



ISLAND CORPORATE SERVICES

Description	3rd Qtr 2016	4th Qtr 2016	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	Trend
Vacancy Rate	7.40%	7.50%	7.30%	7.50%	7.10%	Down
Net Absorption	322,972	(202,414)	(101,317)	(4,067)	(96,151)	Down
Vacant Sublease Space	204,365	191,437	271,023	288,363	260,328	Down
Class A Rental Rate	\$ 31.14	\$ 30.63	\$ 30.26	\$ 30.59	\$ 31.31	Up
Nassau County	\$ 34.45	\$ 33.62	\$ 33.24	\$ 33.12		
Suffolk County	\$ 27.19	\$ 26.65	\$ 26.88	\$ 26.96		
Class B Rental Rate	\$ 23.74	\$ 23.99	\$ 24.15	\$ 23.92	\$ 24.01	Up
Nassau County	\$ 26.58	\$ 26.35	\$ 26.73	\$ 26.46		
Suffolk County	\$ 21.54	\$ 22.19	\$ 22.18	\$ 21.99		
Class C Rental Rate	\$ 22.71	\$ 22.75	\$ 22.19	\$ 22.21	\$ 22.84	Up
Nassau County	\$ 24.23	\$ 24.24	\$ 23.32	\$ 23.00		
Suffolk County	\$ 19.56	\$ 19.86	\$ 19.74	\$ 20.68		
Total Rental Rate	\$ 25.73	\$ 25.83	\$ 25.29	\$ 25.39	\$ 25.55	Up
Nassau County	\$ 28.40	\$ 28.32	\$ 27.53	\$ 27.66		
Suffolk County	\$ 22.85	\$ 23.12	\$ 22.99	\$ 22.94		
SF New Construction Delivered	13,500	-	53,576	234,169	233,000	Down
SF New Construction Underway		733,525	741,349	449,126		
SF of Office Inventory	91,325,363	91,550,155	92,212,494	91,703,860		
# of Office Bldg's	6,037	6,080	6,118	6,149		
Sales Activity - \$'s	\$ 44,825,000	\$ 43,525,000	\$138,901,850	\$216,466,612	\$73,403,888	Down
Sales Activity - # of Bldg's	7	6	15	11	8	Down
Sales Activity - Total SF	260,616	244,280	1,026,664	787,162	479,797	Down
Sales Price PSF	\$ 172.00	\$ 178.18	\$ 135.29	\$ 275.00	\$152.99	Down

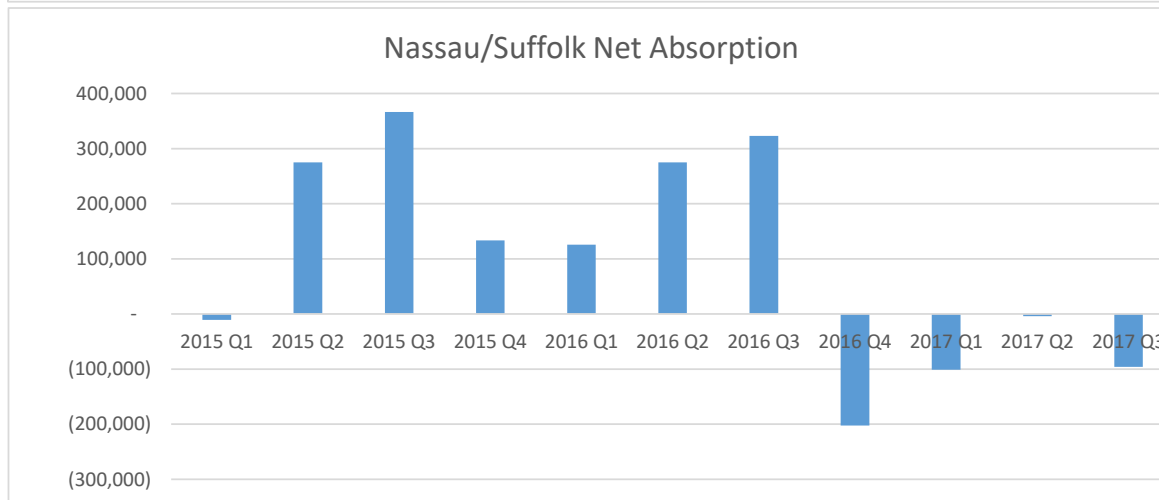
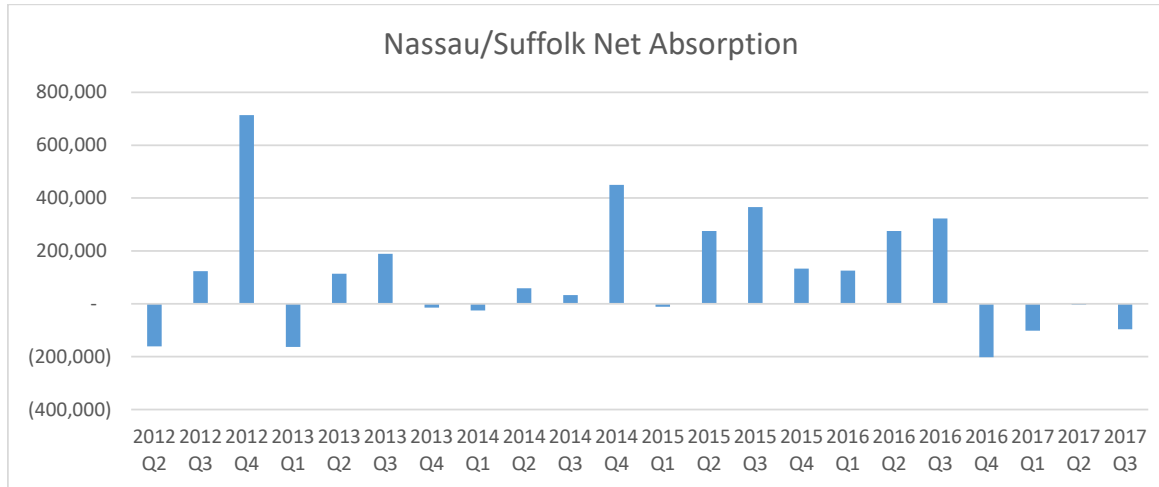
The third quarter 2017 vacancy rate fell from 7.5% in the previous quarter to 7.1%. The average quoted office rental rate for all office space in Nassau and Suffolk increased from \$25.39 in the second quarter to \$25.55 in the third quarter. The average quoted rates for Class A, Class B, and Class C office spaces increased by 2.4%, 0.4%, and 2.8% respectively. Net absorption was negative for the third time in 2017 at (96,151), down from negative (101,317) in the second quarter 2017. Net absorption for Class A was positive 273,857, Class B was negative (195,570), and Class C was negative (174,438). During the third quarter 2017 233,000 square feet of new space was added in the Nassau and Suffolk County market. When looking at office building sales of 15,000 square feet or larger, sales significantly declined in the third quarter 2017. There were eight transactions with a total volume of \$73,403,888. The eight properties consisted of 479,797 square feet, making the average price per square foot \$152.99 compared to an average price per square foot of \$275.00 in the second quarter 2017.



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Total Net Absorption Graph

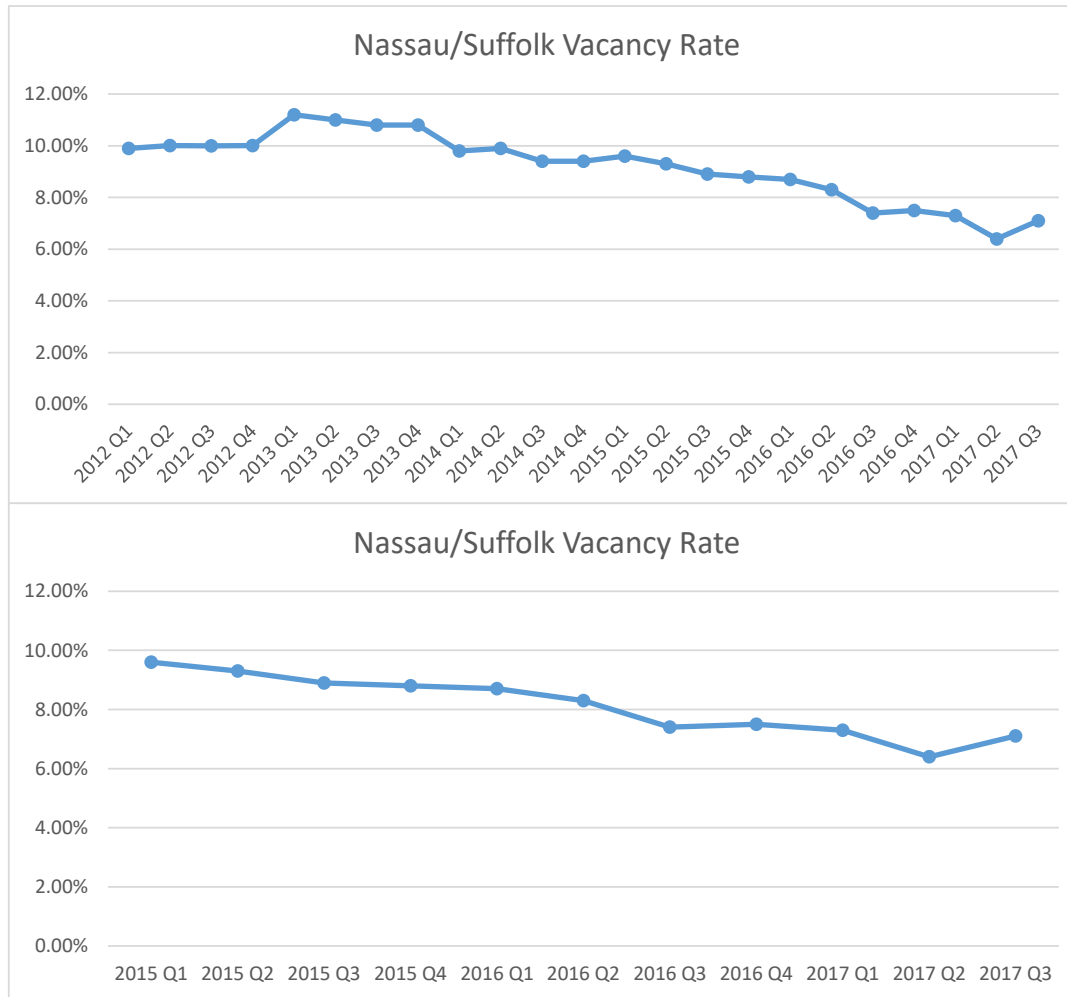
Period	Absorption
2012 Q2	(161,448)
2012 Q3	123,651
2012 Q4	713,937
2013 Q1	(162,881)
2013 Q2	114,019
2013 Q3	189,149
2013 Q4	(14,876)
2014 Q1	(25,607)
2014 Q2	58,360
2014 Q3	32,796
2014 Q4	450,474
2015 Q1	(10,730)
2015 Q2	274,930
2015 Q3	366,391
2015 Q4	133,345
2016 Q1	125,762
2016 Q2	274,930
2016 Q3	322,972
2016 Q4	(202,414)
2017 Q1	(101,317)
2017 Q2	(4,067)
2017 Q3	(96,151)





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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%
2017 Q3	7.10%

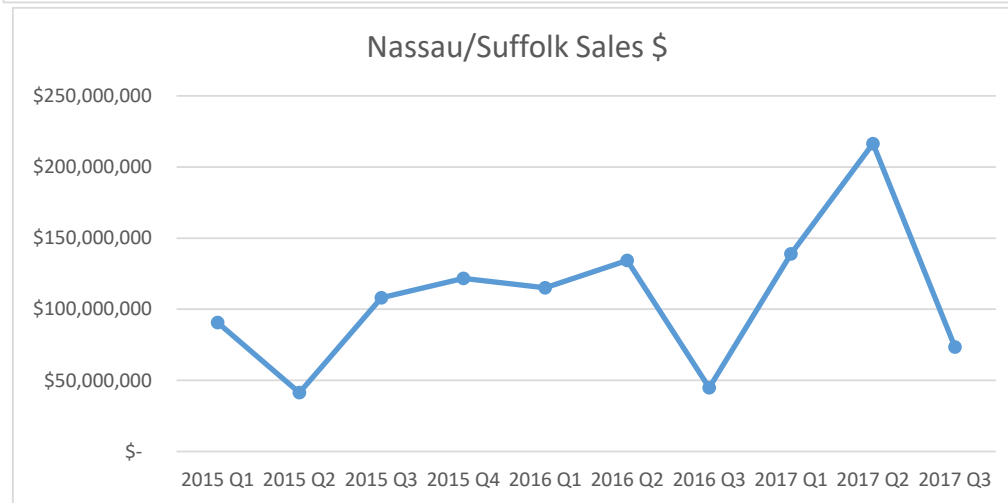
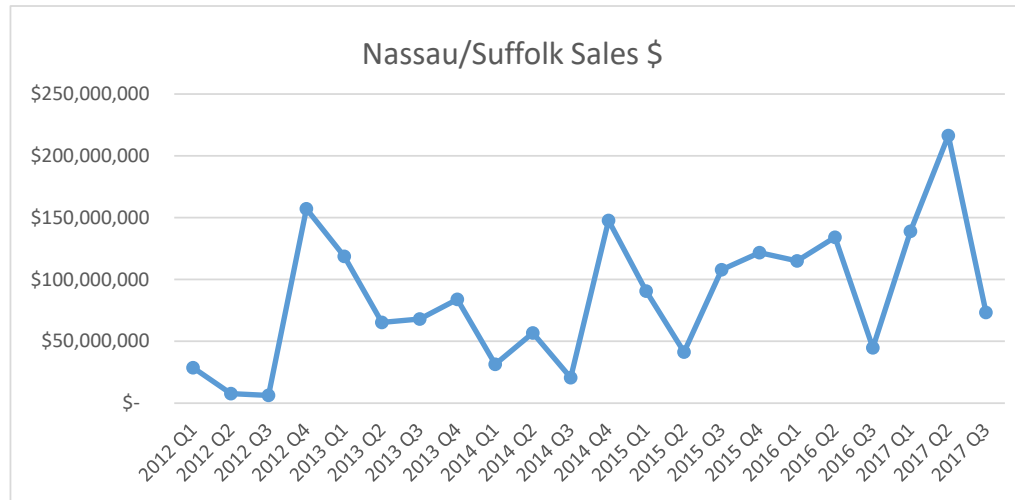




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Nassau/Suffolk Sales \$

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
2017 Q3	\$73,403,888

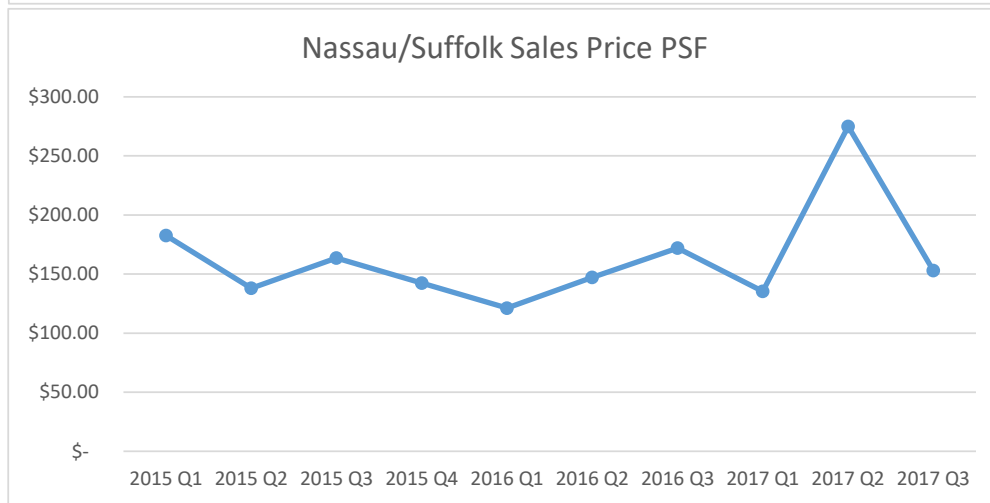
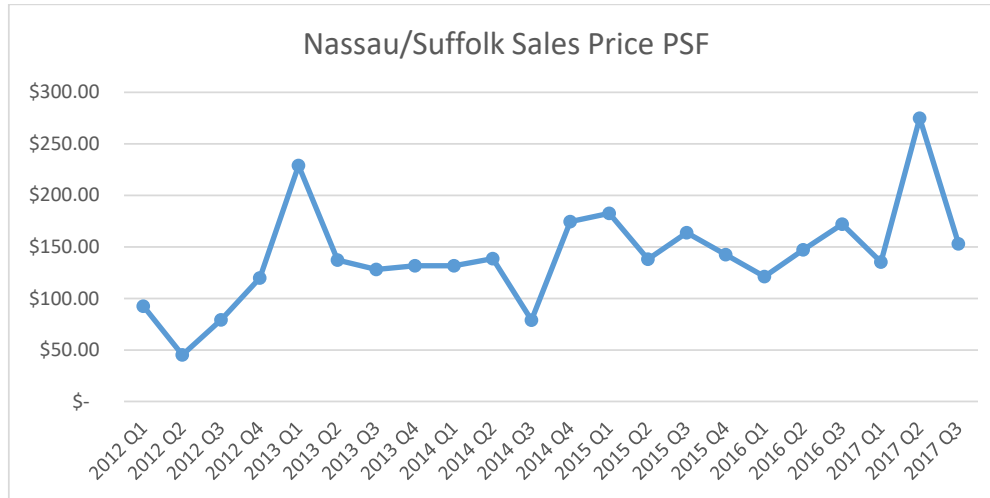




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Sales Price PSF

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
2017 Q3	\$	152.99

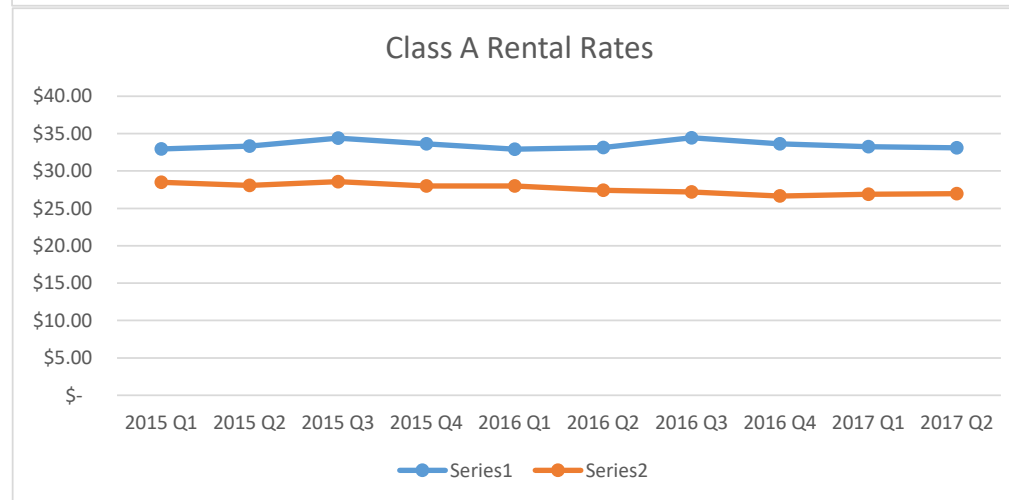
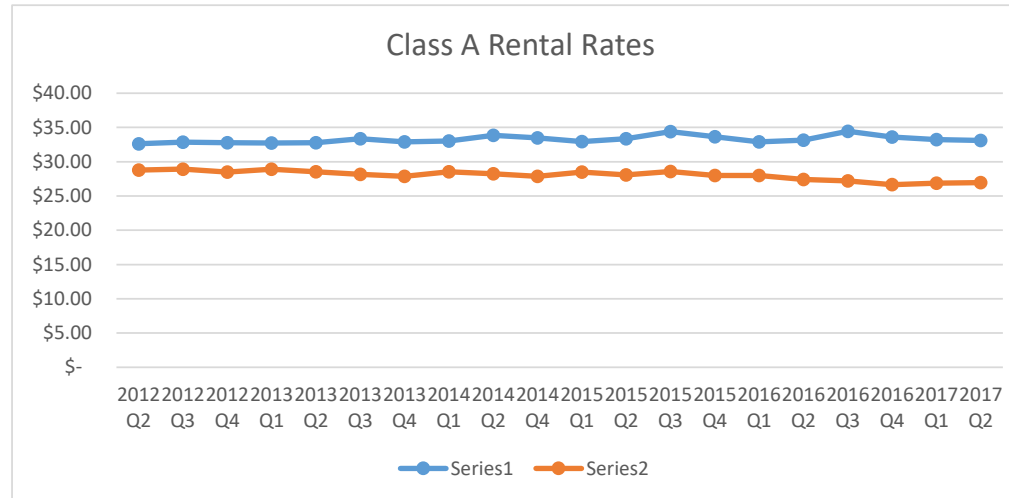




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Class A Rental Rates

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

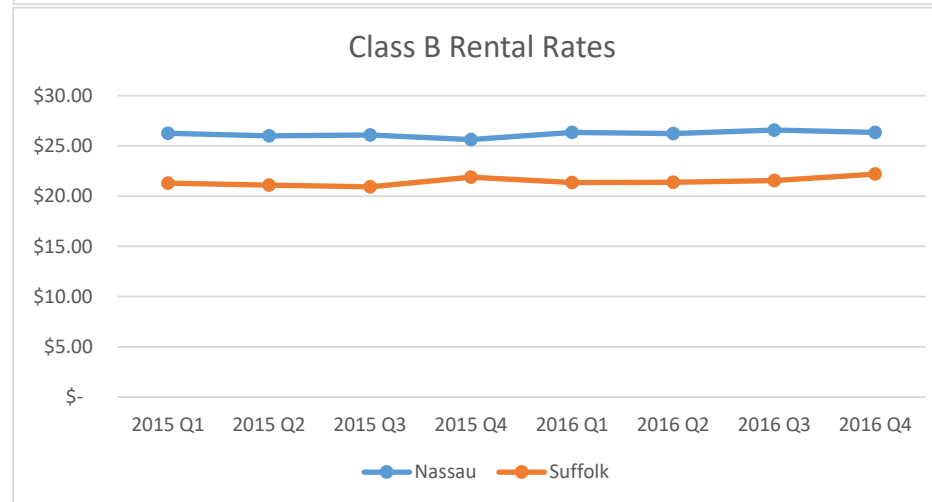
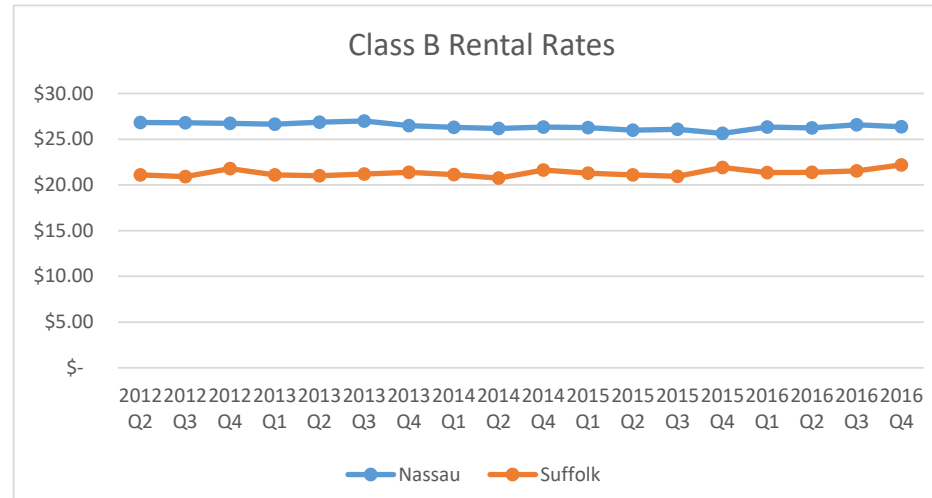




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Class B Rental Rates

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

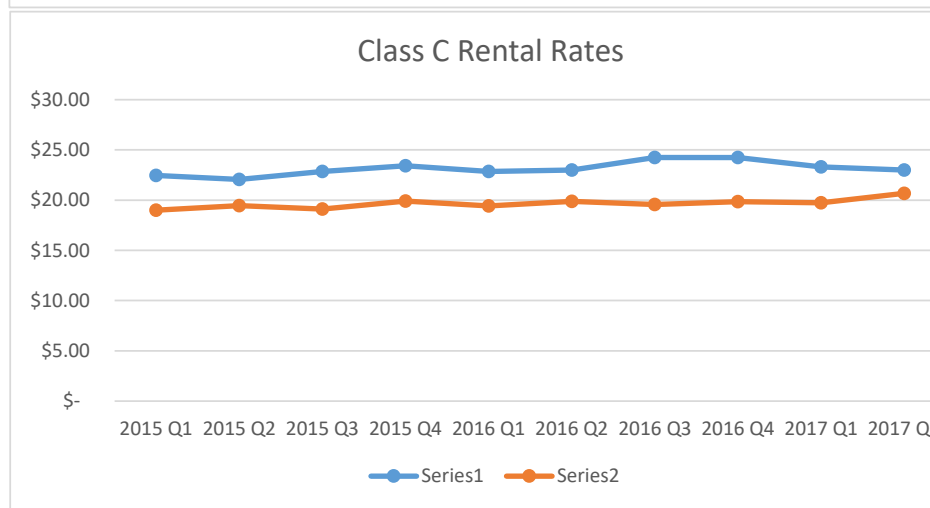
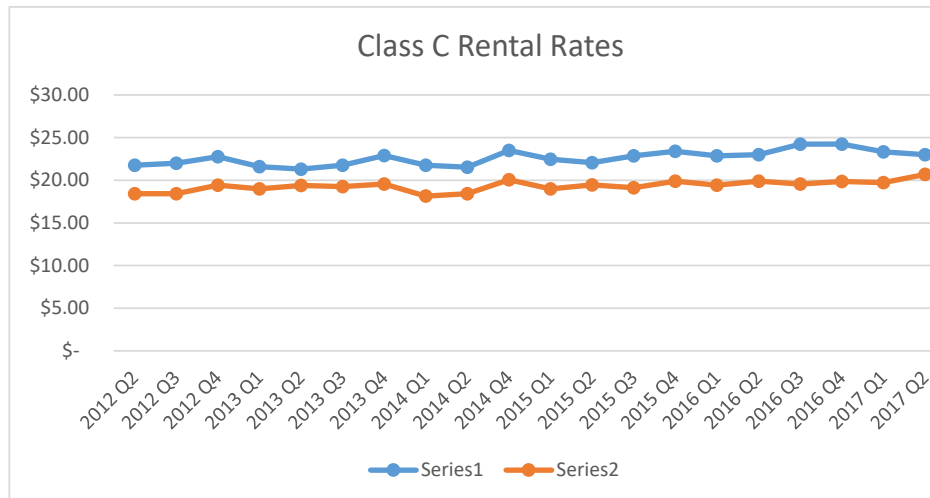




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Class C Rental Rates

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

