



ISLAND CORPORATE SERVICES

Description	4th Qtr 2015	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Trend
Vacancy Rate	8.80%	8.70%	8.30%	7.40%	7.50%	Up
Net Absorption	133,345	125,762	274,930	322,972	(202,414)	Down
Vacant Sublease Space	153,269	172,667	212,489	204,365	191,437	Down
Class A Rental Rate	\$ 31.39	\$ 30.50	\$ 30.61	\$ 31.14	\$ 30.63	Down
Nassau County	\$ 33.65	\$ 32.92	\$ 33.14	\$ 34.45	\$ 33.62	Down
Suffolk County	\$ 28.00	\$ 28.01	\$ 27.41	\$ 27.19	\$ 26.65	Down
Class B Rental Rate	\$ 23.55	\$ 23.57	\$ 23.36	\$ 23.74	\$ 23.99	Up
Nassau County	\$ 25.63	\$ 26.33	\$ 26.24	\$ 26.58	\$ 26.35	Down
Suffolk County	\$ 21.90	\$ 21.34	\$ 21.39	\$ 21.54	\$ 22.19	Up
Class C Rental Rate	\$ 22.39	\$ 21.74	\$ 21.97	\$ 22.71	\$ 22.75	Up
Nassau County	\$ 23.41	\$ 22.85	\$ 22.99	\$ 24.23	\$ 24.24	Up
Suffolk County	\$ 19.90	\$ 19.43	\$ 19.89	\$ 19.56	\$ 19.86	Up
Total Rental Rate	\$ 25.49	\$ 25.17	\$ 25.45	\$ 25.73	\$ 25.83	Up
Nassau County	\$ 27.50	\$ 27.25	\$ 27.87	\$ 28.40	\$ 28.32	Down
Suffolk County	\$ 23.13	\$ 22.99	\$ 22.95	\$ 22.85	\$ 23.12	Up
SF New Construction Delivered	21,700	15,100	-	13,500	-	Down
SF New Construction Underway					733,525	
SF of Office Inventory	90,036,557	90,409,962	91,308,367	91,325,363	91,550,155	Up
# of Office Bldg's	5,916	5,986	6,017	6,037	6,080	Up
Sales Activity - \$'s	\$ 121,714,805	\$ 115,010,000	\$ 134,236,400	\$ 44,825,000	\$139,324,839	Up
Sales Activity - # of Bldg's	13	7	11	7	14	Up
Sales Activity - Total SF	854,593	948,581	912,411	260,616	1,685,699	Up
Sales Price PSF	\$ 142.42	\$ 121.24	\$ 147.12	\$ 172.00	\$ 82.65	Down

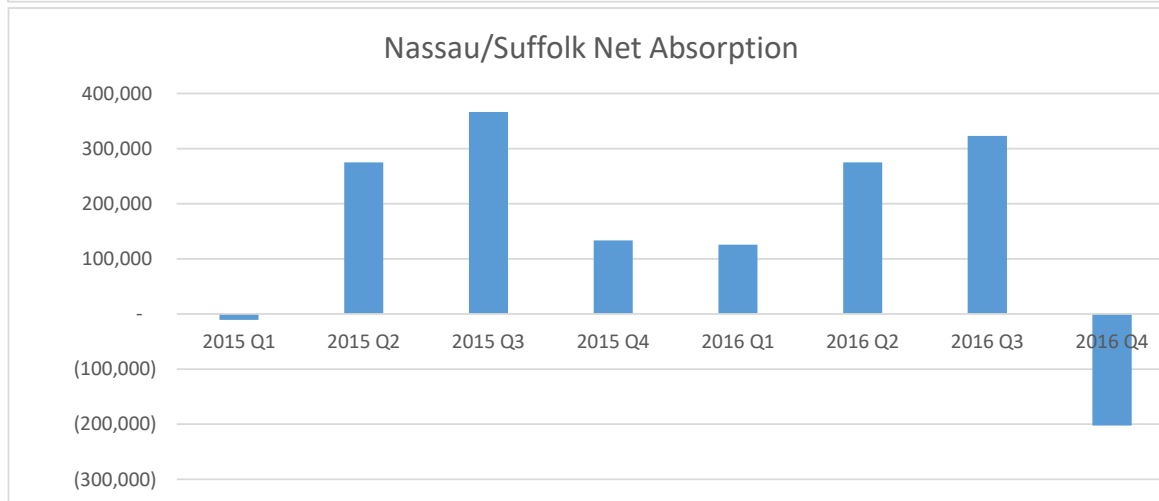
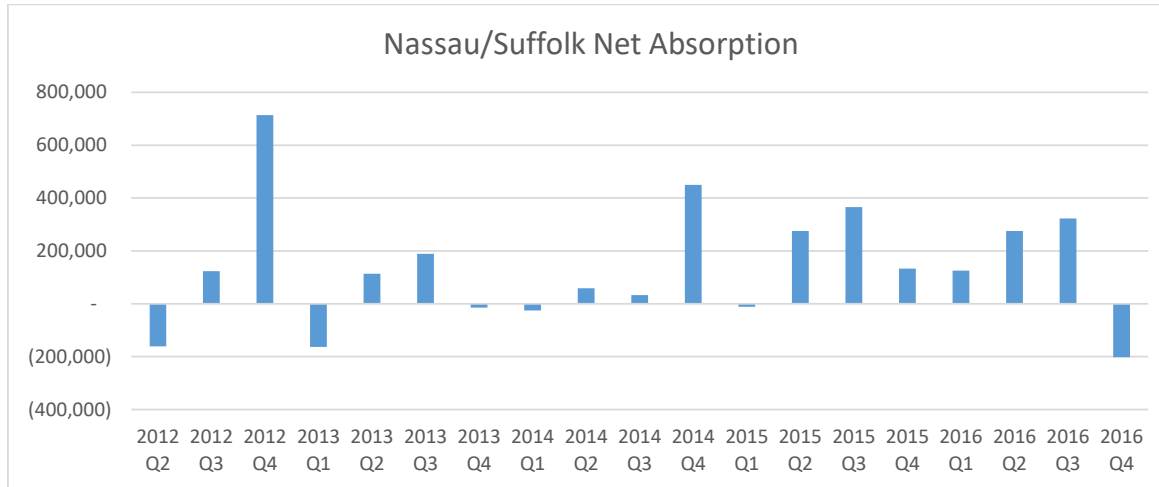
The fourth quarter 2016 vacancy rate rose slightly from 7.4% in the previous quarter to 7.5%. The average quoted office rental rate for all office space in Nassau and Suffolk increased from \$25.73 in the third quarter to \$25.83 in the fourth quarter. The average quoted rate for Class A office space fell by 1.6%, while Class B and Class C office space rates rose by 1.1% and .2% respectively. Net absorption was negative for the first time in 2016 at (202,414), down from positive 322,972 in the third quarter 2016. Net absorption for Class A was negative (207,815), Class B was positive 54,610 and Class C was negative (49,209). During the fourth quarter 2016 no new space was added to the market in the Nassau and Suffolk County market area. There was 733,525 square feet of space still under construction at the end of the fourth quarter. When looking at office building sales of 15,000 square feet or larger, sales significantly increased in the fourth quarter 2016. There were 14 transactions with a total volume of \$139,324,839. The 14 properties consisted of 1,685,699 square feet, making the average price per square foot \$82.65 compared to an average price per square foot of \$172.00 in the third quarter 2016.



**ISLAND CORPORATE SERVICES**

Total Net Absorption Graph

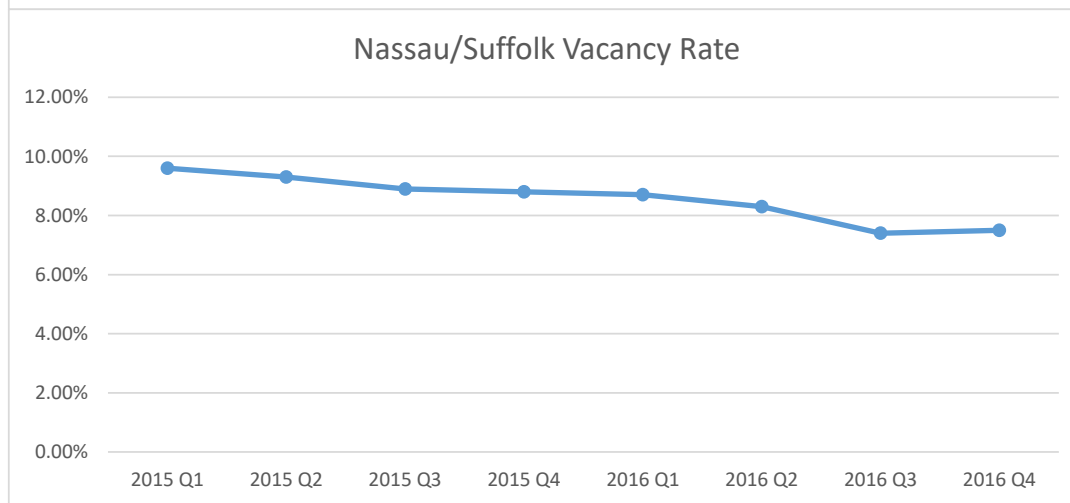
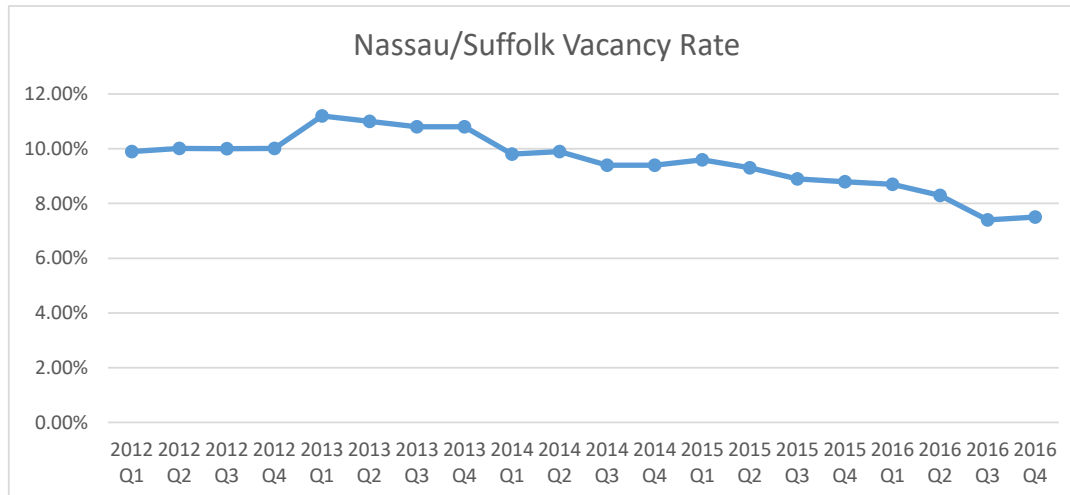
Period	Absorption
2012 Q2	(161,448)
2012 Q3	123,651
2012 Q4	713,937
2013 Q1	(162,881)
2013 Q2	114,019
2013 Q3	189,149
2013 Q4	(14,876)
2014 Q1	(25,607)
2014 Q2	58,360
2014 Q3	32,796
2014 Q4	450,474
2015 Q1	(10,730)
2015 Q2	274,930
2015 Q3	366,391
2015 Q4	133,345
2016 Q1	125,762
2016 Q2	274,930
2016 Q3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





**ISLAND CORPORATE SERVICES**

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%

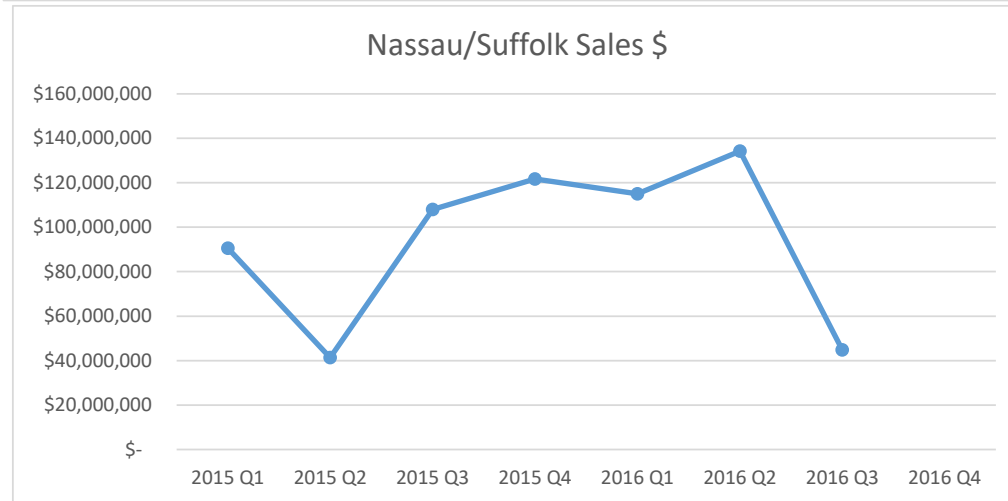
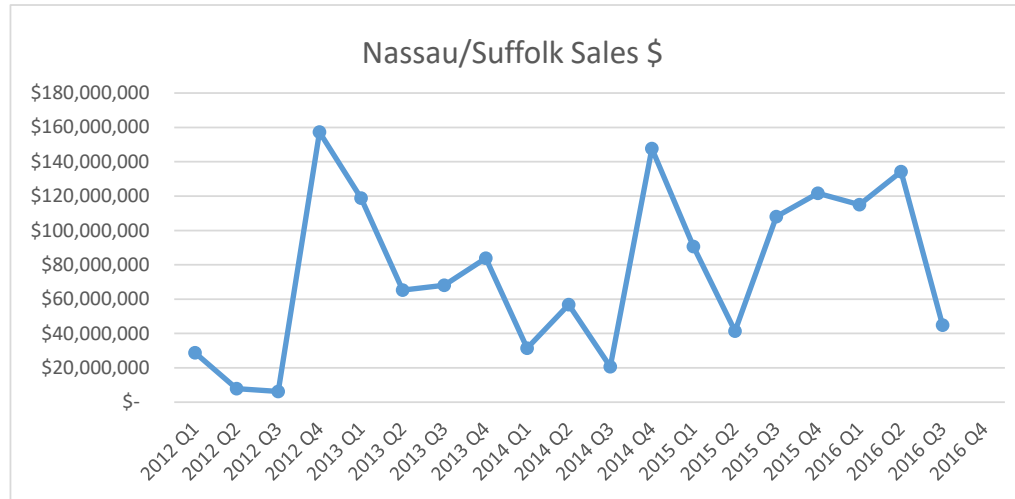




**ISLAND CORPORATE SERVICES**

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	

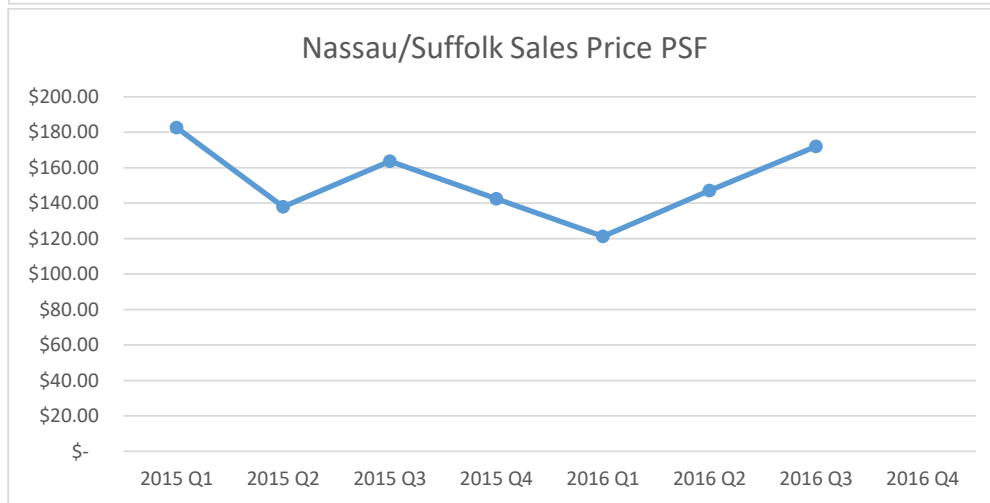
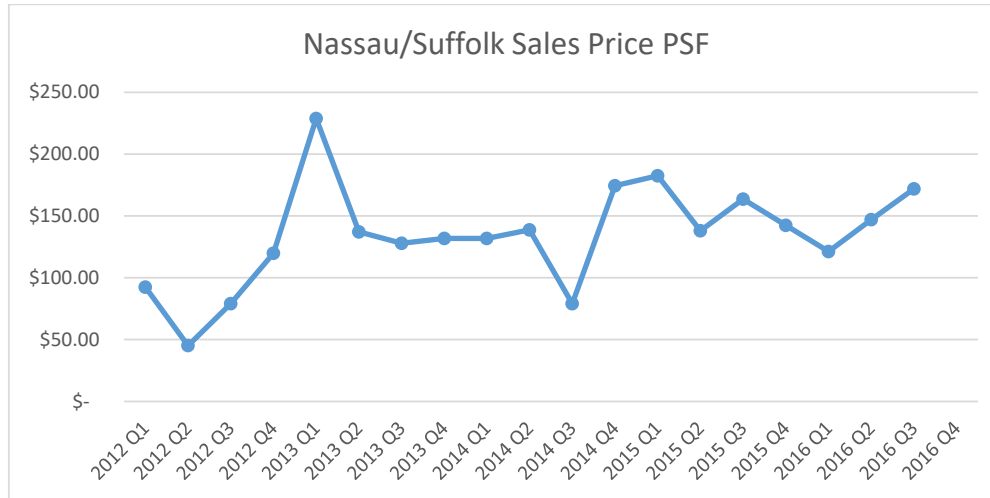




**ISLAND CORPORATE SERVICES**

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		

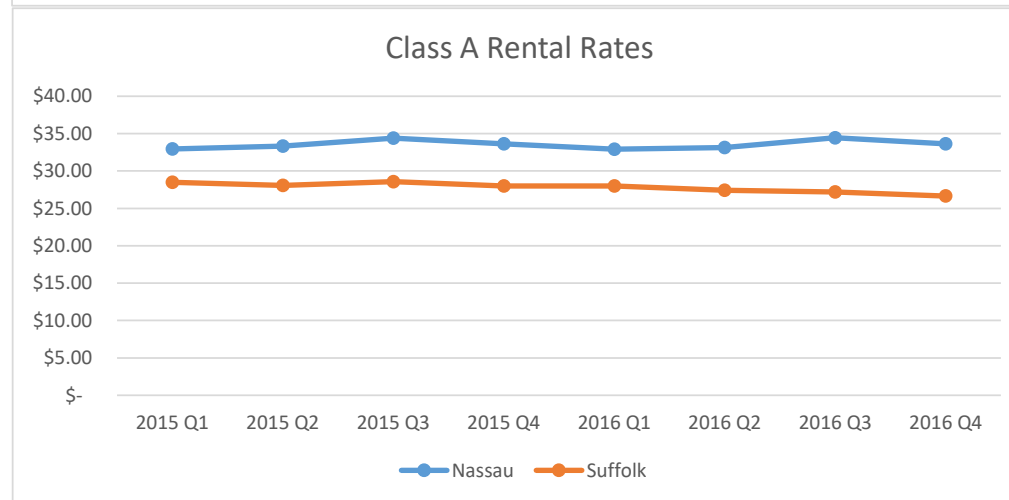
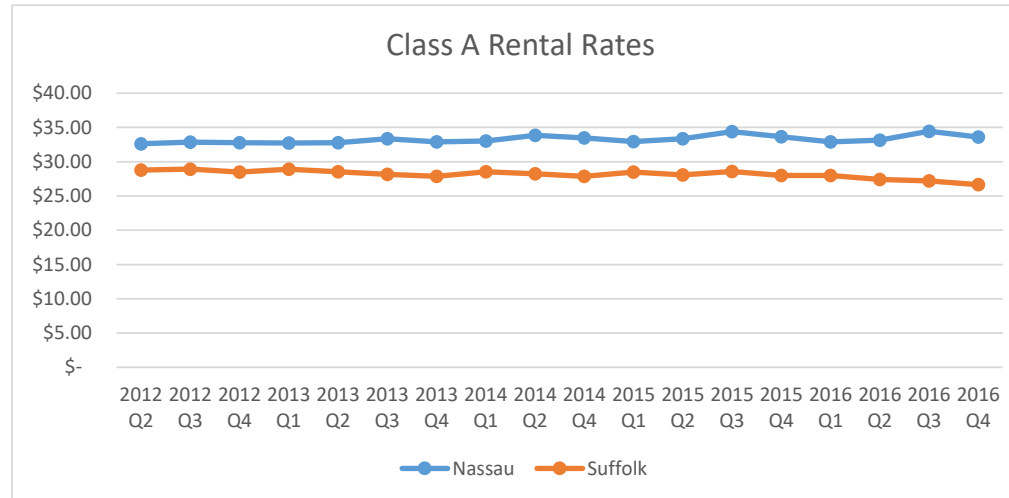




**ISLAND CORPORATE SERVICES**

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

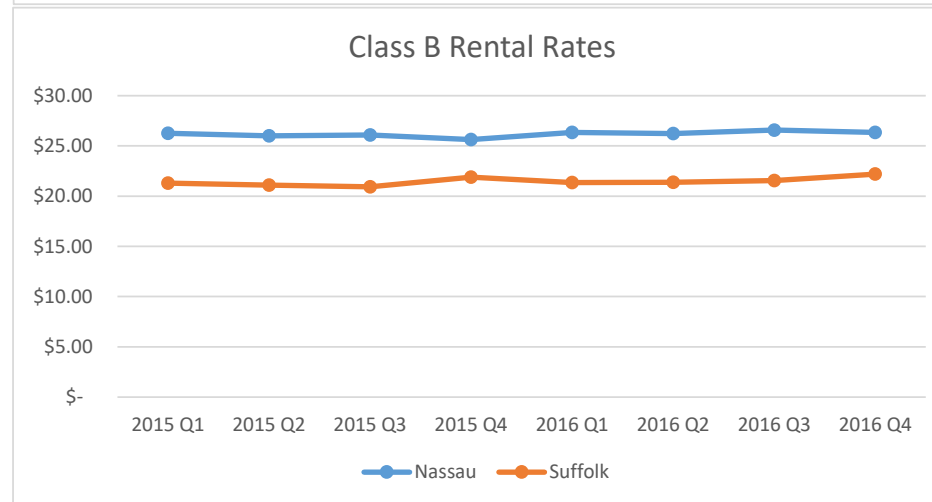
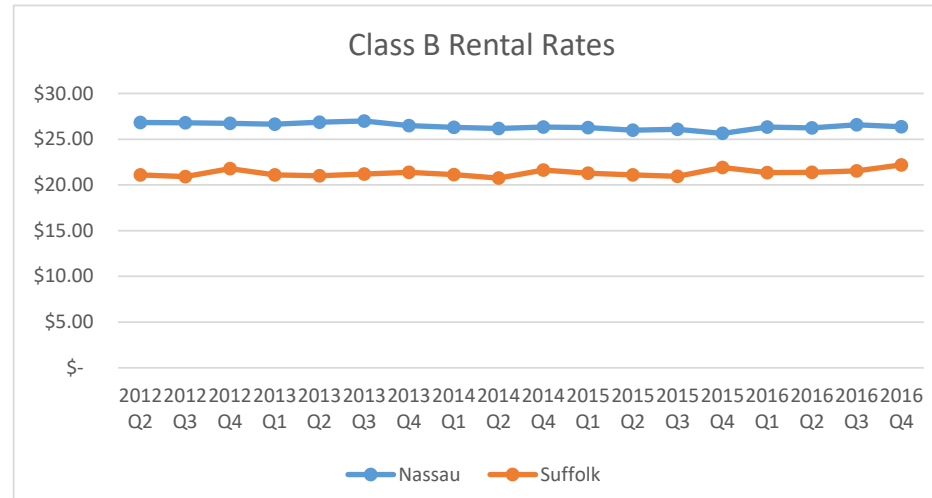




**ISLAND CORPORATE SERVICES**

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

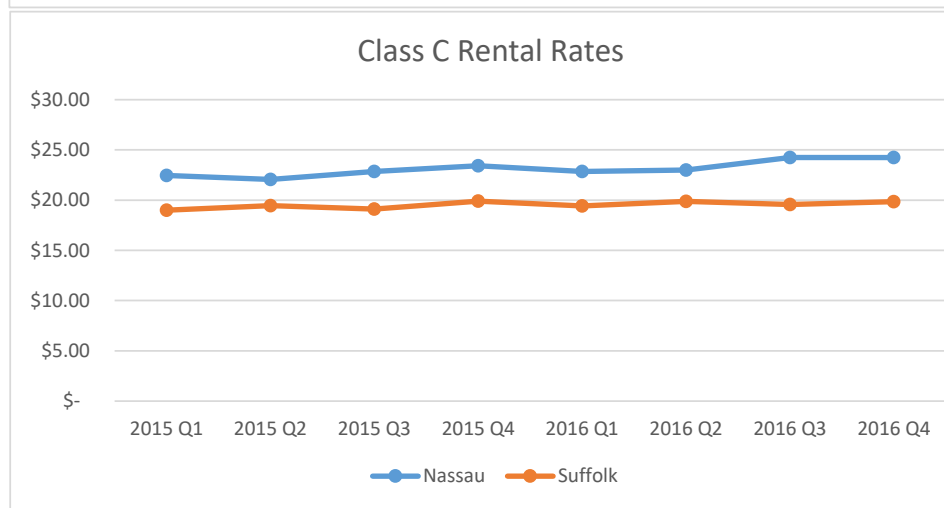
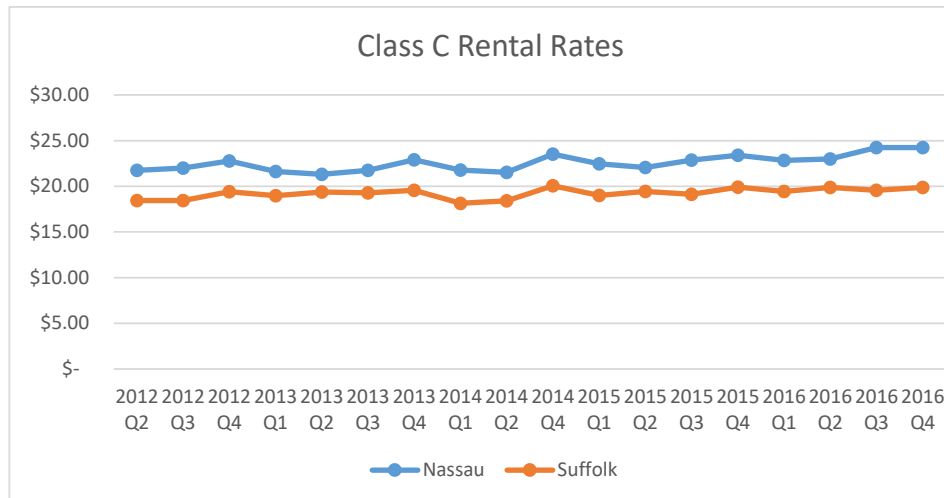




**ISLAND CORPORATE SERVICES**

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







**ISLAND CORPORATE SERVICES**

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

