



ISLAND CORPORATE SERVICES

Description	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	1st Qtr 2017	Trend
Vacancy Rate	8.70%	8.30%	7.40%	7.50%	7.30%	Down
Net Absorption	125,762	274,930	322,972	(202,414)	(101,317)	Up
Vacant Sublease Space	172,667	212,489	204,365	191,437	271,023	Up
Class A Rental Rate	\$ 30.50	\$ 30.61	\$ 31.14	\$ 30.63	\$ 30.26	Down
Nassau County	\$ 32.92	\$ 33.14	\$ 34.45	\$ 33.62	\$ 33.24	Down
Suffolk County	\$ 28.01	\$ 27.41	\$ 27.19	\$ 26.65	\$ 26.88	Up
Class B Rental Rate	\$ 23.57	\$ 23.36	\$ 23.74	\$ 23.99	\$ 24.15	Up
Nassau County	\$ 26.33	\$ 26.24	\$ 26.58	\$ 26.35	\$ 26.73	Up
Suffolk County	\$ 21.34	\$ 21.39	\$ 21.54	\$ 22.19	\$ 22.18	Down
Class C Rental Rate	\$ 21.74	\$ 21.97	\$ 22.71	\$ 22.75	\$ 22.19	Down
Nassau County	\$ 22.85	\$ 22.99	\$ 24.23	\$ 24.24	\$ 23.32	Down
Suffolk County	\$ 19.43	\$ 19.89	\$ 19.56	\$ 19.86	\$ 19.74	Down
Total Rental Rate	\$ 25.17	\$ 25.45	\$ 25.73	\$ 25.83	\$ 25.29	Down
Nassau County	\$ 27.25	\$ 27.87	\$ 28.40	\$ 28.32	\$ 27.53	Down
Suffolk County	\$ 22.99	\$ 22.95	\$ 22.85	\$ 23.12	\$ 22.99	Down
SF New Construction Delivered	15,100	-	13,500	-	27,176	Up
SF New Construction Underway				733,525	741,349	Up
SF of Office Inventory	90,409,962	91,308,367	91,325,363	91,550,155	92,212,494	Up
# of Office Bldg's	5,986	6,017	6,037	6,080	6,118	Up
Sales Activity - \$'s	\$ 115,010,000	\$ 134,236,400	\$ 44,825,000	\$ 150,924,839	\$138,901,850	Down
Sales Activity - # of Bldg's	7	11	7	16	15	Down
Sales Activity - Total SF	948,581	912,411	260,616	1,768,207	1,026,664	Down
Sales Price PSF	\$ 121.24	\$ 147.12	\$ 172.00	\$ 85.35	\$ 135.29	Up

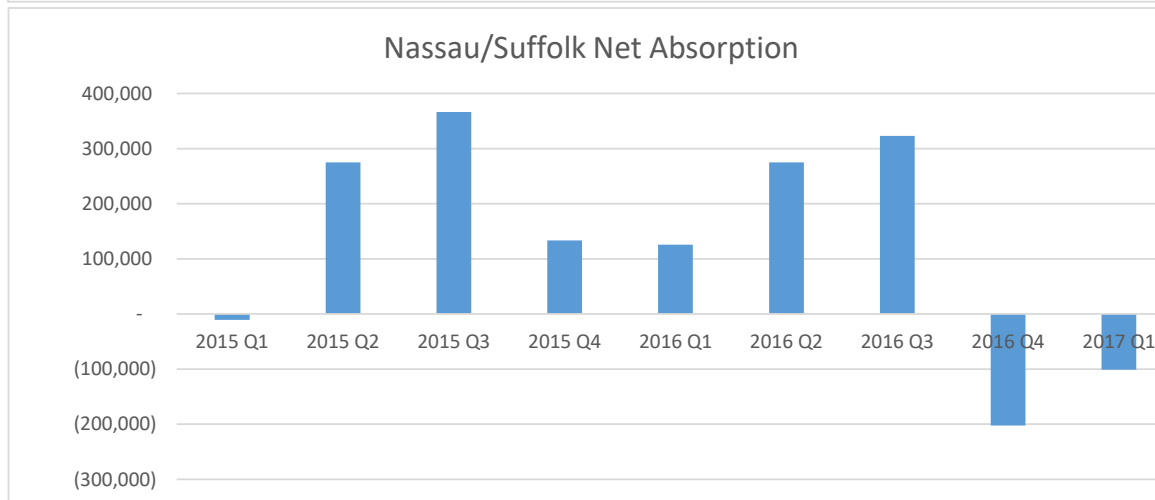
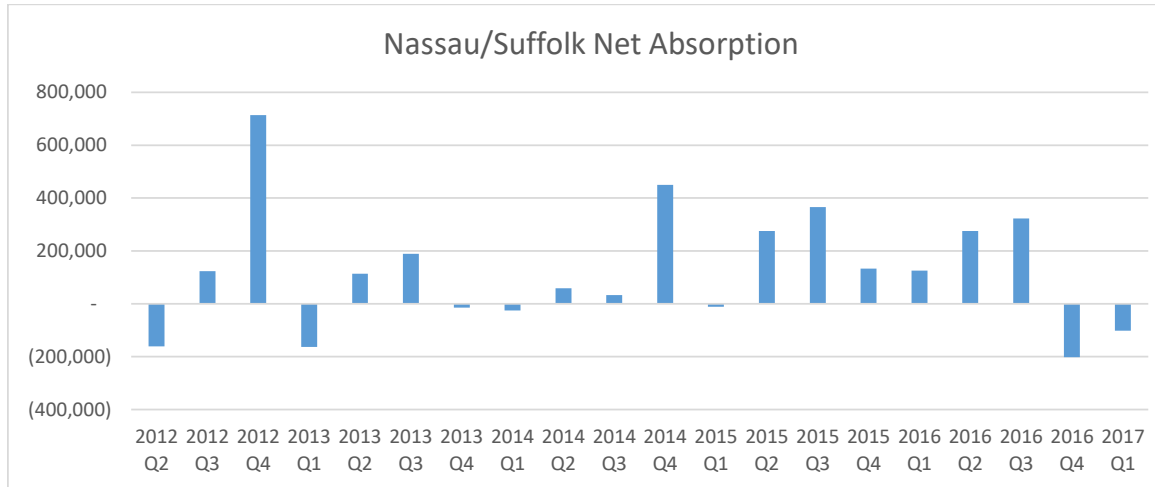
The first quarter 2017 vacancy rate fell slightly from 7.5% in the previous quarter to 7.3%. The average quoted office rental rate for all office space in Nassau and Suffolk decreased from \$25.73 in the fourth quarter to \$25.29 in the first quarter. The average quoted rates for Class A and Class C office space fell by 1% and 2.5% respectively, while Class B office space rates rose by .7%. Net absorption was negative for the first time in 2017 at (101,317), up from negative (202,414) in the fourth quarter 2016. Net absorption for Class A was negative (47,093), Class B was negative (123,378) and Class C was positive 69,154. During the first quarter 2017 27,176 square feet of new space was added to the market in the Nassau and Suffolk County market area. There was 741,349 square feet of space still under construction at the end of the first quarter. When looking at office building sales of 15,000 square feet or larger, sales dropped in the first quarter 2017. There were 15 transactions with a total volume of \$138,901,850. The 15 properties consisted of 1,026,664 square feet, making the average price per square foot \$135.29 compared to an average price per square foot of \$85.35 in the fourth quarter 2016.



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Total Net Absorption Graph

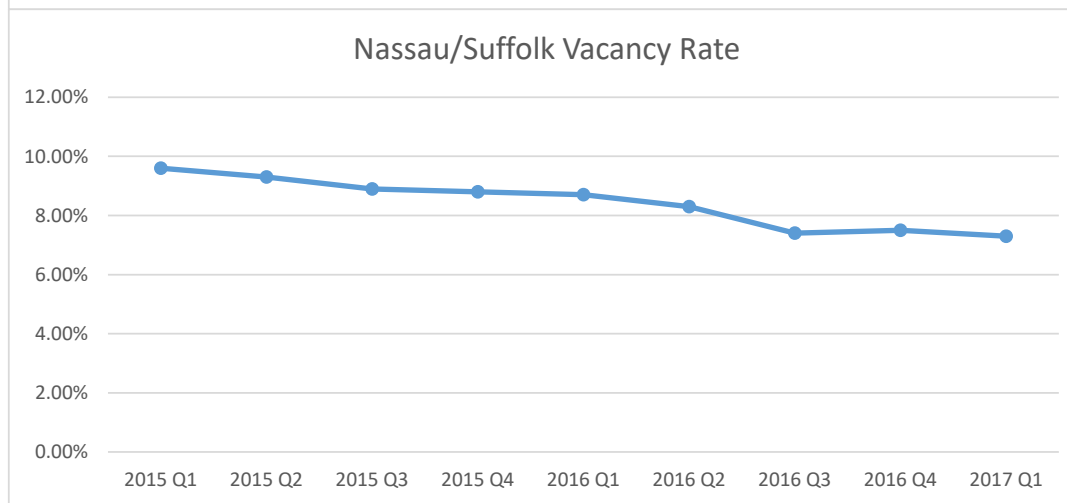
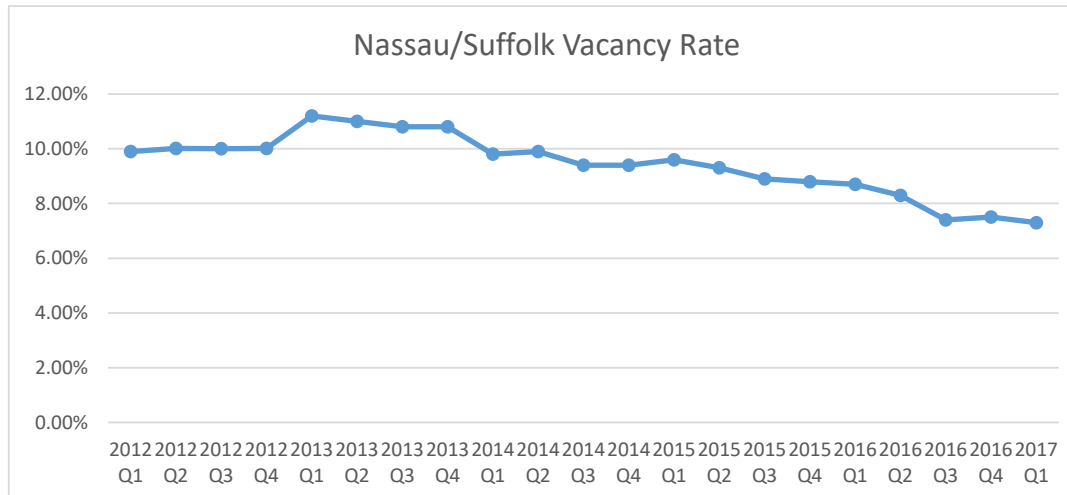
Period	Absorption
2012 Q2	(161,448)
2012 Q3	123,651
2012 Q4	713,937
2013 Q1	(162,881)
2013 Q2	114,019
2013 Q3	189,149
2013 Q4	(14,876)
2014 Q1	(25,607)
2014 Q2	58,360
2014 Q3	32,796
2014 Q4	450,474
2015 Q1	(10,730)
2015 Q2	274,930
2015 Q3	366,391
2015 Q4	133,345
2016 Q1	125,762
2016 Q2	274,930
2016 Q3	322,972
2016 Q4	(202,414)
2017 Q1	(101,317)





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Period	Vacancy Rate
2012 Q1	9.90%
2012 Q2	10.01%
2012 Q3	10.00%
2012 Q4	10.01%
2013 Q1	11.20%
2013 Q2	11.00%
2013 Q3	10.80%
2013 Q4	10.80%
2014 Q1	9.80%
2014 Q2	9.90%
2014 Q3	9.40%
2014 Q4	9.40%
2015 Q1	9.60%
2015 Q2	9.30%
2015 Q3	8.90%
2015 Q4	8.80%
2016 Q1	8.70%
2016 Q2	8.30%
2016 Q3	7.40%
2016 Q4	7.50%
2017 Q1	7.30%

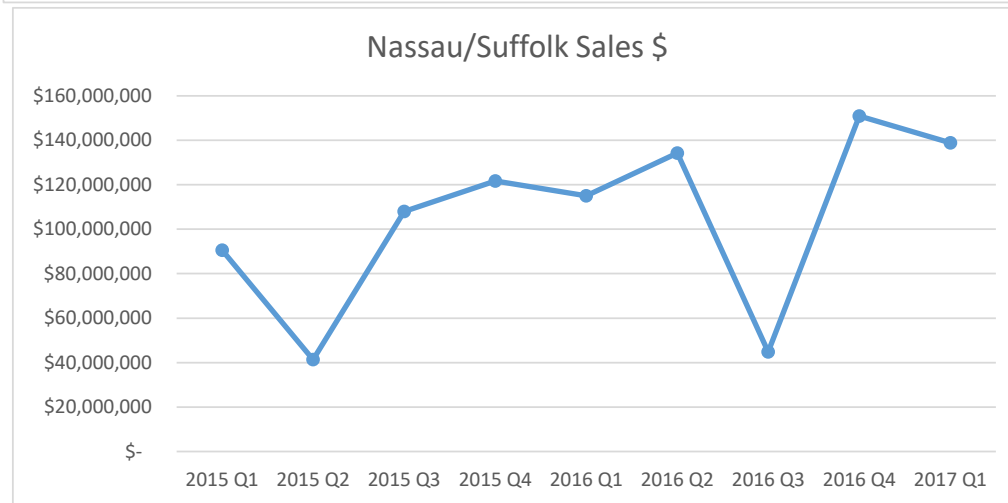
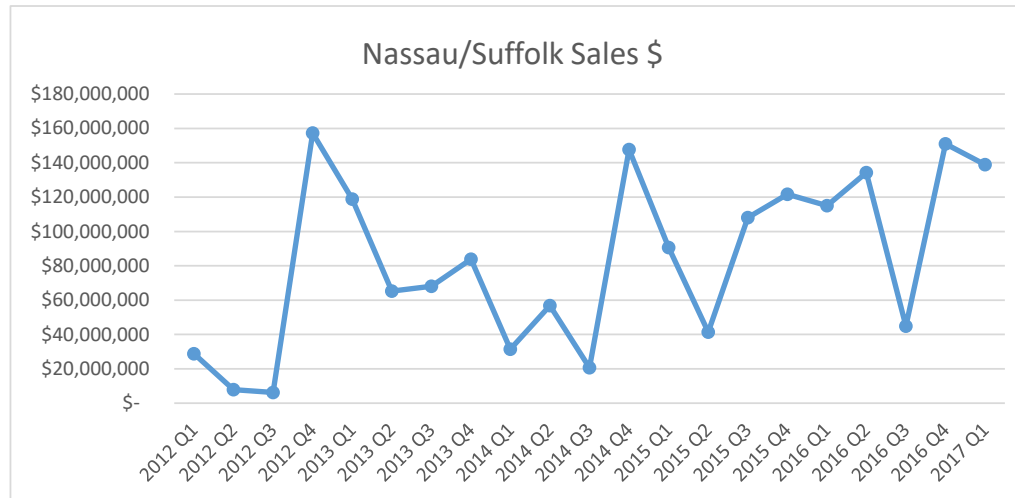




**ISLAND CORPORATE SERVICES**

Nassau/Suffolk Sales \$

Period	Total Sales \$
2012 Q1	\$ 28,700,000
2012 Q2	\$ 7,800,000
2012 Q3	\$ 6,245,000
2012 Q4	\$ 157,234,734
2013 Q1	\$ 118,796,644
2013 Q2	\$ 65,244,446
2013 Q3	\$ 68,100,000
2013 Q4	\$ 83,904,000
2014 Q1	\$ 31,425,000
2014 Q2	\$ 56,792,623
2014 Q3	\$ 20,598,095
2014 Q4	\$ 147,720,000
2015 Q1	\$ 90,625,753
2015 Q2	\$ 41,322,000
2015 Q3	\$ 108,010,000
2015 Q4	\$ 121,714,805
2016 Q1	\$ 115,010,000
2016 Q2	\$ 134,236,400
2016 Q3	\$ 44,825,000
2016 Q4	\$ 150,924,839
2017 Q1	\$138,901,850

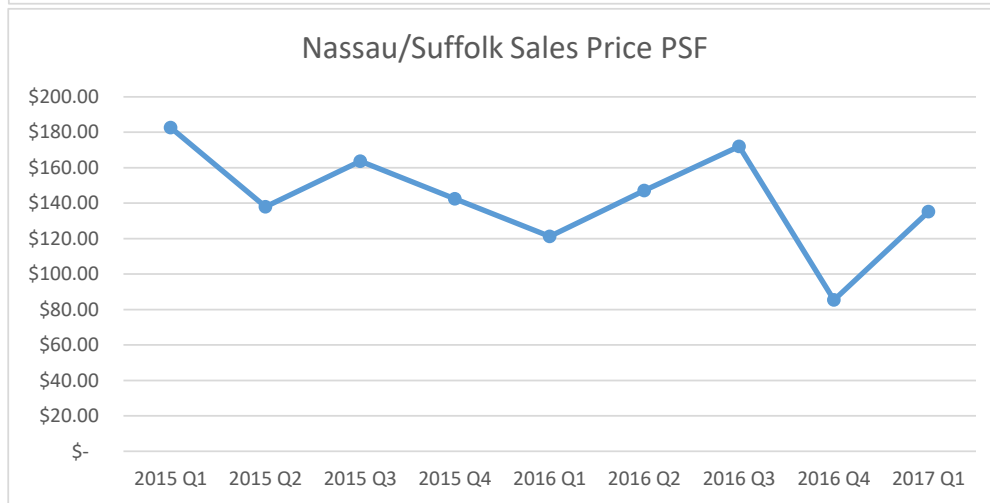
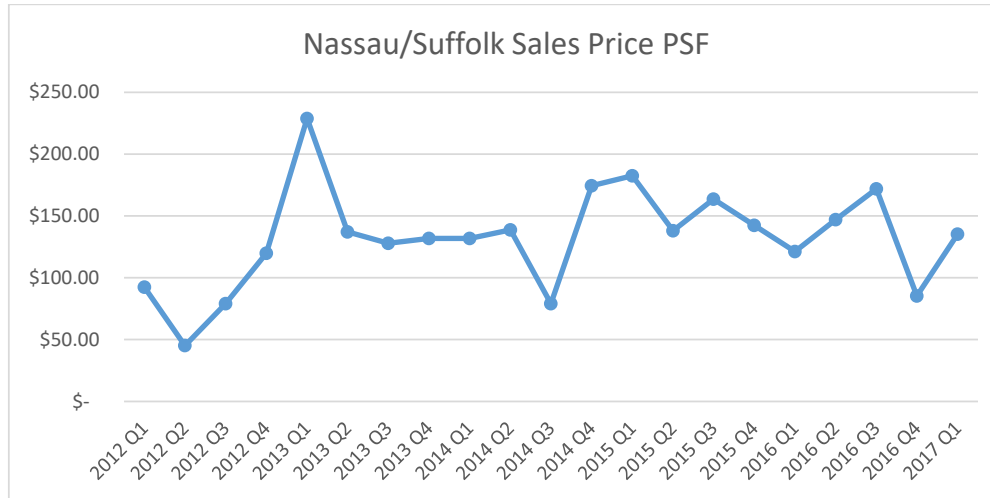




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Sales Price PSF

Period	Total Sales \$	PSF
2012 Q1	\$	92.38
2012 Q2	\$	45.14
2012 Q3	\$	79.05
2012 Q4	\$	119.89
2013 Q1	\$	228.89
2013 Q2	\$	137.23
2013 Q3	\$	128.03
2013 Q4	\$	131.82
2014 Q1	\$	131.82
2014 Q2	\$	138.73
2014 Q3	\$	79.02
2014 Q4	\$	174.54
2015 Q1	\$	182.59
2015 Q2	\$	137.96
2015 Q3	\$	163.66
2015 Q4	\$	142.42
2016 Q1	\$	121.24
2016 Q2	\$	147.12
2016 Q3	\$	172.00
2016 Q4	\$	85.35
2017 Q1	\$	135.29

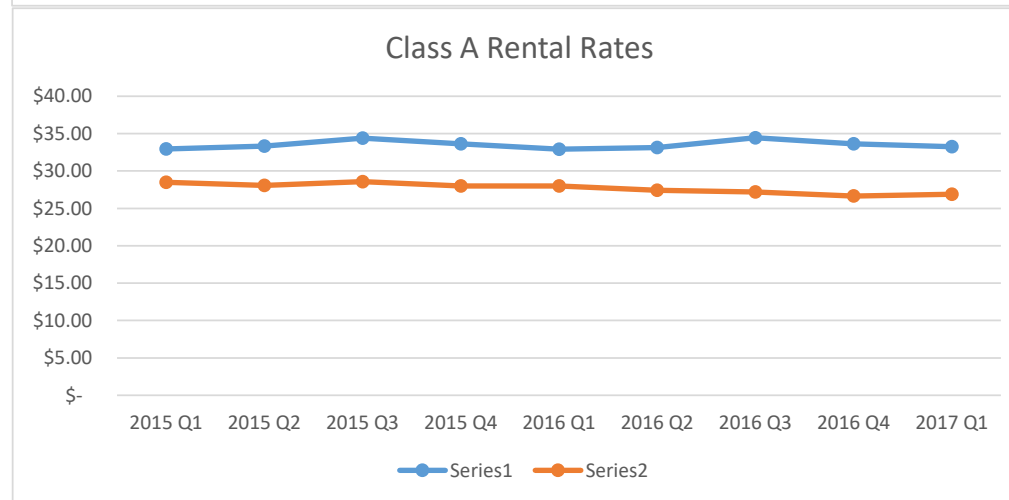
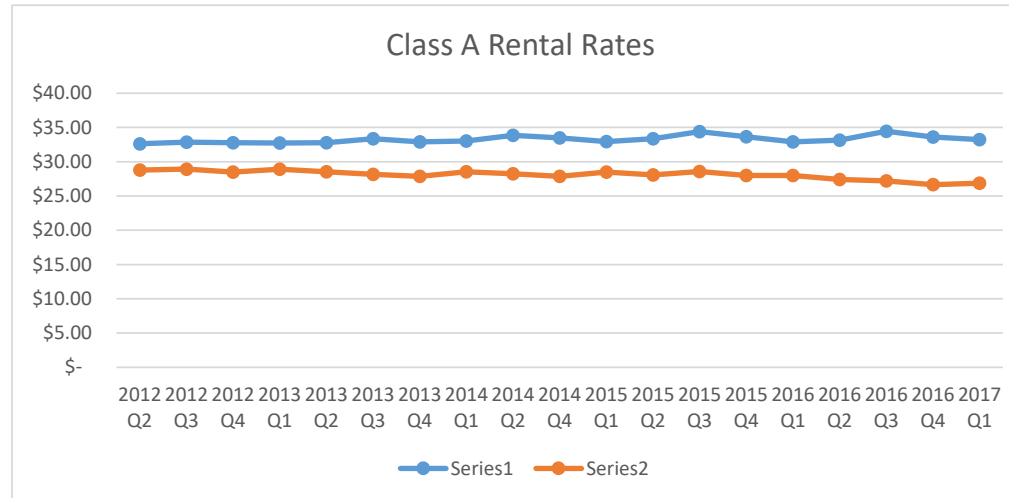




**ISLAND CORPORATE SERVICES**

Class A Rental Rates

Period	Nassau	Suffolk
2012 Q2	\$ 32.63	\$ 28.78
2012 Q3	\$ 32.87	\$ 28.93
2012 Q4	\$ 32.76	\$ 28.49
2013 Q1	\$ 32.75	\$ 28.92
2013 Q2	\$ 32.79	\$ 28.55
2013 Q3	\$ 33.37	\$ 28.16
2013 Q4	\$ 32.92	\$ 27.87
2014 Q1	\$ 33.03	\$ 28.52
2014 Q2	\$ 33.87	\$ 28.24
2014 Q4	\$ 33.47	\$ 27.87
2015 Q1	\$ 32.95	\$ 28.48
2015 Q2	\$ 33.34	\$ 28.09
2015 Q3	\$ 34.40	\$ 28.58
2015 Q4	\$ 33.65	\$ 28.00
2016 Q1	\$ 32.92	\$ 28.01
2016 Q2	\$ 33.14	\$ 27.41
2016 Q3	\$ 34.45	\$ 27.19
2016 Q4	\$ 33.62	\$ 26.65
2017 Q1	\$ 33.24	\$ 26.88

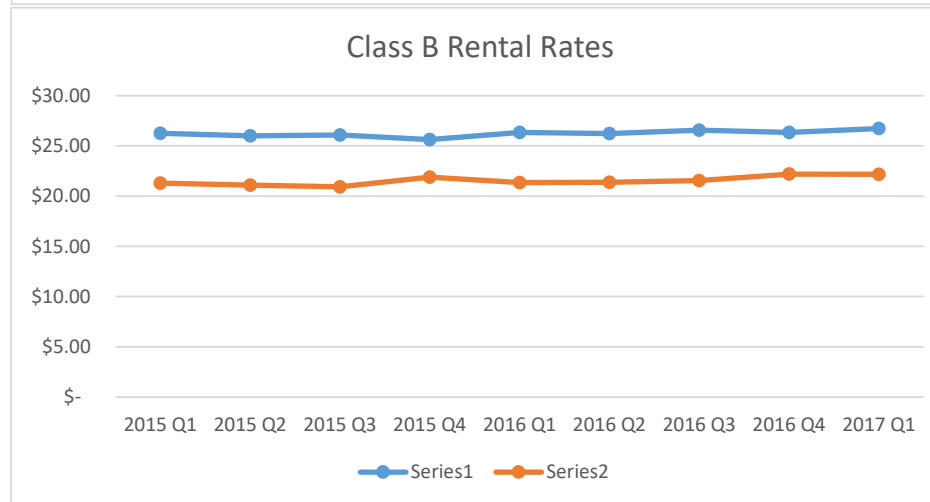
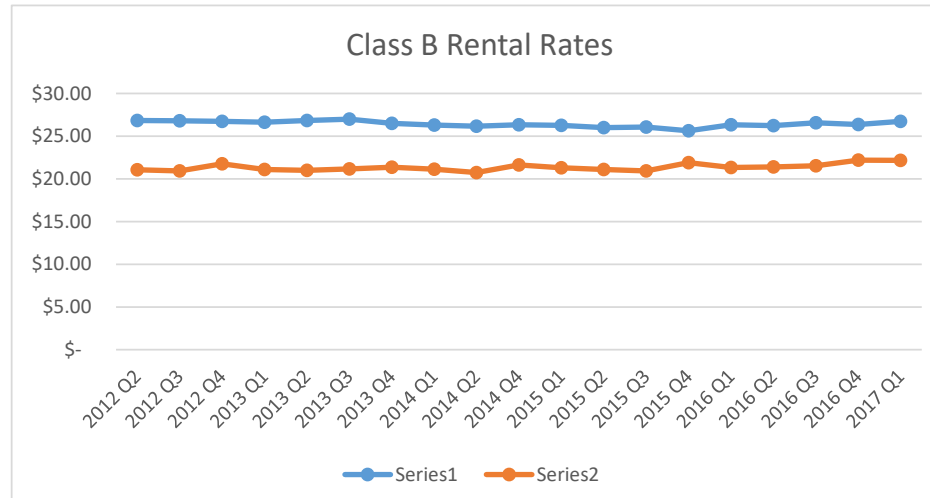




**ISLAND CORPORATE SERVICES**

Class B Rental Rates

Period	Nassau	Suffolk
2012 Q2	\$ 26.83	\$ 21.08
2012 Q3	\$ 26.80	\$ 20.92
2012 Q4	\$ 26.74	\$ 21.78
2013 Q1	\$ 26.65	\$ 21.09
2013 Q2	\$ 26.85	\$ 21.00
2013 Q3	\$ 26.99	\$ 21.18
2013 Q4	\$ 26.49	\$ 21.38
2014 Q1	\$ 26.31	\$ 21.12
2014 Q2	\$ 26.17	\$ 20.74
2014 Q4	\$ 26.32	\$ 21.63
2015 Q1	\$ 26.26	\$ 21.29
2015 Q2	\$ 25.99	\$ 21.10
2015 Q3	\$ 26.08	\$ 20.93
2015 Q4	\$ 25.63	\$ 21.90
2016 Q1	\$ 26.33	\$ 21.34
2016 Q2	\$ 26.24	\$ 21.39
2016 Q3	\$ 26.58	\$ 21.54
2016 Q4	\$ 26.35	\$ 22.19
2017 Q1	\$ 26.73	\$ 22.18

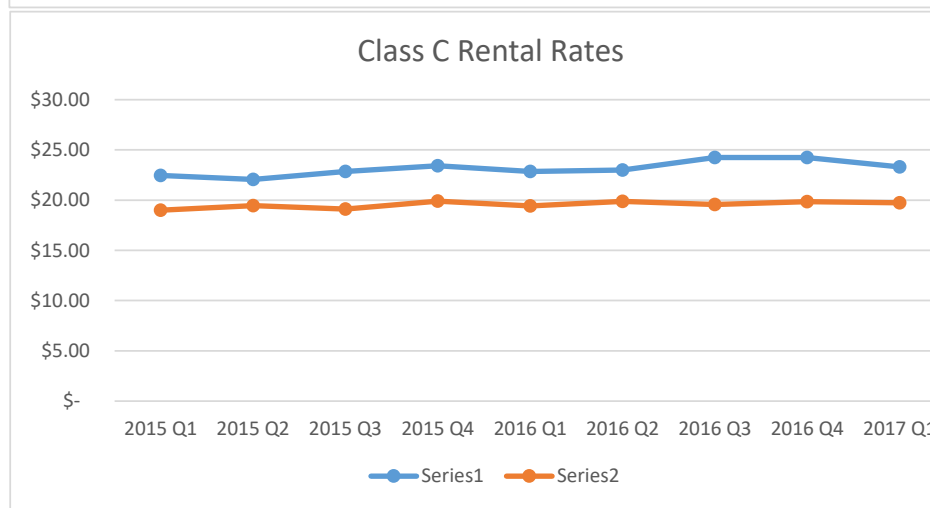
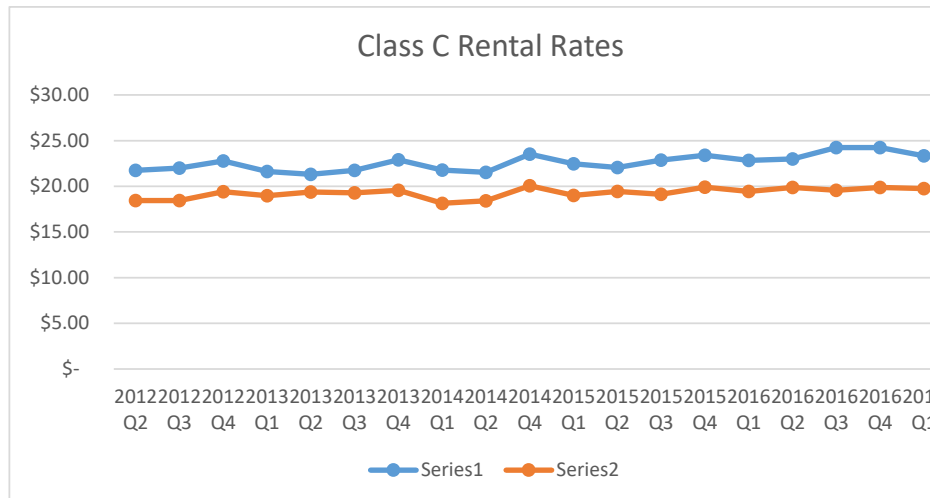




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Class C Rental Rates

Period	Nassau	Suffolk
2012 Q2	\$ 21.76	\$ 18.43
2012 Q3	\$ 22.00	\$ 18.43
2012 Q4	\$ 22.76	\$ 19.42
2013 Q1	\$ 21.61	\$ 18.98
2013 Q2	\$ 21.31	\$ 19.38
2013 Q3	\$ 21.76	\$ 19.27
2013 Q4	\$ 22.91	\$ 19.56
2014 Q1	\$ 21.77	\$ 18.14
2014 Q2	\$ 21.52	\$ 18.42
2014 Q4	\$ 23.51	\$ 20.06
2015 Q1	\$ 22.46	\$ 19.00
2015 Q2	\$ 22.06	\$ 19.45
2015 Q3	\$ 22.86	\$ 19.12
2015 Q4	\$ 23.41	\$ 19.90
2016 Q1	\$ 22.85	\$ 19.43
2016 Q2	\$ 22.99	\$ 19.89
2016 Q3	\$ 24.23	\$ 19.56
2016 Q4	\$ 24.24	\$ 19.86
2017 Q1	\$ 23.32	\$ 19.74







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Average Rental Rates

Period	Nassau	Suffolk
2012 Q2	\$ 27.49	\$ 23.21
2012 Q3	\$ 27.52	\$ 23.23
2012 Q4	\$ 27.87	\$ 23.57
2013 Q1	\$ 27.54	\$ 23.13
2013 Q2	\$ 27.53	\$ 23.10
2013 Q3	\$ 27.81	\$ 22.98
2013 Q4	\$ 28.07	\$ 23.43
2014 Q1	\$ 27.34	\$ 22.82
2014 Q2	\$ 27.35	\$ 22.66
2014 Q4	\$ 27.81	\$ 23.08
2015 Q1	\$ 27.34	\$ 22.96
2015 Q2	\$ 27.31	\$ 22.84
2015 Q3	\$ 27.56	\$ 22.76
2015 Q4	\$ 27.50	\$ 23.13
2016 Q1	\$ 27.25	\$ 22.99
2016 Q2	\$ 27.87	\$ 22.95
2016 Q3	\$ 28.40	\$ 22.85
2016 Q4	\$ 28.32	\$ 23.12
2017 Q1	\$ 27.53	\$ 22.99

