

38 WEST 39





MARKET OVERVIEW

MIDTOWN OFFICE MARKET OUTLOOK:

Q2 - 2020 (JLL DATA)

MIDTOWN OFFICE MARKET OUTLOOK

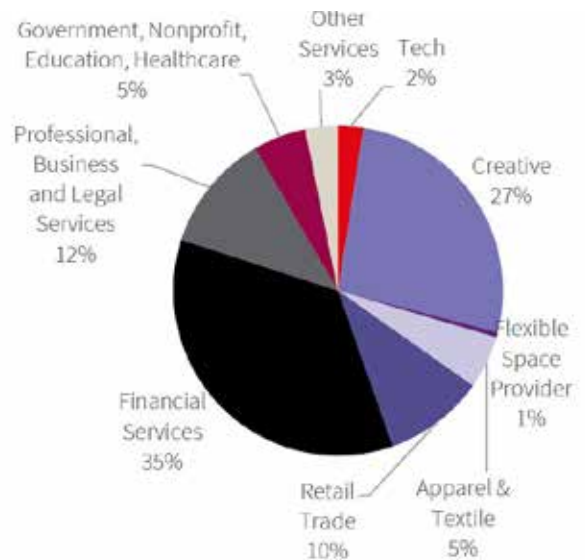
- Midtown is anchored by leading financial services firms and other creditworthy occupiers that have not demonstrated a willingness to reduce their footprints in the post-COVID environment, which limits its potential downside risk compared with prior downturns.
- New construction demand is positioned to remain elevated based on active tenant requirements.
- Some supply risk in the commodity sector is anticipated based on impending lease rollovers.

Midtown Tenant Improvement Allowances p.s.f.



Tenant improvement allowances continue to increase in Midtown to induce tenants to sign leases during uncertain economic conditions.

Midtown Sublessors by Industry



Sublease spaces in Midtown indicate that more than 37 percent of availabilities are from presently vulnerable industries.

TOP 10 LEASES OF THE QUARTER

Tenant	Address	Lease Size s.f.	Market	Submarket
TikTok	151 West 42nd Street	232,138	Midtown	Times Square
United States Securities & Exchange Commission	100 Pearl Street	175,000	Downtown	Water Street Corridor
Allen & Overy*	1221 Avenue of the Americas	143,331	Midtown	Midtown Core
Bank of New York Mellon*	200 Park Avenue	130,000	Midtown	Grand Central
Mitsubishi	655 Third Avenue	116,694	Midtown	Grand Central
Policy Genius	32 Old Slip	85,526	Downtown	Water Street Corridor
Remedy Partners**	685 Third Avenue	74,000	Midtown	Grand Central
U.S. Department of Education	32 Old Slip	65,796	Downtown	Water Street Corridor
Local Initiatives Support Corporation	28 Liberty Street	60,700	Downtown	Financial District
Colliers International	1114 Avenue of the Americas	59,052	Midtown	Grand Central



NEIGHBORHOOD OVERVIEW



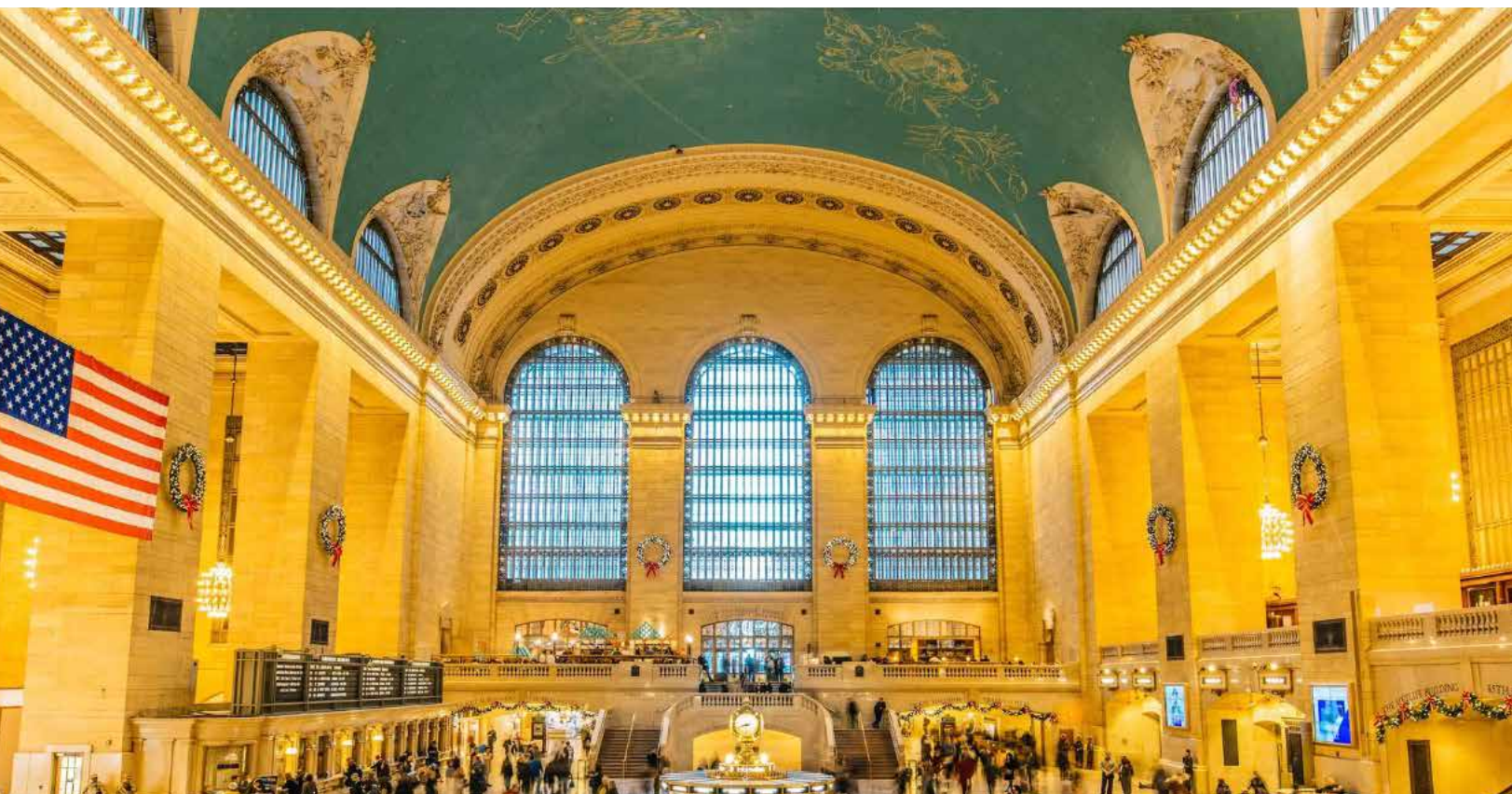
NEIGHBORHOOD OVERVIEW

The Property enjoys a prime office, retail, and residential location at the confluence of the Grand Central and Times Square districts as well as the Fifth & Madison Avenues' shopping corridor on Midtown Manhattan's east side. The location delivers strong and resilient office, retail & hotel demand emblematic of Midtown, Manhattan. Additional demand is created by the Property's outstanding transportation convenience, superior neighborhood dining and shopping amenities, and proximity to riverfront recreation. Significant residential, commercial, and hotel development in the immediate vicinity illustrates the strength of the location and the Property's strong appreciation potential.

GRAND CENTRAL DEMAND

The Property is located in the Grand Central submarket, one of New York City's largest and most diversified business districts. Anchored by Grand Central Terminal, the submarket has nearly 400,000 people working in 72 million square feet of office space across the 190 buildings in the district.

- **Industry Diversity:** The Grand Central submarket has more industry diversity than any other submarket in New York City, home to thousands of blue chip and boutique firms in the financial services, business services, legal, and TAMI sectors.
- **Neighborhood Amenities:** The high density of office workers and residents in the Property's immediate vicinity supports an impressive array of dining and shopping alternatives, adding to the work life quality of the location.





TIMES SQUARE

Three blocks north of the Property is Times Square, another established neighborhood that attracts 330,000 daily visitors from around the globe. Coined “Times Square” after the New York Times moved their headquarters to the then underdeveloped neighborhood, the district has become one of the busiest square miles in the world. After a new subway station opened on 42nd Street, Times Square experienced rapid growth, ultimately giving rise to America’s most important entertainment center. Today, Times Square is responsible for 7% of the city’s employment, 15% of New York City’s economic output, 180,000 direct jobs (plus 210,000 indirect jobs), 31M square feet of commercial office space and home to 62,000 New Yorkers.



OUTSTANDING TRANSPORTATION ACCESS

In addition to the Property’s desirable walk-to-work convenience, it is exceptionally well connected from a public transportation perspective. This is a critical value driver for residents working and playing elsewhere in the city and the metropolitan region. The Property is centrally located a few short blocks from Midtowns main subway stations, such as Grand Central Terminal, Times Square/42nd Street, 34th Street/Herald Square, 34th Street/Penn Station, 42nd Street Bryant Park & 33rd Street/Park Avenue, one of the most important transportation hubs in the Northeast.

Grand Central Terminal

Grand Central is the primary hub for the Metro North commuter railway, connecting Manhattan to the northern suburbs in Westchester County, Putnam County, Dutchess County, and Fairfield County Connecticut. Regional rail access expands housing opportunities for professionals working at the Property while providing convenient access to family and friends living in the suburbs, a key consideration for many younger employees.

Penn Station

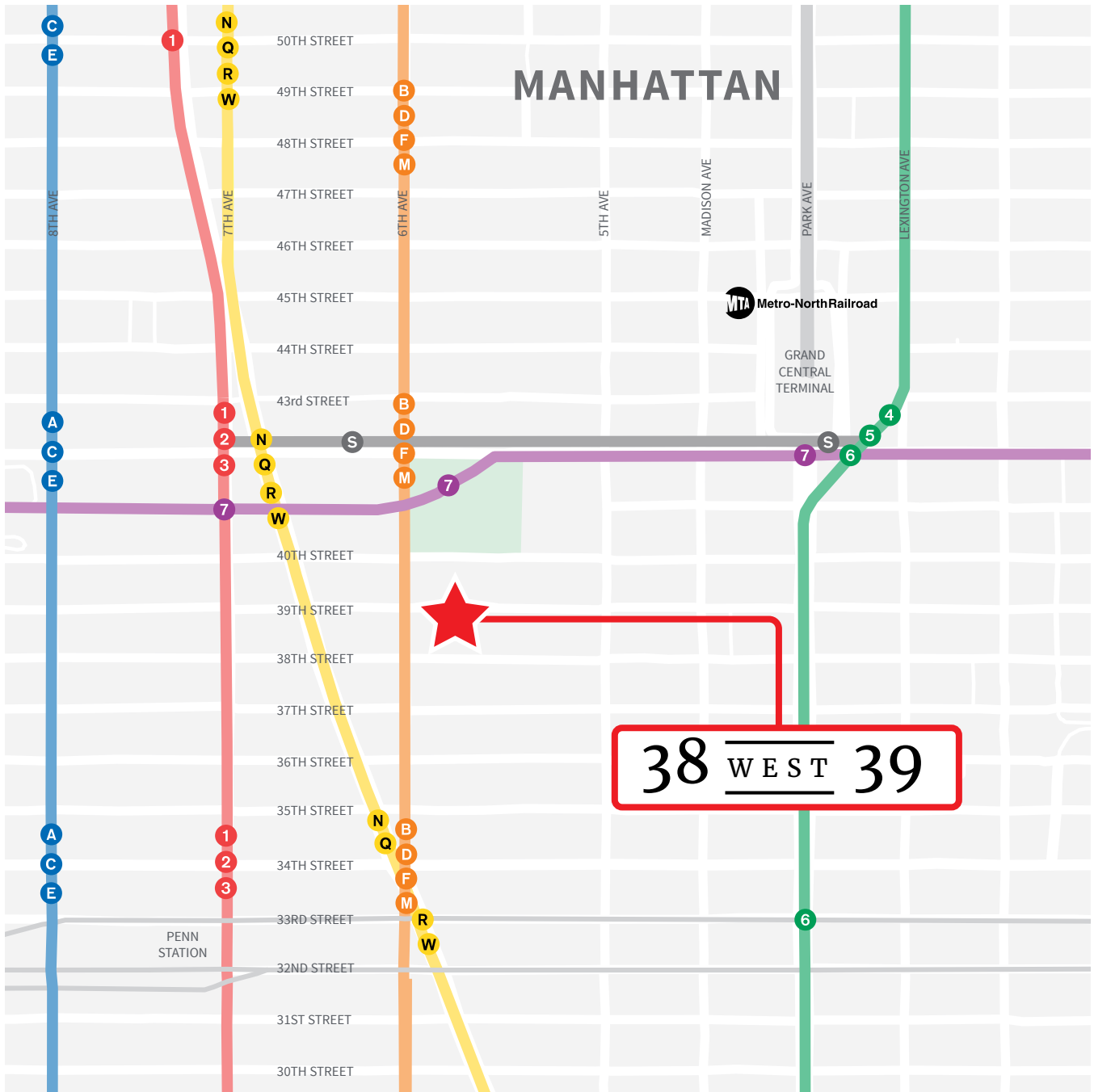
Penn Station is the primary hub for the LIRR, NJ Transit and Amtrak railways , connecting Manhattan to many of the surrounding neighborhoods such as all of New Jersey, Long Island and may neighboring states through the Amtrak. National & regional rail access expands housing & travel opportunities for professionals working at the Property while providing convenient access to family and friends living in the suburbs, a key consideration for many younger employees.

Multiple Subway Lines

In addition to regional rail service, the Property provides access to most of New York City’s subway lines, including the **B D F M N Q R W 1 2 3 A C E S 4 5 6** and **7** Train service, delivering outstanding connectivity to major business centers and residential neighborhoods throughout New York City. Express service is a rare amenity in New York City, providing rapid travel times from the Property to key Manhattan destinations:

EXPRESS SUBWAY SERVICE FROM THE PROPERTY

DESTINATION	NUMBER OF STOPS	TRAVEL TIME
MIDTOWN - 59TH STREET	1	2 MINUTES
UNION SQUARE	1	4 MINUTES
BROOKLYN BRIDGE/CITY HALL	2	10 MINUTES
FULTON STREET TRANSIT HUB	3	12 MINUTES
WALL STREET	4	13 MINUTES



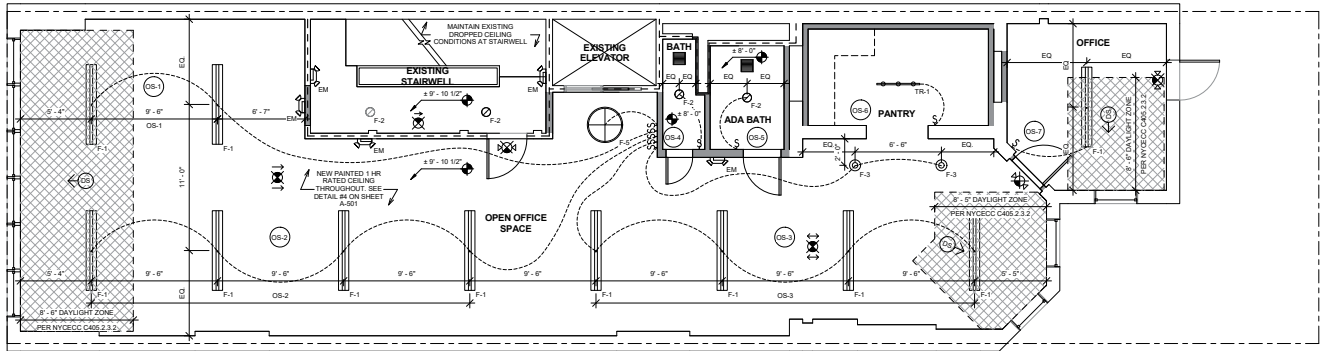
ANNUAL RIDERSHIP BY STATION

34 St-Herald Square	B D F M N Q R W	39,111,312
42 St-Bryant Pk/5 Av	B D F M 7	16,056,128
Grand Central-42 St	S 4 5 6 7	45,207,849
Times Sq-42 St	N Q R W S 1 2 3 A C E	65,060,656
34 St-Penn Station	1 2 3	25,968,950
33 St/Park Avenue	6	9,530,273
Total		200,935,168



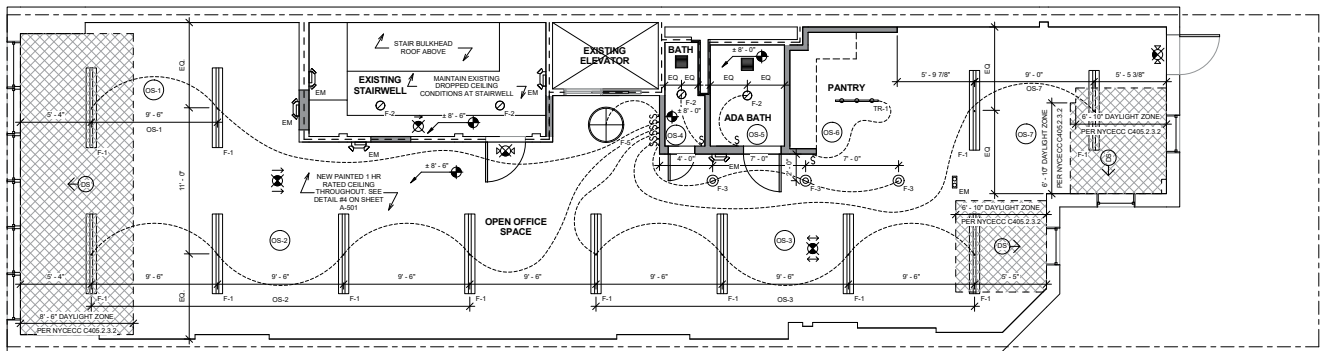
FLOOR PLANS

FLOORPLANS (continued)



FOURTH FLOOR

1/4" = 1'-0"



FIFTH FLOOR