



**ISLAND CORPORATE SERVICES**

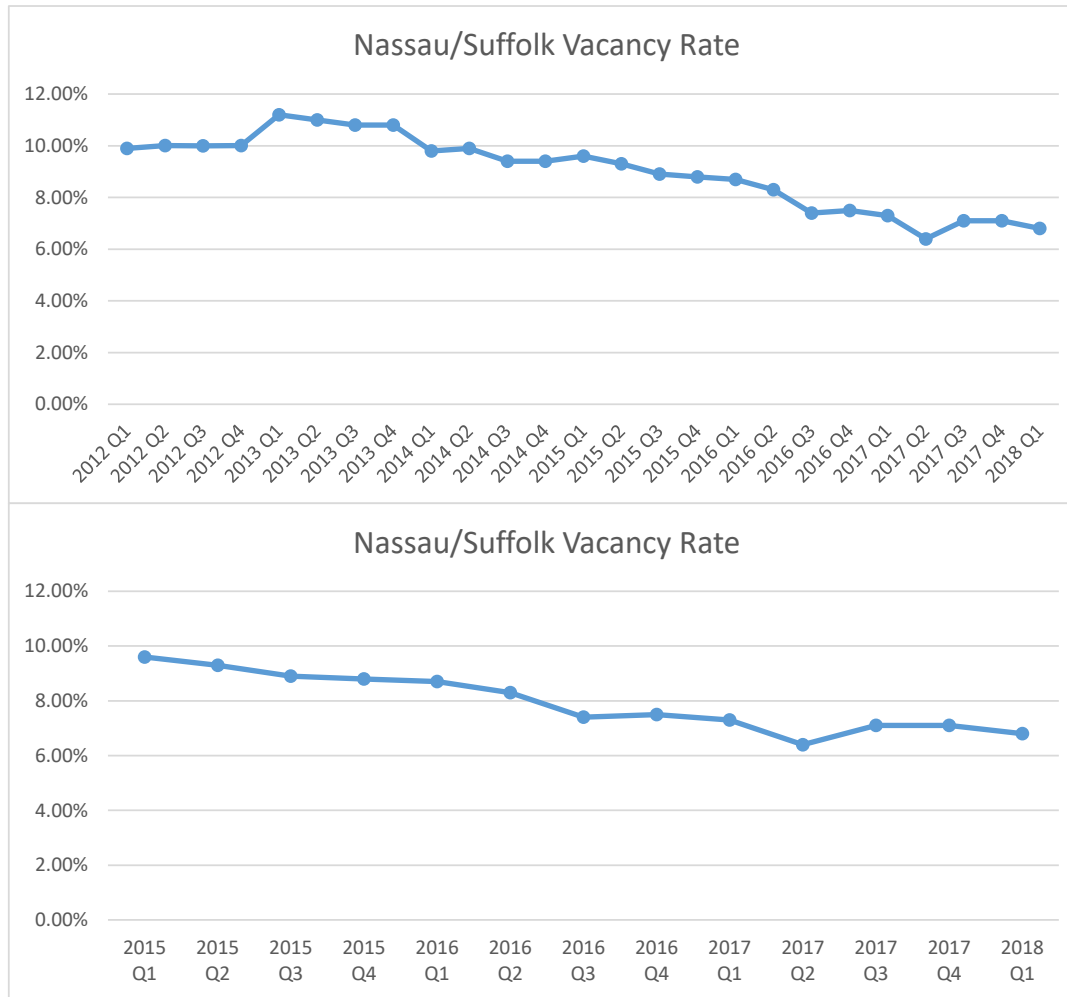
Description	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	1st Qtr 2018	Trend
Vacancy Rate	7.30%	7.50%	7.10%	7.10%	6.80%	Down
Net Absorption	(101,317)	(4,067)	(96,151)	38,935	194,444	Up
Vacant Sublease Space	271,023	288,363	260,328	256,121	524,962	Up
Class A Rental Rate	\$ 30.26	\$ 30.59	\$ 31.31	\$ 30.60	\$ 29.90	Down
Nassau County	\$ 33.24	\$ 33.12		\$ 33.53		
Suffolk County	\$ 26.88	\$ 26.96		\$ 25.98		
Class B Rental Rate	\$ 24.15	\$ 23.92	\$ 24.01	\$ 24.55	\$ 24.09	Down
Nassau County	\$ 26.73	\$ 26.46		\$ 26.25		
Suffolk County	\$ 22.18	\$ 21.99		\$ 22.95		
Class C Rental Rate	\$ 22.19	\$ 22.21	\$ 22.84	\$ 22.21	\$ 21.77	Down
Nassau County	\$ 23.32	\$ 23.00		\$ 22.94		
Suffolk County	\$ 19.74	\$ 20.68		\$ 20.86		
Total Rental Rate	\$ 25.29	\$ 25.39	\$ 25.55	\$ 25.68	\$ 25.13	Down
Nassau County	\$ 27.53	\$ 27.66		\$ 27.59		
Suffolk County	\$ 22.99	\$ 22.94		\$ 23.31		
SF New Construction Delivered	53,576	234,169	233,000	28,000	14,000	Down
SF New Construction Underway	741,349	449,126		400,204		
SF of Office Inventory	92,212,494	91,703,860		92,208,744		
# of Office Bldg's	6,118	6,149		6,199		
Sales Activity - \$'s	\$138,901,850	\$216,466,612	\$73,403,888	117,085,623	\$ 70,697,000	Down
Sales Activity - # of Bldg's	15	11	8	10	12	Up
Sales Activity - Total SF	1,026,664	787,162	479,797	921,635	449,549	Down
Sales Price PSF	\$ 135.29	\$ 275.00	\$152.99	\$ 127.04	\$ 157.26	Up

The first quarter 2018 vacancy rate decreased from 7.1% in the previous quarter to 6.8%. The average quoted office rental rate for all office space in Nassau and Suffolk decreased from \$25.68 in the fourth quarter 2017 to \$25.13 in the first quarter 2018. The average quoted rates for Class A, Class B, and Class C office spaces decreased by 2.3%, 1.9%, and 2% respectively. Net absorption was positive at 194,444 , up from positive 38,935 in the fourth quarter 2017. Net absorption for Class A was positive 260,896 Class B was negative (136,250) and Class C was positive 194,444. During the first quarter 2018 14,000 square feet of new space was added to the market in the Nassau and Suffolk County market area. When looking at office building sales of 15,000 square feet or larger, sales decreased in the first quarter 2018. There were twelve transactions with a total volume of \$70,697,000. The twelve properties consisted of 449,549 square feet, making the average price per square foot \$157.26 compared to an average price per square foot of \$127.04 in the fourth quarter 2017.



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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%
2017 Q4	7.10%
2018 Q1	6.80%

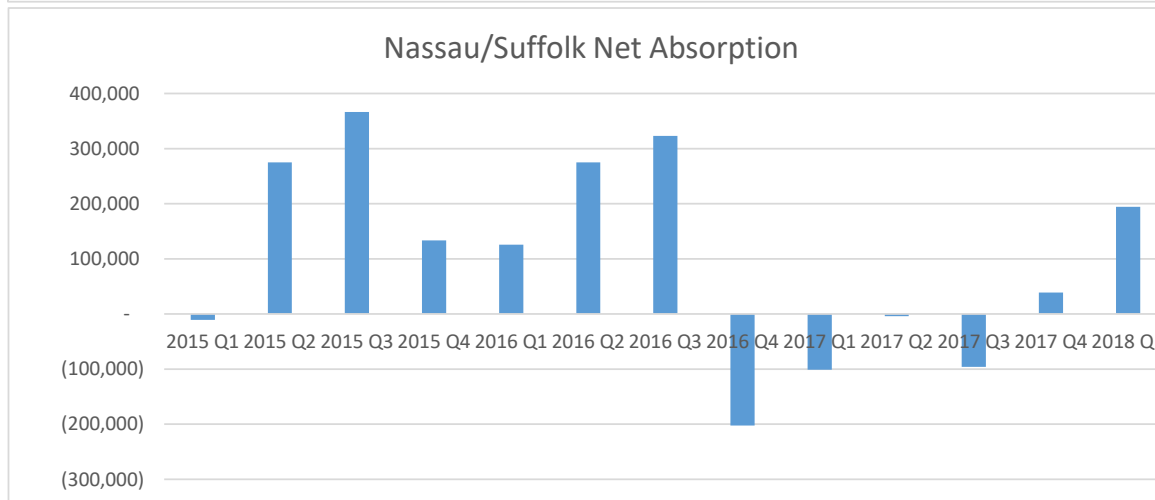
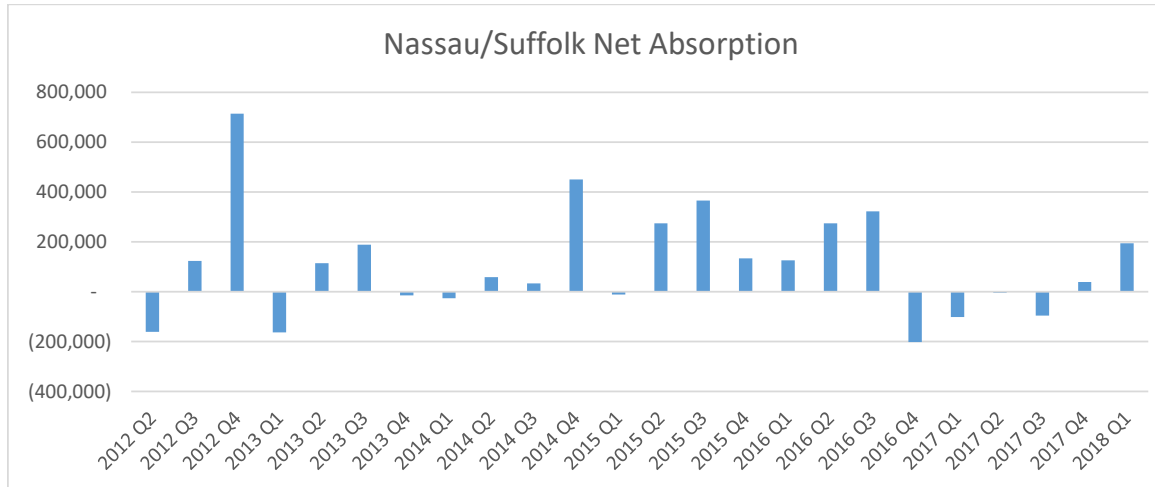




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Total Net Absorption Graph

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)
2017 Q4	38,935
2018 Q1	194,444

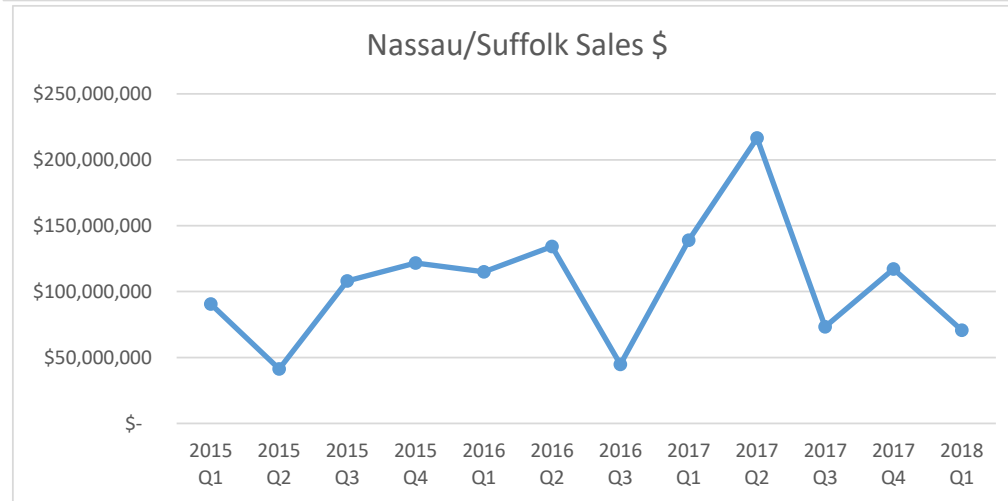
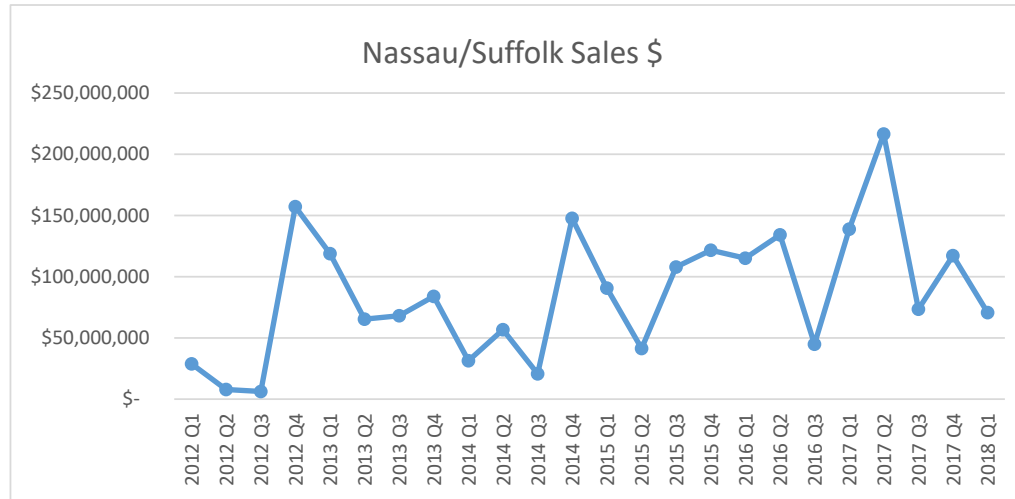




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Nassau/Suffolk Sales \$

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
2017 Q4	117,085,623
2018 Q1	\$ 70,697,000

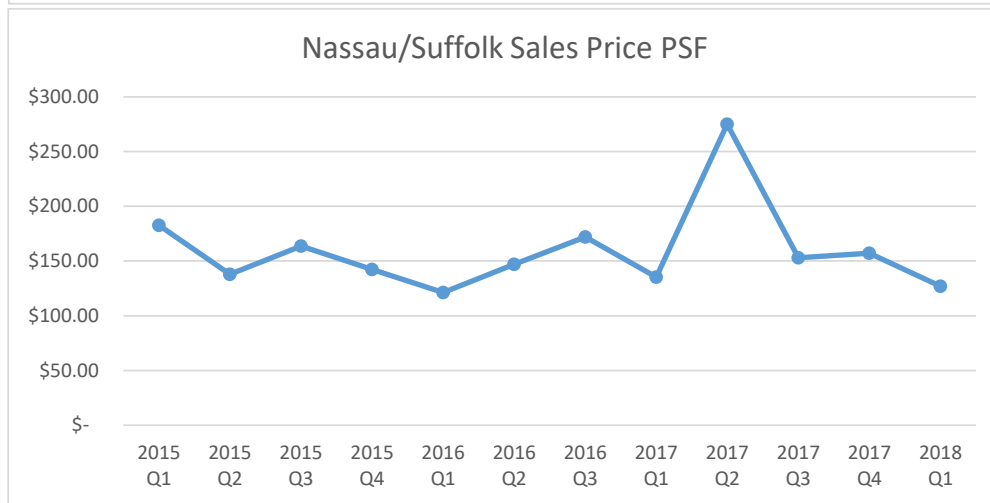
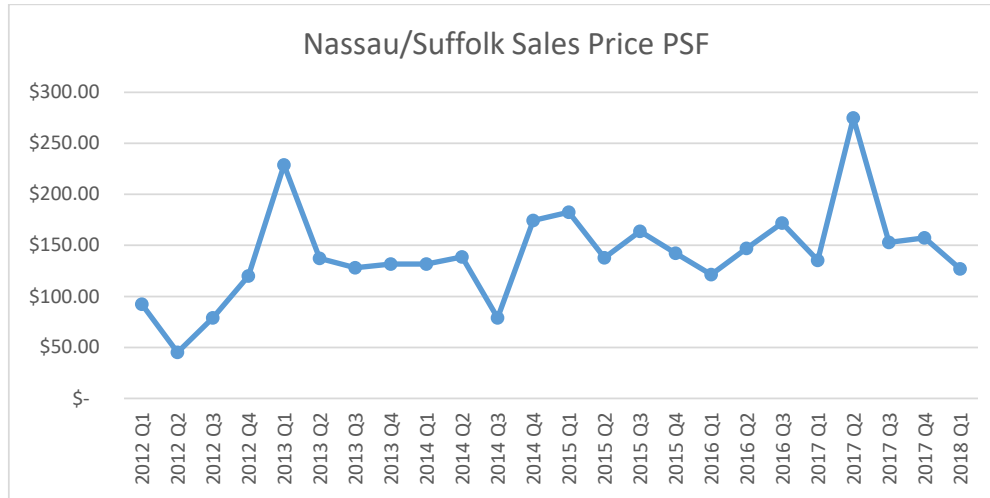




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Sales Price PSF

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
2017 Q4	\$	157.26
2018 Q1	\$	127.04

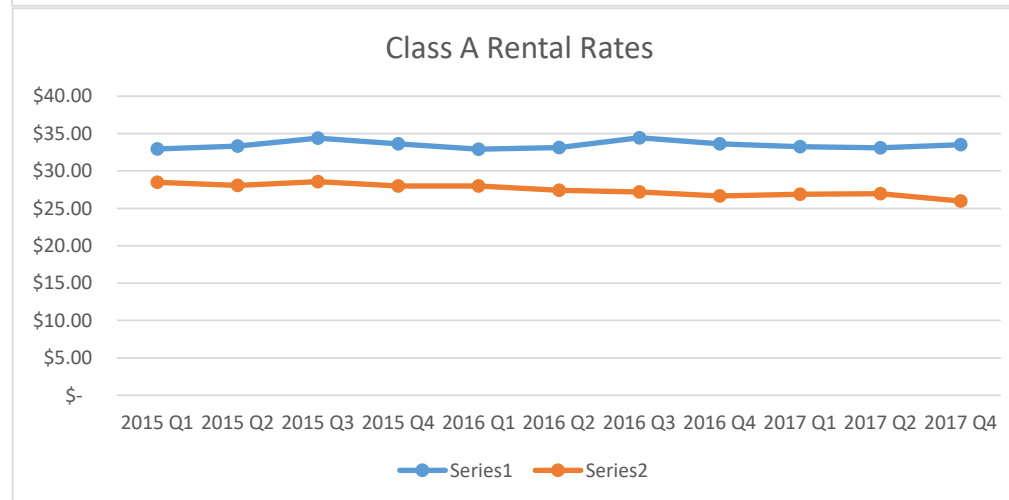
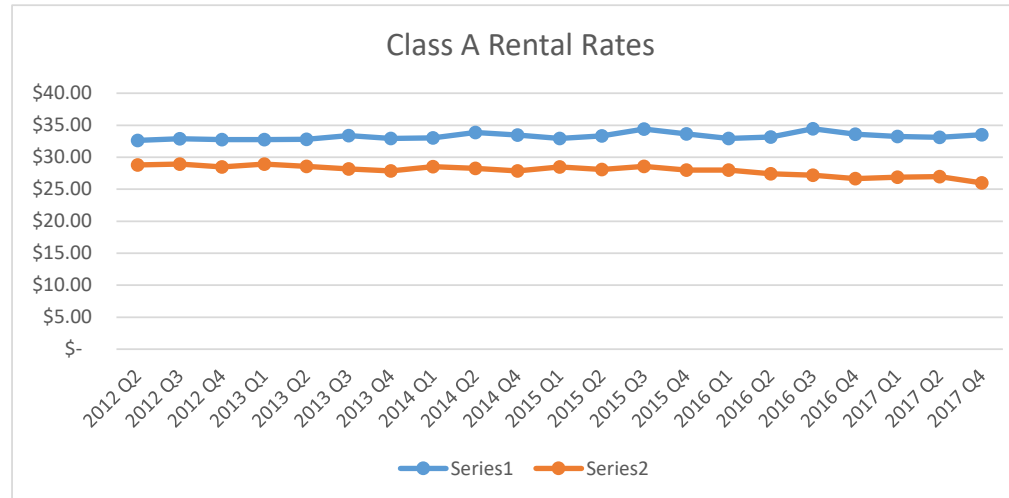




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Class A Rental Rates

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
2017 Q4	\$ 33.53	\$ 25.98

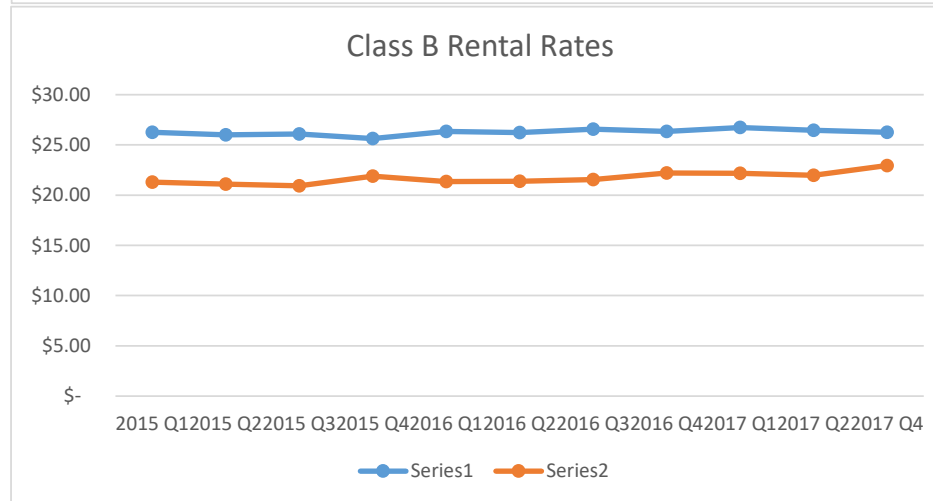
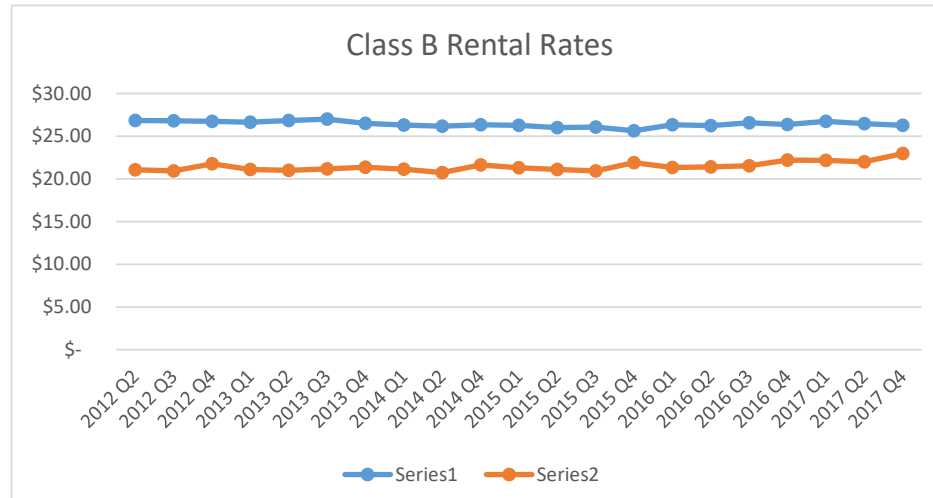




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Class B Rental Rates

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
2017 Q4	\$ 26.25	\$ 22.95

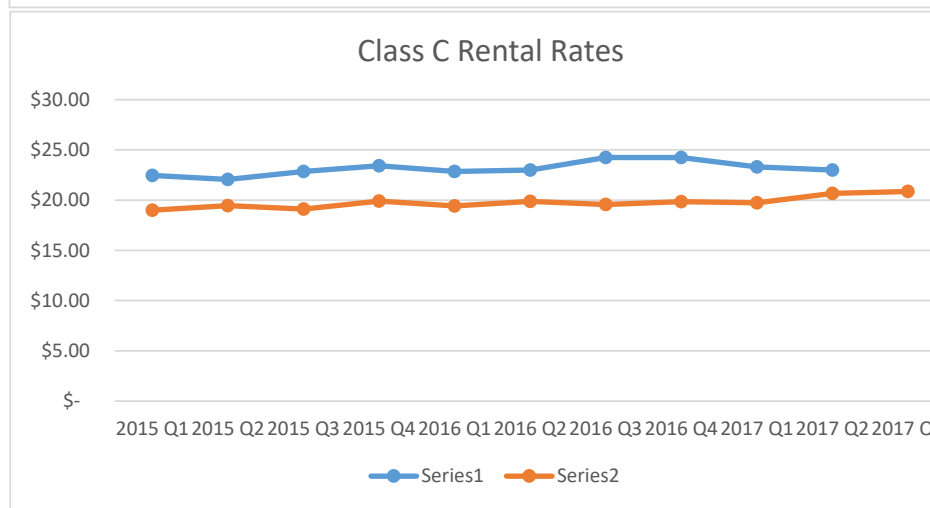
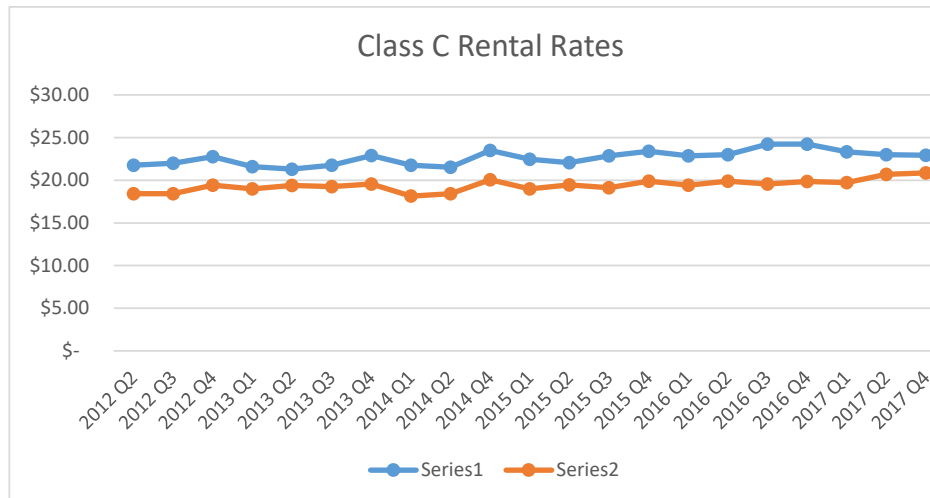




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Class C Rental Rates

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
2017 Q4	\$ 22.94	\$ 20.86







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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
2017 Q4	\$ 27.59	\$ 23.31

