital-strikes-back-buys-midtown-office-with-namdar/>

## **FiDi Office Building in Contract at Discounted Price | September 6, 2022**

Investor David Warner has entered into contract to purchase 40 Fulton Street. The pending sale of the 29-story, 250,000-square-foot building that is about 80% leased attracted a price between \$105 million and \$110 million, or \$420 to \$440 per square foot, representing a 19% to 21% discount of the between \$130 million and \$140 million seller Vornado Realty Trust was hoping to fetch upon introducing the sale offering in May 2022. Decisions to reduce pricing came amid rising interest rates, making acquisition more costly for potential buyers.

Source: <https://therealdeal.com/2022/09/06/vornado-selling-fidi-office-building-for-discount-as-interest-rates-rise/>

## **MSKCC Acquiring 414K-sf Leasehold at Lipstick Building | September 6, 2022**

A large block of vacant space at the Lipstick Building, 885 Third Avenue has attracted a tenant, Memorial Sloan Kettering Cancer Center (MSKCC) has agreed to acquire for a total consideration of \$300.4 million the condominium leasehold of 414,317 square feet. The big block space within the approximately 634,000-square-foot building became available upon law firm Latham & Watkins vacating the building and making a parallel relocation to the former Time-Life Building at 1271 Avenue of the Americas in 2020. MSKCC will consolidate other office locations upon moving in 2024 into the space that spans entire floors 3 through 16, 19, 22, 23, 25, 27, 30, and 31 according to the memorandum of lease posted on city records. Upon expected closing in the 4th quarter of 2022, seller SL Green Realty will retain the remaining 218,796 square feet of the building which is currently 91.7% leased.

Sources: <https://slgreen.gcs-web.com/news-releases/news-release-details/sl-green-announces-sale-414317-square-foot-commercial>

## **Brooklyn's Calko Medical Center Trades for \$82M | September 12, 2022**

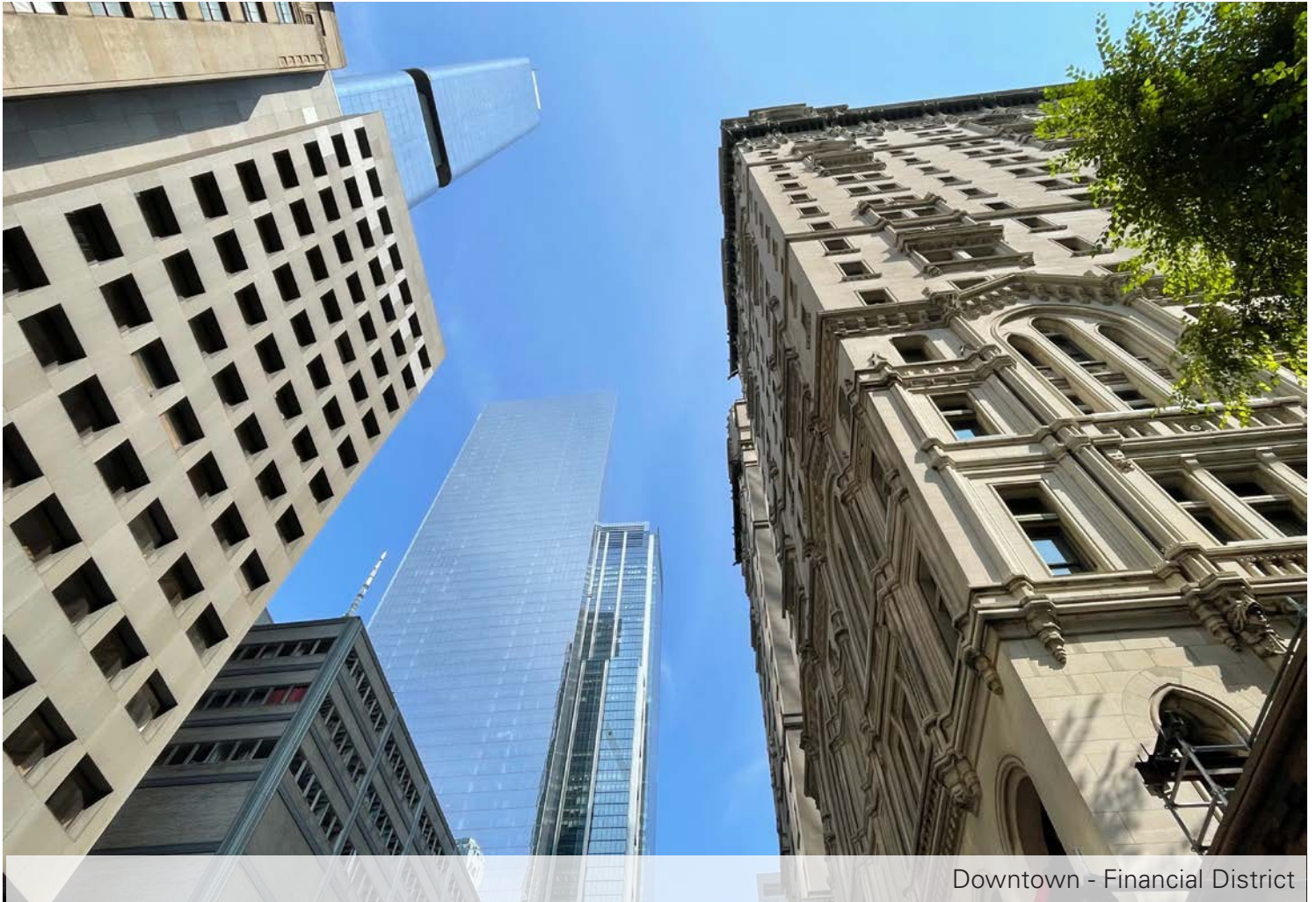
The partnership of MedProperties and Physicians Realty Trust are purchasing the 140,000-square-foot Calko Medical Center. Located in Bensenhurst, Brooklyn at 6010 Bay Parkway, the sale by developer and longtime owner the Marcal Group fetched a price of \$81.5 million, or about \$582 per square foot. Delivered in 2013, current tenants in the building include the Maimonides Medical Center, Brooklyn Surgery Center and Genesis Fertility & Reproductive Medicine.

Source: <https://therealdeal.com/2022/09/12/midwest-investors-pick-up-bensonhurst-medical-office-for-82m/>

## **MSKCC Purchases 61st Street Facility for \$185M | September 13, 2022**

Cancer treatment and research institution Memorial Sloan Kettering Cancer Center (MSKCC) has exercised its option to purchase the eight commercial condominiums the healthcare provider currently leases at 321 East 61st Street. News of the deal comes just one week following the \$300.4 million condominium leasehold purchase of 414,317 square feet at the Lipstick Building, 885 Third Avenue. According to an MSKCC spokesperson, the recent purchases are part of a multi-year strategy to consolidate locations and bring staff together as each one of MSK's leases expire.

Source: <https://therealdeal.com/2022/09/13/sloan-kettering-pays-185m-for-ues-medical-center/>



Downtown - Financial District

## News Highlights (cont'd)

### **Former Lower Manhattan AIG HQ In Contract for \$252M | September 19, 2022**

Dart Enterprises has entered into contract to purchase 175 Water Street from the Vanbarton Group for \$252 million, or \$368 per square foot. The full block 31-story, 684,000-square-foot tower located in the Financial District is currently vacant, having last traded in 2019 upon AIG International selling the property that had served as its headquarters for \$270 million, or \$395 per square foot, to Metro Loft Management. Plans to convert the upper portion of the office building to residential never moved forward; and upon Metro Loft defaulting earlier this year on the mezzanine loan provided by the Vanbarton Group at the time of acquisition, the lender took control of the building.

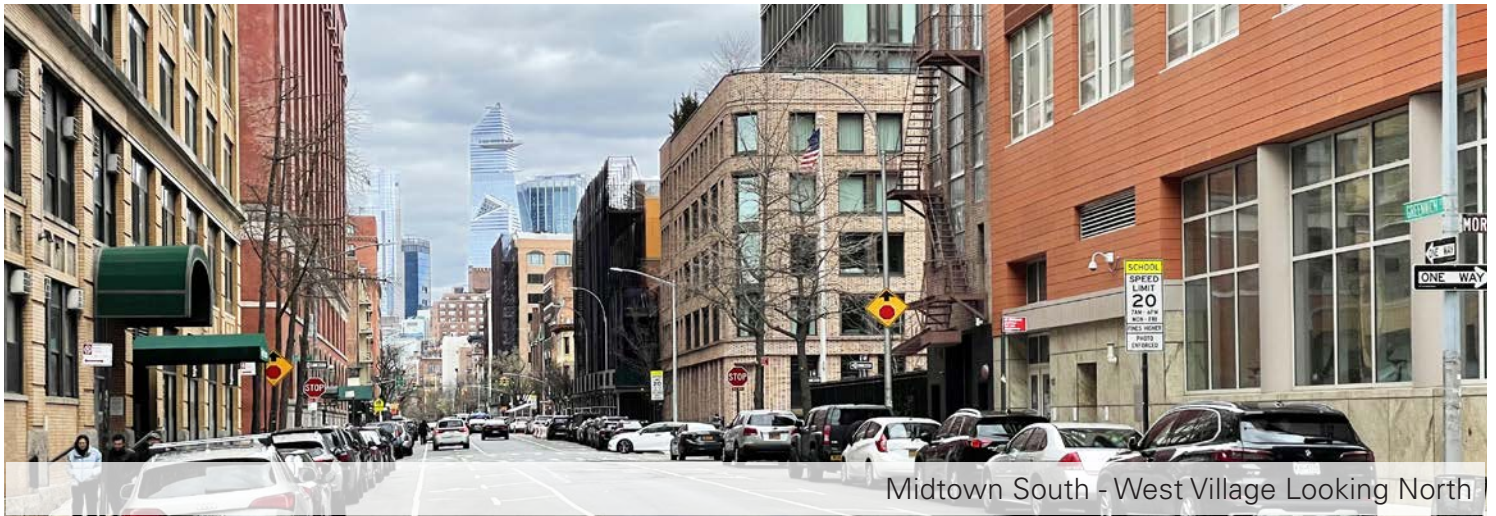
Source: <https://therealdeal.com/2022/09/19/reclusive-billionaire-buying-former-aig-headquarters/>

### **Boutique NoLita Office Building Trades for \$41M | September 21, 2022**

Venture capital firm AlleyCorp has purchased the 6-story, 32,000-square-foot building at 174 Mott Street. Located between Broome and Kenmare Streets, the sale by Continental Equities and investor Juergen Ostertag attracted a price of \$41 million, or \$1,281 per square foot. Currently vacant, according to marketing material offering the building for sale or lease, was acquired by Continental Equities in 2006 for \$8.9 million and Ostertag acquired a 25% stake in 2016 for \$11 million.

Source: <https://therealdeal.com/2022/09/21/nyc-tech-legend-takes-spin-at-real-estate-buys-nolita-office-for-41m/>





Midtown South - West Village Looking North

## News Highlights (cont'd)

### Residential Market

#### NYC's Rental Market on Fire | July 11, 2022

Although shifting to a renters' market in the summer of 2020 as New York City was coming out of the Covid-19 pandemic, it was short-lived as the landscape quickly shifted amid the city's residential rental market attracting high demand. Bidding wars among renters and plunging apartment availability is being partially fueled by factors ranging from high mortgage rates to remote work which has made it easier for people to move to the city. "Net effective median rent in Manhattan has increased nearly every month since June 2021," hitting record highs in April and May 2022. The difference lately between median rents and net effective median rents has been "miniscule" and landlord concessions become less and less of a factor; while the share of no-fee apartments advertised on StreetEasy dropped from 75% last year to 55% so far this year.

Source: <https://www.crainsnewyork.com/residential-real-estate/nyc-renters-face-broker-fees-bidding-wars-and-skyrocketing-rents>

#### Signs of Recovering International Homebuyer Activity in U.S. | July 19, 2022

During the past few years amid the coronavirus pandemic, activity among foreign homebuyers seeking homes in the U.S. essentially disappeared. However, activity appears to be slowly returning according to the results of a survey of 9,400 Realtors by the National Association of Realtors (NAR). According to the 2022 International Transactions in U.S. Residential Real Estate report released in mid-July 2022, international buyers purchased 98,600 residential properties between April 2021 and March 2022 at a median purchase price of \$366,100 compared to \$355,700 for all U.S. existing homes sold). The aggregate total of \$59 billion of foreign buyer purchases represented 2.6% of the total \$2.3 trillion dollar volume of existing-home sales during the 12-month period.

The 98,600 total transaction volume is the lowest volume since NAR estimated buyer purchases in 2009 — a lowering of 7.9% year-over-year and 68.3% from the \$284,500 high in 2017. In contrast, the \$59 billion dollar volume of foreign purchases is an 8.5% increase year-over-year due to the average foreign buyer purchase price rising 18% year-over-year to \$598,200. Among the top 10 countries of origin, Canadians accounted for the highest percent share at 11%, with Japan accounting for just 1% at the low. Suburban areas typically see the most activity among foreign buyers, followed by central city/urban areas. Florida was the top location for properties sold to foreign clients, accounting for 30% of transactions during the period among the top ten U.S. states, compared to New York, which accounted for 4%.

NAR's report indicates that the recovery of the global economy and tourist travel volume are key factors in foreign home purchase activity, noting the ongoing battle within countries as the spread of COVID-19 virus continues to resurge in several variants; and although many countries have lifted travel bans, as of February 2022, the monthly volume of tourist arrivals in the U.S. was 45% below the nearly 5 million arrivals in February 2020. Further impacting a recovery is rising mortgage rates, following the U.S. Federal Reserve's decision to raise the federal funds rate by a cumulative 0.75% in March and May; as well as the depreciation of foreign currency against the U.S. dollar. Nevertheless, U.S. single-family home prices remain affordable compared to central business districts in other countries, continuing to attract foreign homebuyer interest.

Source: <https://cdn.nar.realtor/sites/default/files/documents/2022-international-transactions-in-us-residential-real-estate-07-18-2022.pdf>



Midtown South - Little Island, Pier 55

## News Highlights (cont'd)

### **Proposed Amendments to Regulations in Housing Stability and Tenant Protection Act of 2019 Released | September 1, 2022**

The bill that radically reformed New York City's rent laws impacting rent regulated and rent stabilized housing was signed by former Governor Cuomo on June 14, 2019. The Housing Stability and Tenant Protection Act of 2019 (HSTPA) marked the first time in decades that major reforms to the rent laws were enacted; and for the first time extended the protections to other New York State counties that choose to opt in and facing a housing emergency. According to an August 17, 2021 blog post by NYU Furman Center, HSTPA expanded protections for New York renters and sharply limited the opportunity for regulated rents to rise at rates higher than the Rent Guidelines Board's (RGB) annual limits; and for these reasons, prior to the law's passage, the HSTPA would negatively impact building values in the short- and long-term.

Long awaited proposed amendments to various regulations within HSTPA — Rent Stabilization Code, the Tenant Protection Regulations, and the State and New York City Rent Control Regulations were released by the New York State Division of Housing and Community Renewal (DHCR) on Wednesday, August 31, 2022, intended to address the changes wrought by the HSTPA. A public hearing conducted by DHCR will be held in New York City on Tuesday, November 15, 2022.

Source: <https://hcr.ny.gov/regulatory-information>

Source: <https://furmancenter.org/thestoop/entry/housing-stability-and-tenant-protection-act-an-initial-analysis-of-short-term-trends>

### **UES Residential Tower Nearing End of Affordability Agreement Up for Sale | September 14, 2022**

The real estate arm of Swiss Bank UBS has introduced the sale offering of 408 East 92nd Street, seeking to fetch between \$120 million and \$125 million, or about \$612,245 to \$637,755 per unit. Last trading in 2006 for \$95 million, the 32-story, 196-unit RiverEast rental tower is currently under an affordability agreement that is set to expire in 2026, subjecting 20% of its units to rent stabilization in exchange for the 421a property tax abatement. New ownership will have the option to let the agreement expire to make the building 100% market-rate; or exercise an as-of-right 15-year extension, requiring an increase of affordable units to 25%.

Source: <https://therealdeal.com/2022/09/14/ubs-eyes-125m-for-ues-apartment-tower/>

### **Murray Hill Residential Rental Unit Trades for \$388M | September 30, 2022**

According to city records, Black Spruce Management has purchased the 416,337-square-foot residential rental unit spanning the 1st through 12th floors and 14th through 27th floors of One United Nations Park located at 685 First Avenue, as well as the 24,105-square-foot garage and 9,516-square-foot retail unit at the base of the 42-story tower. The remaining 236,569 square feet of the 686,527-square-foot building houses approximately 147 residential condominium units. The block-through property that spans the entire 1st Avenue block-front between East 39th and 40th Streets attracted a price of \$387.5 million; and was sold by the late billionaire Sheldon Solow's firm. The transaction was financed by a \$290.625 million loan provided by JPMorgan.

Source: <https://therealdeal.com/2022/09/30/4493678/>





View of Williamsburg Bridge from NYC Ferry

## News Highlights (cont'd)

### Development

#### NYS and NJ Finalize First Phase Gateway Funding for Cross-Hudson Tunnels | July 5, 2022

Governors Hochul and Murphy of New York State and New Jersey announced on July 5, 2022, that the first phase of state funding has been finalized for the construction of the new tunnels under the Hudson River. The Memorandum of Understanding (MOU) required by the Gateway Development Commission Act was signed by both Governors, outlining sources, uses, and timing of funding on behalf of both states for **Phase One Gateway Project: Portal North Bridge and the Hudson Tunnel Project**. According to the press release by Governor Hochul's office, on behalf of the two states, the Port Authority of New York and New Jersey Phase One commitment is \$2.7 billion, with the cost to be split 50-50 between New York and New Jersey. The MOU signing marks a critical step forward towards bringing closer to the finish line the much-needed construction of a pair of new subterranean tunnels that will replace the century-old Hudson River tubes that flooded during Hurricane Sandy in 2012.

Source: <https://www.governor.ny.gov/news/governor-hochul-and-governor-murphy-sign-gateway-programs-phase-one-mou-portal-north-bridge>

#### Penn Station Project Takes Milestone Step Forward after PACB Green Light | July 27, 2022

The proposed critical redevelopment of Penn Station into a world-class transportation hub and the revitalization of the surrounding area received approvals of the financial framework from the Public Authorities Control Board (PACB) according to the July 27, 2022 press release by Governor Hochul's office. Unanimous support of the **Pennsylvania Station Area Civic and Land Use Improvement Project's General Project Plan** by the PACB represents a major step forward towards making the proposed vision of the project a reality, while also affirming the state's commitment to delivering the project without raising taxes on New Yorkers or fares on transit riders. In addition to the re-construction of Penn Station, up to 1,800 units of housing, including hundreds of affordable and supportive housing units, will be constructed; as well as new state-of-the-art office space, 8-acres of open space, and enhancements to streets, sidewalks, and located transit infrastructure. Cost-sharing of the estimated \$22 billion (as of July 24, 2022) project will be 50% Federal / 25% New York / 25% New Jersey, except for the estimated \$2 billion cost of the Public Realm and Transit Improvements which will be New York State's responsibility in its entirety.

Source: <https://www.governor.ny.gov/news/governor-hochul-applauds-pacb-approval-landmark-funding-agreement-redevelop-penn-station>

Source: <https://esd.ny.gov/sites/default/files/Penn-Cost-Shares-07242022-2.pdf>



View of Lower Manhattan from Governors Island

## News Highlights (cont'd)

### PANYNJ Selects Port Authority Bus Terminal Architect | August 11, 2022

Architectural firm Foster + Partners has been selected by the Port Authority of New York & New Jersey (PANYNJ) to help create a new vision for the 72-year-old Port Authority Bus Terminal. To better serve the more than 260,000 daily passengers, designs for the replacement project will accommodate an expected 30% increase in daily weekday passenger trips, as well as deliver “an innovative, state-of-the-art, net-zero transportation facility that is fit for the 21st Century.” Foster + Partners will provide advisory services throughout the design phase and environmental review process; and along with PANYNJ, provide critical support during ongoing National Environmental Policy Act (NEPA) review.

Source:

<https://newyorkyimby.com/2022/08/foster-partners-and-epstein-announced-as-architectural-advisors-for-port-authoritys-midtown-bus-terminal-in-times-square-manhattan.html>



Port Authority Bus Terminal - Site Plan / Renderings



## News Highlights (cont'd)

### Astoria's 2,800-Unit Innovation QNS Project Gets CPC Green Light | September 21, 2022

The proposed 12 building Innovation QNS project by the development team of Silverstein Properties, BedRock, and Kaufman Studios received a green light from the City Planning Commission (CPC), allowing the project to move forward in the city's Uniform Land Use Review Procedure (ULURP). Based on the current proposal, the \$2 billion mixed-use complex in Astoria, Queens will deliver 2,800 residential units, of which 700-units will be permanently affordable and created without public subsidy, making it the largest privately financed affordable housing project in Queens in generations according to statements by CPC Chair Dan Garadnick. However, the project has received local community backlash and criticism from the Queens Borough President and area representative Councilwoman Julie Won as it heads to the City Council in the coming weeks.

Source: <https://qns.com/2022/09/innovation-qns-in-astoria-approved/>

### Green Light by NYC for \$7 Billion Penn Station Redesign | September 26, 2022

The opportunity to transform Penn Station into world-class station has taken another major step forward. A contract for the redesign of the Midtown station that sees an estimated 650,000 daily commuters was approved by the Metropolitan Transportation Authority (MTA) in partnership with NJ Transit and Amtrak. The project which could cost New York City \$7 billion includes a base contract valued at \$57.9 million for preliminary design of the new station, improvements to nearby subway stations, and engineering support as station reconstruction moves forward.

The full scope of the work includes replacement of the current station with a 250,000-square-foot, single-level facility that will house a new train hall, retail and dining options, improved ticketing and waiting areas, additional elevators and escalators, plus more station entrances and exits. In addition, the new facility will have an underground connection to the 34th Street-Herald Square subway station; a planned 30,000-square-foot public plaza outside the station; and construction of multiple high-rise residential towers that could create 1,800 residential units including 540 permanently affordable units. In line with the MTA's mission to encourage the growth and development of certified Disadvantaged Business Enterprises (DBE), the MTA's Department of Diversity and Civil Rights has assigned a 22.5 percent DBE goal to the contract.

Source: <https://qns.com/2022/09/innovation-qns-in-astoria-approved/>



Penn Station - Renderings





Midtown South - Washington Square Park

## News Highlights (cont'd)

### Lending

#### **Fed's Move Ahead with the Second 75 Basis Point Interest Rate Hike | July 27, 2022**

Ongoing efforts to achieve maximum employment and inflation at the rate of 2% over the longer run has prompted decisions by the Federal Open Market Committee (FOMC) to raise the target range for the federal funds rate 75 basis points to 2-1/4 to 2-1/2 percent. Decisions were partially based on robust job gains in recent months and the continued low unemployment rate, while spending and production have softened according to recent indicators as inflation remains elevated. Further creating additional upward pressure on inflation, along with weighing on global and economic activity is Russia's war against Ukraine. The FOMC will also continue to reduce its holdings on Treasury securities and agency debt and agency mortgage-backed securities; but "would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals."

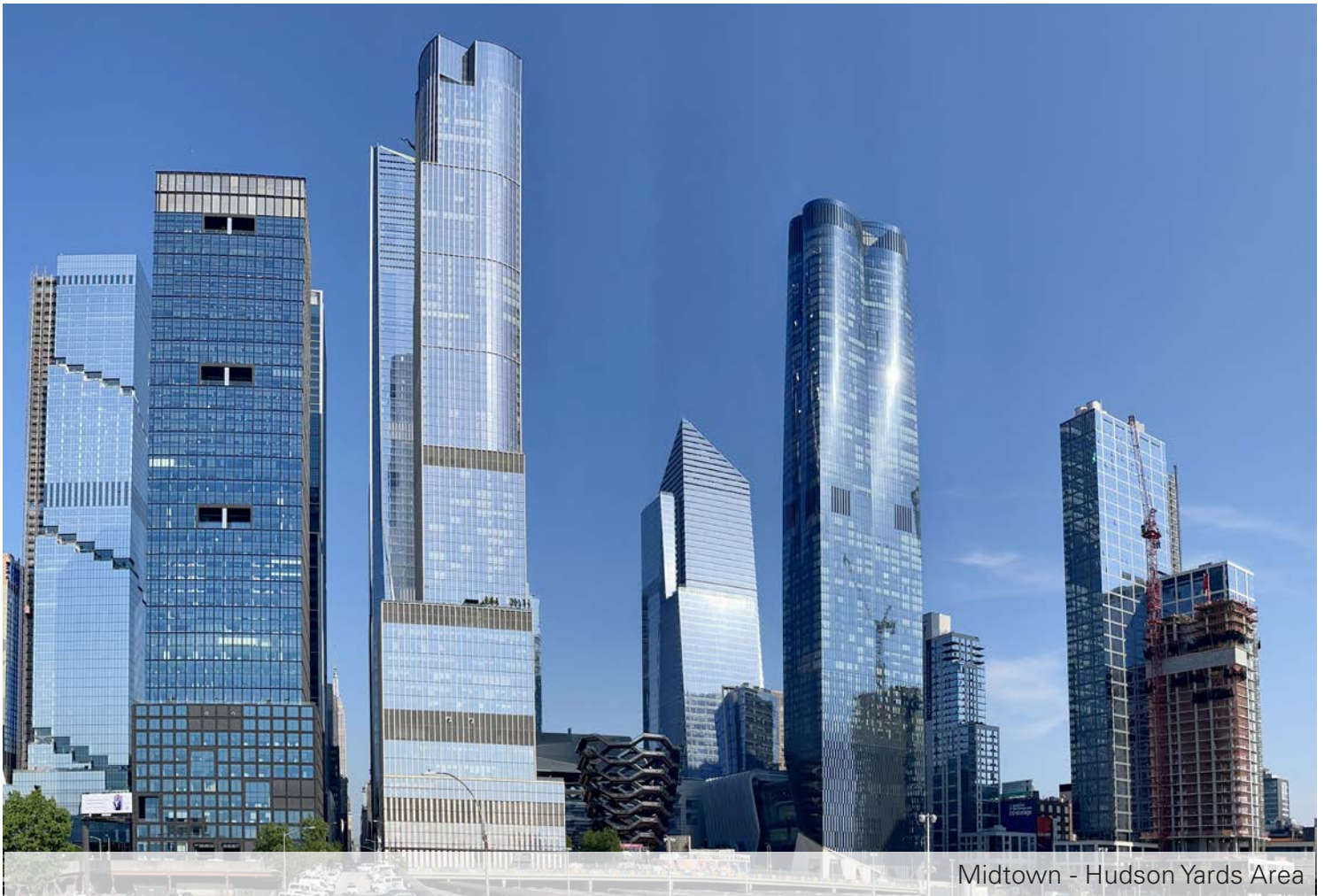
Source: <https://www.federalreserve.gov/newsevents/pressreleases/monetary20220727a.htm>

#### **Estimated Fed's Policy Rate Peak Could Deepen Treasury Yield Curve Inversion | August 9, 2022**

On Wednesday, August 10, 2022, the two-year Treasury yield was 48 basis points above the 10-year rate. While it is expected that the Federal Reserve's funds rate will peak at around 3.5%, from the current range of 2.25% to 2.5%, if the "expected peak rises a half point to 4% with no change in the market's assessment of the neutral rate of monetary policy, the curve inversion has scope to widen to 85 basis points" according to statements in a report by Meghan Swiber, director of U.S. rates strategy at Bank of America (BOA). Swiber further states in the report that "if the neutral rate rises as well, a half-point increase in the terminal rate might flatten the curve to only 60 basis points." All eyes remain focused on the yield curve slope, since historically sustained inversions have been followed by economic downturns "over the ensuing 12 to 18 months."

Source: <https://www.bloomberg.com/news/articles/2022-08-09/treasury-yield-curve-inversion-has-scope-to-deepen-bofa-says>





Midtown - Hudson Yards Area

## News Highlights (cont'd)

### Renovation of 5 Times Square Financed by \$1.3B Loan | September 6, 2022

RXR Realty and partners have secured a \$1.3 billion financing package for the renovation of 5 Times Square, somewhat less than the \$1.5 billion initially being sought early this year. Morgan Stanley, Apollo Global Management, and AIG were among the group of backers providing the loan that runs through May 2026. Another \$300 million has been invested into the upgrade of the 1.1 million-square-foot Times Square tower by the development team, and SL Green Realty is joining the project as a partner by converting its \$139 million mezzanine into equity. Currently about 31% occupied, approximately 604,000 square feet was vacated upon accounting firm EY (formerly Ernst & Young) relocating to 1 Manhattan West at 400 West 33rd Street. The current largest tenant at the building is San Jose-based digital media manufacturer Roku, which leased 240,000 square feet spanning the top 8 floors in January 2022.

Source: <https://www.bloomberg.com/news/articles/2022-09-06/nyc-tower-lands-1-3-billion-loan-from-morgan-stanley-apollo>

### Fed Continues Aggressive Move to Rein In Inflation | September 21, 2022

As widely anticipated, the Federal Reserve Open Market Committee (FOMC) decided to raise the target range for the federal funds rate 0.75 percentage points, or 75 basis points, to 3 to 3 ¼ percent as part of the Committee's commitment to achieve maximum employment and inflation at the rate of 2% over the longer run. A continuation of a reduction of the Federal Reserve's holding of Treasury securities and agency debt as well as agency mortgage-backed securities is also planned. Looking ahead, "the Fed also expects its so-called terminal rate to reach 4.6% to fight persistently high U.S. inflation" — the peak spot where the federal funds rate will come to rest before the central bank begins trimming it back, further indicating that it plans to stay aggressive, hiking rates to 4.4% by next year. News of the Federal funds rate hike sparked a rise in U.S. Treasury Yields. The yield on the benchmark 10-year U.S. Treasury note was 3.609% in recent trading, up from 3.577% just prior to the Fed's decision announcement, while the 2-year note, which is more sensitive to the near-term interest-rate outlook rose more sharply from 3.989% to 4.079% during the same time frame.

Source: <https://www.federalreserve.gov/newsevents/pressreleases/monetary20220921a.htm>

Source: <https://www.wsj.com/articles/u-s-treasury-yields-steady-ahead-of-fed-decision-11663770829>



Downtown - View from Brooklyn Bridge Park

# Market Snapshot: Class A & B

## New York City's Unemployment

- According to the New York State Department of Labor's figures, the city's unemployment rate of 6.8% (not seasonally adjusted) at the end of August 2022 represented a 28.4% decrease year-over-year, in contrast to the 19.3% increase over the three month period from May 2022 when the rate was 5.7%.
- Comparatively, unemployment on the National and State level at the end of August 2022 was 3.6% and 4.9% respectively, representing decreases of 30.8% and 26.9% year-over-year.
- Employment activity in New York City's private sector resulted in a gain of 294,300 private sector jobs over the year to 3,958,000 in August 2022. Among the major sectors, Leisure and Hospitality gained 75,700 jobs at the high over the 12 month period, in contrast to 10,700 job gains in the Financial Activities sector at the low. Job gains within the Professional and Business Services, Educational and Health Services, and Information sectors ranged 21,400 to 74,800 jobs.

## Weekly Wages

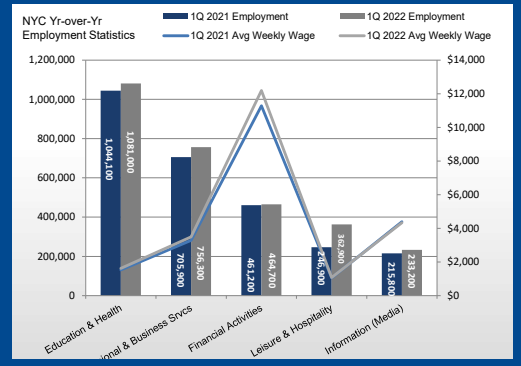
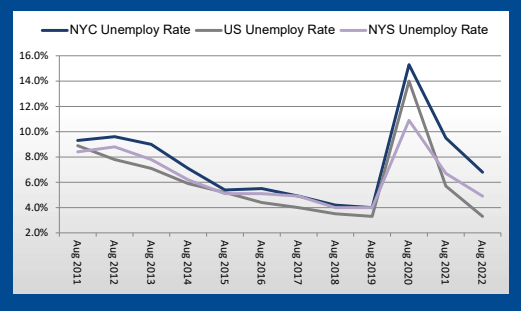
Overall weekly wages in New York City averaged \$4,064 in the 1st quarter of 2022, representing a 2.4% improvement year-over-year according the recent report released by the U.S. Department of Labor. Among the major sectors, (4) saw wage increases during the quarter, except for the information sector, which saw a 1.3% decrease. The Financial Services sector led the way with an 8.0% increase year-over-year at the high; while at the low, the Leisure and Hospitality sector saw a more moderate 2.6% improvement.

**Vacancy** for Class A & B office buildings over 75,000 square feet rose to 13.4%, increasing 1.9% from the 13.2% vacancy in the 2nd quarter. Class A vacancy increased 1.9% quarter-over-quarter to 13.9%, while Class B vacancy rose 1.7% during the same period to a rate of 12.4%.

**Absorption** closed the 3rd quarter at negative 991,766 square feet, representing an improvement of the negative roughly 3.434 million-square-foot absorption in the 2nd quarter, as the pace of deal making improved during the period. Despite a moderate positive 60,352-square-foot absorption in Midtown South, it was offset by negative absorptions of 749,412 square feet and 302,706 square feet in Midtown and Downtown respectively.

**Face Rents** for office space in the 3rd quarter lowered 1.1% to an overall average of \$70.88 per square foot versus the \$71.64 per square foot figure in the 2nd quarter. Class A face rents fell 1.5% from the previous quarter's \$79.09 per square foot to \$77.92 per square foot at the end of September. Average face rents in Midtown and Downtown lowered 2.0% and 1.3% to \$56.09 per square foot and \$75.27 per square foot respectively. In contrast, Midtown South rents rose by 3.0% to \$73.81 per square foot.

3Q 2022	Total	Downtown	Midtown South	Midtown
Vacancy	↑	↑	↓	↑
Face Rent	↓	↓	↑	↓
Absorption	↓	↓	↑	↓



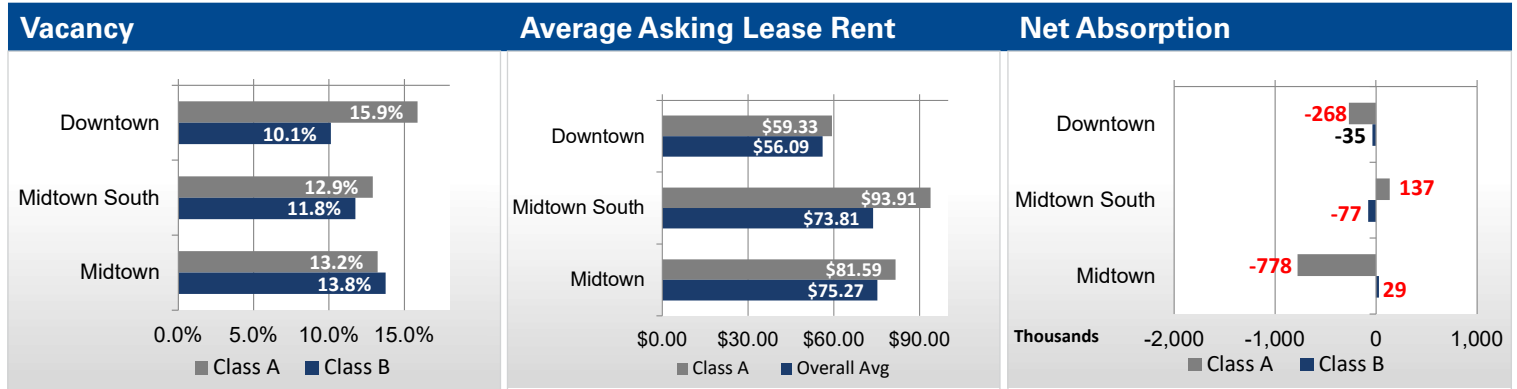
Source: NYS Department of Labor and US Department of Labor, Bureau of Labor Statistics



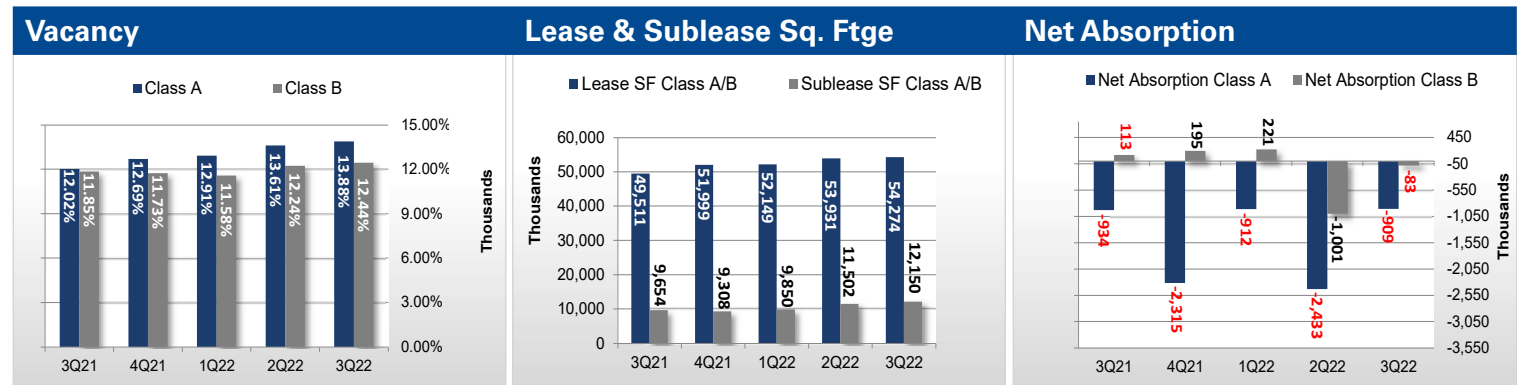
# Class A & B Statistics At A Glance



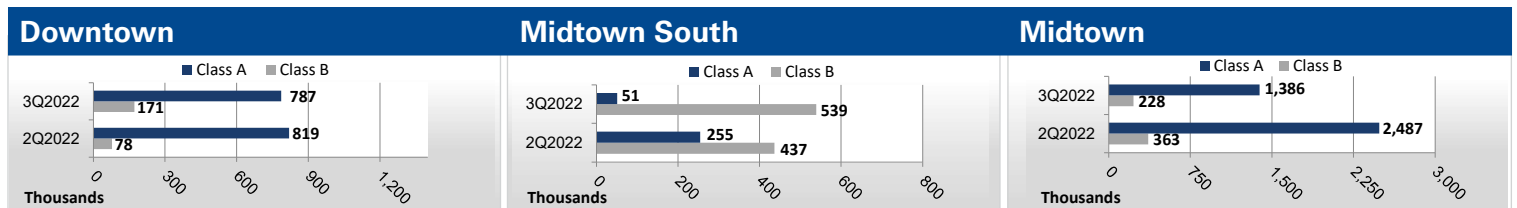
3rd Quarter 2022



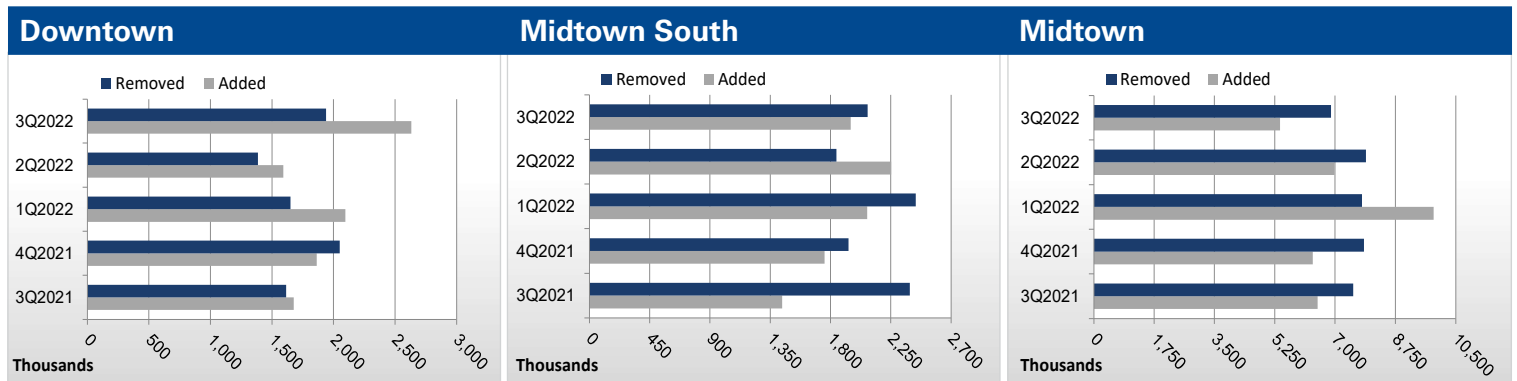
Quarter-over-Quarter



Sublease Space Newly Listed in Q3 2022



Quarter-over-Quarter Inventory Changes





## Submarket Statistics Overview: Class A & B Office

Manhattan	Inventory	Vacant Sq. Ftge.			Vacancy Rate			Avg. Face Rent PSF	Absorption
Submarkets Districts	Total RBA*	Direct Sq. Ftge.	Sublet Sq. Ftge.	Total Sq. Ftge.	Direct Vacancy	Sublet Vacancy	Overall Vacancy	Overall Asking	Year-to-Date Sq. Ftge
Downtown	112,945,276	13,580,236	2,802,650	16,382,886	12.0%	2.5%	14.5%	\$56.04	-2,136,975
City Hall	14,011,609	808,614	57,801	866,415	5.8%	0.4%	6.2%	\$52.75	22,055
Financial District	39,781,164	6,144,674	1,524,892	7,669,674	15.4%	3.8%	19.3%	\$51.45	-739,398
Insurance District	13,106,304	2,303,289	269,605	2,572,894	17.6%	2.1%	19.6%	\$52.73	-1,228,744
TriBeCa	7,634,947	543,065	187,575	730,640	7.1%	2.5%	9.6%	\$78.22	-83,584
World Trade Center	38,411,252	3,780,594	762,777	4,543,371	9.8%	2.0%	11.8%	\$65.75	-107,304
Midtown South	72,315,553	6,944,092	1,813,939	8,758,031	9.6%	2.5%	12.1%	\$73.81	-702,597
Chelsea	17,908,260	1,748,396	566,959	2,315,355	9.8%	3.2%	12.9%	\$68.25	-68,643
Flatiron	23,189,115	2,389,658	672,855	3,062,513	10.3%	2.9%	13.2%	\$77.97	-413,215
Gramercy/Union Sq	9,477,554	612,105	186,273	798,378	6.5%	2.0%	8.4%	\$70.62	10,059
Greenwich Village	5,276,517	733,707	61,876	795,583	13.9%	1.2%	15.1%	\$80.53	-110,016
Hudson Square	10,916,281	756,134	290,959	1,047,093	6.9%	2.7%	9.6%	\$88.96	-92,074
SoHo	5,547,826	704,092	35,017	739,109	12.7%	0.6%	13.3%	\$76.72	-28,708
Midtown	308,959,739	33,750,034	7,532,974	41,283,008	10.9%	2.4%	13.4%	\$75.27	-2,277,176
Columbus Circle	34,121,933	2,807,766	554,991	3,362,757	8.2%	1.6%	9.9%	\$73.89	-59,491
Hudson Yards	57,352,628	6,782,859	1,773,428	8,556,287	11.8%	3.1%	14.9%	\$67.19	-1,189,558
Grand Central	13,244,281	2,419,181	533,155	2,952,336	18.3%	4.0%	22.3%	\$58.48	-287,516
Murray Hill	65,583,126	4,682,627	2,606,184	7,288,811	7.1%	4.0%	11.1%	\$81.78	-489,052
Penn Plaza/Garment	87,570,706	10,928,855	1,362,211	12,291,066	12.5%	1.6%	14.0%	\$94.10	1,000,675
Plaza District	46,665,423	5,892,992	703,005	6,595,997	12.6%	1.5%	14.1%	\$77.97	-1,249,110
Times Square	4,421,629	235,754	0	235,754	5.3%	0.0%	5.3%	\$72.83	-3,124
U.N Plaza									
<b>Grand Total</b>	<b>494,220,568</b>	<b>54,274,362</b>	<b>12,149,563</b>	<b>66,423,925</b>	<b>11.0%</b>	<b>2.5%</b>	<b>13.4%</b>	<b>\$70.88</b>	<b>-5,116,748</b>

Source: Costar - Buildings 75,000 SF and larger; vacancy and absorption calculations based upon move-in date versus deal signing date  
Newmark, Cushman & Wakefield



# Retail Bi-Quarterly Vacancy Statistics At A Glance



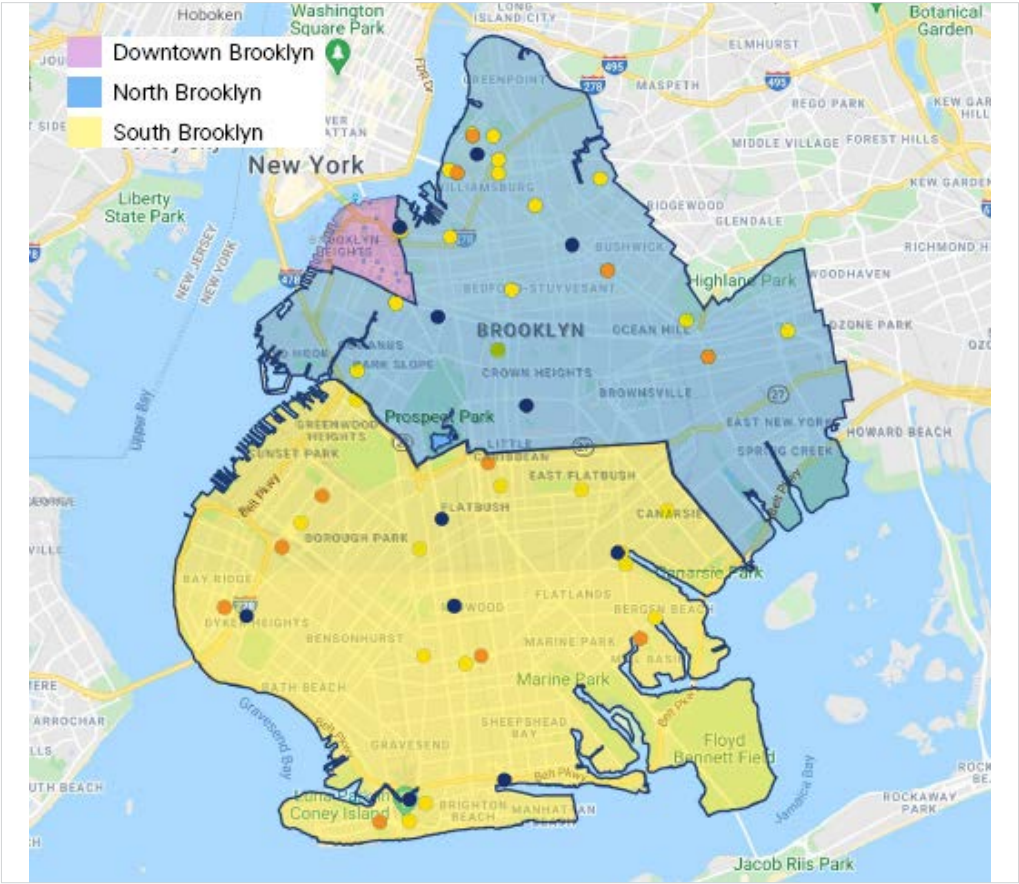
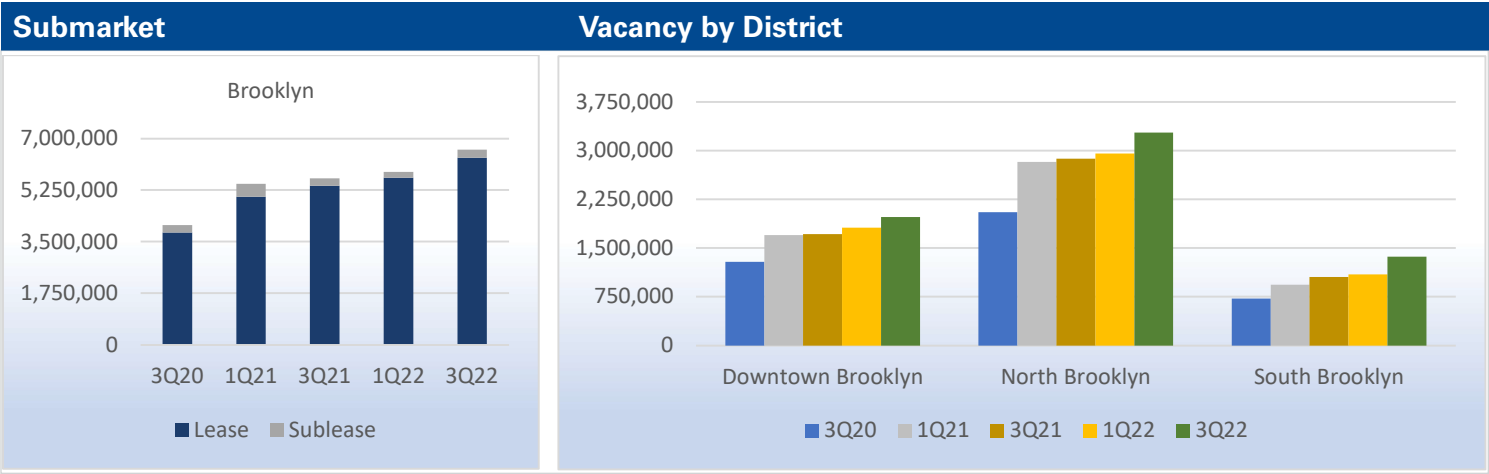
Q3 2020 - Q3 2022



# Retail Bi-Quarterly Vacancy Statistics At A Glance



Q3 2020 - Q3 2022

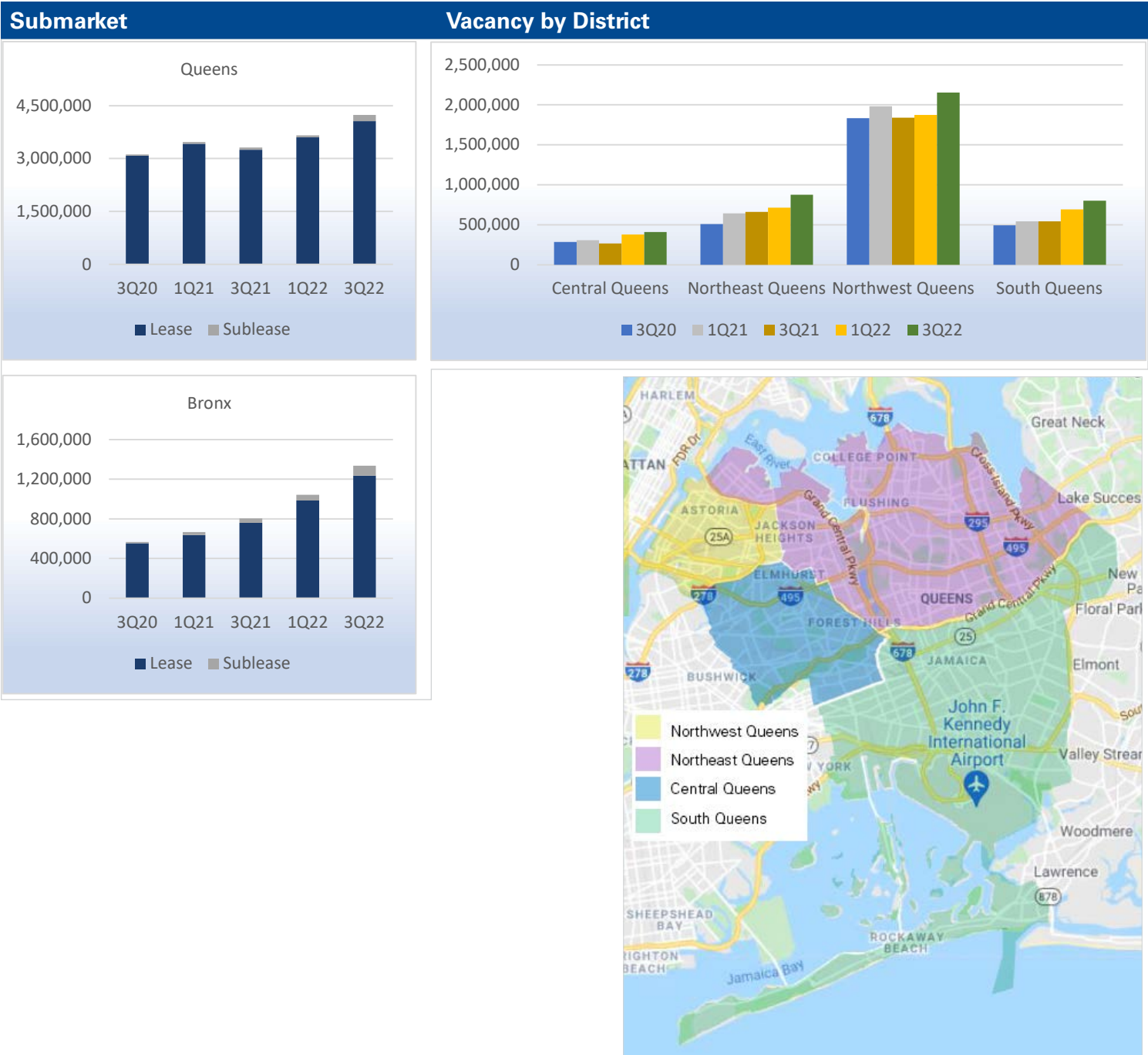




# Retail Bi-Quarterly Vacancy Statistics At A Glance



Q3 2020 - Q3 2022



## BID Market Snapshots

### Downtown Alliance - Lower Manhattan Real Estate Market Report | Q2 2022

Despite activity rising slightly over 2021 levels, office leasing in the 2nd quarter declined noticeably from the pace of activity in the 1st quarter; and remains 45% lower than the 5-year quarterly leasing average. A lack of large transactions contributed to the slowdown in leasing volume. Financial firms recommitted to Lower Manhattan, leading the way was Jane Street Capital's expansion lease for 129,762 square feet at 250 Vesey Street, increasing the firm's footprint within the building to 361,000 square feet. Other deals within the finance sector included a 38,772-square-foot expansion at One Broadway by fintech firm Fiserv; and at 7 World Trade Center a 51,445-square-foot renewal by Capstone Investment Advisors and a 43,285-square-foot expansion by Motive Partners.

By the end of June 2022, total monthly foot-traffic in Lower Manhattan increased 4% quarter-over-quarter, while the weekday daily average and weekend daily average was up 1% and 7% month-over-month respectively. Increased office occupancy, particularly midweek, is driving weekday traffic. Although remaining significantly lower than the 14 million visitors in 2019, the 5.7 million tourists that visited Lower Manhattan in 2021 is nearly double the 2020 volume. Hotel occupancy reached 77% in the 2nd quarter, representing a 22% increase year-over-year and only 11% lower during the same period in 2019. Average daily room rates (ADR) similarly rose during the quarter to \$294 per night, representing a substantial 81% improvement year-over-year as well as being 10% above spring 2019 rates.

A total of 34 retailers opened in the 2nd quarter, marking the second consecutive quarter during which retail openings outpaced 2019 levels; however, 23 retailers closed during the same period. Among the openings, of which two-thirds were food and beverage businesses, all but a few exceptions are filling vacancies created during the pandemic. Notable openings include the Urbanspace food hall within the recently enclosed and re-designed 15,000-square-foot former open-air arcade at the base of 100 Pearl Street. Looking ahead, Century 21 announced plans to reopen a downsized version in its flagship location at 22 Cortlandt Street sometime in the spring of 2023, spreading across 100,000 square feet on 4-floors versus the previous 200,000-square-foot store.

Source: <https://downtownnyc.com/research/lower-manhattan-real-estate-overview-q2-2022/>

### Union Square Partnership - 2022 Union Square Commercial Market Report

Continuing to attract top firms and talent, according to the BID's early August 2022 report, Union Square had over 485,000 square feet leased since January 2021 across the tech, finance, and health sectors. Microsoft led the way, signing a 150,000-square-foot lease at 122 Fifth Avenue. Other activity included the announced signings of the Zero Irving Tech Center's first commercial tenants — fintech firm Melio and Sigma Computing committed to 25,000 square feet and 15,500 square feet respectively within the building that is on track to open before the end of 2022. Retail openings since January 2021 totaled 37, with an additional 12 retailers announcing plans to open soon. Looking ahead, New York University plans to relocate the Wagner Graduate School of Public Service's 864-student and 200-plus faculty members to its former administrative space at 105 East 17th Street in the fall of 2024.

Source: <https://bit.ly/3SpilWz> / <https://www.unionsquarenyc.org/commercial-market-report-archive>

### Flatiron/NoMad - Flatiron & NoMad Economic Snapshot | Q2 2022

Commercial leasing volume continued to increase for the second consecutive quarter. Among the 70 leases signed in Class A & B office buildings during the 2nd quarter, the 284,000-square-foot renewal at 200 Fifth Avenue by Tiffany & Co led the way, followed by fashion house Tory Burch's 130,000-square-foot renewal at 11 West 19th Street. Notable retail openings include the Whole Foods at 63 Madison Avenue; while the hospitality sector added luxury hotel brands Ritz-Carlton and The Ned which opened in NoMad. Average daily foot traffic in the Flatiron Plazas continued to rise, reaching a pedestrian count of 54,739 in the 2nd quarter — nearly triple the 19,338 volume in the 2nd quarter of 2020.

Source: [https://flatironnomad.nyc/wp-content/uploads/2022/05/FN\\_Quarterly\\_Report\\_Q2-2022\\_Final-2.pdf](https://flatironnomad.nyc/wp-content/uploads/2022/05/FN_Quarterly_Report_Q2-2022_Final-2.pdf)





Brooklyn - Brooklyn Heights Area

# Development Activity

## REBNY Report: Quarterly New Building Construction Pipeline - Q2 2022

The Real Estate Board of New York (REBNY) released a report in August providing statistics based on examined new building job application filing submitted to the NYC Department of Buildings in the 2nd quarter of 2022, analyzing data for the three month period of April through June; and draws historical comparisons to provide an understanding of the current state of development in New York City.

Key Takeaways - Q2 2022							
Borough Breakout	Q2 2022 Filings	Yr-over-Yr Change	% of Proposed Construction SF	Borough	Q2 2022 Filings	Yr-over-Yr Change	% of Proposed Construction SF
Manhattan	29	61%	22%	Queens	113	-20%	19%
Bronx	76	100%	19%	Staten Island	82	9%	2%
Brooklyn	122	45%	37%				
New Building Filings in Q2 2022	TTL Filings	% Change Qtr-over-Qtr / Yr-over-Yr		TTL Proposed Sq. Ft.		% Change Qtr-over-Qtr / Yr-over-Yr	
Citywide	422	-39% / 19%		15MM		-36% / 69%	
Construction Projects 300K-sf Plus	Q2 2022 Filings	TTL Proposed Sq. Ft.		% of Q2 2022 TTL Proposed SF		Qtr-over-Qtr Change of TTL %	
Citywide	11	5.1MM		34%		24%	
Multiple Dweling Residential Q2 2022	Proposed Units	% Change Qtr-over-Qtr / Yr-over-Yr			New Buildings		% Change Qtr-over-Qtr / Yr-over-Yr
Citywide	10,527	-48% / 34%			205		-36.3% / 65.3%
Borough Breakout	New Buildings	Proposed Units / % of TTL		Borough	New Buildings	Proposed Units / % of TTL	
Manhattan	25	1,894 / 18%		Queens	30	1,588 / 15%	
Bronx	59	2,090 / 20%		S.I.	4	26 / 0.2%	
Brooklyn	87	4,929 / 47%					
Largest Proposed Projects by Borough - Q2 2022							
Borough	Address	Neighborhood	Sq. Ft.	Description			
Manhattan	250 Water Street	Financial	667,302	26-story residential development - 269-units proposed			
Bronx	980 East 149th Street	Mott Haven	986,360	5-story warehouse and commercial vehicle storage building			
Brooklyn	175 3rd Street	Gowanus	749,356	21-story mixed-use development - 450-units and 101 enclosed parking spaces			
Queens	39-18 Janet Place	Flushing	331,392	15-story mixed-use development - 141-units and 200 parking spaces			
Staten Island	30 Page Avenue	Charleston	121,275	1-story warehouse with related parking			



Midtown - Hudson Yards

## Office Market – Notable Transactions

### Lease - Manhattan

Address	Submarket	District	Sq. Ftge	Tenant
3 World Trade Center	Downtown	World Trade Center	180,000	Freshfields Bruckhaus Deringer (relocation)
120 Broadway	Downtown	FiDi	109,000	NYC Housing Development Corp (relocation)
2 Manhattan West	Midtown	Penn Plaza	456,000	KPMG LLP (relocation)
1 Manhattan West	Midtown	Penn Plaza	283,421	D.E. Shaw Group (relocation)
1166 Sixth Avenue	Midtown	Times Square	161,000	Cohen & Steers (relocation)
375 Park Avenue	Midtown	Plaza	137,600	Blue Owl Capital (relocation)
50 Hudson Yards	Midtown	Hudson Yards	100,000	Truist Financial (relocation)
50 Hudson Yards	Midtown	Hudson Yards	95,000	Vista Equity Partners
250 Hudson Street	Midtown South	Hudson Square	173,618	Edelman (renewal)
11-19 West 19th Street	Midtown South	Flatiron	130,000	Tory Burch (renewal)
114 Fifth Avenue	Midtown South	Union Square	116,926	Capital One (extension/expansion)
225 Park Avenue South	Midtown South	Flatiron	109,507	Monday.com (sublease/relocation)

### Lease - Outer Boroughs

Address	Borough	Neighborhood	Sq. Ftge	Tenant
37-18 Northern Boulevard	Queens	Long Island City	75,000	Standard Motor Products (renewal)
Dock 72	Brooklyn	Brooklyn Navy Yard	71,000	Huge (relocation)

### Manhattan/Outer Borough Investment Sales

Address	Submarket	District	Sq. Ftge	Sold Price	Purchaser
885 Third Avenue	Midtown	Plaza	414,317	\$300,000,000	Memorial Sloan-Kettering (Condo leasehold)
830 Third Avenue	Midtown	Plaza	157,866	\$72,000,000	Empire Capital Holdings
43-45 East 53rd Street	Midtown	Plaza	134,000	\$102,500,000	ZG Capital/Rialto Capital Mgmt
3 MetroTech Center	Brooklyn	DoBro	415,990	\$122,000,000	New York University
Calko Medical Center 3010 Bay Parkway	Brooklyn	Bensonhurst	140,000	\$81,500,000	MedProperties Physicians Realty Trust
33-00 Northern Boulevard	Queens	Long Island City	498,000	\$172,800,000	60 Guilders-led partnership





Midtown - Times Square

## Retail Market – Notable Transactions

### Lease - Manhattan

Address	Submarket	District	Sq. Ftge	Tenant
1 Wall Street	Downtown	FiDi	54,365	Printemps (new)
101 Park Avenue	Midtown	Grand Central	30,000	Five Iron Golf (new)
425 Park Avenue	Midtown	Plaza	14,000	Jean-Georges Vongerichten (new)
200 Park Avenue	Midtown	Grand Central	10,000	Hospitality Dept. (yet-to-be-named seafood restaurant)
675 Sixth Avenue	Midtown South	Flatiron	32,000	Michaels (renewal)
427-429 Broadway	Midtown South	SoHo	30,000	House of Cannabis (new)
115 Fifth Avenue	Midtown South	Union Square	15,000	Aritzia (new)
101 West 12th Street	Midtown South	West Village	10,621	Lincoln Market (new)

### Lease - Outer Boroughs

Address	Borough	Neighborhood	Sq. Ftge	Tenant
120 5th Avenue	Brooklyn	Park Slope	25,000	Lidl (new)
50 Pennsylvania Avenue	Brooklyn	East New York	20,000	Fine Fare Supermarket (new)
470 Vanderbilt Avenue	Brooklyn	Fort Greene	14,795	Boxed (new)
510 Driggs Avenue	Brooklyn	Williamsburg	12,250	Learning Experience (new)
120 5th Avenue	Brooklyn	Park Slope	10,000	CVS Pharmacy (new)
88-001 Queens Boulevard	Queens	Elmhurst	35,000	Lidl (new)

### Manhattan/Outer Borough Sales

Address	Submarket	District	Sq. Ftge	Sold Price	Purchaser
101 West 78th Street	Uptown	Upper West Side	12,201	\$8,950,000	Aperture Foundation (condo)
3502 Flatlands Avenue	Brooklyn	Marine Park	2,480	\$1,400,000	Flatbush Volunteers of Hatzolah
5102 13th Avenue	Brooklyn	Borough Park	15,800	\$13,200,000	MCB 5102-13th Ave Brooklyn LLC
9313 Avenue L	Brooklyn	Canarsie	4,496	\$1,325,000	L & Kings Highway Realty LLC



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