



## October 2006 Market Report

### Office Market Conditions

#### Average Vacancy Rates

	Sep-06	Aug-06	Sep-05
Midtown Class A	6.1%	6.1%	8.8%
Midtown Class B	9.8%	9.9%	11.3%
Midtown South Class A	4.6%	4.9%	6.4%
Midtown South Class B	10.3%	10.6%	10.0%
Downtown Class A	9.6%	10.2%	10.2%
Downtown Class B	13.9%	14.0%	15.5%

#### Average Asking Rates

	Sep-06	Aug-06	Sep-05
Midtown Class A	\$70.30	\$70.32	\$59.43
Midtown Class B	\$45.01	\$44.26	\$40.66
Midtown South Class A	\$44.30	\$44.23	\$35.38
Midtown South Class B	\$38.09	\$37.38	\$33.61
Downtown Class A	\$44.64	\$45.25	\$34.44
Downtown Class B	\$32.29	\$30.97	\$28.04

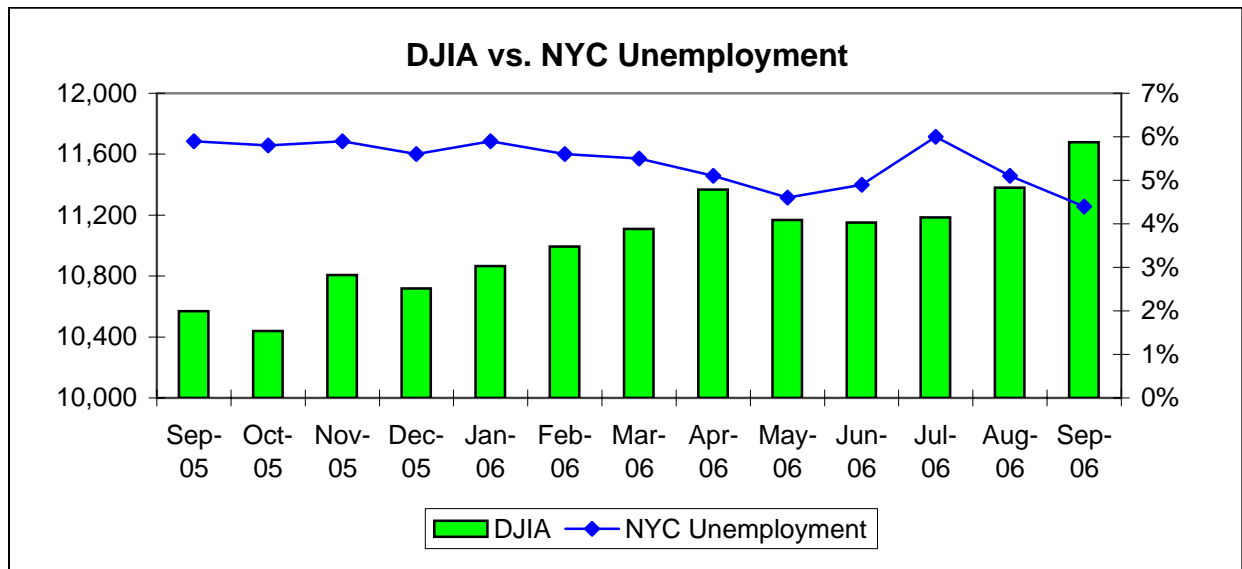
Source: Colliers ABR

### Employment For New York City

(In Thousands, Not Seasonally Adjusted)

	Sep-06	Aug-06	Sep-05
Total	3,654.7	3,647.5	3,602.6
Financial Activities	457.0	460.2	448.7
Services	1,545.5	1,529.2	1,513.0
Wholesale Trade	147.8	148.1	147.9
Retail Trade	285.7	283.5	280.7
Government	543.5	557.4	541.8
Construction	119.9	119.1	117.8
Manufacturing	112.4	111.4	115.1
Transportation & Utilities	122.2	117.1	119.8

Source: NYS Department of Labor



Source: NYS Department of Labor

### Mortgage Rates NYC

	30 Yr	15 Yr	1 Yr Adj.
Week Ending 9/29/06	6.43%	6.08%	5.81%
Week Ending 8/25/06	6.60%	6.28%	5.90%
Week Ending 9/30/05	6.04%	5.63%	4.88%

Source: HSH Associates

### Mortgage Rates NYC Co-op

	30 Yr	15 Yr	1 Yr Adj.
Week Ending 9/29/06	6.49%	6.16%	5.69%
Week Ending 8/25/06	6.60%	6.26%	5.83%
Week Ending 9/30/05	6.05%	5.63%	4.85%

Source: HSH Associates

### Prime Rate

9/30/2006	8/31/2006	9/30/2005
8.25%	8.25%	6.75%

Source: New York Federal Reserve Bank

### Consumer Price Index

(1982-84 = 100)

Sep-06	Aug-06	Sep-05
222.9	224.1	215.8

Change To Sep-06 From:

Aug-06	Sep-05
-0.54%	3.29%

Source: Bureau of Labor Statistics

### Dow Jones Industrial Average

9/30/2006	8/31/2006	9/30/2005
11,679.07	11,381.15	10,568.70

Source: NYC Office of Management and Budget

## Office Activity

### Sales

Address	Buyer	Seller	Price	SF	\$/SF
443-453 Greenwich St	Shahab Karmel y	Goidel I-Regal Co./ NFL Regal	\$115 M	217,549	\$529
330 W 38th St	Hudson 38	Fanny Grunberg	\$51 M	198,851	\$256
601 W 50th St	Kenneth Cole Productions Inc.	APF Properties	\$24 M	127,100	\$189
220-230 W 19th St	Diesel USA	Robert Ganz	\$53 M	100,000	\$530

### Leases

Address	Tenant	SF	Conditions
Freedom Tower	NY State Office of General Services	415,000	N/A
1095 Ave of the Americas	Dechert LLP	234,238	Relocation
350 Hudson St	Euro RSCG Worldwide	158,284	Renewal
125 Park Ave	FGIC	125,600	Renewal
1166 Ave of the Americas	DE Shaw & Co.	112,270	N/A
445 Park Ave	Dexia Credit Local	80,000	Renewal & Expansion
1440 Broadway	aQuantive	79,000	Consolidation
11 Penn Plaza	Federated Department Stores	52,804	Renewal & Expansion
50 W 23rd St	Delia's	52,220	N/A
1633 Broadway	Vedder Price	52,000	N/A
1633 Broadway	Kasowitz Benson Torres & Friedman	51,000	N/A
63 Madison Ave	WestPoint Home	49,120	N/A
100 Wall St	Harris Beach	46,171	Relocation
1301 Ave of the Americas	Lehman Brothers Holdings	41,100	Expansion
335 Madison Ave	Thompson Hine	40,000	Relocation
5 Penn Plaza	Covenant House	39,254	N/A
520 Madison Ave	Fortis Bank	39,204	N/A
100 Park Ave	Fox Rothschild LLP	30,578	Renewal & Expansion
40 Wall St	OfficeLinks	28,000	New Location
1115 Broadway	Rubies	23,370	Relocation
1440 Broadway	OfficeLinks	21,000	New Location
249 W 17th St	About.com	20,500	Expansion
65 E 55th St	Nascar	19,500	Relocation
280 Park Ave	Promontory Financial Group	19,500	N/A
895 Broadway	MergerMarket	14,000	N/A
485 Lexington Ave	Omnicom Group, Inc.	13,827	Expansion
33 W 19th St	OfficeLinks	11,000	Expansion
1411 Broadway	The House of Dereon	10,000	N/A

### Active Construction

Address	Developer	SF	Completion
Freedom Tower	Silverstein Properties	2,600,000	2011
Bank of America Tower (1 Bryant Park)	Durst Organization/Bank of America	2,200,000	2008
Battery Park City Site 26	Battery Park City Authority/Goldman Sachs	2,100,000	2009
620 Eighth Avenue (8 Times Sq)	Forest City Ratner/The New York Times Co.	1,600,000	2007
80-94 Eleventh Ave	InterActiveCorp/The Georgetown Co.	147,000	2006