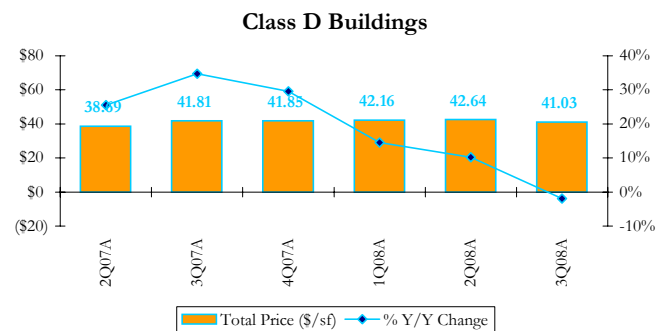
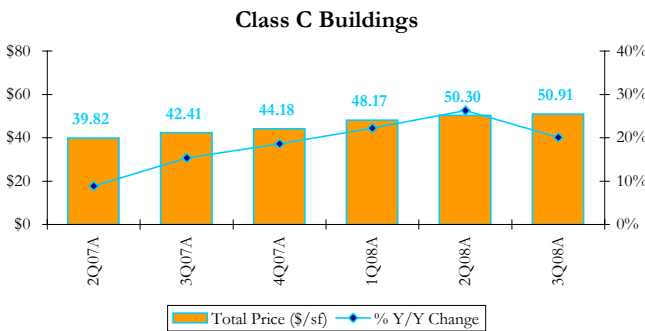
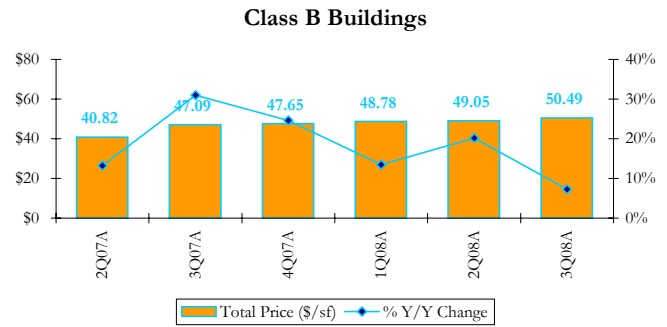
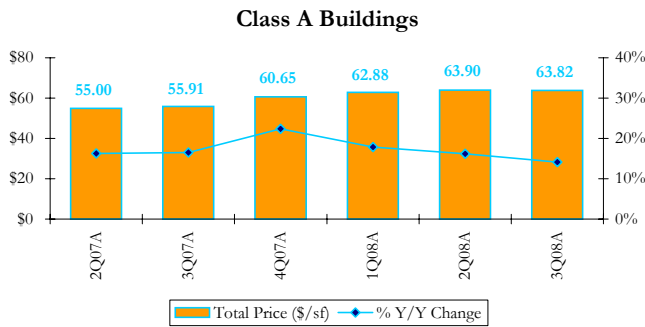


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Downtown Office Market Analysis

Total Price (\$/sf) and % Y/Y Change

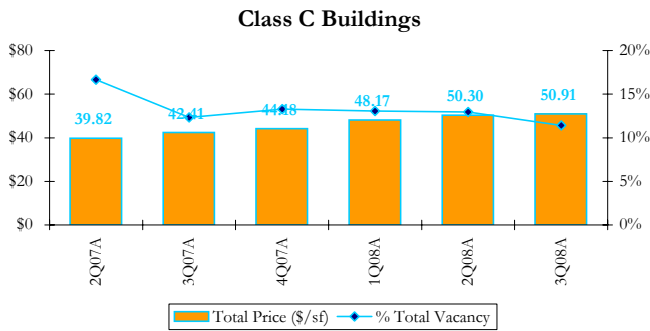
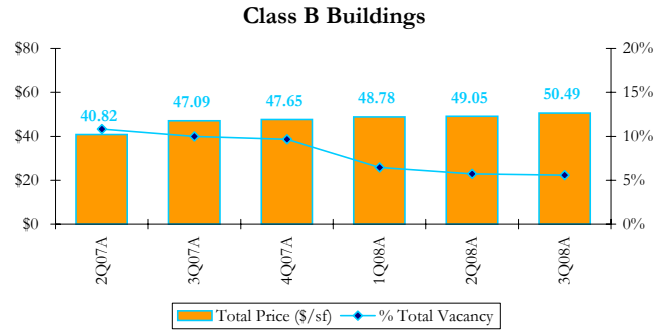
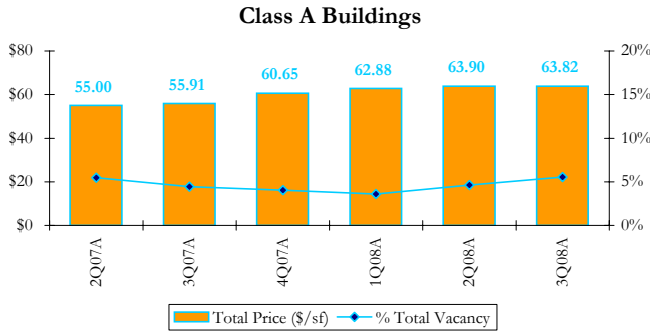


- Average asking rate growth decelerated sharply for all four building Classes, with Class D growth dipping to negative for the first time since 1Q06. Additionally, Class A and D properties saw sequential reductions in asking rates for the first time since the onset of the credit crisis in 3Q07.
- Despite the asking rate reductions in Class A and D properties, the market as a whole witnessed a slight asking rate increase over 2Q08, increasing \$0.17 psf to \$53.08 psf. However, the total market experienced a dramatic deceleration in y/y growth, to 13.5% y/y, down from peak growth of 21.6% y/y last quarter.

TENANTWISE

Downtown Office Market Analysis

Total Price (\$/sf) and % Vacancy

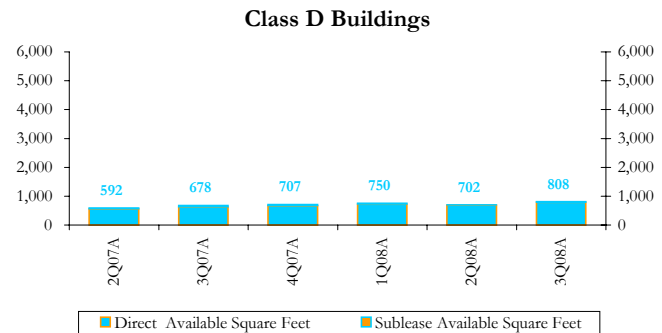
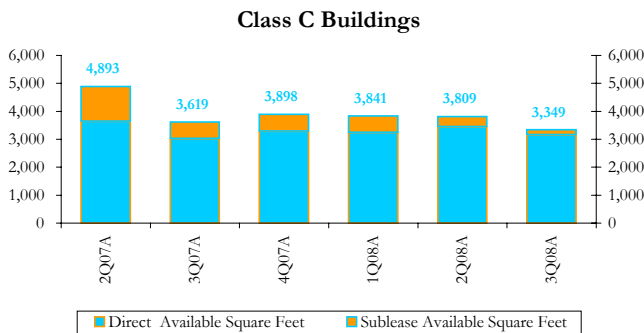
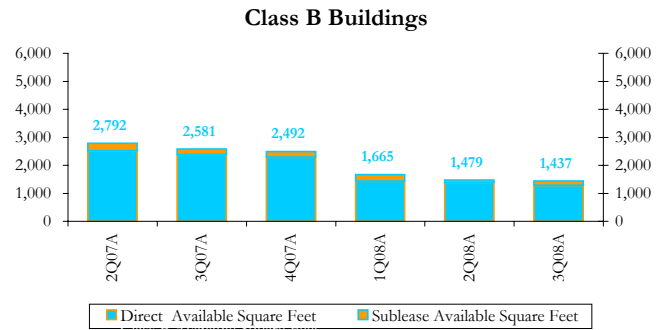
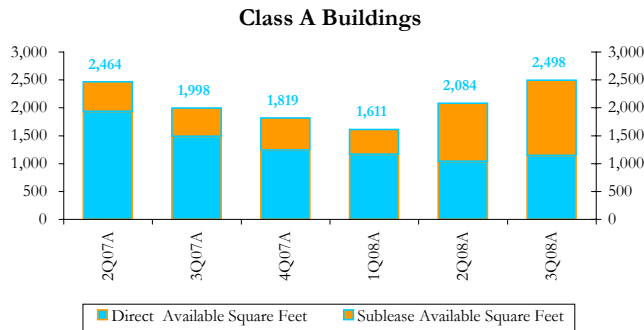


- Vacancy for the Downtown market was flat to last quarter at 7.1%, driven by increases in Class A and D vacancy offset by a decline in Class C vacancy. While this vacancy level was up slightly from 1Q08's record low of 6.9%, it was still down from 4Q07's 7.8% and was down 69 bps y/y, suggesting market supply is still relatively tight in the market.
- Class A, B and D properties all continued to show vacancy below 6%. Class C properties were the exception, with 11.4% vacancy in 3Q08, driven by high vacancy at several properties under redevelopment. However, this redevelopment also drove rate growth, making the Class C rate the fastest growing asking rate in the Downtown market.

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Downtown Office Market Analysis

Total Available Square Feet = Direct Available + Sublease Available

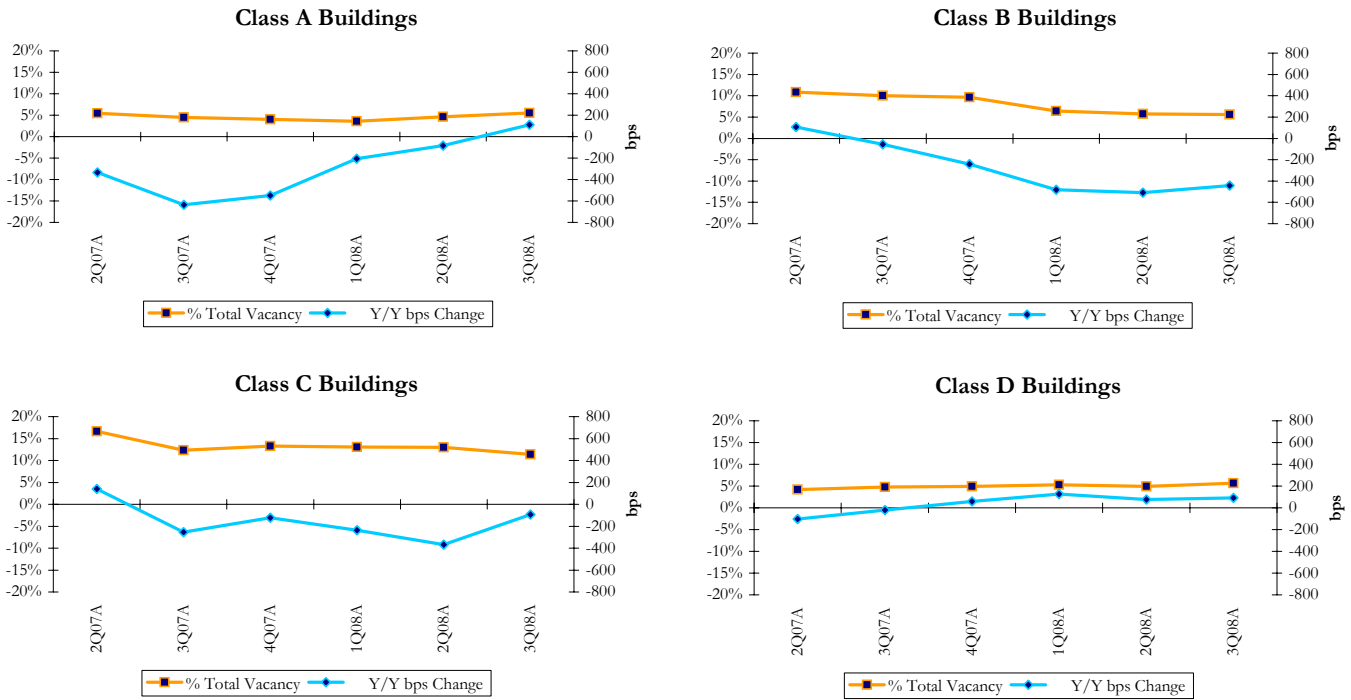


- These charts show the mix of availability, both between building classes and between direct and sublease availability types. An increase in Class A sublease availability drove an increase in the proportion of total availability attributable to sublease space to 21.4%, up from 18.9% in 2Q08.
- Class A availability trended down through 1Q08 due to significant leasing at 7 World Trade Center, 32 Old Slip and 3 World Financial Center. However, Class A sublease availability increased significantly in 2Q08 with Goldman Sachs making 517K sq ft of sublease space available at 77 Water St, and again in 3Q08 with new sublease availability at 7 World Trade Center (122K sq ft) and 1 World Financial Center (204K sq ft). As a result of this new availability, the percentage of Class A availability in the market increased to 30.9% in the quarter,

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Downtown Office Market Analysis

Total Vacancy and Y/Y bps Change



- After steady y/y declines across all building classes for most of 2007, Class A and C properties are both showing y/y increases in 3Q08. However, these increases were more than offset, primarily by a Class B y/y decrease, resulting in a 69 bps y/y decrease in vacancy for the market as a whole.
- The dramatic y/y vacancy decrease in Class B properties amounted to a 443 bps y/y decline, representing a decline in vacancy over the last year to 5.6% from 10.0% last year. This also represented a 1.1M sq ft reduction in availability, driven by availability reductions at 60 Broad St. (455K sq ft), 250 Hudson St. (205K sq ft) and 100 Church St. (88K sq ft).

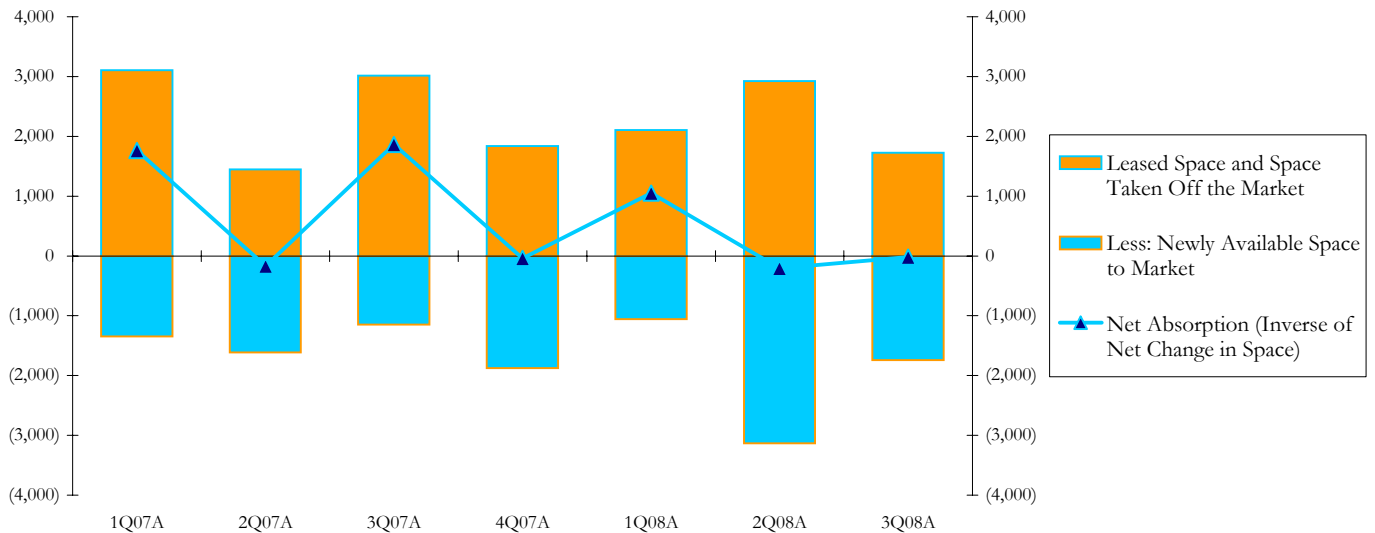
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Downtown Office Market Analysis

Absorption Trend Line

(all square feet in '000s)

	2006A	1Q07A	2Q07A	3Q07A	4Q07A	2006A	1Q08A	2Q08A	3Q08A
CHANGE IN AVAILABLE SPACE:									
Total Market Square Feet	114,896	114,896	114,395	114,395	114,395	114,395	114,395	114,395	114,395
Beginning Available Square Feet	13,004	12,335	10,574	10,741	8,875	12,335	8,916	7,866	8,075
Plus: Newly Available Space to Market	6,800	1,344	1,613	1,149	1,878	5,985	1,057	3,134	1,744
Less:									
Leased Space	(4,937)	(1,633)	(623)	(1,425)	(1,455)	(5,137)	(1,816)	(2,337)	(992)
Space Taken Off Market	(2,531)	(1,472)	(823)	(1,590)	(382)	(4,268)	(290)	(589)	(735)
Net Change in Space	(668)	(1,761)	167	(1,866)	41	(3,420)	(1,050)	209	16
Ending Available Square Feet	12,335	10,574	10,741	8,875	8,916	8,916	7,866	8,075	8,091
% Total Vacancy	10.7%	9.2%	9.4%	7.8%	7.8%	7.8%	6.9%	7.1%	7.1%
SUBMARKET ABSORPTION:									
Leased Space and Space Taken Off the Market	7,469	3,105	1,446	3,015	1,838	9,405	2,107	2,926	1,728
Less: Newly Available Space to Market	(6,800)	(1,344)	(1,613)	(1,149)	(1,878)	(5,985)	(1,057)	(3,134)	(1,744)
Net Absorption (Inverse of Net Change in Space)	668	1,761	(167)	1,866	(41)	3,420	1,050	(209)	(16)



TENANTWISE

Downtown Office Market Analysis

(all square feet in '000s)

	4Q06A	2006A	1Q07A	2Q07A	3Q07A	4Q07A	2007A	1Q08A	2Q08A	3Q08A
CLASS A BUILDINGS:										
Total Square Feet	45,478	45,478	45,478	44,976	44,976	44,976	44,976	44,976	44,976	44,976
Direct Available Square Feet	3,540	3,540	2,180	1,931	1,486	1,237	1,237	1,164	1,036	1,143
% Direct Vacancy	7.8%	7.8%	4.8%	4.3%	3.3%	2.8%	2.8%	2.6%	2.3%	2.3%
Y/Y lps Change	(125)	(125)	(330)	(269)	(571)	(503)	(503)	(220)	(199)	(76)
% of Class A Available Square Feet	81.7%	81.7%	84.8%	78.4%	74.4%	68.0%	68.0%	72.3%	49.7%	45.8%
Direct Price (\$/sf)	\$51.67	\$51.67	\$54.36	\$57.13	\$56.93	\$62.27	\$62.27	\$64.62	\$65.25	\$66.57
% Y/Y Change	4.5%	4.5%	9.4%	14.1%	13.7%	20.5%	20.5%	18.9%	14.2%	16.9%
Number of Direct Listings	148	148	82	81	72	68	68	60	69	79
Sublease Available Square Feet	794	794	389	533	512	582	582	446	1,048	1,355
% Sublease Vacancy	1.7%	1.7%	0.9%	1.2%	1.1%	1.3%	1.3%	1.0%	2.3%	3.0%
Y/Y lps Change	(45)	(45)	(96)	(65)	(64)	(45)	(45)	14	115	187
% of Class A Available Square Feet	18.3%	18.3%	15.2%	21.6%	25.6%	32.0%	32.0%	27.7%	50.3%	54.2%
Sublease Price (\$/sf)	\$35.37	\$35.37	\$32.43	\$33.31	\$35.03	\$42.54	\$42.54	\$41.77	\$47.97	\$48.83
% Y/Y Change	2.8%	2.8%	-5.1%	-5.3%	-1.9%	20.3%	20.3%	28.8%	44.0%	39.4%
Number of Sublease Listings	33	33	18	31	32	34	34	30	49	56
Class A Available Square Feet	4,334	4,334	2,569	2,464	1,998	1,819	1,819	1,611	2,084	2,498
% Total Vacancy	9.5%	9.5%	5.6%	5.5%	4.4%	4.0%	4.0%	3.6%	4.6%	5.6%
Y/Y lps Change	(170)	(170)	(426)	(333)	(636)	(549)	(549)	(207)	(85)	111
Total Price (\$/sf)	\$49.56	\$49.56	\$53.36	\$55.00	\$55.91	\$60.65	\$60.65	\$62.88	\$63.90	\$63.82
% Y/Y Change	5.2%	5.2%	12.9%	16.3%	16.5%	22.4%	22.4%	17.9%	16.2%	14.1%
Total Number of Listings	181	181	100	112	104	102	102	90	118	135
CLASS B BUILDINGS:										
Total Square Feet	25,815	25,815	25,815	25,815	25,815	25,815	25,815	25,815	25,815	25,815
Direct Available Square Feet	2,787	2,787	2,654	2,517	2,374	2,281	2,281	1,424	1,377	1,280
% Direct Vacancy	10.8%	10.8%	10.3%	9.7%	9.2%	8.8%	8.8%	5.5%	5.3%	5.0%
Y/Y lps Change	310	310	367	93	(16)	(196)	(196)	(476)	(442)	(424)
% of Class B Available Square Feet	89.4%	89.4%	91.4%	90.1%	92.0%	91.5%	91.5%	85.6%	93.1%	89.1%
Direct Price (\$/sf)	\$39.09	\$39.09	\$43.56	\$41.26	\$47.48	\$48.08	\$48.08	\$49.56	\$49.35	\$50.44
% Y/Y Change	10.6%	10.6%	19.5%	12.7%	30.1%	23.0%	23.0%	13.8%	19.6%	6.2%
Number of Direct Listings	163	163	160	189	143	127	127	97	91	80
Sublease Available Square Feet	331	331	251	275	207	211	211	240	103	157
% Sublease Vacancy	1.3%	1.3%	1.0%	1.1%	0.8%	0.8%	0.8%	0.9%	0.4%	0.6%
Y/Y lps Change	3	3	32	14	(39)	(47)	(47)	(4)	(67)	(19)
% of Class B Available Square Feet	10.6%	10.6%	8.6%	9.9%	8.0%	8.5%	8.5%	14.4%	6.9%	10.9%
Sublease Price (\$/sf)	\$31.40	\$31.40	\$33.03	\$33.55	\$36.44	\$35.47	\$35.47	\$35.47	\$36.89	\$51.88
% Y/Y Change	14.7%	14.7%	28.2%	18.1%	22.4%	12.9%	12.9%	7.4%	9.9%	42.4%
Number of Sublease Listings	30	30	23	24	16	16	16	18	10	12
Class B Available Square Feet	3,118	3,118	2,905	2,792	2,581	2,492	2,492	1,665	1,479	1,437
% Total Vacancy	12.1%	12.1%	11.3%	10.8%	10.0%	9.7%	9.7%	6.4%	5.7%	5.6%
Y/Y lps Change	313	313	398	107	(55)	(243)	(243)	(481)	(508)	(443)
Total Price (\$/sf)	\$38.25	\$38.25	\$43.00	\$40.82	\$47.09	\$47.65	\$47.65	\$48.78	\$49.05	\$50.49
% Y/Y Change	9.8%	9.8%	20.0%	13.3%	31.0%	24.6%	24.6%	13.4%	20.2%	7.2%
Total Number of Listings	193	193	183	213	159	143	143	115	101	92
CLASS C BUILDINGS:										
Total Square Feet	29,365	29,365	29,365	29,365	29,365	29,365	29,365	29,365	29,365	29,365
Direct Available Square Feet	3,094	3,094	3,508	3,647	3,022	3,283	3,283	3,243	3,446	3,156
% Direct Vacancy	10.5%	10.5%	11.9%	12.4%	10.3%	11.2%	11.2%	11.0%	11.7%	10.7%
Y/Y lps Change	(175)	(175)	(115)	135	(28)	64	64	(90)	(68)	45
% of Class C Available Square Feet	72.6%	72.6%	77.4%	74.5%	83.5%	84.2%	84.2%	84.4%	90.5%	94.2%
Direct Price (\$/sf)	\$38.50	\$38.50	\$40.69	\$41.38	\$43.49	\$45.48	\$45.48	\$49.53	\$50.75	\$51.21
% Y/Y Change	4.9%	4.9%	9.6%	10.4%	14.7%	18.1%	18.1%	21.7%	22.6%	17.7%
Number of Direct Listings	236	236	246	274	209	236	236	223	211	203
Sublease Available Square Feet	1,166	1,166	1,024	1,246	597	616	616	598	363	193
% Sublease Vacancy	4.0%	4.0%	3.5%	4.2%	2.0%	2.1%	2.1%	2.0%	1.2%	0.7%
Y/Y lps Change	34	34	1	5	(225)	(188)	(188)	(145)	(301)	(137)
% of Class C Available Square Feet	27.4%	27.4%	22.6%	25.5%	16.5%	15.8%	15.8%	15.6%	9.5%	5.8%
Sublease Price (\$/sf)	\$32.75	\$32.75	\$33.97	\$33.82	\$31.76	\$33.45	\$33.45	\$33.71	\$38.50	\$33.71
% Y/Y Change	13.1%	13.1%	17.7%	2.0%	-3.3%	2.1%	2.1%	-0.8%	13.8%	6.1%
Number of Sublease Listings	50	50	48	56	37	45	45	40	26	19
Class C Available Square Feet	4,260	4,260	4,532	4,893	3,619	3,898	3,898	3,841	3,809	3,349
% Total Vacancy	14.5%	14.5%	15.4%	16.7%	12.3%	13.3%	13.3%	13.1%	13.0%	11.4%
Y/Y lps Change	(141)	(141)	(114)	139	(253)	(123)	(123)	(235)	(369)	(92)
Total Price (\$/sf)	\$37.26	\$37.26	\$39.42	\$39.82	\$42.41	\$44.18	\$44.18	\$48.17	\$50.30	\$50.91
% Y/Y Change	5.0%	5.0%	9.8%	8.9%	15.4%	18.6%	18.6%	22.2%	26.3%	20.0%
Total Number of Listings	286	286	294	330	246	281	281	263	237	222

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Downtown Office Market Analysis

(all square feet in '000s)

	4Q06A	2006A	1Q07A	2Q07A	3Q07A	4Q07A	2007A	1Q08A	2Q08A	3Q08A
CLASS D BUILDINGS:										
Total Square Feet	14,239	14,239	14,239	14,239	14,239	14,239	14,239	14,239	14,239	14,239
Direct Available Square Feet	563	563	496	550	625	668	668	720	687	784
% Direct Vacancy	4.0%	4.0%	3.5%	3.9%	4.4%	4.7%	4.7%	5.1%	4.8%	5.3%
Y/Y bps Change	(192)	(192)	(72)	(59)	11	74	74	157	96	112
% of Class D Available Square Feet	90.3%	90.3%	87.3%	92.9%	92.2%	94.6%	94.6%	95.9%	97.8%	97.0%
Direct Price (\$/sf)	\$32.84	\$32.84	\$37.09	\$38.73	\$41.90	\$42.53	\$42.53	\$42.64	\$43.22	\$41.03
% Y/Y Change	8.6%	8.6%	20.1%	22.2%	31.4%	29.5%	29.5%	15.0%	11.6%	-2.1%
Number of Direct Listings	125	125	90	90	102	115	115	130	117	105
Sublease Available Square Feet	60	60	72	42	53	38	38	30	16	24
% Sublease Vacancy	0.4%	0.4%	0.5%	0.3%	0.4%	0.3%	0.3%	0.2%	0.1%	0.2%
Y/Y bps Change	(10)	(10)	(15)	(44)	(31)	(15)	(15)	(29)	(19)	(20)
% of Class D Available Square Feet	9.7%	9.7%	12.7%	7.1%	7.8%	5.4%	5.4%	4.1%	2.2%	3.0%
Sublease Price (\$/sf)	\$25.83	\$25.83	\$34.50	\$38.10	\$40.48	\$26.10	\$26.10	\$24.72	\$20.00	\$0.00
% Y/Y Change	5.9%	5.9%	41.5%	52.0%	60.8%	1.1%	1.1%	-28.4%	-47.5%	-100.0%
Number of Sublease Listings	10	10	11	8	9	6	6	5	2	3
Class D Available Square Feet	623	623	568	592	678	707	707	750	702	808
% Total Vacancy	4.4%	4.4%	4.0%	4.2%	4.8%	5.0%	5.0%	5.3%	4.9%	5.7%
Y/Y bps Change	(203)	(203)	(87)	(103)	(20)	59	59	128	78	91
Total Price (\$/sf)	\$32.30	\$32.30	\$36.81	\$38.69	\$41.81	\$41.85	\$41.85	\$42.16	\$42.64	\$41.03
% Y/Y Change	8.7%	8.7%	22.3%	25.6%	34.7%	29.5%	29.5%	14.5%	10.2%	-1.9%
Total Number of Listings	135	135	101	98	111	121	121	135	119	108
TOTAL DOWNTOWN MARKET:										
Total Downtown Square Feet	114,896	114,896	114,896	114,395	114,395	114,395	114,395	114,395	114,395	114,395
Direct Square Feet	9,984	9,984	8,838	8,644	7,508	7,469	7,469	6,551	6,545	6,362
% Direct Vacancy	8.7%	8.7%	7.7%	7.6%	6.6%	6.5%	6.5%	5.7%	5.7%	5.6%
Y/Y bps Change	(48)	(48)	(86)	(57)	(234)	(216)	(216)	(196)	(184)	(100)
% of Downtown Available Square Feet	80.9%	80.9%	83.6%	80.5%	84.6%	83.8%	83.8%	83.3%	81.1%	78.6%
Direct Avg. Asking Price (\$/sf)	\$43.39	\$43.39	\$43.68	\$44.69	\$47.28	\$48.78	\$48.78	\$51.46	\$51.96	\$52.56
% Y/Y Change	5.9%	5.9%	5.1%	9.1%	11.9%	12.4%	12.4%	17.8%	16.3%	11.2%
Number of Direct Listings	672	672	578	634	526	546	546	510	488	467
Sublease Square Feet	2,352	2,352	1,737	2,097	1,368	1,447	1,447	1,315	1,529	1,729
% Sublease Vacancy	2.0%	2.0%	1.5%	1.8%	1.2%	1.3%	1.3%	1.1%	1.3%	1.5%
Y/Y bps Change	(10)	(10)	(32)	(26)	(96)	(78)	(78)	(36)	(50)	32
% of Downtown Available Square Feet	19.1%	19.1%	16.4%	19.5%	15.4%	16.2%	16.2%	16.7%	18.9%	21.4%
Sublease Avg. Asking Price (\$/sf)	\$33.57	\$33.57	\$35.24	\$33.74	\$34.02	\$37.25	\$37.25	\$36.56	\$44.70	\$45.70
% Y/Y Change	8.4%	8.4%	14.7%	1.7%	1.8%	11.0%	11.0%	3.7%	32.5%	34.3%
Number of Sublease Listings	123	123	100	119	94	101	101	93	87	90
Total Available Square Feet	12,335	12,335	10,574	10,741	8,875	8,916	8,916	7,866	8,075	8,091
% Total Vacancy	10.7%	10.7%	9.2%	9.4%	7.8%	7.8%	7.8%	6.9%	7.1%	7.1%
Y/Y bps Change	(58)	(58)	(119)	(83)	(330)	(294)	(294)	(233)	(233)	(69)
Total Avg. Asking Price (\$/sf)	\$41.97	\$41.97	\$43.65	\$43.50	\$46.77	\$48.33	\$48.33	\$50.74	\$52.91	\$53.08
% Y/Y Change	5.9%	5.9%	9.6%	9.4%	14.6%	15.2%	15.2%	16.2%	21.6%	13.5%
Total Number of Listings	795	795	678	753	620	647	647	603	575	557