



Flatiron: Where Then Meets Now

Flatiron District Market Snapshot/Q3 2015

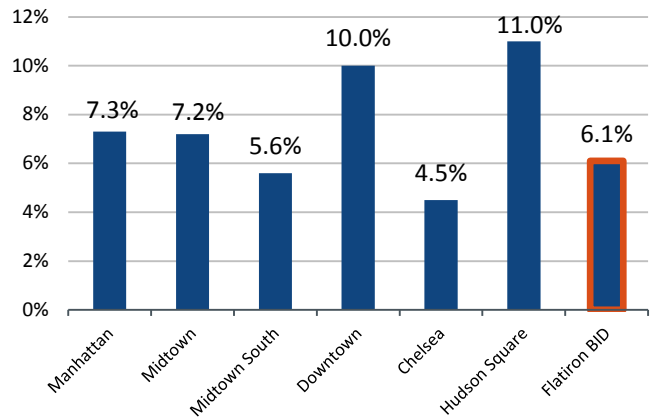
Bolstered by continued economic growth in New York City, the real estate market in the Flatiron District continued to thrive in the third quarter (Q3) of 2015. Technology, advertising, media and information (TAMI) sectors continue to seek out the area.

MARKET OVERVIEW

Within the boundaries of the Flatiron BID, there are 22.3 million square feet of rentable space with 1.84 million square feet available for lease. The Class A & B vacancy rate in the Flatiron District decreased from 8.5% in Q3 2014 to 6.1% in Q3 2015. This is down from the Flatiron District's 5-year avg. vacancy rate of 6.7% and from the Manhattan-wide vacancy rate of 7.3%. The graph to the right shows how the Flatiron District compares to Manhattan and other districts. During Q3 2015, asking rents for Class A & B spaces averaged \$72.59/SF, a 3.5% increase from \$70.07 in Q3 2014 and a 30.7% increase from \$55.51/SF in Q3 2013. Comparative graph is below; numbers are for Q3 2015.

COMMERCIAL OFFICE MARKET

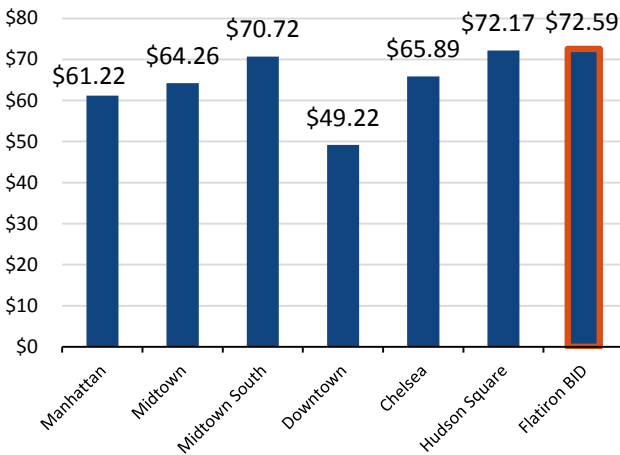
Commercial Vacancy Rates
Class A&B – Q3



Source: CoStar Economic Data

Coworking & Incubator Space in Flatiron

The amount of square footage dedicated to coworking and incubator space in the Flatiron District continued to grow. In Q3 2015, Barclays launched Rise, its incubator space for financial technology companies, at the Castro Building located at 43 West 23rd Street. Additionally, NeueHouse, a shared-office space provider, signed a 10 year, 8,732 SF lease for its global headquarters at 373 Park Avenue South. The location is in close proximity to NeueHouse's co-working space at 110 East 25th Street.



Ring Portfolio Sees New Life

The 14 office buildings in Midtown South once owned by brothers Frank and Michael Ring are seeing new life. In Q3 2015, the Kaufman Organization, which acquired four of the Ring Portfolio buildings, announced that they added three companies for more than 16,000 square feet at 19 West 24th Street. These companies include artificial intelligence developer AiCure, digital advertising firm IPONWEB, and wine distributor Wilson Daniels Wholesale.

COMMERCIAL BUILDING SALES

- 11 Madison Avenue, 2.3 million SF – SL Green Realty Corp. completed its purchase of 11 Madison Avenue from a partnership of the Sapir Organization and CIM Group for \$2.6 billion, one of the largest real estate transactions ever in New York City. The deal closed in early August 2015. Sapir acquired the building in 2003 for \$675 million.

Fullscreen
315 Park Ave. S
10 years, 17,000 SF
New

IMG Worldwide
304 Park Ave. S
22,500 SF
Expansion

FanDuel
300 Park Ave. S
10 years, 41,013 SF
New

NeueHouse
373 Park Ave. S
10 years, 8,732 SF
New

LEASES

RETAIL MARKET

Inventory of available retail spaces in the district, which are tracked and published monthly by the Flatiron/23rd Street Partnership, remained low in the third quarter of 2015. In Q3 2015, the number of vacant, ground floor retail spaces remained fairly steady with no major increases or decreases between months.

Food & Dining in the Flatiron District

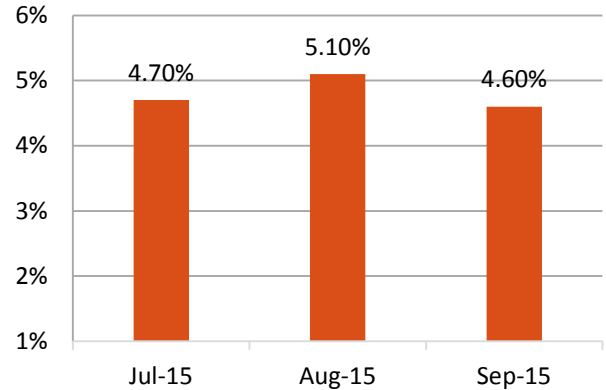
The area continues to flourish as one of NYC's premier dining districts. In September alone, three restaurants opened their doors in the Flatiron District: Kat & Theo - a New American/Mediterranean Restaurant on West 21st Street between 5th and 6th Avenues, Rocco Steakhouse- at 72 Madison between 27th and 28th, and Black Barn- a seasonal farm-to-table restaurant located just north of Madison Square Park on 26th Street.

For quick and casual diners, INDAY, which opened on West 26th Street, offers Indian inspired wraps and grain bowls. Also nearby, Duran Sandwiches, specializing in open faced sandwiches, began operations in the ground floor retail space of The MAve Hotel.

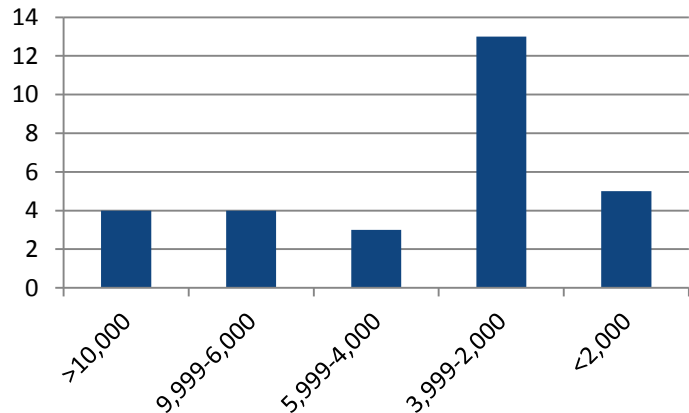
Porcelanosa Anchors Broadway Design Corridor

In September, Porcelanosa, one of the world's leading purveyors of wall tile, flooring, and assorted kitchen and bath fixtures, celebrated the grand opening of its Manhattan flagship store on 25th Street between Broadway and Fifth Avenue. Porcelanosa undertook a complete renovation of the former Commodore Criterion building to create its new US headquarters. In 2012, Porcelanosa purchased the 15,000 square foot building for \$40 million. The interior of the building was designed by Lord Norman Foster and architects from Foster+Partners. Also in Q3, it was confirmed that Connecticut-based furniture chain Ethan Allen had signed a lease for 8,000 SF at 915 Broadway.

Flatiron District Marketed Available Retail Space



Flatiron District Marketed Available Retail Space by Square Footage



Source September 2015 Flatiron BID Retail Opportunities Map



The Flatiron/23rd Street Partnership Business Improvement District, formed in 2006, is a nonprofit organization whose mission is to enhance the area's reputation as one of New

York's most vital and exciting neighborhoods. This is accomplished by maintaining a clean and safe environment for the district's businesses, residents, and visitors; by spearheading area improvement projects; and by marketing the diverse business and retail options in this vibrant and historic neighborhood.