



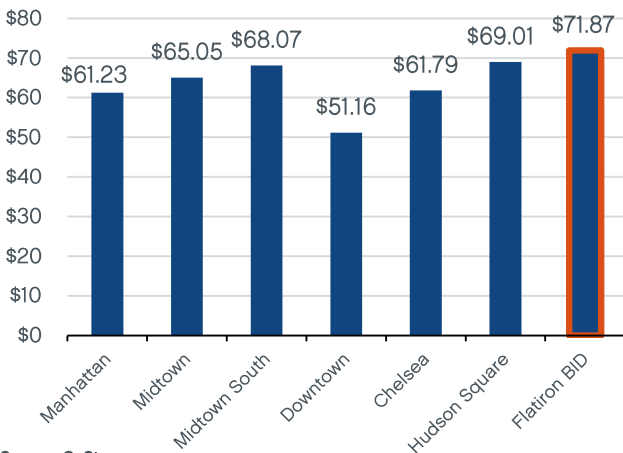
Flatiron: Where Then Meets Now

Flatiron District Market Snapshot/Q1 2016

MARKET OVERVIEW

In Q1 2016, the Class A & B vacancy rate within the boundaries of the Flatiron BID, as reported in CoStar, was 6.0%. This is a slight increase from the 5.8% vacancy rate in Q4 2015, but a decrease from the 7.8% vacancy rate a year ago in Q1 2015 and the Flatiron District's 5-year average vacancy rate of 7.6%. This is also lower than the Q1 2016 Manhattan-wide vacancy rate of 8.1%. The graph to the right illustrates how the Flatiron District compares to Manhattan and other districts.

During Q1 2016, asking rents for Class A & B spaces averaged \$71.87/SF, a 1.4% decrease from \$72.91 in Q4 2015, and a 1.9% increase from \$70.50/SF in Q1 2015. Comparative graph is below; numbers are for Q1 2016.



Hub for Real Estate Technology Firms

In early Q1 2016, Metaprop NYC, the City's only real estate technology accelerator, completed its first 22-week program. The success of the company, located at 18 West 21st Street, illustrates how the Flatiron District has become a hub for firms specializing in the emerging subsector of real estate technology. Other real estate technology firms based in the Flatiron District include SiteCompli, The Square Foot, Primary Venture Partners, and Reonomy.

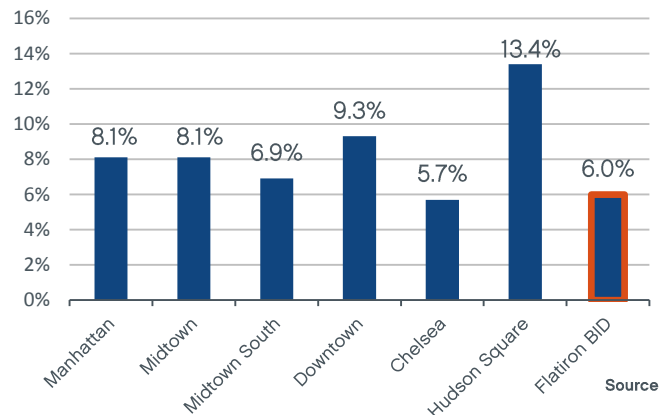
COMMERCIAL BUILDING SALES

- Fortuna Realty Group LLC completed its acquisition of the Wyndham Garden Hotel at 37 West 24th Street for \$60 million. Fortuna plans to convert the 124-key hotel into a high-end boutique hotel.

Bolstered by continued economic growth in New York City, the real estate market in the Flatiron District continued to thrive in the first quarter (Q1) of 2016. Technology, advertising, media and information (TAMI) sectors continue to seek out the area.

COMMERCIAL OFFICE MARKET

Commercial Vacancy Rates - Class A&B for Q1



Major TAMI Companies Move to the Flatiron District

While the Flatiron District has long been known as the heart of New York's startup scene, a number of brand-name tech and media companies are completing moves into new Flatiron District offices in the first half of 2016. The most notable move in Q1 2016 was the relocation of Sony Corporation of America to a new 525,000-square-foot space within 11 Madison Avenue, with a dedicated entrance at 25 Madison Avenue. Dropbox, the cloud computing and storage company, and Criteo, a global software and online advertising firm, have also both found new homes in the district. Dropbox will be moving into a 31,270-square-foot space at 50 West 23rd in early Q2 2016, and Criteo completed its move to a 40,000-square-foot space at 387 Park Avenue South in late Q1 2016.

Mission Capital Advisors
41 Madison Avenue
10 years, 13,558 SF
New

The Washington Post
20 West 22nd Street
10 years, 11,910 SF
New

Grovo
50 West 23rd Street
10 years, 70,000 SF
New

Karhoo
386 Park Avenue South
10 years, 11,600 SF
New

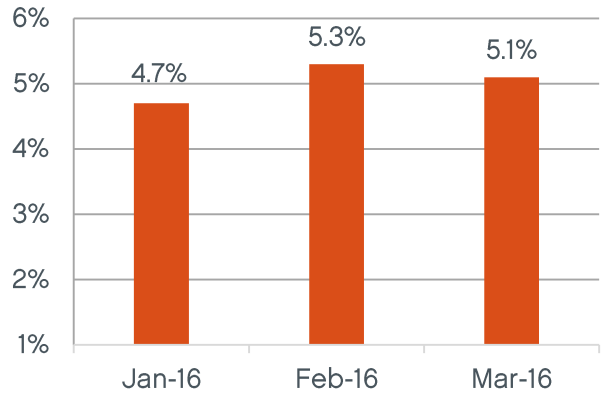


Inventory of available retail spaces in the district, which are tracked and published monthly by the Flatiron/23rd Street Partnership, remained low in Q1 2016. There was a slight increase in available retail spaces from Q4 2015 as newly created retail spaces at 10 Madison Square West and 79 Madison Avenue were made available.

Health & Wellness Grows in the Flatiron District

The Flatiron District bolstered its reputation as a destination for fitness and wellness in Q1 2016. Luxury gym chain Equinox signed a 20-year, 44,458-square-foot lease at 315 Park Avenue South in January. Equinox is the latest major gym chain to open a location in the district, joining the likes of New York Sports Club, New York Health and Racquet Club, and 24 Hour Fitness. In addition to major gym chains, the district is also home to a cluster of established boutique studios like exhale Flatiron, Yoga Shanti, Kinespirit, Chaise Fitness, and Bikram Yoga NYC. With this large concentration of gyms and boutique studios, the neighborhood is also becoming a hub for activewear clothing brands like Bandier, which moved to a new location at 164 Fifth Avenue in early Q1 2016.

Flatiron District Marketed Available Retail Space

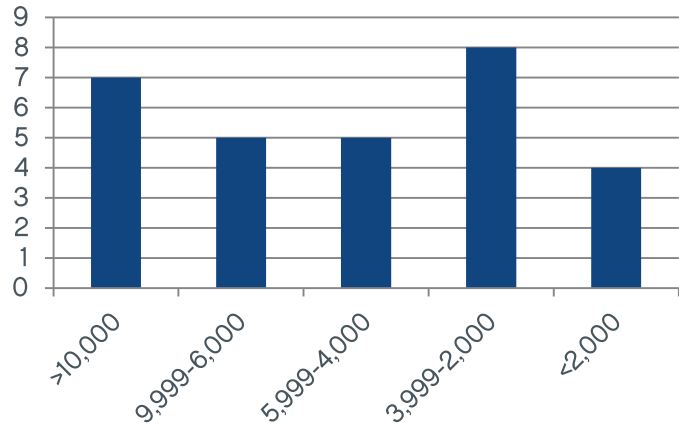


Source: January-March 2016 Flatiron BID Retail Opportunities Maps

Food & Dining Continues to Surge

NoMad, in the northwest corner of the Flatiron BID, saw a flood of new restaurant openings in Q1 2016, and is continuing to emerge as a premier dining destination. In late Q1, the Japanese restaurant Teisui, PN Wood Fired Pizza, and The Smith, a neighborhood brasserie, all opened their doors. This wave of new restaurants will continue in Q2 as Made Nice, an upscale fast-casual restaurant by the Eleven Madison Park and The NoMad Restaurant founders, will open on West 28th Street. Also slated to open in the neighborhood is Artisanal Fromagerie Bistro on Park Avenue South at 27th Street.

Flatiron District Marketed Available Retail Space by Square Footage



Source: March 2016 Flatiron BID Retail Opportunities Map



The Flatiron/23rd Street Partnership Business Improvement District, formed in 2006, is a nonprofit organization whose mission is to enhance the area's reputation as one of New

York's most vital and exciting neighborhoods. This is accomplished by maintaining a clean and safe environment for the district's businesses, residents, and visitors; by spearheading area improvement projects; and by marketing the diverse business and retail options in this vibrant and historic neighborhood.