



ISLAND CORPORATE SERVICES

Description	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	1st Qtr 2017	2nd Qtr 2017	Trend
Vacancy Rate	8.30%	7.40%	7.50%	7.30%	7.50%	Up
Net Absorption	274,930	322,972	(202,414)	(101,317)	(4,067)	Up
Vacant Sublease Space	212,489	204,365	191,437	271,023	288,363	Up
Class A Rental Rate	\$ 30.61	\$ 31.14	\$ 30.63	\$ 30.26	\$ 30.59	Up
Nassau County	\$ 33.14	\$ 34.45	\$ 33.62	\$ 33.24	\$ 33.12	Down
Suffolk County	\$ 27.41	\$ 27.19	\$ 26.65	\$ 26.88	\$ 26.96	Up
Class B Rental Rate	\$ 23.36	\$ 23.74	\$ 23.99	\$ 24.15	\$ 23.92	Down
Nassau County	\$ 26.24	\$ 26.58	\$ 26.35	\$ 26.73	\$ 26.46	Down
Suffolk County	\$ 21.39	\$ 21.54	\$ 22.19	\$ 22.18	\$ 21.99	Down
Class C Rental Rate	\$ 21.97	\$ 22.71	\$ 22.75	\$ 22.19	\$ 22.21	Up
Nassau County	\$ 22.99	\$ 24.23	\$ 24.24	\$ 23.32	\$ 23.00	Down
Suffolk County	\$ 19.89	\$ 19.56	\$ 19.86	\$ 19.74	\$ 20.68	Up
Total Rental Rate	\$ 25.45	\$ 25.73	\$ 25.83	\$ 25.29	\$ 25.39	Up
Nassau County	\$ 27.87	\$ 28.40	\$ 28.32	\$ 27.53	\$ 27.66	Up
Suffolk County	\$ 22.95	\$ 22.85	\$ 23.12	\$ 22.99	\$ 22.94	Down
SF New Construction Delivered	-	13,500	-	53,576	234,169	Up
SF New Construction Underway			733,525	741,349	449,126	Down
SF of Office Inventory	91,308,367	91,325,363	91,550,155	92,212,494	91,703,860	Down
# of Office Bldg's	6,017	6,037	6,080	6,118	6,149	Up
Sales Activity - \$'s	\$ 134,236,400	\$ 44,825,000	\$ 43,525,000	\$138,901,850	\$216,466,612	Up
Sales Activity - # of Bldg's	11	7	6	15	11	Down
Sales Activity - Total SF	912,411	260,616	244,280	1,026,664	787,162	Up
Sales Price PSF	\$ 147.12	\$ 172.00	\$ 178.18	\$ 135.29	\$ 275.00	Up

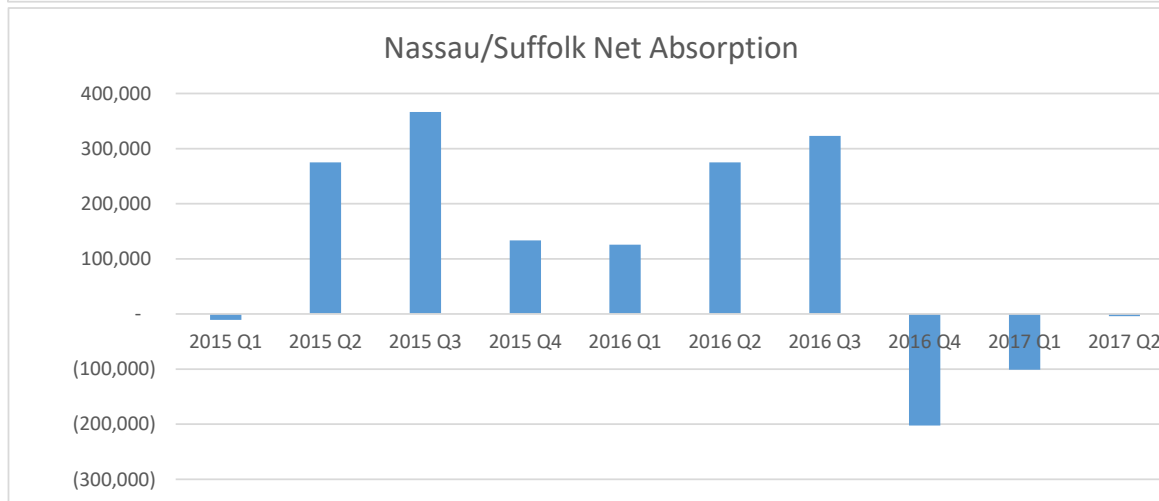
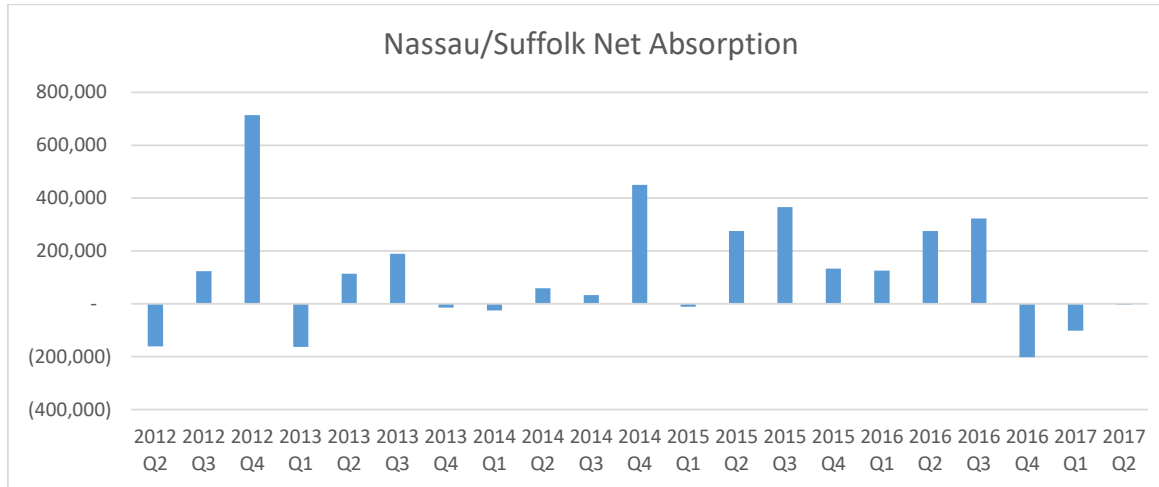
The second quarter 2017 vacancy rate rose slightly from 7.3% in the previous quarter to 7.5%. The average quoted office rental rate for all office space in Nassau and Suffolk increased from \$25.29 in the first quarter to \$25.39 in the second quarter. The average quoted rates for Class A and Class C office spaces increased by 1.1% and .1% respectively, while Class B office space rate fell by 1%. Net absorption was negative for the second time in 2017 at (4,006), up from negative (101,317) in the first quarter 2017. Net absorption for Class A was negative (165,695), Class B was positive 215,972 and Class C was positive 14,471. During the second quarter 2017 234,169 square feet of new space was added to the market in the Nassau and Suffolk County market area. There was 449,126 square feet of space still under construction at the end of the second quarter. When looking at office building sales of 15,000 square feet or larger, sales significantly increased in the second quarter 2017. There were eleven transactions with a total volume of \$216,466,612. The eleven properties consisted of 787,162 square feet, making the average price per square foot \$275.00 compared to an average price per square foot of \$135.29 in the first quarter 2017.



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Total Net Absorption Graph

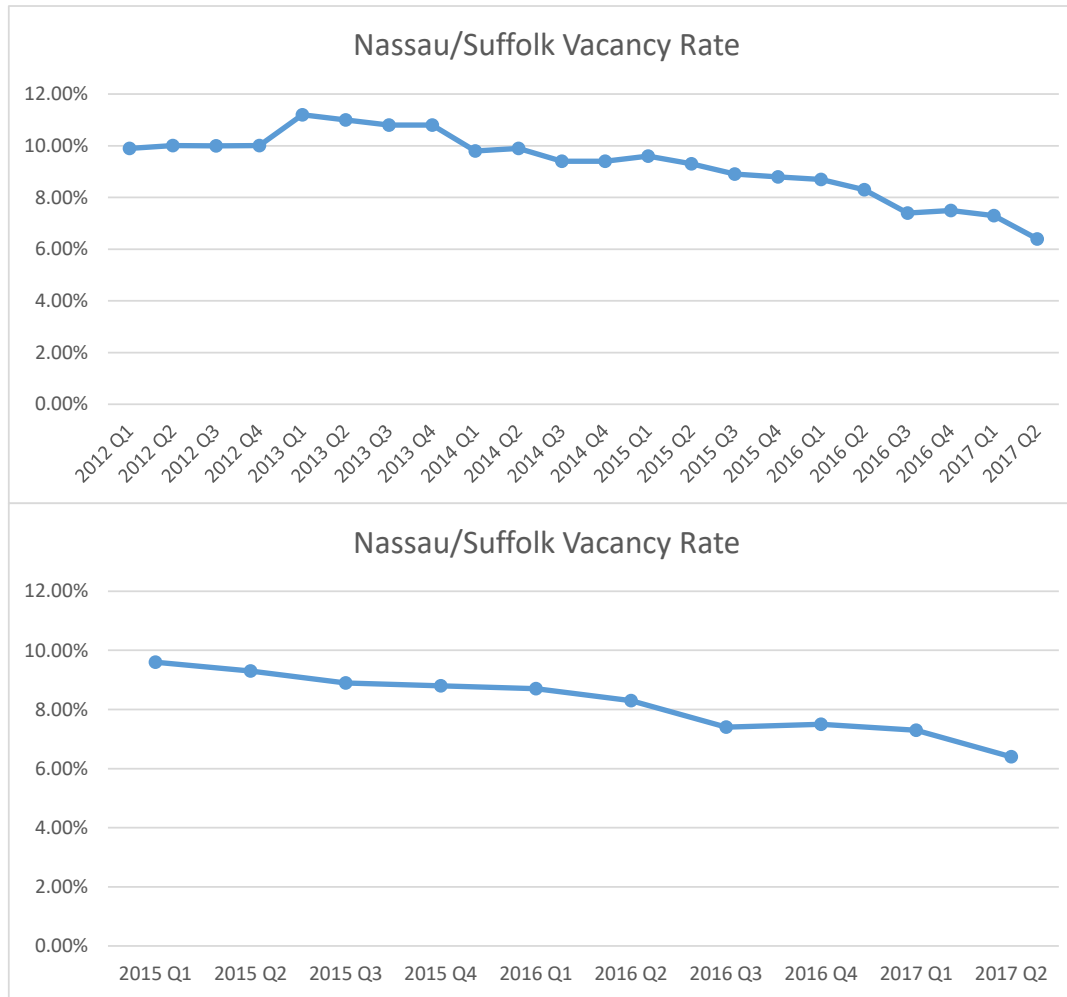
Period	Absorption
2012 Q2	(161,448)
2012 Q3	123,651
2012 Q4	713,937
2013 Q1	(162,881)
2013 Q2	114,019
2013 Q3	189,149
2013 Q4	(14,876)
2014 Q1	(25,607)
2014 Q2	58,360
2014 Q3	32,796
2014 Q4	450,474
2015 Q1	(10,730)
2015 Q2	274,930
2015 Q3	366,391
2015 Q4	133,345
2016 Q1	125,762
2016 Q2	274,930
2016 Q3	322,972
2016 Q4	(202,414)
2017 Q1	(101,317)
2017 Q2	(4,067)





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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%
2017 Q2	6.40%

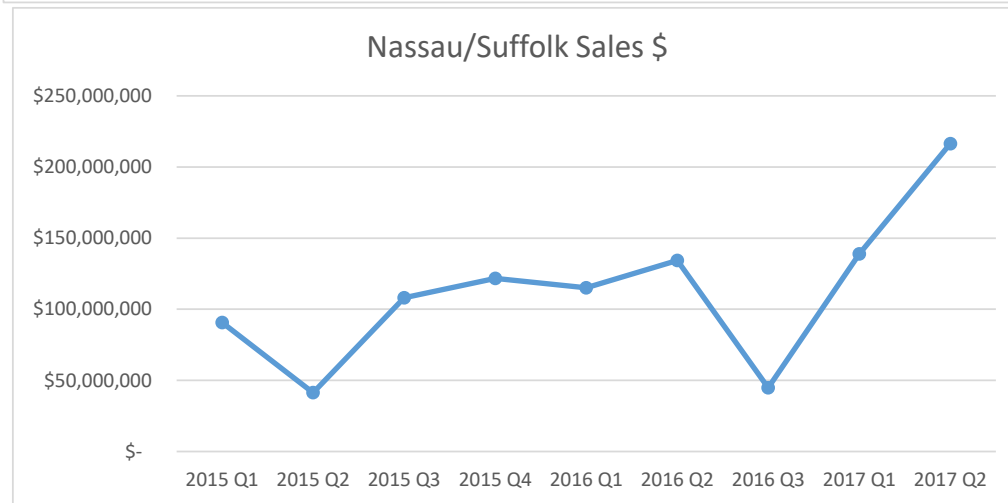
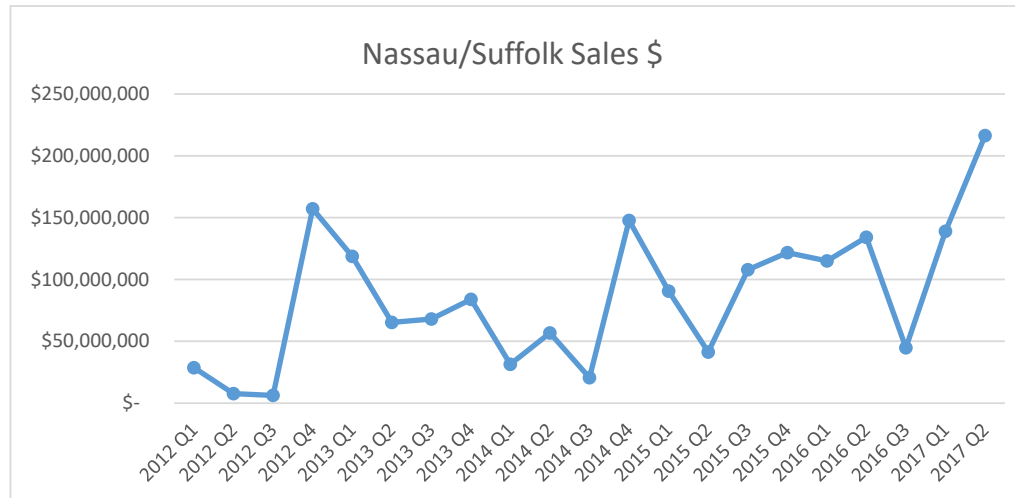




**ISLAND CORPORATE SERVICES**

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
2017 Q1	\$138,901,850
2017 Q2	\$216,466,612

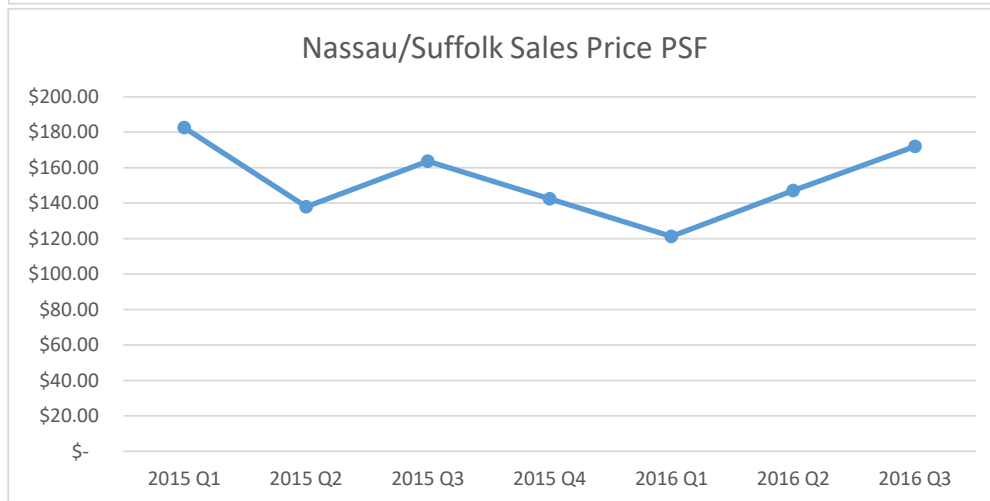
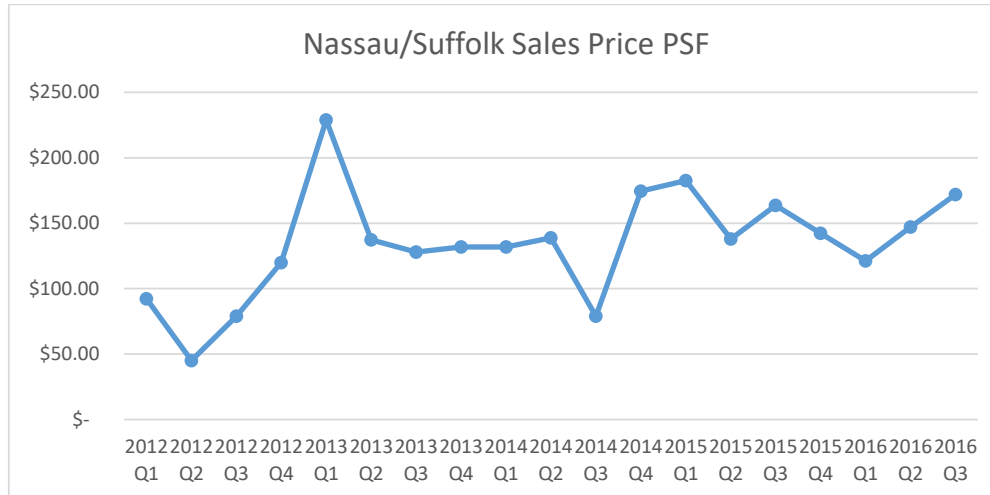




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Sales Price PSF

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
2017 Q1	\$	135.29
2017 Q2	\$	275.00

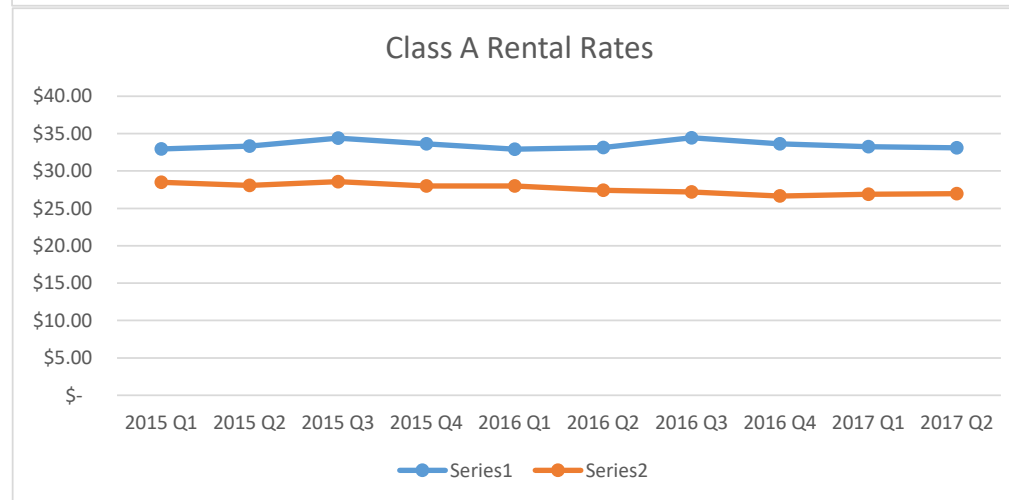
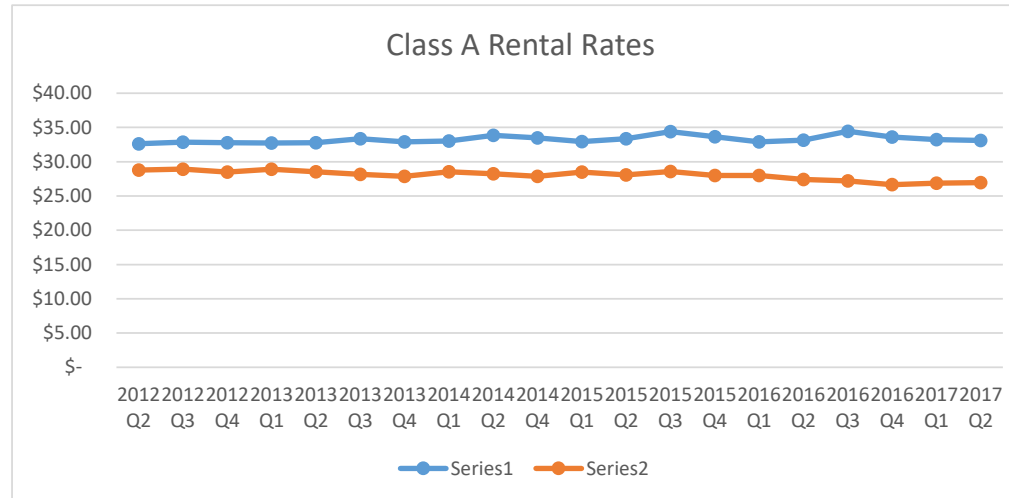




**ISLAND CORPORATE SERVICES**

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
2017 Q2	\$ 33.12	\$ 26.96

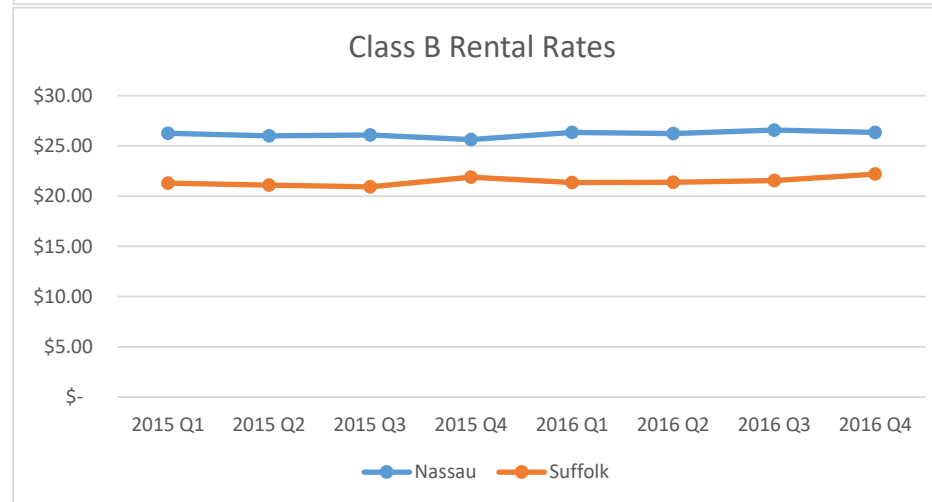
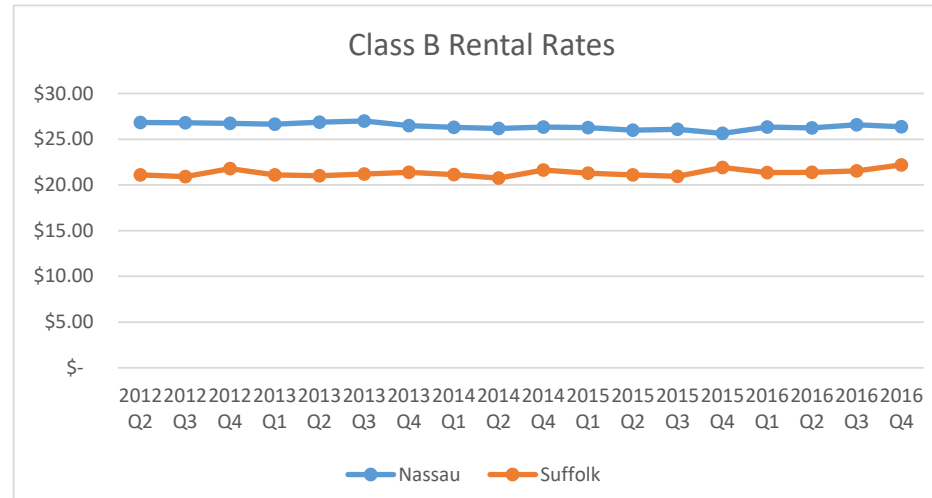




**ISLAND CORPORATE SERVICES**

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
2017 Q2	\$ 26.46	\$ 21.99

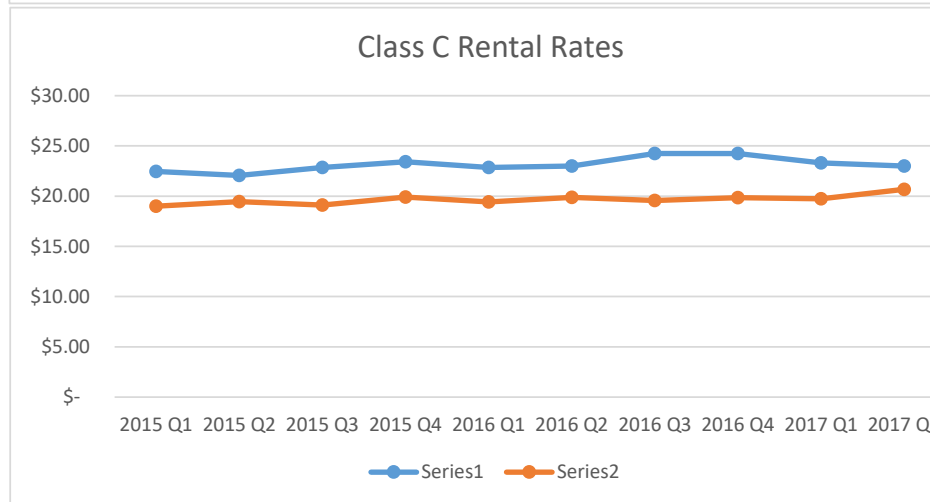
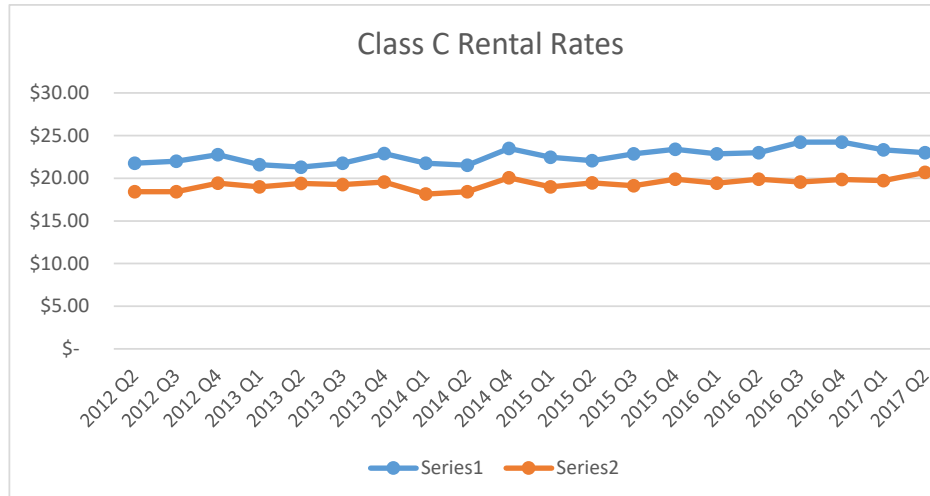




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Class C Rental Rates

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
2017 Q2	\$ 23.00	\$ 20.68







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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
2017 Q2	\$ 27.66	\$ 22.94

