

הערכת שווי

מגדל 10 Bryant

ליום 30 ביוני 2025

10 Bryant Park 452 Fifth Avenue

Between West 39th and West 40th Streets

New York, New York County, NY 10018

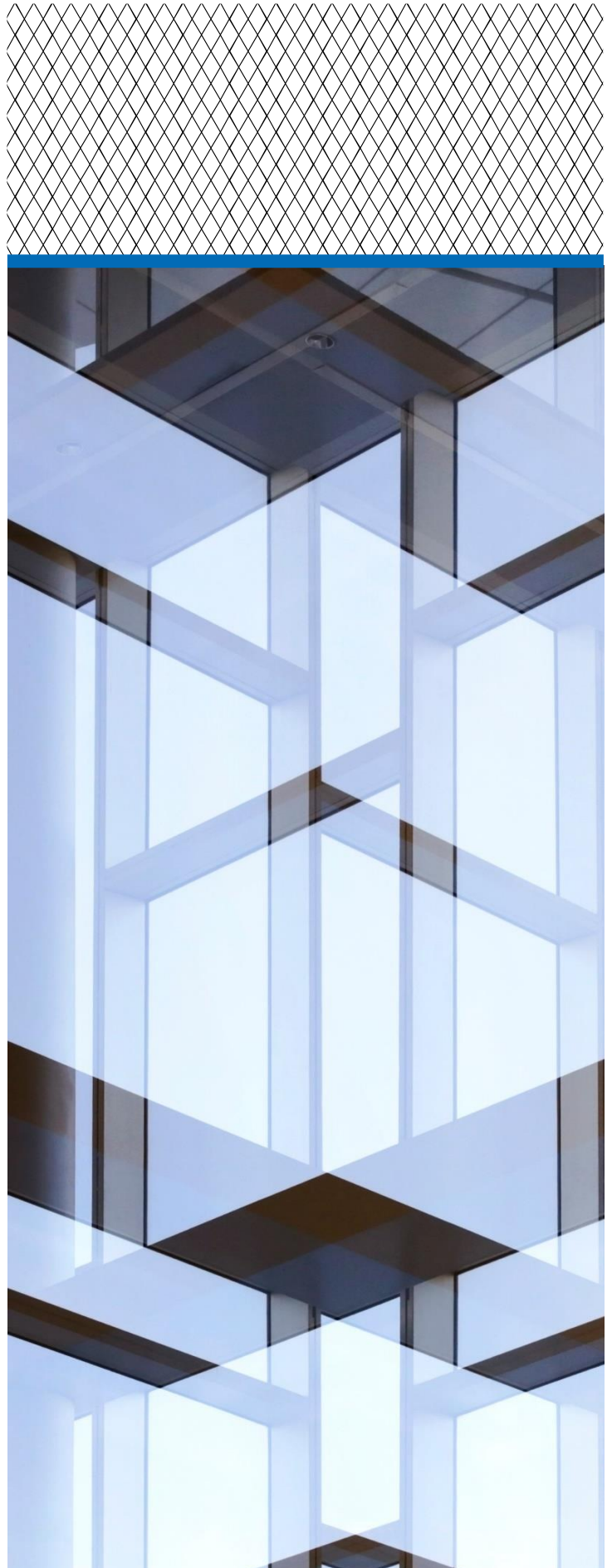
Newmark Job No.: 25-0228415-1

Appraisal Report Prepared For:

Mr. Eli Elefant
452 Fifth Owners LLC
452 Fifth Avenue, 21st Floor
New York, NY 10018

Prepared By:

Newmark
Valuation & Advisory, LLC
125 Park Avenue
New York, NY 10017



July 15, 2025

Mr. Eli Elefant
452 Fifth Owners LLC
452 Fifth Avenue, 21st Floor
New York, NY 10018

RE: Appraisal of a LEED Gold certified, Class A office property with multi-level retail space known as 10 Bryant Park and located at 452 Fifth Avenue, New York, New York County, NY 10018, prepared by Newmark, LLC (herein "Firm" or "Newmark")

Newmark Job No.: 25-0228415-1

Dear Mr. Elefant:

The subject consists of four interconnected 10 and part 30-story, plus three levels below grade, LEED Gold certified, Class A office buildings with multi-level retail space known as 10 Bryant Park located at 452 Fifth Avenue, New York, New York County, NY. The subject is located along the entire western blockfront of Fifth Avenue between West 39th and West 40th Streets on a 44,354 square foot throughblock parcel within the Times Square South office submarket of Midtown Manhattan. The buildings were constructed from 1904 to 1926 and all four buildings were substantially renovated in 2014. The four buildings that make-up the subject property are as follows:

- ◆ The Knox Building, a landmarked 10-story structure located at the corner of Fifth Avenue and 40th Street (452 Fifth Avenue);
- ◆ The Kress Building and 442 Fifth Avenue which house a majority of the 30-story office tower and the improvements cantilever over the Kress building along Fifth Avenue and;
- ◆ 1-11 West 39th Street, a 12-story office building located adjacent to the Kress Building. The floors within the improvements have been seamlessly integrated and the property functions as one office building known as 10 Bryant Park (452 Fifth Avenue).

The subject property comprises 864,362 square feet of net rentable area, which will be re-measured based on a 27% loss factor to 865,121 square feet of net rentable area (739,442 square feet of gross building area per the tax assessor). The property is currently 81.84% leased to 3 retail and 15 office tenants.

HSBC vacated the subject property on their lease expiration date of April 30th, 2025, with the exception of the vault space within the lower level (31,095 SF). Shortly after lease expiration, ownership finalized a lease agreement with Amazon, which will occupy 329,895 square feet

within 452 Fifth Avenue for a period of 196 months through September 2041. The base contract rent for the tenant will commence at \$89.47 per square foot. Amazon also contains a Right of First Offer for the remaining balance of the vacant office space within 1 West 39th Street, comprising 144,641 square feet. It is assumed that the office tenant will exercise the option within the next 12- months, which is supported by Amazon's continued expansion for office space throughout Manhattan.

As of the date of value, the office component is 80.74% leased and accounts for 90.56% of the year one base rental revenue currently in-place, with a weighted remaining lease term of 130 months (10.81 years). The recently signed leases account for 455,035 square feet and exhibit an average contract rent of \$98.93 per square foot, which indicates the subject's strong competitive positioning in the marketplace as a desirable office building.

The retail component consists of three retail units comprising 87,379 square feet of net rentable area. The retail space is 93.80% leased to Lifetime Fitness (33,545 SF; which will increase to 51,961 SF upon vacancy of Staples) HSBC (31,095 SF), and Staples (17,657 SF). The owner negotiated an early termination with Staples and upon expiration of the lease in September, the Staples retail component will be reabsorbed by Lifetime, which will expanding the Lifetime leased premises to 51,961 square feet.

In consideration of the pending lease negotiations and re-tenanting of the HSBC premises, the owner intends to invest approximately \$43,748,005 (\$59.16 PSF / GBA) to reposition the property to current market standards, focusing on enhancements to the lobby, activating terraces within the base of the building and upgrading the infrastructure of the building, along with Local Law costs.

KEY VALUE CONSIDERATIONS

STRENGTHS

- The subject property is located within a desirable commercial location within the Times Square South office submarket and Bryant Park sub-district of Midtown, within close proximity to various amenities and public transportation.
- The subject property is located adjacent to Bryant Park, providing excellent unencumbered views of the Park from the entire property and access to several public amenities. The property is considered competitive with Manhattan's Trophy office buildings, commanding a significant premium to the surrounding product within the competitive marketplace. The premium has impacted the rental rates applied within this analysis. A majority of the recent leasing in the Manhattan marketplace has been concentrated within Trophy office buildings which will assist with the re-tenanting the HSBC premises.

- The existing contract rents are considered below market levels which offers future upside to an investor to release space at current market levels. Despite the relatively high vacancy rate throughout New York City for office space, leasing activity remains active for Class A office buildings. Class A buildings continue to command a premium in rents as tenants seek best in class infrastructure. The subject's office submarket location and current quality positions the property as an ideal candidate for sophisticated office tenants seeking excellent quality office product. This is evidenced by the recently signed leases above the 12th floor in the property which average \$124.89 per square foot. Achieving contract rents exceeding triple digits on a dollar per square foot basis is competitive with the Trophy office building marketplace, which is the strongest performing classification of properties throughout Manhattan.
- Amazon and Lifetime Fitness recently finalized leases for 381,856 square feet of space, servicing as anchor tenants for the building for the next several years.
- The subject property is located adjacent to Bryant Park, with unobstructed views along the north side of the Fifth Avenue tower portion of the building. The above market protected views of the surrounding area has been considered when selecting our market leasing assumptions for the subject property.
- Following the election in November 2024, the real estate market has responded with a strong uptick in leasing and capital market activity, given the clarity of incumbent public policy direction and a more stable interest rate environment. After 12 consecutive quarters of upward investor survey trends, the fourth quarter of 2024 and preliminary first quarter 2025 data would suggest that rates are beginning to compress according to PwC and Situs RERC published reports. This is further supported by Manhattan investment volume totaling \$4.10 billion in the fourth quarter of 2024, the highest level since pre-interest rate hikes in 2022. Throughout 2025, the market has seen additional notable transactions cited within this appraisal report, along with stronger lending fundamentals and increased liquidity direct towards office and retail properties.
- Newmark Capital Markets assesses that there was a momentum shift in the 4th quarter, leading to both transaction volume and lending volume increasing year-over-year. However, they also note that the notable increase in interest rates since early December and macro pressures related to tariffs complicates matters.
- Real Capital Analytics reported in their end of 2024 Capital Trends publication that "the commercial property markets turned a corner in 2024." Deal volume climbed in 2024 and price declines are coming to an end overall.

RISK FACTORS

- Amazon has 18-months to exercise their expansion option for the balance of the office space within 1 West 39th Street. The lease-up risk associated within this portion of the property will persist until Amazon exercises the expansion option.
- There have been some signs of increased CRE activity stemming from moderation in interest rates, adjustments by buyers and sellers to the economic environment, and an easing of credit restrictions. But distress in the CRE market, particularly in the office sector, remains a drag on CRE performance.
- The uncertainty surrounding the new U.S. administration's economic policies will be an overhang and the Federal Reserve is expected to pause any additional rate reductions until the effects of these policies are better understood.

Based on the analysis contained in the following report, the opinion of value for the subject is:

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Retrospective Market Value "As Is"	Leased Fee	6/30/2025	\$700,000,000

Compiled by Newmark

The valuation has been prepared in accordance with the International Financial Reporting Standards 13 (IFRS 13), Fair Value Measurement and is intended for use in connection with financial reporting requirements.

PRIOR SERVICES VALUE CONCLUSION

Prior Services Value Conclusions				
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion	Variance
Retrospective Market Value "As Is"	Leased Fee	5/31/2021	\$865,000,000	-19.08%
Retrospective Market Value "As Is"	Leased Fee	5/31/2022	\$750,000,000	-6.67%
Retrospective Market Value "As Is"	Leased Fee	11/30/2022	\$725,000,000	-3.45%
Retrospective Market Value "As Is"	Leased Fee	5/31/2023	\$685,000,000	2.19%
Retrospective Market Value "As Is"	Leased Fee	12/31/2023	\$650,000,000	7.69%
Retrospective Market Value "As Is"	Leased Fee	12/31/2024	\$655,000,000	6.87%

Compiled by Newmark

Newmark has completed seven prior appraisal reports for the subject property within the previous three years. The prior dates of value span from May 31st, 2021, to December 31st, 2024. The value of the property peaked in 2021 at estimated market value of \$865,000,000, heavily influenced by the pending contract of sale that was being negotiated at \$855,000,000 for the subject property. During the first quarter of 2022 it was announced that the anchor tenant (HSBC) would be vacating the property. Due to the planned vacancy of the tenants and the dislocated capital markets, the transaction fell through. Thereafter, the valuation of the property continued to

decline year-over-year, with the lowest valuation estimate at \$655,000,000 as of December 31st, 2024. Since this period, the owner has successfully signed Lifetime Fitness and Amazon to anchor the property, reabsorbing a significant amount of space that was previously occupied by HSBC. Due to the recent leases signed, the value estimate of the property has increased to \$700,000,000, which remains 19.08% lower than the May 2021 value estimate, but is 6.87% higher than the most recent appraised value. An overview of the major value impacting changes comparing the prior appraisals to the current analysis have been outlined on the following chart:

Newmark Value Conclusions Chart												
Assumptions	June 2025	December 2024	December 2023	May 2023	November 2022	May 2022	May 2021	Variance (Jun-25 to Dec-24)	Variance (Jun-25 to Dec-23)	Variance (Jun-25 to May-23)	Variance (Jun-25 to Nov-22)	Variance (Jun-25 to May-22)
Occupancy	81.84%	99.48%	94.44%	95.16%	94.58%	98.81%	98.81%	-17.73%	-13.34%	-13.99%	-13.47%	-17.17%
Percent Credit Occupied	57.83%	71.60%	57.83%	57.83%	57.83%	78.42%	81.86%	-19.23%	0.00%	0.00%	0.00%	-26.25%
In-Place Revenue	\$64,555,834	\$74,943,370	\$68,537,861	\$68,657,183	\$68,079,163	\$70,645,611	\$70,547,623	-13.86%	-5.81%	-5.97%	-5.18%	-8.49%
Average Contract Rent (PSF)	\$91.26	\$86.94	\$82.90	\$83.38	\$83.18	\$82.62	\$82.51	4.96%	10.08%	9.45%	9.71%	10.60%
Average Market Rent (PSF)	\$99.72	\$100.43	\$94.86	\$94.86	\$91.02	\$88.23	\$88.24	-0.70%	5.13%	5.13%	9.56%	13.02%
Contract Rent as % of Market	84.71%	86.47%	89.89%	89.27%	92.34%	93.45%	93.32%	-2.04%	-5.77%	-5.10%	-8.26%	-9.35%
Weighted Average Remaining Lease Term	127.6 Mos.	30.6 Mos.	35.0 Mos.	37.2 Mos.	39.1 Mos.	38.3 Mos.	51.0 Mos.	317.25%	264.70%	242.94%	226.36%	233.42%
Average Annual Expiration Over Holding Period	3.27%	8.98%	8.98%	9.17%	9.15%	7.51%	8.10%	-63.62%	-63.65%	-64.38%	-64.31%	-56.52%
Operating Expenses (PSF) - Year 1	\$18.62	\$18.85	\$19.36	\$19.05	\$19.30	\$18.21	\$19.13	-1.19%	-3.82%	-2.24%	-3.54%	-2.65%
Stabilized Vacancy and Collection Loss Assumption	3.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	0.00%	0.00%	0.00%	0.00%	50.00%
Stabilized Blended Vacancy and Collection Loss Assumption*	2.71%	3.00%	1.95%	3.50%	5.04%	2.14%	4.73%	9.63%	29.11%	-22.57%	-46.25%	-42.67%
Outstanding Renovation Costs	\$46,840,060	\$44,475,000	\$27,446,000	\$29,602,869	\$32,321,074	\$21,312,452	\$0	5.32%	70.66%	58.23%	44.92%	119.78%
Leasing and Capital Costs through Stabilization (Years 1-7)	\$216,804,182	\$262,145,355	\$288,105,282	\$348,420,369	\$295,151,033	\$339,666,060	\$184,588,320	-17.30%	-24.75%	-37.78%	-26.54%	-36.17%
Absorption Period	22.0 Mos.	12.0 Mos.	18.0 Mos.	18.0 Mos.	12.0 Mos.	Varies	12.0 Mos.	83.33%	22.22%	22.22%	83.33%	83.33%
Current Actual Assessment (PSF/GBA)	\$243.63	\$257.08	\$252.03	\$234.06	\$228.25	\$209.48	\$172.23	-5.23%	-3.34%	4.09%	6.74%	16.30%
As Is Value	\$700,000,000	\$655,000,000	\$650,000,000	\$685,000,000	\$725,000,000	\$750,000,000	\$865,000,000	6.87%	7.69%	2.19%	-3.45%	-19.08%
As Is Discount Rate	7.00%	7.00%	7.00%	6.75%	6.50%	6.25%	6.00%	0.00%	0.00%	3.70%	7.69%	12.00%
As Is Terminal Rate	5.50%	5.50%	5.50%	5.25%	4.75%	4.75%	4.75%	0.00%	0.00%	4.76%	15.79%	15.79%
Capitalization Rate - As Is	5.25%	5.25%	5.50%	5.00%	4.75%	4.50%	4.99%	0.00%	-4.55%	5.00%	10.53%	16.67%
Market Rent Growth - Office	3.00%	3.00%	3.00%	3.00%	3.0% Annually	3.0% Annually	0.00% - Years 1-2; 3.0% Thereafter	0.00%	0.00%	0.00%		
Market Rent Growth - Retail	3.00%	3.00%	0.00% - Years 1-2; 3.0% Thereafter	0.00% - Years 1-3; 3.0% Thereafter	0.00% - Years 1-3; 3.0% Thereafter	0.00% - Years 1-3; 3.0% Thereafter	0.00% - Years 1-3; 3.0% Thereafter	0.00%				
Operating Expense Growth Rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tenant Improvement Allowance - Office	\$150.00	\$150.00	\$137.16	\$129.91	\$129.91	\$129.91	\$110.00	0.00%	9.36%	15.47%	15.47%	36.36%
Free Rent Assumption - Office	14.0 Mos.	14.0 Mos.	12.9 Mos.	12.9 Mos.	12.9 Mos.	12.9 Mos.	12.0 Mos.	0.00%	6.67%	8.67%	8.67%	16.67%
Average Net Effective Rent (Office)	\$88.28	\$88.46	\$81.97	\$82.70	\$80.18	\$81.85	\$83.46	-0.21%	7.69%	6.75%	7.85%	5.78%
Average Tenant Improvement Allowance - Retail	\$79.64	\$81.64	\$51.99	\$51.99	\$100.00	\$100.00	\$100.00	-2.45%	53.19%	53.19%	-20.36%	-20.36%
Average Free Rent (Mos.) - Retail	10.0 Mos.	10.0 Mos.	10.0 Mos.	10.0 Mos.	10.0 Mos.	10.0 Mos.	10.0 Mos.	0.00%	0.00%	0.00%	0.00%	0.00%
Average Concession Package (Mos.) - Retail	19.1 Mos.	18.0 Mos.	15.9 Mos.	15.9 Mos.	19.2 Mos.	19.2 Mos.	19.2 Mos.	5.98%	20.02%	20.02%	-0.73%	-0.73%

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

CLIENT RELIANCE STATEMENT

The intended users of the appraisal are Client, Property & Building Corporation LTD, PBC USA Investment, Inc., Discount Investment Corporation Ltd. ("DIC") PBC Israel, and each of their respective subsidiary entities whose financial statements are consolidated with any of the

July 15, 2025
Mr. Eli Elefant

foregoing named entities, but only in connection with such parties' participation in the Intended Use. The identification of Intended User(s) of the appraisal is to determine the type and extent of research, analysis and reporting appropriate for the assignment. Designation of a party other than Client as an Intended User is not intended to confer upon such party any rights under this Agreement. The intended use of the appraisal is for financial reporting by the Client. The Firm knows and agrees that the appraisal will be used and/or included in certain quarterly and annual financial statements as of dates in calendar year 2025 of some or all of the Intended Users, including such financial statements as shelf prospectuses or shelf offering reports to be published by any of the said Intended Users, including by way of referral, as well as in any immediate report under Securities Law, 5728-1968 and its regulations which, according to the provisions of the law, the said companies will be required to include. The complete report may also be used by Client and its holding companies as an addendum to public filings and investment prospectuses in connection with an offering involving the Property on the Tel Aviv Stock Exchange.

The appraisal was developed based on, and this report has been prepared in conformance with the Client's appraisal requirements, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

CERTIFICATION

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of New York.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Douglas Larson, MRICS has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.
12. Douglas Larson, MRICS and Charles Looney made a personal inspection of the property that is the subject of this report.
13. Significant real property appraisal assistance was provided by Bronson Sudberry and Justin Larkin who have not signed this certification. The assistance of Bronson Sudberry and Justin Larkin consisted of participating in the property inspection, conducting research on the market, subject property, and transactions involving comparable properties, performing certain appraisal analyses, and assisting in report writing, all under the supervision of the person(s) signing this report.
14. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
15. Within this report, "Newmark", "Newmark Valuation & Advisory", "Newmark, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.

16. Douglas Larson, MRICS has prepared seven appraisals of the subject property for the current client within the three-year period immediately preceding acceptance of this assignment. Douglas Larson, MRICS has not performed services in any other capacity regarding the subject property during this time period. Charles Looney has prepared seven appraisals of the subject property for the current client within the three-year period immediately preceding acceptance of this assignment. Charles Looney has not performed services in any other capacity regarding the subject property during this time period.



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Certified General Real Estate
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Vice President
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charles.looney@nmrk.com

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Certification

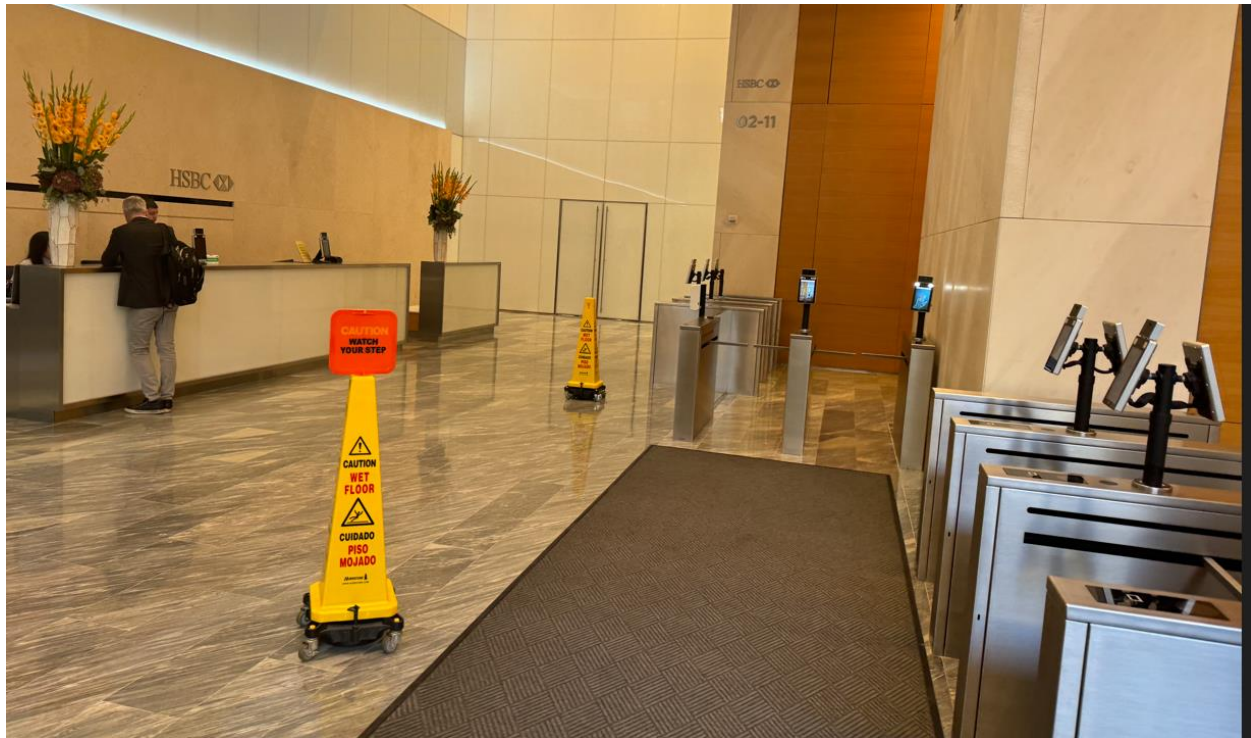
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PROPERTY PHOTOGRAPHS



Subject Property Exterior Photo Across Fifth Avenue



442/452 Fifth Avenue Office Lobby



1-11 West 39th Street Office Lobby



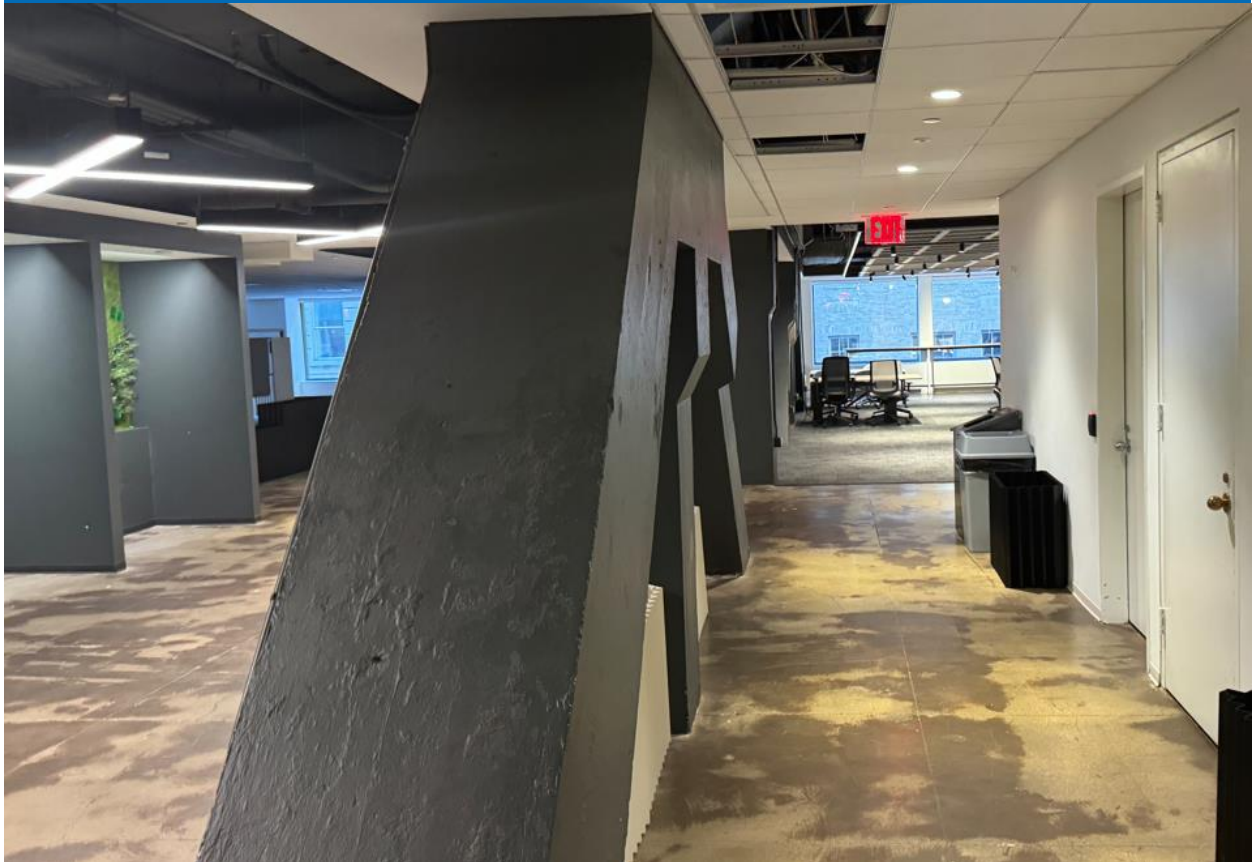
View of the Subject Office Space



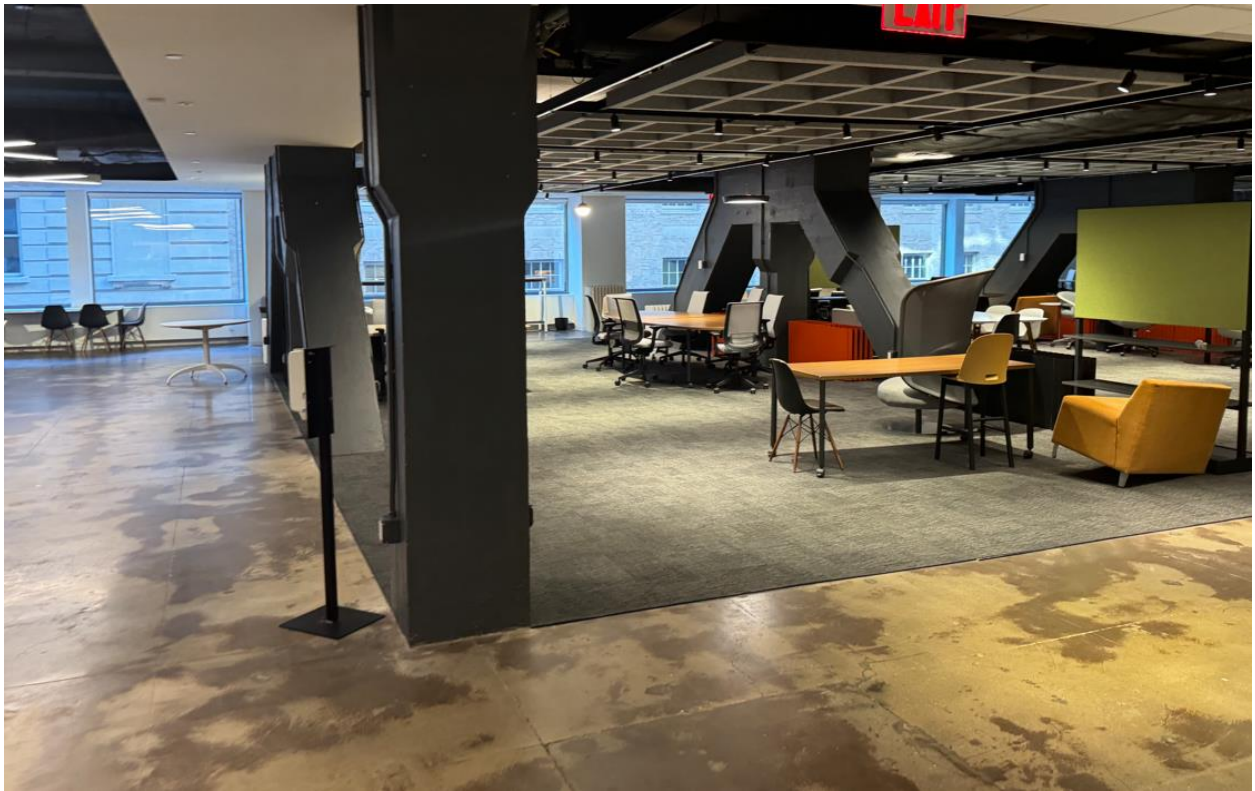
View of the Subject's Office Space



View of the Subject's Vacant Office Space



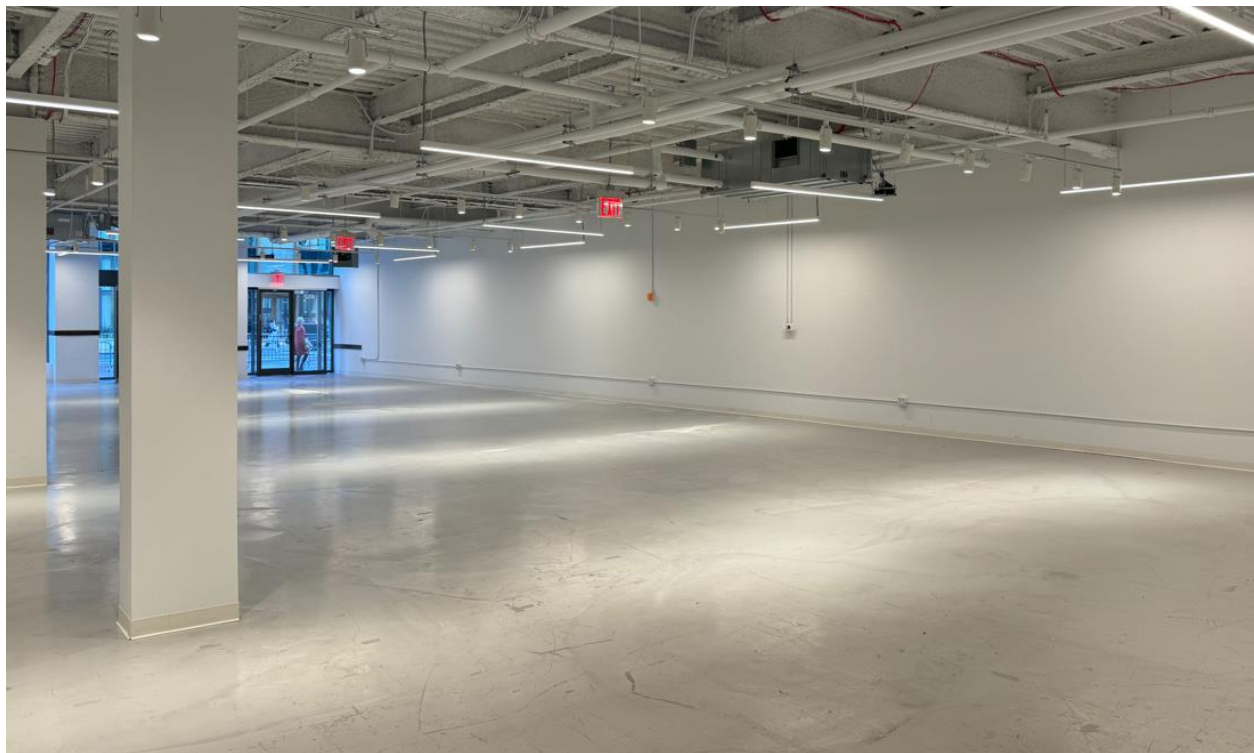
View of the Subject's Office Space



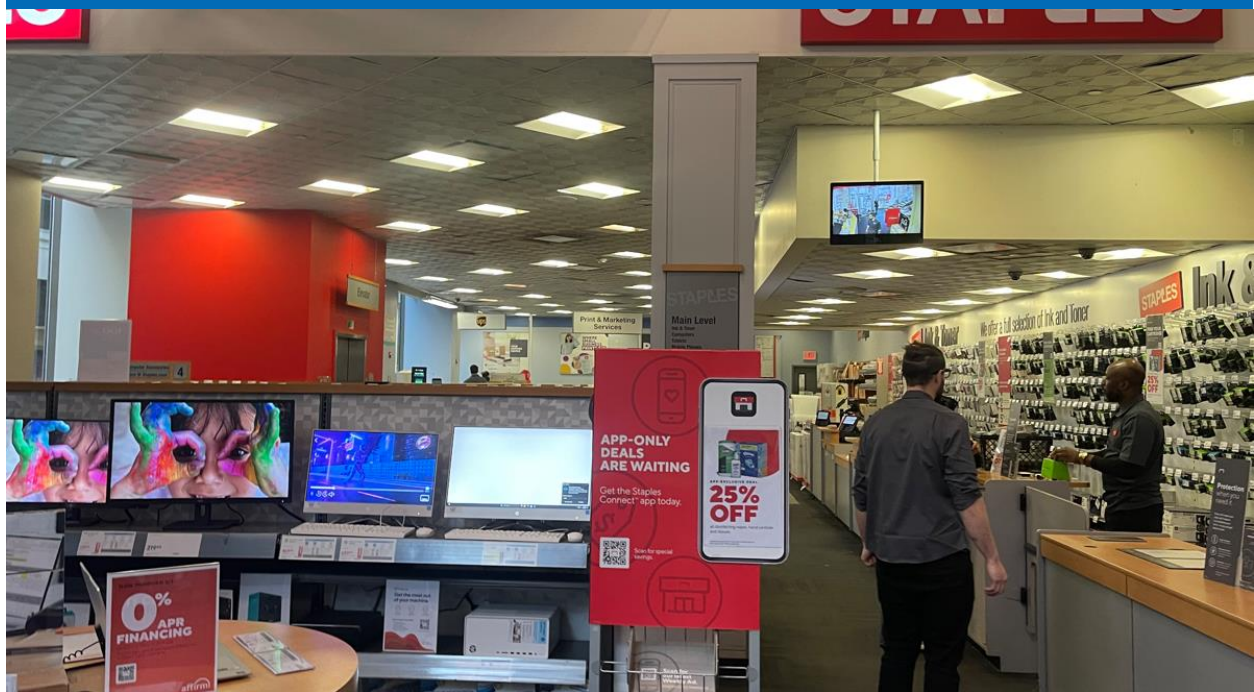
View of the Subject's Office Space



View of the Subject's Office Space



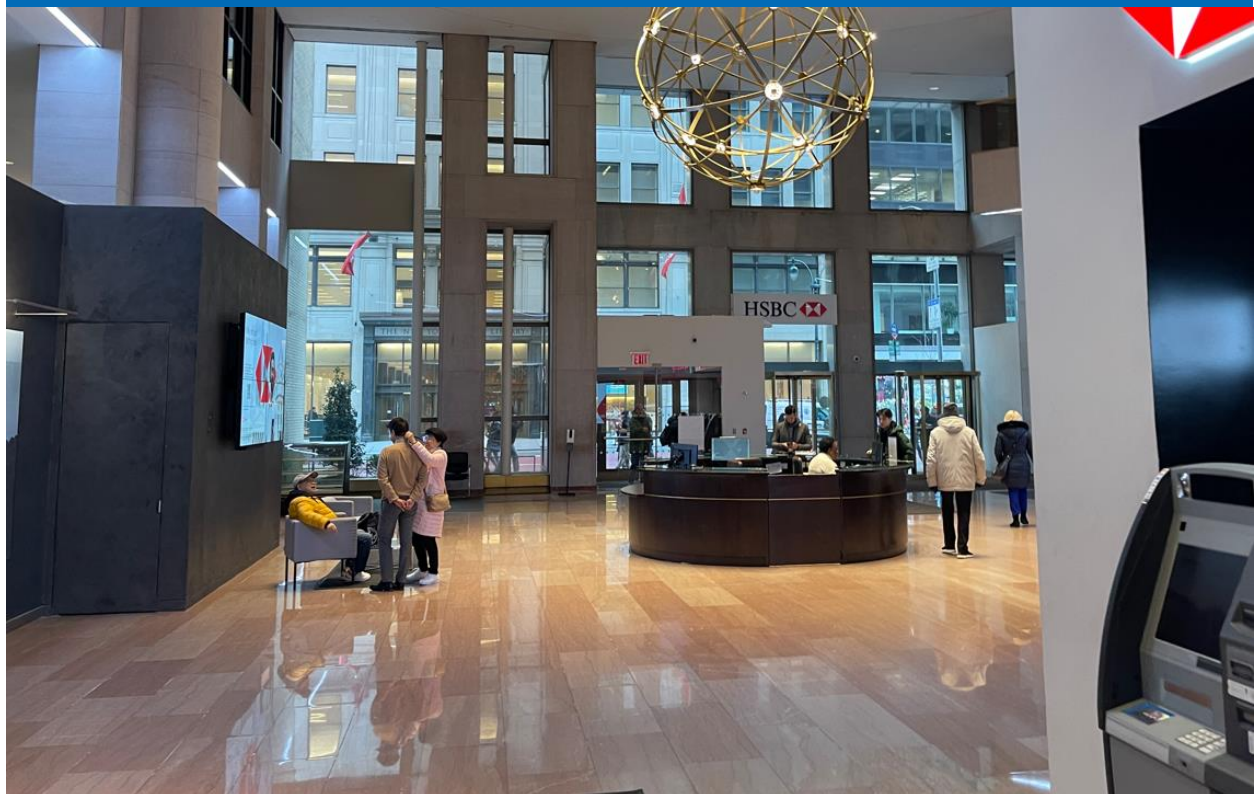
View of the Vacant Retail Space



View of the Subject's Occupied Retail Space



View of the Subject's Occupied Retail Space

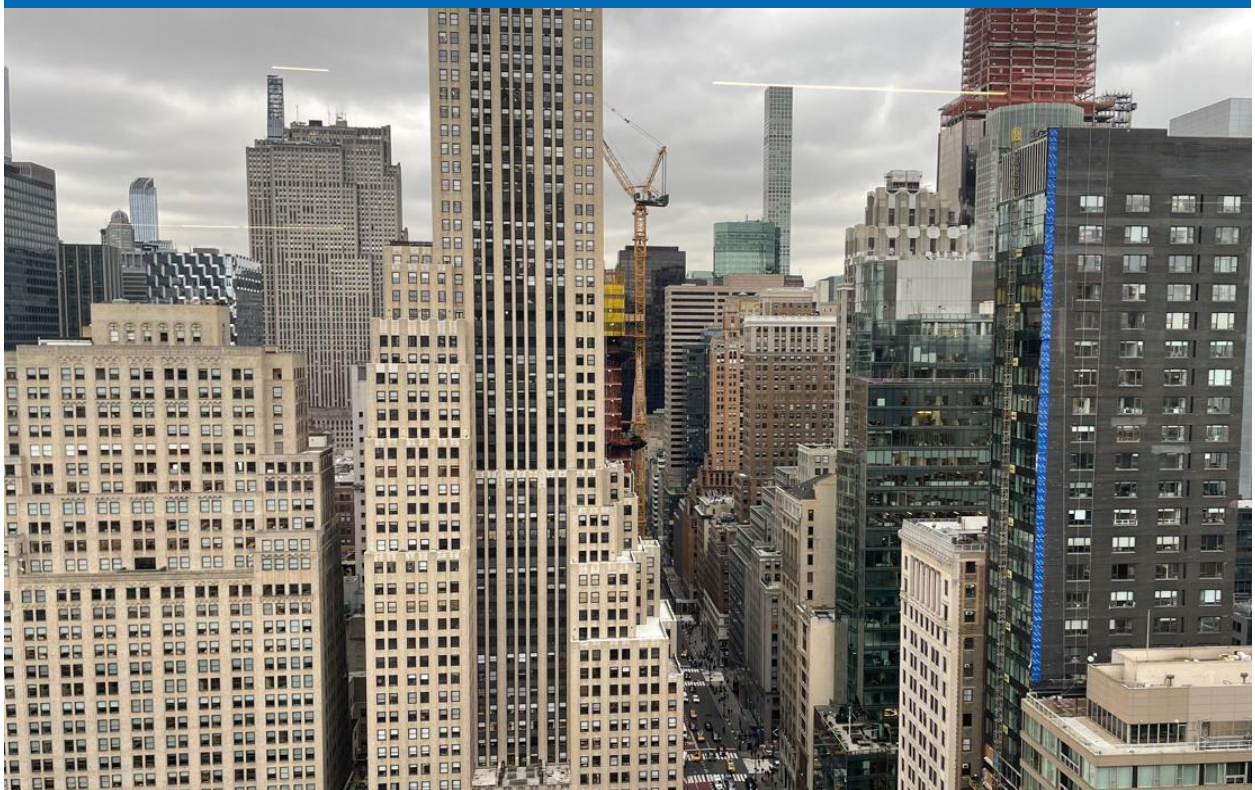


View of the Subject's Occupied Retail Space

Aerial View of Bryant Park and The New York Public Library



Northern View From the Base of the Building



Northern View From the Tower of the Building



Southern View From the Base of the Building



View Overlooking Bryant Park From Subject Property



View Looking Northeast From Subject Property



View Looking West From The Subject Property



View Looking South Along Fifth Avenue



View Looking North Along Fifth Avenue

EXECUTIVE SUMMARY

10 Bryant Park

Property Type:	Class A office buildings
Street Address:	442/452 Fifth Avenue, & 1-11 West 39th Street
City, State & Zip:	New York, New York County, NY 10018
Tax Parcel Identification	Block 841, Lot 31 and 49
Owner of Record:	452 Fifth Owners LLC c/o PBC Group
Gross Building Area (SF):	
442/452 Fifth Avenue	616,352
1-11 West 39th Street	<u>123,090</u>
Total Gross Building Area (SF):	739,442
Net Rentable Area As Is (SF):	864,362
Net Rentable Area Re-Measured (SF):	865,121
Year Built (Renovated):	1904 to 1935 (2014)
Leased Occupancy:	81.84%
Stories	
442/452 Fifth Avenue	10 to 30-stories
1-11 West 39th Street	12-story
Land Area Summary	
442/452 Fifth Avenue	32,834
<u>1-11 West 39th Street</u>	<u>11,520</u>
Total Land Area Summary:	1.018 acres; 44,354 SF
Zoning:	General Central Commercial District (C5-3) & Light Manufacturing District (High-Performance; M1-6) within the Special Midtown Purpose District
Highest and Best Use - As Vacant:	To Construct A Mixed-Use Building With Residential And Commercial Space Developed To The Highest Feasible Density Permissible
Highest and Best Use - As Improved:	Continued Use As An Office Building With Multi-Level Retail Space

Analysis Details

Valuation Date:	June 30, 2025
Inspection Date:	November 11, 2024
Report Date:	July 15, 2025
Report Type:	Appraisal Report
Intended Use:	Financial Reporting By The Client
Intended User:	452 Fifth Owners LLC, Property & Building Corporation LTD, PBC USA Investment, Inc., Discount Investment Corporation Ltd. ("DIC") PBC Israel, and each of their respective subsidiary entities whose financial statements are consolidated with any of the foregoing named entities, but only in connection with such parties' participation in the Intended Use.
Interest Appraised:	Leased Fee
Exposure Time (Marketing Period) Estimate:	6 to 12 Months (6 to 12 Months)

Market Value Indications

Retrospective As Is
As of Date: June 30, 2025

Cost Approach:	Not Used
Sales Comparison Approach:	\$685,000,000
Income Capitalization Approach:	\$700,000,000
Market Value Conclusion	\$700,000,000
\$/SF	\$809.14

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than the Intended User may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Compiled by Newmark

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

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DETAILED VALUATION PARAMETERS

Sales Comparison Approach		Conclusion		\$/NRA	
Sale Dates Range	Aug-24	May-25	--	Concluded Value (As Is)	\$685,000,000
Unadjusted Range (\$/SF)	\$499.99	\$1,100.00	--		\$791.80
Adjusted Range (\$/SF)	\$710.19	\$1,100.00	\$1,100		
Gross % Adjustment Range	10%	50%	--	Subject Under Contract or LOI?	No

Subject Tenancy Analysis		Operating Expense Analysis (\$ PSF)	
Quantity	The subject property is 81.84% leased to 3 retail and 15 office tenants.	Expense Comps Range	\$16.25- \$20.36
Quality	The tenants are a combination of credit and good quality tenants.	Owner's Stabilized Budget	\$19.06
Duration	A mix of long and short-term tenants.	Stabilized Op Ex Conclusion	\$18.62

Space Type and Tenancy				Average Rents (\$/SF)			Occupancy Levels		
Space Type	% Type	SF	SF (Re-Measured)	Avg. Rent (PSF)	Range of Contract Rent	Market Rent	Occupied SF	Vacant SF	% Occupied
Office	88.8%	767,413	767,413	\$94.35	\$77.16 - \$129.00	\$60.00 - \$175.00	619,610	147,803	80.7%
Retail	10.2%	87,739	88,498	\$73.70	\$55.00 - \$129.64	\$55.00 - \$300.00	82,297	5,442	93.8%
Storage	1.1%	9,210	9,210	\$5.14	\$0.00 - \$56.50	\$25.00 - \$70.00	5,500	3,710	59.7%
Totals/Avg.	100.0%	864,362	865,121	\$90.80		\$99.72	707,407	156,955	81.84%

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Direct Capitalization Method			Capitalization Rate Analysis		
Pro-Forma Year- 7	\$ Total	\$ PSF	Cap Rate Indicator	Min	Max
Potential Gross Income	\$97,447,382	\$112.64	Investor Surveys	5.20%	10.00%
Vacancy & Credit Loss	(\$2,679,803)	(\$1.97)	Market Participants	5.00%	7.00%
Effective Gross Income	\$94,767,579	\$109.54	Comparable Sales	0.52%	8.00%
Operating Expenses	\$39,139,528	\$45.24	Conclusion "As Is"		
Net Operating Income	\$55,628,052	\$64.30	Value Indication	\$670,000,000	
Deflated Net Operating Income (FY Ending 2026)*	\$49,424,803	\$57.13	Value PSF	\$774.46	
			Cap Rate Conclusion	5.25%	

*Stabilized net operating income in year 7 of the analysis period has been deflated by 3.0% per annum through the As Is date of value.

Discounted Cash Flow Analysis					Cash Flow Assumptions	
Fiscal Year Ending	26-Jun	27-Jun	28-Jun	29-Jun	Category	Assumption
Effective Gross Income	\$32,185,231	\$57,960,223	\$74,942,925	\$76,961,646	Implied Occupancy	95.29%
Operating Expenses *	\$34,422,284	\$35,130,339	\$36,710,545	\$36,479,352	Market Rent Growth	3.0% Per Annum
Operating Expenses PSF	\$39.79	\$40.61	\$42.43	\$42.17	Expense Growth	3.0% Per Annum
Operating Expense Ratio	106.95%	60.61%	48.98%	47.40%	Assumption	"As Is"
Net Operating Income	(\$2,237,053)	\$22,829,884	\$38,232,380	\$40,482,294	Term of Holding Period	12 yrs
NOI PSF	(\$2.59)	\$26.39	\$44.19	\$46.79	Discount Rate	7.00%
Total Leasing & Capital Costs	\$87,362,258	\$58,893,448	\$20,691,976	\$3,768,501	Terminal Cap Rate	5.50%
Net Cash Flow	(\$89,599,311)	(\$36,063,564)	\$17,540,404	\$36,713,793	Cost of Sales	4.00%
Cash on Cash Return	-12.80%	-5.15%	2.51%	5.24%	Discounted Cash Flow Value Conclusions	
		Cash on Cash	Overall Cap Rate		"As Is"	
Average Rates Yr 1-5		-0.60%	4.32%		Value Indication	\$700,000,000
Average Rates Yr 6-10		7.80%	8.12%		Value PSF	\$809.14
Average Rates Yr 11-15		7.28%	8.69%		Implied Going-In Rate	-0.32%
* Operating Expenses exclude Reserves for Replacement.					Percent of Value from Reversion	76.15%

INTRODUCTION

OWNERSHIP HISTORY

To the best of our knowledge, the subject property has not transferred within the past three years.

Ownership History

To the best of our knowledge, no sale or transfer of ownership has taken place within the three-year period prior to the effective date of the appraisal.

Owner of Record:	452 Fifth Owners LLC c/o PBC Group
Listing Status:	Not Listed For Sale
Current or Pending Contract:	None Reported
Sales in the Previous Three Years:	None

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PENDING TRANSACTIONS

To the best of our knowledge, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective date of appraisal.

INTENDED USE AND USER

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

- The intended use of the appraisal is for financial reporting by the client and no other use is permitted.
- The client and intended user is 452 Fifth Owners LLC, Property & Building Corporation LTD, PBC USA Investment, Inc., Discount Investment Corporation Ltd. ("DIC") PBC Israel, and each of their respective subsidiary entities whose financial statements are consolidated with any of the foregoing named entities, but only in connection with such parties' participation in the Intended Use, and no other user may rely on this appraisal report.

CLIENT RELIANCE STATEMENT

The intended users of the appraisal are Client, Property & Building Corporation LTD, PBC USA Investment, Inc., Discount Investment Corporation Ltd. ("DIC") PBC Israel, and each of their respective subsidiary entities whose financial statements are consolidated with any of the foregoing named entities, but only in connection with such parties' participation in the Intended Use. The identification of Intended User(s) of the appraisal is to determine the type and extent of research, analysis and reporting appropriate for the assignment. Designation of a party other

than Client as an Intended User is not intended to confer upon such party any rights under this Agreement. The intended use of the appraisal is for financial reporting by the Client. The Firm knows and agrees that the appraisal will be used and/or included in certain quarterly and annual financial statements as of dates in calendar year 2025 of some or all of the Intended Users, including such financial statements as shelf prospectuses or shelf offering reports to be published by any of the said Intended Users, including by way of referral, as well as in any immediate report under Securities Law, 5728-1968 and its regulations which, according to the provisions of the law, the said companies will be required to include. The complete report may also be used by Client and its holding companies as an addendum to public filings and investment prospectuses in connection with an offering involving the Property on the Tel Aviv Stock Exchange.

DEFINITION OF VALUE

IFRS 13

IFRS 13 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Additionally, IFRS 13 clarifies that the exchange price is the transaction price between market participants to sell a specific asset or transfer a specific liability in the principal or most advantageous market for the asset or liability. At the measurement date, the transaction to sell that asset or transfer that liability is purely hypothetical. Accordingly, the definition of fair value focuses on the price that would be received to sell that particular asset, or the price that would be paid to transfer that liability, rather than the price that would be paid to acquire that asset, or the entry price to assume the liability.

The following definition is taken from IFRS 13.

FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Under IFRS 13, investment property is remeasured at fair value, which is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. Therefore, fair value and market value are considered synonymous.

Market value is defined as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;

- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

INTEREST APPRAISED

The appraisal is of the Leased Fee interest in the property, as defined below.¹

- ◆ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

APPRAISAL REPORT

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

PURPOSE OF THE APPRAISAL

The purpose of this analysis is to assist 452 Fifth Owners LLC with financial reporting requirements related to the Subject Property as of June 30, 2025 by estimating its fair value in accordance with IFRS 13, Fair Value Measurements. This report will have no other purpose.

Both Fair Value and Market Value opinions for real property assets commonly use and rely upon the same types of data and analyses, as each opinion is intended to reflect the behavior of market participants. The purpose of the appraisal is to develop an opinion of the Retrospective Market Value As Is of the Leased Fee interest in the property.

Purpose of the Appraisal		
Appraisal Premise	Interest Appraised	Date of Value
Retrospective Market Value "As Is"	Leased Fee	6/30/2025

Compiled by Newmark

¹ The Dictionary of Real Estate, 6th Edition, Appraisal Institute

SCOPE OF WORK

EXTENT TO WHICH THE PROPERTY IS IDENTIFIED

- Physical characteristics
- Legal characteristics
- Economic characteristics

EXTENT TO WHICH THE PROPERTY IS INSPECTED

Newmark inspected the subject property on November 11, 2024 as per the defined scope of work. Douglas Larson, MRICS and Charles Looney made a personal inspection of the property that is the subject of this report.

TYPE AND EXTENT OF THE DATA RESEARCHED

- | | |
|---|--|
| - Exposure and marking time; | - Flood zone status; |
| - Neighborhood and land use trends; | - Zoning requirements and compliance; |
| - Demographic trends; | - Real estate tax data; |
| - Market trends relative to the subject property type; | - Relevant applicable comparable data; and |
| - Physical characteristics of the site and applicable improvements; | - Investment rates |

TYPE AND EXTENT OF ANALYSIS APPLIED

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report. The scope of work undertaken is sufficient to produce credible assignment results.

ECONOMIC ANALYSIS

NATIONAL TRENDS AND UNCERTAINTIES

Newmark Capital Markets assesses that there was a momentum shift in the 4th quarter, leading to both transaction volume and lending volume increasing year-over-year. However, they also note that the notable increase in interest rates since early December complicates matters. Real Capital Analytics (RCA) concurred as they reported in their end of 2024 Capital Trends publication that “the commercial property markets turned a corner in 2024.” Deal volume climbed in 2024 and price declines are coming to an end overall. Along with higher interest rates, capitalization rates rose quickly starting in 2022, and bid-ask spreads widened. While these trends have moderated and cap rates are beginning to reverse direction, the impacts are still present and remain major drivers of current CRE market conditions.

Investors are adjusting to the new reality by modifying their investment strategies, leading to a narrowing of the bid-ask spread. Transaction volume for 2024 ended 9% above 2023 levels at \$420.4 billion according to RCA. RCA and Green Street have both observed that CRE property prices have started to inch higher again, despite the impacts of high borrower rates. The January 15, 2025 Federal Reserve Beige Book noted “cautious optimism continues to prevail among survey respondents given modestly positive trends in loan demand, wage growth, and consumer spending.” At the same time, RCA notes that distress continues to rise, with office properties accounting for 40-45% of the total value of distressed assets but multifamily dominating the most recent additions to the distress totals.

The Federal Reserve’s prior actions engineered the fastest increase in interest rates in their history - rising to a high of 5.25-5.50% for the Federal Funds rate in July 2023. Three reductions at the end of 2024 has brought this range to 4.25-4.50%. However, the 10 year Treasury rate did not follow suit. Moody’s Analytics Chief Economist Mark Zandi expects the Federal Reserve to pause interest rate reductions until late in the year. Zandi points to tariffs being likely to increase inflation and also that the Federal Reserve will be closely watching the new U.S. administration’s actions before moving. Other commentators expect faster reductions but the uncertainty of economic policies are part of the reason that long-term rates remain at elevated levels. Interest rates have been unusually low for upwards of 15 years but have now reversed to higher levels for the past two. As interest rates return to an equilibrium level, they will still likely be higher than those observed in the periods prior to 2022.

It will take time for the effects of higher interest rates to reverse. Interest rates have declined from their peak in October 2023, and debt market conditions have improved – at least marginally. The majority of investors surveyed by PwC expect capitalization rates to hold steady over the next six months. The RCA Commercial Property Pricing Index reflected only a -0.7% loss for the year. While investors are taking a more optimistic view and metrics such as sales volume have improved, the uncertainty of economic policies remains an overhang. We have considered and

will address these issues throughout this appraisal and report, including in our determinations of overall capitalization rates, discount rates, market rent assumptions, market conditions adjustments, and growth of rents and expenses where applicable.

NEW YORK CITY AND CAPITAL MARKETS UPDATE

New York City office investment volume jumped in the fourth quarter to \$4.1 billion, led by the sales of 320 Park Avenue, 225 East 126th Street, and 2 Park Avenue. Investors appetite for office assets picked up in 2024, accounting for 35.6% of all market activity in New York City. Private investment accounted for over 58.7% of all investment in 2024, while buy-side REIT activity has jumped to the highest level in five years. Capitalization rates remained steady while long term Treasury yields jumped, causing the tightest yield spread since the third quarter of 2023. New York City increased to \$58.8 billion in loan originations during 2024 despite rising long term interest rates. While distressed sales in New York City rose to 11.2% of all sales, the highest level in over a decade.

New York City recorded \$7.3 billion of sales volume during the fourth quarter of 2024, a 50.0% increase quarter-over-quarter. While still below the long-term quarterly average of \$8.7 billion, the fourth quarter surpassed the quarterly average since covid by 15.4%. Total New York City sales amounted to \$20.8 billion in 2024, an 11.8% increase from the previous year. Both Manhattan and the Outer Boroughs experienced a rise in sales during the fourth quarter of 2024, increasing 60.9% and 24.7%, respectively from the previous quarter. Manhattan recorded \$15.0 billion of sales in 2024, a 23.8% increase from the previous year; however, the Outer Boroughs totaled \$5.8 billion in sales, declining 11.0% from 2023.

CURRENT STATE OF THE ECONOMY

The United States economy remains resilient despite moderation in growth during the fourth quarter of 2024. U.S. economic growth slowed in the fourth quarter as a strike at Boeing depressed business investment in equipment, however, consumer spending increased at its fastest pace in nearly two years, underscoring strong domestic demand that probably keeps the Federal Reserve on a slow interest rate cut path this year. Moderation in growth was due in part to businesses struggling to keep up with the surge in demand, partly by households preemptively buying goods ahead of tariffs on imports that have been promised by President Donald Trump.

The economy defied recession fears that were increased by the U.S. central bank hiking rates by 525 basis points in 2022 and 2023 to reduce inflation. However, the new administration's proposed fiscal, trade and immigration policies have clouded the economy's outlook. The Fed maintained the 4.25% to 4.50% federal funds rate target on March 19th, 2025. The central bank has forecasted only two rate cuts this year, down from the four it had projected in September, when it embarked on its policy easing cycle. This reflected uncertainty about the impact of the planned tax cuts, broad tariffs and deportation of undocumented immigrants, which economists view as inflationary.

The U.S. economy added a robust 228,000 jobs in March 2025, beating forecasts of 140,000. The unemployment rate ticked up slightly to 4.2% in March from 4.1% in February. Meanwhile, average hourly earnings grew by a firm 0.3% month-over-month. The March jobs report underscores the resilience of the labor market through March. This supports expectations for the Federal Reserve to keep interest rates on hold in the near term as it evaluates how the economy responds to the expected meaningful increase in tariff rates.

Private sector jobs in New York City rose by 73,500 over-the-year to 4,202,100 in February 2025. Gains occurred in private education and health services (+66,700), information (+4,700), professional and business services (+4,000), trade, transportation, and utilities (+2,500), leisure and hospitality (+2,000), and financial activities (+1,500). Losses occurred in natural resources, mining, and construction (-6,100), other services (-1,200), and manufacturing (-600).

The city's seasonally adjusted unemployment rate was 5.3% in February, down 0.2% from January and an increase of 0.4% from February 2024. New York State's rate was 4.3% in February 2025. The share of the city's working age population (16+) who were either employed or looking for a job stood at 61.8 in February.

HISTORIC INFLATION OVERVIEW

A summary of the annual inflation since 2005 has been provided on the chart below:

All Urban Consumers – (CPI-U) 2006 - 2024														
Actual CPI														% Change
Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Avg.	
2006	198.300	198.700	199.800	201.500	202.500	202.900	203.500	203.900	202.900	201.800	201.500	201.800	201.592	2.54%
2007	202.400	203.500	205.400	206.700	207.900	208.400	208.300	207.900	208.500	208.900	210.200	210.000	207.342	4.06%
2008	211.100	211.700	213.500	214.800	216.600	218.800	219.964	219.086	218.783	216.573	212.425	210.228	215.297	0.11%
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	2.72%
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	1.50%
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	2.96%
2012	226.655	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601	229.593	1.74%
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.957	1.50%
2014	233.916	234.781	236.293	237.072	237.900	238.343	238.250	237.852	238.031	237.433	236.151	234.812	236.736	0.76%
2015	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.838	237.336	236.525	237.017	0.73%
Average CPI Increase 2005 - 2014														2.36%
2016	236.916	237.111	238.132	239.261	240.236	241.038	240.647	240.853	241.428	241.729	241.353	241.432	240.011	2.07%
2017	242.839	243.603	243.801	244.524	244.733	244.955	244.786	245.519	246.819	246.663	246.669	246.524	245.120	2.11%
2018	247.867	248.991	249.554	250.546	251.588	251.989	252.006	252.146	252.439	252.885	252.038	251.233	251.107	1.91%
2019	251.712	252.776	254.202	255.548	256.092	256.143	256.571	256.558	256.759	257.346	257.208	256.974	255.657	2.29%
2020	257.971	258.678	258.115	256.389	256.394	257.797	259.101	259.918	260.280	260.388	260.229	260.474	258.811	1.36%
2021	261.582	263.014	264.877	267.054	269.195	271.696	273.003	273.567	274.310	276.589	277.948	270.970	270.317	4.03%
2022	281.148	283.716	287.504	289.109	292.296	296.311	296.276	296.171	296.808	298.012	297.711	296.797	292.655	9.53%
2023	299.170	300.840	301.836	303.363	304.127	305.109	305.691	307.026	307.789	307.671	307.051	306.746	304.702	3.35%
2024	308.417	310.326	312.332	313.548	314.069	314.175	314.540	314.796	315.301	315.664	315.493	315.605	313.689	2.89%
2025	317.671	319.082	319.799	--	--	--	--	--	--	--	--	--	318.851	2.82%
Average CPI Increase 2016 - 2025														3.65%
Long Term Average CPI Increase (2006-2025)														3.06%

Source: <https://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changes-from-1913-to-2008/>

The latest CPI print on April 10th, 2025, showed consumer price growth increased month-over-month by 0.22% and 2.39% year-over-year. Additional commentary on current inflation sourced from the U.S. Bureau of Labor Statistics has been provided below:

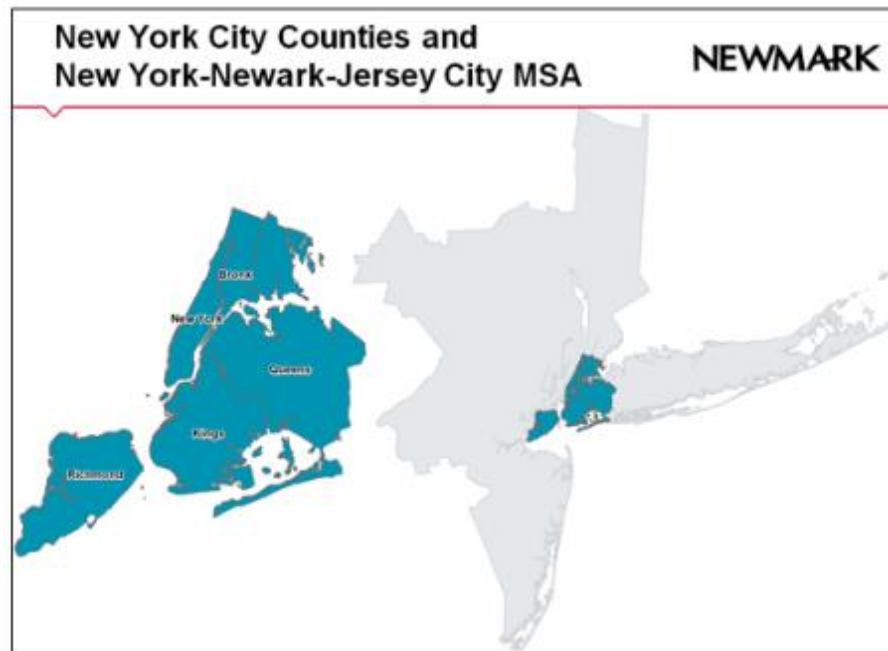
- The Consumer Price Index for All Urban Consumers (CPI-U) decreased 0.1% on a seasonally adjusted basis in March, after rising 0.2% in February, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 2.4% before seasonal adjustment.
- The index for energy fell 2.4% in March, as a 6.3% decline in the index for gasoline more than offset increases in the indexes for electricity and natural gas. The food index, in contrast, rose 0.4% in March as the food at home index increased 0.5% and the food away from home index rose 0.4% over the month.
- The index for all items less food and energy rose 0.1% in March, following a 0.2% increase in February. Indexes that increased over the month include personal care, medical care, education, apparel, and new vehicles. The indexes for airline fares, motor vehicle insurance, used cars and trucks, and recreation were among the major indexes that decreased in March.
- The all items index rose 2.4% for the 12 months ending March, after rising 2.8% over the 12 months ending February. The all items less food and energy index rose 2.8% over the last 12 months, the smallest 12-month increase since March 2021. The energy index decreased 3.3% for the 12 months ending March. The food index increased 3.0% over the last year.

AREA ANALYSIS

Most of our major data sources, such as Moody's economy.com, include both COVID-19 pandemic period data and projections inclusive of its effects. This data is included within this section as well as throughout this report and is a central foundation of our analysis.

The subject is located within New York and New York County, New York. It is part of the New York City-Jersey City-White Plains metro area (New York City Metro).

Moody's Analytics' Economy.com provides the following economic summary for the New York City Metro as of March, 2025.



NYC Area Map

Moody's Analytics Précis® Metro Indicators: New York Metro

2018	2019	2020	2021	2022	2023	INDICATORS	2024	2025	2026	2027	2028	2029
1,289.7	1,323.7	1,289.4	1,354.1	1,396.3	1,425.5	Gross metro product (C17\$ bil)	1,455.5	1,481.8	1,500.8	1,521.7	1,545.0	1,570.3
2.9	2.6	-2.6	5.0	3.1	2.1	% change	2.1	1.8	1.3	1.4	1.5	1.6
7,120.3	7,241.5	6,510.7	6,714.4	7,146.8	7,320.0	Total employment (ths)	7,420.7	7,488.8	7,501.1	7,488.0	7,471.8	7,460.2
1.7	1.7	-10.1	3.1	6.4	2.4	% change	1.4	0.9	0.2	-0.2	-0.2	-0.2
4.0	3.7	11.0	8.4	4.8	4.7	Unemployment rate (%)	4.8	4.7	4.5	4.5	4.5	4.5
4.1	3.5	3.9	7.4	1.4	5.8	Personal income growth (%)	5.6	4.1	4.2	3.7	3.3	3.5
72.1	74.9	76.4	78.5	81.4	85.6	Median household income (\$ ths)	88.0	91.0	94.4	97.8	100.6	103.5
14,850.0	14,891.6	14,821.8	14,566.8	14,467.3	14,474.9	Population (ths)	14,592.9	14,647.9	14,645.3	14,614.4	14,574.9	14,534.0
0.3	0.3	-0.5	-1.7	-0.7	0.1	% change	0.8	0.4	0.0	-0.2	-0.3	-0.3
-32.8	-31.5	-98.2	-286.8	-159.9	-49.4	Net migration (ths)	66.1	9.1	-46.5	-73.4	-80.0	-79.3
6,989	7,850	7,824	8,956	8,521	8,625	Single-family permits (#)	9,098	9,465	9,830	9,958	9,777	9,522
32,008	42,629	36,593	35,333	37,995	45,019	Multifamily permits (#)	69,752	32,601	29,800	28,478	28,414	28,722
4	3	3	8	10	5	FHFA house price index (% change)	7	4	2	3	3	4

Source: Moody's Analytics Précis® US Metro

OVERVIEW

New York City consists of five counties at the mouth of the Hudson River in the southeast area of New York State.

The borough of Manhattan, also referred to as New York County, forms the political, financial and cultural core of the City. It is the economic growth engine of the Greater New York Region. The City's other boroughs are Brooklyn, Queens, Staten Island, and the Bronx, otherwise known as Kings, Queens, Richmond, and Bronx counties.

The area's vast mass transit infrastructure closely connects the five boroughs as well as the surrounding suburban areas, forming the Greater New York Region. This region covers 21

counties in the southeastern section of New York State, southwestern corner of Connecticut, and Central and Northern New Jersey.

HIGHLIGHTS

The following are notable points about New York City:

- New York is heavily weighted in the service and retail industries. This creates a large demand for office and retail space within the market.
- The city is home to the two largest stock exchanges in the world, the New York Stock Exchange and the NASDAQ.
- New York is home to many large financial institutions, including: Morgan Stanley, Citigroup, JPMorgan Chase, Barclays, Wells Fargo and Bank of America.
- Of the current Fortune 500 companies, 52 are headquartered in New York City.

RECENT PERFORMANCE

The following facts were highlighted in the most recent Federal Reserve Beige Book, which was published in March 2025:

Overall economic activity rose slightly since mid-January. Six Districts reported no change, four reported modest or moderate growth, and two noted slight contractions. Consumer spending was lower on balance, with reports of solid demand for essential goods mixed with increased price sensitivity for discretionary items, particularly among lower-income shoppers. Unusual weather conditions in some regions over recent weeks weakened demand for leisure and hospitality services. Vehicle sales were modestly lower on balance. Manufacturing activity exhibited slight to modest increases across a majority of Districts. Contacts in manufacturing, ranging from petrochemical products to office equipment, expressed concerns over the potential impact of looming trade policy changes. Banking activity was slightly higher on balance among Districts that reported on it. Residential real estate markets were mixed, and reports pointed to ongoing inventory constraints. Construction activity declined modestly for both residential and nonresidential units. Some contacts in the sector also expressed nervousness around the impact of potential tariffs on the price of lumber and other materials. Agricultural conditions deteriorated some among reporting Districts. Overall expectations for economic activity over the coming months were slightly optimistic.

Prices increased moderately in most Districts, but several Districts reported an uptick in the pace of increase relative to the previous reporting period. Input price pressures were generally greater than sales price pressures, particularly in manufacturing and construction. Many Districts noted that higher prices for eggs and other food ingredients were impacting food processors and restaurants. Reports of substantial increases in insurance and freight transportation costs were also widespread. Firms in multiple Districts noted difficulty passing input costs on to customers.

However, contacts in most Districts expected potential tariffs on inputs would lead them to raise prices, with isolated reports of firms raising prices preemptively.

Economic activity in the Second District was little changed in early 2025. Employment grew slightly and wage growth was moderate, with labor supply and labor demand coming back into balance. Selling price increases picked up to a moderate pace after some slowing during the last reporting period, while input price increases remained moderate. Manufacturing activity edged up slightly. Consumer spending held steady, and tourism in New York City stayed near pre-pandemic levels. Housing markets remained solid, and new office leases picked up modestly in New York City. The broad finance sector weakened modestly. Many businesses noted heightened economic uncertainty and expressed concern about tariffs. Looking ahead, businesses were notably less optimistic.

REAL ESTATE AND CONSTRUCTION

The housing market remained solid. Demand has continued to outpace supply in the New York City suburbs and upstate New York, limiting sales and pushing prices up. Exceptionally low inventory remains a constraint, and on Long Island inventory is at the lowest level in more than two decades. With inventory at relatively normal levels in New York City, new signed contracts have continued to rise. However, price dynamics in the City have been mixed, with the price of existing units moving sideways and the price of new development increasing. The rental market strengthened. Rents continued to rise in New York City, where bidding wars were common, and a large share of units were rented at an amount over the asking rent. In upstate New York, rents remained stable at a high level. With mortgage rates still relatively high, many prospective buyers have continued to rent.

Commercial real estate markets were mixed. New York City's office market saw a modest uptick in new leases, and vacancy rates fell. Financial services firms accounted for the lion's share of new office leases. Northern New Jersey's industrial market continued to weaken slightly, with a continued rise in vacancy rates and rents declining slightly as new supply on the market has offset rising demand. Increases in industrial demand was driven in large part by third-party logistics firms from Asia as well as big box retailers. Retail markets in New York City worsened slightly, with a small uptick in vacancy rates amid sagging rents.

Construction activity declined at a moderate pace. Despite concerns about rising materials prices, construction industry contacts remained optimistic about business activity in the coming months.

TOURISM

According to the Mayor's office and the New York City & Company:

- New York City welcomed 62.2 million visitors, 11.6 million international and 50.6 domestic in 2023. Visitation is expected to grow to 64.8 million visitors in 2024, a 4.2% increase

year-over-year. The 2025 forecast is for 68.1 million visitors, exceeding the 2019 benchmark.

- Domestic travel is forecast to reach 51.5 million visitors in 2024 and 53.4 million in 2025. Domestic visitation should surpass the 2019 benchmark level by 2025. International visitation will grow to 13.2 million visitors in 2024, a 13.9% year-over-year increase. In 2025, international visitation will increase by 11.2% to 14.7 million.
- Leisure visitation is forecast to reach 52.2 million in 2024. The 2025 forecast is for growth to 54.9 million visitors surpassing the 2019 benchmark levels. Business travel is expected to grow to 12.5 million visitors in 2024 and 13.2 million in 2025. Business travel will not reach pre-pandemic levels until 2026 due to the economic uncertainty and the shifting travel behaviors due to remote conferencing.
- An overview of NYC tourism performance and projections have been highlighted on the chart on the following chart:

NYC Travel & Tourism Visitation Statistics			
Year	Total Tourists	Domestic Tourists	International Tourists
2014	56,500,000	44,500,000	12,000,000
2015	58,500,000	46,200,000	12,300,000
2016	60,500,000	47,800,000	12,700,000
2017	62,800,000	49,700,000	13,100,000
2018	65,000,000	51,500,000	13,500,000
2019	66,200,000	53,100,000	13,100,000
2020	22,300,000	19,870,000	2,430,000
2021	32,900,000	30,200,000	2,700,000
2022	56,700,000	47,300,000	9,400,000
2023	62,200,000	50,600,000	11,600,000
2024*	64,800,000	51,500,000	13,300,000
2025*	68,100,000	53,400,000	14,700,000

**Forecast statistics from NYC & Company*

Source: NYC & Company

CONSTRUCTION SPENDING

According to the 2023-2025 New York City Construction Outlook report compiled by the New York Building Congress (published October 2023):

- The New York Building Congress forecasts \$83 billion in New York City construction spending by the end of 2023. This represents development growing \$13 billion in inflation-adjusted dollars year-over-year. Even when compared to pre-pandemic levels, spending is still showing a meaningful 10% increase, up by \$7.7 billion from 2019 in inflation-adjusted dollars. Fueling this rise, labor and material prices continue to escalate, though at a slower pace than in 2022.

- Spending in inflation-adjusted dollars is expected to reach \$261 billion (\$285 billion, in nominal dollars) over a three-year period, growing to \$88 billion in 2024 and then to \$89 billion in 2025. Compared to the pre-pandemic, three-year period from 2017 to 2019, this reflects an inflation-adjusted increase of \$40 billion. Although high interest rates on construction starts and property mortgages are expected to somewhat depress property values through reduced demand, escalating material and labor costs, as well as ongoing supply chain issues, have significantly contributed to increased building costs and are not likely to deflate with more development.
- Non-residential spending, which includes office space, manufacturing, retail, hotels, institutional development, entertainment venues, and recreational facilities, is expected reach almost \$115 billion in spending (when adjusting for inflation) between 2023 and 2025. This represents a substantial 32% growth in spending compared to pre-pandemic years 2017 to 2019. The share of spending in this sector is projected to increase to 42% of all construction spending in 2023, up from 34% in 2022.
- Non-residential development continues leading construction spending, ending the year with an estimated \$34.9 billion outlaid on new starts and alterations, fueled by extensive investment in government buildings, manufacturing/warehouses, life science and high-technology laboratories, social and recreational projects, hotels, retail and restaurants, and education.
- While 6.65 million square feet will be completed in three major office towers in 2023, successive years to 2025 are expected to each complete a million square feet fewer of building space. Other forms of non-residential development – including manufacturing, educational, and high-technology laboratories – are likely to sustain growth throughout the next several years.
- Within the five boroughs, the MTA is likely to invest \$30 billion in nominal dollars over the next three years, which would be a 47% increase over total spending between 2017 and 2019. Actual expenditures will depend on the agency's execution of its current and past capital plans, the most recent of which expires in 2024. Projections for 2025 will have more clarity once the MTA finalizes its next five-year capital plan.
- Residential work, which accounted for more construction spending than non-residential development in 2022, experienced a sharp decline in new housing construction permitting in 2023. This is largely due to the end of the 421-a tax abatement program in June 2022, which initiated a decline in new unit construction beginning in August 2022. Accordingly, the number of new units projected for 2023 has dropped from 30,000 to 11,300.

TRANSPORTATION

The transportation system in the New York City - Newark - Jersey City M.S.A. is diversified and extensive, as highlighted by the following:

AIR TRANSPORTATION

JFK International Airport is located on Jamaica Bay in the southeastern section of Queens County, New York City. The airport is located 15 miles by highway from midtown Manhattan. JFK contributes about \$52.7 billion in economic activity to the New York/New Jersey region. Newark Liberty International Airport opened in 1948 and contributes approximately \$29.3 billion in economic activity to the metropolitan area. LaGuardia Airport is in Queens on Flushing Bay, approximately eight miles from Midtown Manhattan. LaGuardia contributes about \$19.7 billion in economic activity to the New York/New Jersey region.

JFK is currently undergoing a massive renovation and development including a terminal expansion to accommodate expected growth and includes building a new Terminal One, the expansion of Terminals 4 and 8 along with the redevelopment of Terminal 6. The Port Authority of New York & New Jersey increased its funding authorization for the infrastructure portion of the project by about \$1 billion, making the new budget \$3.9 billion, after costs surged due to higher inflation, soaring labor expenses and supply chain disruptions. The entire redevelopment project is a public-private-partnership that relies on nearly \$16 billion of private investment which will provide much needed terminal upgrades to New York City's largest airport, which handles nearly 62 million passengers a year.

An \$8 billion transformation makes LaGuardia Airport the first new major airport built in the United States in the last 25 years when Delta opened its brand-new Terminal C to passengers on June 4, 2022. The new terminal nearly doubled in size to the two terminals it replaced and consolidated 37 gates into one spacious facility. Due to negative public feedback, the proposed AirTrain connecting with the New York City Subway and Long Island Rail Road (LIRR) in Willets Point and then servicing travel to LaGuardia Airport has been canceled, as the Port Authority of New York and the MTA identify alternative forms of transportation. As of the date of this appraisal report, an alternative method has not been identified.

PUBLIC TRANSPORTATION

The Metropolitan Transportation Authority is North America's largest transportation network, serving the population of New York City, Long Island, southeastern New York State, and Connecticut. Long Island Rail Road (LIRR) is the largest commuter railroad and the oldest railroad in America operating under its original name. As of January 2023, the East Side Access LIRR celebrated the grand opening of the East Side extension to Grand Central. Amtrak provides passenger rail service to the New York City - Northern New Jersey - Long Island metropolitan area through Penn Station in Manhattan.

On January 31, 2023, the Federal Government announced that \$292 million of the \$1.2 trillion infrastructure law will be allocated to the Hudson Tunnel Project. The project will improve travel between New York and New Jersey through the rehabilitation of the old North River Tunnel and the construction of a new tunnel beneath the Palisades. The project is set to create 72,000 jobs

and improve the New Jersey Transit and Amtrak trip for the 200,000 weekday passengers. The total estimated cost of the Hudson Tunnel Project is \$16 billion.

Daily ridership on the subway is typically about 70% of what it was on a comparable pre-pandemic day, according to MTA ridership data. Ridership is closer to pre-pandemic levels at off-peak hours, like at night, midday, and on weekends.

MOODY’S MARKET SUMMARY

Moody’s summarizes the area’s economic performance in recent months as follows:

RECENT PERFORMANCE

New York City Metro is riding the coattails of the healthcare sector to solid growth. While the rest of New York flatlined in 2024, a state program that pays family and friends to serve as caregivers has driven robust growth among home health aides. Struggles in tech, however, are pushing office services lower. A declining labor force and stable unemployment rate have the household survey measure of employment contracting modestly as well. Meanwhile, cost pressures are well above average, with inflation in New York still elevated relative to its peers after years of slower-than-average price gains.

MARKET COMPARISON

The following table illustrates key economic indicators and a comparison of the New York City Metro to the regional grouping as a whole. As indicated, New York is projected to outperform the National Region Metros in none of the eight performance categories shown over the next five years.

Comparison of Key Economic Indicators - New York Metro Metro to National Region										
Indicator	New York Metro			Annual Growth		National			Annual Growth	
	2019	2024	2029	2019 - 2024	2024 - 2029	2019	2024	2029	2019 - 2024	2024 - 2029
Gross metro product (C17\$ bil)	1,323.7	1,455.5	1,570.3	1.9%	1.5%	20,692	22,896	25,388	2.0%	2.1%
Total employment (thrs)	7,241.5	7,420.7	7,460.2	0.5%	0.1%	150,906	158,612	161,729	1.0%	0.4%
Unemployment rate (%)	3.7%	4.8%	4.5%			3.7%	4.0%	4.0%		
Personal income growth (%)	3.5%	5.6%	3.5%			4.7%	4.7%	4.6%		
Population (thrs)	14,891.6	14,592.9	14,534.0	-0.4%	-0.1%	330,487	336,438	342,546	0.4%	0.4%
Single-family permits (#)	7,850	9,098	9,522	3.0%	0.9%	888,667	1,035,880	1,124,838	3.1%	1.7%
Multifamily permits (#)	42,629	69,752	28,722	10.3%	-16.3%	402,833	345,083	370,405	-3.0%	1.4%
FHFA house price index (% change)	3.0	7.5	3.6	20.0%	-13.8%	N/A	N/A	N/A	N/A	N/A
New York Metro outperforming National Region Metros										
New York Metro underperforming National Region Metros										

Source: Moody’s Analytics Précis® US Metro; Compiled by Newmark

EMPLOYMENT SECTORS AND TRENDS

Employment data by occupation and business/industry sectors provides an indication of the amount of diversification and stability in the local economy. Job sector composition also gives an indication of the predominant drivers of current and future demand for supporting commercial real estate sectors. The following tables display employment data by occupation sector and by business/industry sector for the area and region.

Current Employment by Occupation Sector														
Occupation Sector	0.25-Miles Radius		0.5-Miles Radius		1-Mile Radius		New York City		New York County		New York-Newark-Jersey City, NY-NJ MSA		New York	
Office	2,062	94.0%	28,017	93.5%	113,273	91.5%	2,689,000	64.2%	766,606	82.6%	6,694,086	66.7%	6,326,330	64.8%
Administrative Support	180	8.2%	1,466	4.9%	6,322	5.1%	382,865	9.1%	60,540	6.5%	971,198	9.7%	948,517	9.7%
Management/Business/Financial	1,086	49.5%	13,723	45.8%	52,378	42.3%	812,007	19.4%	294,094	31.7%	2,057,723	20.5%	1,828,228	18.7%
Professional	643	29.3%	10,395	34.7%	43,793	35.4%	1,179,895	28.2%	336,394	36.3%	2,863,792	28.5%	2,762,835	28.3%
Sales and Sales Related	153	7.0%	2,433	8.1%	10,780	8.7%	314,233	7.5%	75,578	8.1%	801,373	8.0%	786,750	8.1%
Services	113	5.2%	1,471	4.9%	7,351	5.9%	901,898	21.5%	110,998	12.0%	1,772,934	17.7%	1,846,945	18.9%
Labor	19	0.9%	465	1.6%	3,141	2.5%	596,607	14.2%	50,274	5.4%	1,564,845	15.6%	1,584,799	16.2%
Construction/Extraction	6	0.3%	239	0.8%	980	0.8%	160,853	3.8%	10,384	1.1%	417,501	4.2%	403,979	4.1%
Farming/Fishing/Forestry	2	0.1%	2	0.0%	9	0.0%	2,618	0.1%	260	0.0%	7,966	0.1%	17,922	0.2%
Installation/Maintenance/Repair	10	0.5%	52	0.2%	218	0.2%	63,746	1.5%	4,920	0.5%	194,606	1.9%	211,304	2.2%
Production	0	0.0%	75	0.3%	670	0.5%	89,648	2.1%	10,125	1.1%	282,936	2.8%	322,117	3.3%
Transportation/Material Moving	1	0.0%	97	0.3%	1,264	1.0%	279,742	6.7%	24,585	2.6%	661,836	6.6%	629,477	6.5%
Total Employees (16+ Occupation Base)	2,193	100.0%	29,951	100.0%	123,767	100.0%	4,187,505	100.0%	927,878	100.0%	10,031,865	100.0%	9,758,074	100.0%

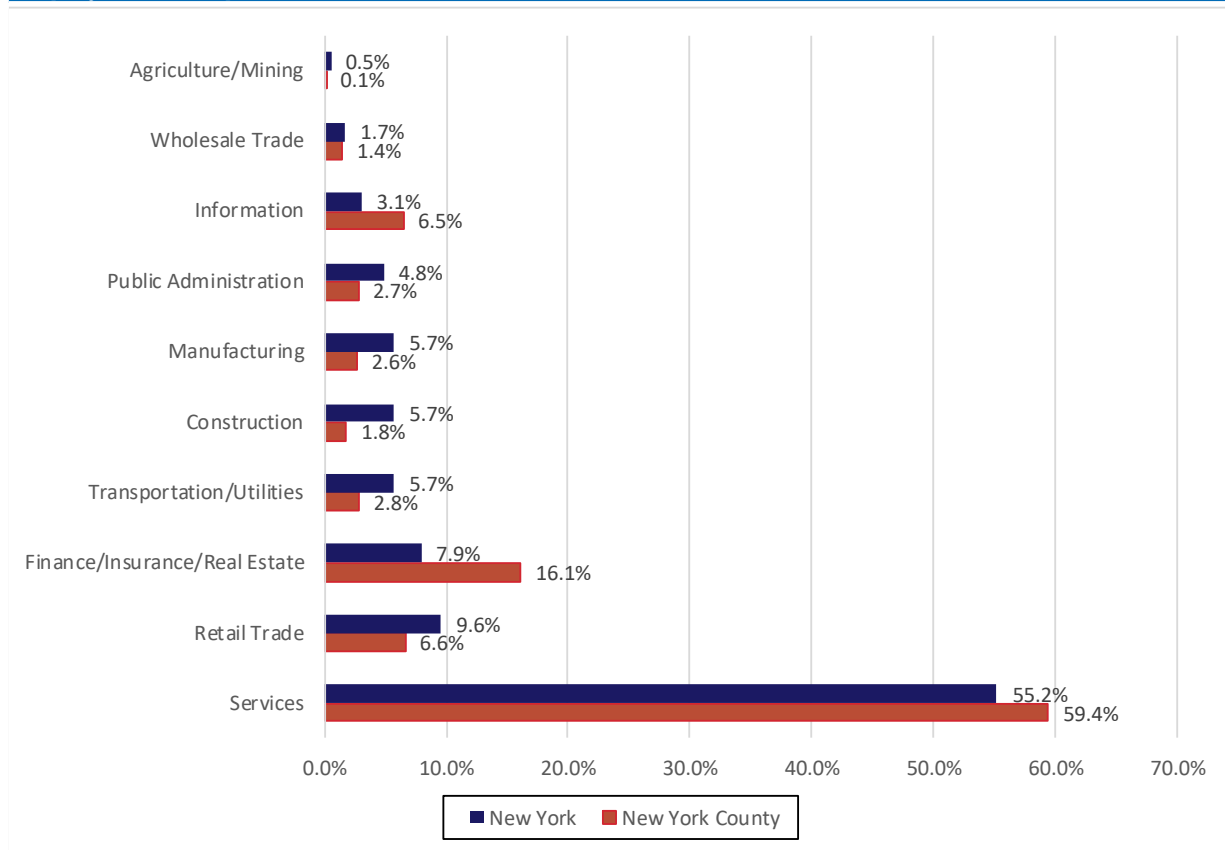
Source: ESRI; Compiled by Newmark

Current Employment by Industry Sector														
Industry Sector	0.25-Miles Radius		0.5-Miles Radius		1-Mile Radius		New York City		New York County		New York-Newark-Jersey City, NY-NJ MSA		New York	
Agriculture/Mining	2	0.1%	30	0.1%	72	0.1%	3,934	0.1%	744	0.1%	15,077	0.2%	48,694	0.5%
Construction	51	2.3%	531	1.8%	2,207	1.8%	212,157	5.1%	16,567	1.8%	577,608	5.8%	559,760	5.7%
Manufacturing	46	2.1%	766	2.6%	3,455	2.8%	124,846	3.0%	24,540	2.6%	552,799	5.5%	558,362	5.7%
Wholesale Trade	41	1.9%	637	2.1%	2,105	1.7%	64,217	1.5%	13,439	1.4%	209,187	2.1%	166,766	1.7%
Retail Trade	103	4.7%	1,779	5.9%	7,237	5.8%	356,768	8.5%	61,146	6.6%	913,513	9.1%	934,853	9.6%
Transportation/Utilities	82	3.7%	289	1.0%	1,855	1.5%	282,801	6.8%	26,092	2.8%	640,939	6.4%	560,177	5.7%
Information	127	5.8%	1,705	5.7%	8,563	6.9%	175,041	4.2%	59,855	6.5%	337,676	3.4%	298,124	3.1%
Finance/Insurance/Real Estate	612	27.9%	7,076	23.6%	28,986	23.4%	382,936	9.1%	149,282	16.1%	897,957	9.0%	771,994	7.9%
Services	1,085	49.5%	16,141	53.9%	65,683	53.1%	2,418,474	57.8%	550,767	59.4%	5,456,561	54.4%	5,386,613	55.2%
Public Administration	45	2.1%	996	3.3%	3,604	2.9%	166,331	4.0%	25,446	2.7%	430,548	4.3%	472,731	4.8%
Total Employees (16+ Occupation Base)	2,193	100.0%	29,951	100.0%	123,767	100.0%	4,187,505	100.0%	927,878	100.0%	10,031,865	100.0%	9,758,074	100.0%

Source: ESRI; Compiled by Newmark

Comparing the industry sectors for the local market area (New York) to New York County indicates the local market area is somewhat more heavily weighted toward the Construction, Manufacturing, Retail Trade, Transportation/Utilities, Public Administration, Agriculture/Mining, and Wholesale Trade sectors. By contrast, the industry employment totals for New York County indicate somewhat higher proportions within the Finance/Insurance/Real Estate, Services, and Information sectors. The following graphic further illustrates this comparison.

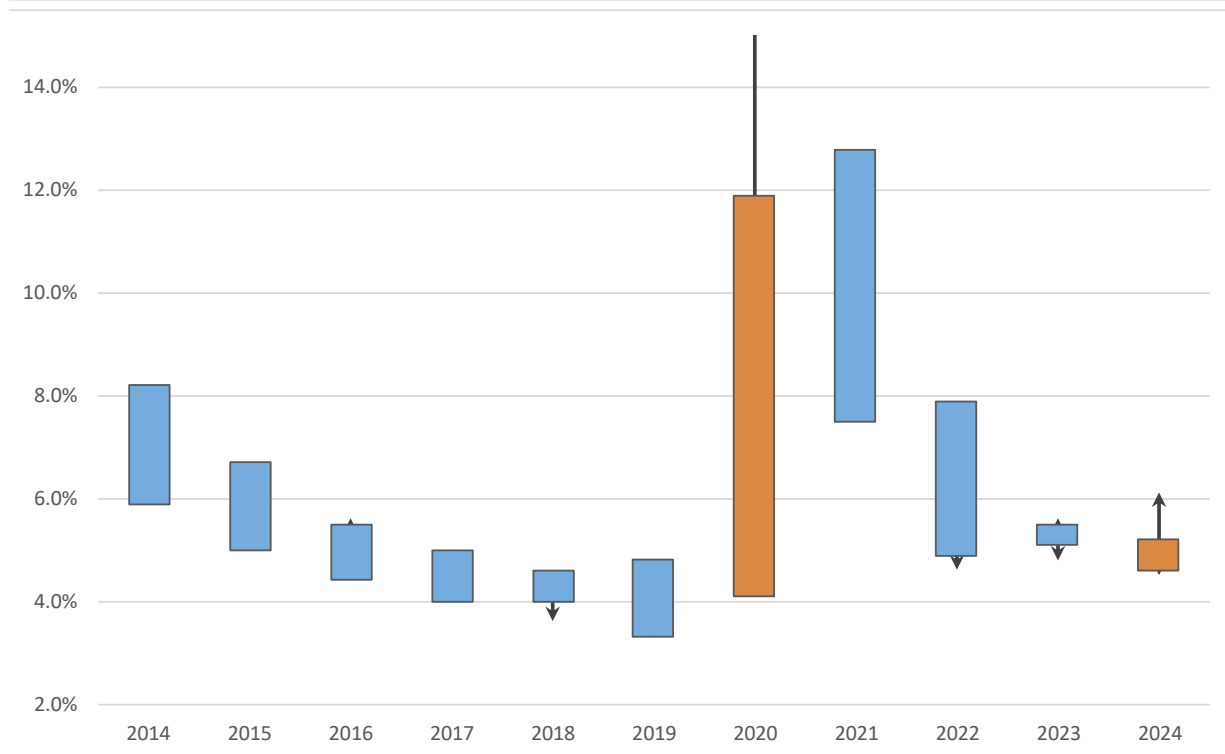
Employment Comparison



Source: ESRI; Compiled by Newmark

The following table displays the historical unemployment data for the area derived from the US Department of Commerce, Bureau of Labor Statistics.

Unemployment Rate: New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area



Bars represent beginning to end range of unemployment rates in each year
 Orange bars denote increasing unemployment from beginning to end of year
 Blue bars are declining unemployment from beginning to end of year
 Arrows are extent of unemployment rates over the year

Compiled by Newmark

The following table illustrates the unemployment rates for the region on a monthly basis. While there has been some fluctuation over the past year, the year ended at the lowest rates of the year.

Unemployment Rates - New York Metropolitan Area												
2023												
	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
New York City	5.5%	5.6%	5.2%	4.8%	5.0%	5.3%	5.3%	5.6%	5.1%	5.4%	4.9%	5.1%
New York - Newark - Jersey City MSA	4.4%	4.4%	4.1%	3.8%	4.1%	4.6%	4.6%	4.9%	4.4%	4.7%	4.3%	4.5%
New York State	4.1%	4.0%	4.0%	3.9%	3.9%	4.0%	4.1%	4.3%	4.4%	4.6%	4.6%	4.6%
United States	3.9%	3.9%	3.6%	3.1%	3.4%	3.8%	3.8%	3.9%	3.6%	3.6%	3.5%	3.5%
2024												
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
New York City	4.6%	4.8%	4.5%	4.5%	4.9%	5.3%	6.1%	6.1%	5.3%	5.5%	5.5%	5.2%
New York - Newark - Jersey City MSA	4.5%	4.6%	4.3%	4.0%	4.4%	4.6%	5.3%	5.3%	4.3%	4.5%	4.5%	4.3%
New York State	4.5%	4.4%	4.3%	4.2%	4.2%	4.2%	4.3%	4.4%	4.4%	4.4%	4.4%	4.4%
United States	4.1%	4.2%	3.9%	3.5%	3.7%	4.3%	4.5%	4.4%	3.9%	3.9%	4.0%	3.8%
2025												
	Jan-25	Feb-25	Mar-25									
New York City	5.3%	4.3%	4.5%*									
New York - Newark - Jersey City MSA	4.7%	4.4%*										
New York State	4.4%	4.3%	4.2%*									
United States	4.4%	4.5%	4.2%									

Source: US Bureau of Labor Statistics

*Denotes preliminary values

On balance, employment in the region continued to grow slightly. Businesses in leisure and hospitality, personal services, and healthcare and education saw modest increases in headcounts. However, construction firms reported moderate reductions, and transportation, information, finance, and business services firms noted more modest declines.

Demand for workers was steady, but employers expressed some hesitancy in hiring due to uncertainty about the outlook. Though there were no mentions of major layoffs in the District, there was some quiet downsizing at financial firms at year end leading to a slight increase in job hunters. Further, a New York City area recruiter noted that there have been a rising number of jobseekers from the healthcare sector, as hospital consolidations have resulted in some reductions in office staffing. Still, demand for workers in financial services remained solid, and some fields that were quiet much of last year, such as sales and marketing, have seen some pickup. With labor supply and labor demand back into balance, it is generally not difficult to find qualified workers.

Wage growth continued at a moderate pace. Several contacts noted that New York State's minimum wage law was a factor pushing up wages for all their workers, though some businesses reported holding the line on wages to only cost-of-living increases or even pay cuts in some industries.

MAJOR EMPLOYERS

The following table lists a number of major employers with the New York City Metro as reported by Moody's. While not all-encompassing, this list provides further indication of the types of economic sectors that are drivers for the area.

Selected Major Employers: New York Metro

Rank	Employer	Employees
1	JPMorgan Chase & Co.	46,000
2	New York-Presbyterian Healthcare System	43,203
3	Mount Sinai Health System	41,486
4	NYC Health + Hospitals	37,272
5	Montefiore Health System	29,992
6	NYU Langone Medical Center	28,405
7	New York University	26,657
8	Bank of America	24,000
9	Macy's Inc.	22,100
10	Memorial Sloan-Kettering Cancer Center	21,077
11	Morgan Stanley	21,000
12	Columbia University	19,110
13	Citigroup Inc.	18,500
14	Verizon Communications	16,973
15	Consolidated Edison Co. of New York	14,592
16	EY	13,888
17	City University of New York	13,777
18	PwC	11,429
19	Staffing Alternatives	11,382
20	Delta Air Lines	10,851

Source: Moody's Analytics Précis® US Metro

INCOME DISTRIBUTIONS

Household Income Analysis														
2024	0.25-Miles Radius		0.5-Miles Radius		1-Mile Radius		New York City		New York County		New York-Newark-Jersey City, NY-NJ MSA		New York	
Household Income <\$15,000	101	5.9%	1,651	6.7%	9,258	8.6%	442,918	13.3%	109,627	13.6%	698,435	9.4%	802,583	10.4%
Household Income \$15,000-\$24,999	46	2.7%	656	2.6%	4,520	4.2%	223,504	6.7%	45,374	5.6%	394,131	5.3%	485,141	6.3%
Household Income \$25,000-\$34,999	66	3.8%	1,175	4.7%	4,129	3.8%	203,502	6.1%	33,554	4.2%	401,471	5.4%	471,179	6.1%
Household Income \$35,000-\$49,999	80	4.6%	1,083	4.4%	5,473	5.1%	284,202	8.5%	53,740	6.7%	565,297	7.6%	682,043	8.9%
Household Income \$50,000-\$74,999	106	6.1%	1,953	7.9%	8,457	7.9%	452,822	13.6%	85,967	10.7%	928,785	12.5%	1,070,818	13.9%
Household Income \$75,000-\$99,999	115	6.7%	2,460	9.9%	9,381	8.7%	362,607	10.9%	75,990	9.4%	800,455	10.8%	886,797	11.5%
Household Income \$100,000-\$149,999	239	13.9%	3,593	14.5%	14,520	13.5%	501,310	15.1%	100,790	12.5%	1,237,128	16.7%	1,295,059	16.8%
Household Income \$150,000-\$199,999	152	8.8%	2,772	11.2%	11,374	10.6%	306,328	9.2%	70,328	8.7%	825,237	11.1%	768,381	10.0%
Household Income \$200,000+	819	47.5%	9,416	38.0%	40,441	37.6%	553,710	16.6%	230,918	28.6%	1,563,471	21.1%	1,243,313	16.1%
Median Household Income	\$183,432		\$146,374		\$141,125		\$78,222		\$99,544		\$96,850		\$83,109	
Average Household Income	\$231,594		\$204,307		\$199,116		\$121,909		\$163,848		\$142,802		\$123,902	
Per Capita Income	\$147,194		\$122,401		\$115,898		\$47,576		\$81,623		\$53,162		\$48,068	

Source: ESRI; Compiled by Newmark

MOODY'S MARKET OVERVIEW

FINANCE

Pivotal financial services will move in the right direction, but longer-term obstacles loom. Falling interest rates drove a pickup in dealmaking last year, helping to arrest a multiyear trend of reduced

headcounts on Wall Street. The January Challenger, Gray & Christmas report showed a national decline in finance layoffs of more than 80% to start 2025. Not only has the securities industry steadied, but NYSE member firms are poised for one of their most profitable years on record. As a result, this spring's bonus payouts are likely to move sharply higher following two relatively unimpressive years, bolstering consumer spending and tax collections. Still, risks tilt decisively to the downside. Trade tensions risk reigniting inflation, potentially driving interest rates higher and sending banks reeling again. Additionally, retaliation from key trading partners could extend to U.S. services, creating challenges for New York banks, many of which have a large global footprint.

HOUSING

House prices and rents will keep moving in the right direction, but the residential market will prove mixed. The continued addition of young adults is supporting single-family and condo price growth. The apartment market is especially strong in the outer boroughs, with the Case-Shiller condo index rising most impressively in Brooklyn and Queens. While Manhattan's trajectory is more muted due to its reliance on high-end properties, rents are also increasing.

Yet despite these healthy fundamentals, the picture is more nuanced. Price growth can be traced to a lack of supply more than demand, and partly as a result, broker confidence remains depressed, according to the Real Estate Board of New York. A spate of office-to-residential conversions, including one in which a former JPMorgan Chase office is transitioning into more than 1,000 apartments, could revitalize the market. But worker shortages amid sharply lower immigration will combine with higher materials costs to keep a lid on prospects.

TOURISM

Tourists will remain central to New York's fortunes, even as headwinds begin to blow harder. Last year was the second-best on record, with 2024 trailing only 2019 for tourist arrivals, supporting hotel room rates and occupancy. Passenger traffic for the region's airports also rose, although this owes to an uptick in international travelers. This composition is more favorable, given the tendency of overseas visitors to stay longer and spend more. However, increasing trade hostility with Canada and China complicates the narrative. A trade war would hurt those nations' economies and drive at least some citizens to bypass trips to the U.S., while concerns that foreigners are unwelcome may push other would-be visitors elsewhere.

CITY OF YES FOR HOUSING OPPORTUNITY

As of June 2022, New York City Mayor Eric Adams announced the City of Yes zoning initiative to modernize and update the City's Zoning Resolution by promoting environmental sustainability, easing restrictions on small businesses, and creating affordable housing. The City of Yes zoning amendments are the largest sweeping changes to New York City's Zoning Resolution since the 1961 zoning regulations. As of December 5th 2024, the New York City Council approved the third

and final proposal of the zoning initiative, the City of Yes for Housing Opportunity (COY HO). Among some of the most significant changes, the increased density in many neighborhoods, facilitating the conversion of office to residential uses, as well as easing many parking restrictions.

The City of Yes zoning initiative intends to modernize and update the City's Zoning Resolution through promoting environmental sustainability easing restrictions on small businesses and creating affordable housing for New Yorkers. The first two components of the City of Yes included Carbon Neutrality and Economic Opportunity, and were enacted in December 2023 and June 2024, respectively. The third and final proposal of the zoning initiative, the City of Yes for Housing Opportunity (COY HO) was approved by the New York City Council on December 5th, 2024.

INCREASED DENSITY

The COY HO is a comprehensive set of changes to the Zoning Resolution designed to stimulate the production of housing and generally and particularly affordable housing. These changes include the easing of parking requirements, allowing more density in the form of affordable housing, permitting accessory dwelling units and facilitating conversion of office buildings to residential uses. Although the City Council modified some of the original proposal, the enacted text constitutes the broadest and most sweeping changes to the New York City Zoning Resolution since its original passage in 1961.

COY HO increased the maximum permitted residential floor area ratio (FAR) for many districts. However, the maximum FAR can be achieved only through the use of the Uniform Affordability Preference (UAP) Program. Where UAP is not utilized, the maximum FARs are unchanged from those permitted prior to the adoption of COY HO. COY HO also modifies building envelopes in certain districts to accommodate the additional floor area permitted.

CREATION OF NEW HIGHER DENSITY RESIDENTIAL DISTRICTS

In May 2024, the New York State Legislature amended the Multiple Dwelling Law to allow residential buildings to exceed 12 FAR under certain circumstances. Using this authority, COY HO establishes two new residential districts: R11 and R12. The maximum residential FAR in R11 districts is 15 and in R12 districts is 18. These districts have no immediate applicability and need to be mapped by subsequent zoning map actions. The Mandatory Inclusionary Housing Program will apply in both districts.

SLIVER LAW

COY HO eliminates the so-called "sliver law" for buildings in a district with a letter designation (e.g., R7X, R9A, etc.) and for buildings that are located in residential districts without a letter designation but elect to comply with the height limitations in such districts.

CHANGES TO INFILL DEVELOPMENT

In R6 through R10 districts, lots previously constructed with towers-in-the-park buildings pursuant to height factor zoning restrictions may now be developed with new infill buildings that comply with Quality Housing FAR requirements. Instead of open space requirements that previously applied, yard and lot coverage restrictions now apply to these zoning lots.

Residential buildings in Manhattan south of 96th Street and downtown Brooklyn will no longer be subject to limitations on unit size.

CONVERSION OF OFFICE BUILDINGS

COY HO enlarges universe of office buildings eligible for conversion to residential. Prior to COY HO, only office buildings built prior to 1961 or 1977 could be converted. COY HO allows any office building constructed prior to Dec. 31, 1990, to be converted to residences. COY HO removes the requirement to utilize 30 percent to 50 percent of the rooftop for recreational use for the residents and provides that conversions need to comply only with the standard recreational use regulations.

PARKING

As approved by the City Planning Commission, COY HO would have eliminated parking requirements for all new residential buildings. The City Council modified this proposal to create three geographical zones with different parking regulations:

- Zone 1 consists of Manhattan (except Inwood), Long Island City, parts of Western Queens and Brooklyn, and has no parking requirements.
- Zone 2 is composed of areas outside Zone 1 that have access to mass transit. In Zone 2, parking is still required (except for affordable housing) but at lower percentages than previously.
- Zone 3 is the remainder of the City, and most parking regulations are unchanged.

LANDMARK TRANSFERS

COY HO expands the area to which floor area can be transferred from a landmark building to include all lots on the same block as the landmarked building and any lot facing the landmark building on adjacent blocks. It also allows most transfers of floor area from a landmark building with a certification by the chair of the City Planning Commission.

A special permit is still required where an increase in maximum height is greater than 25 percent above the allowed height and for transfers in commercial and manufacturing districts with a FAR of 15 or greater where the floor area transfer exceeds 30 percent.

SPLIT ZONING LOTS

For zoning lots located in two districts, COY HO allows floor area to move from the zoning district with a lower FAR to the portion with a higher FAR, provided that the receiving portion is within 100

feet of a wide street and that the FAR of the receiving portion is not increased by more than 20 percent.

VESTING

The COY HO amendments include vesting provisions to grandfather projects under the prior zoning. These vesting rules allow buildings that have filed an application with the City's Department of Buildings as of Dec. 5, 2024, and receive zoning approval within one year of that date to proceed under the prior zoning. There are also special vesting rules relating to the old Voluntary Inclusionary Housing (VIH) Program that were discussed in detail in the prior client alert.

CHANGES IN LOWER DENSITY DISTRICTS

Except in R1 and R2 districts, three- to five-story apartment buildings are allowed for areas near mass transit, provided that buildings with 50 or more units must provide 20 percent of the floor area as affordable housing. Allows three- to five-story apartment buildings on most blocks in residential districts with a commercial overlay, provided that buildings with 50 or more units must provide 20 percent of the floor area as affordable housing. Accessory dwelling units are permitted in certain low-density districts.

CONCLUSION

As recessionary fears have been significantly reduced and the Fed's gauge of underlying inflation remained muted during the month of December, further reductions in interest rates are supported. Further interest rates cuts will be favorable to the commercial real estate sector and will support an increase in investment volume over the course of 2025. Additionally, the recent passing of the City of Yes, will continue to promote conversion of office buildings facing elevated vacancies, while stimulating residential development across the City. The outlook for 2025 is seen as favorable.

MANHATTAN OFFICE MARKET ANALYSIS

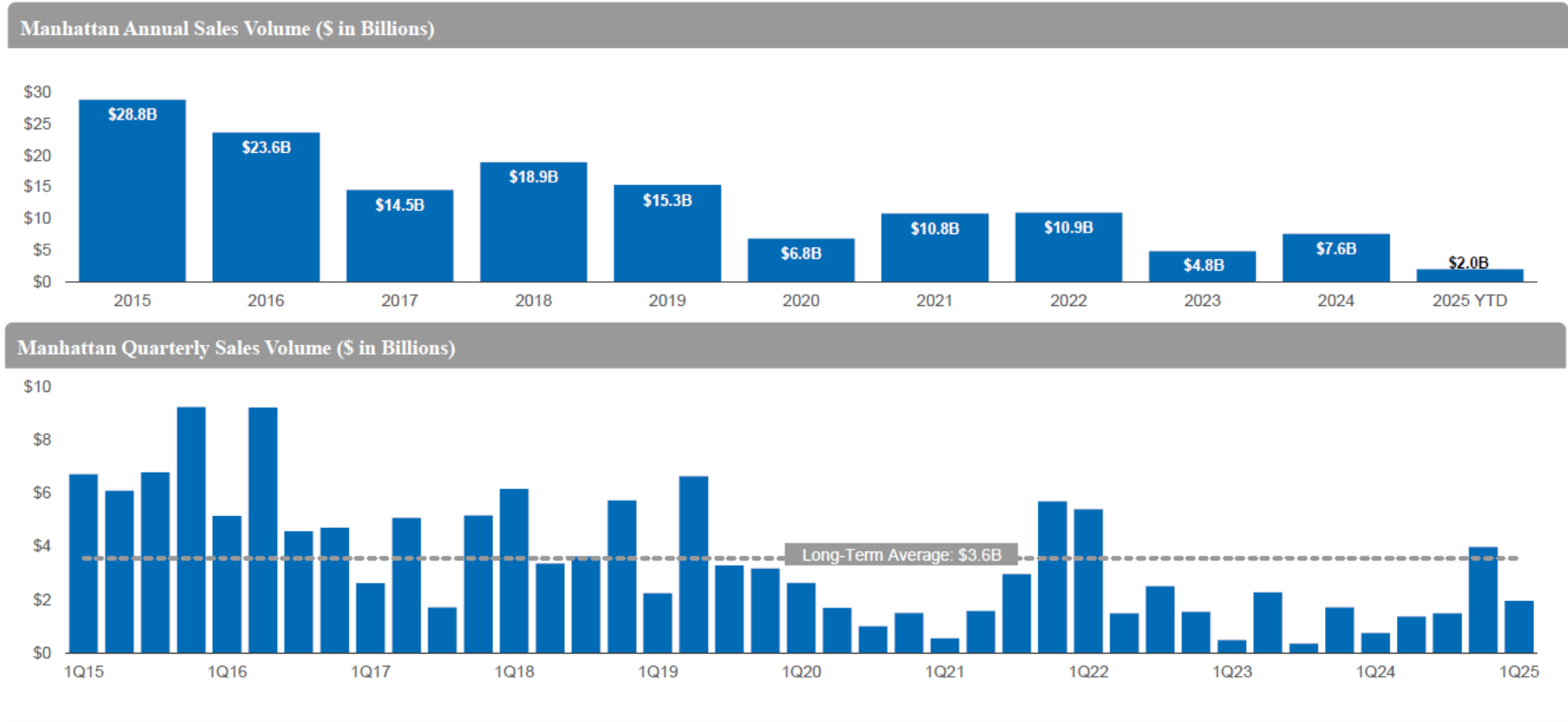
The following information has been compiled by the Newmark Research department, which was completed on April 15th, 2025, and outlines the Newmark statistics compiled as of the first quarter 2025.

- March leasing activity recorded 4.7 million square feet, the highest month of activity since November 2019. First quarter leasing activity totaled 11.7 million square feet with 16 leases above 100,000 square feet, including 13 signed in Midtown.
- Positive absorption for a second consecutive quarter along with strong leasing activity led to a decline in the Manhattan availability rate to 17.2%. Office to residential conversions remain another significant factor reducing the inventory.
- Available sublease space decreased to 15.8 million square feet, currently just 4.1 million square feet above pre-pandemic levels with 2.4 million square feet removed from the market since year-end 2024.
- More than half of Class A Midtown Assets have a direct availability rate below 10.0% with 40.6% of the properties boasting a sub-5.0% direct availability rate.
- Midtown trophy assets continued to outperform the overall market as direct availability within the set declined 100 basis points in the first quarter to 5.7%.
- Demand for office space remains strong with 25.4 million square feet of active requirements, representing a greater volume than the 2019 average of 23.3 million square feet.
- First quarter asking rents dropped \$0.03 per square foot from the previous quarter to \$74.80 per square foot. Midtown led rate decreases for a second quarter due to high-quality space leasing, dropping \$0.95 per square foot quarter-over-quarter.
- Ten large blocks (over 100,000 square feet) totaling 2.0 million square feet were added to the market in the first quarter. Most of the available large blocks for lease are less than 250,000 square feet and below \$90 per square foot.
- There has been more than 30.0 million square feet of new office construction in the past decade, yet just 522,000 square feet set to deliver over the next several years.
- 12.9 million square feet has either commenced conversion or is planning to do so, following 2.6 million square feet of buildings converted since 2020.

MANHATTAN HISTORICAL OFFICE MARKET OVERVIEW					
Period	Availability Rate	Net Absorption (SF)	Average Asking Rent (PSF)	Vacancy Rate	Leasing Activity (SF)
1Q09	13.7%	-6,003,368	\$55.54	7.2%	5,318,209
2Q09	14.4%	-3,480,824	\$53.00	7.5%	5,431,676
3Q09	14.6%	-1,455,257	\$50.99	7.8%	6,710,660
4Q09	14.4%	1,565,933	\$49.49	8.1%	8,781,072
1Q10	14.0%	919,249	\$47.99	8.1%	9,329,496
2Q10	13.9%	-822,601	\$49.25	8.2%	10,694,479
3Q10	13.7%	965,953	\$49.77	8.2%	8,908,742
4Q10	13.0%	3,736,452	\$50.96	7.9%	9,741,153
1Q11	13.0%	2,837,452	\$52.00	8.1%	11,690,271
2Q11	12.6%	1,402,510	\$53.70	8.0%	11,244,797
3Q11	12.3%	565,111	\$55.54	7.7%	8,898,165
4Q11	12.5%	-80,625	\$56.68	7.7%	10,299,284
1Q12	12.8%	-16,377	\$59.39	7.5%	7,939,889
2Q12	12.9%	1,088,871	\$57.93	7.6%	12,204,495
3Q12	12.8%	-26,524	\$60.16	7.9%	9,153,690
4Q12	12.9%	1,078,224	\$61.25	7.8%	9,460,386
1Q13	12.8%	-1,225,754	\$59.55	7.6%	9,237,287
2Q13	12.8%	459,742	\$60.50	7.9%	9,765,450
3Q13	12.5%	1,973,543	\$61.83	8.0%	6,377,639
4Q13	12.2%	881,922	\$62.42	8.5%	12,613,333
1Q14	11.7%	2,080,712	\$64.98	7.8%	10,399,274
2Q14	11.6%	53,348	\$66.37	7.5%	12,316,165
3Q14	11.0%	1,956,565	\$66.15	7.5%	9,692,399
4Q14	10.9%	-1,136,444	\$67.24	7.4%	9,270,225
1Q15	11.4%	-3,246,549	\$69.89	7.7%	9,371,755
2Q15	11.3%	-214,778	\$70.17	7.6%	9,479,853
3Q15	11.2%	52,379	\$72.56	7.3%	7,743,333
4Q15	11.2%	-246,439	\$74.91	7.3%	9,864,161
1Q16	11.2%	-663,175	\$75.68	7.4%	9,153,898
2Q16	11.4%	-1,568,295	\$76.39	7.3%	9,567,368
3Q16	11.6%	-1,544,861	\$76.75	7.6%	8,710,422
4Q16	12.0%	-1,895,102	\$76.07	7.6%	8,096,813
1Q17	12.7%	-3,562,790	\$76.50	8.2%	9,384,213
2Q17	12.7%	-463,500	\$76.07	8.1%	9,905,535
3Q17	12.3%	1,174,178	\$75.87	7.6%	8,849,361
4Q17	12.1%	509,394	\$75.32	7.5%	9,259,278
1Q18	12.3%	-1,091,661	\$75.75	7.8%	8,429,462
2Q18	12.4%	-442,839	\$75.34	7.7%	12,241,752
3Q18	12.0%	760,307	\$76.12	7.4%	8,787,628
4Q18	12.2%	-366,508	\$76.30	7.2%	13,009,997
1Q19	12.2%	-878,528	\$76.34	6.9%	10,304,510
2Q19	11.7%	486,660	\$76.95	6.3%	14,332,981
3Q19	11.8%	267,226	\$79.25	5.9%	11,032,785
4Q19	12.0%	-2,469,848	\$80.26	5.9%	13,076,410
1Q20	11.8%	-766,209	\$81.71	5.8%	6,200,000
2Q20	11.9%	-1,393,759	\$80.98	6.0%	6,200,000
3Q20	14.1%	-10,973,238	\$78.75	7.8%	4,600,000
4Q20	15.5%	-7,653,853	\$76.21	8.0%	3,200,000
1Q21	17.3%	-9,677,681	\$74.06	9.1%	4,400,000
2Q21	18.7%	-9,509,927	\$73.89	9.7%	5,900,000
3Q21	18.5%	-589,250	\$73.47	9.8%	7,800,000
4Q21	18.0%	-3,488,981	\$76.86	10.0%	8,300,000
1Q22	18.7%	-1,787,458	\$77.17	10.1%	8,200,000
2Q22	19.1%	-2,294,506	\$76.14	11.6%	7,500,000
3Q22	18.4%	2,537,812	\$74.66	11.0%	9,960,000
4Q22	18.7%	-346,347	\$74.29	12.4%	5,900,000
1Q23	19.0%	-3,010,615	\$75.31	13.1%	6,600,000
2Q23	19.5%	-3,026,773	\$75.25	13.5%	5,322,358
3Q23	18.8%	-424,871	\$74.76	13.7%	6,977,366
4Q23	18.5%	-2,364,695	\$74.14	12.8%	8,673,592
1Q24	19.5%	-4,567,648	\$75.42	14.2%	6,497,285
2Q24	19.4%	-2,085,760	\$75.14	14.0%	9,480,033
3Q24	18.5%	-565,593	\$75.97	13.0%	9,351,648
4Q24	17.8%	1,755,466	\$74.83	13.2%	11,643,242
1Q25	17.2%	820,921	\$74.80	12.5%	11,695,415

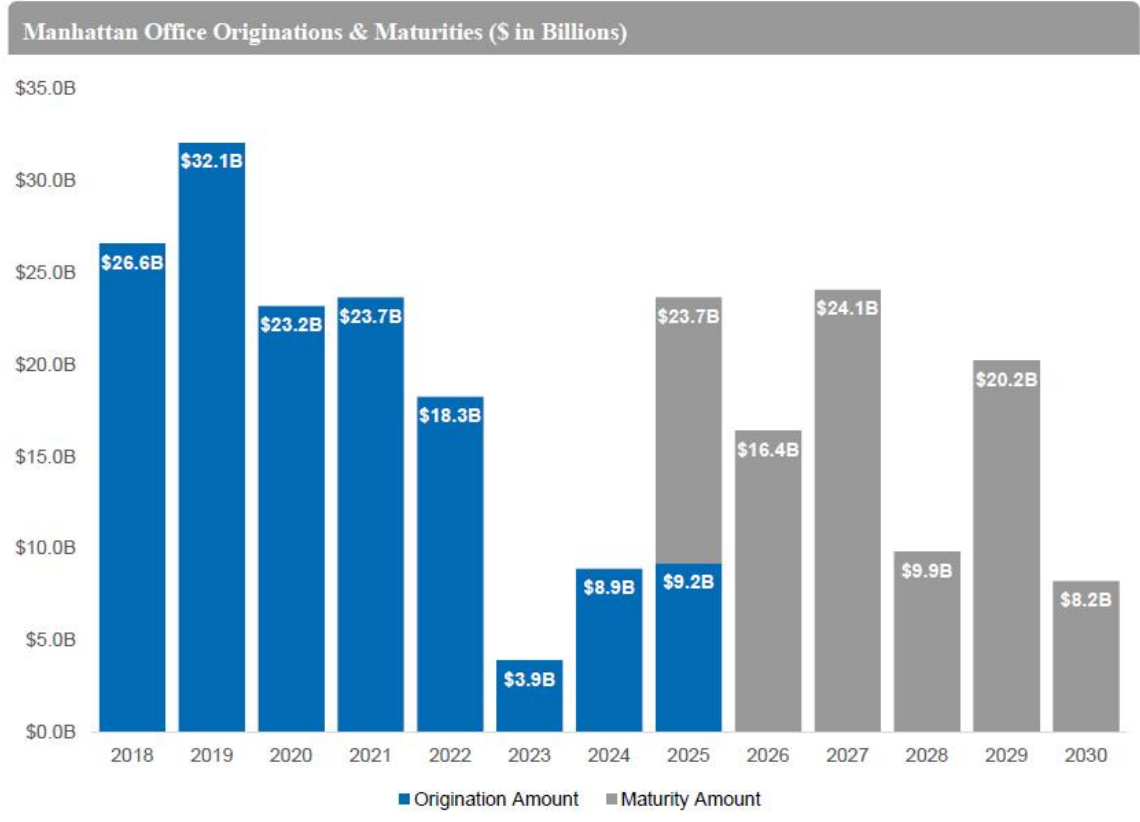
*Compiled by Newmark

MANHATTAN SALES VOLUME



Manhattan office sales volume recorded \$2.0 billion during the first quarter of 2025, a 162.8% increase over the first quarter of 2024 and the strongest first quarter since 2022. Midtown Manhattan was responsible for 73.6% of first quarter 2025 office sales, while Midtown South, Downtown, and Upper Manhattan were responsible for 16.3%, 5.7%, and 4.4%, respectively.

MANHATTAN OFFICE LENDING ANALYSIS



Source: Newmark Research, RCA data as of 4/3/25

Notable First Quarter 2025 Refinances



The Spiral
\$2.85B



MetLife Building
\$1.5B



375 Park Avenue
\$1.2B

Notable Maturities (Next 12 Months)



1211 Ave of Americas
\$2.85B



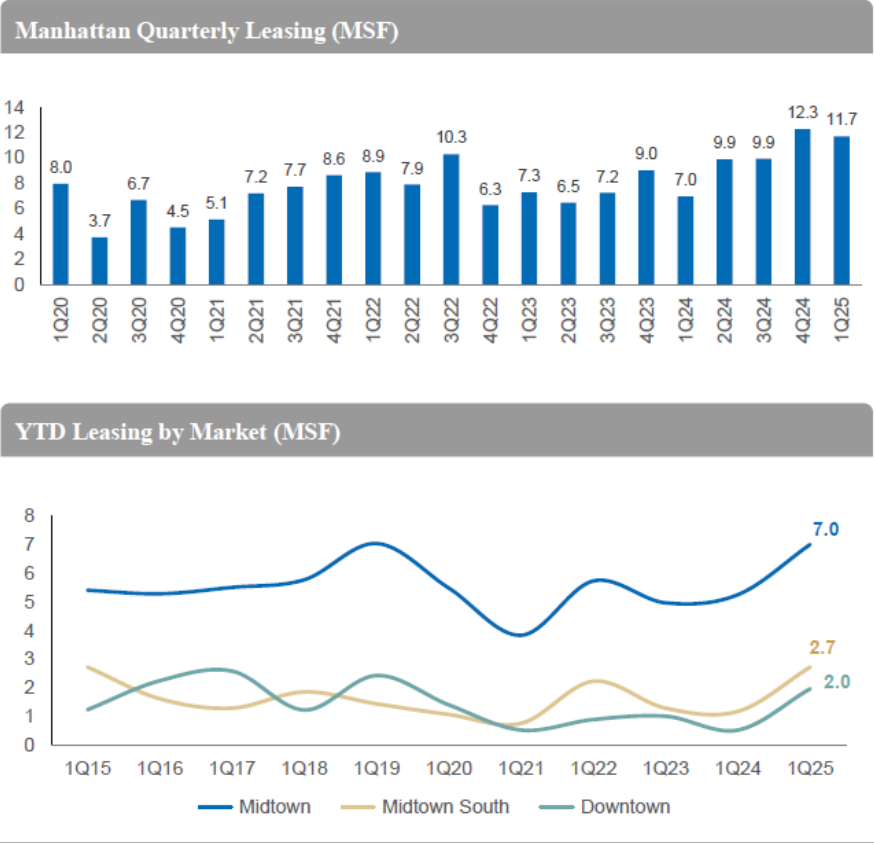
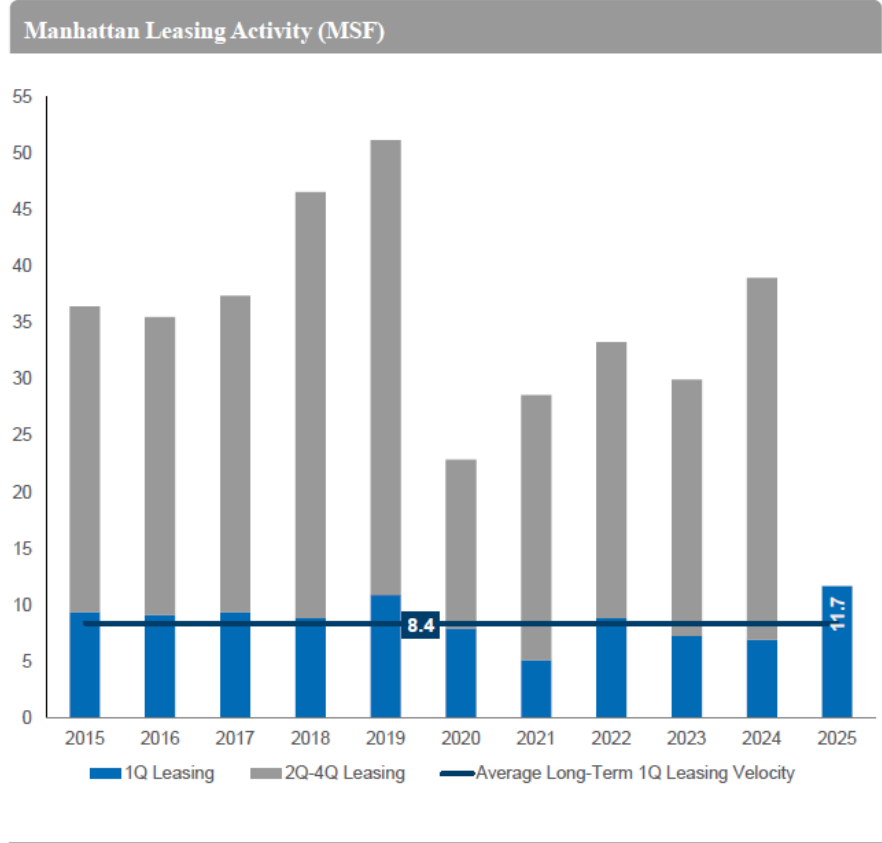
28 Liberty
\$1.0B



787 Seventh Ave
\$1.0B

Manhattan office loan originations totaled \$9.2 billion in the first quarter of 2025, already exceeding full year 2024 levels, as landlords are faced with securing new financing in less ideal lending market conditions than five or 10 years ago. Through 2027, there is an estimated \$64.2 billion mortgage maturities coming due. Notable refinancings this past quarter included The Spiral, MetLife Building, and the Seagram Building.

LEASING VELOCITY

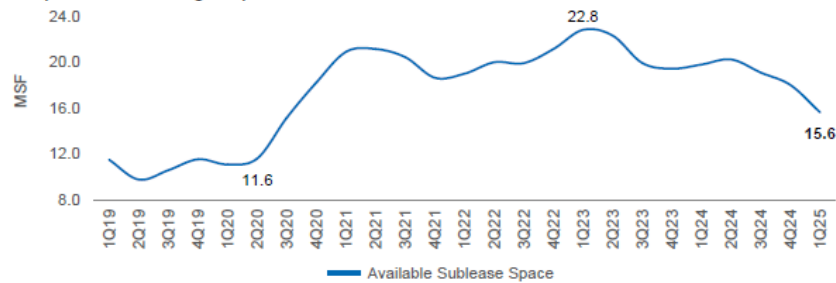


First quarter leasing totaled 11.7 million square feet of activity, 39.5% above the ten-year average. Midtown led quarterly activity which accounted for thirteen of the sixteen leases greater than 100,000 square feet signed in the first quarter and made up 59.9% of activity. Midtown South and Downtown accounted for 23.3% and 16.8% of quarterly activity, respectively.

MANHATTAN LEASING FUNDAMENTALS – COVID IN REARVIEW

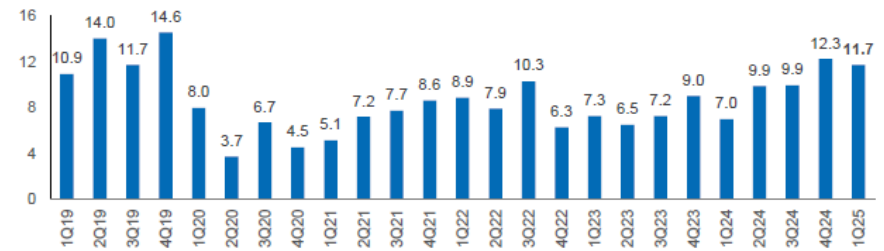
Available Sublease Space

Available sublease space has fallen by 7.2 MSF from the post-pandemic peak of 22.8 MSF in 1Q23. At 15.6 MSF, available sublease space is 4.1 MSF above pre-pandemic levels as more than 60.0% of the space added during the pandemic has been withdrawn or subleased.



Quarterly Leasing (MSF)

For the first time since 2019, leasing surpassed 10.0 MSF in two consecutive quarters. Activity remains below the 2019 average but has shown significant improvement over the past year.



Midtown Direct Availability by Class

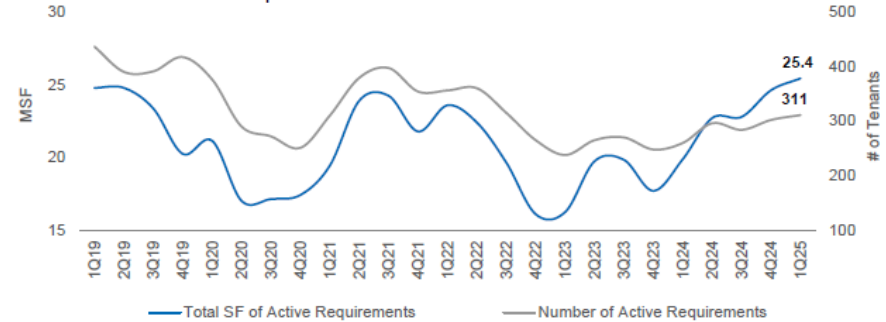
Midtown trophy and class A availability continues to decline due to increased demand for high-quality office space, while class B availability has nearly doubled in the past five years.



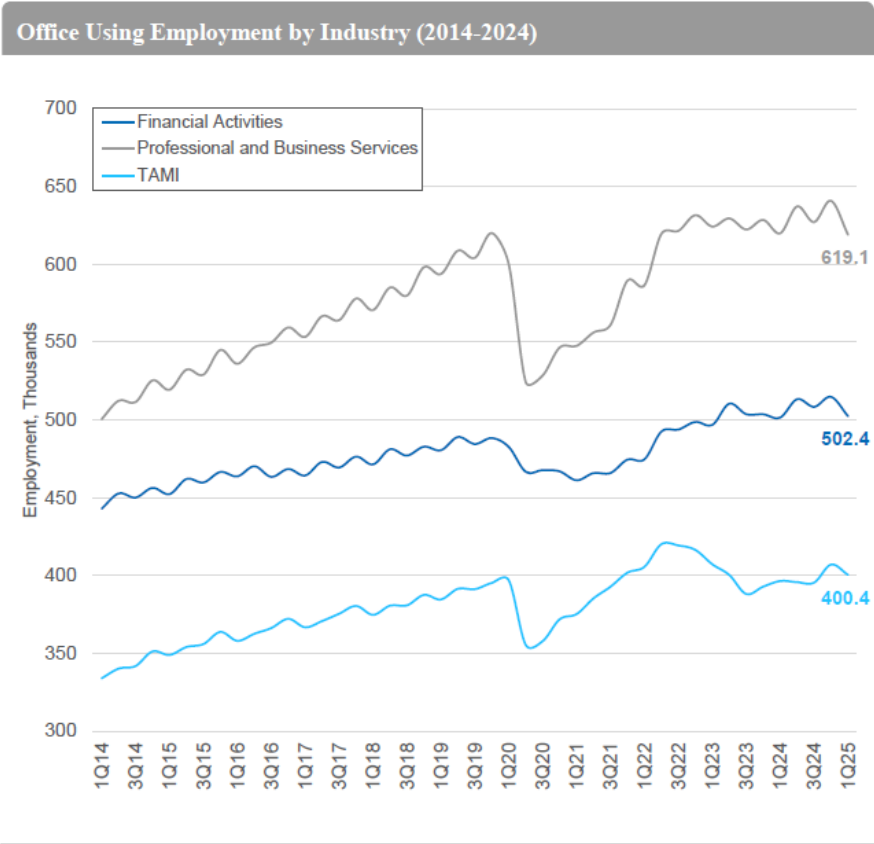
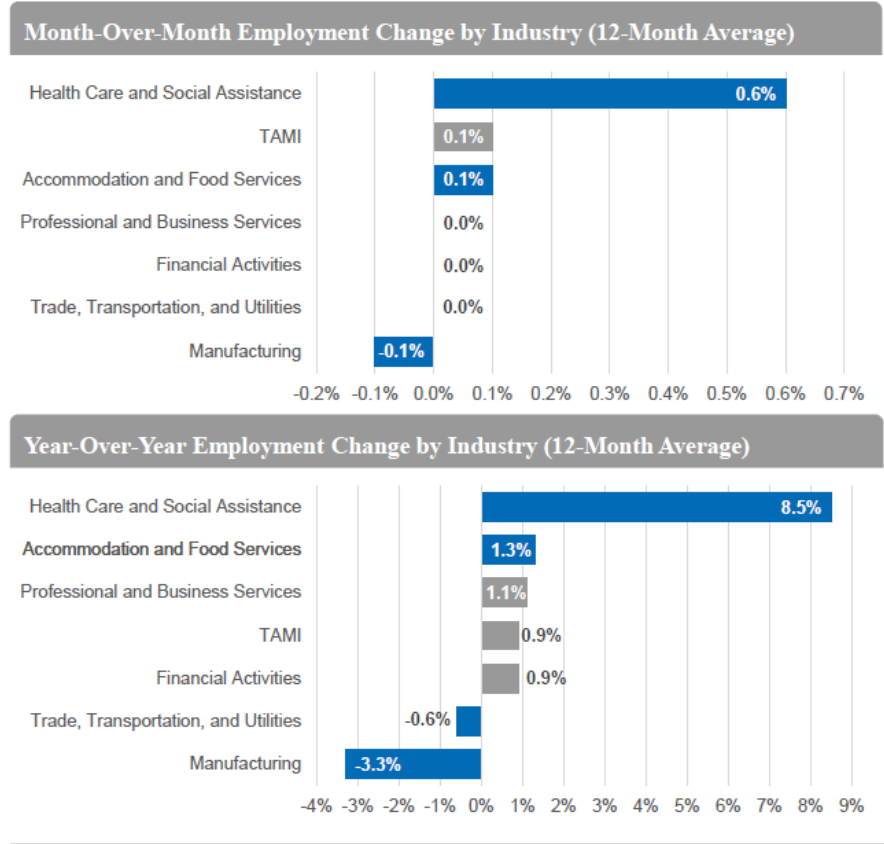
Source: Newmark Research

Total Square Footage of Active Requirements (MSF)

At 25.4 MSF, active tenant requirements are above 2019 levels, signaling robust future leasing. Demand has remained strong, particularly with financial and tech/media tenants, which represent more than 60.0% of total requirements.



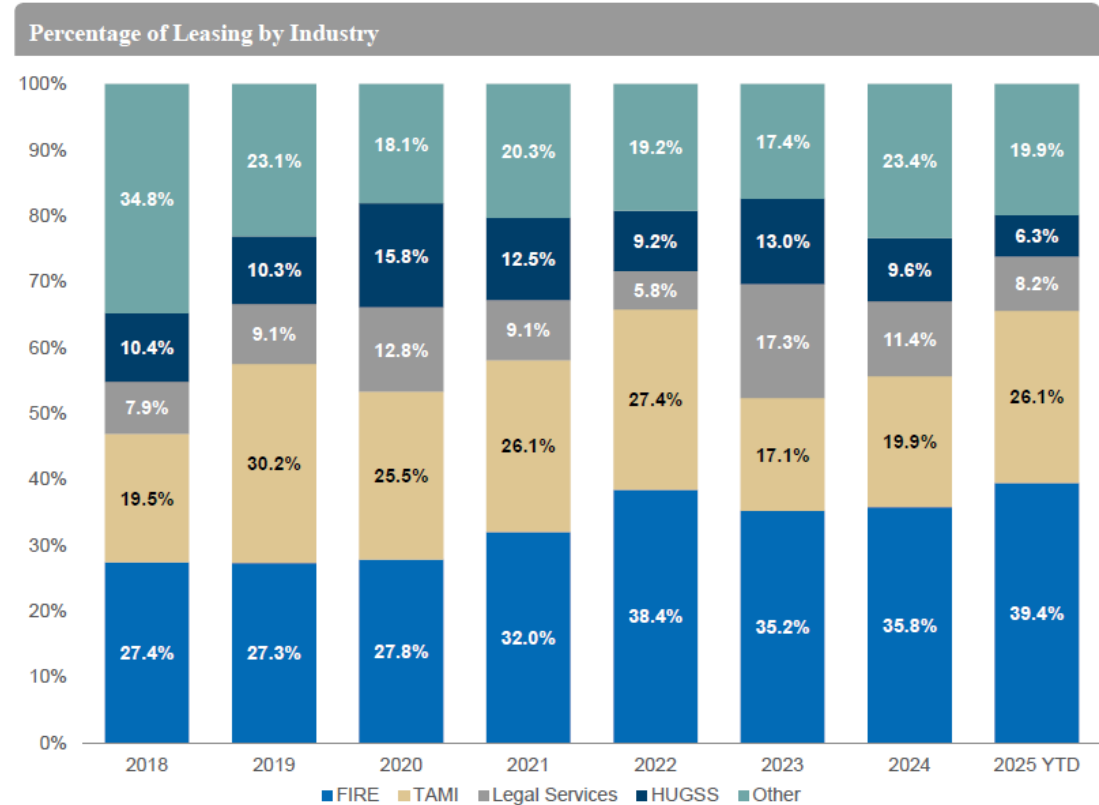
NEW YORK CITY EMPLOYMENT



Note: February 2025 data is preliminary. TAMI employment includes the following industries: Information, Computer System Design and Related Services, Scientific Research and Development Services and Advertising, Public Relations, and Related Services.
Sources: US Bureau of Labor Statistics, Newmark Research

New York City office-using industries have rebounded from their five-year lows, yet recent employment data illustrates that the TAMI industry is 5.8% below it’s employment peak from 2022.

LEASING BY INDUSTRY



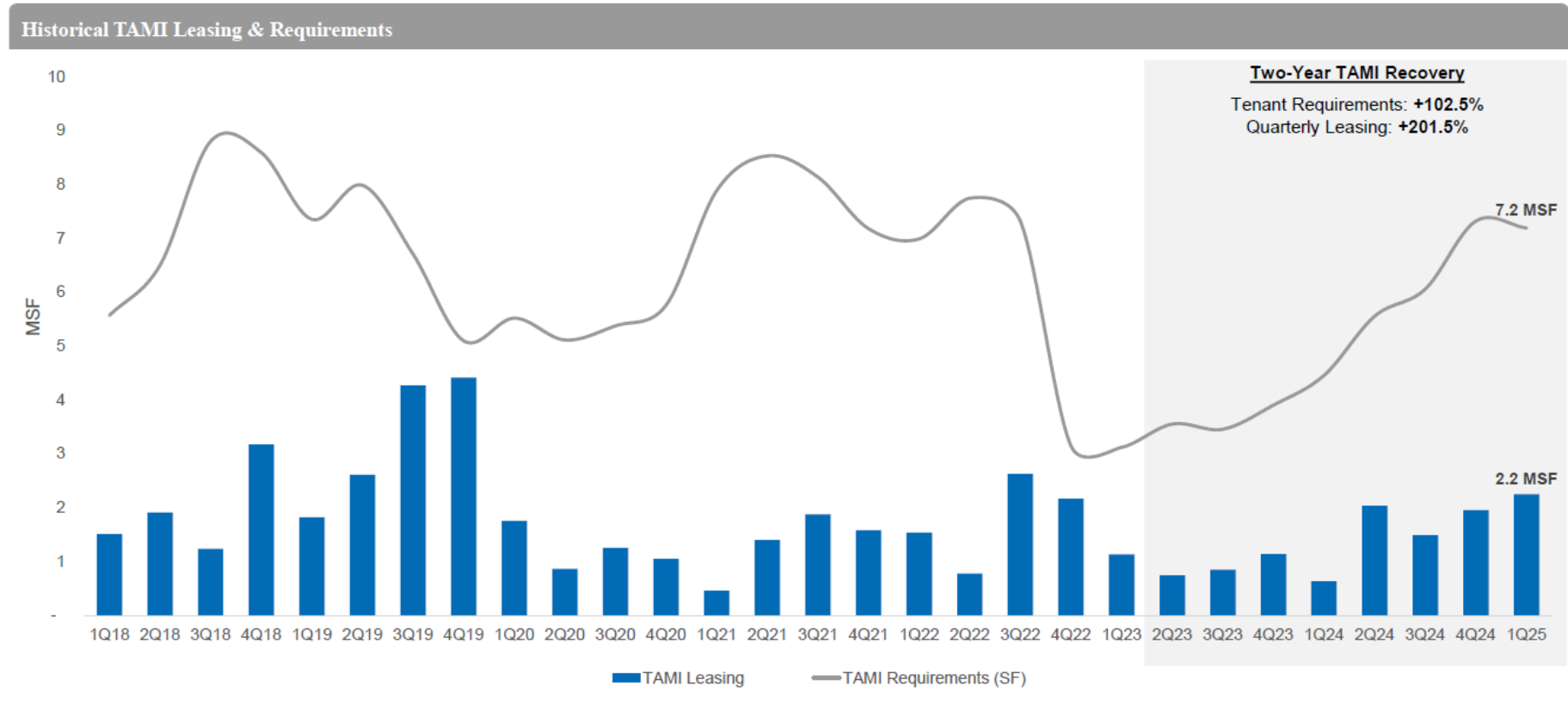
Source: Newmark Research

FIRE leasing surpassed the previous high in 2022, accounting for 39.4% of first quarter leasing, led by Jane Street’s renewal & expansion at 250 Vesey Street. TAMI leasing continued its upward trajectory as Horizon Media and Universal Music Group both completed deals greater than 300,000 square feet.

Notable 2025 Deals by Industry

Knitwell Group	7 Times Square	191,258 SF
ARUP	140 Broadway	99,418 SF
Axsome Therapeutics	1 World Trade Center	96,293 SF
FDIC	1166 Ave. of the Americas	147,543 SF
Goodwin Procter	200 Fifth Avenue	244,433 SF
Horizon Media	75 Varick Street	360,000 SF
Universal Music Group	2 Penn Plaza	333,516 SF
Amazon	237 Park Avenue	193,431 SF
Jane Street Group	250 Vesey Street	983,791 SF
Banco Santander	437 Madison Avenue	191,667 SF
Mizuho Corporate Bank	1285 Ave. of the Americas	151,409 SF
Sumitomo	277 Park Avenue	111,000 SF

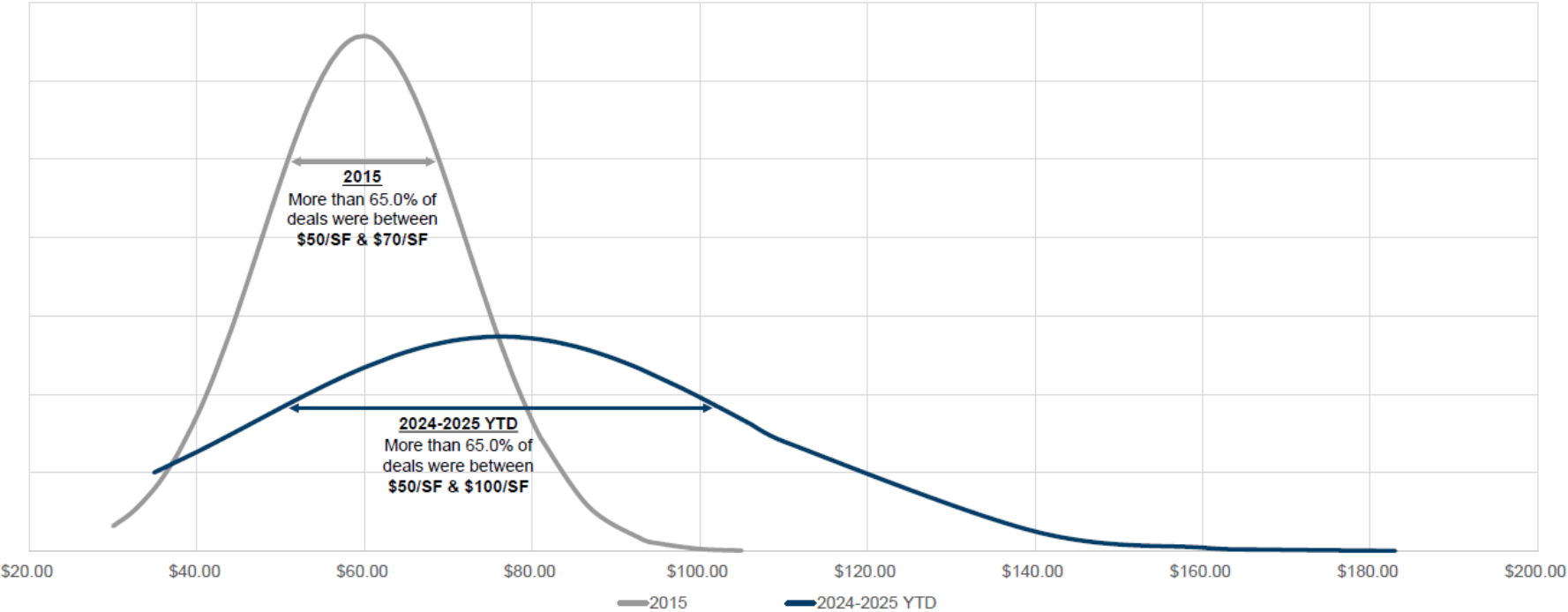
TAMI ACTIVITY



Source: Newmark Research

There has been steady growth in New York City’s TAMI sector requirements since the first half of 2023, while TAMI leasing has increased over the previous three quarters. Over the past 10 years, TAMI leasing has routinely lagged behind TAMI requirements by 2 quarters, signaling continued strength for 2025.

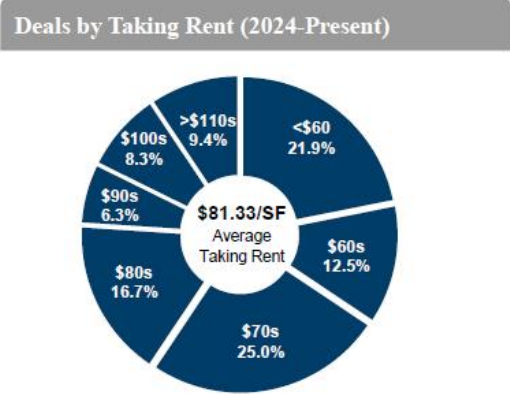
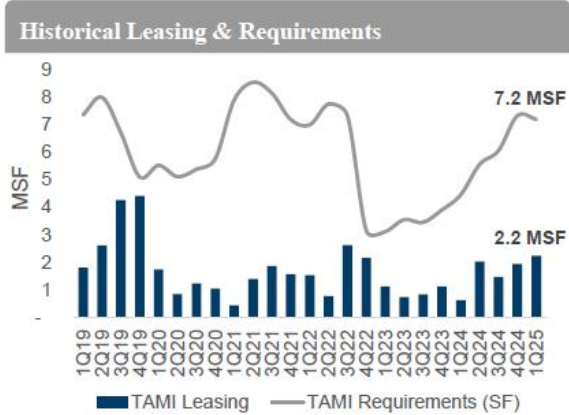
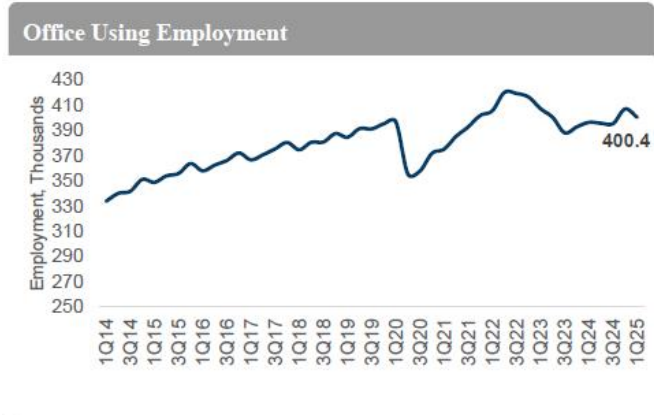
Base Taking Rents for TAMI Tenants



Note: Taking rents are based on direct deals with 5+ year term
Source: Newmark Research

Over the past 10 years, the distribution of taking rents for TAMI deals has widened, while shifting higher. In 2015, the majority of leases occurred in the \$50.00 per square foot to \$70.00 per square foot range. In 2024, the low end remained consistent, but the high end shifted to \$100.00 per square foot.

TECH MARKET OVERVIEW



Recent Transactions

				
11 Penn Plaza	85 Tenth Avenue	1 Madison Avenue	295 Lafayette Street	51 Astor Place
Apple	Google	IBM	OpenAI	Intuit
397,894 SF	297,000 SF	92,663 SF	90,000 SF	76,203 SF
Sublease Expansion & Extension	Direct Renewal	Direct Expansion	Direct New	Direct Expansion

Select Upcoming Tenant Requirements

Tenant	Size (SF)	Current Location
Amazon	800K+ (Two 400K+ req.)	Multiple Locations
Salesforce	500K+	Three Bryant Park
Snap	150K+	229 W 43rd Street
SiriusXM	100K+	1221 AoA/125 Park
MongoDB	100K+	1633 Broadway

Note: Taking rents based on direct deals greater than 5,000 SF and 5+ year term. 1Q25 employment through Feb-25.
Sources: US Bureau of Labor Statistics, Newmark Research

TAMI employment has stabilized after decreasing from historic highs in 2022. Leasing within tech and media industries has steadily risen over the past two years along with new tenant requirements, signaling future leasing increases. Notable requirements include Amazon, Salesforce, Snap, SiriusXM and MongoDB as well as several Artificial Intelligence firms expanding into and within NYC.

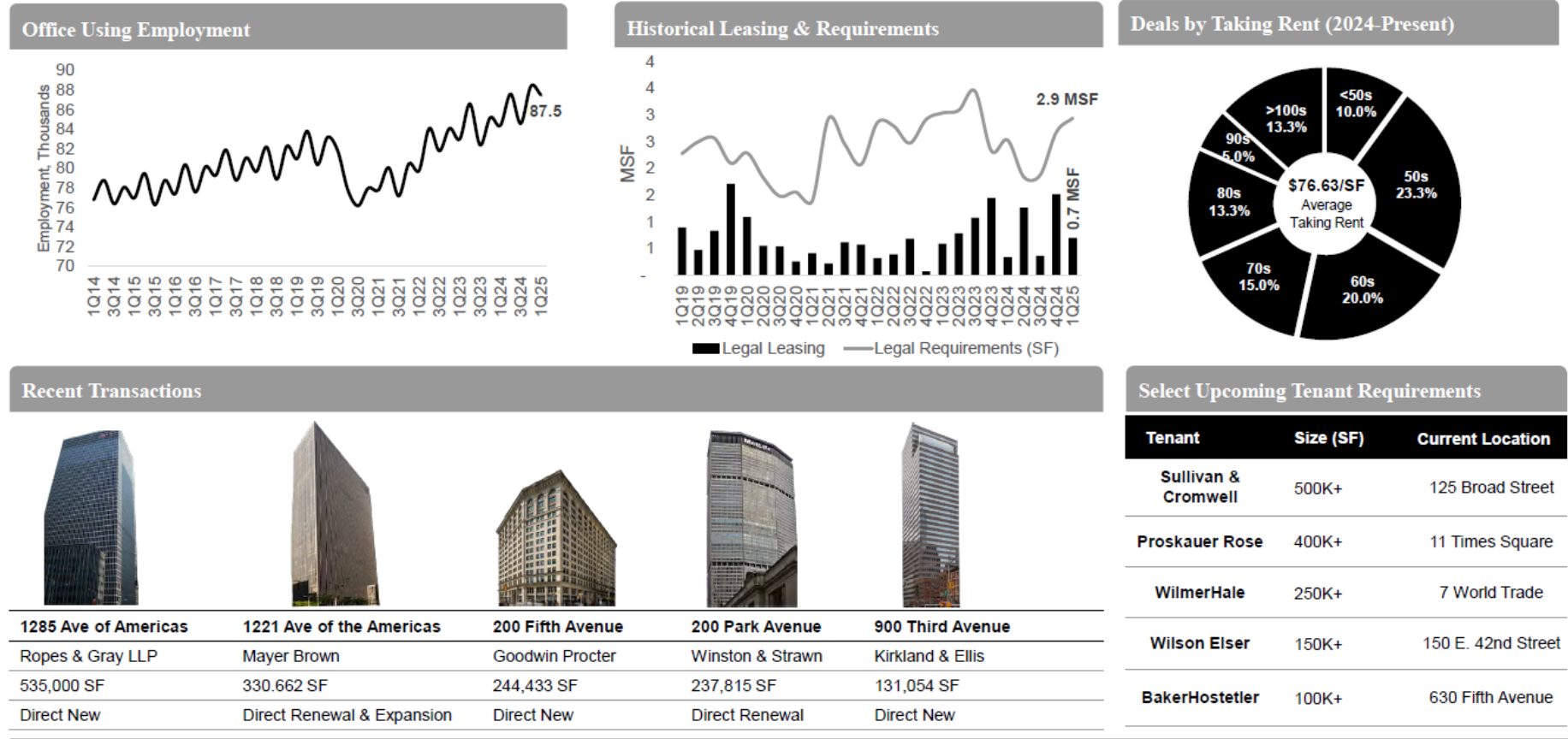
FINANCIAL SERVICES MARKET OVERVIEW



Note: Taking rents based on direct deals greater than 5,000 SF and 5+ year term.
Sources: US Bureau of Labor Statistics, Newmark Research

Financial Services Employment decreased to begin 2025 but has been above pre-pandemic levels for the past 2 years. FIRE leasing in the second half of 2024 reached its highest point since 2018, driven by large deals by Blackstone and Citadel. The average taking rent for FIRE tenants since 2024 eclipsed \$100 per square foot with nearly 25.0% of the deals occurring in the \$100 per square foot to \$150 per square foot range.

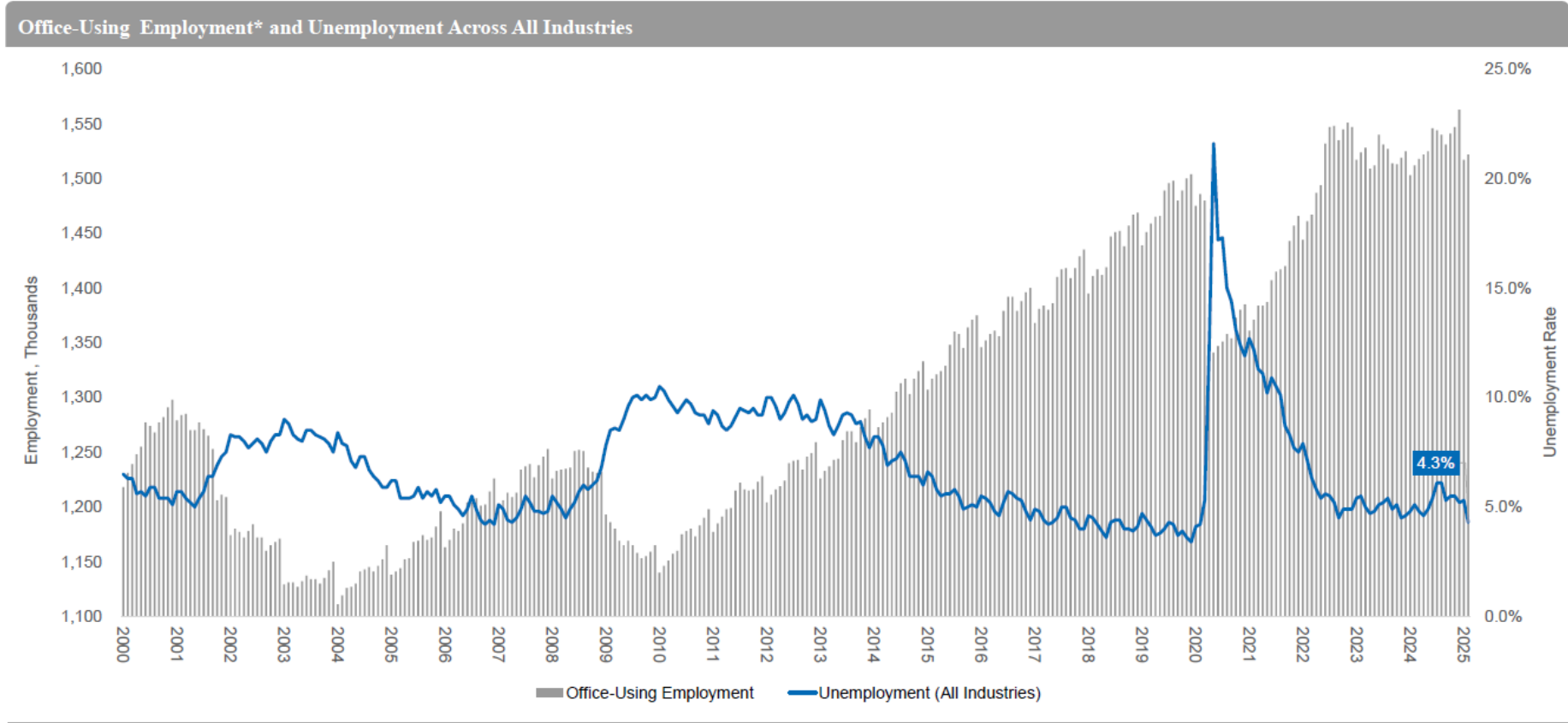
LEGAL SERVICES MARKET OVERVIEW



Note: Taking rents based on direct deals greater than 5,000 SF and 5+ year term.
Sources: US Bureau of Labor Statistics, Newmark Research

Legal services employment has eclipsed pre-pandemic levels after declining in 2020 and 2021. Leasing slowed in the first quarter, but has been elevated since the second half of 2023, as several large transactions closed including Paul Weiss, Davis Polk and Ropes & Gray. More than 50.0% of Legal Services deals since 2024 have a taking rent less than \$80.00 per square foot, which is driven by discounted rents in the Downtown market.

OFFICE USING EMPLOYMENT



Source: U.S. Bureau of Labor Statistics, New York City
Note: February 2025 data is preliminary.
*Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.

Despite dropping below the previously recorded high in December 2024, the number of office-using jobs has rebounded from a five-year low to 1.5 million. Local unemployment has followed national trends, decreasing after earlier slowdowns in hiring while the labor force continued to grow.

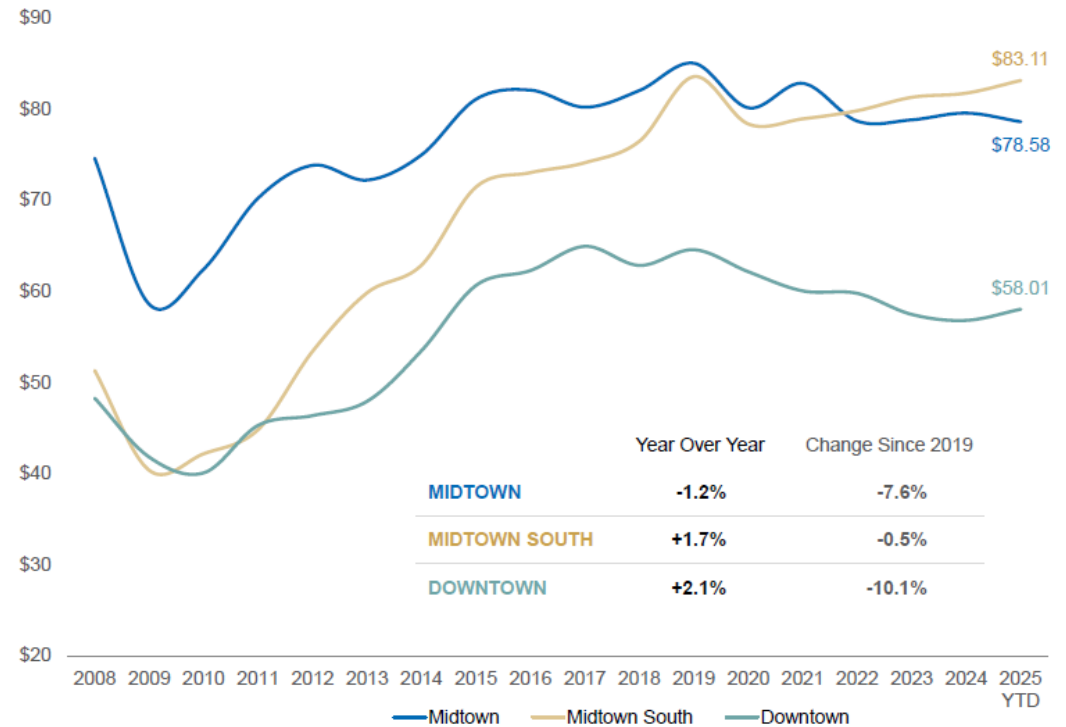
ASKING RENTS

Average Asking Rent Market/Submarket 1Q25 (\$/SF)

MANHATTAN	\$74.80
MIDTOWN	\$78.58
Eastside	\$67.60
Far West Side	\$131.30
Grand Central	\$67.92
Murray Hill	\$61.52
Park Avenue	\$118.37
Penn District	\$73.81
Plaza District	\$111.61
Sixth Avenue/Rock Center	\$93.87
Times Square	\$70.84
Times Square South	\$52.05
Westside	\$66.49
MIDTOWN SOUTH	\$83.11
Chelsea	\$79.70
East Village	\$76.22
Flatiron/Union Square	\$80.02
Hudson Square/Meatpacking	\$86.70
Noho/Soho	\$100.02
DOWNTOWN	\$58.01
Downtown East	\$54.35
Downtown West	\$61.53
Tribeca/City Hall	\$70.52

Source: Newmark Research

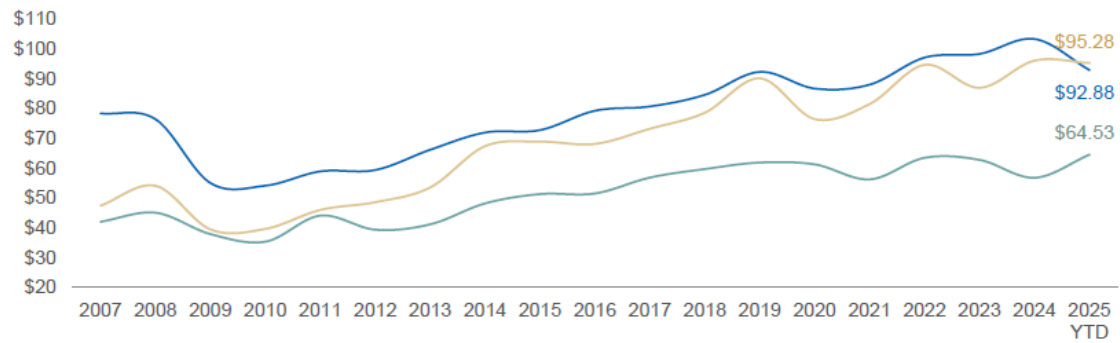
Average Asking Rent by Market 1Q25 (\$/SF)



Manhattan asking rents dropped \$0.03 per square foot from the previous quarter to \$74.80 per square foot. Midtown led rate decreases for a second quarter due to high-quality space leasing, dropping \$0.95 per square foot quarter-over-quarter.

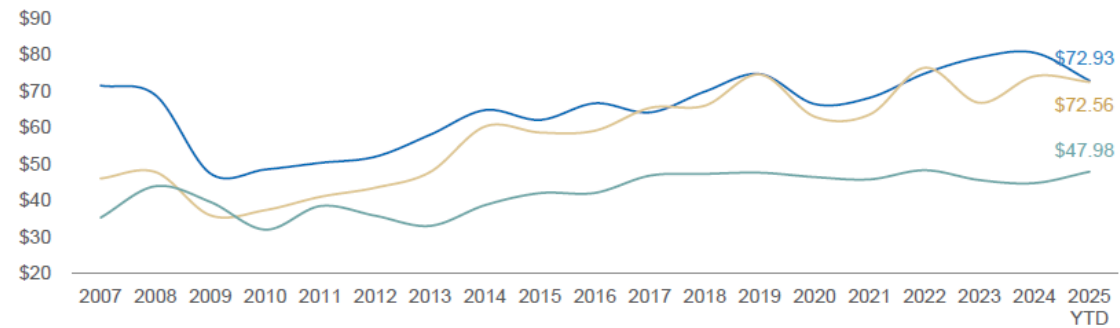
RENTAL RATE TRENDS

Base Taking Rents



	Year Over Year	Change Since 2019
MIDTOWN	-10.1%	0.6%
MIDTOWN SOUTH	-0.8%	5.7%
DOWNTOWN	13.7%	4.3%

Net Effective Rents

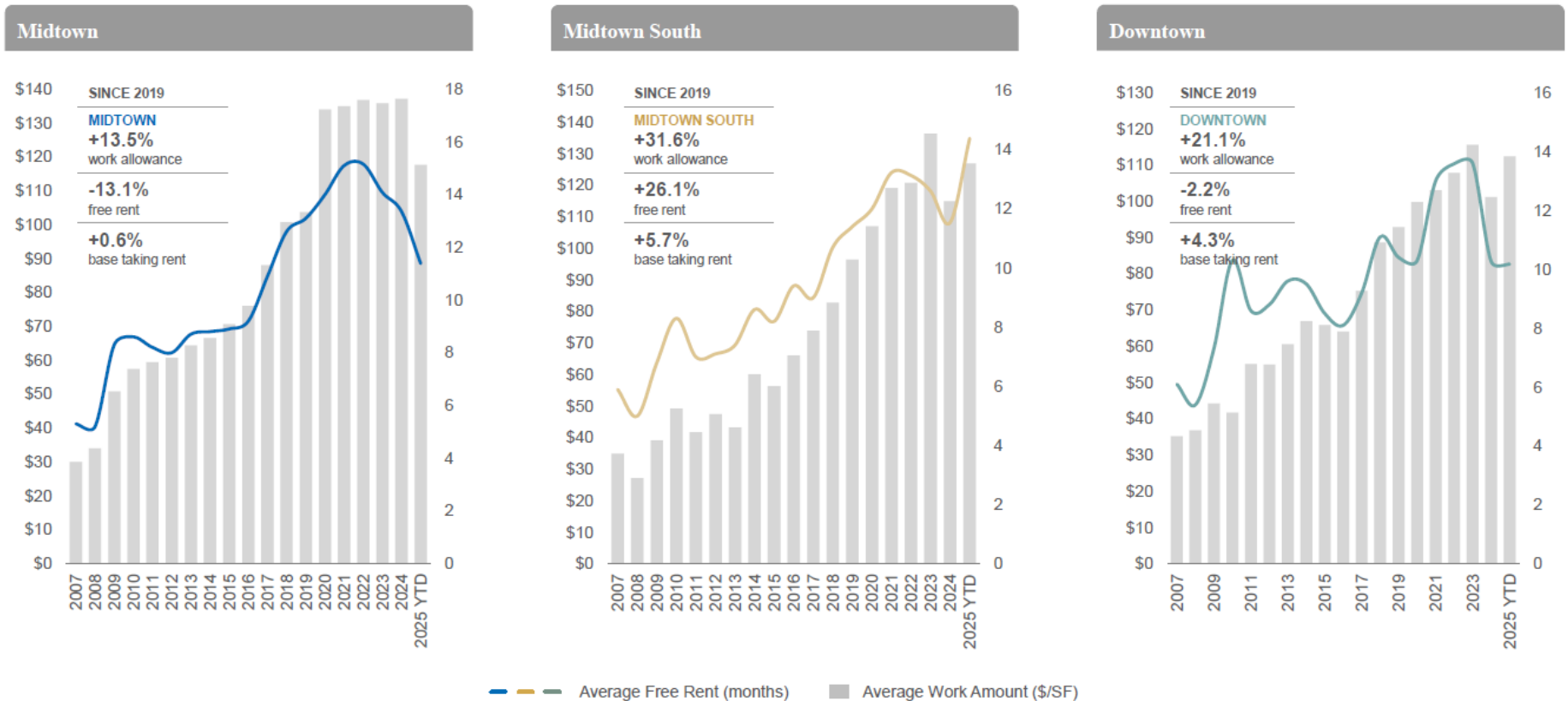


	Year Over Year	Change Since 2019
MIDTOWN	-9.5%	-2.5%
MIDTOWN SOUTH	-2.2%	-2.7%
DOWNTOWN	0.6%	6.9%

Note: Taking and net effective rents are based on direct deals with 5+ year term
Source: Newmark Research

Midtown base taking and net effective rents were both down during the first quarter, as several large deals closed with taking rents of less than \$80.00 per square foot. As the top end of the Midtown market has tightened, more deals are happening in mid-tier assets.

CONCESSIONS ANALYSIS

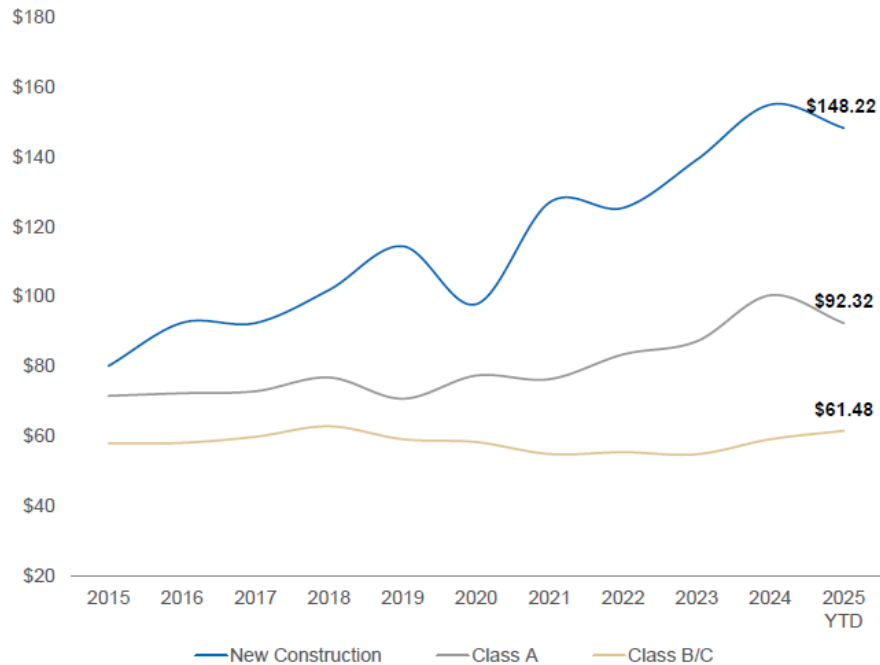


Note: Concessions are based on direct deals with 5+ year term. Changes in concessions are from 2019-Present.
 Source: Newmark Research

Midtown concessions were down to start the year as a greater share of deals were completed in mid-tier assets. As the class A market leases less space due to constrained availability, a greater share of the transactions occurred in commodity assets with landlords giving less concessions.

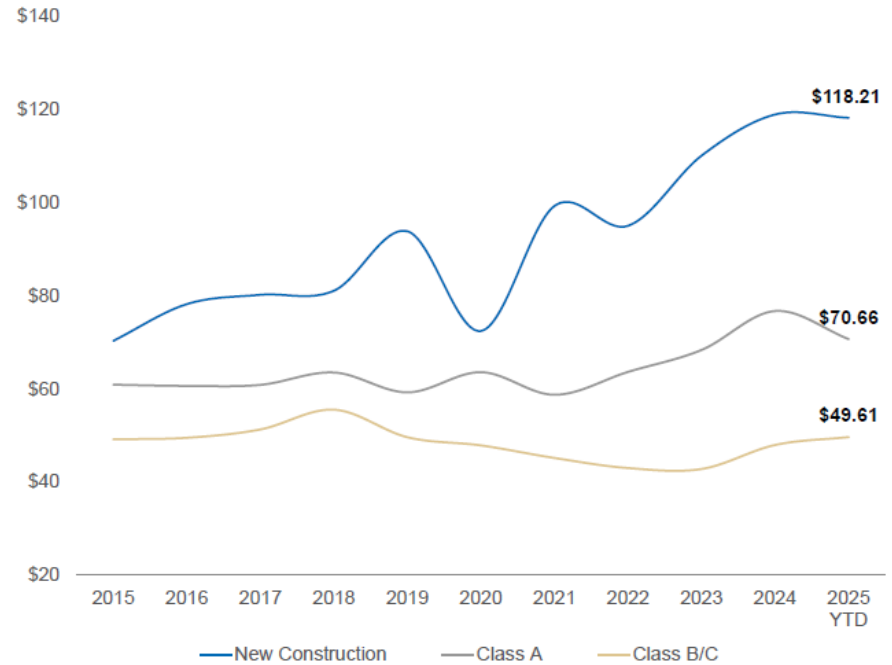
FLIGHT TO QUALITY – TAKING & NET EFFECTIVE RENT COMPARISON

Base Taking Rents by Class



	2015-2018	2019-2025 YTD
New Construction Premium Compared to Class A	+24.9%	+54.2%
Class A Premium Compared to Class B/C	+23.0%	+45.9%

Net Effective Rents by Class

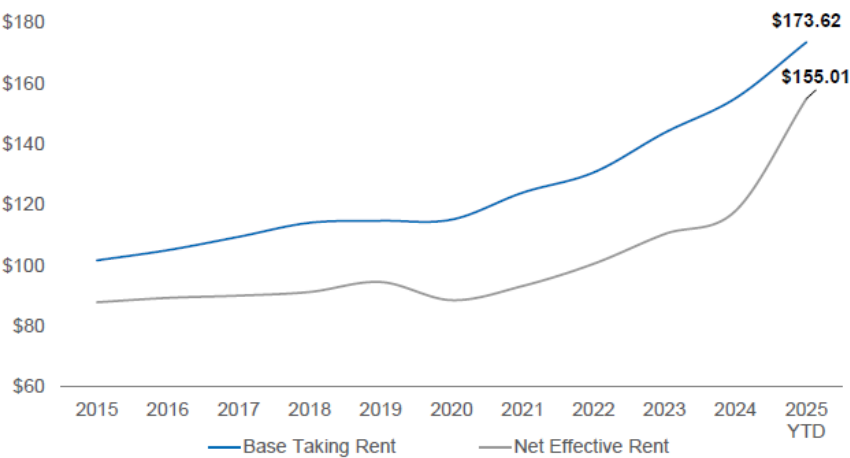


	2015-2018	2019-2025 YTD
New Construction Premium Compared to Class A	+26.0%	+53.5%
Class A Premium Compared to Class B/C	+19.0%	+41.8%

Note: Rents are based on direct deals with 5+ year term. New construction is defined as any building that have been built or undergone full renovation since 2010.
Source: Newmark Research

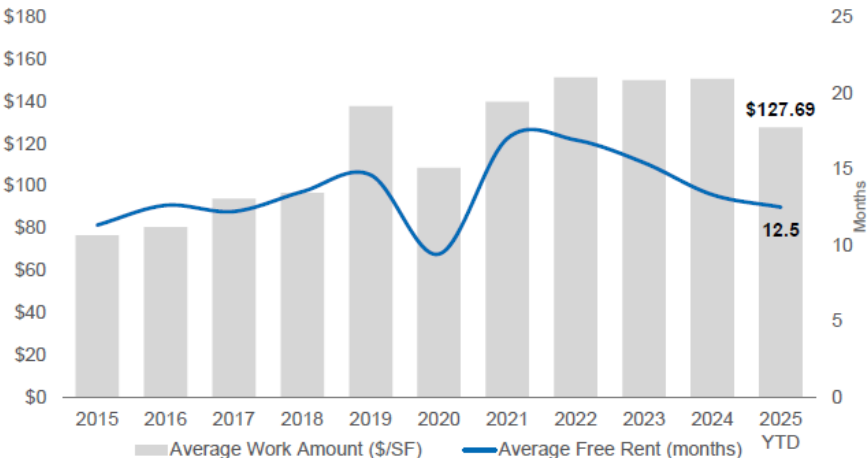
FLIGHT TO QUALITY – MIDTOWN TROPHY RENT & CONCESSIONS

Historical Base Taking and Net Effective Rents



	Base Taking Rent	Net Effective Rent
2024	\$155.13	\$117.99
2025 YTD	\$173.62	\$155.01
YoY Change	+11.9%	+31.4%

Historical Work Allowance and Free Rent

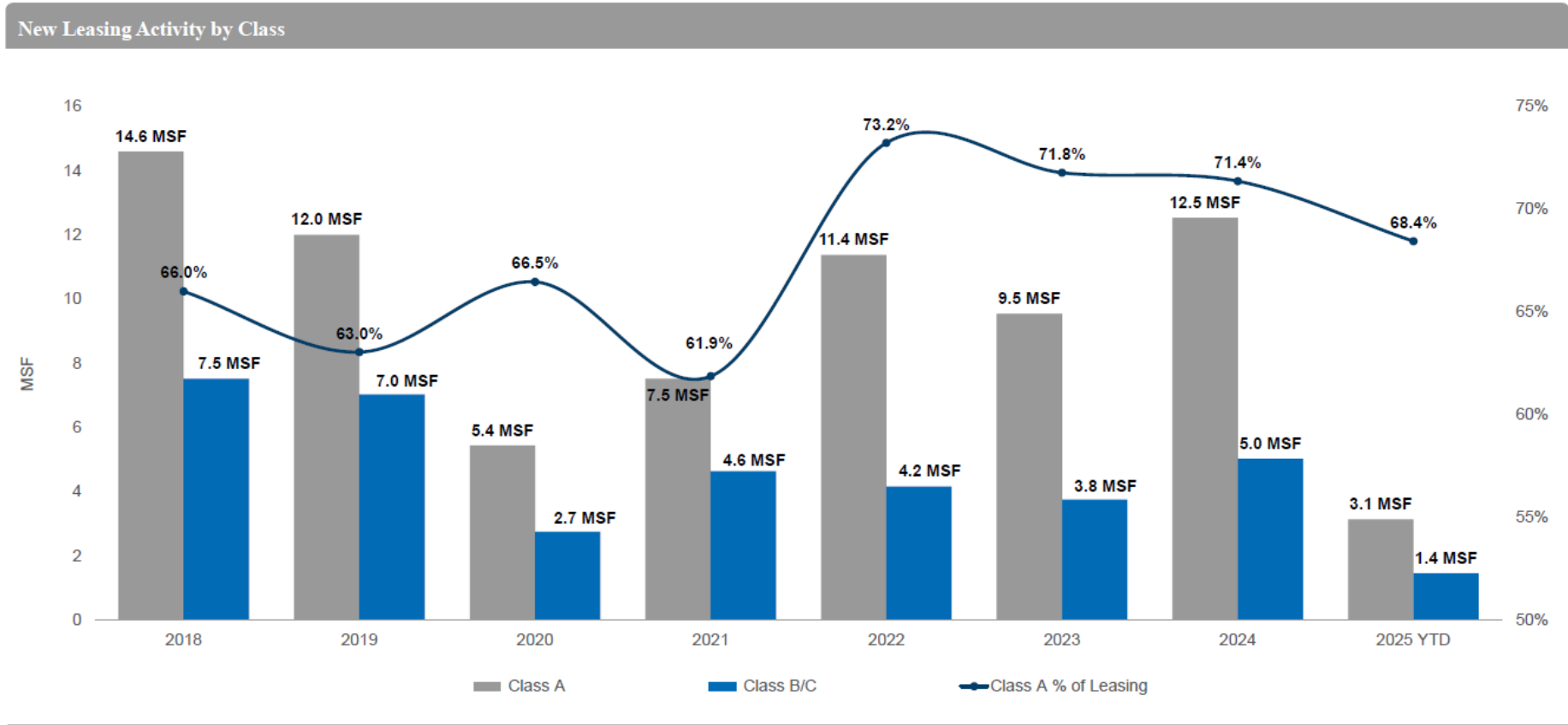


	Work Allowance	Free Rent
2024	\$150.68	13.3 Months
2025 YTD	\$127.69	12.5 Months
YoY Change	-7.2%	-14.5%

Note: Taking rents, net effective rents and concessions are based on direct deals with 5+ year term.
Source: Newmark Research

Midtown trophy base taking and net effective rents were both up to start the year. As demand for trophy space has sustained at high levels, concessions have begun shifting downwards.

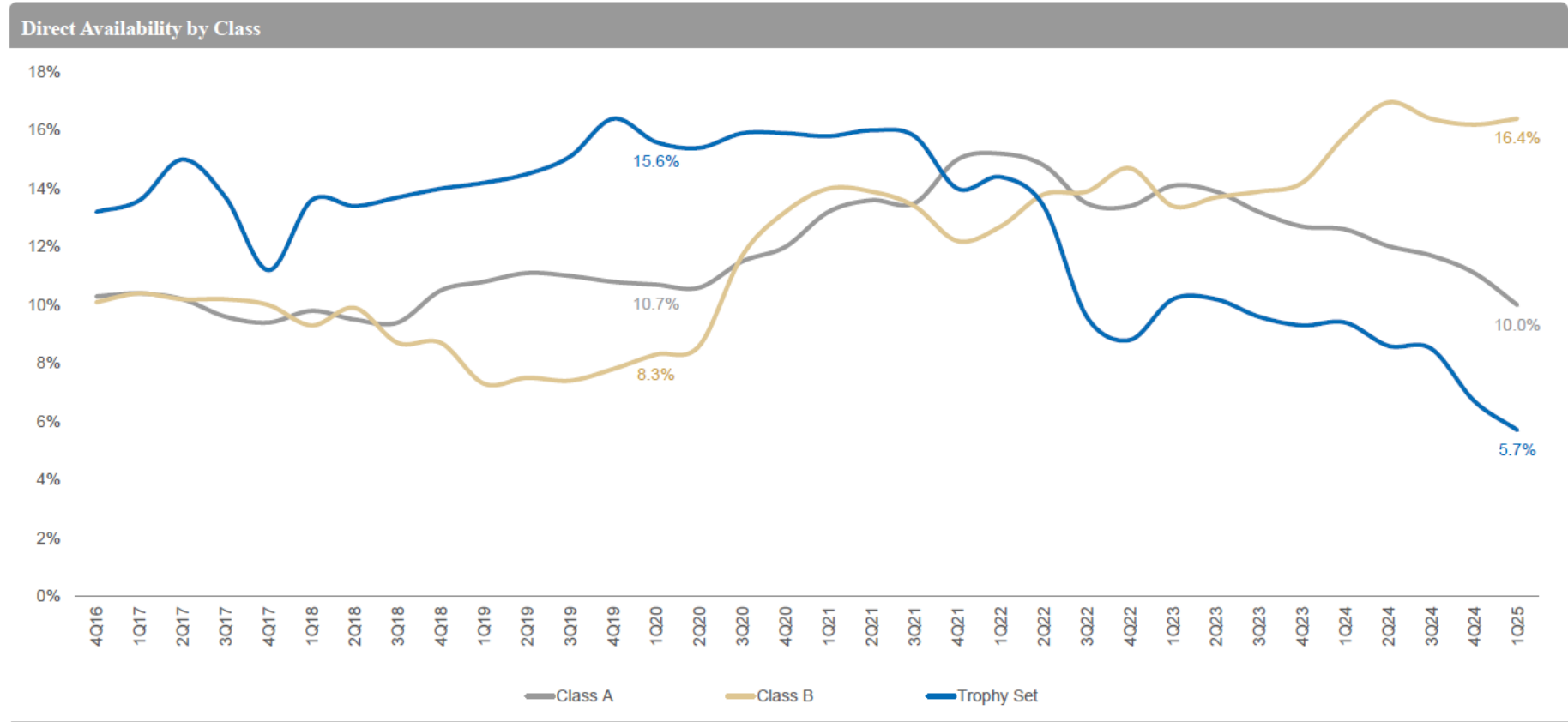
FLIGHT TO QUALITY – LEASING ACTIVITY



Note: Excludes renewals/extensions/expansions
Source: Newmark Research

68.4% of Midtown new leasing activity occurred in class A assets during the first quarter. The slight decline in concentration of class A leasing is more indicative of the lack of high-quality space, rather than a slowdown in demand.

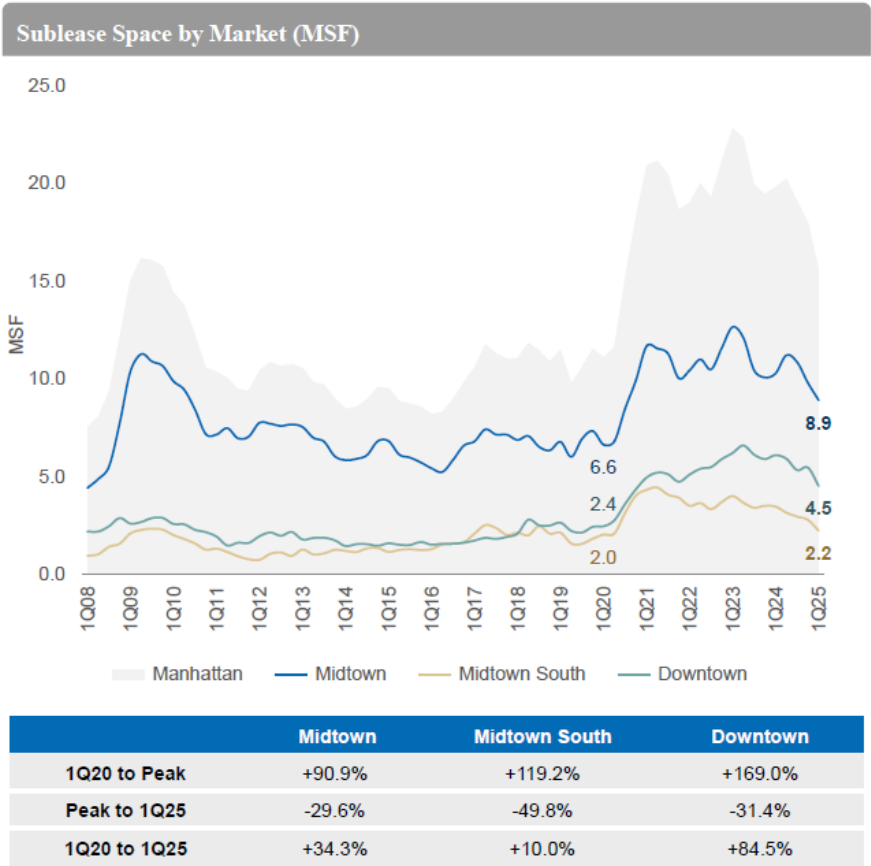
MIDTOWN AVAILABILITY RATE BY CLASS AND TROPHY SET



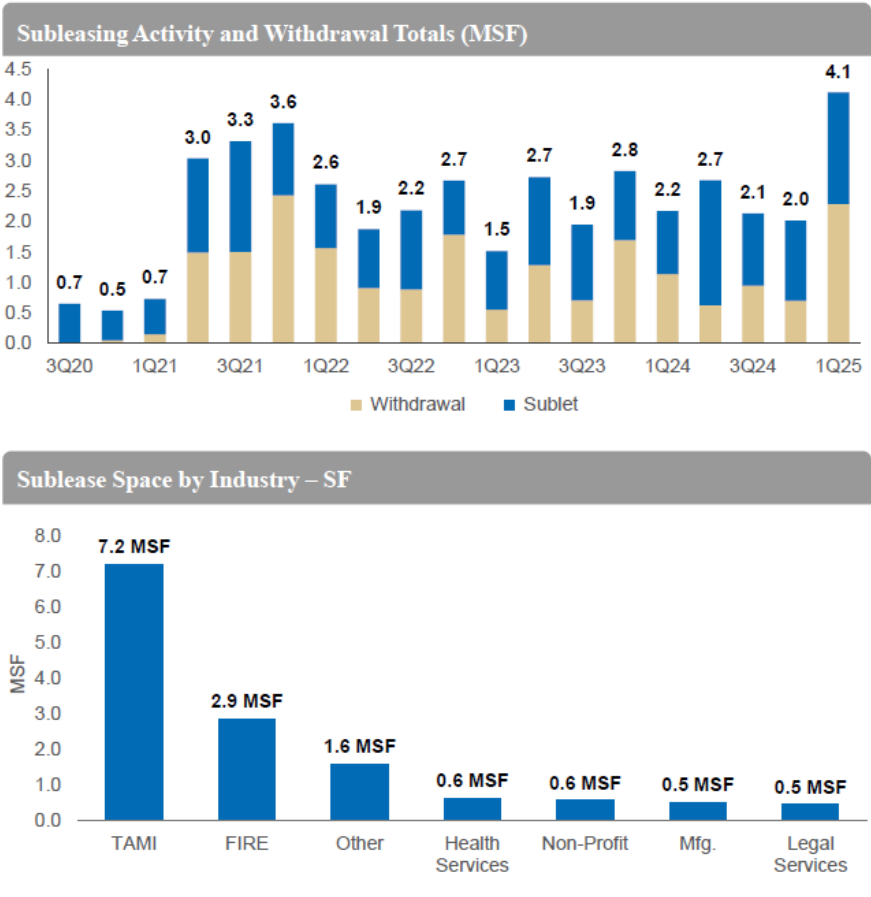
Source: Newmark Research

Over the past five years, Midtown Trophy availability declined from 15.6% to 5.7%, while class B availability increased from 8.3% to 16.4%. There has been a market shift since the beginning of 2020, with tenants in greater demand for high-quality space.

MANHATTAN SUBLEASE SPACE TRACKER

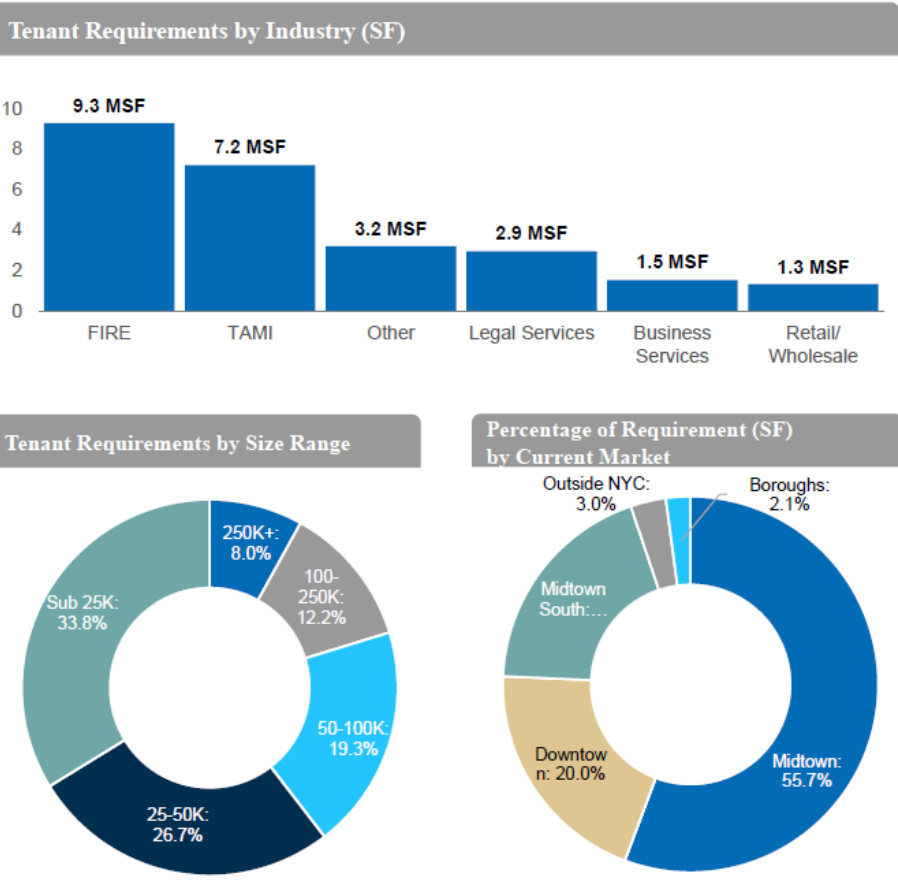
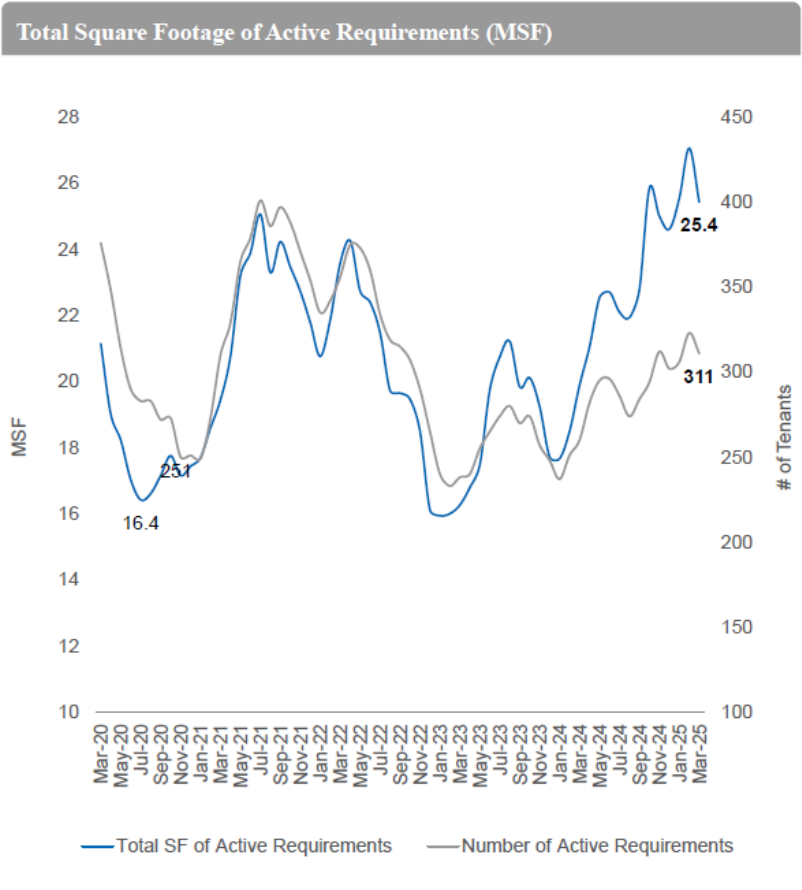


Source: Newmark Research



Available sublease space decreased to 15.8 million square feet, currently just 4.1 million square feet above pre-pandemic levels with 2.4 million square feet removed from the market since year-end 2024.

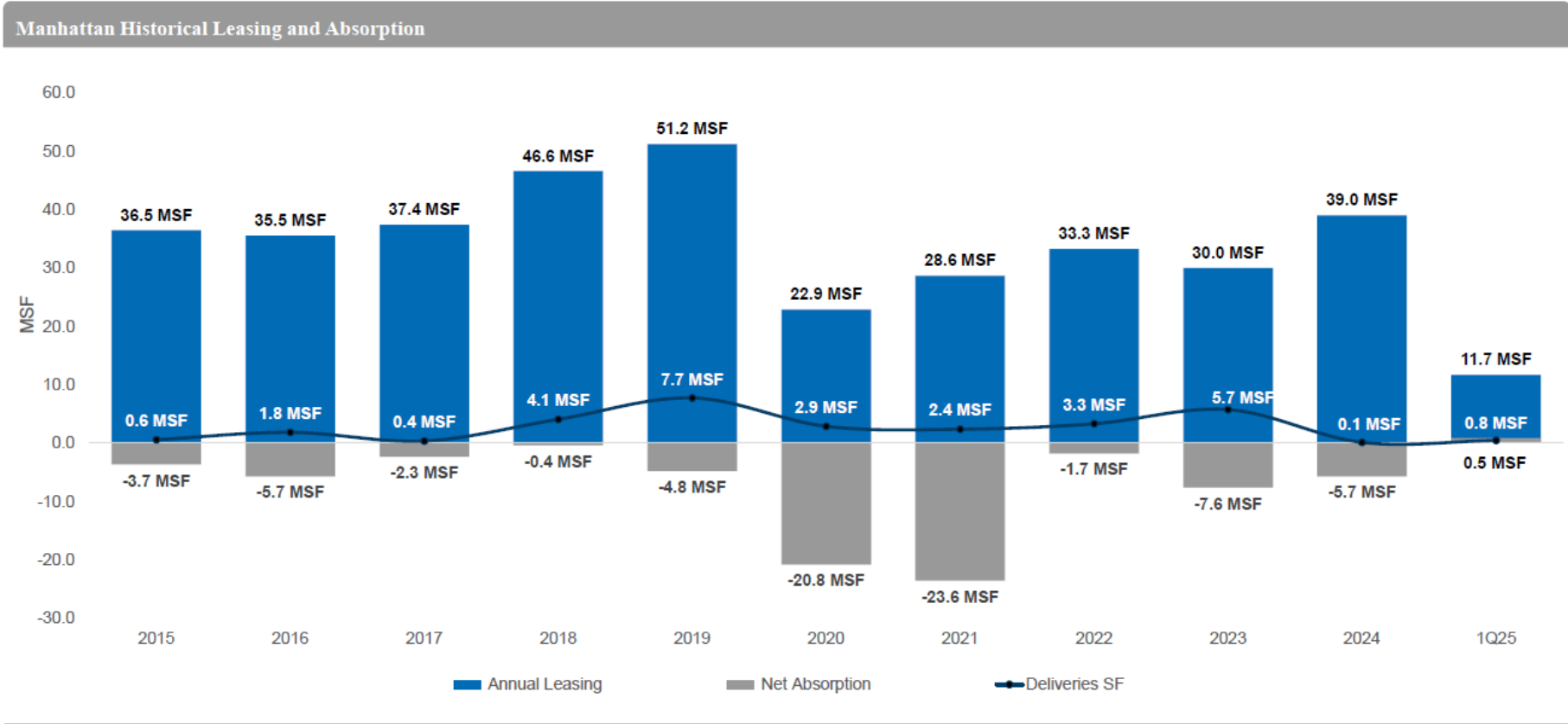
CHANGES IN DEMAND – ACTIVE TENANTS IN THE MARKET



Source: Newmark Research

Demand for office space remains strong with 25.4 million square feet of active requirements, representing a greater volume than the 2019 average of 23.3 million square feet.

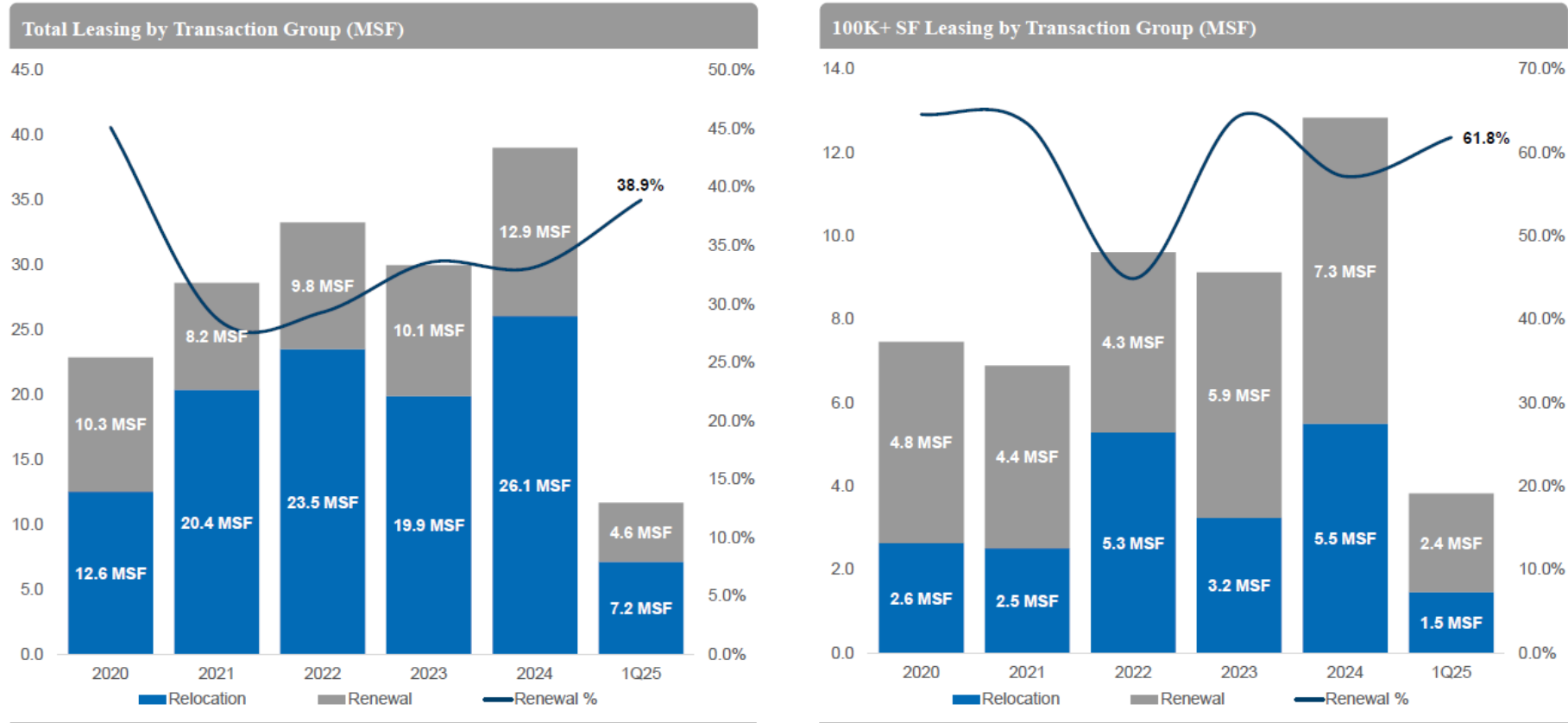
LEASING AND ABSORPTION



Source: Newmark Research

Net absorption ended the first quarter at 820,921 square feet, marking the first set of consecutive quarters of positive absorption since 2017. Manhattan has delivered 29.0 million square feet of newly constructed space in the last 10 years, however only 0.5 million square feet remains on track to deliver this year.

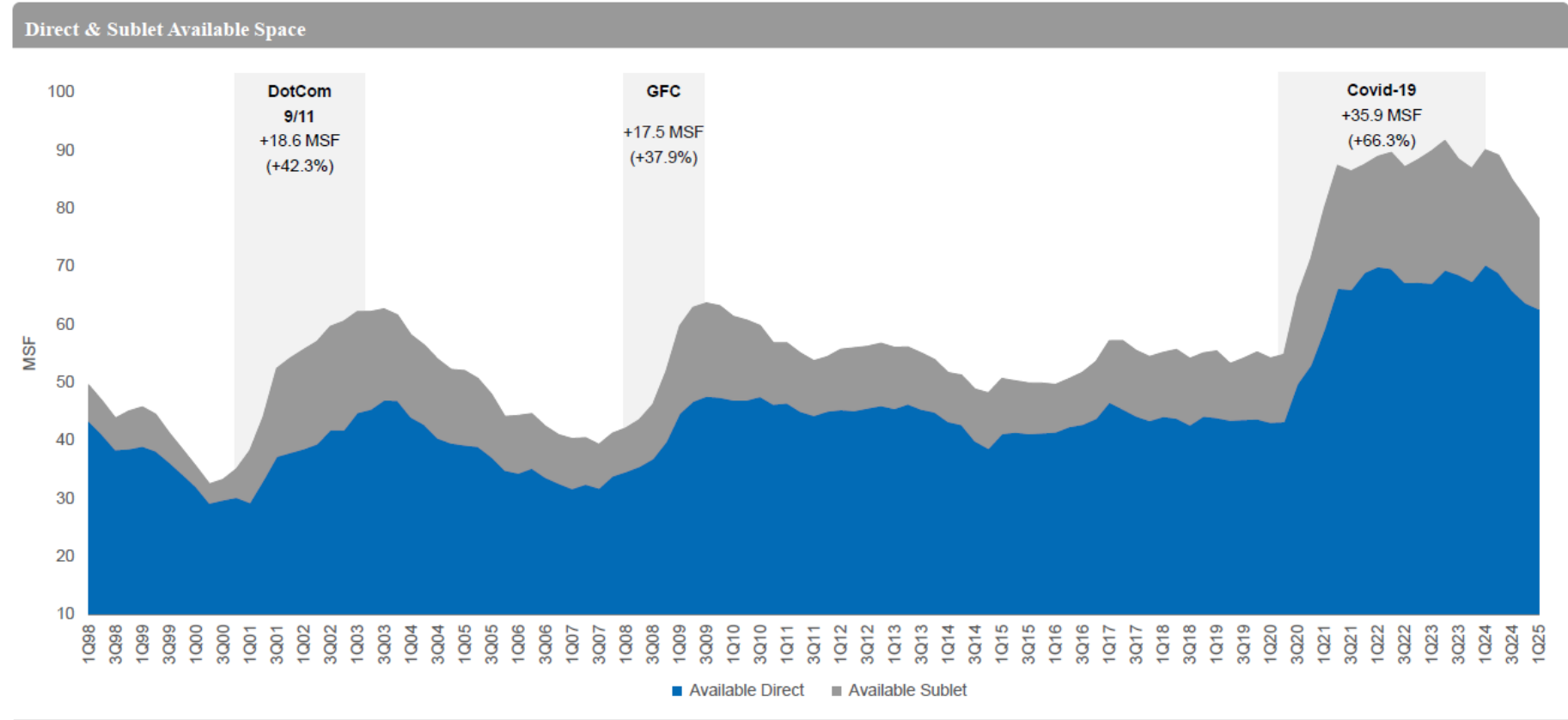
RELOCATIONS VS. RENEWALS



Source: Newmark Research

Renewal activity for all tenants in the first quarter of 2025 represented 38.9% of leased square footage, however in over 100,000 square foot transactions, renewals account for 61.8% of activity. Large footprint tenants continue to opt for renewing/expanding in place as large block relocation alternatives remain limited across the market. Notable renewal/expansion/extension leases signed in first quarter include Jane Street Group, Horizon Media, Banco Santander, and Knitwell Group.

HISTORICAL AVAILABILITY COMPOSITION



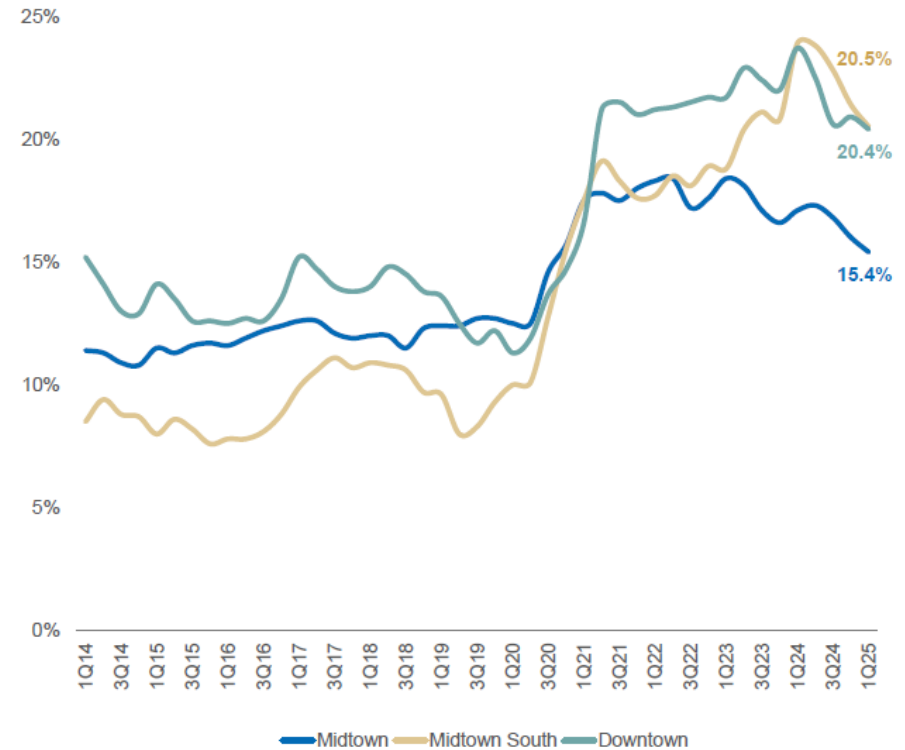
Source: Newmark Research

Over the past year, total available space decreased by 11.8 million square feet. In the four years prior to that, total available space rose by 35.9 million square feet, driven by a 78.6% increase in sublease space.

AVAILABILITY BY MARKET

Overall Availability by Market

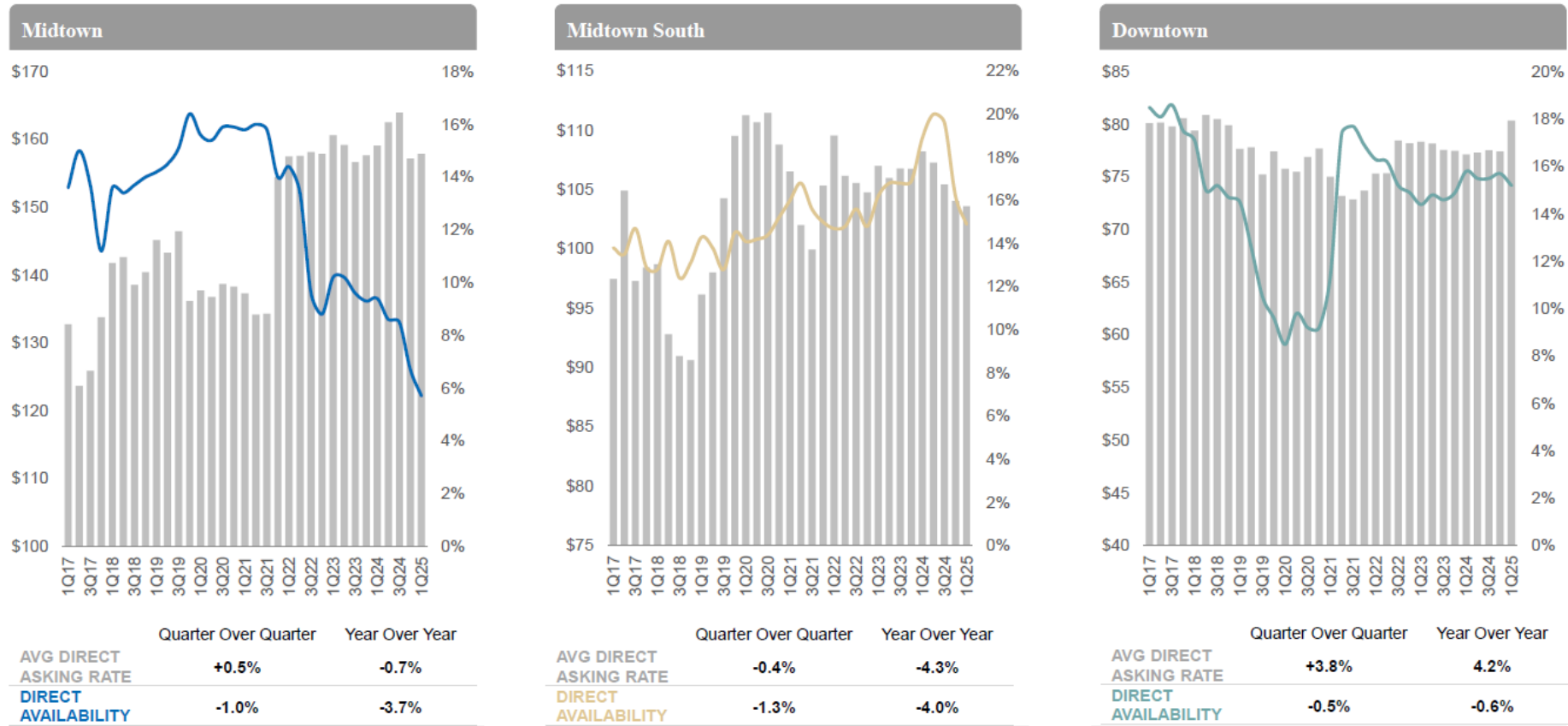
Market/Submarket	1Q25	1Q20	Change in Bps.
MANHATTAN	17.2%	11.8%	540
MIDTOWN	15.4%	12.5%	290
Eastside	16.7%	16.8%	-10
Far West Side	8.8%	4.9%	390
Grand Central	14.7%	11.7%	300
Murray Hill	22.9%	11.2%	1,170
Park Avenue	8.7%	10.8%	-210
Penn District	16.9%	12.0%	490
Plaza District	16.0%	16.8%	-80
Sixth Avenue/Rock Center	13.2%	10.4%	280
Times Square	20.4%	17.3%	310
Times Square South	15.6%	9.1%	650
Westside	23.8%	17.3%	650
MIDTOWN SOUTH	20.5%	9.9%	1,060
Chelsea	22.0%	9.2%	1,280
East Village	28.0%	25.7%	230
Flatiron/Union Square	19.1%	11.1%	800
Hudson Square/Meatpacking	23.3%	7.5%	1,580
Noho/Soho	15.6%	9.1%	650
DOWNTOWN	20.4%	11.3%	910
Downtown East	23.0%	10.7%	1,230
Downtown West	16.7%	12.7%	400
Tribeca/City Hall	22.1%	8.8%	1,330



Source: Newmark Research

Manhattan overall availability dropped 60 basis points quarter-over-quarter to 17.2% reaching the lowest rate since fourth quarter of 2020. Strong leasing and improved absorption continue to drive the market as first quarter leasing recorded the second-highest quarterly activity since 2019.

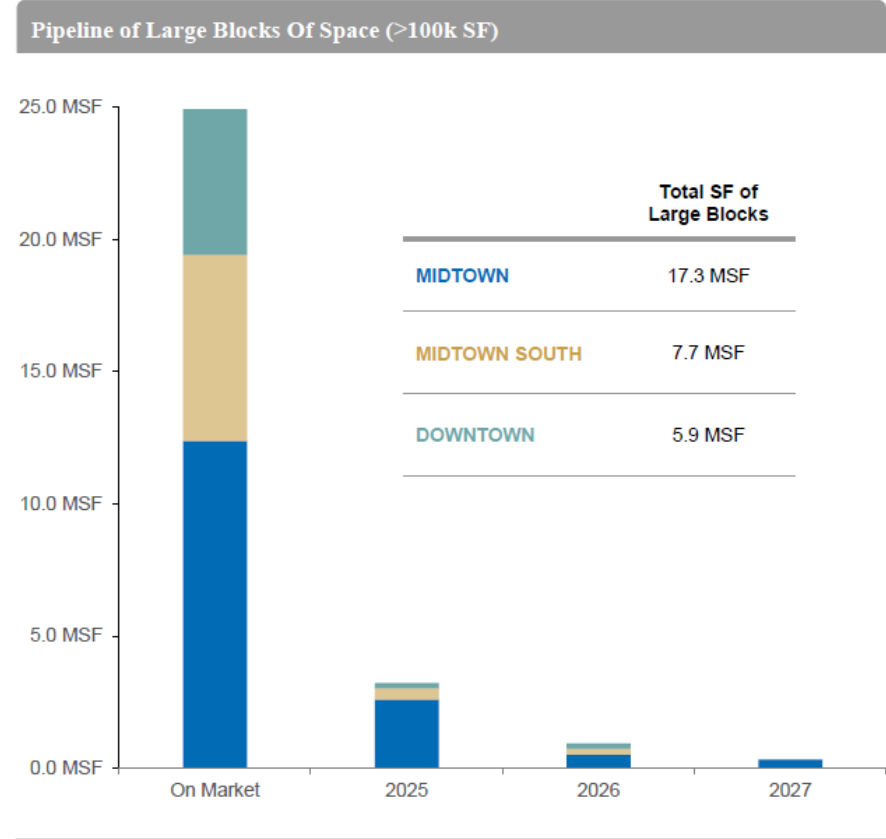
Most Desirable Buildings



Source: Newmark Research

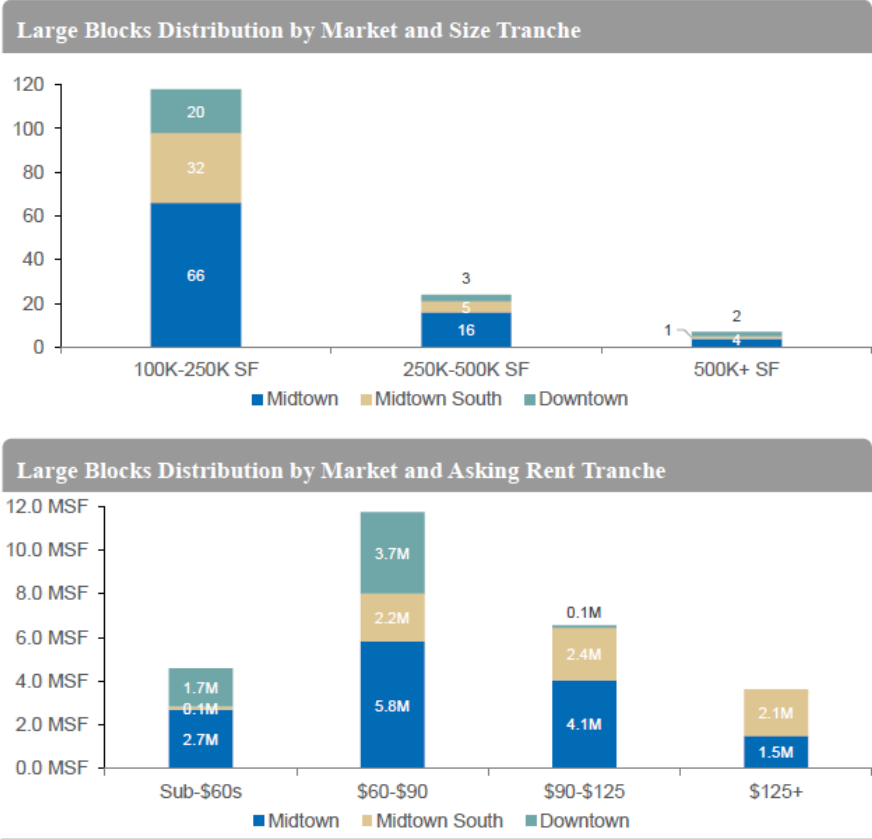
The most desirable building set represents the top end of each market, which is in higher demand than commodity space. At 5.7%, Midtown direct availability is 1,030 basis points lower than the post-pandemic peak, while rents for those assets remain elevated. Both Midtown and Midtown South markets continue to experience significant leasing and drops in direct availabilities.

LARGE BLOCK BREAKDOWN

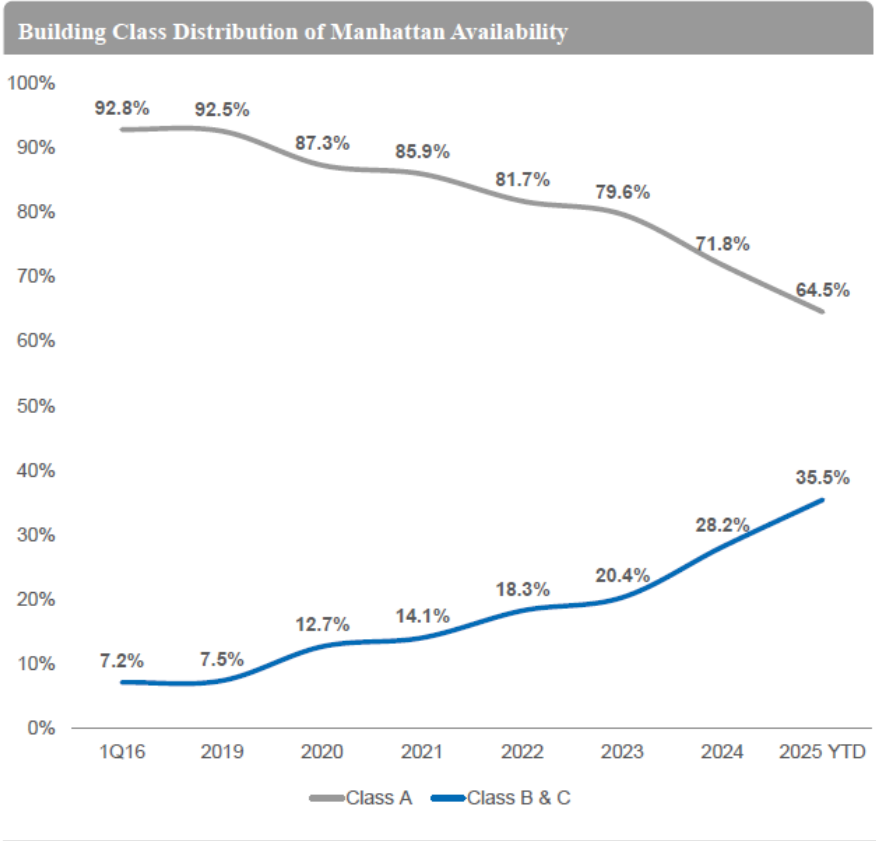
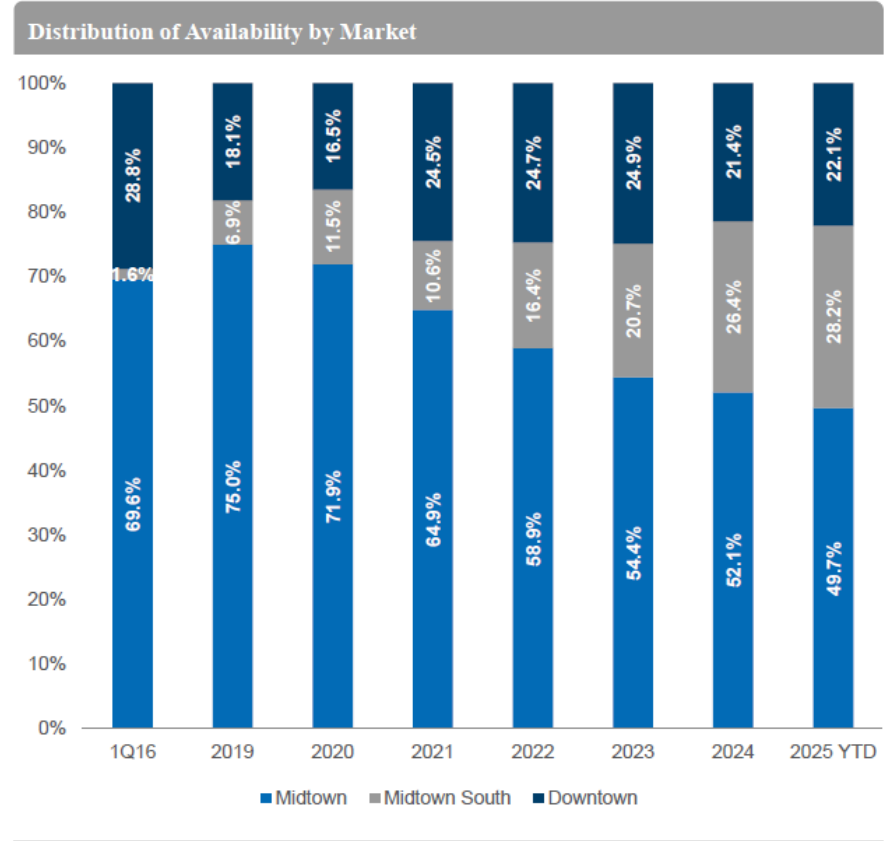


Note: Large blocks consider space on market and "Coming to Market". "Coming to Market" is a measure of new supply and anticipated relocation vacancies. Absorption is not factored into the figures.
Source: Newmark Research

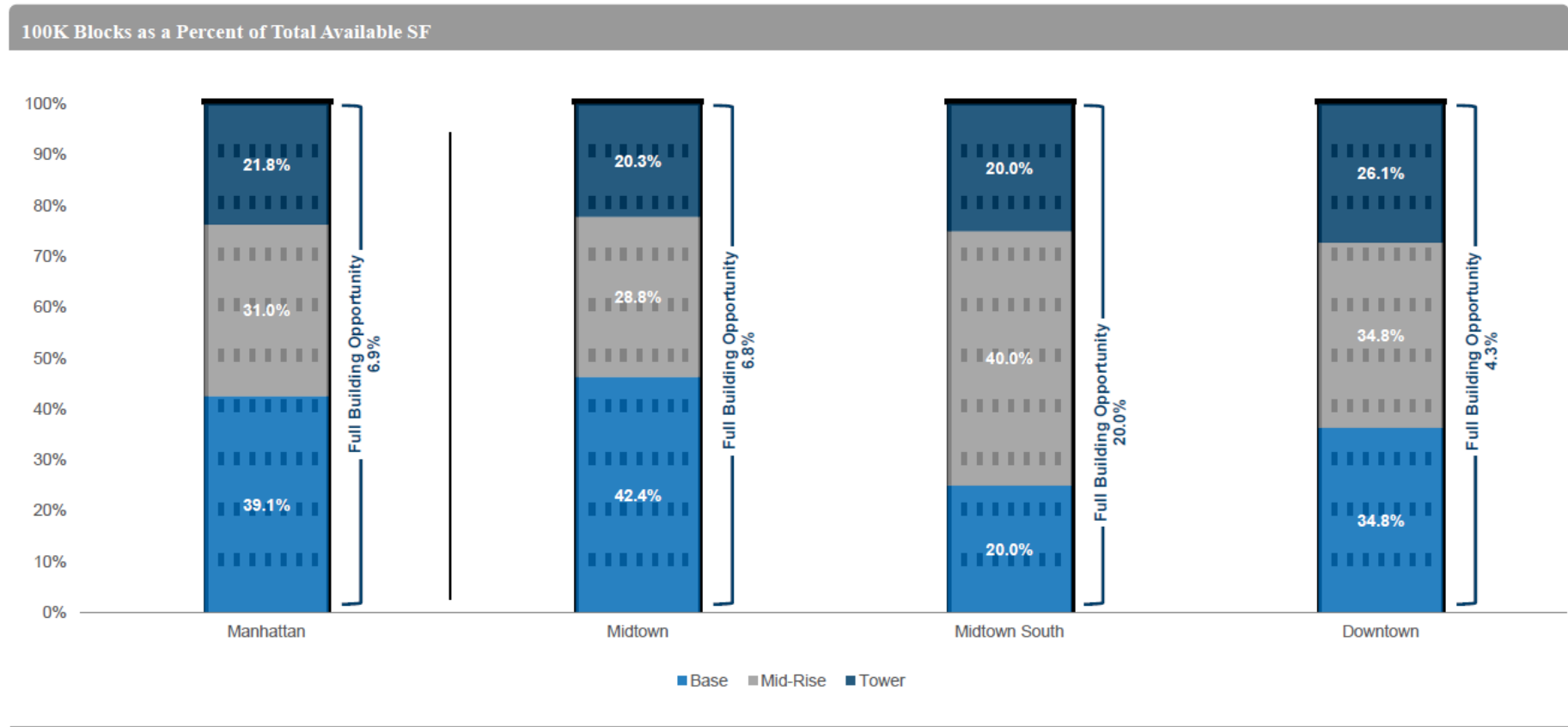
Ten large blocks totaling 2.0 million square feet were added to market in the first quarter, five are in Midtown, three in Midtown South, and two in Downtown. Most available large blocks for lease are less than 250,000 square feet and below \$90 per square foot.



LARGE BLOCK AVAILABILITY



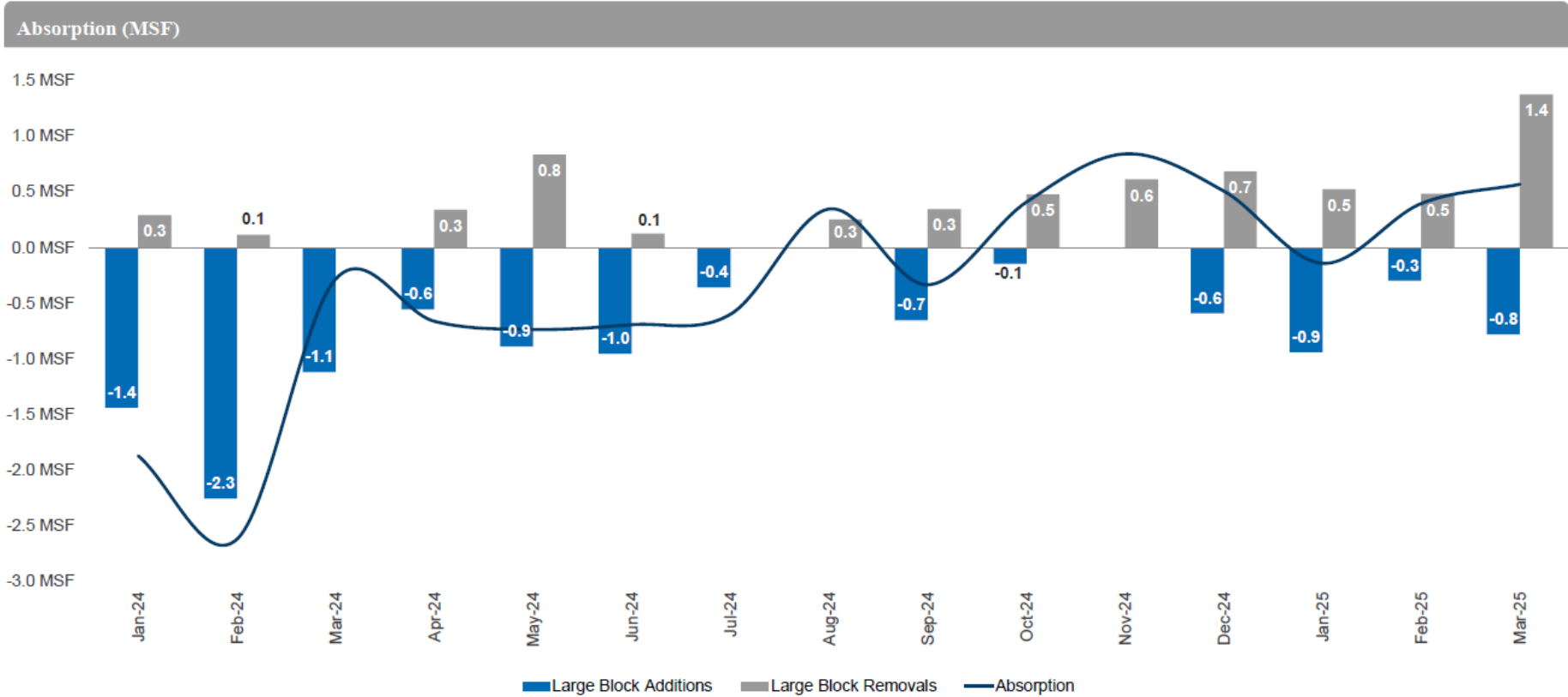
Following an influx of new developments coming on market in early 2016, demand for newly built high-quality space has only continued to grow and tighten the market for Class A 100K+ blocks. In 2016 Class A blocks represented 92.8% of available 100K+ large blocks. This share has decreased as current Class A blocks account for only 64.5% of the large blocks available.



Note: Large blocks consider space on market and "Coming to Market". "Coming to Market" is a measure of new supply and anticipated relocation vacancies. Buildings with 25 floors minimum considered in Tier analysis.
Source: Newmark Research

Tower floor availabilities account for 21.8% of Manhattan’s large block availabilities (100K+), with 6.9% of availabilities being full building opportunities. Accounting for 71.2%, base or mid-rise floors make up a majority of Midtown 100K+ block availabilities.

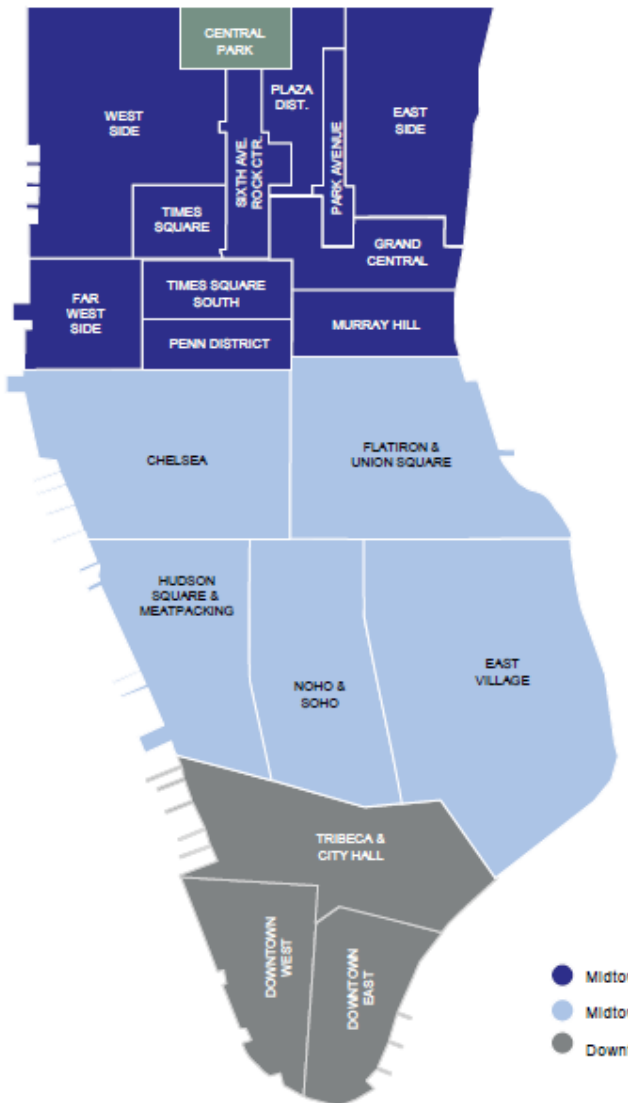
LARGE BLOCK ABSORPTION ACTIVITY



Source: Newmark Research
Note: Large blocks statistic only account for additions and removals that affected absorption.

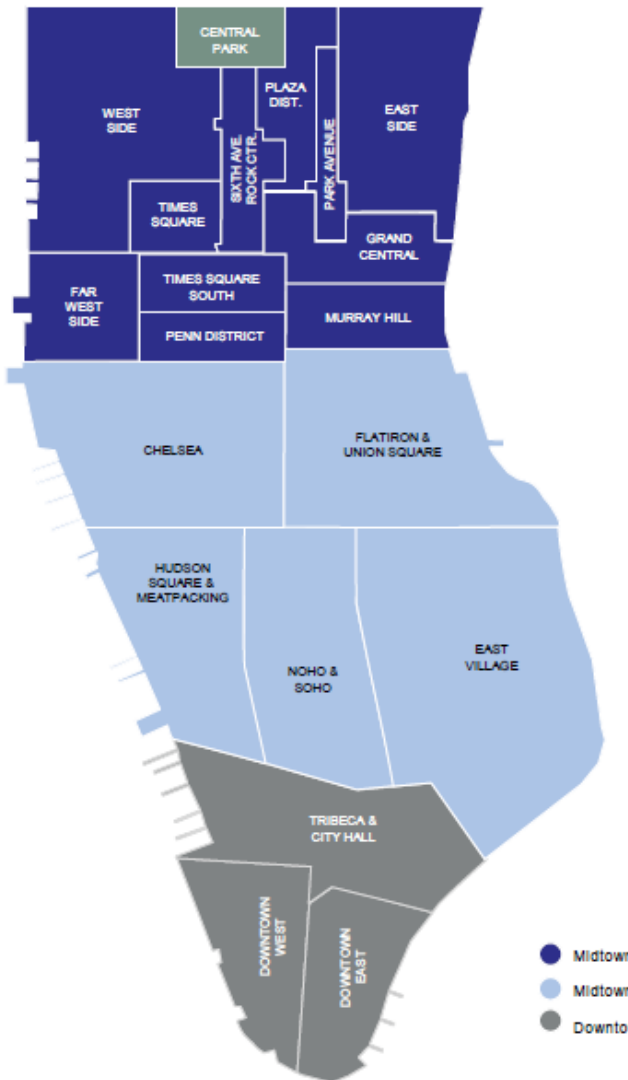
Recent absorption has been decidedly positive as six of the last eight months recorded positive absorption with large block changes continuing to drive Manhattan market trends.

SUBMARKET DEFINITIONS



Midtown Manhattan – 30th Street to 65th Street, Hudson River to Fifth Avenue. 32nd Street to 65th Street, Fifth Avenue to East River.

- Westside - 41st Street to 65th Street, Hudson River to Ninth Avenue. 48th Street to 65th Street, Ninth Avenue to Seventh Avenue.
- Times Square - 41st Street to 48th Street, Ninth Avenue to Seventh Avenue.
- Far West Side – 30th Street to 41st Street, Hudson River to Ninth Avenue.
- Penn Station - 30th Street to 35th Street, Ninth Avenue to Fifth Avenue.
- Times Square South - 35th Street to 41st Street, Ninth Avenue to Fifth Avenue.
- Sixth Ave/Rockefeller Center – 41st Street to 59th Street, Seventh Avenue to Midblock Sixth - Fifth Avenue. 48th Street to 52nd, Seventh Avenue to Fifth Avenue.
- Plaza District – 47th Street to 65th Street, Midblock Sixth - Fifth Avenue to Midblock Madison - Park Avenue. 61st Street to 65th Street, Fifth Avenue to Midblock Park - Lexington Avenue.
- Park Avenue – 44th Street to 61st Street, Midblock both sides of Park Avenue.
- Eastside – 45th Street to 65th Street, Midblock Park - Lexington Avenue to East River.
- Grand Central – 38th Street to 47th Street, Midblock Sixth - Fifth Avenue to Midblock Madison - Park Avenue. 38th Street to 45th Street, Park Avenue to East River.
- Murray Hill – 32nd Street to 38th Street, Fifth Avenue to East River.



Midtown South – Canal Street to 30th Street, Hudson River to Fifth Avenue. Canal Street to 32nd Street, Fifth Avenue to East River.

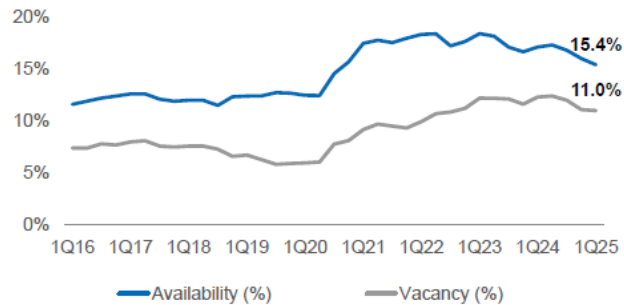
- Chelsea – 14th Street to 30th Street, Hudson River to Sixth Avenue.
- Flatiron/Union Square – 13th Street to 32nd Street, Sixth Avenue to Lexington Avenue. 14th Street to 32nd Street, Third Avenue to East River.
- Hudson Square/Meatpacking – Canal Street to 14th Street, Hudson River to Sixth Avenue.
- SoHo/NoHo – Canal Street to 14th Street, Sixth Avenue to Fifth Avenue. Canal Street to 13th Street, Fifth Avenue to Third Avenue and Bowery.
- East Village – Canal Street to 14th Street, Third Avenue and Bowery to East River.

Downtown Manhattan – Below Canal Street, Hudson River to East River.

- Tribeca/City Hall – Chambers Street to Canal Street, Hudson River to East River. Frankfort Street to Canal Street, Hudson River to East River.
- Downtown West – Below Chambers Street, Hudson River to Broadway.
- Downtown East – Below Frankfort Street, Broadway to East River.

MIDTOWN MARKET OVERVIEW

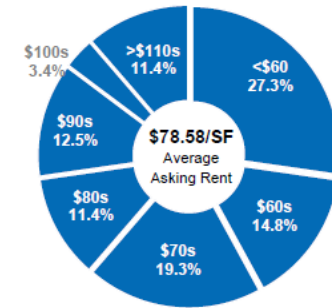
Availability And Vacancy Rates



Leasing Activity



Deals by Taking Rent



First Quarter Top Deals



2 Penn Plaza

Universal Music Group

333,516 SF

Direct New



237 Park Avenue

Amazon

193,431 SF

Sublease New



437 Madison Avenue

Banco Santander

191,667 SF

Direct Renewal



7 Times Square

Knitwell Group

191,258 SF

Direct Renewal



227 East 45th Street

A&E Television Networks

151,920 SF

Direct Renewal

Select Tenants in the Market/Upcoming LXD's

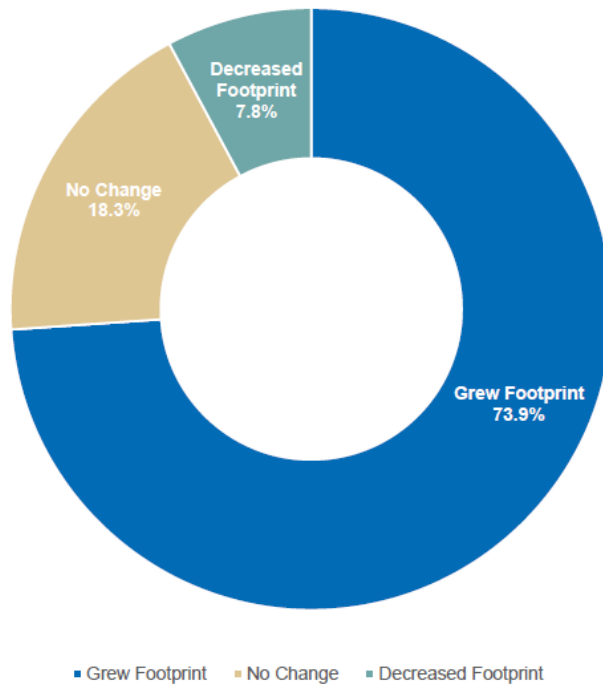
Tenant	Size (SF)	Current Location
Apollo Global Management	1.0M	9 West 57th Street
Deloitte	500K+	Multiple Locations
Jefferies	400K+	520 Madison Avenue
Nomura Securities	400K+	825 Eighth Avenue
Warner Music Group	250K+	1633 Broadway

Source: Newmark Research

Midtown leasing remained robust in the first quarter of 2025, registering 7.0 million square feet of activity while net absorption posted positive for the second straight quarter. Three of the top five deals in the market represented renewals as the quality large block inventory for relocation remains minimal. Availability dropped for the third consecutive quarter, ending March at 15.4%, its lowest level since the third quarter of 2020.

MIDTOWN FINANCIAL SERVICES ANALYSIS

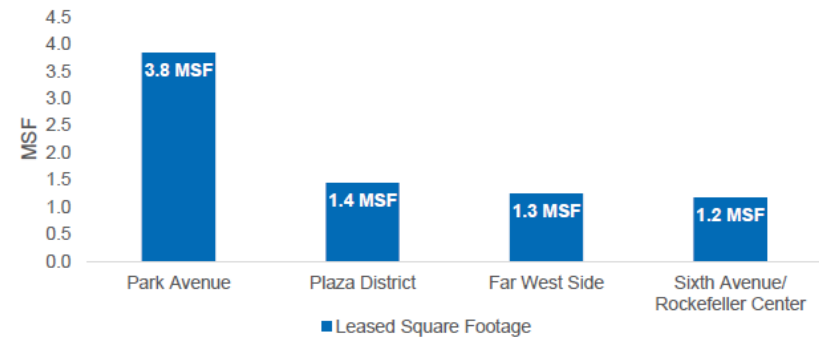
Midtown Financial Services Footprint Growth (2023-1Q25)



Average Footprint Change (SF)



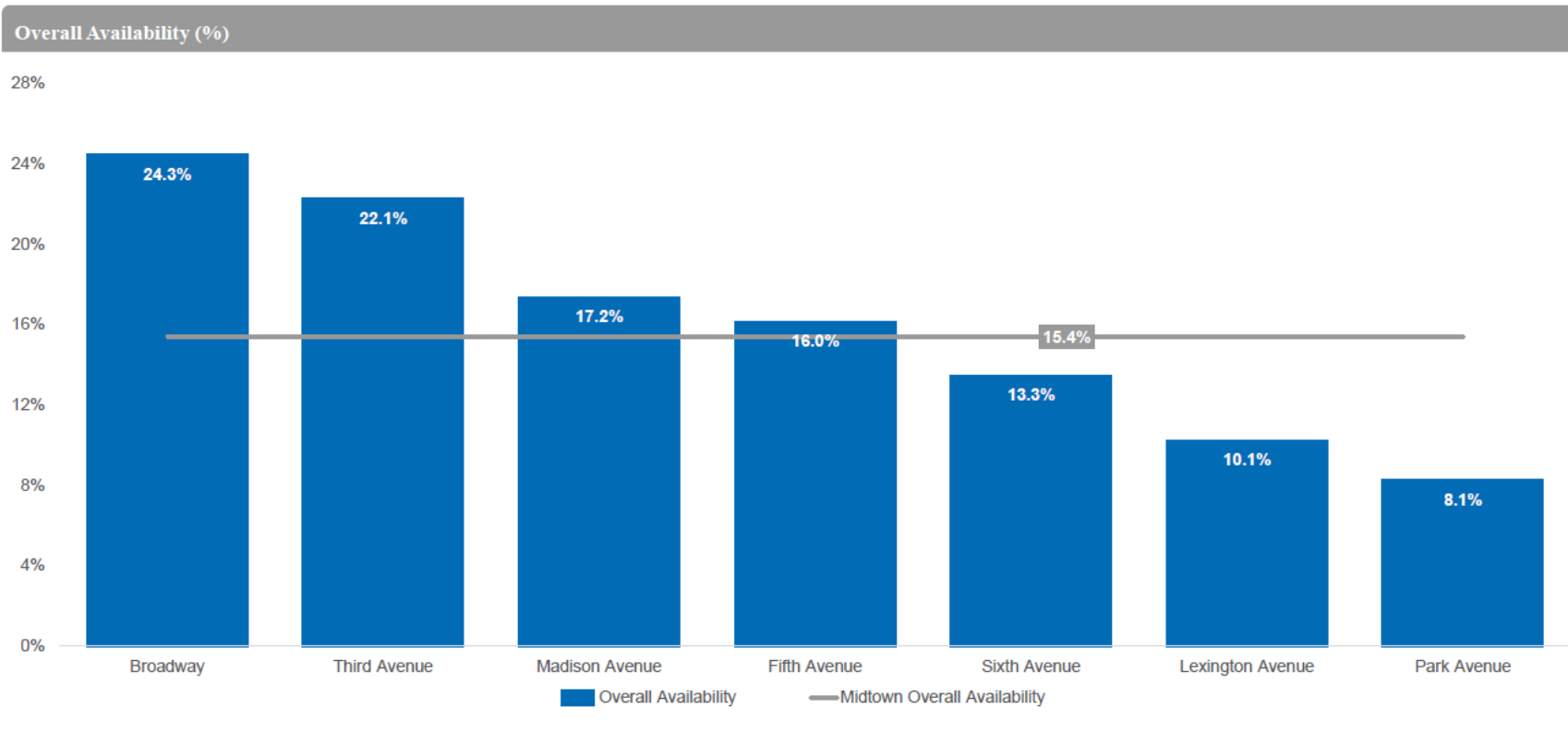
Most Active Submarkets for Financial Services (2023-1Q25)



Source: Newmark Research, Midtown Financial service deals over 25,000 square feet from 2023-1Q25. Analysis does not account for companies downsizing through sublease.

More than 90.0% of financial services firms who signed leases over 25,000 square feet since 2023 either expanded or recommitted to the same footprint. Park Avenue remains the most active submarket for financial services tenants, followed by the Plaza District, Far West Side, and Sixth Avenue/Rockefeller Center. Mizuho Corporate Bank, Sumitomo, Webster Bank, and PNC Bank all committed to expanded office footprints in the first quarter of 2025.

MIDTOWN AVAILABILITY BY AVENUES

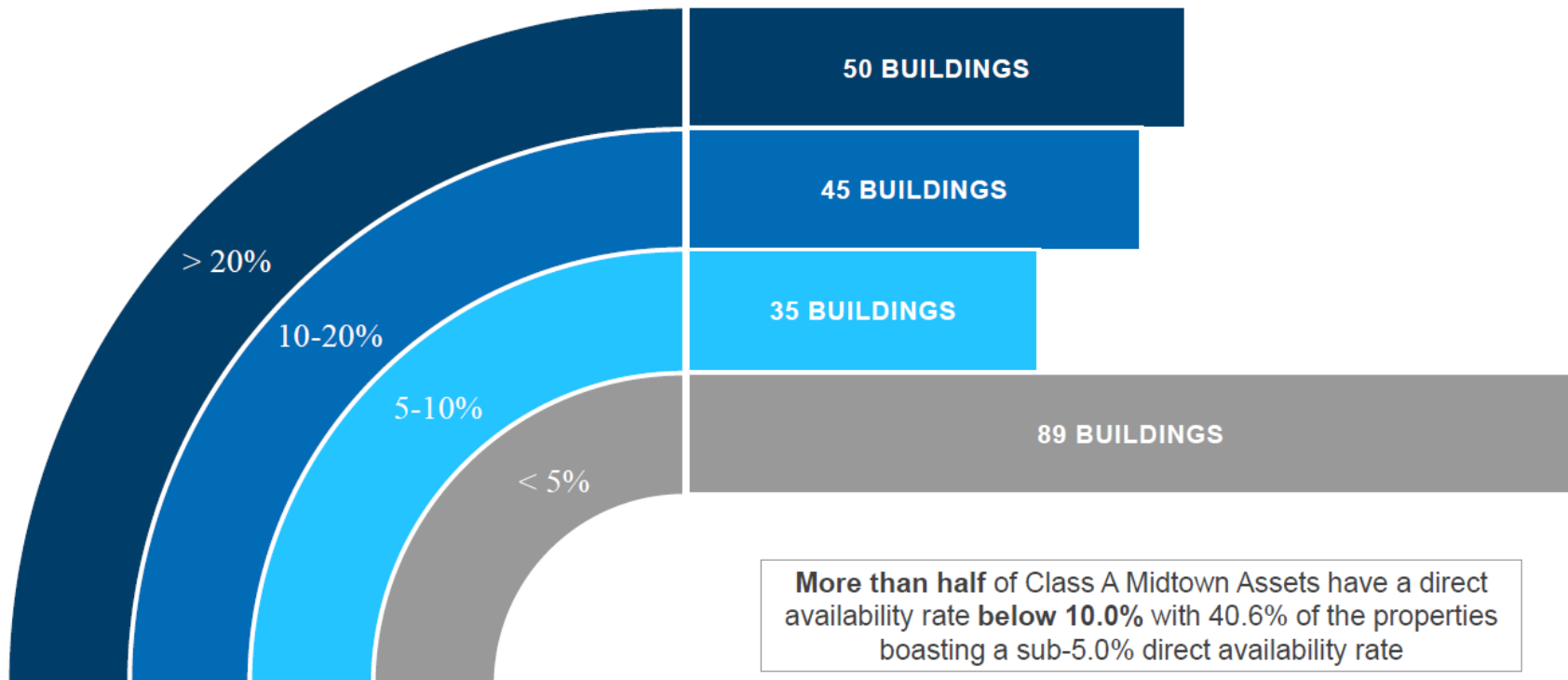


Source: Avenue boundaries run from 42nd Street to 65th Street, Newmark Research

More than 43.1% of Midtown availability is located on the avenues above 42nd Street. The Broadway corridor has the highest availability at 24.3%, 220 basis points greater than Third Avenue. Conversely, Park and Lexington Avenues boast the lowest availability as tenants continue to compete for high-quality space in core Midtown markets.

MIDTOWN CLASS A MARKET TIGHTNESS

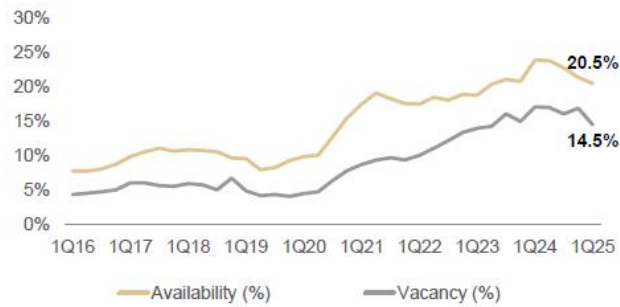
Number of Buildings by Direct Availability – Midtown Class A



Source: Newmark Research

MIDTOWN SOUTH MARKET OVERVIEW

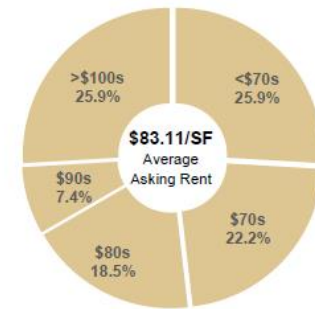
Availability And Vacancy Rates



Leasing Activity



Deals by Taking Rent



First Quarter Top Deals



75 Varick Street

Horizon Media

360,000 SF

Direct Extension



200 Fifth Avenue

Goodwin Procter LLP

244,433 SF

Direct New



114 Fifth Avenue

Capital One

96,618 SF

Direct Expansion



1 Madison Avenue

IBM

92,663 SF

Direct Expansion



601 West 26th Street

Level 3 Communications

92,000 SF

Direct Extension

Select Tenants in the Market/Upcoming LXD's

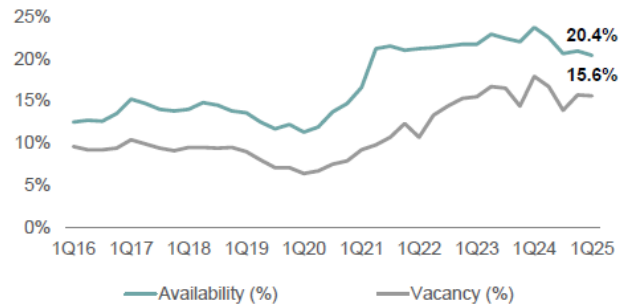
Tenant	Size (SF)	Current Location
Capital One	500K+	Multiple Locations
Rockstar Games	100k+	622 Broadway
Paypal	150K+	95 Morton Street
Pinterest	80K+	225 Park Avenue South
Current Bank	40K+	620 Ave. of Americas

Source: Newmark Research

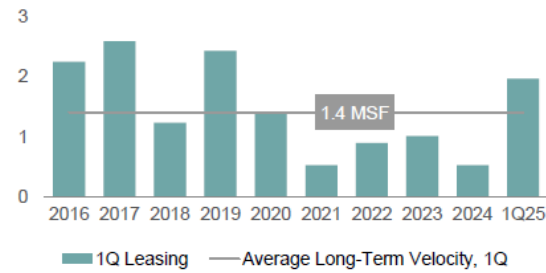
Midtown South availability declined to 20.5% in the first quarter as leasing momentum accelerated to 2.7 million square feet. For the first time since 2015, Midtown South has registered three consecutive quarters with over 2.0 million square feet of leasing activity. Echoing the broader trend across Manhattan, four of the five largest deals this quarter were Renewals/Expansions. Average asking rents ended the first quarter at \$83.11 per square foot, marking a jump of \$1.39 per square foot from the last quarter.

DOWNTOWN MARKET OVERVIEW

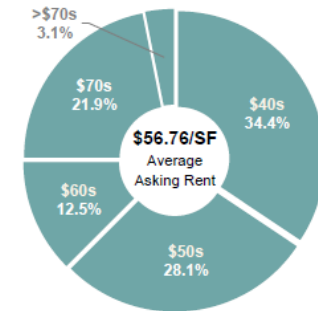
Availability And Vacancy Rates








Leasing Activity



Deals by Taking Rent



First Quarter Top Deals

				
250 Vesey Street	140 Broadway	1 World Trade Center	25 Broadway	3 World Trade Center
Jane Street Group	ARUP	Axsome Therapeutics	Borough of Manhattan Community College	Uber
983,791 SF	99,418 SF	96,293 SF	44,815 SF	44,110 SF
Direct Renewal & Expansion	Direct New	Sublease New	Direct Renewal	Direct Expansion

Select Tenants in the Market/Upcoming LXD's

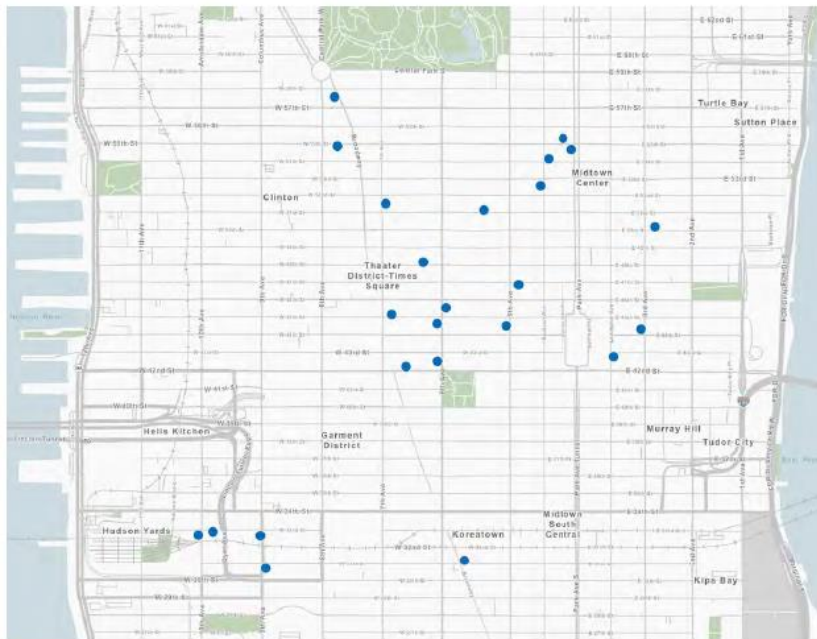
Tenant	Size (SF)	Current Location
American Express	1.0M	200 Vesey Street
Sullivan & Cromwell	500K+	125 Broad Street
Moody's	300K+	7 World Trade Center
AON	175K+	1 Liberty Plaza
NYS DMV	100K+	17 Battery Place

Source: Newmark Research

Led by Jane Street signing a 983,791 square foot renewal and expansion at 250 Vesey Street, Downtown leasing activity reached 2.0 million square feet in the first quarter of 2025, marking a six-year high. Availability fell to 20.4%, marking a drop of 330 basis points from one year ago. Residential conversions continue to change the Downtown landscape, with planned and commenced projects totaling 5.6 million square feet.

BUILDING AMENITIES

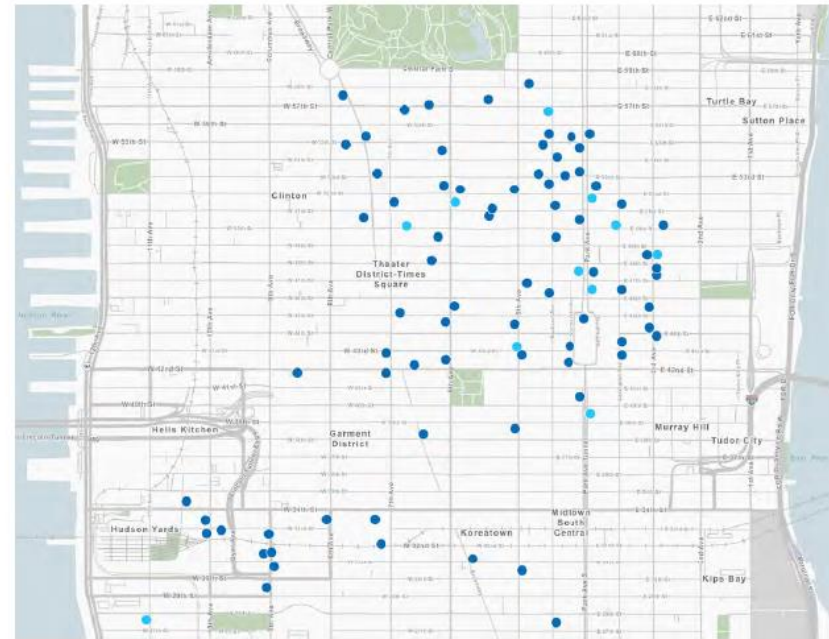
Buildings with Amenities (Pre-2020)



PRIOR TO 2020

Source: Newmark Research

Buildings with Amenities (Current and Future)



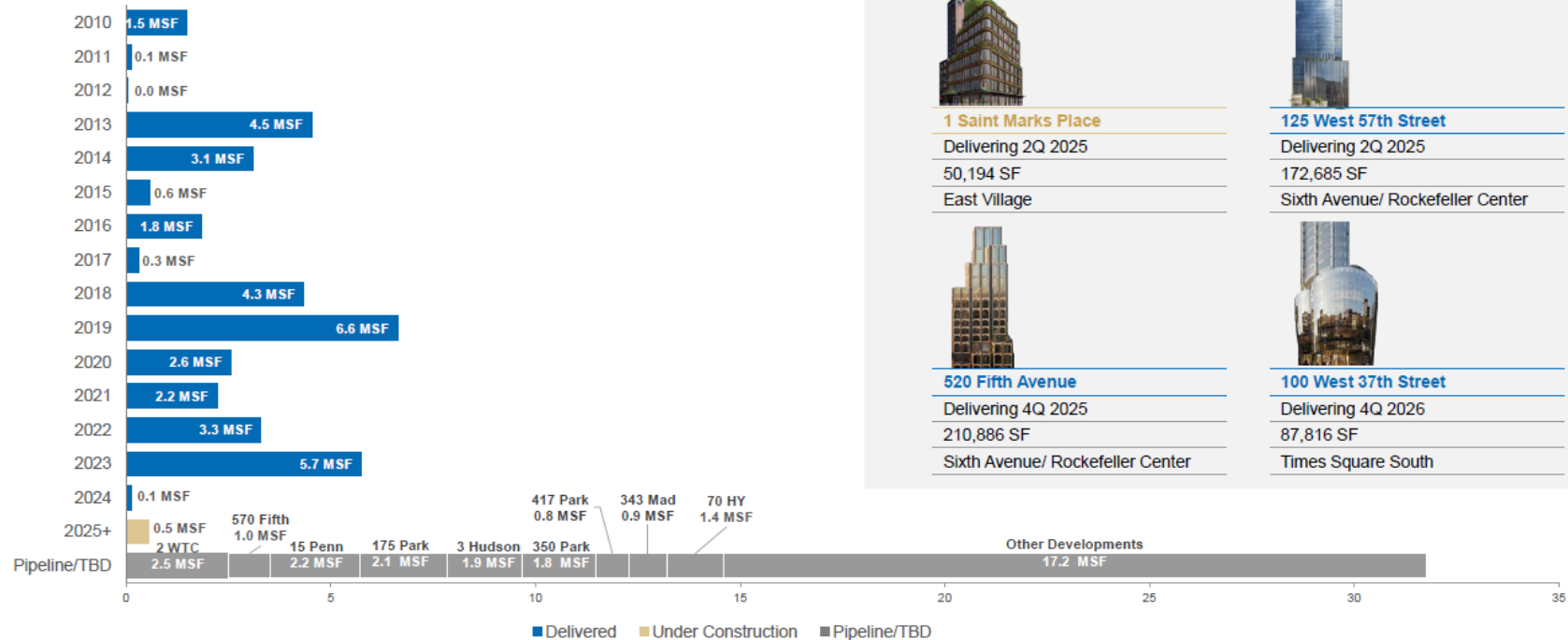
EXISTING

COMING SOON

Since 2020, there have been 65 buildings that have added amenities, including 37 properties that added at least four major amenity components (food, conference, fitness, entertainment, outdoor space). Prior to 2020, Midtown Manhattan had 24 buildings with multiple amenities. Buildings with amenities have generally seen an increase in both leasing activity and rental rates achieved.

CONSTRUCTION VELOCITY

Manhattan Deliveries (MSF)

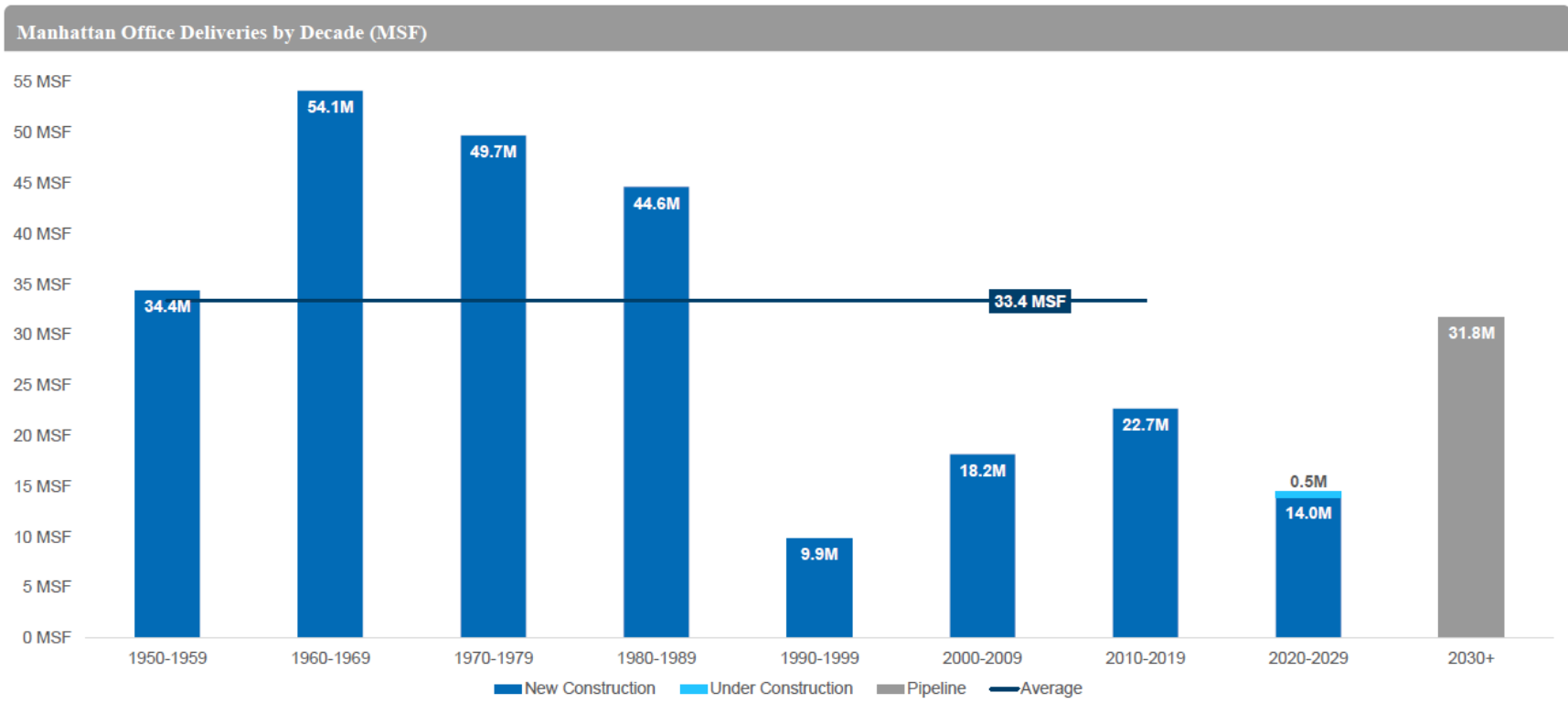


Source: Newmark Research

Note: Owner-occupied developments are not included in the pipeline (Google/550 Washington, JP Morgan/270 Park, etc.).

Following the development of nearly 37.0 million square feet since 2010, 2025 is expected to deliver just 468,541 square feet. The remaining projects in the pipeline, including 70 Hudson Yards, 2 World Trade Center, 570 Fifth, 343 Madison and 175 Park have yet to establish a delivery date as they are in search of anchor tenancy.

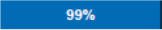
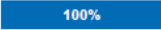
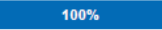
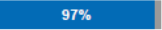
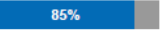
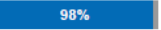

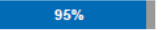
HISTORICAL MANHATTAN OFFICE DEVELOPMENT

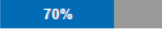
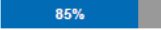
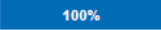
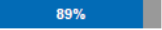





Source: Newmark Research

New office developments by decade are expected to decline for the first time since the 1990's, as the office occupancy outlook has shifted. New deliveries in 2020-2029 are expected to be 56.6% below average.

NEW SUPPLY HIGHLIGHT – WEST SIDE

10 Hudson Yards 	30 Hudson Yards 	55 Hudson Yards 	1 Manhattan West 	441 Ninth Avenue 	50 Hudson Yards 	Farley Building 	66 Hudson Blvd (The Spiral) 
<i>RBA</i> 1.8 MSF	<i>RBA</i> 2.6 MSF	<i>RBA</i> 1.5 MSF	<i>RBA</i> 2.1 MSF	<i>RBA</i> 700,000 SF	<i>RBA</i> 3.0 MSF	<i>RBA</i> 740,000 SF	<i>RBA</i> 2.9 MSF
<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed
<i>Ownership</i> Related/STRS Ohio/ Allianz	<i>Ownership</i> Related/ Oxford Properties	<i>Ownership</i> Related/ Mitsui Fudosan	<i>Ownership</i> Brookfield Properties/ QIA/Blackstone	<i>Ownership</i> CommonWealth Partners	<i>Ownership</i> Related/ Mitsui Fudosan	<i>Ownership</i> Vornado Realty Trust/Related	<i>Ownership</i> Tishman Speyer
<i>Completion Date</i> 2016	<i>Completion Date</i> 2019	<i>Completion Date</i> 2018	<i>Completion Date</i> 2019	<i>Completion Date</i> 2019	<i>Completion Date</i> 2022	<i>Completion Date</i> 2022	<i>Completion Date</i> 2023
<i>Anchor Tenants</i> Coach L'Oreal BCG Guardian Life	<i>Anchor Tenants</i> Time Warner Related KKR Wells Fargo Stonepeak Infrastructure Partners	<i>Anchor Tenants</i> Point72 Milbank Tweed Cooley LP MarketAxess	<i>Anchor Tenants</i> Skadden, Arps NHL McKool Smith Accenture EY	<i>Anchor Tenants</i> Peloton Interactive Lyft Sprinklr	<i>Anchor Tenants</i> BlackRock Truist Bank Vista Equity Partners Facebook	<i>Anchor Tenants</i> Facebook	<i>Anchor Tenants</i> Pfizer TPG (Angelo Gordon) Debevoise & Plimpton Marshall Wace HSBC Bank

410 Tenth Avenue 	2 Manhattan West 	341 Ninth Avenue (Morgan North) 	PENN1 	PENN2 	70 Hudson Yards 	3 Hudson Boulevard 
<i>RBA</i> 638,000 SF	<i>RBA</i> 2.0 MSF	<i>RBA</i> 630,000 SF	<i>RBA</i> 2.3 MSF	<i>RBA</i> 1.5 MSF	<i>RBA</i> 750,000 SF	<i>RBA</i> 1.9 MSF
<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Under Construction	<i>Status</i> Under Construction
<i>Ownership</i> 601W Companies/ Kaufman Org.	<i>Ownership</i> Brookfield Properties/ QIA	<i>Ownership</i> Tishman Speyer	<i>Ownership</i> Vornado Realty Trust	<i>Ownership</i> Vornado Realty Trust	<i>Ownership</i> Related	<i>Ownership</i> Moinian Group/ Boston Properties
<i>Completion Date</i> 2022	<i>Completion Date</i> 2023	<i>Completion Date</i> 2023	<i>Completion Date</i> 2022	<i>Completion Date</i> 2023	<i>Completion Date</i> TBD	<i>Completion Date</i> TBD
<i>Anchor Tenants</i> Amazon	<i>Anchor Tenants</i> Cravath Swaine & Moore D.E. Shaw Clifford Chance KPMG BBVA	<i>Anchor Tenants</i> Dentsu <i>*Full building available for sublease</i>	<i>Anchor Tenants</i> WSP Industrious Empire Blue Cross Blue Shield Gusto Roivant	<i>Anchor Tenants</i> Madison Square Garden Universal Music Group Major League Soccer	<i>Anchor Tenants</i> TBD	<i>Anchor Tenants</i> TBD

Source: Newmark Research, Direct space only

NEW SUPPLY HIGHLIGHT - MIDTOWN EAST

<div>1 Vanderbilt Avenue</div> <div>99%</div> <div>RBA 1.7 MSF</div> <div>Status Completed</div> <div>Ownership SL Green/Hines/ NPS</div> <div>Completion Date 2020</div> <div>Anchor Tenants TD Bank TD Securities Greenberg Traurig McDermott Will & Emery The Carlyle Group</div>	<div>425 Park Avenue</div> <div>100%</div> <div>RBA 740,000 SF</div> <div>Status Completed</div> <div>Ownership GreenOak/ L&L Holding/ Tokyu Land Corp.</div> <div>Completion Date 2021</div> <div>Anchor Tenants Citadel GTCR State Bank of India WAFRA</div>	<div>270 Park Avenue</div> <div>100%</div> <div>RBA 1.9 MSF</div> <div>Status Under Construction</div> <div>Ownership JP Morgan Chase</div> <div>Completion Date 2025</div> <div>Anchor Tenants JP Morgan Chase (owner-occupied)</div>	<div>350 Park Avenue</div> <div>50%</div> <div>RBA 1.8 MSF</div> <div>Status Planned</div> <div>Ownership Vornado/Rudin Management/Citadel Enterprise America</div> <div>Completion Date TBD</div> <div>Anchor Tenants Citadel</div>
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<div>343 Madison Avenue</div> <div>0%</div> <div>RBA 940,000 SF</div> <div>Status Planned</div> <div>Ownership MTA/ Boston Properties/ Norges Bank Investment Mgmt</div> <div>Completion Date TBD</div> <div>Anchor Tenants TBD</div>	<div>850 Third Avenue</div> <div>28%</div> <div>RBA 613,664 SF</div> <div>Status Under Renovation</div> <div>Ownership HPS Investment Partners</div> <div>Completion Date TBD</div> <div>Anchor Tenants *Receiving \$58M in tax benefits per M-Core program</div>	<div>175 Park Avenue (Grand Hyatt)</div> <div>0%</div> <div>RBA ± 2.1 MSF</div> <div>Status Planned</div> <div>Ownership TF Cornerstone/ MSD Partners/ RXR</div> <div>Completion Date TBD</div> <div>Anchor Tenants TBD</div>	<div>417 Park Avenue</div> <div>0%</div> <div>RBA 800,000 SF</div> <div>Status Planned</div> <div>Ownership GDS Dev./ Klövern AB</div> <div>Completion Date TBD</div> <div>Anchor Tenants TBD</div>	<div>570 Fifth Avenue</div> <div>0%</div> <div>RBA 1.0 MSF</div> <div>Status Planned</div> <div>Ownership Extell Development Ingka Group</div> <div>Completion Date TBD</div> <div>Anchor Tenants TBD</div>
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Source: Newmark Research, Direct space only

NEW SUPPLY HIGHLIGHT – MIDTOWN SOUTH

76 Eighth Ave 100%	799 Broadway 88%	205 W 28th St 89%	145 Delancey (Essex Cross. W.) 0%	541 W 21st St 90%	124 E 14th St (Zero Irving) 100%	141 East Houston St 58%
RBA 37,000 SF	RBA 182,187 SF	RBA 104,856 SF	RBA 177,969 SF	RBA 81,000 SF	RBA 262,342 SF	RBA 59,857 SF
Status Completed	Status Completed	Status Completed	Status Completed	Status Completed	Status Completed	Status Completed
Ownership Plus Development	Ownership PIMCO/ Columbia Property Trust	Ownership GDS Dev / Klövern	Ownership Taconic/L&M Dev/BFC Ptr/ Prusik Group	Ownership Erbo Properties /Higher Ground Dev.	Ownership Junius Real Estate Partners / RAL Dev.	Ownership East End Capital
Completion Date 2023	Completion Date 2021	Completion Date 2021	Completion Date 2022	Completion Date 2022	Completion Date 2022	Completion Date 2021
Submarket Hudson Square/ Meatpacking	Submarket Noho/Soho	Submarket Chelsea	Submarket East Village	Submarket Chelsea	Submarket Flatiron/ Union Square	Submarket East Village
555 Greenwich St 17%	261-271 Eleventh Ave (Terminal Warehouse) 0%	1 Madison Ave 69%	430 West Broadway 0%	7 Hudson Sq 100%	360 Bowery 100%	132 West 14th St 13%
RBA 267,227 SF	RBA 1.1 MSF	RBA 1.4 MSF	RBA 34,776 SF	RBA 1.2 MSF	RBA 112,617 SF	RBA 57,478 SF
Status Completed	Status Under Construction	Status Completed	Status Completed	Status Under Construction	Status Completed	Status Completed
Ownership Hines/Trinity Church	Ownership L&L Holding/ Columbia Property Trust	Ownership SL Green/Hines/ NPS	Ownership United American Land Company	Ownership Walt Disney Company	Ownership AECOM, Canyon, SK Development	Ownership KPG Funds
Completion Date 2023	Completion Date 2025	Completion Date 2024	Completion Date 2025	Completion Date 2025	Completion Date 2024	Completion Date 2025
Submarket Hudson Square/ Meatpacking	Submarket Chelsea	Submarket Flatiron/ Union Square	Submarket Noho/Soho	Submarket Hudson Square/ Meatpacking	Submarket Noho/Soho	Submarket Chelsea



Source: Newmark Research, Direct space only

NEW SUPPLY HIGHLIGHT – WORLD TRADE CENTER

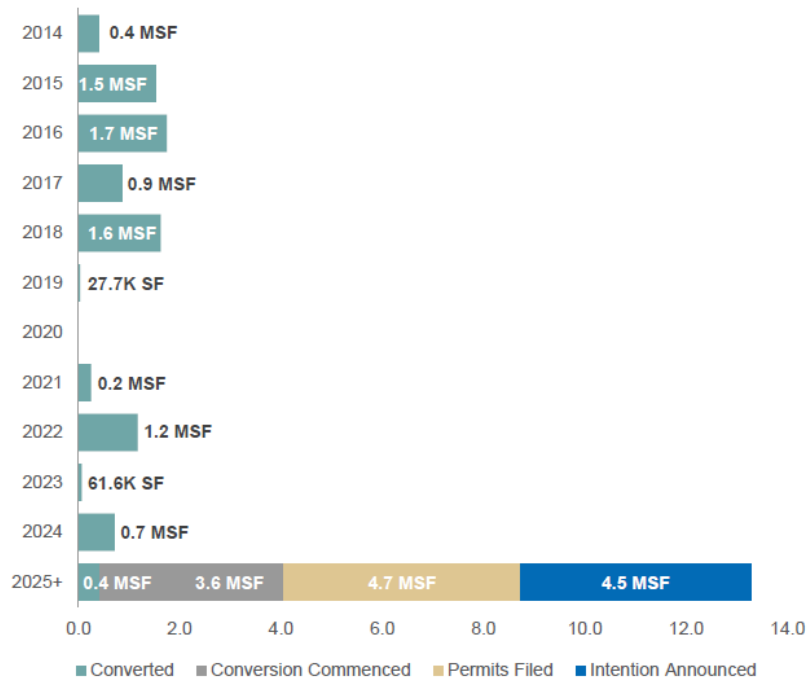
1 World Trade Center <div><div></div></div> <p>94%</p> <p><i>RBA</i> 3.2 MSF</p> <p><i>Status</i> Completed</p> <p><i>Ownership</i> Durst Organization/ Port Authority</p> <p><i>Completion Date</i> 2014</p> <p><i>Anchor Tenants</i> Condé Nast US GSA Stagwell Inc. Axsome Therapeutics</p>	2 World Trade Center <div><div></div></div> <p>0%</p> <p><i>RBA</i> 2.8 MSF</p> <p><i>Status</i> Planned</p> <p><i>Ownership</i> Silverstein Properties</p> <p><i>Completion Date</i> TBD</p> <p><i>Anchor Tenants</i> TBD</p>
3 World Trade Center <div><div></div></div> <p>93%</p> <p><i>RBA</i> 2.9 MSF</p> <p><i>Status</i> Completed</p> <p><i>Ownership</i> Silverstein Properties</p> <p><i>Completion Date</i> 2018</p> <p><i>Anchor Tenants</i> GroupM Uber McKinsey & Co Freshfields Bruckhaus Deringer LLP Hudson River Trading</p>	4 World Trade Center <div><div></div></div> <p>94%</p> <p><i>RBA</i> 2.3 MSF</p> <p><i>Status</i> Completed</p> <p><i>Ownership</i> Silverstein Properties</p> <p><i>Completion Date</i> 2013</p> <p><i>Anchor Tenants</i> NYC Human Resources Administration Spotify Port Authority of New York & New Jersey Zurich American Insurance Company Duolingo</p>



Source: Newmark Research, Direct space only

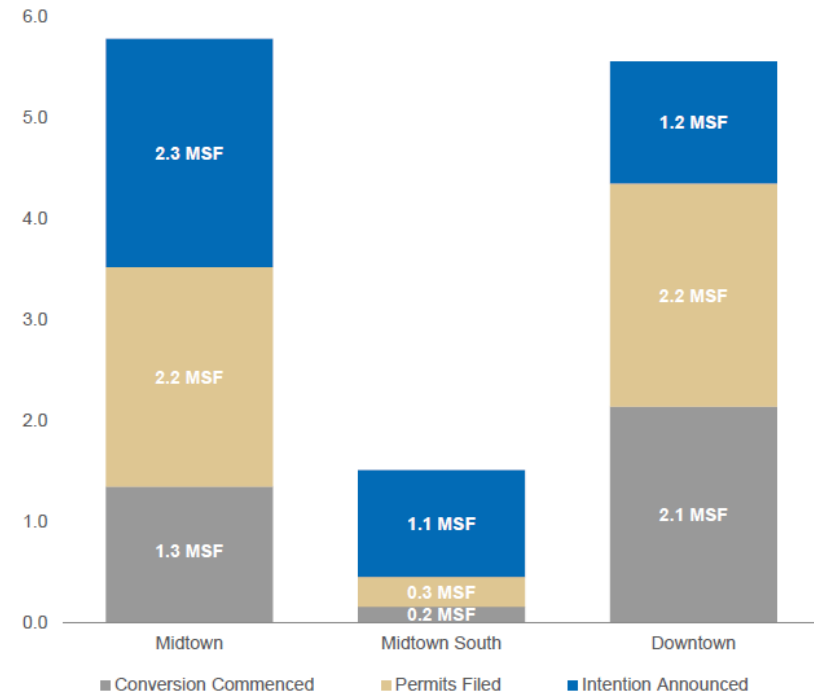
OFFICE TO RESIDENTIAL CONVERSIONS

Manhattan Ten-Year Office-to-Residential Conversion Movement

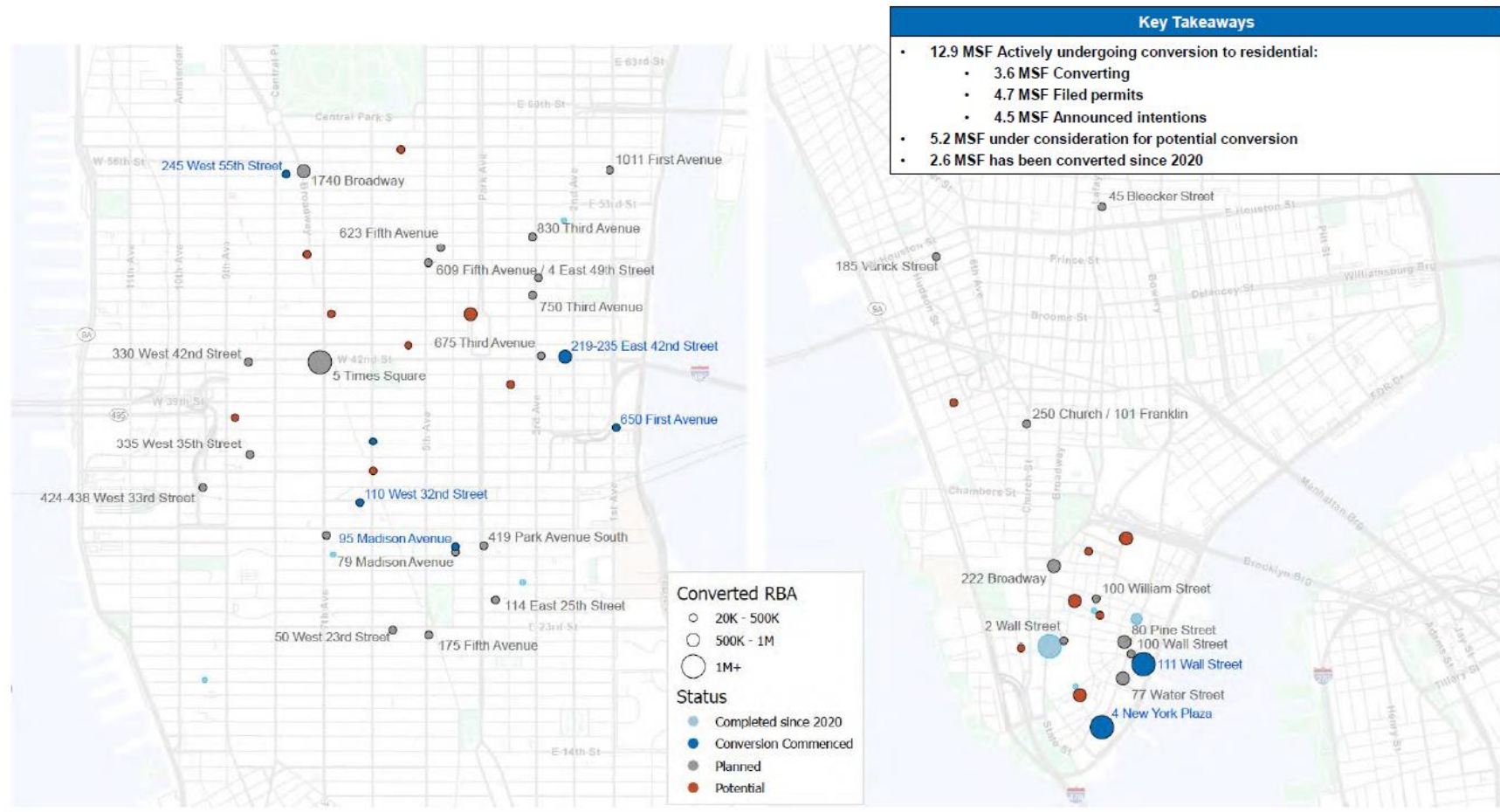


Note: "active" includes commenced and planned conversions
 Source: Newmark Research

Office-to-Residential Conversion Pipeline by Market

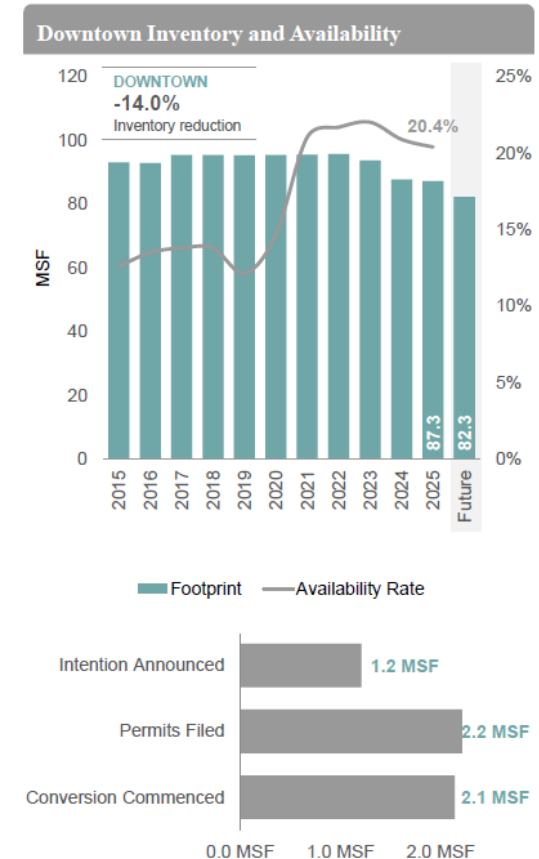
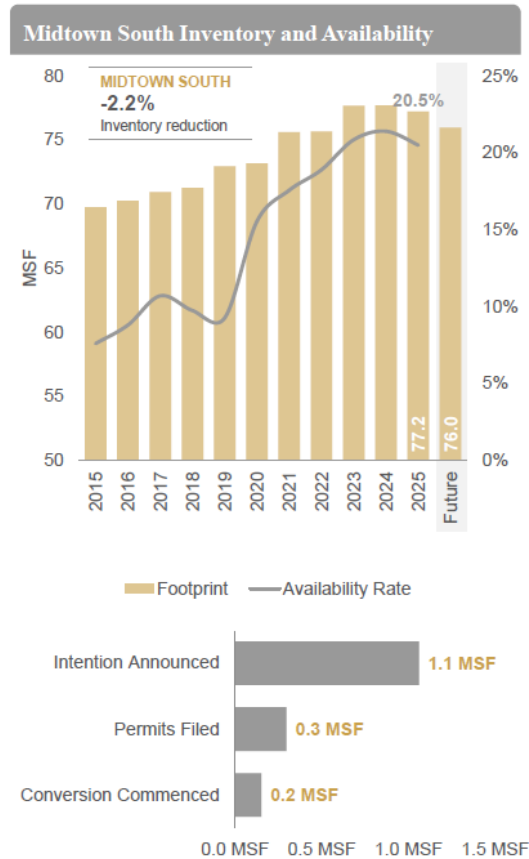
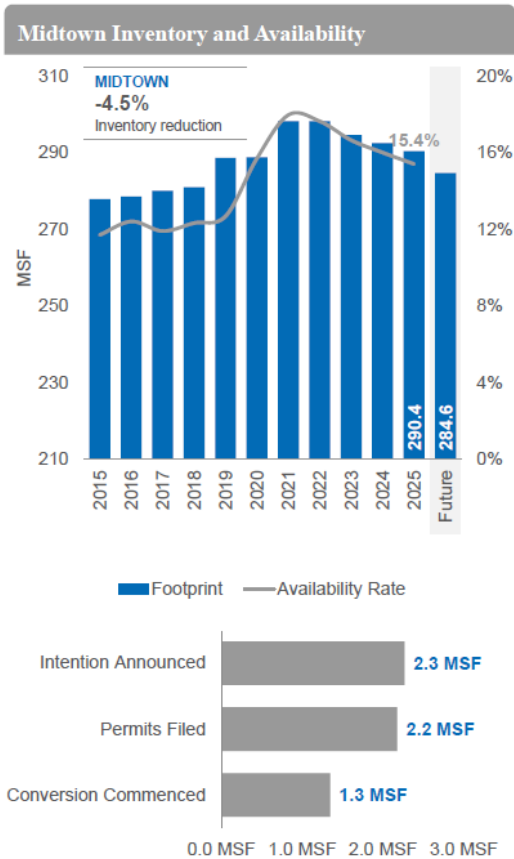


There are 12.9 million square feet of active office to residential conversions in Manhattan, following 8.8 million square feet of buildings converted since 2014. Construction has commenced for the conversions of nine buildings, six located in Midtown, one in Midtown South, and two in Downtown.



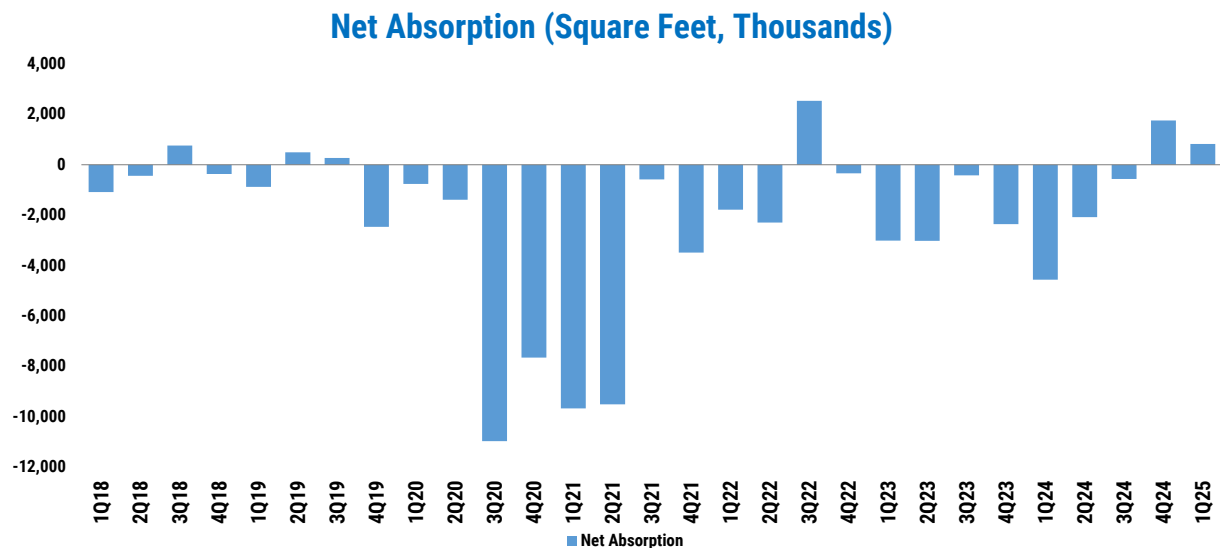
This map was produced using reliable private and government sources. This information is provided without representation or warranty.

MANHATTAN BUILDING CONVERSIONS – INVENTORY & AVAILABILITY CHANGES



Note: Future inventory removes any properties in agreement/contract to be converted and adds in any buildings under construction.
Source: Newmark Research

HISTORICAL ABSORPTION



- Total net absorption was 820,921 square feet in the first quarter, a decrease of 934,545 square feet from 1,755,466 square feet in the prior quarter, and a significant jump by 5,388,569 square feet year-over-year.
- The Downtown West, Far West Side, Penn District, Sixth Avenue/Rockefeller Center and Park Avenue have absorbed the most square footage of tenants in the first quarter of 2025.

CONCLUSION

The Manhattan office market is constantly evolving, and quarterly statistics are traditionally the most accurate depiction of the market, as the temperament of the market is sensitive to current economic conditions. March 2025 leasing activity recorded 4.7 million square feet, the highest month of activity since November 2019. First quarter leasing activity totaled 11.7 million square feet with 16 leases above 100,000 square feet, including 13 signed in Midtown.

Since the beginning of 2023, it became evident that Class A and Trophy quality assets are reaching pre pandemic levels. The direct availability and asking rent gap is widening between Class A and B product. The gap between Class A and B fundamentals continue to grow, but the difference between Class A and trophy assets is even greater. The flight-to-quality trend continued in Midtown as Class A assets comprised 68.4% of the first quarter leasing. The slight decline in concentration of class A leasing is more indicative of the lack of high-quality space, rather than a slowdown in demand. Properties that are considered properly amenitized, located within close proximity to transportation hubs, and Class A real estate will continue to outperform the overall marketplace, trends that persist quarter-over-quarter. As the flight to quality has pushed activity into Trophy buildings, there is consequently less available space in those assets, leading to increased leasing predominantly in non-trophy Class A properties and further into Class B/C buildings.

Since March 2020, the Manhattan leasing market continues to react real time to economic conditions, with transactional activity within leasing providing a direct correlation to investor confidence. Traditionally, very little references to market statistics that exceed a 12-month period are referenced; however, the anomaly of COVID-19 and the result impacting the return-to-work efforts has real estate professionals intently referencing 2019 data. The 2019 market was one of the strongest leasing markets reaching an all-time high, resulting in the strongest year on record, totaling 49.6 million square feet. The second consecutive year of historic leasing activity was driven by large deals signed by tech tenants in the Far West Side and Midtown South, primarily in newly constructed buildings as tenants continue the trend of flight to quality. It's been five years since the beginning of the COVID-19 pandemic, and the Manhattan office market is showing signs of recovery. Available sublease space has fallen by 7.2 million square feet from the post-pandemic peak of 22.8 million square feet in the first quarter of 2023. At 15.6 million square feet, available sublease space is 4.1 million square feet above pre-pandemic levels as more than 60.0% of the space added during the pandemic has been withdrawn or subleased. For the first time since 2019, leasing surpassed 10.0 million square feet in two consecutive quarters. Activity remains below the 2019 average but has shown significant improvement over the past year. At 25.4 million square feet, active tenant requirements are above 2019 levels, signaling robust future leasing. Demand has remained strong, particularly for financial and tech/media tenants, which represent more than 60.0% of total requirements.

As of the most recent REBNY's monthly Manhattan office building visitation report published April 17, 2025, the average visitation rate ended on a strong note in February 2025 had an average visitation rate of 67% of 2019 baseline levels, up from 66% the previous month and unchanged from one year ago. Excluding President's Day week, the rate would have been 70%. Class A+ buildings surged ahead with an average visitation rate of 81%, one percent higher than the previous month and year, and 85% if excluding the holiday week. Class A/A- buildings averaged 63% during February, equal to the previous month but down two percentage points year-over-year. At a 66% building visitation rate, Class B/C space is up one percent from the previous month and year.

First quarter asking rents dropped \$0.03 per square foot from the previous quarter to \$74.80 per square foot. Midtown led rate decreases for a second quarter due to high-quality space leasing, dropping \$0.95 per square foot quarter-over-quarter.

Net absorption ended the first quarter at 820,921 square feet, marking the first set of consecutive quarters of positive absorption since 2017. Manhattan has delivered 29.0 million square feet of newly constructed space in the last 10 years, however only 0.5 million square feet remains on track to deliver this year.

Office to residential conversions remains one of the significant factors reducing the inventory. There are 12.9 million square feet of active office to residential conversions in Manhattan, following 8.8 million square feet of buildings converted since 2014. Construction has

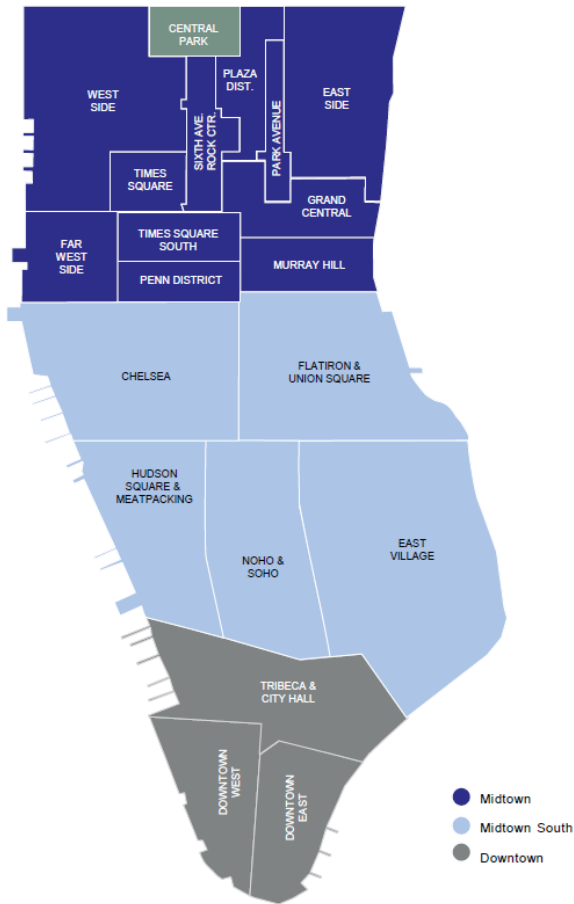
commenced for the conversions of nine buildings, six located in Midtown, one in Midtown South, and two in Downtown.

Due to the decline in overall office space usage and rise in office vacancy rates in some of office submarkets, local officials have expressed the need to rezone areas of Manhattan to allow for residential conversions, however, conversations remain preliminary. The City released the City Planning Office Adaptive Reuse Study, a study evaluating centrally located, high-density Midtown zoning districts that don't allow for residential use. There are several districts between West 23rd Street and West 41st Street that are zoned as Manufacturing Districts that do not allow new residential buildings through conversion or ground-up construction. The City through consultation with local elected officials and other stakeholders, is actively evaluating the appropriateness of the current zoning and a potential zoning text amendment. This zoning amendment will further expand the number of offices able to convert all existing square footage to residential use. However, this would most likely remove a very small percentage of buildings impacting the availability quoted, removing inventory from the market will continue to assist in identifying a true equilibrium for the Manhattan market, which has been relatively volatile since March 2020. The zoning amendment would allow residential space with a floor area ratio of up to 12. Many office buildings exceed a floor area ratio of 12, so they cannot be fully converted into housing under current law. With a few exceptions, office buildings constructed after 1961 in the city cannot be converted into housing. That threshold would be bumped to 1990 as part of the City of Yes for Housing Opportunity text amendment. But that doesn't seem to be the main obstacle for the Class B and C offices in Midtown South, 89 percent which were built before 1961. The FAR cap also would not serve as a barrier for these buildings.

The overall outlook for the Manhattan office market remains uncertain, though the first quarter of 2025 showed the strongest leasing activity since 2019 and tenant demand increases year-over-year. Additionally, the market will react accordingly to the change in the Federal Funds Rate benchmark.

MIDTOWN OFFICE MARKET OVERVIEW

MIDTOWN SUBMARKET DEFINITION AND HIGHLIGHTS



Market Summary Midtown			
	Current Quarter	Prior Quarter	Prior Year
Total Inventory (SF)	290,365,218	292,425,720	294,114,937
Availability Rate	15.40%	16.00%	17.06%
Quarterly Net Absorption	544,851	1,665,570	(2,488,405)
Avg. Ask Rent	\$78.58	\$79.53	\$79.87
Under Construction (SF)	1,085,051	471,387	4,807,000

*Compiled by Newmark

- **Midtown Manhattan** – 30th Street to 65th Street, Hudson River to Fifth Avenue, 32nd Street to 65th Street, Fifth Avenue to East River.
- **Westside** - 41st Street to 65th Street, Hudson River to Ninth Avenue. 48th Street to 65th Street, Ninth Avenue to Seventh Avenue.
- **Times Square** - 41st Street to 48th Street, Ninth Avenue to Seventh Avenue.
- **Far West Side** – 30th Street to 41st Street, Hudson River to Ninth Avenue.
- **Penn Station** - 30th Street to 35th Street, Ninth Avenue to Fifth Avenue.
- **Times Square South** - 35th Street to 41st Street, Ninth Avenue to Fifth Avenue.
- **Sixth Ave/Rockefeller Center** – 41st Street to 59th Street, Seventh Avenue to Midblock Sixth - Fifth Avenue. 48th Street to 52nd Street, Seventh Avenue to Fifth Avenue.
- **Plaza District** – 47th Street to 65th Street, Midblock Sixth - Fifth Avenue to Midblock Madison - Park Avenue. 61st Street to 65th Street, Fifth Avenue to Midblock Park - Lexington Avenue.
- **Park Avenue** – 44th Street to 61st Street, Midblock both sides of Park Avenue.
- **Eastside** – 45th Street to 65th Street, Midblock Park - Lexington Avenue to East River.
- **Grand Central** – 38th Street to 47th Street, Midblock Sixth - Fifth Avenue to Midblock Madison - Park Avenue. 38th Street to 45th Street, Park Avenue to East River.
- **Murray Hill**– 32nd Street to 38th Street, Fifth Avenue to East River.

AVAILABILITY BY SUBMARKET

Market/Submarket	1Q25	4Q24	Change in Bps.
MANHATTAN	17.2%	17.8%	-60
MIDTOWN	15.40%	16.00%	-60
Eastside	16.70%	16.80%	-10
Far West Side	8.80%	12.70%	-390
Grand Central	14.70%	14.80%	-10
Murray Hill	22.90%	27.80%	-490
Park Avenue	8.70%	9.60%	-90
Penn District	16.90%	18.80%	-190
Plaza District	16.00%	16.30%	-30
Sixth Ave/Rock Center	13.20%	13.90%	-70
Times Square	20.40%	19.50%	90
Times Square South	15.60%	15.00%	60
Westside	23.80%	23.50%	30

- The availability rate in the first quarter of 2025 decreased by 60 basis points to 15.40%, its lowest level since the third quarter of 2020. Availability decreased in eight of the eleven submarkets.
- The largest quarter-over-quarter drop was 490 basis points, which was recorded in the Murray Hill submarket as a 390,000 square foot block of space was removed from the market at 2 Park Avenue. Additionally, the Penn District submarket recorded a decline of 190 basis points, driven by strong leasing activity led by leases from Universal Music Group and Cisco Systems totaling over 390,000 square feet. Park Avenue continues to boast the lowest availability rate in Midtown, at 8.70%.
- More than 43.1% of Midtown availability is located on the avenues above 42nd Street. The Broadway corridor has the highest availability at 24.3%, 220 basis points greater than Third Avenue. Conversely, Park and Lexington Avenues boast the lowest availability as tenants continue to compete for high-quality space in core Midtown markets.
- More than half of Class A Midtown Assets have a direct availability rate below 10.0% with 40.6% of the properties boasting a sub-5.0% direct availability rate.
- Over the past five years, Midtown Trophy Buildings availability declined from 15.6% to 5.7%, while class B availability increased from 8.3% to 16.4%. There has been a market shift since the beginning of 2020, with tenants in greater demand for high-quality space.

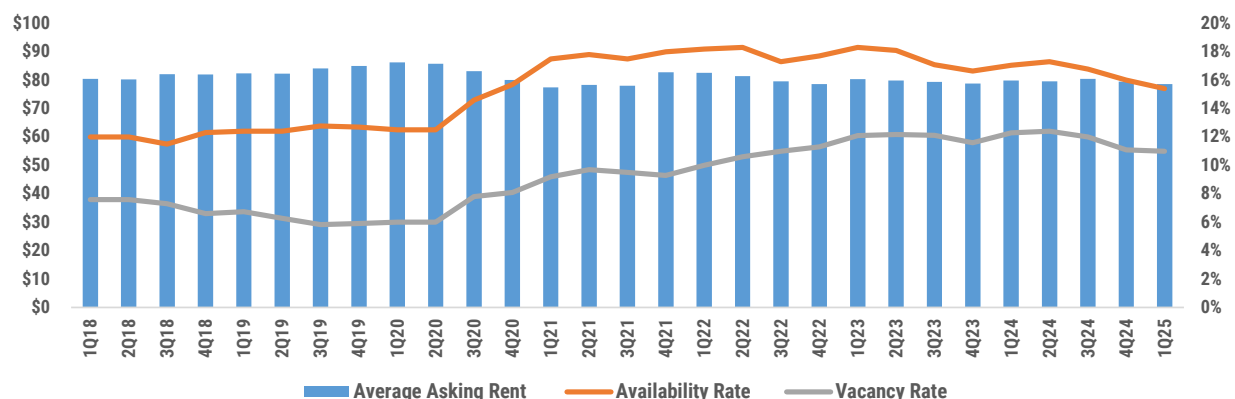
AVERAGE ASKING RENT BY SUBMARKET

Market/Submarket	1Q25(\$/SF)	4Q24(\$/SF)	\$ Change
MANHATTAN	\$74.80	\$74.83	-\$0.03
Midtown	\$78.58	\$79.53	-\$0.95
Eastside	\$67.60	\$67.11	\$0.49
Far West Side	\$131.30	\$126.15	\$5.15
Grand Central	\$67.92	\$68.02	-\$0.10
Murray Hill	\$61.52	\$61.90	-\$0.38
Park Avenue	\$118.37	\$114.32	\$4.05
Penn District	\$73.81	\$77.25	-\$3.44
Plaza District	\$111.61	\$113.21	-\$1.60
Sixth Ave/Rock Center	\$93.87	\$92.00	\$1.87
Times Square	\$70.84	\$74.04	-\$3.20
Times Square South	\$52.05	\$51.53	\$0.52
Westside	\$66.49	\$65.95	\$0.54

- Midtown average asking rents decreased \$0.95 per square foot to \$78.58 per square foot in the first quarter of 2025.
- Rents decreased in five of the eleven submarkets, with the largest decrease occurring within the Penn District office submarket, decreasing \$3.44 per square foot quarter-over-quarter due to the removal of high-rent space at 2 Penn Plaza because of the Universal Music Group lease. The largest increase occurred in the Far West Side office submarket, where rents increased by \$5.15 quarter-over-quarter due to the removal of lower-rent sublease space.

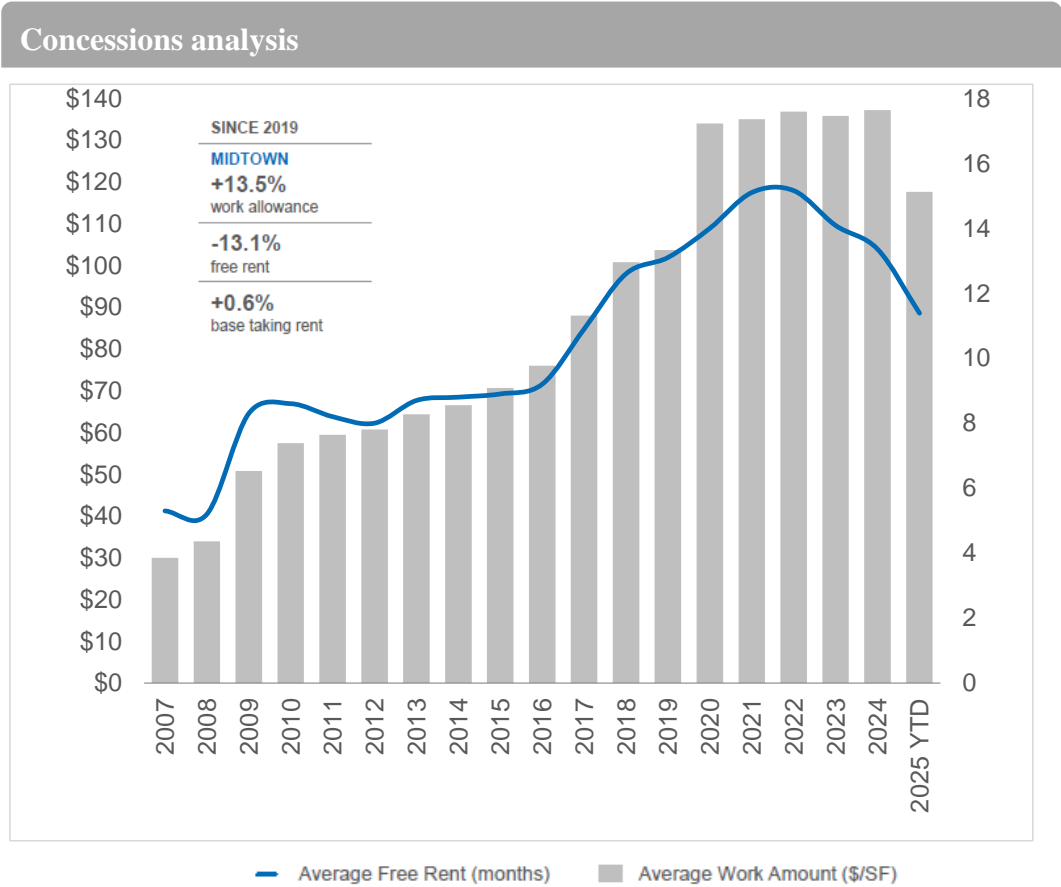
HISTORICAL ANALYSIS

Weighted Average Asking Rent, Availability, and Vacancy



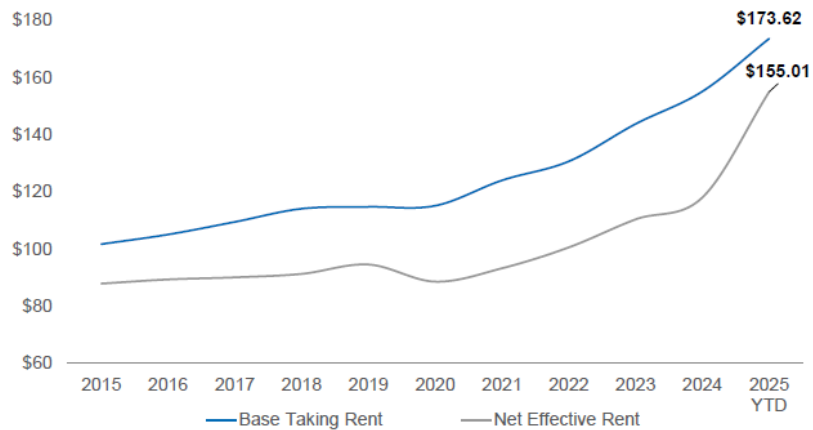
- The Midtown availability rate decreased by 60 basis points quarter-over-quarter to 15.40%.

- Midtown vacancy rate decreased by 10 basis points quarter-over-quarter and 130 basis points year-over-year, concluding the first quarter at 11.00%.



Midtown concessions were down to start the year as a greater share of deals were completed in mid-tier assets. As the class A market leases less space due to constrained availability, a greater share of the transactions occurred in commodity assets with landlords giving less concessions.

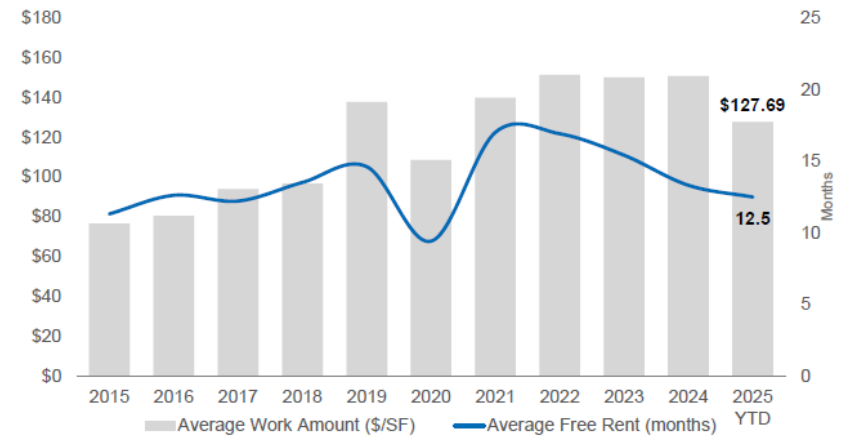
Historical Base Taking and Net Effective Rents



	Base Taking Rent	Net Effective Rent
2024	\$155.13	\$117.99
2025 YTD	\$173.62	\$155.01
YoY Change	+11.9%	+31.4%

Note: Taking rents, net effective rents and concessions are based on direct deals with 5+ year term.
Source: Newmark Research

Historical Work Allowance and Free Rent



	Work Allowance	Free Rent
2024	\$150.68	13.3 Months
2025 YTD	\$127.69	12.5 Months
YoY Change	-7.2%	-14.5%

Midtown trophy base taking and net effective rents were both up to start the year. As demand for trophy space has sustained at high levels, concessions have begun shifting downwards.

LEASING ACTIVITY

First Quarter Top Deals



2 Penn Plaza

Universal Music Group

333,516 SF

Direct New



237 Park Avenue

Amazon

193,431 SF

Sublease New



437 Madison Avenue

Banco Santander

191,667 SF

Direct Renewal



7 Times Square

Knitwell Group

191,258 SF

Direct Renewal



227 East 45th Street

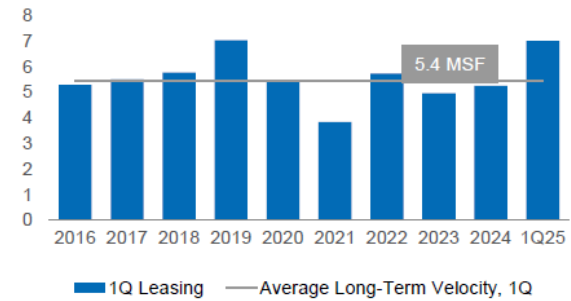
A&E Television Networks

151,920 SF

Direct Renewal

Source: Newmark Research

Leasing Activity



Midtown leasing remained robust in the first quarter of 2025, registering 7.0 million square feet of activity while net absorption posted positive for the second straight quarter. Three of the top five deals in the market represented renewals as the quality large block inventory for relocation remains minimal. The largest deal was Universal Music Group's new lease for 333,516 square feet at 2 Penn Plaza. 68.4% of Midtown new leasing activity occurred in class A assets during the first quarter. The slight decline in concentration of class A leasing is more indicative of the lack of high-quality space, rather than a slowdown in demand. Midtown trophy assets continued to outperform the overall market as direct availability within the set declined 100 basis points in the first quarter to 5.7%.

More than 90.0% of financial services firms who signed leases over 25,000 square feet since 2023 either expanded or recommitted to the same footprint. Park Avenue remains the most active submarket for financial services tenants, followed by the Plaza District, Far West Side, and Sixth Avenue/Rockefeller Center. Mizuho Corporate Bank, Sumitomo, Webster Bank, and PNC Bank all committed to expanded office footprints in the first quarter of 2025.

NEW SUPPLY HIGHLIGHT – WEST SIDE

10 Hudson Yards <div>99%</div>	30 Hudson Yards <div>100%</div>	55 Hudson Yards <div>100%</div>	1 Manhattan West <div>97%</div>	441 Ninth Avenue <div>85%</div>	50 Hudson Yards <div>98%</div>	Farley Building <div>100%</div>	66 Hudson Blvd (The Spiral) <div>95%</div>
<i>RBA</i> 1.8 MSF	<i>RBA</i> 2.6 MSF	<i>RBA</i> 1.5 MSF	<i>RBA</i> 2.1 MSF	<i>RBA</i> 700,000 SF	<i>RBA</i> 3.0 MSF	<i>RBA</i> 740,000 SF	<i>RBA</i> 2.9 MSF
<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed
<i>Ownership</i> Related/STRS Ohio/ Allianz	<i>Ownership</i> Related/ Oxford Properties	<i>Ownership</i> Related/ Mitsui Fudosan	<i>Ownership</i> Brookfield Properties/ QIA/Blackstone	<i>Ownership</i> CommonWealth Partners	<i>Ownership</i> Related/ Mitsui Fudosan	<i>Ownership</i> Vornado Realty Trust/Related	<i>Ownership</i> Tishman Speyer
<i>Completion Date</i> 2016	<i>Completion Date</i> 2019	<i>Completion Date</i> 2018	<i>Completion Date</i> 2019	<i>Completion Date</i> 2019	<i>Completion Date</i> 2022	<i>Completion Date</i> 2022	<i>Completion Date</i> 2023
<i>Anchor Tenants</i> Coach L'Oreal BCG Guardian Life	<i>Anchor Tenants</i> Time Warner Related KKR Wells Fargo Stonepeak Infrastructure Partners	<i>Anchor Tenants</i> Point72 Milbank Tweed Cooley LP MarketAxess	<i>Anchor Tenants</i> Skadden, Arps NHL McKool Smith Accenture EY	<i>Anchor Tenants</i> Peloton Interactive Lyft Sprinklr	<i>Anchor Tenants</i> BlackRock Truist Bank Vista Equity Partners Facebook	<i>Anchor Tenants</i> Facebook	<i>Anchor Tenants</i> Pfizer TPG (Angelo Gordon) Debevoise & Plimpton Marshall Wace HSBC Bank

410 Tenth Avenue <div>70%</div>	2 Manhattan West <div>85%</div>	341 Ninth Avenue (Morgan North) <div>100%</div>	PENN1 <div>89%</div>	PENN2 <div>44%</div>	70 Hudson Yards <div>0%</div>	3 Hudson Boulevard <div>0%</div>
<i>RBA</i> 638,000 SF	<i>RBA</i> 2.0 MSF	<i>RBA</i> 630,000 SF	<i>RBA</i> 2.3 MSF	<i>RBA</i> 1.5 MSF	<i>RBA</i> 750,000 SF	<i>RBA</i> 1.9 MSF
<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Completed	<i>Status</i> Under Construction	<i>Status</i> Under Construction
<i>Ownership</i> 601W Companies/ Kaufman Org.	<i>Ownership</i> Brookfield Properties/ QIA	<i>Ownership</i> Tishman Speyer	<i>Ownership</i> Vornado Realty Trust	<i>Ownership</i> Vornado Realty Trust	<i>Ownership</i> Related	<i>Ownership</i> Moinian Group/ Boston Properties
<i>Completion Date</i> 2022	<i>Completion Date</i> 2023	<i>Completion Date</i> 2023	<i>Completion Date</i> 2022	<i>Completion Date</i> 2023	<i>Completion Date</i> TBD	<i>Completion Date</i> TBD
<i>Anchor Tenants</i> Amazon	<i>Anchor Tenants</i> Cravath Swaine & Moore D.E. Shaw Clifford Chance KPMG BBVA	<i>Anchor Tenants</i> Dentsu <i>*Full building available for sublease</i>	<i>Anchor Tenants</i> WSP Industrious Empire Blue Cross Blue Shield Gusto Roivant	<i>Anchor Tenants</i> Madison Square Garden Universal Music Group Major League Soccer	<i>Anchor Tenants</i> TBD	<i>Anchor Tenants</i> TBD

Source: Newmark Research, Direct space only

NEW SUPPLY HIGHLIGHT – MIDTOWN EAST

<div>1 Vanderbilt Avenue</div> <div>99%</div> <div>RBA 1.7 MSF</div> <div>Status Completed</div> <div>Ownership SL Green/Hines/ NPS</div> <div>Completion Date 2020</div> <div>Anchor Tenants TD Bank TD Securities Greenberg Traurig McDermott Will & Emery The Carlyle Group</div>	<div>425 Park Avenue</div> <div>100%</div> <div>RBA 740,000 SF</div> <div>Status Completed</div> <div>Ownership GreenOak/ L&L Holding/ Tokyu Land Corp.</div> <div>Completion Date 2021</div> <div>Anchor Tenants Citadel GTCR State Bank of India WAFRA</div>	<div>270 Park Avenue</div> <div>100%</div> <div>RBA 1.9 MSF</div> <div>Status Under Construction</div> <div>Ownership JP Morgan Chase</div> <div>Completion Date 2025</div> <div>Anchor Tenants JP Morgan Chase (owner-occupied)</div>	<div>350 Park Avenue</div> <div>50%</div> <div>RBA 1.8 MSF</div> <div>Status Planned</div> <div>Ownership Vornado/Rudin Management/Citadel Enterprise America</div> <div>Completion Date TBD</div> <div>Anchor Tenants Citadel</div>
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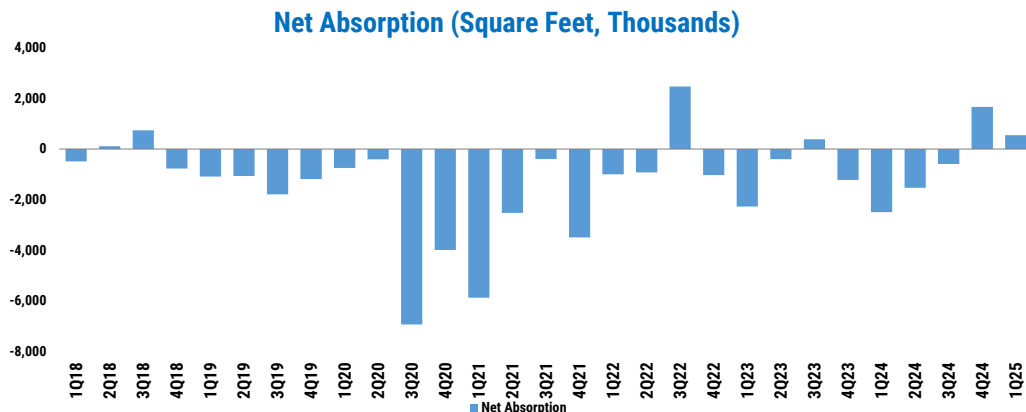
<div>343 Madison Avenue</div> <div>0%</div> <div>RBA 940,000 SF</div> <div>Status Planned</div> <div>Ownership MTA/ Boston Properties/ Norges Bank Investment Mgmt</div> <div>Completion Date TBD</div> <div>Anchor Tenants TBD</div>	<div>850 Third Avenue</div> <div>28%</div> <div>RBA 613,664 SF</div> <div>Status Under Renovation</div> <div>Ownership HPS Investment Partners</div> <div>Completion Date TBD</div> <div>Anchor Tenants *Receiving \$58M in tax benefits per M-Core program</div>	<div>175 Park Avenue (Grand Hyatt)</div> <div>0%</div> <div>RBA ± 2.1 MSF</div> <div>Status Planned</div> <div>Ownership TF Cornerstone/ MSD Partners/ RXR</div> <div>Completion Date TBD</div> <div>Anchor Tenants TBD</div>	<div>417 Park Avenue</div> <div>0%</div> <div>RBA 800,000 SF</div> <div>Status Planned</div> <div>Ownership GDS Dev / Klövern AB</div> <div>Completion Date TBD</div> <div>Anchor Tenants TBD</div>	<div>570 Fifth Avenue</div> <div>0%</div> <div>RBA 1.0 MSF</div> <div>Status Planned</div> <div>Ownership Extell Development Ingka Group</div> <div>Completion Date TBD</div> <div>Anchor Tenants TBD</div>
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Source: Newmark Research, Direct space only

Total Under Construction by Submarket	
Eastside	613,664
Far West Side	-
Grand Central	-
Murray Hill	-
Park Avenue	-
Penn District	-
Plaza District	-
Sixth Ave/Rock Center	383,571
Times Square	87,816
Times Square South	-
Westside	-
Total Midtown	1,085,051

- Office construction in Midtown totals 1,085,051 square feet. The construction is nearing topping out at 125 West 57th Street and expected to be completed in the following quarter. The largest property under construction in Midtown is 520 Fifth Avenue which is expected to be delivered in the fourth quarter of 2025. In 2024 construction slowed down significantly due to the increased construction costs, as well as the lack of overall appetite currently within the market for office space. 2025 is expected to deliver just 468,541 square feet. Midtown has multiple projects listed in the pipeline such as Penn 15, 350 Park Avenue, 343 Madison Avenue, 235 East 42nd Street, 175 Park Avenue, and 417 Park Avenue.

HISTORICAL NET ABSORPTION



- Absorption ended the first quarter of 2025 at 544,851 square feet, decreased by 1,120,719 from the last quarter, but being 3,033,256 square feet above one year ago.
- The Far West Side, Park Avenue, Penn District, Plaza District and Sixth Avenue/Rockefeller Center submarkets have absorbed over 1.27 million square feet in the first quarter.

MIDTOWN HISTORICAL OFFICE MARKET OVERVIEW					
Period	Availability Rate	Net Absorption (SF)	Average Asking Rent (PSF)	Vacancy Rate	Leasing Activity (SF)
1Q09	13.2%	-5,184,688	\$66.43	7.1%	2,728,458
2Q09	13.9%	-2,297,435	\$63.20	7.3%	3,274,649
3Q09	14.0%	-1,173,457	\$60.39	7.8%	3,630,867
4Q09	13.9%	784,142	\$58.56	8.3%	4,595,355
1Q10	13.5%	660,184	\$57.02	8.1%	5,581,194
2Q10	13.2%	499,919	\$59.93	8.1%	6,127,914
3Q10	12.9%	923,948	\$60.30	8.0%	5,103,023
4Q10	12.2%	2,830,701	\$62.41	7.8%	6,373,102
1Q11	12.3%	1,791,045	\$63.50	7.9%	6,422,106
2Q11	11.9%	493,250	\$65.00	7.8%	5,762,177
3Q11	12.0%	-887,733	\$67.98	7.4%	4,475,695
4Q11	12.0%	187,561	\$70.20	7.6%	5,083,259
1Q12	12.4%	-742,707	\$73.85	7.4%	3,818,736
2Q12	12.3%	808,982	\$71.70	7.8%	5,925,342
3Q12	12.5%	-620,694	\$73.61	8.3%	5,306,547
4Q12	12.5%	1,052,875	\$73.80	8.0%	5,252,481
1Q13	12.5%	-582,158	\$70.32	7.8%	4,592,427
2Q13	12.4%	1,304,674	\$71.51	7.8%	5,661,090
3Q13	12.3%	1,710,229	\$72.36	7.8%	3,043,045
4Q13	11.6%	1,373,840	\$72.18	7.9%	5,317,771
1Q14	11.4%	560,409	\$73.18	7.2%	4,674,411
2Q14	11.3%	-134,960	\$74.12	6.9%	5,943,150
3Q14	10.9%	616,144	\$73.89	7.3%	4,604,987
4Q14	10.8%	16,969	\$74.95	7.2%	4,406,962
1Q15	11.5%	-2,483,777	\$77.43	7.6%	5,403,712
2Q15	11.3%	-110,092	\$77.33	7.6%	5,249,177
3Q15	11.6%	-919,817	\$79.75	7.2%	3,779,633
4Q15	11.7%	-791,651	\$81.05	7.3%	5,306,240
1Q16	11.6%	32,699	\$81.68	7.4%	5,280,944
2Q16	11.9%	-1,084,278	\$82.75	7.4%	6,855,633
3Q16	12.2%	-1,198,576	\$82.85	7.8%	6,283,882
4Q16	12.4%	-632,932	\$82.05	7.7%	5,663,025
1Q17	12.6%	-893,695	\$82.50	8.0%	5,502,673
2Q17	12.6%	-69,889	\$81.63	8.1%	6,525,928
3Q17	12.1%	1,182,629	\$80.78	7.6%	5,975,764
4Q17	11.9%	270,815	\$80.15	7.5%	6,304,788
1Q18	12.0%	-484,409	\$80.51	7.6%	5,385,228
2Q18	12.0%	113,253	\$80.31	7.6%	7,277,947
3Q18	11.5%	741,413	\$82.14	7.3%	5,911,012
4Q18	12.3%	-770,384	\$82.01	6.6%	8,080,208
1Q19	12.4%	-1,087,901	\$82.41	6.7%	6,525,627
2Q19	12.4%	-1,067,166	\$82.27	6.3%	8,484,841
3Q19	12.8%	-1,789,615	\$84.15	5.8%	5,322,234
4Q19	12.7%	-1,185,475	\$85.00	5.9%	8,254,487
1Q20	12.5%	-744,135	\$86.28	6.0%	4,100,000
2Q20	12.5%	-408,189	\$85.76	6.0%	1,900,000
3Q20	14.6%	-6,922,194	\$83.20	7.8%	3,600,000
4Q20	15.7%	-3,980,116	\$80.11	8.1%	2,200,000
1Q21	17.5%	-5,866,004	\$77.48	9.2%	3,400,000
2Q21	17.8%	-2,522,105	\$78.29	9.7%	3,000,000
3Q21	17.5%	-391,647	\$78.06	9.5%	4,800,000
4Q21	18.0%	-3,488,981	\$82.79	9.3%	5,500,000
1Q22	18.2%	-996,075	\$82.55	10.0%	5,200,000
2Q22	18.3%	-921,625	\$81.40	10.6%	5,450,890
3Q22	17.3%	2,468,773	\$79.57	11.0%	6,594,362
4Q22	17.7%	-1,026,865	\$78.61	11.3%	3,900,000
1Q23	18.3%	-2,265,934	\$80.34	12.1%	4,500,000
2Q23	18.1%	-401,643	\$79.85	12.2%	3,911,077
3Q23	17.1%	384,388	\$79.43	12.1%	4,215,754
4Q23	16.6%	-1,217,345	\$78.79	11.6%	5,466,599
1Q24	17.1%	-2,488,405	\$79.87	12.3%	4,961,825
2Q24	17.3%	-1,529,542	\$79.55	12.4%	7,089,032
3Q24	16.8%	-589,952	\$80.50	12.0%	6,192,157
4Q24	16.0%	1,665,570	\$79.53	11.1%	8,824,227
1Q25	15.4%	544,851	\$78.58	11.0%	7,000,217

*Compiled by Newmark

CONCLUSION

Midtown office market benefits from its central location and convenient access to major transportation hubs, that makes it an ideal location for businesses looking to connect with clients and employees efficiently. The market is home to a variety of Class A and Trophy office buildings that offer large blocks, modern facilities, state-of-the-art technology, and flexible spaces, meeting the evolving needs of businesses. Prior to 2020, Midtown Manhattan had 20 buildings with multiple amenities (food, conference, fitness, entertainment). Since 2020, 48 buildings have added amenities, including 25 assets that have added all four major amenity components. Buildings with amenities have generally seen an increase in both leasing activity and rental rates achieved.

Due to the above Midtown continues to outperform and lead the overall Manhattan office market, particularly among Class A and Trophy assets. Midtown leasing remained robust in the first quarter of 2025, registering 7.0 million square feet of activity while net absorption posted positive for the second straight quarter. Nearly 68.4% of Midtown new leasing activity occurred in class A assets during the first quarter. The slight decline in concentration of class A leasing is more indicative of the lack of high-quality space, rather than a slowdown in demand.

Financial services firms continue to drive Midtown leasing activity. More than 90.0% of financial services firms who signed leases over 25,000 square feet since 2023 either expanded or recommitted to the same footprint. Park Avenue remains the most active submarket for financial services tenants, followed by the Plaza District, Far West Side, and Sixth Avenue/Rockefeller Center. Mizuho Corporate Bank, Sumitomo, Webster Bank, and PNC Bank all committed to expanded office footprints in the first quarter of 2025.

With the strongest leasing availability dropped for the third consecutive quarter, ending March at 15.4%, its lowest level since the third quarter of 2020. More than 43.1% of Midtown availability is located on the avenues above 42nd Street. The Broadway corridor has the highest availability at 24.3%, 220 basis points greater than Third Avenue. Conversely, Park and Lexington Avenues boast the lowest availability as tenants continue to compete for high-quality space in core Midtown markets. More than half of Class A Midtown Assets have a direct availability rate below 10.0% with 40.6% of the properties boasting a sub-5.0% direct availability rate. Midtown trophy assets continued to outperform the overall market as direct availability within the set declined 100 basis points in the first quarter to 5.7%.

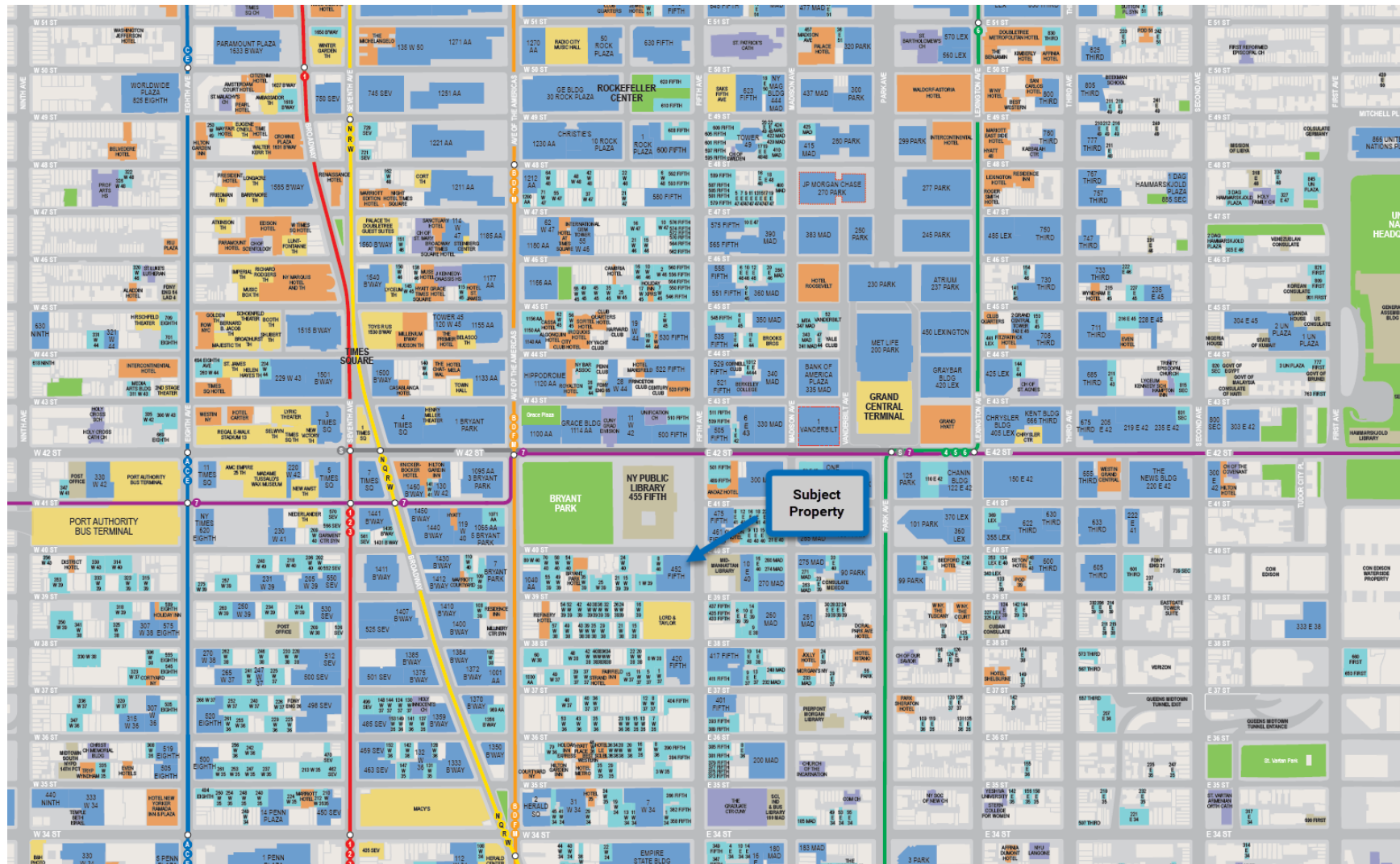
The lack of available, high-quality, large blocks has caused elevated renewal activity to persist. Three of the top five deals in the market represented renewals as the quality large block inventory for relocation remains minimal. As tenants within the market continue to flock to quality assets, upwards pressure is placed on lower quality assets to reposition to maintain activity within the marketplace.

Grand Central, Park Avenue and Far West Side have outperformed other submarkets during recent periods due to their respective rezoning programs allowing for the increased development of Class A and Trophy office space, surpassing submarkets relying on lower quality assets.

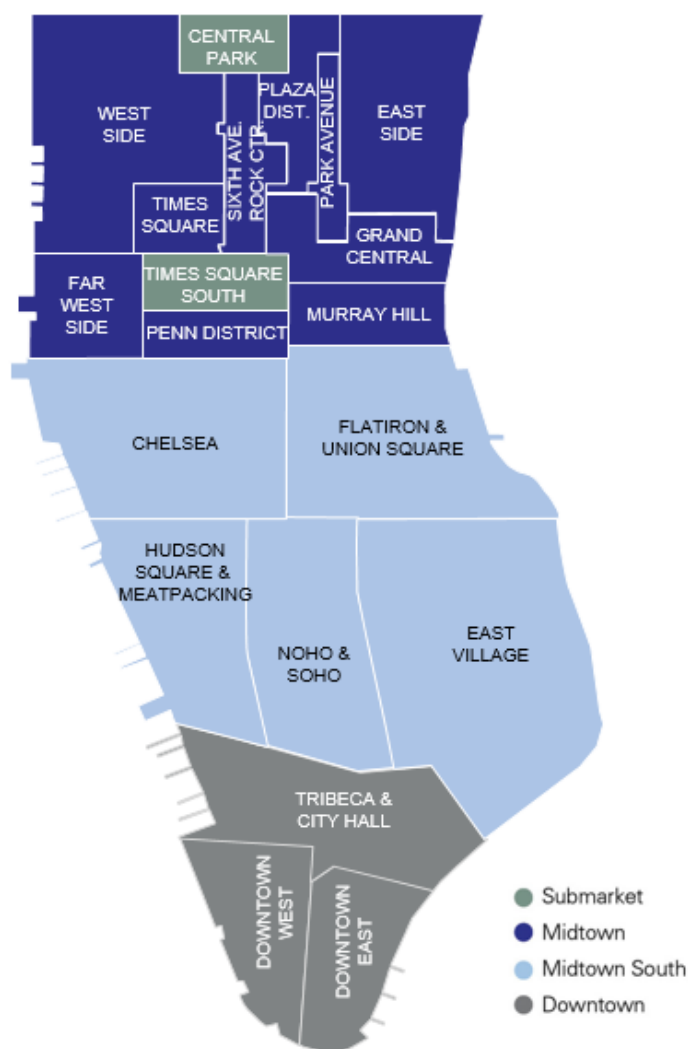
The Far West Side specifically continues to outperform the market during the post-pandemic period with a rental rate increase of 16.47% since the first quarter of 2020 and will continue to benefit from new construction with projects such as 70 Hudson Yards expected to deliver in 2026 and the development of 3 Hudson Boulevard. This trend is anticipated to continue around major transportation hubs, further drawing to the appeal of the Midtown Market. The construction is nearing topping out at 125 West 57th Street and expected to be completed in the following quarter. The largest property under construction in Midtown is 520 Fifth Avenue which is expected to be delivered in the fourth quarter of 2025. This is supported by the 7.7 million square feet that remains in the planning stages across the market, providing a positive out long-term outlook for the market. Construction is not anticipated to pick back up within the next year, given the current high borrowing costs, developers are on standby until the cost of debt reaches more favorable levels. There will also be concerns in the upcoming future that new construction space will be limited after the current pipeline is exhausted. Although the current uncertainty regarding the commercial real estate and financial markets during this period, the overall outlook of the Midtown market remains stable for Class A and new construction and will continue to be favored as the convenience to transportation throughout this market continues to remain the preference for tenants, boding well for the viability and long-term outlook of this market.

The outlook for the Midtown office market is moderately positive, given the market's supply of Class A and Trophy quality assets, assisting in bringing stability to uncertainty that is evidenced within the market regarding office buildings. However, Class B assets are not seen as desirable by tenants in the market, the outlook for lower quality assets within Midtown is deemed unfavorable.

TIMES SQUARE SOUTH/ BRYANT PARK SUBMARKET ANALYSES



TIMES SQUARE SOUTH OFFICE SUBMARKET OVERVIEW



- The subject property is located within the Times Square South submarket of Manhattan, defined by Newmark Research Department, as 35th Street to 41st Street, Ninth Avenue to Fifth Avenue.
- This submarket is home to 35.6 million square feet of commercial real estate.
- The Times Square South submarket is located to the north of the Penn Station office market, to the east of the Far West Side office market, to the west of the Grand Central and Murray Hill office markets, and to the south of the Times Square and Sixth Avenue/Rockefeller Center office markets.
- Availability increased 60 basis points to 15.60% during the first quarter of 2025.
- Times Square South recorded 900,859 square feet of leasing activity during the first quarter, 40.5% above the previous quarter.
- Despite the strong leasing activity, the submarket posted negative 199,693 square feet of absorption due to a large block addition at 620 Eighth Avenue.
- Asking rents increased by \$0.52 per square foot quarter-over-quarter to \$52.05 due to the addition of higher priced space.

Market Summary Times Square South			
	Current Quarter	Prior Quarter	Prior Year
Total Inventory (SF)	35,643,946	35,723,946	35,723,946
Availability Rate	15.60%	15.00%	15.62%
Quarterly Net Absorption	(199,693)	(92,353)	6,836
Avg. Ask Rent	\$52.05	\$51.53	\$53.32
Under Construction (SF)	0	0	0

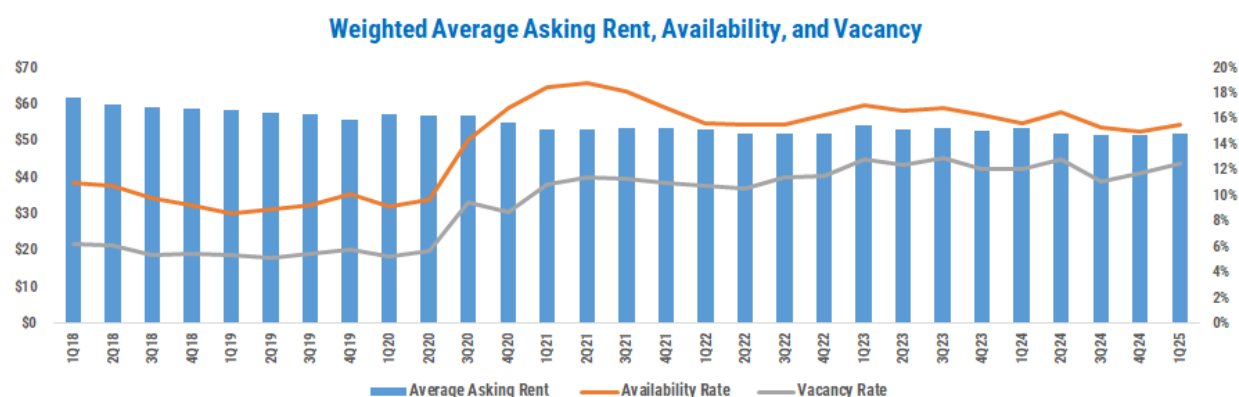
*Compiled by Newmark

SUBMARKET HIGHLIGHTS

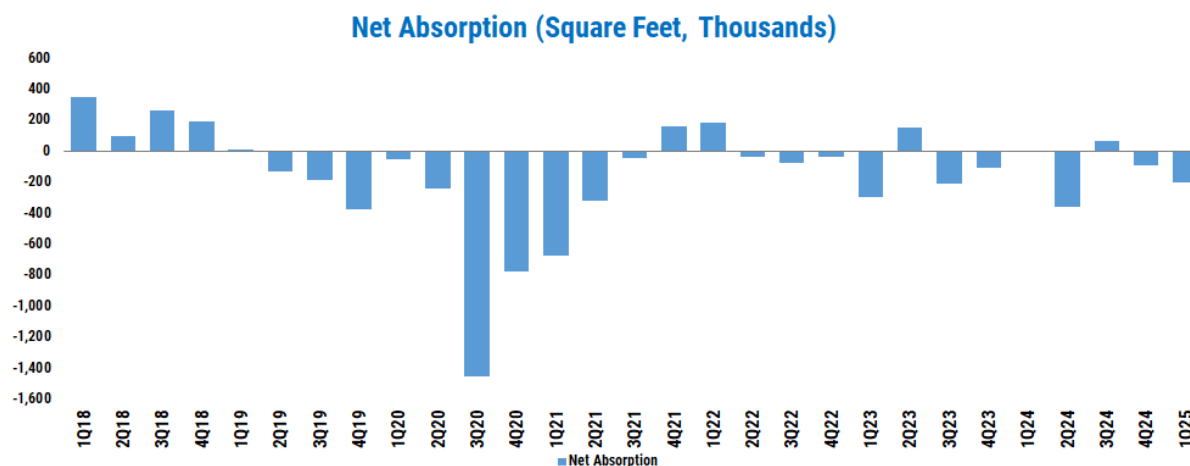
Times Square South - Top Transactions			
Tenant	Building	Type	Square Feet
Data Dog	620 Eighth Avenue	Sublease Expansion	63,000
S Rothschild	1407 Broadway	Direct Renewal	47,000
NYS Energy Research & Development Authority	1333 Broadway	Direct Expansion	38,550
Meirowitz & Wasserberg, LLP	1040 Avenue of the Americas	Direct Extension & Expansion	24,000
High Life LLC	1407 Broadway	Direct Renewal	20,951
Total			193,501

*Compiled by Newmark

Data Dog signed the largest lease in the first quarter, which was a sublease expansion for 63,000 square feet at 620 Eighth Avenue. Despite no leases signed over 100,000 square feet, Times Square South recorded one of the highest quarterly leasing totals since 2009.



The Times Square South availability rate increased 60 basis points quarter-over-quarter to 15.60% in the first quarter of 2025. Average asking rents increased \$0.52 per square foot quarter-over-quarter to \$52.05 per square foot in the first quarter of 2025 due to the addition of higher priced space at 620 Eighth Avenue.



Times Square South posted negative 199,693 square feet of absorption in the first quarter of 2025. Despite increased leasing activity, there was 300,000 square feet of space added at 620 Eighth Avenue.

TIMES SQUARE SOUTH HISTORICAL OFFICE MARKET OVERVIEW				
Period	Availability Rate	Net Absorption (SF)	Average Asking Rent (PSF)	Vacancy Rate
1Q09	12.1%	-756,272	\$39.08	7.4%
2Q09	13.8%	-503,748	\$36.84	7.0%
3Q09	13.6%	86,678	\$37.10	7.0%
4Q09	13.7%	28,451	\$36.28	7.6%
1Q10	13.8%	-84,393	\$36.09	7.5%
2Q10	12.2%	602,221	\$37.04	6.7%
3Q10	12.1%	101,343	\$36.86	7.2%
4Q10	10.8%	552,679	\$36.70	7.4%
1Q11	10.3%	206,002	\$36.36	6.8%
2Q11	9.7%	-13,537	\$36.80	6.5%
3Q11	9.7%	203,587	\$37.35	6.4%
4Q11	10.1%	-74,664	\$37.73	6.3%
1Q12	10.6%	-144,909	\$41.55	6.7%
2Q12	10.8%	-54,145	\$42.63	6.7%
3Q12	10.8%	54,727	\$42.98	6.4%
4Q12	10.0%	333,907	\$44.00	7.0%
1Q13	9.8%	92,590	\$45.58	6.7%
2Q13	8.6%	573,463	\$46.24	6.1%
3Q13	8.3%	12,990	\$46.70	5.9%
4Q13	7.4%	431,859	\$48.08	4.3%
1Q14	7.0%	323,207	\$49.85	3.9%
2Q14	8.1%	-250,524	\$58.30	4.0%
3Q14	8.9%	-164,455	\$57.01	4.7%
4Q14	9.0%	-15,714	\$56.52	5.0%
1Q15	10.3%	-480,357	\$58.82	5.6%
2Q15	10.9%	-503,756	\$60.40	6.2%
3Q15	10.9%	-73,289	\$60.89	5.5%
4Q15	11.3%	-286,196	\$61.91	5.9%
1Q16	10.9%	84,839	\$64.06	6.5%
2Q16	10.4%	141,795	\$62.15	6.5%
3Q16	10.4%	-27,377	\$61.65	6.5%
4Q16	12.5%	-756,844	\$63.09	6.9%
1Q17	13.5%	-341,059	\$63.26	7.1%
2Q17	13.2%	-3,961	\$62.91	7.0%
3Q17	13.1%	5,718	\$62.25	6.6%
4Q17	12.1%	312,656	\$61.63	6.7%
1Q18	11.0%	351,922	\$61.71	6.2%
2Q18	10.8%	97,379	\$60.05	6.1%
3Q18	9.8%	260,660	\$59.16	5.4%
4Q18	9.3%	194,816	\$58.88	5.5%
1Q19	8.6%	10,215	\$58.23	5.4%
2Q19	8.9%	-133,542	\$57.70	5.1%
3Q19	9.3%	-181,396	\$57.42	5.5%
4Q19	10.1%	-370,432	\$55.93	5.8%
1Q20	9.1%	-51,676	\$57.09	5.2%
2Q20	9.7%	-238,594	\$56.89	5.7%
3Q20	14.4%	-1,453,523	\$56.89	9.5%
4Q20	16.9%	-772,280	\$54.83	8.7%
1Q21	18.5%	-669,520	\$53.16	10.9%
2Q21	18.8%	-316,474	\$53.07	11.4%
3Q21	18.2%	-46,014	\$53.39	11.3%
4Q21	16.9%	160,859	\$53.37	11.0%
1Q22	15.7%	188,024	\$53.06	10.8%
2Q22	15.5%	-31,907	\$52.05	10.6%
3Q22	15.5%	-71,495	\$51.80	11.4%
4Q22	16.3%	-37,307	\$52.00	11.5%
1Q23	17.1%	-296,847	\$54.08	12.9%
2Q23	16.6%	156,367	\$53.05	12.4%
3Q23	16.9%	-212,415	\$53.47	13.0%
4Q23	16.3%	-104,494	\$52.86	12.1%
1Q24	15.6%	6,836	\$53.32	12.1%
2Q24	16.5%	-359,544	\$51.99	12.8%
3Q24	15.3%	65,607	\$51.73	11.1%
4Q24	15.0%	-92,353	\$51.53	11.8%
1Q25	15.6%	-199,693	\$52.05	12.5%

CLASS A MARKET SUMMARY

The Class A office market of Times Square South represents a small portion (less than 13.0%) of the market compared to Class B/C product. The Class A product within this submarket has historically functioned more in-line with buildings in surrounding submarkets within Midtown. As such, the statistics for this property type has been separately analyzed on the following chart:

Times Square South Class A Market Statistics							
Quarter	Buildings	Inventory	Total Availability	Direct Availability	Direct Vacancy (%)	Direct Asking Rent (\$/SF)	Absorption
1Q25	5	4,625,787	423,213	227,394	3.50%	\$74.12	-179,391
4Q24	9	5,889,686	573,723	519,641	6.70%	\$75.29	57,787
3Q24	9	5,889,686	609,292	484,994	6.70%	\$72.84	141,351
2Q24	9	5,889,686	776,292	641,228	9.50%	\$73.51	4,207
1Q24	9	5,889,686	809,673	637,605	9.78%	\$74.86	-1,891
4Q23	10	5,959,686	830,467	581,210	8.67%	\$79.92	-74,128
3Q23	10	5,959,686	820,960	592,327	8.67%	\$78.95	-12,000
2Q23	10	5,959,686	833,805	580,327	8.90%	\$76.62	-58,850
1Q23	10	5,959,686	774,955	505,546	7.11%	\$76.81	-9,807
4Q22	14	8,270,968	1,164,957	869,244	7.92%	\$72.01	-75,097
3Q22	14	8,270,968	1,100,849	860,765	7.30%	\$72.95	25,122
2Q22	14	8,270,968	1,123,620	825,242	7.90%	\$68.14	131,483
1Q22	14	8,270,968	1,125,971	923,844	7.70%	\$71.52	-14,442
4Q21	14	8,270,968	1,316,468	843,593	6.30%	\$68.26	-79,798
3Q21	14	8,270,968	1,282,070	765,919	5.90%	\$68.09	-72,358
2Q21	14	8,270,968	1,285,266	734,875	5.70%	\$70.56	-132,191
1Q21	14	8,270,968	1,162,390	744,430	5.60%	\$69.90	-257,805
4Q20	14	8,270,968	932,692	545,787	2.92%	\$71.15	-327,316
3Q20	14	8,282,807	823,291	507,601	2.66%	\$71.50	-206,076
2Q20	14	8,282,807	554,161	409,919	2.53%	\$72.11	113,576
1Q20	14	8,282,807	528,299	408,663	2.92%	\$71.31	139,438
4Q19	14	8,282,807	698,795	464,403	4.17%	\$73.49	15,978
3Q19	14	8,282,807	725,995	505,423	4.34%	\$76.22	-11,222
2Q19	14	8,282,807	732,515	473,492	4.35%	\$77.61	29,995
1Q19	13	8,217,807	812,862	549,545	3.87%	\$74.23	50,794
4Q18	13	8,217,807	861,314	628,706	5.10%	\$71.28	29,819
3Q18	13	8,217,807	836,843	584,130	5.65%	\$74.55	54,290
2Q18	13	8,217,807	944,388	633,741	6.60%	\$76.15	20,523
1Q18	13	8,217,807	982,808	705,508	6.10%	\$81.54	-17,897

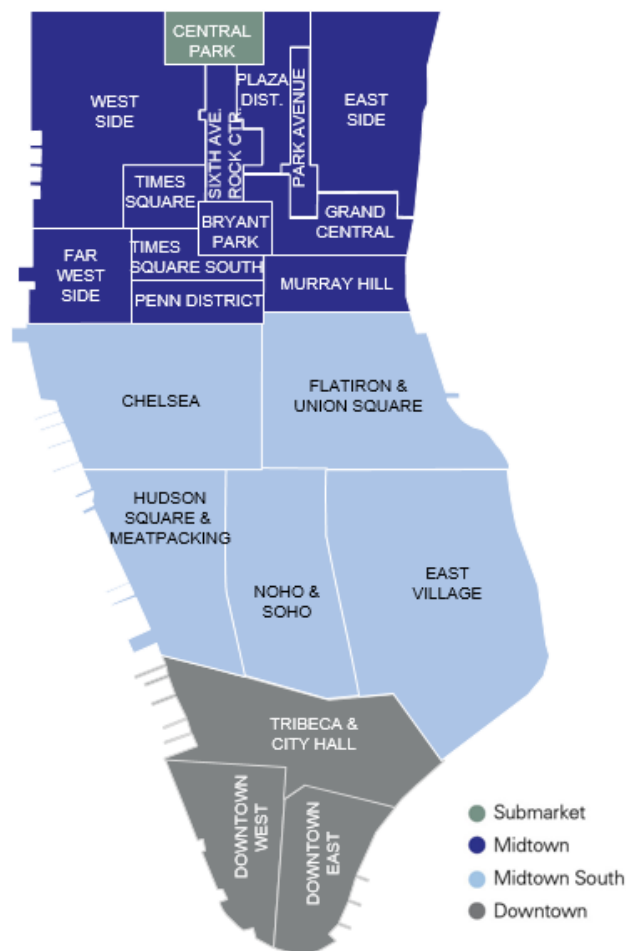
TIMES SQUARE SOUTH OFFICE SUBMARKET CONCLUSION

The Times Square South office submarket has historically featured a wide disparity of asset quality ranging from very good quality Class A office product located along the Avenues representing approximately 12.9% of the total office inventory to average quality Class B/C properties concentrated along the side streets. The submarket has historically been primarily serviced by Garment industry tenants, a sticky tenancy type that signs multiple 2- to 5-year renewal leases within the same Class B/C buildings that have historically been an occupancy rate driver. This tenancy type traditionally signs as-is deals focusing on synergy created from being located within proximity to various buyers and suppliers within the industry in lieu of newly

constructed / renovated buildings that are highly amenitized. Despite the negative impacts surrounding the overall office market, these factors have largely allowed the Times Square South submarket to exhibit below average availability and vacancy rates compared to the Greater Manhattan market.

Several of the underperforming office buildings within this area had been identified within the City Planning Office Adaptive Reuse Study, which aims to permit the conversion of commercial buildings to alternative uses such as Residential within “M”-zoned areas that historically had not permitted residential uses as-of-right. In 2024 the owner of 980 Sixth Avenue has received permit to begin renovation. The potential for the reduction of other underutilized and un-renovated office buildings has the potential to further reduce overall availability. Overall, based on the amount of potential investment activity through the acquisition of potential conversion projects, continued leasing activity among Class B/C office properties in this submarket and proximity to demand/transit centers such as Times Square, Penn Station, Bryant Park, and Grand Central, the overall outlook for the Times Square South submarket remains positive in the long-term.

BRYANT PARK OFFICE SUB-DISTRICT ANALYSIS



- The subject is in the Bryant Park sub-district of Manhattan, defined by Newmark Research Department, as 30 buildings within an area comprised by 39th Street to 45th Street, Midblock Sixth to Madison Avenue.
- The Bryant Park sub-district is located within the boundaries of broader areas known as Grand Central, Times Square South, and Sixth Ave/ Rockefeller Center.
- Bryant Park was an added sub-district due to the premium placed on buildings with views of Bryant Park. These buildings are located within a submarket that contains asking rents above the surrounding office product due to the unobstructed views of Bryant Park.
- This sub-district has an existing inventory of 15.4 million square feet of commercial real estate.
- First quarter availability increased 70 basis points to 9.3% as leasing activity slowed, and space additions came to market.
- Asking rents decreased \$0.37 per square feet to \$85.35 per square feet, a shift led by the addition of low-priced space available at 270 Madison Avenue.

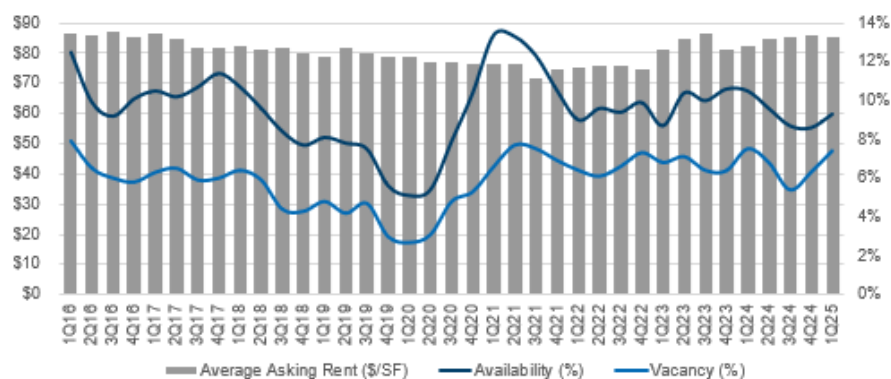
Market Summary Bryant Park			
	Current Quarter	Prior Quarter	Prior Year
Total Inventory (SF)	15.4M	15.4M	15.4M
Availability Rate	9.3%	8.6%	10.5%
Quarterly Net Absorption (SF)	-98,837	-5,661	-7,334
Average Asking Rent/SF	\$85.35	\$85.72	\$82.17
Under Construction (SF)	0	0	0

SUBMARKET HIGHLIGHTS

Bryant Park – Top Transactions			
Tenant	Building	Type	Square Feet
US Bank	1095 Avenue of the Americas	Sublease Expansion	34,251
Novartis	452 Fifth Avenue	Direct Extension	15,865
Fidelity	461 Fifth Avenue	Direct New	7,134
R.G. Barry Corporation	8 West 40th Street	Direct New	6,667
Ascenda Loyalty US, Inc.	24 West 40th Street	Direct New	5,314
Total			69,231

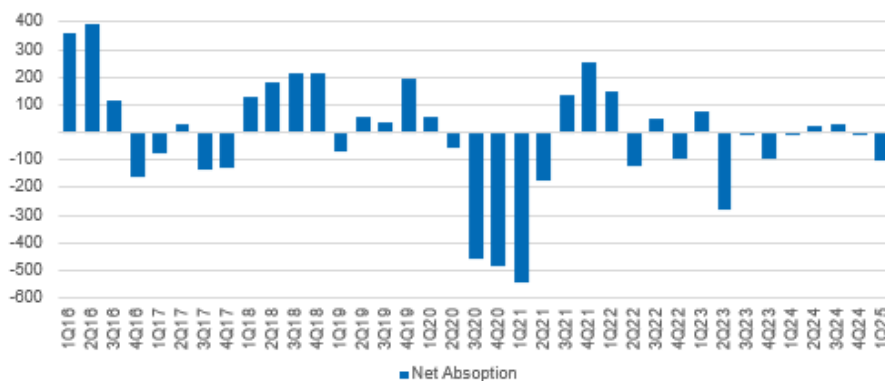
The submarket recorded 145,184 square feet of leasing, 40.5% below the five-year average quarterly activity. The largest leasing transaction year-to-date was an US Bank sublease extension of 34,251 square feet at 1095 Avenue of the Americas.

Weighted Average Asking Rent, Availability, and Vacancy



First quarter availability increased by 70 basis points to 9.3% as leasing activity slowed, and space additions came on market. Asking rents decreased \$0.37 per square feet to \$85.35 per square feet, a shift led by the addition of low-priced direct space coming on market at 270 Madison Avenue.

Net Absorption (Square Feet, Thousands)



First quarter absorption recorded -98,837 square feet, the most negative absorption in Bryant Park since the second quarter of 2023.

BRYANT PARK HISTORICAL OFFICE MARKET OVERVIEW				
Period	Average Asking Rent (PSF)	Vacancy Rate	Availability Rate	Net Absorption (SF)
1Q15	\$78.76	6.0%	9.6%	-14,179
2Q15	\$76.25	6.4%	10.6%	-370,313
3Q15	\$84.96	7.4%	13.3%	-122,251
4Q15	\$86.14	7.8%	14.8%	-188,655
1Q16	\$88.35	8.1%	12.3%	356,451
2Q16	\$86.92	6.6%	10.2%	254,010
3Q16	\$87.57	6.1%	9.6%	85,038
4Q16	\$86.84	5.8%	10.2%	-102,637
1Q17	\$88.80	6.3%	10.6%	-54,142
2Q17	\$88.69	6.6%	10.1%	65,921
3Q17	\$90.34	6.1%	10.4%	-76,196
4Q17	\$87.26	6.3%	11.4%	-157,955
1Q18	\$88.11	6.8%	10.6%	133,475
2Q18	\$91.82	6.3%	9.4%	175,344
3Q18	\$84.20	4.6%	8.7%	115,592
4Q18	\$82.52	4.3%	7.8%	219,179
1Q19	\$81.33	4.9%	8.1%	-42,708
2Q19	\$83.59	4.2%	7.7%	61,963
3Q19	\$81.81	4.6%	7.3%	45,981
4Q19	\$80.27	3.0%	5.5%	193,245
1Q20	\$80.11	2.6%	4.9%	44,075
2Q20	\$78.84	3.9%	5.0%	-16,549
3Q20	\$78.55	4.4%	7.6%	-401,676
4Q20	\$77.64	4.9%	10.0%	-425,575
1Q21	\$77.60	5.9%	13.1%	-482,644
2Q21	\$77.02	7.2%	13.0%	-171,742
3Q21	\$76.02	6.8%	11.7%	192,634
4Q21	\$75.95	6.0%	9.6%	253,890
1Q22	\$76.74	6.1%	9.4%	59,201
2Q22	\$76.59	5.4%	9.1%	-114,926
3Q22	\$76.59	5.4%	8.8%	52,459
4Q22	\$73.64	6.0%	8.9%	-30,673
1Q23	\$80.97	6.8%	8.7%	77,430
2Q23	\$84.86	7.1%	10.4%	-282,330
3Q23	\$86.61	6.4%	10.0%	-8,562
4Q23	\$81.31	6.4%	10.6%	-97,617
1Q24	\$82.17	7.5%	10.5%	-7,334
2Q24	\$84.86	6.8%	9.6%	25,164
3Q24	\$85.14	5.4%	8.7%	31,069
4Q24	\$85.72	6.3%	8.6%	-5,661
1Q25	\$85.35	7.4%	9.3%	-98,837

*Compiled by Newmark

BRYANT PARK OFFICE SUBMARKET CONCLUSION

The Bryant Park District is an assortment of buildings that are locating in the abutting Grand Central, Times Square South, and Sixth Ave/Rockefeller office submarkets, which together comprise approximately 15.4 million square feet of inventory that can market their proximity to

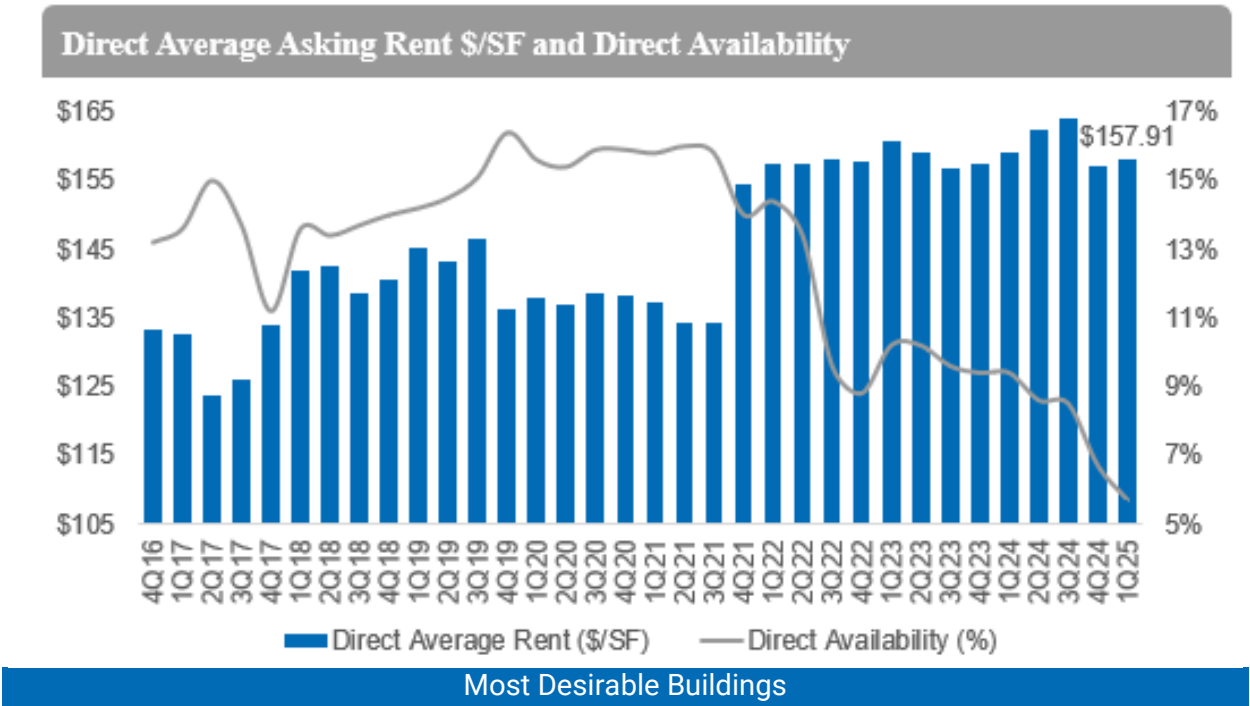
Bryant Park, which lies of the center of these markets. The sub-district continues to outperform the surrounding submarkets due to the premium associated with leasing office space with Bryant Park views.

The sub-district continues to exhibit above average leasing velocity based on its proximity to major forms of public transportation such as Grand Central Terminal, the Port Authority Bus Terminal, and Pennsylvania Station/Moynihan Train Station. Brokers surveyed that Class A/B+ assets surrounding major forms of public transportation and public amenities such as Bryant Park continue to outperform the market. The long-term outlook for this district is considered positive, as these properties will continue to command a premium based on the proximity to major forms of public transportation and Bryant Park.

The recent leasing within the subject property has averaged \$98.93 per square foot, which increases to an average of \$124.89 per square foot for the tower floors of the property located above the 12th floor. As a result of evolving market conditions and the flight-to-quality trends impacting the subject property, the Trophy Building Overview has been outlined in the following section. The contract rents achieved would indicate that the property is considered a premier office building. Although the property is not specifically identified as a Trophy Building, recently signed leases and the continued activity would support the respective properties being directly comparable to the subject property.

Trophy Building Overview

The following section outlines the several office buildings throughout Midtown that have exceeded triple digit taking rents, along with a detailed overview of the Trophy buildings throughout Manhattan.



Most Desirable Buildings direct availability rate dropped 100 basis points to 5.7%, driven by increased leasing activity as direct space remains in high demand.

Stonepeak Infrastructure Partners leased 149,402 square feet at 30 Hudson Yards, the largest deal signed in the first quarter of 2025, subleasing space from WarnerMedia and extending directly.

The direct average asking rent in the first quarter of 2025 increased slightly to \$157.91 per square foot, as higher priced space at 1 Vanderbilt and 375 Park Avenue were added to the market.

There are just three assets in the 39 building Midtown trophy set that have a 100,000 square foot block of space available on a direct basis.

On the following page, a list and historical quarterly performance for the buildings that are considered “Trophy Buildings” has been outlined:

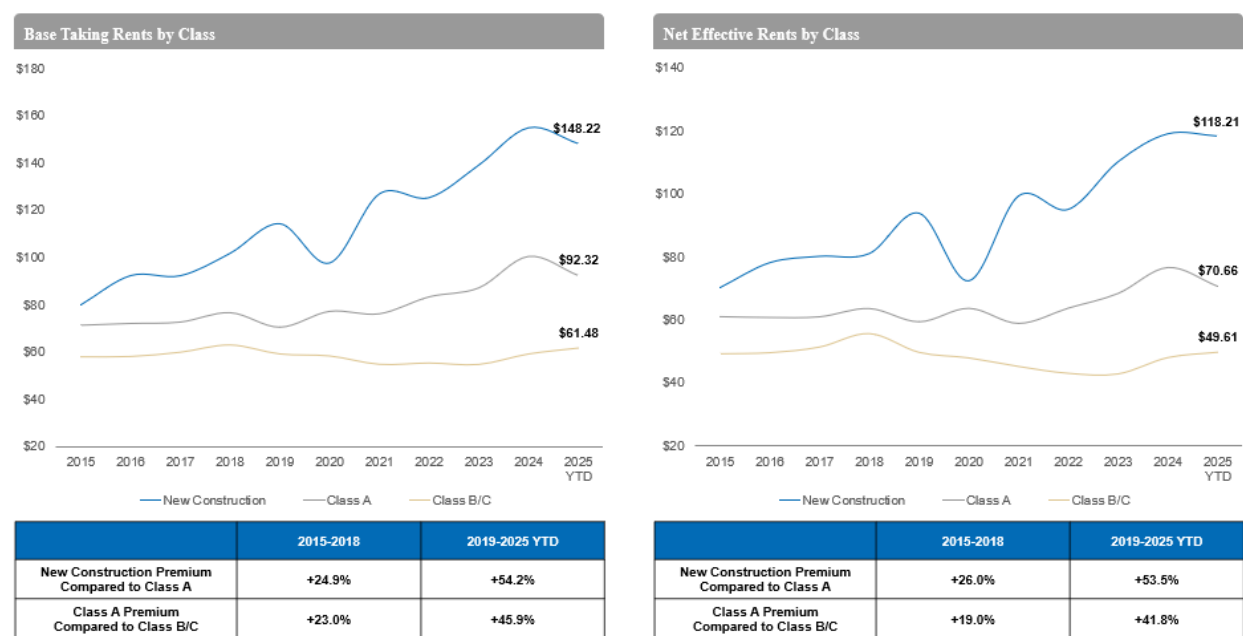
Most Desirable Buildings

Building	Direct Availability Rate				Direct Average Asking Rent (\$/SF)	Total Building Size (SF)
	1Q22	1Q23	1Q24	1Q25		
601 Lexington Avenue	13.2%	4.2%	2.0%	0.0%	NA	1,437,044
1 Vanderbilt Avenue	3.1%	1.0%	0.4%	0.4%	\$320.00	1,763,110
280 Park Avenue	3.6%	1.2%	9.8%	6.8%	\$130.00	1,237,141
299 Park Avenue	7.5%	8.9%	7.3%	2.4%	\$105.00	1,160,433
345 Park Avenue	0.0%	0.0%	0.0%	15.9%	\$142.50	1,832,410
350 Park Avenue	0.0%	0.0%	0.0%	0.0%	NA	538,000
375 Park Avenue	33.2%	0.5%	1.1%	1.4%	\$235.00	830,009
390 Park Avenue	97.4%	82.4%	73.3%	27.5%	\$250.00	234,240
399 Park Avenue	0.6%	0.0%	0.0%	0.0%	NA	1,697,564
425 Park Avenue	30.1%	15.5%	9.3%	0.0%	NA	670,000
450 Park Avenue	21.4%	21.8%	14.6%	24.1%	\$142.50	321,000
499 Park Avenue	21.9%	14.7%	16.3%	15.0%	\$114.50	303,000
65 East 55th Street	10.3%	8.5%	13.9%	13.0%	\$122.00	615,857
660 Fifth Avenue	0.0%	55.9%	55.9%	22.9%	\$185.00	1,488,750
712 Fifth Avenue	22.9%	15.3%	15.2%	17.0%	\$126.50	543,000
452 Fifth Avenue	0.0%	4.4%	5.2%	1.7%	\$150.00	865,000
767 Fifth Avenue	9.7%	11.2%	8.3%	3.5%	\$132.50	1,818,168
510 Madison Avenue	3.3%	12.8%	11.2%	26.3%	\$150.00	350,000
520 Madison Avenue	0.0%	0.4%	14.3%	6.4%	\$125.00	1,047,808
535 Madison Avenue	2.7%	5.4%	11.8%	3.6%	\$108.50	540,000
550 Madison Avenue	53.9%	45.5%	14.7%	14.7%	\$225.00	852,830
590 Madison Avenue	16.2%	14.1%	31.5%	23.3%	\$127.00	1,006,380
650 Madison Avenue	18.3%	9.6%	0.0%	0.0%	NA	595,016
667 Madison Avenue	0.0%	12.5%	15.8%	14.2%	\$152.50	270,000
1114 Avenue of the Americas	0.0%	0.0%	1.2%	1.2%	\$165.00	1,577,112
1 Bryant Park	0.0%	3.3%	0.0%	0.0%	NA	2,118,441
3 Bryant Park	7.8%	2.2%	4.8%	2.7%	\$150.00	1,200,000
7 Bryant Park	3.9%	9.1%	7.4%	0.9%	\$110.00	473,672
9 West 57th Street	25.8%	17.5%	9.4%	9.1%	\$242.50	1,426,800
1 Columbus Circle	2.7%	0.7%	0.7%	0.3%	\$95.00	1,875,851
250 West 55th Street	1.5%	1.3%	2.8%	4.1%	\$98.50	1,052,150
888 Seventh Avenue	3.2%	3.0%	11.0%	14.7%	\$96.50	841,000
10 Hudson Yards	1.9%	0.4%	1.3%	0.9%	\$157.50	1,725,250
30 Hudson Yards	0.0%	0.0%	0.0%	0.0%	NA	2,600,000
50 Hudson Yards	22.8%	14.9%	14.5%	2.4%	\$202.50	2,850,000
55 Hudson Yards	0.0%	0.0%	0.0%	0.0%	NA	1,300,000
66 Hudson Boulevard	44.9%	26.2%	19.7%	4.8%	\$147.50	2,850,000
1 Manhattan West	8.8%	1.6%	1.4%	2.9%	\$170.00	2,100,000
2 Manhattan West	75.0%	23.4%	17.8%	15.3%	\$165.00	1,950,140
Average	14.4%	10.2%	9.4%	5.7%	\$157.91	1,229,671
						47,957,156

The number of deals with triple-digit base taking rents rose consistently from 2013 through 2019. In 2020, all leasing slowed, including \$100 per square foot deals, but in 2022, there was a record high as tenants continue to be in demand of high-quality space. Over the past three years, the number of \$200 per square foot deals exceeded all the previous years combined.

Trophy taking rent and concessions have increased since 2019, but as competition for high-quality space has sustained, deal concessions have recently shown signs of decreasing. Trophy base taking and net effective rents increased year-over-year in the Midtown office market as the supply of space continues to decrease.

An overview of the historical performance has been outlined on the following chart:



Trophy Rent and Concessions

Based on our review of current trends in the Manhattan office market, tenants continue to gravitate towards Class A and Trophy space in the market due to the excellent quality of the space, abundance of amenities and general proximity of these buildings to major forms of public transportation, which will continue to entice employees to return to the office. Class A assets located in Midtown comprised 68.4% of leasing activity recorded during the first quarter of 2025. The concentration of Class A leasing is indicative of a continued flight-to-quality trend. As a result of the continued activity, base taking rents and net effective rents have increased significantly, despite the impacts of market conditions and increasing concession packages as compared to pre-COVID levels.

Given the continued leasing velocity within Class A and Trophy quality assets, availability rates have continued to trend downward since 2020. More than half of Class A Midtown assets have a direct availability rate below 10%, with 40.6% of the properties exhibiting a sub-5.0% direct availability rate. As previously discussed, given the total cost of debt and issues faced by prospective developers to receive financing in the current marketplace, the overall availability of Class A and Trophy space is expected to continue to decline, as the current development pipeline has reduced significantly compared to 2022 and 2023. Market participants expect that this trend will result in continued increases in taking and net effective rents. The Trophy office buildings provide the best indication of current pricing and demand for the subject property.

4Based on the statistics previously analyzed throughout this section of the analysis, an overview of the market statistics has been further summarized on the following chart:

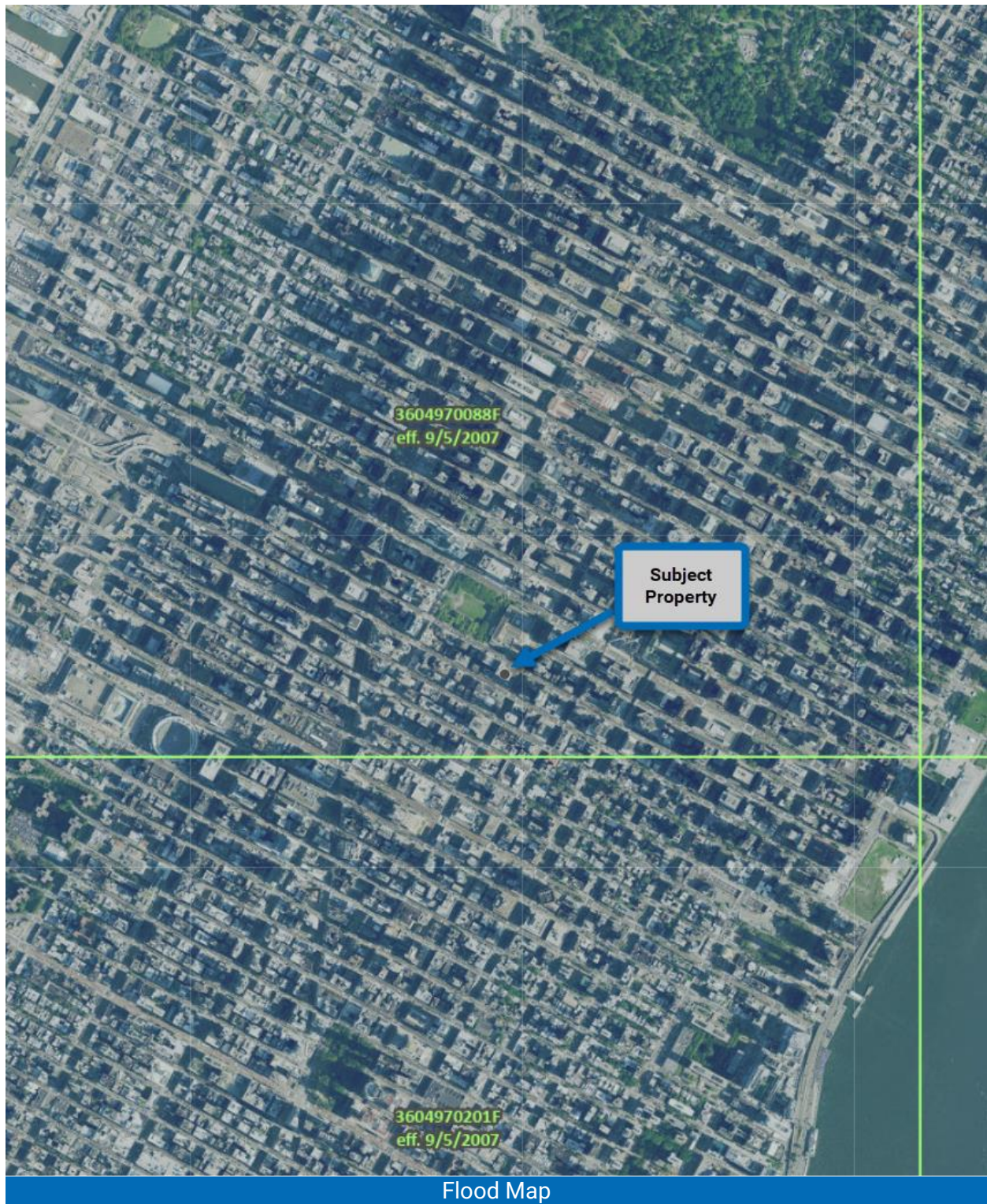
Subject's Competitive Market Summary

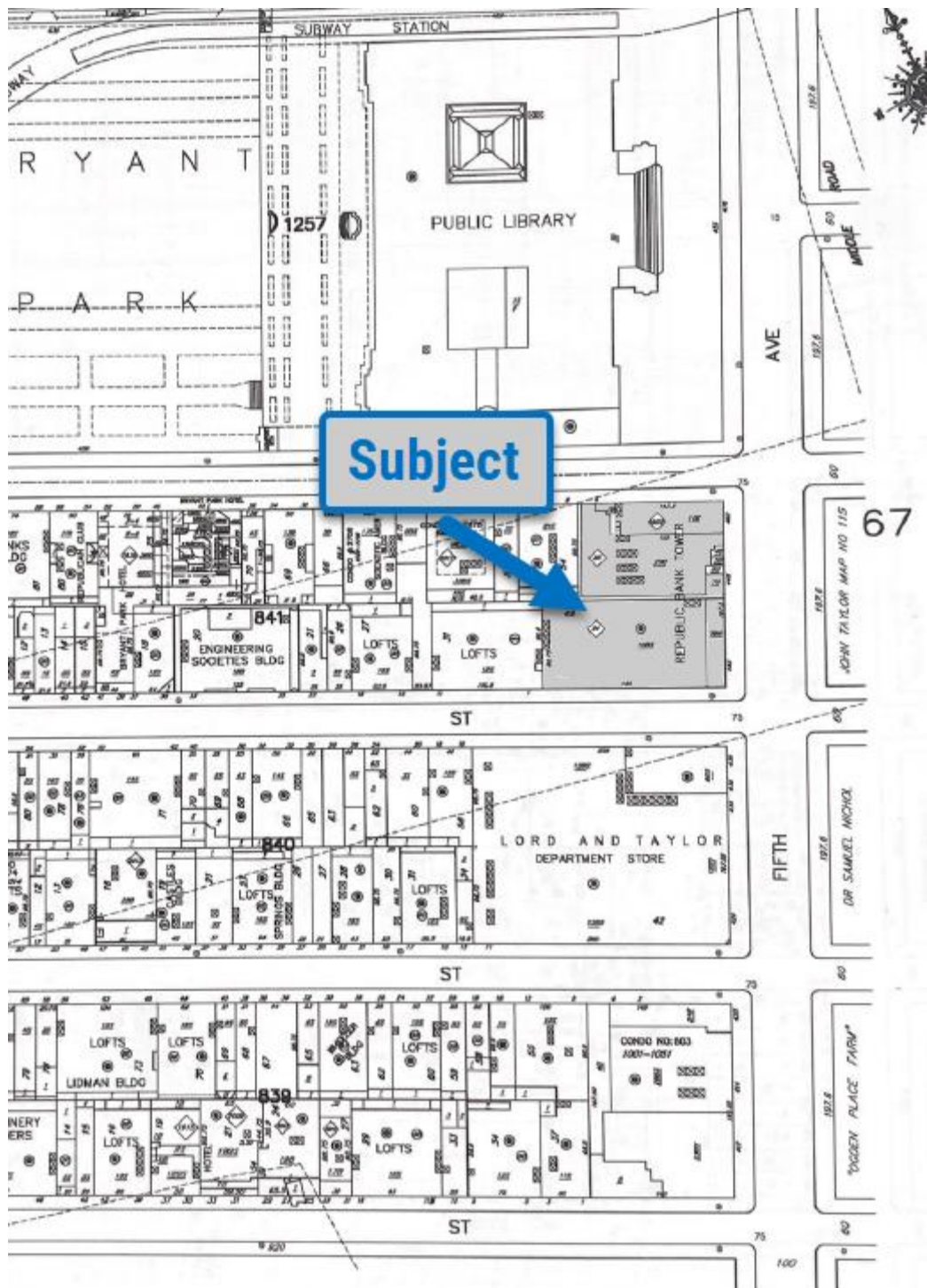
Market	Average Asking Rent	Average Vacancy Rate
Manhattan	\$74.80	12.50%
Midtown	\$78.58	11.00%
Times Square South	\$52.05	12.50%
Bryant Park	\$85.35	7.40%
Trophy Office Market	\$157.91	5.70%
Subject Property's Stabilized Implied Vacancy- As Is	\$102.93*	4.71%
Subject Property's Stabilized Implied Vacancy- As Stabilized		2.71%

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Within this analysis, this information and the current office market statistics have been utilized in order to determine the subject's projected market rents and the implied vacancy rate utilized herein.

LAND AND SITE ANALYSIS





Sandborn Map

Land Description

Land Area Summary

442/452 Fifth Avenue	0.7538 Acres; 32,834 SF
1-11 West 39th Street	0.2645 Acres; 11,520 SF

Total Land Area **1.0182 Acres; 44,354 SF**

Assessor Identification

442/452 Fifth Avenue	Block 505, Lot 36
1-11 West 39th Street	Block 505, Lot 31
Source of Land Area	Public Records

Site Characteristics

Street Frontage	198 feet of frontage on the West side of Fifth Avenue
Street Frontage	302 feet of frontage on the North side of West 39th Street
Street Frontage	148 feet of frontage on the South side of West 40th Street
Accessibility Rating	Very Good
Visibility Rating	Very Good
Shape	"L" Shaped
Throughblock Parcel	Yes
Corner	Yes
Topography	Generally Level At Grade

Flood Zone Analysis

Flood Area Panel Number	3604970088F
Date	9/5/2007
Zone	Zone X
Description	Area of minimal flood hazard, usually depicted on Flood Insurance Rate Maps as above the 500-year flood level.
Insurance Required?	No

Utility Services

Water / Sewer	City of New York
Electricity	Consolidated Edison
Natural Gas	Consolidated Edison
Cable	Verizon Communications and Others

Compiled by Newmark

EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

We were not provided a current title report to review. Further, we are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

ENVIRONMENTAL ISSUES

No environmental issues were observed or reported. Newmark is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned

underground tanks, or other below-ground sources of potential site contamination. The existence of such substances may affect the value of the property. For this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

CONCLUSION

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning.

[illegible]

Zoning Summary	
Category	Description
Zoning Jurisdiction	City of New York
Zoning Designation #1	C5-3
Zoning Designation #2	M1-6
Zoning Description	General Central Commercial District (C5-3) & Light Manufacturing District (High-Performance; M1-6)
Special Purpose District	Special Midtown Purpose District
Legally Conforming?	Pre-existing, legal, non-complying bulk use of the site
Zoning Change Likely?	Unlikely
Permitted Uses	A wide range of high bulk commercial uses requiring a central location such as corporate headquarters, large hotels, entertainment facilities, retail stores, and some residential development in mixed-use buildings for C5-3 portion of the site. The M1-6 zoning designation allows for a wide range of light industrial uses, which includes woodworking shops, repair shops, and wholesale service and storage facilities, as well as typical commercial uses including office, hotels, most retail and hospitals. Residential uses are not permitted as of right within the subject's zoning district.

Maximum Floor Area Ratio Summary; C5-3 Zoning Designation

Commercial Uses	15.00 Times the Lot Area
Residential Uses	10.00 Times the Lot Area
Community Facility Uses	15.00 Times the Lot Area

Maximum Floor Area Ratio Summary; Zoning Designation

Commercial Uses	10.00 Times the Lot Area
Residential Uses	Not Permitted As of Right
Manufacturing Uses	10.00 Times the Lot Area
Community Facility Uses	10.00 Times the Lot Area

Allowable Building Area Summary	Zoning	Land Area	FAR	Buildable Area
452 Fifth Avenue	C5-3	32,834 SF	@ 15.00 =	492,510 SF
1-11 West 39th Street	C5-3	731 SF	@ 15.00 =	10,965 SF
1-11 West 39th Street	M1-6	10,789 SF	@ 10.00 =	107,890 SF
Total		44,354 SF	@ 13.78 =	611,365 SF

Compiled by Newmark

ZONING DESIGNATION

LANDMARK PRESERVATION COMMISSION

The subject property was designated as a historic landmark on September 11, 1979. Properties that are designated as historic landmarks are subject to rules administered by the New York City Landmark's Prevention Commission. These rules limit and restrict the type of renovation properties may undergo within these districts. Specific restrictions are placed on a) through wall air conditioners, b) installation of retractable awnings, c) removal of fire escapes, d) sandstone restoration and replacement, e) new window openings, f) restoration of building facades, and g) temporary installations.

Any application for altering a land marked structure shall be considered a request for a Certificate of Appropriateness and shall be reviewed at a public hearing. In determining the appropriateness of any new structure, the Landmarked Preservation Commission shall take into consideration such new structure's location and effect on neighboring buildings.

DESCRIPTION OF LANDMARK

The Knox Building, one of the finest Beaux-Arts style commercial buildings in the city, was designed by the notable N&W York City architect John H. Duncan. Built in 1901-02 as the headquarters of the Knox Hat Company, the building occupies an especially prominent midtown Manhattan location on Fifth Avenue at 40th Street opposite the New York Public Library.

Full facade rustication, large scale ornament, and a two-story mansard roof are all features carried over from Duncan's residential designs but here skillfully adapted to a large commercial building. The rusticated limestone facade rises virtually uninterrupted for the first six stories on the Fifth Avenue front, punctuated only by large window openings. Buff brick simulating rustication is used above the second floor on the 40th Street side. Originally the hat store was located at the first floor which also incorporated a mezzanine level. Early photos show an ironed glass marquee and canopy shielding the Fifth Avenue show windows. A simple cornice above the first floor helps define the base of the building. Above the second-floor windows on the Fifth Avenue front is a palm branch motif with centered female head, while on the 40th Street side the second-floor windows are defined by keyed blocks. This motif is repeated at the 40th Street windows up to the sixth floor, and quoins flank the end bays. A bold detailed cornice carried on over scaled console brackets, some with garlands, surmounts the sixth floor and provides a transition to the upper stories of the building. The cornice, unfortunately, has lost its delicate metal railing. The seventh and eighth stories are handled as a unit with the windows flanked by brick piers and separated by ornamented spandrels. Those on the Fifth Avenue front and 40th Street end bays have lions'-heads ornate cartouches flank the Fifth Avenue windows and those in the end bays on 40th Street just below the bracketed eighth story cornice. Decorative window guards are placed at the bases of the third through eighth story windows.

Above the eighth story rises the imposing two-story mansard roof with a series of elaborate dormers. That on the Fifth Avenue front is a triple dormer with a gabled two-story center opening flanked by smaller windows. A large female head surmounts the gable. The 40th Street side has two-story dormers in the end bays flanking a series of gabled one-story dormers. Rising behind the one-story dormers are three large window openings, each with a vertically arranged triple sash. Although these openings have a distinctly modern look. Early photographs indicate that these openings were a part of the original design. Then, however, each was filled with nine narrow panes of glass. The mansard is crowned by an intricate torch and anthemion cresting with eagles, an appropriate termination to this exuberant design.

SPECIAL MIDTOWN PURPOSE DISTRICT OVERLAY

The property is in the MiD-Special Purpose Midtown District Overlay. The “Special Midtown District” established in the Zoning Resolution was designed to promote and protect public health, safety and general welfare. These general goals include the following specific purposes:

- To strengthen the business core of Midtown Manhattan by improving the working and living environments.
- To stabilize development in Midtown Manhattan and provide direction and incentives for further growth where appropriate.
- To control the impact of buildings on the access of light and air to the streets and avenues of Midtown.
- To promote the opportunity for workers to live in the vicinity of their work.

C5 ZONING DISTRICT

C5 is a central commercial district with continuous retail frontage intended for offices and retail establishments that serve the entire metropolitan region. Famous shopping streets, such as Fifth Avenue, Madison Avenue and East 57th Street are C5 districts. Parts of Lower Manhattan, Downtown Brooklyn and Long Island City are also within C5 districts.

Department stores, large office buildings, and mixed buildings with residential space above office or commercial floors, are typical C5 uses. Use Groups 5 (hotels), 6, 9 and 10 (retail shops and business services) and 11 (custom manufacturing) are permitted in C5 districts. Home maintenance services, auto rental establishments and other uses not in character with the district, including illuminated signs, are not permitted. The maximum commercial floor area ratio (FAR) ranges from 4.0 to 15.0, and the maximum residential FAR is 10.0. Floor area may be increased by a bonus for a public plaza or Inclusionary Housing.

In the two contextual C5 districts—C5-1A and C5-2A—residential bulk and density are governed by R10A regulations. In non-contextual C5-2 through C5-5 districts, a building occupied by commercial, residential and/or community facility uses may be configured as a tower. A residential tower is also allowed in C5-1 districts. All commercial uses in C5 districts are exempt from off-street parking requirements because public transportation is easily accessible.

M1 ZONING DESIGNATION

M1 areas range from the Garment District in Manhattan, with its multistory lofts, to areas in the other boroughs with low-bulk plants. The M1 district is often an industrial front yard or a buffer to adjacent residential or commercial districts. Strict performance standards are common to all M1 districts. Light industries typically found in M1 areas include knitting mills, printing plants and wholesale service facilities. In theory, nearly all industrial uses can locate in M1 areas if they meet the rigorous performance standards required in the Zoning Resolution. Retail and office uses are also permitted. Use Group 4 community facilities are allowed in M1 zones by special permit but

not in other manufacturing districts. Parking and loading requirements vary with district and use, but high-density districts (M1-4 to M1-6) are exempt from parking requirements. Residential development is generally not allowed in manufacturing districts.

However, M1 districts with a significant number of residential buildings may be mapped M1-D. The D suffix indicates that limited new residential uses are permitted, by City Planning Commission authorization, on sites that meet specific criteria. The maximum FAR for permitted residential uses is 1.65. Accessory parking for residences is not required, except in M1-1D districts.

Under certain criteria, artists may have joint living-work quarters in lofts in M1-5A and M1-5B districts (mapped in the SoHo/NoHo area of Lower Manhattan). In M1-5M and M1-6M districts, the conversion of non-residential floors of a building to dwelling units is permitted, provided a specified amount of floor area is preserved for certain categories of manufacturing, industrial and commercial uses. Conversion to dwellings is also allowed, with various restrictions, in the Special Lower Manhattan Mixed Use District.

ZONING DENSITY / FAR

The subject property is zoned General Central Commercial District (C5-3) & Light Manufacturing District (High-Performance; M1-6) within the Special Midtown Purpose District. Based on the subject's zoning, residential uses are not permitted as of right. Our estimate of the maximum permitted zoning floor area by the subject's zoning code designation on the following page:

Maximum Zoning Floor Area Ratio Summary				
Zoning	Land SF	FAR		Buildable SF
452 Fifth Avenue- C5-3	32,834 square feet	15.00	=	492,510 square feet
1-11 West 39th Street- C5-3	731 square feet	15.00	=	10,965 square feet
1-11 West 39th Street- M1-6	10,789 square feet	10.00	=	107,890 square feet
Total	44,354 square feet	13.78		611,365 square feet

Compiled by Newmark

ZONING COMPLIANCE

Within this analysis, it has been assumed that the maximum buildable area for the subject property is 611,365 square feet of zoning floor area. The subject property comprises 739,442 square feet of gross building area. The buildings were constructed between 1904 to 1935, before the implementation of the 1961 zoning regulations. Therefore, the existing improvements appear to represent a pre-existing, legal, non-complying bulk use of the site.

- A legal conforming use occurs when a building that was legal when built and currently complies with one or more of the present district bulk regulations. In many areas, existing buildings pre-date the current zoning regulations. Non-compliance results when a building does not comply with any one of such bulk regulations.

- Determination of compliance is beyond the scope of a real estate appraisal. It is recommended that local planning and zoning personnel be contacted regarding more specific information that might be applicable to the subject. Whether or not the rights of continued use of the building exist depends on local laws.

ZONING RESTRICTIONS

As previously mentioned, the subject property has been designated as a New York City historic landmark. Properties that are designated as historic landmarks are subject to rules administered by the New York City Landmark Preservation Commission. These rules limit and restrict the type of renovation properties may undergo. Any application for altering a landmarked structure shall be considered a request for a Certificate of Appropriateness and shall be reviewed at a public hearing. In determining the appropriateness of any new structure, the Landmark Preservation Commission shall take into consideration such new structure's location and effect on neighboring buildings.

A significant amount of the existing building must be damaged or destroyed for reconstruction to occur according to the Zoning Resolution. The Zoning Resolution of the City of New York states that "In the event that any demolition, damage or destruction of an existing building produces an unsafe condition requiring a Department of Buildings order or permit for further demolition of floor area to remove or rectify the unsafe condition, the aggregate floor area demolished, damaged or destroyed including that ordered or permitted by the Department of Buildings constitutes 75 percent or more of the floor area, then the building may be reconstructed only in accordance with the applicable bulk regulations.

Other than the subject's Landmark status and location within the Special Midtown Purpose District, we do not know of any public or private deed restrictions that limit the subject property's use. Deed restrictions are a legal matter and only a title examination by an attorney or title company can usually uncover such restrictive covenants. We recommend a title search to determine if any such restrictions exist.

ZONING CONCLUSION

The subject's zoning permits a wide range of commercial uses such as department stores, larger office buildings, mixed buildings, which contain retail shops on the ground level with commercial or residential uses above along with hotel and community facility uses. Based on the as of right zoning floor area permitted by the subject's existing zoning, the existing improvements appear to represent a pre-existing, legal, non-complying bulk use of the site. A qualified land use/zoning expert should be engaged if there are any zoning concerns or if a determination of compliance with zoning is required.

IMPROVEMENTS ANALYSIS

The following description is based on our inspection of the property and discussions with the owner.

Improvements Summary

Component Structures

General Improvement Type	Class A Office Buildings
Use Description	Office Buildings with multi-level retail space
Gross Building Area (SF)	
442/452 Fifth Avenue	616,352
<u>1-11 West 39th Street</u>	<u>123,090</u>
Total Gross Building Area (SF)	739,442
Net Rentable Area Summary (As Is)	864,362
Net Rentable Area Summary	
Total Office Space	767,413
Total Retail Space	88,498
<u>Total Storage Space</u>	<u>9,210</u>
Total Net Rentable Area	865,121
Construction Status	Existing, Stabilized Operations
Occupancy Type	Multi-Tenant
Number of Tenants	3 retail and 15 office tenants.
Percent Leased	81.84%
Construction Class	A
Competitive Property Class	A
Current Quality and Condition	Excellent

Age/Life Depreciation Analysis

Year Built	
442/452 Fifth Avenue	1902 to 1935
1-11 West 39th Street	1926
Year Renovated	2014
Actual Age (Yrs.)	87 to 120 years
Economic Life (Yrs.)	60
Effective Age (Yrs.)	20
Remaining Economic Life (Yrs.)	40
Percent Depreciation	33.33%

Floor Area Analysis

Number of Stories

442/452 Fifth Avenue	10 to 30-stories
1-11 West 39th Street	12-story
	Lower Level: 26,070 to 40,454 Sf
	Grade: 19,263 SF
	Mezzanine: 11,296 SF
	Office (Fifth Ave): 14,690 to 41,604 Sf
	Office (39th St.): 11,716 to 13,247 Sf
Range of Floor Area (NRA)	

**The net rentable area utilized is greater than the gross building area based on the loss factor applied within this analysis, and further summarized within the Income Capitalization Approach section of this appraisal report.*

Construction Details																																					
Construction Class	Class A: Concrete and steel, front façade is clad with metal.																																				
Foundation	Poured reinforced columns, beams and slabs.																																				
Ceiling Height	Generally, office space ceiling heights are 13'4" from floor to ceiling, with finished or dropped ceiling heights of 9'3". The lobby ceiling heights range from 15 to 25 feet and retail ceiling space ceiling heights range from 12 to 20 feet.																																				
Structural Frame	Structural steel with masonry and concrete encasement.																																				
Façade	A majority of the improvements located at 442/452 Fifth Avenue feature an exterior glass curtain wall constructed of floor to ceiling glass panels along with granite and brick with terra cotta window trim. The exterior of the Knox Building (10-story base of 452 Fifth Avenue) is masonry, metal and glass with a mansard slate roof with copper ornaments.																																				
Windows	The Tower windows are tinted glass, double glazed in rubber gaskets. Windows in the 10-story base (Knox Building) are punched windows with fixed insulated vision panels behind a decorative granite sill band and a granite center mullion, which were replaced in the 2008 renovation. The windows on the front façade of One West 39th Street are dual pivot sash and hopper windows with a fixed pane above. The rear façade windows are original kalemien wire glass with interior tilt type double hung windows until the sixth story.																																				
Roof	All roofs in the Tower building are the protected membrane assembly type consisting of elastomeric membrane, polystyrene insulation, filter fabric, and ballast. One West 39th Street replaced the roof in 2006 and is also a protected membrane assembly type consisting of elastomeric membrane, polystyrene insulation, filter fabric, and ballast roofing system.																																				
Pedestrian Doors	Revolving glass and aluminum frame for the office lobby and retail entrances.																																				
Loading Doors	There are six loading docks all accessible from 39th Street, two for the Tower building and four for One West 39th Street.																																				
Interior Finish																																					
Floors	Floors throughout office, corridor or lobby areas contain marble finish, terrazzo, resilient tile, ceramic tile, carpet or exposed hard wood.																																				
Walls	Painted walls with stucco textured finish, plaster over wood lath on wood studs. Some office areas have some movable partitions and paneling.																																				
Ceilings	Ceilings are either suspended acoustical tile, painted drywall or plaster.																																				
Lighting	The building contains a mixture of fluorescent and incandescent light fixtures.																																				
Engineering & Mechanical																																					
HVAC	Each floor in the Tower has a 40 ton air handling unit which supplies the interior zone with heating, cooling, and fresh air. The air handling units have variable frequency drives with a BMS overlay. The chilled water plant was upgraded in 2006 with two (2) new Carrier Model XLE 800 ton chillers. A 700 ton chiller is retained as a back-up. The building uses Con Edison steam for heating. The high pressure steam is stepped down and distributed to the air handling units and heat exchangers to produce hot water. The northwest glazed façade utilizes electric baseboard heat. There are tenant condenser water risers capable of supplying 300 tons of supplemental cooling to the Tower floors. The installation of an additional 750 ton cooling tower enables tenants to have 24/7 supplemental cooling.																																				
Electrical	Each floor is designed for a total of six (6) watts/RSF. The building is supplied by Con Edison with three switches that supply 277/480-volt, 3-phase, 4-wire power. The service enters on 39th Street.																																				
Emergency Generator:	Two (2) 1,500 kw diesel fuel generators were installed in 2011 and one (1) 2,000 kw diesel fuel generator installed in 1996. The three (3) generators are supported by a 10,000 gallon diesel fuel storage tank. There is 1,000 kw of emergency power available for future tenant use. An additional 1,750 kw diesel fuel generator is available to tower tenants.																																				
Plumbing	Wet columns or connection points containing drains, vents and cold water are located on each floor. Each floor contains, men's and women's toilet rooms with wall or floor mounted water closets, wall-hung urinals and lavatories to meet local laws and building codes. There are three water mains that service the building: a 4" domestic line, an 8" fire protection line, and an 8" combined pipe with a 6" domestic tap. Two 10,000 gallon house tanks are shared for sprinklers and domestic water for floors 14 to 30. Each tank reserves 7,500 gallons for sprinkler usage only, leaving a total of 5,000 gallons across the two tanks for domestic water.																																				
Elevators	The building elevator systems are as follows: <table><tr><th>No. of Cabs</th><th>Type</th><th>Weight (lbs.)</th><th>Floors</th></tr><tr><td>6</td><td>Low Rise</td><td>3,000</td><td>C-11</td></tr><tr><td>5</td><td>High Rise</td><td>3,000</td><td>Lobby - 28</td></tr><tr><td>2</td><td>Private</td><td>2,000</td><td>Cellar - 29</td></tr><tr><td>2</td><td>SC-1</td><td>4,500</td><td>SC-1 & 1</td></tr><tr><td>1</td><td>Vault</td><td>2,500</td><td>2 - 10</td></tr><tr><td>1</td><td>Freight</td><td>4,000</td><td>Cellar - 28</td></tr><tr><td>2</td><td>Freight</td><td>2,000</td><td>Sub-LL - 15</td></tr><tr><td>2</td><td>Retail</td><td>3,000</td><td>Sub-LL - 15</td></tr></table>	No. of Cabs	Type	Weight (lbs.)	Floors	6	Low Rise	3,000	C-11	5	High Rise	3,000	Lobby - 28	2	Private	2,000	Cellar - 29	2	SC-1	4,500	SC-1 & 1	1	Vault	2,500	2 - 10	1	Freight	4,000	Cellar - 28	2	Freight	2,000	Sub-LL - 15	2	Retail	3,000	Sub-LL - 15
No. of Cabs	Type	Weight (lbs.)	Floors																																		
6	Low Rise	3,000	C-11																																		
5	High Rise	3,000	Lobby - 28																																		
2	Private	2,000	Cellar - 29																																		
2	SC-1	4,500	SC-1 & 1																																		
1	Vault	2,500	2 - 10																																		
1	Freight	4,000	Cellar - 28																																		
2	Freight	2,000	Sub-LL - 15																																		
2	Retail	3,000	Sub-LL - 15																																		
Rest Rooms	The building features restrooms for men and women on each tenant floor and are all ADA compliant.																																				
Fire Sprinklers	Class E fire alarm system is installed per local code. Four (4) fire pumps support the property. Standpipe hose outlets are located in the exit stair landing. The emergency generator system operates all exit signs, egress lighting, one elevator in each bank, the Class E system and fire pumps, as well as the telephone switch, and security console.																																				
Security	Security is provided for lobby and common areas 24 hours, 7 days a week. Entry to the building is secured access via building identification and turnstile controls as well as electronic surveillance.																																				
Sustainability	Participant in Energy Star Program; Energy Management Plan and Chiller Optimization Program currently in place. Building maximizes energy efficiency through a 2012 installed BMS.																																				

Compiled by Newmark

DEFERRED MAINTENANCE

There was no deferred maintenance apparent from our inspection, and none has been identified based on the ownership's provided budget and our physical inspection of the property. The existing improvements are in considered to be in excellent condition.

As part of the recent lease negotiations with the existing tenants, the owner intends to reposition the property and has provided a renovation budget totaling \$43,748,005 (\$59.16 PSF / GBA) which will be spent on base building enhancements for Amazon, reconfiguring the lobby and retail premises, building out the 11floor terrace, demolition of prior office space leased to HSBC, general base building enhancements and Local Law 11 work.

FUNCTIONAL UTILITY

Based on our inspection and consideration of its current use, there do not appear to be any significant items of functional obsolescence. The functional utility is considered to be adequate. All of the floor plans are considered to feature functional layouts and the layout of the overall property is considered functional in utility. Additionally, the retail floor plan is considered to be functional for its existing uses.

ADA COMPLIANCE

Based on our observation as well as any information provided, no ADA compliance issues were noted. However, the client is advised to obtain review by a qualified professional versed in ADA compliance as we do not have expertise.

ENVIRONMENTAL ASSESSMENT

We requested but were not provided a Phase I Environmental Assessment. We did not observe any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. However, it is noted that we did not search for such materials and are not qualified to detect such materials. The existence of said hazardous materials (if any) may have an effect on the value of the property. Therefore, for the purpose of this appraisal, we have specifically assumed that the property is not affected by any hazardous materials that may be present on or in the improvements. We strongly recommend that a qualified environmental engineering firm be retained by the Client prior to making a business.

PERSONAL PROPERTY

No personal property items were observed that would have any material contribution to market value.

LOCAL LAW 97

New York City enacted Local Law 97 in 2019, to amend the New York city charter and the administrative code of the city of New York, in relation to the commitment to achieve certain reductions in greenhouse gas emissions by 2050. The initiative was passed through the Climate

Mobilization Act, also known as the NYC Green New Deal. The genesis of this law is to limit greenhouse gas emissions for buildings over 25,000 square feet, which will impact over 60,000 buildings in New York City. The main objective is to reduce emissions by 40% in 2025 and by 50% in 2030. Emission intensity reports for all buildings are due by May 1st, annually, starting from 2025, and building will receive grading based on performance.

In an attempt for New York City to make up for deficits caused by the coronavirus pandemic, the Governor's proposed budget includes an amendment that property owners have been requesting since the passage of Local Law 97 in May 2019. Per our review of the draft budget proposed, building owners may have the option to purchase renewable energy credits outside the city to satisfy efforts set forth by the Climate Mobilization Act. Doing so would allow building owners to deduct from their properties reported annual building emissions for electricity consumption.

The May 2019 law, which mandates a 40 percent reduction in citywide greenhouse-gas emissions by 2030 and 80 percent by 2050, counts credits that building owners buy from renewable power generated within the city. However, this renewable power is not currently produced in the five boroughs, and though plans exist to build out such capacity, there isn't enough space in the city to meet demand. With the potential for owners to purchase credits from Upstate, avoidance of significant fines from the city may be voided, while investing in existing renewable energy resources that can accommodate the current demand. While this is speculative as of the date of value, it is important to consider for New York City properties.

Building Energy Snapshot

accelerator.nyc/snapshot**452 FIFTH AVENUE****NEW YORK, NY, USA****Building Overview**

This section confirms general details about the building you searched. Information and projections included in this report are based on Local Law 84 benchmarking data provided in the year listed.

BBL:	1008410049
Total Square Feet:	728,752
Buildings on Lot:	2
Year of Energy Data Used:	2023
Year of Next LL87 Energy Audit/Retro-commissioning Deadline:	2031

Projected LL97 Annual Penalties

Local Law 97 requires most buildings over 25,000 gross square feet to meet emissions limits starting in 2024. Buildings that exceed these limits will face an annual financial penalty of \$268 per ton of CO₂ equivalent over the limit. On the right, view estimated annual fines through 2034 specific to the building you searched and see if it may be eligible for alternative compliance requirements, such as for affordable housing.

Projected LL97 Annual Penalty	
2024-2029:	\$0.00
2030-2034:	\$0.00
Building on DOB's LL97 Covered Building List (BBLs Required to Comply):	Yes

Projected Savings From Energy Improvements

Making building energy improvements can reduce or eliminate fines associated with Local Law 97. See how much money you could save each year by reducing your building's most-used energy type (electricity, natural gas, fuel oil, or steam). This report focuses on a 10% reduction in energy use, but you can estimate savings from making a more or less drastic reduction.

Projected Savings From Energy Improvements	
Energy Type Most Used in Building:	Electricity
Annual Bill Savings From a 10% Reduction in Most-Used Energy Type:	\$168,749.07
LL97 Penalty Savings From a 10% Reduction in Most-Used Energy Type	
2024-2029:	\$0.00
2030-2034:	\$0.00

Emissions Overview

As part of this analysis, we have researched the subject's performance on the New York City Accelerator website, which provides resources and expert guidance to help owners and industry professionals improve energy efficiency and reduce carbon emissions from buildings in New York City. The performance of the property indicates that no fines are scheduled through 2034. The reserves utilized within this analysis have been modelled at \$0.50 per square foot to account for any planned costs that may arise, and do not consider any direct bill-backs that tenants may be responsible for.

A third-party engineer should be engaged for confirmation of compliance with Local Law regulations, as determination is beyond the scope of work for this assignment. The property is considered in concert with current sustainability standards, specifically with the Local Law 97 requirements.

CONCLUSION

In comparison to other competitive properties within proximity to the subject, the subject's improvements are rated as follows:

- The improvements are of excellent quality construction and are in excellent condition.
- Overall, the improvements are considered to be functional and well suited for their existing use.

The map displays a section of a city grid. The streets shown are W 39 ST, W 40 ST, and S 4th AV. The lots are numbered 31, 34, 49, and 57. The lot numbers 31, 49, and 57 are highlighted in orange, while lot 34 is white. The map includes a legend for '1001 - 1061' and a scale bar for '30 - C2675'. The lot numbers are: 31, 34, 49, 57. The street names are: W 39 ST, W 40 ST, S 4th AV. The map also shows the lot numbers 1001 - 1061 and the scale bar 30 - C2675.

REAL ESTATE TAX ANALYSIS: LOTS 31 AND 49

The subject property is located in the taxing jurisdiction of the City of New York. The assessor's parcel identification number is Block 841, Lot 31 and 49. Within this analysis, we have presented the subject's taxes for the existing buildings located at 442-452 Fifth Avenue (Lot 49) and 1-11 West 39th Street (Lot 31). According to the Department of Finance, taxes are current. The properties are considered a Class 4 property.

Taxes and Assessments - Block 841, Lot 31										
Years	Transitional Assessed Value			Actual Assessed Value			Taxes and Assessments			
	Land	Improved	Total	Land	Improved	Total	Tax Rate	Ad Valorem Taxes	BID Taxes	Total
2020/21	\$3,600,000	\$11,756,340	\$15,356,340	\$3,600,000	\$13,566,150	\$17,166,150	10.694%	\$1,642,207	\$26,150	\$1,668,357
2021/22	\$3,600,000	\$11,632,680	\$15,232,680	\$3,600,000	\$8,887,500	\$12,487,500	10.755%	\$1,343,031	\$31,914	\$1,374,944
2022/23	\$3,600,000	\$11,590,740	\$15,190,740	\$3,600,000	\$10,278,450	\$13,878,450	10.646%	\$1,477,500	\$31,739	\$1,509,238
2023/24	\$3,600,000	\$11,301,660	\$14,901,660	\$3,600,000	\$11,124,000	\$14,724,000	10.592%	\$1,559,566	\$31,739	\$1,591,305
2024/25	\$3,600,000	\$12,267,540	\$15,867,540	\$3,600,000	\$17,481,600	\$21,081,600	10.762%	\$1,707,665	\$31,914	\$1,739,578
2025/26	\$3,600,000	\$13,383,540	\$16,983,540	\$3,600,000	\$19,146,150	\$22,746,150	10.870%	\$1,846,046	\$32,871	\$1,878,917

Taxes and Assessments - Block 841, Lot 49										
Years	Transitional Assessed Value			Actual Assessed Value			Taxes and Assessments			
	Land	Improved	Total	Land	Improved	Total	Tax Rate	Ad Valorem Taxes	BID Taxes	Total
2020/21	\$31,471,200	\$116,993,050	\$148,464,250	\$31,471,200	\$127,478,800	\$158,950,000	10.694%	\$15,876,767	\$130,941	\$16,007,708
2021/22	\$31,471,200	\$115,883,980	\$147,355,180	\$31,471,200	\$95,879,700	\$127,350,900	10.755%	\$13,696,589	\$159,801	\$13,856,391
2022/23	\$31,471,200	\$118,748,510	\$150,219,710	\$31,471,200	\$123,426,450	\$154,897,650	10.646%	\$15,992,390	\$159,626	\$16,152,017
2023/24	\$31,471,200	\$120,388,340	\$151,859,540	\$31,471,200	\$126,877,950	\$158,349,150	10.592%	\$16,084,962	\$159,626	\$16,244,589
2024/25	\$31,471,200	\$121,495,070	\$152,966,270	\$31,471,200	\$133,812,450	\$165,283,650	10.762%	\$16,462,230	\$159,801	\$16,622,031
2025/26	\$31,471,200	\$119,611,030	\$151,082,230	\$31,471,200	\$125,930,250	\$157,401,450	10.870%	\$16,422,064	\$164,595	\$16,586,660

Compiled by Newmark

CONSOLIDATED TAX SUMMARY

Taxes and Assessments - Block 841, Lot 31 and 49										
Years	Transitional Assessed Value			Actual Assessed Value			Taxes and Assessments			
	Land	Improvements	Total	Land	Improvements	Total	Tax Rate	Ad Valorem Taxes	BID Taxes	Total
2020/21	\$35,071,200	\$128,749,390	\$163,820,590	\$35,071,200	\$141,044,950	\$176,116,150	10.694%	\$17,518,974	\$157,090	\$17,676,064
2021/22	\$35,071,200	\$127,516,660	\$162,587,860	\$35,071,200	\$104,767,200	\$139,838,400	10.755%	\$15,039,620	\$191,715	\$15,231,335
2022/23	\$35,071,200	\$130,339,250	\$165,410,450	\$35,071,200	\$133,704,900	\$168,776,100	10.646%	\$17,609,597	\$191,365	\$17,800,961
2023/24	\$35,071,200	\$131,690,000	\$166,761,200	\$35,071,200	\$138,001,950	\$173,073,150	10.592%	\$17,663,346	\$191,365	\$17,854,711
2024/25	\$35,071,200	\$133,762,610	\$168,833,810	\$35,071,200	\$151,294,050	\$186,365,250	10.762%	\$18,169,895	\$191,715	\$18,361,610
2025/26	\$35,071,200	\$132,994,570	\$168,065,770	\$35,071,200	\$145,076,400	\$180,147,600	10.870%	\$18,268,111	\$197,466	\$18,465,577

*The Department of Finance has not yet released the 2025 / 26 tax mileage rate, which has been grown by 1.0% for the purpose of this appraisal.

Compiled by Newmark

The 2025 / 26 final assessments were sourced from the Department of Finance; however, we have relied on the tax estimate from Tener Consulting Services dated January 27th, 2025 and subsequently updated as of April 23rd, 2025 for Lot 49, for the purpose of this appraisal report.

TAX GUIDELINES

New York City is guided by the basic principles of ad valorem assessment, which means the following:

- Properties within the same property class and of similar value should experience approximately equal assessments and should therefore pay similar property taxes.
- Assessments for Class 4 properties are found by capitalizing net operating income at market level capitalization rates.
- Properties in New York City are reassessed annually based on income.

Under the taxing jurisdiction of the City of New York, real estate taxes are traditionally the product of the transitional assessed value times the tax rate, for the fiscal year July 1 through June 30. The transitional assessed value is found by using a five-year phase-in of the actual assessed value. If the actual assessed value is lower than the transitional assessed value for that year, the actual assessed value is used to determine the real estate taxes for the fiscal year.

TAX CLASSIFICATION DEFINITIONS

- Class 1: All residential one, two and three-bedroom homes, residential condominium that hold no more than 3 units, residential condominiums that have no more than 3 stories and certain plots of land that are zoned as a residential development site.
- Class 2: All residential properties that are not covered under Class 1. This does not include hotels or motels under this class distinction.
- Class 3: All utility corporations and special franchise properties.
- Class 4: All other properties not covered in the preceding classes.

DELINQUENCY

According to local tax assessor/collector there is no reported delinquency for the subject property.

CURRENT TAX RATES

- The current 2024 / 25 tax rate increased to 10.762% per \$100 of assessed value, which represents a 1.60% increase from the prior calendar year tax rate.
- The 2025 / 26 tax rate is estimated to increase at a rate of 1.00% above the current tax rate for 2024 / 25, or 10.870%.
- The tax rates dating back to 2005 / 06 have been further highlighted on the following page.

Class IV Historical Tax Rates		
Tax Year	Historical Tax Rates	% Change
2024/25	10.762%	1.60%
2023/24	10.592%	-0.51%
2022/23	10.646%	-1.01%
2021/22	10.755%	0.57%
2020/21	10.694%	1.49%
2019/20	10.537%	0.22%
2018/19	10.514%	0.00%
2017/18	10.514%	-0.57%
2016/17	10.574%	-0.77%
2015/16	10.656%	-0.26%
2014/15	10.684%	3.50%
2013/14	10.323%	0.34%
2012/13	10.288%	1.34%
2011/12	10.152%	-1.55%
2010/11	10.312%	-1.09%
2009/10	10.426%	-1.75%
2008/09 (Q3 & 4)	10.612%	7.52%
2008/09 (Q1 & 2)	9.870%	-6.80%
2007/08	10.590%	-3.70%
2006/07	10.997%	-2.73%
2005/06	11.306%	--

Compiled by Newmark

Historically, the compound annual growth rate of the tax rate over the past 10-years has been 0.08% since 2015 / 16. The tax rate increases at 1.00% modelled within this analysis properly accounts for any atypical assessment increases that may impact building owners in the future.

REAL ESTATE TAX ANALYSIS AND COMPARABLES

The real estate taxes projected within this appraisal report were sourced from analysis completed by Tener Consulting Services dated January 27th, 2025 and subsequently updated as of April 23rd, 2025 for Lot 49, referenced within Addenda D of this appraisal report. The tax assessment is based on the real estate tax assessment projected by the tax consultant divided by the current real estate tax rate for Class IV properties at 10.762%. The comparable real estate tax assessments were reported to determine if the real estate taxes projected are reflective of current market standards.

In order to determine the reasonability of the projected phase-in, we have researched comparable properties of similar building type, class, size and income profiles to determine the projected assessed value for the subject buildings. The comparable tax assessments are highlighted on the following chart:

Tax Comparables								
No.	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Property Name	452 Fifth Avenue	150 West 42nd Street (4 Times Square)	500 Fifth Avenue	3 Bryant Park (1095 Avenue of the Americas)	1133 Avenue of the Americas	505 Fifth Avenue	1100 Avenue of the Americas	1114 Avenue of the Americas
Improvements SF	739,442	1,642,475	659,122	878,909	1,039,529	251,043	348,786	1,517,497
Block/Lot	Block 841, Lot 31 and 49	Block 995, Lot 5	Block 1258, Lot 34	Block 994, Lots 1001, 1002, 1009 & 1011	Block 996, Lot 29	Block 1277, Lot 2	Block 1258, Lot 1	Block 1258, Lot 9
Tax Year	2025/26	2025/26	2025/26	2025/26	2025/26	2025/26	2025/26	2020/21
Total Assessed Value	\$180,147,600	\$435,981,600	\$117,900,000	\$277,761,060	\$214,000,000	\$54,747,450	\$116,000,000	\$372,783,600
Assessed Value/SF	\$243.63	\$265.44	\$178.87	\$316.03	\$205.86	\$218.08	\$332.58	\$245.66

Compiled by Newmark

As of the date of value, the final 2025 / 26 final assessments have been released. The comparable properties exhibit assessments ranging from \$178.87 to \$332.58 per square foot, with an average of \$251.79 per square foot. This compares to the subject's 2025 / 26 tentative actual tax assessment of \$243.63 per square foot, which is in-line with the comparable assessments and is considered reflective of current market standards.

In order to determine if a reassessment is necessary, we analyzed the taxes as a percentage of effective gross income over the analysis period, which is approximately 26.88% from the date of value, which is above traditional levels observed in the marketplace for comparable properties. Investors in the marketplace will traditionally underwrite this expense at a range of 17.50% to 25.00% of the effective gross income, indicating a re-assessment of the subject is not necessary and the owners provided real estate taxes are considered reflective of market standards.

HIGHEST AND BEST USE

To determine the highest and best use, the subject site is evaluated based on the following scenarios: as though vacant land and as currently improved. In both cases, the property's highest and best use must meet the following criteria: most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued. The following section will determine the highest and best use of the subject property as through vacant and as currently improved.

AS IF VACANT

LEGALLY PERMISSIBLE

The site is split-zoned within the General Central Commercial District (C5-3) & Light Manufacturing District (High-Performance; M1-6) within the Special Midtown Purpose District. Legally permissible uses within this zoning district include a wide range of high bulk commercial uses requiring a central location such as corporate headquarters, large hotels, entertainment facilities, retail stores, and some residential development in mixed-use buildings for C5-3 portion of the site. The M1-6 zoning designation allows for a wide range of light industrial uses, which includes woodworking shops, repair shops, and wholesale service and storage facilities, as well as typical commercial uses including office, hotels, most retail and hospitals. Residential uses are not permitted as of right within the subject's zoning district.

PHYSICALLY POSSIBLE

The site's size, soil, topography, etc. do not physically limit its use. The subject site can accommodate almost all urban uses. The subject is located on a 44,354 square foot throughblock parcel spanning the entire western blockfront along Fifth Avenue between West 39th and West 40th Streets. The size of the site is typical for the categories of uses allowed under zoning. In total, the site is physically capable of supporting the legally permissible uses. Municipal utilities provide for nearly all uses. Street improvements are also adequate. There are no known physical reasons why the subject site would not support any of these legally probable developments.

FINANCIALLY FEASIBLE

In order to be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use. A positive net income or acceptable rate of return would indicate that a use is financially feasible.

MAXIMALLY PRODUCTIVE

The test of maximum productivity is to determine the actual use of the property that results in the highest land value and/or the highest return to the land. It is important to consider the risk of potential uses as a use that may generate the highest returns in cash could also be the riskiest and thus not as likely for a developer to consider.

The subject is located on an 44,354 square foot throughblock parcel that features 197.5 feet of frontage along the west side of Fifth Avenue, 301.67 feet of frontage along the north side of West 39th Street and 147.5 feet of frontage along the south side of West 40th Street. The immediate area is generally dominated by commercial, office and hotel use. Based on the subject's location, nearby developments that would yield a maximum return of the site would be to construct a mixed-use building with residential and commercial space developed to the highest feasible density permissible, based on the subject's zoning.

HIGHEST AND BEST USE CONCLUSION – AS IF VACANT

Based on the preceding analysis and upon information and analysis contained in the area, neighborhood, and market analyses, the highest and best use as if vacant would be to construct a mixed-use building with residential and commercial space developed to the highest feasible density permissible.

AS IMPROVED

LEGALLY PERMISSIBLE

The site is split-zoned within the General Central Commercial District (C5-3) & Light Manufacturing District (High-Performance; M1-6) within the Special Midtown Purpose District. The site is improved with a 10 and part 30-story, plus three levels below grade Class A mixed-use building featuring office, residential, and multi-level retail space. The buildings were constructed from 1904 to 1926 and all four buildings were substantially renovated in 2014. The existing building comprises 739,442 square feet of gross building area and in the Zoning section of this appraisal, we determined that the existing improvements appear to represent a pre-existing, legal, non-complying bulk use of the site. We also determined that the existing use is permitted in this zone.

PHYSICALLY POSSIBLE

The buildings were constructed from 1904 to 1926 and all four buildings were substantially renovated in 2014. The existing improvements are considered to be of excellent quality construction and are in excellent condition. Due to the recent re-tenancy of the project, the owner is in the process of commencing a \$43,748,005 (\$59.16 PSF / GBA) renovation to enhance the existing improvements. The renovations costs were modelled modelled within the first two years of the investment holding period. The renovations are anticipated to further enhance the desirability of the property.

We know of no current or pending municipal actions or covenants that would require a change to the current improvements. The current improvements conform to the physical characteristics of the site. Therefore, continued use of the property is reasonably probable and appropriate.

FINANCIALLY FEASIBLE

Financial feasibility focuses on positive and excess returns from the improved property. In this case, the subject is an income producing property and is capable of generating sufficient income to support the continuation of the use. As discussed in the Income Capitalization Approach, the subject property has a positive net cash flow and continued utilization of the subject as a Class A mixed-use building is financially feasible.

MAXIMALLY PRODUCTIVE

The maximally productive use of the subject as improved should conform to neighborhood trends and be consistent with existing land uses. Although several uses may generate sufficient income to satisfy the required rate of return on investment and provide a return on the land, the single use that produces the highest price or value is typically the highest and best use.

The existing office improvements are legally permissible, physically possible, and financially feasible. Based on our analysis, the concluded value as improved exceeds the value of the underlying land and removal of the improvements for redevelopment or substantial conversion to an alternative use is not indicated based on current neighborhood trends. Given no alternatives, continued use as an office building with multi-level retail space, is concluded to be maximally productive and the highest and best use of the property as improved.

HIGHEST AND BEST USE – AS IMPROVED

Based on an analysis of the market, it is our opinion that the Highest and Best Use of the subject site as improved is continued use as an office building with multi-level retail space.

APPRAISAL METHODOLOGY

COST APPROACH

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the property units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject’s income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Application of Approaches to Value	
Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is applicable and is utilized in this appraisal.

Compiled by Newmark

The cost approach has not been utilized within this analysis and is not considered within our determination of market value based on the age of the property, which limits the reliability of an accrued depreciation estimate. Moreover, this approach is not typically utilized by market participants when acquiring an asset such as the subject property. The exclusion of reliance of this approach does not materially impact the estimated market values detailed herein.

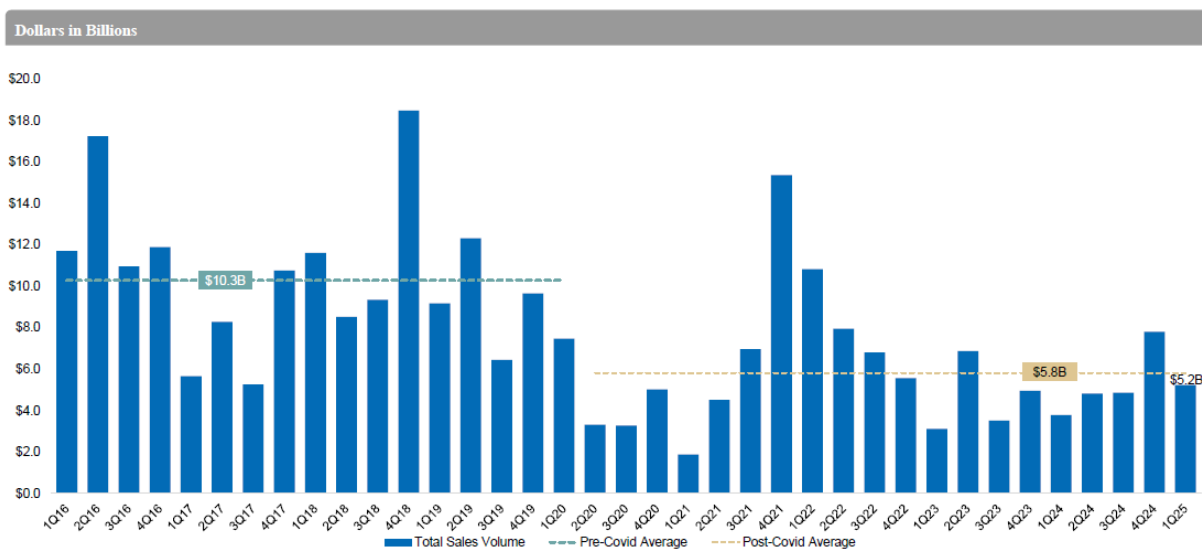
SALES COMPARISON APPROACH

The sales comparison approach value is derived by analyzing closed sales, listings, or pending sales of properties that are similar to the subject. The sales comparison approach includes the following steps.

- Research and verify information on properties in the competitive market that are similar to the subject and that have recently sold, are listed for sale, or are under contract.
- Select the most relevant units of comparison in the market and develop a comparative analysis.
- Examine and quantify via adjustments differences between the comparable sales and the subject property using all appropriate elements of comparison.
- Reconcile the various value indications to a value bracket and then a single value indication.

2025 CAPITAL MARKETS UPDATE

A summary of quarterly New York City Sales volume has been provided on the following chart:



Source: Newmark Research, MSCI Real Capital Analytics

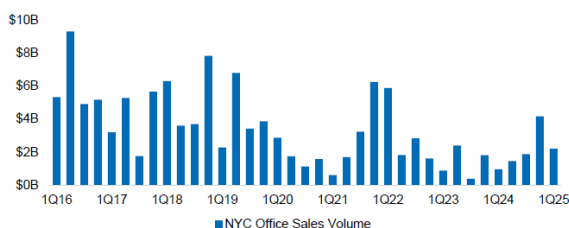
Manhattan Investment Sales Volume

- New York City investment sales volume recorded \$5.2 billion in the first quarter of 2025, a year-over-year increase of approximately 40%. However, in the first quarter of 2025 sales volume remained approximately 10% below the 5-year trailing average of \$5.8 billion and approximately 50% below the pre-COVID 5-year trailing average.
- The 14 transactions totaling \$100.0 million or more drove the transaction activity and built on 2024 momentum.

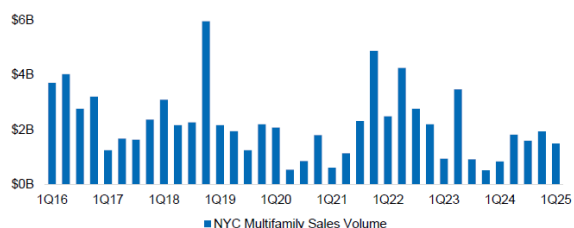
- 11.3% of properties (by number not square footage) sold throughout 2024 represent distressed transactions, a sharp increase and representing the highest level since the great financial crisis. This trend is largely fueled by near-term mortgage maturities, high interest rates preventing landlords from replicating loans originated during historically low-interest rate environments, and occupancy issues facing office properties. There is an estimated \$64.2 billion of mortgage maturities schedules through 2027.
- Manhattan transactions represented \$4.0 billion of the total sales volume, a 47.6% year-over-year increase, while the Outer Boroughs recorded \$1.2 billion in sales volume, a 16.7% year-over-year increase.
- Private buyers accounted for approximately 65% of all investment activity during the first quarter of 2025, while international and institutional investors were sellers.
- Despite a sharp decline in the 10-year treasury yield throughout the first quarter of 2025, top quartile capitalization rates in Manhattan remained steady, resulting in a widening average spread to 95 basis points.

NEW YORK CITY SALES VOLUME BY ASSET CLASS

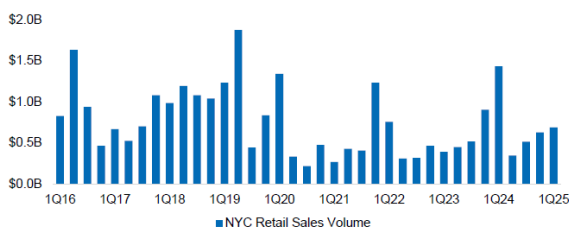
Office



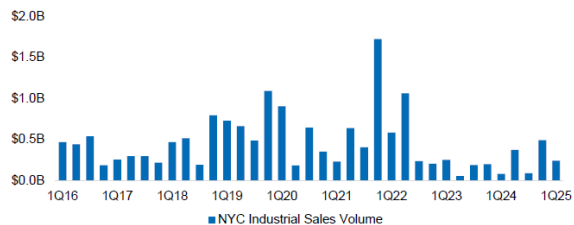
Multifamily



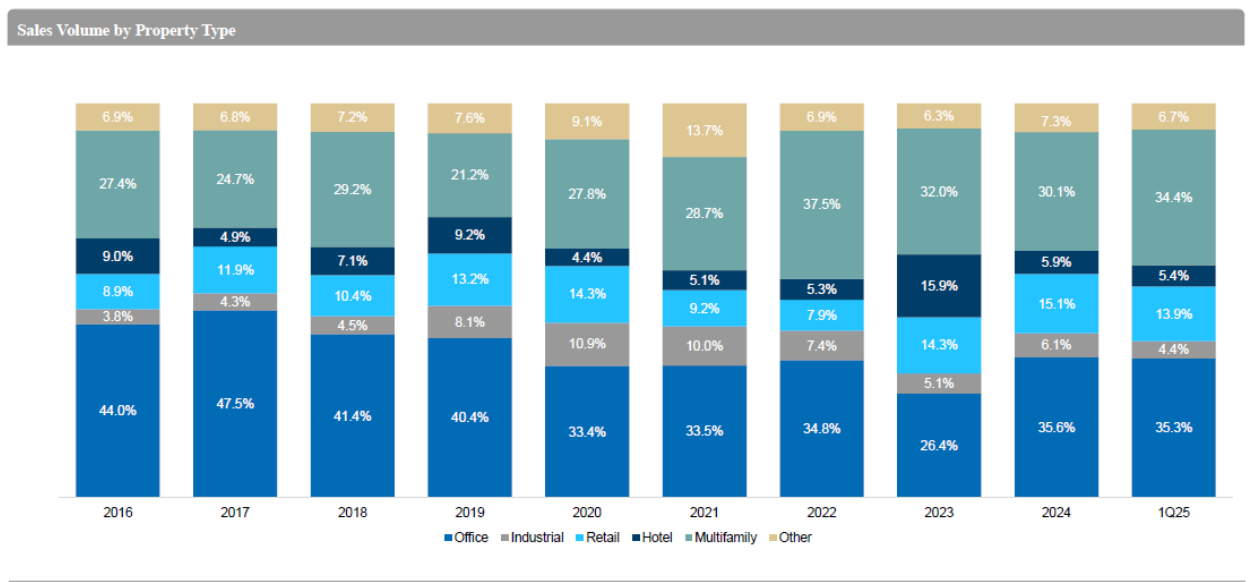
Retail



Industrial



Source: Newmark Research, MSCI Real Capital Analytics



New York City Sales Volume by Asset Class

- In the first quarter of 2025, office and multifamily assets continued to drive market activity, representing nearly 70% of all activity. Despite sales volume decreasing from the previous quarter, each of these property types have experienced positive year-over-year growth.
- Retail sales volume increased for the third consecutive quarter, growing 9.5%. Investors continue prioritizing well-located retail along the top high-street corridors such as Fifth and Madison Avenues as well as the SoHo neighborhood. Owner-users have also attributed to the growth, as brands continue to take advantage of the recovering retail and investment sales market through all-cash acquisitions.

SELECT TRANSACTION SUMMARY

Following the election in November 2024, the real estate market responded with a strong uptick in leasing and capital market activity, given the clarity of incumbent public policy direction and a more stable interest rate environment. This resulted in the highest quarterly investment volume totaling \$4.10 billion since 2022. This trend continued throughout the first quarter of 2025 as New York City investment sales volume recorded \$5.2 billion. While still below the trailing 5-year quarterly average of \$5.8 billion, the year-over-year increase of approximately 40% is a positive trend for the marketplace, as investment sales professionals expect this trend to continue through 2025, potentially increasing if further guidance on interest rate direction becomes available. On the following chart, a summary of the largest sale transactions during the first quarter of 2025 has been provided:

Largest Quarterly Sales Transactions

1211 Ave of the Americas (Manhattan) \$588,000,000 Type: Office Price per Square Foot: \$619 Buyer: RXR Seller: Ivanhoe Cambridge	The Hub (Brooklyn) \$419,391,341 Type: Multifamily Price per Unit: \$559,188 Buyer: Steiner Equities Seller: JP Morgan	Halletts Point Building 3 (Queens) \$365,000,000 Type: Multifamily Price per Unit: \$1,019,553 Buyer: Affinius Capital Seller: Durst Organization
UNIQLO – 660 Fifth Avenue (Manhattan) \$352,500,000 Type: Retail Price per Square Foot: \$20,382 Buyer: UNIQLO Seller: Crown Acquisitions, Vornado	525 West 52nd Street (Manhattan) \$267,000,000 Type: Multifamily Price per Unit: \$681,122 Buyer: Ares Management Seller: Mitsui Fudosan America	888 Broadway (Manhattan) \$213,000,000 Type: Office (Recapitalization) Price per Unit: \$979 Buyer: Williams Equities, Global Holdings, Cannon Hill Capital Partners Seller: Invesco Real Estate
900 Third Avenue (Manhattan) \$210,000,000 Type: Office Price per Unit: \$353 Buyer: Not Disclosed Seller: Paramount Group	576 Fifth Avenue (Manhattan) \$175,000,000 Type: Development Site Price per Square Foot: \$34,715 Buyer: Extell Seller: Global Sae-A	333 West 34th Street (Manhattan) \$150,000,000 Type: Office Price per Square Foot: \$443 Buyer: B&H Photo Video Seller: Brookfield AM

Source: Newmark Research, MSCI Real Capital Analytics

The flight to quality in the Manhattan leasing market has transitioned to elevated pricing with compressed return requirements for higher quality assets (i.e. Hudson Yards, Park Avenue, etc.) with lower valuations for older vintage assets (high concentration in the Downtown area or Garment District). Several notable transactions that occurred so far through 2025 represent investors purchasing distressed opportunities or potential residential conversions with above market return expectations. The older vintage assets have represented a large share of distressed assets transactions, totaling \$21.6 billion through year end 2024. 11.3% of properties sold throughout 2024 across New York City were in distress, ballooning to the highest level since the Great Financial Crisis (2008 – 2011), due to elevated interest rates and lower occupancy levels. However, additional sales throughout the second quarter of 2025 include the closing of 1345 Avenue of the Americas, which entered contract in the fourth quarter of 2024, as well as the \$1.1 billion reported contract of sale for 590 Madison Avenue, which will likely represent the first Billion-dollar sale since 2022, further illustrate this divide between high- and low-quality assets.

It is worth noting that Private Buyers commanded approximately 64% of the buyer pool in the first quarter, as institutional and international investors, historically representing the two largest drivers of buy-side activity, collectively accounted for 12% market share. Recent tariff announcements have created an uncertain economic environment that could potentially impact available capital sources, primarily for large scale acquisitions in the short-term.

Furthermore, the debt markets remained liquid for trophy quality assets including the notable financings Rockefeller Center (\$3.4 billion) and the Spiral at 66 Hudson Boulevard (\$2.85 billion). These buildings represented some of the largest loan originations since pre-interest rate hikes in

2022, contributing to the approximately \$60.6 billion in loan originations recorded On the following chart, a summary of the largest loan originations during the first quarter of 2025 has been provided:

Largest Quarterly Debt Transactions

66 Hudson Boulevard (Manhattan) \$2,650,000,000	200 Park Avenue (Manhattan) \$1,500,000,000	375 Park Avenue (Manhattan) \$1,200,000,000
Type: Office	Type: Office	Type: Office
Loan Type: Refinance	Loan Type: Refinance	Loan Type: Refinance
Lender: J.P. Morgan	Lender: Bank of America	Lender: Morgan Stanley
Owner: Tishman Speyer	Owner: Irvine Company	Owner: RFR Realty
1095 Avenue of the Americas (Manhattan) \$1,125,000,000	450 West 33rd Street (Manhattan) \$978,200,000	335 Madison Avenue (Manhattan) \$645,000,000
Type: Office	Type: Office	Type: Office
Loan Type: Refinance	Loan Type: Refinance	Loan Type: Refinance
Lender: Wells Fargo	Lender: Citigroup	Lender: JP Morgan
Owner: Ivanhoe Cambridge, HKMA	Owner: Brookfield AM	Owner: Milstein Properties

Source: Newmark Research, MSCI Real Capital Analytics

New York City recorded \$23.9 billion in loan originations during the first quarter of 2025, accounting for approximately 40% of the full year 2024 activity. Office loans totaled \$10.7 building and accounted for 47.6% of loan originations during the first quarter of 2025, a significant increase from 16.7%, which they accounted for throughout 2024. The return of CMBS lending throughout 2024 continued in the first quarter of 2025, increasing 136.4% from the previous quarter. It is worth noting that there is approximately \$64.2 billion in estimated mortgage maturities coming due through 2027. It is worth noting that investment sales professionals surveyed indicated that the increase in available capital through the debt markets may provide relief for upcoming maturities, reducing the proportion of distressed sales.

CONCLUSION

In the First Quarter of 2025, investment sales activity throughout New York City continued trends that commenced following the election in November 2024. Historically in the New York City market, the first quarter represents a significant “drop-off” compared to the fourth quarter, as institutional investors aim to meet investment criteria and goals by the calendar year-end. While quarterly activity has not eclipsed both pre- and post-COVID 5-year trailing averages, the significant year-over-year growth witnessed in a historically slow investment sale quarter shows signs that investors are returning to the marketplace seeking core and value-add investments in

the Manhattan marketplace. Furthermore, the increased activity by the CMBS marketplace should provide liquidity to facilitate large transactions that will continue to drive growth.

Class A inventory continues to remain the most active transactional market for leasing and capital investment activity throughout Manhattan. The proportional decrease in institutional and international funds, which have historically been the primary buyer pool for trophy and Class A quality product, may hinder continued investment rate compression of this asset class and an increase in partial interest sales may occur.

Over the past 5 years, commodity Class A and lower-quality Class B/C assets have been viewed as unfavorable given limited leasing activity in this asset class. However, opportunistic investors have begun to seek this asset class through distressed acquisitions when deploying capital given residential conversion option created through the City of Yes initiative that provides relaxed zoning restrictions and lucrative tax incentives. Given the amount of upcoming debt maturities scheduled through 2027, additional opportunities for these investors may be available over the coming years.

The unit of comparison applied in this sales comparison analysis is price per square foot as it mirrors the primary comparison method used by market participants. The most relevant sales to the subject property have been summarized on the following pages:






SALES COMPARABLE MAP

Improved Sales Map

Subject	10 Bryant Park
Comparable 1	590 Madison Avenue
Comparable 2	522 Fifth Avenue
Comparable 3	1345 Avenue of the Americas
Comparable 4	285 Madison Avenue
Comparable 5	500 Park Avenue
Comparable 6	1211 Avenue of the Americas
Comparable 7	320 Park Avenue
Comparable 8	250 Park Avenue



COMPARABLE IMPROVED SALES

Comparable Sales Summary					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
					
Address	452 Fifth Avenue	590 Madison Avenue	522 Fifth Avenue	1345 Avenue of the Americas	285 Madison Avenue
Submarket, City	Bryant Park, Midtown	Plaza District, Midtown	Grand Central, Midtown	Sixth Avenue / Rockefeller Center	Grand Central, Midtown
Land Size	44,354 SF	39,162 SF	27,025 SF	90,375 SF	21,887 SF
Rentable Area	865,121 SF	1,050,000 SF	540,893 SF	1,950,028 SF	510,773 SF
Year Built	1902 to 1984	1982 / 2006	1919/1995/2023	1969 / 2021	1926 / 2013
Stories	10 / 30	43	23	50	25
Investment Grade	A	Class A	Class A	Class A	Class A
Occupancy	81%	87%	Owner-User	98%	97%
Seller		590 Madison Avenue, LLC (OSTRS)	522 Fifth Office LLC c/o RFR Realty	Blackstone	285 Madison Mezzanine LLC c/o RFR Holding Corp.
Buyer		RXR	Amazon.COM Services LLC c/o Amazon.COM, INC.	JP Morgan Chase	Ocean West Capital Partners c/o Daol Asset Management
Interest Conveyed	Leased Fee	Leased Fee	Fee Simple	Leased Fee	Leased Fee
Sale Date		July 2025	May 2025	May 2025	April 2025
Transaction Type		Contract	Sale	Sale	Sale
Price		\$1,155,000,000	\$456,000,000	\$975,000,000	\$350,000,000
Price Per SF		\$1,100.00	\$843.05	\$499.99	\$685.24
NOI Per SF	\$57.37	--	--	\$2.60	\$49.46
In-Place Cap Rate		5.80%	--	0.52%	7.22%
Adjusted Cap Rate		--	--	6.18%	5.50%
Terminal Cap Rate		--	--	5.75%	7.25%
Discount Rate		--	--	7.25%	9.00%
Holding Period		--	--	13 Years	10 Years

Compiled by Newmark

Comparable Sales Summary

	Subject	Sale 5	Sale 6	Sale 7	Sale 8
					
Address	452 Fifth Avenue	500 Park Avenue	1211 Avenue of the Americas	320 Park Avenue	250 Park Avenue
Submarket, City	Bryant Park, Midtown	Park Avenue, Midtown	Sixth Avenue / Rockefeller Center	Park Avenue, Midtown	Grand Central, Midtown
Land Size	44,354 SF	25,000 SF	84,855 SF	30,625 SF	24,970 SF
Rentable Area	865,121 SF	201,411 SF	2,045,600 SF	765,717 SF	540,960 SF
Year Built	1902 to 1984	1960/2016	1973	1994 / 2021	1924 / 2019
Stories	10 / 30	11	45	35	21
Investment Grade	A	Class A	Class A	Class A	Class A
Occupancy	81%	100%	100%	97%	70%
Seller		PPF OFF 500 Park Avenue, LLC c/o Morgan Stanley	RXR Realty	Mutual Life of America	250 Park Avenue LLC c/o AEW Capital Management
Buyer		500 Park Commercial Owner LLC c/o SL Green Realty Corp.	1211 6th Avenue Syndication Partners JV, L.P. c/o Ivanhoe Cambridge	Munich Reinsurance America, Inc	J.P. Morgan Chase / Hines
Interest Conveyed	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Sale Date		January 2025	January 2025	December 2024	August 2024
Transaction Type		Sale	Sale	Sale	Sale
Price		\$133,500,000	\$1,170,000,000	\$690,000,000	\$320,152,500
Price Per SF		\$662.82	\$571.96	\$901.12	\$591.82
NOI Per SF	\$57.37	\$28.80	\$45.76	\$26.12	\$22.67
In-Place Cap Rate		4.34%	8.00%	2.90%	3.83%
Adjusted Cap Rate		6.74%	7.00%	5.35%	5.70%
Terminal Cap Rate		5.25%	--	5.75%	5.50%
Discount Rate		6.50%	--	6.75%	7.25%
Holding Period		16 Years	--	14 Years	10 Years

Compiled by Newmark

DISCUSSION OF ADJUSTMENTS

PROPERTY RIGHTS CONVEYED

The property rights conveyed in a transaction typically have an impact on the sale price of a property. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease. A leasehold interest involves the acquisition of a building that is encumbered by a ground lease.

- All of the comparables represent leased fee or fee simple transactions, and do not require adjustments based on their transfers of the leased fee interests. In addition, the comparable sales did not warrant an adjustment for any partial interest transactions as these acquisitions are common within the Manhattan office market.

FINANCING TERMS

The subject property is being analyzed in terms of its cash value, or cash value equivalency.

- The sales do not require adjustments.

CONDITIONS OF SALE

The condition of sale adjustment is used to account for unusual buyer and seller motivations. For example, if a seller must quickly dispose of a property, its price would in general be lower than if the seller was typically motivated.

- According to the majority owner and new minority interest buyer, the transaction of 1345 Avenue of the Americas represents a 49.51% non-controlling minority interest in the property, and the non-controlling minority interest impacted the purchase price. Furthermore, this sale reflects an off-market transaction. The actual purchase price was reported at a discount to their internal underwriting utilized to purchase the property of \$1,400,000,000, or approximately 43.59% above the actual purchase price. The transaction was subject to existing debt of \$850,000,000, implying that the adjusted purchase price of \$1,400,000,000 would reflect a 60% loan-to-value ratio, which is considered reflective of market standards. The remaining sales do not require adjustments.

MARKET CONDITIONS TIME

A market condition adjustment is required if the comparable sales transferred under different market conditions from those applicable to the subject on the effective date of value. Generally, an adjustment for market conditions is made if general property values have increased or decreased since the transaction date. The sales occurred between August 2024 and May 2025.

A few of the comparable sales occurred during a time period where treasury rates fluctuated. In consideration of the higher interest rate environment, instability of debt markets and current

market conditions, a market conditions adjustment is warranted for fluctuations in the interest rate environment. Accordingly, a 10.0% downward market conditions adjustment is applied to each of the sales through December 2022 and an additional 10.0% downward adjustment is applied beginning in January 2023 through September 2023. We have not adjusted the comparable sales that have occurred during the current increased interest rate environment.

ANALYSIS OF IMPROVED COMPARABLE DATA

IMPROVED SALE ONE

This is the pending contract of sale of a 49-story Class A office building located along the entire western blockfront of Madison Avenue, between West 56th and West 57th Streets within the Plaza District office submarket of Midtown. The property is reportedly under contract of sale for approximately \$1.155 billion.

IMPROVED SALE TWO

This is the sale of a Class A, LEED Gold Certified, Class A office building with multi-level retail space located on the southwest corner of Fifth Avenue and West 44th Street within the Grand Central office submarket of Midtown. Historically, the office component of the property had been owner-occupied by Morgan Stanley, which structured a sale-leaseback of the property in August 2020 with the previous owner, RFR Holding Corporation, for a total purchase price of \$350.0 million. Morgan Stanley exercised a termination option in 2024 and subsequently vacated the property. According to our knowledge of the asset and discussions with the buyer and seller, the property has historically been well maintained, as Morgan Stanley maintained and upgraded the property since the most recent renovation in 1995. The seller intended to reposition the asset into an excellent quality, Class A office building before the property sold to Amazon for owner-user occupancy. Amazon intends to occupy the entire buildings as part of their Bryant Park office campus.

IMPROVED SALE THREE

This is the sale of a 49.51% non-controlling minority interest within a LEED Silver Certified 50-story Class A office building located along the entire western blockfront of Avenue of the Americas between West 54th and West 55th Streets within the Sixth Avenue / Rockefeller Center office submarket of Midtown. Historically, the property was anchored by Alliance Bernstein, which leased approximately 950,000 square feet which relocated to Hudson Yards in 2024. The tenant provided ample notice to the owner of their intention to relocate allowing the owner to complete an approximately \$120.0 million renovation while collecting contractual revenue from the tenant in 2021. The renovation included a fully re-imagined Outdoor Plaza and Fisher Park, a lobby repositioning, elevator upgrades and modernizations, base building work and the creation of a 20,000 square foot amenity center designed by David Rockwell that includes a conference center, fitness facility, wellness & massage rooms, and a tenant lounge with a cafe. Prior to expiration of Alliance Bernstein in December 2023, the owner pre-leased approximately 885,000 square feet to Paul Weiss for 22-years throughout the building at an initial blended contract of \$92.50 per square

foot. Subsequent to this anchor lease, the owner signed several leases bringing the occupancy to 97.70% at the time the property entered into contract of sale. In addition to the office space, the property had approximately 25,000 square feet of retail space, 64,000 square feet of lower-level amenity and storage space, a 4-level below grade parking garage totaling 341 legal spaces that is partially leased to Hertz and partially owner-operated by Fisher Brothers. Additionally, the property features a separate 3-story building historically known as the Ziegfeld Theater totaling 21,715 square feet that is leased long-term to Core Ziegfeld as an event hall. Based on the net operating income in-place at the time of sale, the property was purchased (utilizing the grossed up purchase price of \$1,400,000,000 based on an overall capitalization rate of 0.52%, which was largely impacted by the free rent associated with recent leases in the property. The capitalization rate is anticipated to increase to 6.18% in year five of the investment holding period.

IMPROVED SALE FOUR

This is the foreclosure of a LEED Gold certified, 25-story plus lower level, Class A office building located on the northeast corner of East 40th Street and Madison Avenue in the Grand Central office submarket of Midtown, Manhattan. The building was constructed in 1926 and was most recently renovated in 2016. The renovations totaled \$77.0 million, and the scope of work included a complete renovation of the office lobby, modernization of the interior elevators, exterior sidewalks, the addition of a usable rooftop amenity terrace, and the modernization of all major building systems including HVAC, electrical distribution and an emergency generator. The lobby was re-positioned and expanded with an amenity center in the rear of the office lobby, new retail storefronts were installed throughout the base of the building and second-floor windows were replaced with expansive glass windows that align with the ground floor. The property comprises 510,773 square feet of net rentable area. The office component is approximately 97% leased to a mix of good to excellent quality credit tenants totaling 465,063 square feet of occupied space. The property is anchored by an investment grade credit tenant, PVH Corporation (Tommy Hilfiger), which leases 43% of the existing net rentable area. The retail space within the property is leased to four tenants: B&B Restaurant Group (Benjamin's Steakhouse; 9,604 square feet), Banco Popular (3,533 square feet), Panera (2,984 square feet), and Naya (2,290 square feet).

IMPROVED SALE FIVE

This is the sale of an 11-story, plus lower level, Class A, landmarked office condominium building with ground floor retail space located at 500 Park Avenue, within the Park Avenue office submarket of Midtown. The improvements are situated at the southwest corner of East 59th Street, and a portion of the improvements are located within the residential condominium building at 500 Park Avenue. The improvements were recently constructed in 1960 and most recently renovated in 2016. The purchaser intends to renovate the property by spending \$18,751,094 to reposition the office lobby and interior space with amenities for existing and prospective tenants. The property comprises 201,411 square feet of net rentable area and was 100.00% leased to 2 retail and 10 office tenants at the time of sale. The office tenants at the time of sale accounted

for 93.0% of the year one in-place base rental revenue and exhibited contract rents ranging from \$72.83 to \$123.00 per square foot, with an average of \$90.04 per square foot. The weighted average remaining lease term for the entire property was 72 months. Based on the net operating income in-place at the time of sale, the property was purchased based on an overall capitalization rate of 4.34%, which is anticipated to increase to 6.74% in year four of the investment holding period.

IMPROVED SALE SIX

This is the sale of a 49% minority interest in a 45-story, Class A office building located along the entire western blockfront of Sixth Avenue between West 47th and West 48th Streets within the Sixth Avenue / Rockefeller Center office submarket of Midtown. At the time of sale, the property was 100% leased to 2 retail and 12 office tenants. The building was anchored by two tenants: News Corp (aka Fox News) (1,200,000 SF or 60% of the NRA) and Ropes & Gray (300,000 SF or 15% of the NRA). In January 2023, Fox News signed a 20-year extension for a portion of the ground, entire 2nd through 22nd and 28th through 31st floors at a blended rent of \$85.00 per square foot, increasing by 10.0% every 5-years of the tenants lease term. Ropes & Gray recently signed a lease at 1285 Avenue of the Americas and plans to vacate the property at the end of their existing lease in 2027. The owner informed us that they intend to vacate the remaining tenants in order to commence an approximately \$300 million renovation, excluding leasing costs, including a renovated lobby, plaza revitalization, the creation of an amenity center featuring conference rooms, a wellness center and other base building upgrades. The purchase price was based on an overall year one capitalization rate 8.00%, which was largely impacted by the near-term vacancy of approximately 600,000 square feet through 2028.

IMPROVED SALE SEVEN

This is the sale of a 25% minority interest of a 35-story, Class A office building located on the west side of Park Avenue between West 50th and West 51st Streets within the Park Avenue office submarket of Midtown. At the time of sale, the property was 96.9% leased to 5 retail and 18 office tenants. The seller, Mutual of America, structured a sale leaseback agreement to occupy 247,385 square feet or 32.29% of the rentable area at a base contract rent of \$70.00 per square foot for a period of 20-years. However, the seller continues to release their space to 3rd party tenants due to the demand for space along Park Avenue. Raymond James is the second largest tenant and leases 172,137 square feet or 21.23% of the net rentable area. The property recently completed a \$35.0 million renovation to reposition the existing lobby with a new entrance along Park Avenue and amenity offerings that will include a barista, grab and go food options, and access to the lower level building fitness center. Moreover, the renovations included the construction of an amenity center on the 16th floor with a wraparound outdoor terrace that can be utilized by all tenants. The purchase price was based on an overall year one capitalization rate 2.90%, which is anticipated to increase to 5.35% by year two of the investment holding period.

IMPROVED SALE EIGHT

This is the sale of a 21-story, Class A office building with ground floor retail space located along the entire western blockfront of Park Avenue, between East 46th and East 47th Streets within the Grand Central office submarket of Midtown. At the time of sale, the property was 70% leased with a weighted average remaining lease term of 6.0 years. There is 160,075 square feet of vacant office and retail space available for lease at the time of sale. The property is located within the Grand Central Transit Improvement Subarea of the Greater Midtown East Rezoning District, which allows the pending buyer to potentially increase the maximum zoning floor area of the site from 374,538 square feet to 1,498,170 square feet. The buyer has not released plans for the site. According to our conversations with after market participants and previous bidders, there was significant interest from prospective buyers to retain the existing improvements and utilize the building for continued use at the current price. Based on the net operating income achieved at the time of sale, the property was purchased based on a going-in capitalization rate of 4.09%, which will increase to 6.08% upon stabilization.

SUMMARY OF ADJUSTMENTS

An overview of the adjustments for each comparable sale have been further outlined on the following chart:

Comparable Sales Adjustment Grid									
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7	Sale 8
Address	452 Fifth Avenue	590 Madison Avenue	522 Fifth Avenue	1345 Avenue of the Americas	285 Madison Avenue	500 Park Avenue	1211 Avenue of the Americas	320 Park Avenue	250 Park Avenue
Location	Bryant Park, Midtown	Plaza District, Midtown	Grand Central, Midtown	Sixth Avenue / Rockefeller Center	Grand Central, Midtown	Park Avenue, Midtown	Sixth Avenue / Rockefeller Center	Park Avenue, Midtown	Grand Central, Midtown
Rentable Area	865,121 SF	1,050,000 SF	540,893 SF	1,950,028 SF	510,773 SF	201,411 SF	2,045,600 SF	765,717 SF	540,960 SF
Year Built	1902 to 1984	1982 / 2006	1919/1995/2023	1969 / 2021	1926 / 2013	1960/2016	1973	1994 / 2021	1924 / 2019
Stories	10 / 30	43	23	50	25	11	45	35	21
Investment Grade	A	Class A	Class A	Class A	Class A	Class A	Class A	Class A	Class A
Interest Conveyed	Leased Fee	Leased Fee	Fee Simple	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Sale Date		Contract	May 2025	May 2025	April 2025	January 2025	January 2025	December 2024	August 2024
NOI Per Square Foot	\$57.37	--	--	\$2.60	\$49.46	\$28.80	\$45.76	\$26.12	\$22.67
Occupancy	81%	87%	Owner-User	98%	97%	100%	100%	97%	70%
Actual Price		\$1,155,000,000	\$456,000,000	\$975,000,000	\$350,000,000	\$133,500,000	\$1,170,000,000	\$690,000,000	\$320,152,500
Actual Price Per SF		\$1,100.00	\$843.05	\$499.99	\$685.24	\$662.82	\$571.96	\$901.12	\$591.82
Transaction Adjustments									
Property Rights Conveyed		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Conditions of Sale		0.0%	0.0%	43.59%	0.0%	0.0%	0.0%	0.0%	0.0%
Market Conditions (Time)	July-25	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subtotal Adjustments		0.0%	0.0%	43.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price Per SF		\$1,100.00	\$843.05	\$717.94	\$685.24	\$662.82	\$571.96	\$901.12	\$591.82
Physical and Locational Adjustments									
Location		-5.0%	0.0%	0.0%	10.0%	-5.0%	0.0%	-5.0%	-5.0%
Size		5.0%	-10.0%	15.0%	-10.0%	-15.0%	15.0%	0.0%	-10.0%
Year Built		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Quality		0.0%	20.0%	0.0%	10.0%	10.0%	0.0%	10.0%	15.0%
Tenancy/Occupancy		0.0%	0.0%	-10.0%	-5.0%	10.0%	5.0%	10.0%	10.0%
Economic		0.0%	0.0%	10.0%	0.0%	10.0%	5.0%	0.0%	10.0%
Subtotal Physical and Locational Adjustments		0.0%	10.0%	15.0%	5.0%	10.0%	25.0%	15.0%	20.0%
Overall Adjustment		0.0%	10.0%	58.6%	5.0%	10.0%	25.0%	15.0%	20.0%
Adjusted Price Per Square Foot		\$1,100.00	\$927.36	\$825.63	\$719.50	\$729.11	\$714.95	\$1,036.28	\$710.19

Compiled by Newmark

SALES COMPARISON APPROACH CONCLUSION

The comparable sales selected contain various qualities that are very directly competitive with the subject, despite the individual traits that vary from the subject and are considered overall, very comparable.

- Prior to adjustments, the sales exhibit unit prices ranging from \$499.99 to \$1,100.00 per square foot, averaging \$732.00 per square foot. After adjustments, the sales exhibit unit prices ranging from \$710.19 to \$1,100.00 per square foot, with an average of \$845.38 per square foot.
- Within this analysis, we have placed primary reliance on Comparables 1, 2 and 7. After adjustments, the directly comparable improved sales exhibit unit prices ranging from \$927.36 to \$1,100.00 per square foot, with an average of \$1,021.21 per square foot. The concluded improved unit value is estimated to be \$1,100.00 per square foot for the subject property.

ADJUSTMENTS TO VALUE

To develop an indication of the "As Is" Market Value for the subject, the present market value of the leasing and capital costs that are anticipated to occur over the initial six years of the analysis period have been deducted from the initial value conclusion. The costs consider the planned re-leasing costs associated with the planned vacancy of HSBC. The estimated present market value of the leasing costs is further outlined on the following chart:

PV of Lease Up Costs - 6 Years												
Leasing Related Cost	Year 1	PSF	Year 2	PSF	Year 3	PSF	Year 4	PSF	Year 5	PSF	Year 6	PSF
Absorption & Turnover Vacancy	\$10,239,483	\$11.84	\$1,128,585	\$1.30	\$6,000,984	\$6.94	\$882,624	\$1.02	\$148,999	\$0.17	\$660,873	\$0.76
Base Rent Abatements	\$34,529,352	\$39.91	\$21,532,124	\$24.89	\$5,095,503	\$5.89	\$12,167,588	\$14.06	\$802,121	\$0.93	\$1,115,223	\$1.29
Tenant Improvements	\$56,193,990	\$64.96	\$33,432,429	\$38.64	\$10,989,945	\$12.70	\$2,093,696	\$2.42	\$582,814	\$0.67	\$0	\$0.00
Leasing Commissions	\$5,177,214	\$5.98	\$6,216,806	\$7.19	\$4,474,857	\$5.17	\$874,316	\$1.01	\$233,333	\$0.27	\$583,559	\$0.67
Capital Expenditure	\$25,258,330	\$29.20	\$18,489,675	\$21.37	\$4,450,000	\$5.14	\$0	\$0.00	\$0	\$0.00	\$289,819	\$0.34
Total Year Lease Up Costs	\$131,398,368	\$151.88	\$80,799,620	\$93.40	\$31,011,290	\$35.85	\$16,018,224	\$18.52	\$1,767,266	\$2.04	\$2,649,474	\$3.06
7.00% Discount Factor	0.93458		0.87344		0.81630		0.76290		0.71299		0.66634	
PV of Lease Up Costs	\$122,802,214	\$141.95	\$70,573,517	\$81.58	\$25,314,450	\$29.26	\$12,220,226	\$14.13	\$1,260,037	\$1.46	\$1,765,456	\$2.04
Rounded	\$122,800,000	\$141.95	\$70,570,000	\$81.57	\$25,310,000	\$29.26	\$12,220,000	\$14.13	\$1,260,000	\$1.46	\$1,770,000	\$2.05
Total Lease Up Costs	\$233,930,000											

Compiled by Newmark

MARKET VALUE "As Is"

The Market Value As Is conclusion by the Sales Comparison Approach is further highlighted on the following chart:

As Is Value Conclusion		
Sales Comparison	All Comparables	Directly Comparable
Value Indication Per SF at Low	\$710.19	\$927.36
Value Indication Per SF at High	\$1,100.00	\$1,100.00
Average Value Indication Per SF	\$845.38	\$1,021.21
As If Stabilized Today Value, PSF (2025)		\$1,100.00
Subject Rentable Area		865,121 SF
Concluded As If Stabilized Value		\$951,633,100
Less: Total Lease Up Costs		(\$233,930,000)
Less: Entrepreneurial Profit @ 15.0%		(\$35,089,500)
Adjusted As Is Value Indication		\$682,613,600
Concluded As Is Value, Rounded		\$685,000,000
Indicated Value Per Square Foot		\$791.80

Compiled by Newmark

INCOME CAPITALIZATION APPROACH

INTRODUCTION

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis. The steps taken to apply the income capitalization approach are:

- Analyze the revenue potential of the property;
- Consider appropriate allowances for vacancy, collection loss, and operating expenses;
- Calculate net operating income by deducting vacancy, collection loss, and operating expenses from potential income;
- Apply the most appropriate capitalization methods to convert anticipated net income to an indication of value.

METHODOLOGY APPLICABLE TO THE SUBJECT

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate.

In this analysis, the direct capitalization and discounted cash flow approaches to value are considered warranted and have been utilized.

RENTABLE AREA SUMMARY CHART

Occupancy Summary								
Space Type	Rentable Area (SF)	Remeasured Area (SF)	% Total	Leased (SF)	% Leased	Vacant (SF)	% Vacant	Contract Rent (PSF)
Office	767,413	767,413	88.8%	619,610	80.7%	147,803	19.3%	\$94.35
Retail	87,739	88,498	10.2%	82,297	93.8%	5,442	6.2%	\$73.70
Storage	9,210	9,210	1.1%	5,500	59.7%	3,710	40.3%	\$5.14
Total	864,362	865,121	100.0%	707,407	81.8%	156,955	18.2%	\$91.26

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SPACE MEASUREMENT DESCRIPTION

For office buildings in New York City, typically the standard for determining size varies across the city. The main factors that contribute to the overall size of a building consist of the loss factors

and/or add-on factors. These create different measurement distinctions which have been outlined on the following pages and further characterized below.

GROSS AREA

Gross floor area (GFA) in real estate is the total floor area inside the building envelope, including the external walls, and excluding the roof. An architect typically determines gross area.

NET RENTABLE AREA

The area of a building that may be leased or rented to tenants, the square-footage of which landlords will use for calculating rental payment for tenants. It usually excludes common areas, elevator shafts, stairways, and space devoted to cooling, heating, or other equipment.

USABLE AREA

Usable area is a measurement made by the landlord based upon standards recommended by the Real Estate Board of New York (REBNY). Gross area excludes vertical penetrations such as stairwells, elevator shafts, elevator machines and risers and fire towers however, the usable area includes nominal four-inch enclosing walls and elevator lobbies, restrooms and columns as usable square footage.

LOSS FACTOR

Loss factor is defined as the percentage difference between rentable area, the number of square feet that office tenants pay for, and usable area. The ratio for calculating the loss factor is as follows:

Total percentage of Rentable Area to Usable Area ($1 - \text{Usable/Rentable} = \text{Loss Factor \%}$).

ADD-ON FACTOR

Also known as the load factor, this is the number that is applied to the Usable area to derive the Net Rentable Area of a tenant space. This factor can be determined as follows:

- Net Rentable Area / Usable Square Feet

CONCLUSION

Applying a loss factor to a New York City office building is a function of the office market and a methodology that a majority of the Landlords have adopted. As existing lease terms expire, outdated measurements will be recaptured based on a market-oriented loss factor depending on the location of the asset. A re-measurement study is typically performed by architects or design firms who will provide a space-by-space measurement. New York City office tenants are fully aware of Landlords utilizing loss factors to recapture space as this is a function of the New York City office market.

For New York City full floor tenants, an acceptable loss factor would fall in the 22 to 28% range. For multi-tenanted properties (more corridors), this range would increase to 28 to 35%. In

practice, we have seen both higher and lower loss factors, but most will occur in these ranges which are further supported by REBNY measurements. The subject property comprises 864,362 square feet of net rentable area, which will be re-measured based on a 27% loss factor to 865,121 square feet of net rentable area.

LEASE STRUCTURE

Depending on the property type and number of tenants, occupants are required to reimburse the owner / landlord for expenses. An overview of the traditional lease types that are commonly signed throughout the New York City marketplace are as follows:

New York City Typical Recovery and Lease Structure Overview	
Structure Referenced	Newmark Definition
Gross	Tenant is not responsible for any expense recoveries
Modified Gross	Tenant is responsible for their share of real estate taxes and operating expenses over a base year amount. Traditionally, for this structure, electricity and other utilities are charged on a sub-metered basis, with an administrative charge ranging from 2.0% - 5.0%, or direct basis, whereby the tenant will be responsible to pay the utility bills directly through the provider.
Modified Net	Tenant is responsible for their pro-rata share of either real estate taxes and/or operating expenses over a base year amount AND their pro-rata share of the expense that is not structured with a base year amount on a net basis. Traditionally, for this structure, electricity and other utilities are charged on a sub-metered basis, with an administrative charge ranging from 2.0% - 5.0%, or direct basis, whereby the tenant will be responsible to pay the utility bills directly through the provider.
Net	Tenant is responsible for their pro-rata share of real estate taxes and/or operating expenses. This structure is typically found in single-tenant assets whereby the tenant monitors their own expenses without typical premiums and administrative fees associated with third-party asset management.
PILOT Fixed Recoveries	Newly constructed or recently repositioned assets will typically include PILOT (Payment in Lieu of Taxes) Fixed recoveries as part of pre-leases, which protect tenants from onerous tax increases as space is leased to prospective tenants. This recovery will include a payment per square foot, escalating on an annual basis, until a defined base year is established within each respective lease. The base year for this structure is traditionally established when an RPIE (Real Property Income and Expenses) statement is submitted to the New York City Department of Finance showing that between 75% to 95% of the net rentable area is responsible to pay their full contractual rent obligation.

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All of the existing tenants within the subject property are leased on a modified gross basis and are responsible for their pro-rata share of operating expenses and / or real estate taxes over a base year amount. As part of the leases signed within the building, a majority of tenants are responsible for overtime HVAC charges, electric metering expenses and other directly chargeable expenses that are billed to tenants based on consumption.

RENT ROLL/TENANT OVERVIEW

The revenue to be received from the subject property is derived from various tenant types. The estimate of rental revenue estimated within this has been based on Newmark's review of the rent roll and leases provided by the owner as of the date of appraisal, along with market leasing assumptions for the existing available space and any spaces that are projected to rollover to market standards.

The investment rates and concluded value will largely depend on the income to be achieved from the property. The investment rates consider the quality of the real estate and tenancy type(s), risk

of rollover, the stability/risk of the income stream and historical income and operations of the property. Weighted average remaining lease term (WALT), credit tenant exposure, corporate guarantees, large security deposits and tenant restoration clauses are of the major items that Newmark will analyze when selecting the investment rates for a property.

The chart on the following charts detail the existing office, retail, and storage leases negotiated within the subject property. In addition, the following chart provides an overall outline of the existing and remaining lease terms within the subject. We have placed reliance on the existing lease terms when determining the market leasing assumptions for the office, retail and storage space within the subject property.

452 Fifth Avenue													
#	Suite	Tenant	Rentable Area SF	Re-Measured Area SF	% Total Rentable Area	Start Date	Expiration Date	Lease Term	Remaining Term	Lease Structure	Contract Rent \$/SF/Yr \$/Yr		Rent Steps
Occupied Area													
1	S-Cellar-1	HSBC Bank USA (Renewal)	11,825	11,825	1.37%	May-25	Jul-30	5.25	5.08	Gross	\$55.00	\$650,375	None
2	S-Cellar-2	HSBC Bank USA (Renewal)	19,270	19,270	2.23%	May-25	Jul-30	5.25	5.08	Gross	\$55.00	\$1,059,850	None
													Apr-2027 - \$62.68 SF/Yr
													Apr-2028 - \$63.80 SF/Yr
													Apr-2029 - \$64.93 SF/Yr
													Apr-2030 - \$66.07 SF/Yr
													Apr-2031 - \$67.24 SF/Yr
													Apr-2032 - \$68.42 SF/Yr
													Apr-2033 - \$69.62 SF/Yr
													Apr-2034 - \$70.84 SF/Yr
													Apr-2035 - \$72.07 SF/Yr
													Apr-2036 - \$73.33 SF/Yr
													Apr-2037 - \$74.60 SF/Yr
													Apr-2038 - \$75.89 SF/Yr
													Apr-2039 - \$77.20 SF/Yr
													Apr-2040 - \$78.53 SF/Yr
													Apr-2041 - \$79.41 SF/Yr
													Apr-2042 - \$81.26 SF/Yr
													Apr-2043 - \$82.65 SF/Yr
													Apr-2044 - \$84.06 SF/Yr
													Apr-2045 - \$85.50 SF/Yr
													Apr-2027 - \$62.68 SF/Yr
													Apr-2028 - \$63.80 SF/Yr
													Apr-2029 - \$64.93 SF/Yr
													Apr-2030 - \$66.07 SF/Yr
													Apr-2031 - \$67.24 SF/Yr
													Apr-2032 - \$68.42 SF/Yr
													Apr-2033 - \$69.62 SF/Yr
													Apr-2034 - \$70.84 SF/Yr
													Apr-2035 - \$72.07 SF/Yr
													Apr-2036 - \$73.33 SF/Yr
													Apr-2037 - \$74.60 SF/Yr
													Apr-2038 - \$75.89 SF/Yr
													Apr-2039 - \$77.20 SF/Yr
													Apr-2040 - \$78.53 SF/Yr
													Apr-2041 - \$79.41 SF/Yr
													Apr-2042 - \$81.26 SF/Yr
													Apr-2043 - \$82.65 SF/Yr
													Apr-2044 - \$84.06 SF/Yr
													Apr-2045 - \$85.50 SF/Yr
4	Cellar-03	Lifetime Fitness	16,516	16,516	1.91%	Jan-27	Apr-47	20.33	21.82	Modified Gross	\$61.58	\$1,017,055	None
													Oct-2031 - \$330.00 SF/Yr
													Oct-2036 - \$363.00 SF/Yr
													None
													Apr-2027 - \$62.68 SF/Yr
													Apr-2028 - \$63.80 SF/Yr
													Apr-2029 - \$64.93 SF/Yr
													Apr-2030 - \$66.07 SF/Yr
													Apr-2031 - \$67.24 SF/Yr
													Apr-2032 - \$68.42 SF/Yr
													Apr-2033 - \$69.62 SF/Yr
													Apr-2034 - \$70.84 SF/Yr
													Apr-2035 - \$72.07 SF/Yr
													Apr-2036 - \$73.33 SF/Yr
													Apr-2037 - \$74.60 SF/Yr
													Apr-2038 - \$75.89 SF/Yr
													Apr-2039 - \$77.20 SF/Yr
													Apr-2040 - \$78.53 SF/Yr
													Apr-2041 - \$79.41 SF/Yr
													Apr-2042 - \$81.26 SF/Yr
Apr-2043 - \$82.65 SF/Yr													
Apr-2044 - \$84.06 SF/Yr													
Apr-2045 - \$85.50 SF/Yr													
5	Cellar-04	BMO	1,361	1,361	0.16%	Jul-25	Jun-75	50.00	50.00	Gross	\$0.00	\$0	None
6	Cellar-05	BMO	3,639	3,639	0.42%	Jul-25	Jun-75	50.00	50.00	Gross	\$0.00	\$0	None
7	Cellar-06	HBK New York	500	500	0.06%	Jan-23	Jul-28	5.50	3.03	Gross	\$56.50	\$28,250	None
8	Lobby	Amazon	730	730	0.08%	Jun-25	Sep-41	16.33	16.25	Modified Gross	\$300.00	\$219,000	Oct-2031 - \$330.00 SF/Yr
9	Grade-01	Staples < Lifetime Fitness	5,731	6,137	0.66%	Jan-12	Sep-25	13.75	0.25	Modified Gross	\$129.64	\$742,992	Oct-2036 - \$363.00 SF/Yr
													None
													Apr-2027 - \$62.68 SF/Yr
													Apr-2028 - \$63.80 SF/Yr
													Apr-2029 - \$64.93 SF/Yr
													Apr-2030 - \$66.07 SF/Yr
													Apr-2031 - \$67.24 SF/Yr
													Apr-2032 - \$68.42 SF/Yr
													Apr-2033 - \$69.62 SF/Yr
													Apr-2034 - \$70.84 SF/Yr
													Apr-2035 - \$72.07 SF/Yr
													Apr-2036 - \$73.33 SF/Yr
													Apr-2037 - \$74.60 SF/Yr
													Apr-2038 - \$75.89 SF/Yr
													Apr-2039 - \$77.20 SF/Yr
													Apr-2040 - \$78.53 SF/Yr
													Apr-2041 - \$79.41 SF/Yr
													Apr-2042 - \$81.26 SF/Yr
													Apr-2043 - \$82.65 SF/Yr
													Apr-2044 - \$84.06 SF/Yr
Apr-2045 - \$85.50 SF/Yr													
10	Grade-02	Lifetime Fitness	6,137	6,137	0.71%	Jan-27	Apr-47	20.33	21.82	Modified Gross	\$61.58	\$377,916	None
													Oct-2031 - \$97.00 SF/Yr
													Oct-2036 - \$105.00 SF/Yr
													Oct-2031 - \$97.00 SF/Yr
													Oct-2036 - \$105.00 SF/Yr
													Oct-2031 - \$97.00 SF/Yr
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													Oct-2036 - \$105.00 SF/Yr
													Oct-2031 - \$97.00 SF/Yr
													Oct-2036 - \$105.00 SF/Yr
													11
12	0300	Amazon	41,063	41,063	4.75%	Jun-25	Sep-41	16.33	16.25	Modified Gross	\$89.00	\$3,654,607	Oct-2031 - \$97.00 SF/Yr
13	0400	Amazon	41,304	41,304	4.78%	Jun-25	Sep-41	16.33	16.25	Modified Gross	\$89.00	\$3,676,056	Oct-2036 - \$105.00 SF/Yr
14	0500	Amazon	41,087	41,087	4.75%	Jun-25	Sep-41	16.33	16.25	Modified Gross	\$89.00	\$3,656,743	Oct-2031 - \$97.00 SF/Yr
												Oct-2036 - \$105.00 SF/Yr	

452 Fifth Avenue													
#	Suite	Tenant	Rentable Area SF	Re-Measured Area SF	% Total Rentable Area	Start Date	Expiration Date	Lease Term	Remaining Term	Lease Structure	Contract Rent \$/SF/Yr \$/Yr		Rent Steps
Occupied Area													
15	0600	Amazon	40,202	40,202	4.65%	Jun-25	Sep-41	16.33	16.25	Modified Gross	\$89.00	\$3,577,978	Oct-2031 - \$97.00 SF/Yr Oct-2036 - \$105.00 SF/Yr
16	0700	Amazon	40,433	40,433	4.68%	Jun-25	Sep-41	16.33	16.25	Modified Gross	\$89.00	\$3,598,537	Oct-2031 - \$97.00 SF/Yr Oct-2036 - \$105.00 SF/Yr
17	0800	Amazon	40,603	40,603	4.70%	Jun-25	Sep-41	16.33	16.25	Modified Gross	\$89.00	\$3,613,667	Oct-2031 - \$97.00 SF/Yr Oct-2036 - \$105.00 SF/Yr
18	0900	Amazon	31,025	31,025	3.59%	Jun-25	Sep-41	16.33	16.25	Modified Gross	\$89.00	\$2,761,225	Oct-2031 - \$97.00 SF/Yr Oct-2036 - \$105.00 SF/Yr
19	1000	Amazon	36,697	36,697	4.25%	Jun-25	Sep-41	16.33	16.25	Modified Gross	\$89.00	\$3,266,033	Oct-2031 - \$97.00 SF/Yr Oct-2036 - \$105.00 SF/Yr
20	1100	Amazon	16,751	16,751	1.94%	Jun-25	Sep-41	16.33	16.25	Modified Gross	\$89.00	\$1,490,839	Oct-2031 - \$97.00 SF/Yr Oct-2036 - \$105.00 SF/Yr
21	1200	Novartis	15,865	15,865	1.84%	Feb-23	Jul-31	8.49	6.08	Modified Gross	\$110.00	\$1,745,150	Jul-2026 - \$135.00 SF/Yr
22	1400	Novartis	388	388	0.04%	Feb-23	Jun-26	3.41	1.00	Modified Gross	\$110.00	\$42,680	None
23	1401	Icon Infrastructure North America	6,110	6,110	0.71%	Jun-23	May-29	5.88	3.83	Modified Gross	\$122.00	\$745,420	None
24	1402	Baker & McKenzie	8,127	8,127	0.94%	Nov-11	Jan-28	16.25	2.58	Modified Gross	\$55.00	\$446,985	None
25	1500	Baker & McKenzie	16,263	16,263	1.88%	Nov-11	Jan-28	16.25	2.58	Modified Gross	\$79.00	\$1,284,777	None
26	1600	Baker & McKenzie	16,263	16,263	1.88%	Nov-11	Jan-28	16.25	2.58	Modified Gross	\$79.00	\$1,284,777	None
27	1700	Baker & McKenzie	16,267	16,267	1.88%	Nov-11	Jan-28	16.25	2.58	Modified Gross	\$79.00	\$1,285,093	None
28	1800	Baker & McKenzie	16,275	16,275	1.88%	Nov-11	Jan-28	16.25	2.58	Modified Gross	\$79.00	\$1,285,725	None
29	1900	Baker & McKenzie	16,314	16,314	1.89%	Nov-11	Jan-28	16.25	2.58	Modified Gross	\$79.00	\$1,288,806	None
30	2000	Baker & McKenzie	16,294	16,294	1.89%	Nov-11	Jan-28	16.25	2.58	Modified Gross	\$79.00	\$1,287,226	None
31	2101	Brighton Park Capital	10,338	10,338	1.20%	Apr-25	Jan-36	10.71	10.50	Modified Gross	\$123.00	\$1,271,574	Jan-2031 - \$132.00 SF/Yr
32	2102	Brighton Park Capital	2,536	2,536	0.29%	Apr-25	Jan-36	10.71	10.50	Modified Gross	\$123.00	\$311,928	Jan-2031 - \$132.00 SF/Yr
33	2103	Brighton Park Capital	3,554	3,554	0.41%	Apr-25	Jan-36	10.71	10.50	Modified Gross	\$123.00	\$437,142	Jan-2031 - \$132.00 SF/Yr
34	2200	HBK New York	16,428	16,428	1.90%	Jan-23	Jul-28	5.50	3.03	Modified Gross	\$113.00	\$1,856,364	None
35	2300	Haitong International Securities	10,248	10,248	1.19%	Sep-21	Sep-36	15.08	11.25	Modified Gross	\$112.00	\$1,147,776	Sep-2026 - \$120.00 SF/Yr Sep-2031 - \$128.00 SF/Yr
36	2301	Dawson Partners	6,180	6,180	0.71%	Feb-25	Jan-28	3.00	2.58	Modified Gross	\$129.00	\$797,220	None
37	2400	NCH Capital	16,428	16,428	1.90%	Jan-13	Dec-27	15.00	2.50	Modified Gross	\$98.00	\$1,609,944	None
38	2500	Lombard Odier Asset Mgt	16,288	16,288	1.88%	Aug-22	Feb-34	11.58	8.66	Modified Gross	\$105.00	\$1,710,240	Mar-2029 - \$110.00 SF/Yr
39	2600	Generate Capital	16,291	16,291	1.88%	Mar-24	Nov-35	11.67	10.41	Modified Gross	\$114.00	\$1,857,174	Sep-2030 - \$122.00 SF/Yr
40	2700	Generate Capital	16,130	16,130	1.87%	Mar-24	Nov-35	11.67	10.41	Modified Gross	\$114.00	\$1,838,820	Sep-2030 - \$122.00 SF/Yr
41	2800	Tilden Park Capital Management	16,140	16,140	1.87%	Nov-13	Sep-35	21.91	10.25	Modified Gross	\$125.00	\$2,017,500	Oct-2030 - \$135.00 SF/Yr
42	2900	Capital Dynamics < 17 Capital Americas	16,298	16,298	1.89%	Jan-20	Jan-26	6.08	0.59	Modified Gross	\$106.56	\$1,736,715	None
43	3001	Varadero Capital	7,636	7,636	0.88%	Jul-15	Jan-26	10.58	0.59	Modified Gross	\$111.00	\$847,596	None
44	3002	Triangle Capital	7,054	7,054	0.82%	Oct-15	Jan-26	10.33	0.59	Modified Gross	\$115.00	\$811,210	None
44	Total Occupied Space		707,407	708,166	81.84%						\$91.26	\$64,555,834	
Vacant Area													
1	Cellar-01	To-Be-Leased	2,029	2,029	0.23%	Jun-26	May-36	10.00		Modified Gross	\$70.00	\$142,030	3.0% Annual Inc.
2	Cellar-02	To-Be-Leased	1,681	1,681	0.19%	Jan-26	Dec-35	10.00		Modified Gross	\$70.00	\$117,670	3.0% Annual Inc.
3	Grade-03	To-Be-Leased	4,318	4,318	0.50%	Jun-26	May-36	10.00		Modified Gross	\$300.00	\$1,295,400	3.0% Annual Inc.
4	Grade- Side Street	To-Be-Leased	6,026	6,026	0.70%	Jan-26	Dec-40	15.00		Modified Gross	\$60.00	\$361,560	\$5.00/SF Inc. Every 5 Years
5	Mezz-02	To-Be-Leased	1,124	1,124	0.13%	May-27	Apr-42	15.00		Modified Gross	\$60.00	\$67,440	\$5.00/SF Inc. Every 5 Years
6	0200	To-Be-Leased	4,306	4,306	0.50%	Jun-26	May-36	10.00		Modified Gross	\$75.00	\$322,950	3.0% Annual Inc.
7	0201 - 1W	To-Be-Leased	13,078	13,078	1.51%	Jun-26	May-41	15.00		Modified Gross	\$60.00	\$784,680	\$5.00/SF Inc. Every 5 Years
8	0301 - 1W	To-Be-Leased	13,043	13,043	1.51%	May-27	Apr-42	15.00		Modified Gross	\$60.00	\$782,580	\$5.00/SF Inc. Every 5 Years
9	0401 - 1W	To-Be-Leased	13,050	13,050	1.51%	Jun-26	May-41	15.00		Modified Gross	\$60.00	\$783,000	\$5.00/SF Inc. Every 5 Years
10	0501 - 1W	To-Be-Leased	13,064	13,064	1.51%	Jun-26	May-41	15.00		Modified Gross	\$60.00	\$783,840	\$5.00/SF Inc. Every 5 Years
11	0601 - 1W	To-Be-Leased	13,064	13,064	1.51%	Jun-26	May-41	15.00		Modified Gross	\$60.00	\$783,840	\$5.00/SF Inc. Every 5 Years
12	0701 - 1W	To-Be-Leased	12,314	12,314	1.42%	Jun-26	May-41	15.00		Modified Gross	\$60.00	\$738,840	\$5.00/SF Inc. Every 5 Years
13	0801 - 1W	To-Be-Leased	12,304	12,304	1.42%	Jun-26	May-41	15.00		Modified Gross	\$60.00	\$738,240	\$5.00/SF Inc. Every 5 Years
14	0901 - 1W	To-Be-Leased	12,304	12,304	1.42%	Jun-26	May-41	15.00		Modified Gross	\$60.00	\$738,240	\$5.00/SF Inc. Every 5 Years
15	1001 - 1W	To-Be-Leased	12,304	12,304	1.42%	Jun-26	May-41	15.00		Modified Gross	\$60.00	\$738,240	\$5.00/SF Inc. Every 5 Years
16	1101 - 1W	To-Be-Leased	11,517	11,517	1.33%	Jun-26	May-41	15.00		Modified Gross	\$60.00	\$691,020	\$5.00/SF Inc. Every 5 Years
17	1201 - 1W	To-Be-Leased	11,429	11,429	1.32%	Apr-10	Mar-25	15.00		Modified Gross	\$60.00	\$685,740	\$5.00/SF Inc. Every 5 Years
17	Total Vacant Space		156,955	156,955	18.16%						\$67.25	\$10,555,310	
	Overall Total		864,362	865,121	100.00%						\$86.90	\$75,111,144	

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OCCUPANCY STATUS

- The subject property is 81.84% leased to 3 retail and 15 office tenants.
- The retail space within the subject property is in the process of being re-tenanted and transitioned from the existing layout. As of the date of value, the retail component leased to Lifetime Fitness (33,545 SF; which will increase to 51,961 SF upon vacancy of Staples) HSBC (31,095 SF), and Staples (17,657 SF). The owner negotiated an early termination with Staples and upon expiration of the lease in September, the Staples retail component will be reabsorbed by Lifetime Fitness, expanding the Lifetime leased premises to 51,961 square feet.
- The office space is leased to a mixture of good to excellent quality tenants totaling 767,413 square feet of space. The office space is currently 80.74% leased and anchored by Amazon (329,895 SF) and Baker & McKenzie (105,803 SF).
- As previously mentioned, HSBC previously served as the anchor office tenant in the property occupying 477,911 square feet of office. The tenant vacated the property in

March 2025 and most of the space was backfilled by Amazon leasing 329,895 square feet within 452 Fifth Avenue. Amazon also contains a Right of First Offer for the remaining balance of the vacant office space within 1 West 39th Street, comprising 144,641 square feet. It is assumed that the office tenant will exercise the option within the next 12-months, which is supported by Amazon's continued expansion for office space throughout Manhattan.

TENANCY ANALYSIS

Due to the existing tenancy within the subject property, a detailed overview of each company profile and the tenants respective credit ratings for the occupied office and retail space within the subject property has been outlined below and on the following pages.

AMAZON - TENANCY ANALYSIS

Amazon.com, Inc., doing business as Amazon, is an American multinational technology company engaged in e-commerce, cloud computing, online advertising, digital streaming, and artificial intelligence. Founded in 1994 by Jeff Bezos in Bellevue, Washington, the company originally started as an online marketplace for books but gradually expanded its offerings to include a wide range of product categories, referred to as "The Everything Store". Today, Amazon is considered one of the Big Five American technology companies, the other four being Alphabet, Apple, Meta and Microsoft.

The company has multiple subsidiaries, including Amazon Web Services, providing cloud computing; Zoox, a self-driving car division; Kuiper Systems, a satellite Internet provider; and Amazon Lab126, a computer hardware R&D provider. Other subsidiaries include Ring, Twitch, IMDb, and Whole Foods Market. Its acquisition of Whole Foods in August 2017 for US\$13.4 billion substantially increased its market share and presence as a physical retailer.

Amazon was founded on July 5, 1994, by Jeff Bezos after he relocated from New York City to Bellevue, Washington, near Seattle, to operate an online bookstore. Bezos chose the Seattle area for its abundance of technical talent from Microsoft and the University of Washington, as well as its smaller population for sales tax purposes and the proximity to a major book distribution warehouse in Roseburg, Oregon. Bezos also considered several other options, including Portland, Oregon, Boulder, Colorado.

In November 2015, Amazon opened a physical Amazon Books store in University Village in Seattle. The store was 5,500 square feet and prices for all products matched those on its website. In July 2016, the company announced that it was opening a 1,100,000 ft square foot facility in Palmer Township in the Lehigh Valley region of eastern Pennsylvania.

Amazon has a number of products and services available, including its digital assistant Alexa, Amazon Music, and Prime Video for music and videos respectively, the Amazon Appstore for Android apps, the Kindle line of electronic paper e-readers, Fire and Fire HD color LCD tablets.

Audible provides audiobooks for purchase and listening. In September 2021, Amazon announced the launch of Astro, its first household robot, powered by its Alexa smart home technology.

In Forbes Global 2023 Amazon ranked 36th. As of 2023, it is the world's largest online retailer and marketplace, smart speaker provider, cloud computing service through AWS, live-streaming service through Twitch, and Internet company as measured by revenue and market share.

As of October 2024, Amazon is the 12th-most visited website in the world and 84% of its traffic comes from the United States.

Credit Ratings - Amazon			
Agency	Issuer Rating	Last Credit Review	Outlook
Fitch	AA-	7/3/2025	Stable
Moody's	A1	3/17/2025	Positive
S&P	AA	5/15/2025	Stable

Source: Fitch, Moody's & S&P

Compiled by Newmark

BAKER & MCKENZIE

Baker McKenzie is a multinational law firm headquartered in Chicago, Illinois. Founded in 1949 as Baker & McKenzie, it has 77 offices in 46 countries, and over 6,000 lawyers worldwide. It is one of the largest law firms in the world by headcount and revenue.

Since 2010, Baker McKenzie has been recognized as the top law firm in the world for multinational M&As. In 2021, Baker McKenzie's revenue was \$3.1 billion. According to the International Consortium of Investigative Journalism, Baker McKenzie is "an architect of the modern tax avoidance system." The firm was listed in the Pandora Papers for its work on offshore tax avoidance for organizations outside of the United States.

In 1999, Christine Lagarde, the Paris managing partner and an antitrust and labor lawyer, was elected chair of the global executive committee, the first woman to lead Baker McKenzie; she was chair for five years.

She later became France's Minister of Finance and managing director of the International Monetary Fund. In 2001, the firm employed 3,000 attorneys and garnered \$1 billion in revenues. In 2005, 70 partners, and other legal staff, from the New York office of disbanding international firm Coudert Brothers joined Baker McKenzie.

In August 2014, Baker McKenzie revealed it was the first law firm to break through the \$2.5bn revenues barrier since the financial crisis, and that it was the largest firm in the world by headcount.

Baker McKenzie is organized as a Swiss Verein which allows regional profit pools and their related tax, accounting, and partner compensation systems to remain separate while allowing strategy, branding, information technology and other core functions to be shared between the constituent partnerships. Baker McKenzie is the only Verein that used to be a single partnership. All of the other Vereins were created by firms merging.

For the last seven years Thomson Reuters has ranked Baker McKenzie number one in the world by number of cross-border deals more than 65% of the firm's deals are cross-border and for the eleventh year in a row the firm was ranked first for deals with emerging market involvement, by both number of announced and completed number of deals.

As of August 2018, it is ranked as the second-largest international law firm in the world by headcount with 13,000 employees including 6,076 fee earners and 4,700 lawyers on a full-time equivalent basis in 78 offices across 47 countries.

It is the largest law firm in the United States by headcount. It is also ranked as the third largest law firm in the world in terms of revenue with US\$2.89 billion in annual revenue in FY2018. It is the largest international law firm in Asia Pacific, Continental Europe, and Latin America. In December 2016 and as part of a major visual identity change, Baker & McKenzie re-branded and dropped the '&' from its name to become Baker McKenzie.

Baker McKenzie received multiple honors in 2024–2025, including awards for innovation in diversity, leadership in legal technology, and excellence in AI integration. Managing IP Americas Awards 2025-Won a significant prize recognizing excellence in intellectual property law. Legalweek Leaders in Tech Law Awards 2024. Legalweek 2025 Awards – Honored for Best Use of Artificial Intelligence in legal practice. Baker McKenzie Prize 2024 – Awarded to two outstanding doctoral dissertations in business law at Goethe University, supporting academic excellence and legal scholarship.

LIFETIME FITNESS – TENANCY ANALYSIS

Lifetime, Inc., commonly known as Lifetime Fitness, is a leading health and wellness lifestyle brand in the United States, offering full-service athletic country clubs, wellness programming, and luxury fitness facilities. The company is headquartered in Chanhassen, Minnesota, and currently operates more than 170 premium athletic clubs across the U.S. and Canada.

The company was founded in 1992 by Bahram Akradi, who also serves as the Chairman and Chief Executive Officer. Akradi has been the driving force behind Lifetime's vision of integrating health, fitness, and wellness into everyday life.

Unlike traditional gyms, Lifetime centers are designed as resort-style destinations that combine fitness, wellness, and lifestyle services under one roof. Their facilities include advanced fitness equipment, group exercise studios, indoor and outdoor pools, tennis and pickleball courts, full-

service spas (LifeSpa), healthy dining options (LifeCafe), childcare services, and coworking lounges at select locations.

In 2023, Lifetime Group Holdings received multiple prestigious accolades recognizing its excellence in health and wellness media. Its flagship publication, Experience Life Magazine, won four awards at the 2023 FOLIO: Eddie and Ozzie Awards, including honors for Best Full Issue in Consumer Health/Fitness/Wellness, Best Blog or Column, Best Podcast for its “Lifetime Talks” series, and Overall, Art Direction.

Most notably, in 2025, Lifetime was named to Fast Company’s list of the World’s Most Innovative Companies, ranking first in the Personal Care and Wellness category, a prestigious acknowledgment of its forward-thinking approach to fitness, wellness services, and member experience.

The company has also been recognized for its rapid growth as the nation’s largest operator of pickle ball courts, expanding its facilities and introducing comprehensive wellness services such as on-site medical concierge programs. These achievements reflect Lifetime’s ongoing commitment to excellence, innovation, and redefining the health and fitness industry.

In 2024, Lifetime Group Holdings reported total revenue of \$2.621 billion, marking an 18.2% increase from the previous year. This growth was driven by strong membership expansion, increased average dues, and higher member engagement across its centers.

Looking ahead to 2025, the company projects revenue to reach between \$2.910 billion and \$2.970 billion, reflecting an estimated growth of 12.2% year-over-year.

In the first quarter of 2025, Lifetime achieved \$706.04 million in revenue, an 18.32% increase compared to the same period in the previous year. This brings the company's trailing twelve-month revenue to approximately \$2.73 billion, up 18.58% year-over-year.

Credit Ratings - Life Time Inc.			
Agency	Issuer Rating	Last Credit Review	Outlook
S&P	BB-	6/18/2025	Positive

Source:S&P

Compiled by Newmark

HSBC BANK - TENANCY ANALYSIS

The Hongkong and Shanghai Banking Corporation, HSBC a Holdings is British multinational investment bank and financial services holding company. It is the largest bank in Europe by total assets ahead of BNP Paribas, with US\$2.953 trillion as of December 2021.

HSBC traces its origin to a Hong in British Hong Kong, and its present form was established in London by the Hongkong and Shanghai Banking Corporation to act as a new group holding company in 1991 its name derives from that company's initials.

The Hongkong and Shanghai Banking Corporation opened branches in Shanghai in 1865 and was first formally incorporated in 1866.

HSBC has offices in 64 countries and territories across Africa, Asia, Oceania, Europe, North America, and South America, serving around 40 million customers. As of 2020, it was the world's sixth largest bank by total assets and market capitalization.

HSBC was the world's 40th-largest public company, according to a composite measure by Forbes magazine. HSBC is organized within four business groups: Commercial Banking, Global Banking and Markets (investment banking), Retail Banking and Wealth Management, and Global Private Banking.

In 2020, the bank announced that it would consolidate its Retail Banking & Wealth Management arm with Global Private Banking, to form Wealth & Personal Banking. HSBC has a dual primary listing on the Hong Kong Stock Exchange and London Stock Exchange and is a constituent of the Hang Seng Index and the FTSE 100 Index. It has secondary listings on the New York Stock Exchange, and the Bermuda Stock Exchange.

On a global basis, its reported profit before tax decreased by \$1.7 billion to \$9.2 billion, which the bank said reflects a net charge for expected credit losses and other credit impairment charges, compared with a net release in the first half of 2021.

HSBC holds assets exceeding \$3 trillion USD. HSBC revenue for the quarter ending of Q4 2024 was \$11.6B, \$26.9billion of distributions to shareholders, PBT s recorded as \$32.3 billion, +6% YoY on a reported basis, Return on tangible equity 14.6% (FY23: 14.6%).

Credit Ratings -HSBC Bank			
Agency	Issuer Rating	Last Credit Review	Outlook
S&P	A+	5/28/2025	Stable
Fitch	AA-	5/28/2025	Stable
Moody's	A1	5/28/2025	Stable

Source:S&P; Moody's; & Fitch

Compiled by Newmark

LOMBARD ODIER ASSET MANAGEMENT - TENANCY ANALYSIS

Lombard Odier Asset Management ("LOIM") is the institutional asset management arm of Lombard Odier Group, one of Europe's oldest and most respected private banks, headquartered in Geneva, Switzerland.

The Lombard Odier Group was founded in 1796 while LOIM was established as a specialized asset management entity in the 1980s, drawing upon the bank’s long-standing legacy and expertise.

LOIM operates within the asset management sector of the broader financial services industry, focusing on institutional investment, portfolio management, and financial advisory services.

LOIM operates as a wholly owned subsidiary and institutional asset management arm of the Lombard Odier Group, one of Switzerland’s oldest private banks. It is headquartered in Geneva, Switzerland, which serves as the central hub of the Lombard Odier Group’s global operations.

LOIM maintains a significant global presence, with major offices in Geneva, London, Zurich, Paris, Milan, New York, Hong Kong, Singapore, Montreal, Amsterdam, Frankfurt, Dubai, and Madrid. This global footprint allows the firm to serve institutional clients across all key financial markets.

Lombard Odier Group is one of the world’s oldest private banks, operating continuously since the late 18th century.

LOIM was introduced as the Group diversified to cater specifically to the needs of institutional investors, leveraging its strong foundation in private banking with an emphasis on prudent risk management and innovation.

The firm remains independently owned and managed by its partners, ensuring long-term orientation and stability.

As of 2023-2024, the asset management division employs approximately 780 professionals worldwide. The Lombard Odier Group, as a whole, employs more than 2,800 people globally.

Lombard Odier Group reported consolidated income of CHF 1.5 billion in 2022 and a net profit of CHF 242 million. LOIM itself manages about CHF 63 billion (around USD 70 billion) in assets under management, positioning it among Europe’s leading independent asset managers.

Credit Ratings - Lombard Odier Asset Management			
Agency	Issuer Rating	Last Credit Review	Outlook
Fitch	AA-	7/1/2024	Stable
Source: Fitch			
Compiled by Newmark			

NOVARTIS - TENANCY ANALYSIS

Novartis AG is one of the world’s leading pharmaceutical companies, engaged in the research, development, manufacture, and marketing of innovative healthcare solutions.

Novartis is widely recognized for its broad range of prescription medicines, with a particularly strong focus on oncology, immunology, neuroscience, cardiology, and generic pharmaceuticals.

The company's therapies impact millions of patients worldwide, aiming to address some of the most challenging diseases and improve global public health.

Novartis AG operates as an independent, publicly traded company listed on the SIX Swiss Exchange and the New York Stock Exchange (NYSE). It is known globally under the trade name "Novartis."

The global headquarters of Novartis is located in Basel, Switzerland, serving as the center of its international operations and R&D excellence.

Novartis was established in 1996 through the merger of Ciba-Geigy and Sandoz, two Swiss giants with deep pharmaceutical, chemical, and biotechnology roots dating back to the 19th century.

Novartis has a significant global physical presence with operations in over 70 countries and products available in more than 155 countries.

The company has major commercial hubs, research centers, and production facilities spread across Europe, North America, Latin America, Asia-Pacific, the Middle East, and Africa.

For the full year 2024, Novartis recorded Revenue of approximately US\$50.32 billion, with a majority derived from its innovative pharmaceuticals division.

Operating income be US\$14.54 billion, Net income US\$11.94billion, Total assets Increase US\$101.2 billion, Total equity Decrease US\$44.13 billion. Total equity is US\$44.13billion.

The business remains financially robust, with strong profitability and sustained investment in R&D, ensuring continued pipeline development and market leadership in key therapeutic categories.

Credit Ratings - Novartis			
Agency	Issuer Rating	Last Credit Review	Outlook
S&P	AA-	4/24/2025	Stable
Fitch	AA-	6/25/2025	Stable
Moody's	Aa3	6/12/2025	Stable

Source: S&P; Moody's; & Fitch

Compiled by Newmark

MAJOR TENANCY ANALYSIS

The following chart outlines the subject's existing tenancy and provides an analysis detailing the total occupied area measured, current contract rents, percentage of revenue, contract lease dates and average remaining term by space and occupancy type.

Tenant Summary								
Tenant Name	NRA (SF)	NRA (SF) Remeasured	% of Total of NRA	Annual Base Rent	% of Base Rent	Contract Rent (\$F)	Total Lease Term	Remaining Term
Office								
Amazon	329,895	329,895	38.17%	\$29,514,685	45.72%	\$89.47	196 Months	195 Months
Baker & McKenzie	105,803	105,803	12.24%	\$8,163,389	12.65%	\$77.16	195 Months	31 Months
Generate Capital	32,421	32,421	3.75%	\$3,695,994	5.73%	\$114.00	140 Months	125 Months
Brigton Park Capital	16,428	16,428	1.90%	\$2,020,644	3.13%	\$123.00	129 Months	126 Months
HBK New York	16,428	16,428	1.90%	\$1,856,364	2.88%	\$113.00	66 Months	36 Months
NCH Capital	16,428	16,428	1.90%	\$1,609,944	2.49%	\$98.00	180 Months	30 Months
Capital Dynamics < 17 Capital Americas	16,298	16,298	1.89%	\$1,736,715	2.69%	\$106.56	73 Months	7 Months
Lombard Odier Asset Mgt	16,288	16,288	1.88%	\$1,710,240	2.65%	\$105.00	139 Months	104 Months
Novartis	16,253	16,253	1.88%	\$1,787,830	2.77%	\$110.00	71 Months	43 Months
Tilden Park Capital Management	16,140	16,140	1.87%	\$2,017,500	3.13%	\$125.00	263 Months	123 Months
Haitong International Securities	10,248	10,248	1.19%	\$1,147,776	1.78%	\$112.00	181 Months	135 Months
Varadero Capital	7,636	7,636	0.88%	\$847,596	1.31%	\$111.00	127 Months	7 Months
Triangle Capital	7,054	7,054	0.82%	\$811,210	1.26%	\$115.00	124 Months	7 Months
Dawson Partners	6,180	6,180	0.71%	\$797,220	1.23%	\$129.00	36 Months	31 Months
Icon Infrastructure North America	6,110	6,110	0.71%	\$745,420	1.15%	\$122.00	71 Months	46 Months
Total Occupied Office Space	619,610	619,610	71.68%	\$58,462,527	90.56%	\$94.35	173 Months	130 Months
Total Vacant Office Space	147,803	147,803	17.10%					
Total Office Space	767,413	767,413	88.78%					
Retail								
Lifetime Fitness	33,545	33,545	3.88%	\$2,065,701	3.20%	\$61.58	244 Months	262 Months
HSBC Bank USA (Renewal)	31,095	31,095	3.60%	\$1,710,225	2.65%	\$55.00	63 Months	61 Months
Staples < Lifetime Fitness	17,657	18,416	2.04%	\$2,289,131	3.55%	\$129.64	165 Months	3 Months
Total Occupied Retail Space	82,297	83,056	9.52%	\$6,065,057	9.40%	\$73.70	163 Months	108 Months
Total Vacant Retail Space	5,442	5,442	0.63%					
Total Retail Space	87,739	88,498	10.15%					
Storage								
BMO	5,000	5,000	0.58%	\$0	0.00%	\$0.00	600 Months	600 Months
HBK New York	500	500	0.06%	\$28,250	0.04%	\$56.50	66 Months	36 Months
Total Occupied Storage Space	5,500	5,500	0.64%	\$28,250	0.04%	\$5.14	66 Months	36 Months
Total Vacant Storage Space	3,710	3,710	0.43%					
Total Storage Space	9,210	9,210	1.07%					
Total Occupied Space	707,407	708,166	81.84%	\$64,555,834	100.00%	\$91.26	172 Months	128 Months
Total Vacant Space	156,955	156,955	18.16%					
Total Net Rentable Area	864,362	865,121	100.00%					

Compiled by Newmark

- The office space in the property is leased to 15 tenants which exhibit rents ranging from \$77.16 to \$129.00 per square foot, with an average of \$94.35 per square foot. The office tenants lease 71.68% of the existing net rentable area and account for 90.56% of the projected year one in-place base rental revenue, with a weighted average remaining lease term of 130 months (10.81 years).
- The retail space in the property is leased to 3 tenants which exhibit rents ranging from \$55.00 to \$61.58 per square foot, with an average of \$73.70 per square foot. The retail tenants lease 9.52% of the existing net rentable area and account for 9.40% of the projected year one in-place base rental revenue, with a weighted average remaining lease term of 108 months (8.97 years). When adjusting the Staples lease for the prospective Lifetime lease, the weighted average lease term for the retail component increases to 192.0 months (16 years).

- Overall, the weighted average contract rents for the subject's occupied retail, office, and storage space is \$91.26 77per square foot of net rentable area, which is considered below current market levels as further discussed within the Office and Retail Market Rent Analyses' of this appraisal report.

RECENT OFFICE LEASING WITHIN THE SUBJECT PROPERTY

The following chart provides an overview of the recent and pending leases signed for the office space located within the subject property.

Recent Office Leases										
Tenant	Suite	Leased SF	Lease Start	Lease Term (mos.)	Free Rent (mos.)	Tenant Improvements PSF	Contract Rent/SF	Rent Steps	Lease Structure	Net Effective Rent PSF
Amazon	Ent. 3rd-11th Fls.	329,165	Jun-25	16.3 months	16.0 months	\$163.00	\$89.00	Oct-2031 - \$97.00 SF/Yr Oct-2036 - \$105.00 SF/Yr	Modified Gross	\$79.10
Novartis	1200	15,865	Feb-23	60.0 months	1.0 months	\$35.00	\$135.00	None	Modified Gross	\$125.75
Icon Infrastructure North America	1401	6,110	Jun-23	70.6 months	5.0 months	\$0.00	\$122.00	None	Modified Gross	\$122.00
Brighton Park Capital	2101	10,338	Apr-25	128.5 months	8.0 months	\$150.82	\$123.00	Jan-2031 - \$132.00 SF/Yr	Modified Gross	\$105.46
Brighton Park Capital	2102	2,536	Apr-25	128.5 months	8.0 months	\$150.82	\$123.00	Jan-2031 - \$132.00 SF/Yr	Modified Gross	\$105.46
Brighton Park Capital	2103	3,554	Apr-25	128.5 months	8.0 months	\$150.82	\$123.00	Jan-2031 - \$132.00 SF/Yr	Modified Gross	\$105.46
HBK New York	2200	16,428	Jan-23	66.0 months	6.0 months	\$40.00	\$113.00	None	Modified Gross	\$95.45
Dawson Partners	2301	6,180	Feb-25	36.0 months	3.0 months	\$0.00	\$129.00	None	Modified Gross	\$118.25
Generate Capital	2600	16,291	Mar-24	140.0 months	16.0 months	\$155.00	\$114.00	Sep-2030 - \$122.00 SF/Yr	Modified Gross	\$91.23
Generate Capital	2700	16,130	Mar-24	140.0 months	16.0 months	\$155.00	\$114.00	Sep-2030 - \$122.00 SF/Yr	Modified Gross	\$91.23
Tilden Park Capital Management	2800	16,140	Oct-24	132.0 months	12.0 months	\$75.00	\$125.00	Oct-2030 - \$135.00 SF/Yr	Modified Gross	\$111.36
17 Capital Americas	2900	16,298	Feb-26	140.0 months	20.0 months	\$160.00	\$150.00	Oct-2032 - \$160.00 SF/Yr	Modified Gross	\$119.14
Total/Average		455,035		98.9 months	9.92	\$145.46	\$98.93			\$86.82

Compiled by Newmark

The recently signed office leases within the subject property account for 455,035 square feet of space, or approximately 52.6% of the property. The recently signed leases exhibited contract rents ranging from \$89.00 to \$150.00 per square foot, with an average of \$98.93 per square foot. The tenants received free rent averaging 9.92 months and tenant improvements averaging \$145.46 per square foot. Based on the concessions provided, the net effective rents range from \$79.10 to \$125.75 per square foot, averaging \$86.82 per square foot. The net effective rents are considered slightly below market levels.

MARKET RENT ANALYSIS

Market rent is based on an analysis of comparable transactions as well as recent leasing activity at the subject and discussions with market participants. In estimating office market rent for the subject property, this analysis uses actual recent leases from comparable buildings. This analysis also researched asking rents from competitive properties within the office market analysis section of this report and relied upon the market opinions of leasing brokers. The comparable rents summarized on the following pages were chosen based upon similar location, age, quality, and utility.

Office Rent Comparable Map

Subject	10 Bryant Park
Comparable 1	320 Park Avenue
Comparable 2	510 Madison Avenue
Comparable 3	1155 Avenue of the Americas
Comparable 4	299 Park Avenue
Comparable 5	299 Park Avenue
Comparable 6	520 Fifth Avenue
Comparable 7	1114 Avenue of the Americas
Comparable 8	450 Park Avenue
Comparable 9	660 Fifth Avenue
Comparable 10	712 Fifth Avenue
Comparable 11	767 Fifth Avenue
Comparable 12	1114 Avenue of the Americas
Comparable 13	731 Lexington Avenue
Comparable 14	1095 Avenue of the Americas
Comparable 15	1095 Avenue of the Americas
Comparable 16	717 Fifth Avenue
Comparable 17	717 Fifth Avenue
Comparable 18	1114 Avenue of the Americas
Comparable 19	1114 Avenue of the Americas
Comparable 20	280 Park Avenue









OFFICE LEASE COMPARABLES

Office Rent Comparable Summary

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
						
Address	452 Fifth Avenue	320 Park Avenue	510 Madison Avenue	1155 Avenue of the Americas	299 Park Avenue	299 Park Avenue
Submarket, Market	Bryant Park, Midtown	Park Avenue, Midtown	Plaza District, Midtown	Sixth Avenue/ Rockefeller Center, Midtown	Park Avenue, Midtown	Park Avenue, Midtown
Building Class	A	A	A	A	A	A
Rentable Area	865,121 SF	656,436 SF	292,663 SF	734,668 SF	1,039,281 SF	1,039,281 SF
Year Built	1902 to 1984	1994	2007	1984 / 2016	1966 / 2014	1966 / 2014
Number of Stories	10 / 30	33	30	40	42	42
Actual Lease Comparison						
Tenant Name		Monroe Capital	Capital Fund Management	Smartly.io	One William Street Capital L.P.	P10 Intermediate Holdings, LLC
Floor Number(s)		E21	E28-29	E6	P4	P3
Leased Area (SF)		14,586 SF	23,000 SF	15,456 SF	14,571 SF	8,768 SF
Lease Type		Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross
Lease Start Date		June 2025	May 2025	June 2025	May 2025	April 2025
Lease Term (mos.)		131.0 mos.	192.0 mos.	93.0 mos.	128.0 mos.	80.0 mos.
		<u>Rent Terms</u>	<u>Rent Terms</u>	<u>Rent Terms</u>	<u>Rent Terms</u>	<u>Rent Terms</u>
Base Rent (\$/SF)		6 Yrs. \$160.00	7 Yrs. \$150.00	4 Yrs. \$78.00	6 Yrs. \$95.00	5 Yrs. \$102.00
Rent Step 1 (\$/SF)		5 Yrs. \$172.00	5 Yrs. \$160.00	4 Yrs. \$84.00	5 Yrs. \$103.00	2 Yrs. \$110.00
Rent Step 2 (\$/SF)			4 Yrs. \$170.00			
Rent Step 3 (\$/SF)						
Free Rent (mos.)		11.0 mos.	12.0 mos.	9.0 mos.	8.0 mos.	6.0 mos.
Tenant Improvements (\$/SF)		\$0.00	\$165.00	\$140.00	\$31.67	\$31.67
Net Effective Rent (\$/SF)		\$151.97	\$138.44	\$55.29	\$89.59	\$91.60







Compiled by Newmark

Office Rent Comparable Summary

	Subject	Comparable 6	Comparable 7	Comparable 8	Comparable 9	Comparable 10
						
Address	452 Fifth Avenue	520 Fifth Avenue	1114 Avenue of the Americas	450 Park Avenue	660 Fifth Avenue	712 Fifth Avenue
Submarket, Market	Bryant Park, Midtown	Grand Central, Midtown	Bryant Park, Midtown	Park Avenue, Midtown	Plaza District, Midtown	Plaza District, Midtown
Building Class	A	A	A	A	A	A
Rentable Area	865,121 SF	210,886 SF	1,517,497 SF	296,915 SF	1,341,058 SF	543,411 SF
Year Built	1902 to 1984	2025	1971 / 2001	1972 / 1989	1958	1988
Number of Stories	10 / 30	34	47	32	40	50
Actual Lease Comparison						
Tenant Name		Ancient Holdings	Southpoint Capital Advisors	Willow Tree Credit	Citadel	Graham Capital Management
Floor Number(s)		E14	P22	E29	22 Floors	E48
Leased Area (SF)		8,682 SF	10,644 SF	10,790 SF	400,000 SF	9,833 SF
Lease Type		Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross
Lease Start Date		March 2025	March 2025	January 2025	December 2024	October 2024
Lease Term (mos.)		134.0 mos.	120.0 mos.	65.0 mos.	106.0 mos.	132.0 mos.
		<u>Rent Terms</u>	<u>Rent Terms</u>	<u>Rent Terms</u>	<u>Rent Terms</u>	<u>Rent Terms</u>
Base Rent (\$/SF)		7 Yrs. \$190.00	5 Yrs. \$145.00	5 Yrs. \$159.15	4 Yrs. \$160.00	6 Yrs. \$140.00
Rent Step 1 (\$/SF)		4 Yrs. \$200.00	5 Yrs. \$155.00		4 Yrs. \$171.00	5 Yrs. \$150.00
Rent Step 2 (\$/SF)						
Rent Step 3 (\$/SF)						
Free Rent (mos.)		14.0 mos.	6.0 mos.	22.0 mos.	10.0 mos.	12.0 mos.
Tenant Improvements (\$/SF)		\$200.00	\$95.00	\$0.00	\$100.00	\$140.00
Net Effective Rent (\$/SF)		\$155.97	\$133.25	\$105.28	\$136.33	\$119.09







Compiled by Newmark

Office Rent Comparable Summary

	Subject	Comparable 11	Comparable 12	Comparable 13	Comparable 14	Comparable 15
						
Address	452 Fifth Avenue	767 Fifth Avenue	1114 Avenue of the Americas	731 Lexington Avenue	1095 Avenue of the Americas	1095 Avenue of the Americas
Submarket, Market	Bryant Park, Midtown	Plaza District, Midtown	Bryant Park, Midtown	Eastside, Midtown	Bryant Park, Midtown	Sixth Avenue/ Rockefeller Center, Midtown
Building Class	A	A	A	A	A	A
Rentable Area	865,121 SF	1,824,820 SF	1,598,288 SF	909,687 SF	1,484,325 SF	1,484,325 SF
Year Built	1902 to 1984	1968 / 2017	1974 / 2014	2001	1972 / 2008	1972 / 2008
Number of Stories	10 / 30	50	48	24	42	42
Actual Lease Comparison						
Tenant Name		Balyasny Asset Management L.P.	Vinson & Elkins, LLP	Bloomberg (Renewal)	CDPQ U.S. Inc.	Standard Chartered Bank
Floor Number(s)		P34, E35	P31	ELL-27	P33	E35-37
Leased Area (SF)		70,000 SF	17,358 SF	898,208 SF	20,433 SF	105,700 SF
Lease Type		Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross
Lease Start Date		July 2024	June 2024	May 2024	April 2024	February 2024
Lease Term (mos.)		190.0 mos.	132.0 mos.	264.0 mos.	135.0 mos.	132.0 mos.
		<u>Rent Terms</u>	<u>Rent Terms</u>	<u>Rent Terms</u>	<u>Rent Terms</u>	<u>Rent Terms</u>
Base Rent (\$/SF)		16 Yrs. \$180.00	5 Yrs. \$169.00	7 Yrs. \$162.09	6 Yrs. \$131.00	6 Yrs. \$150.00
Rent Step 1 (\$/SF)			5 Yrs. \$179.00	5 Yrs. \$172.09	5 Yrs. \$141.00	5 Yrs. \$160.00
Rent Step 2 (\$/SF)				5 Yrs. \$182.09		
Rent Step 3 (\$/SF)				5 Yrs. \$192.09		
Free Rent (mos.)		10.0 mos.	12.0 mos.	12.0 mos.	15.0 mos.	12.0 mos.
Tenant Improvements (\$/SF)		\$120.00	\$140.00	\$126.49	\$144.00	\$152.50
Net Effective Rent (\$/SF)		\$162.91	\$143.10	\$162.61	\$108.09	\$127.05

Compiled by Newmark

Office Rent Comparable Summary

	Subject	Comparable 16	Comparable 17	Comparable 18	Comparable 19	Comparable 20
						
Address	452 Fifth Avenue	717 Fifth Avenue	717 Fifth Avenue	1114 Avenue of the Americas	1114 Avenue of the Americas	280 Park Avenue
Submarket, Market	Bryant Park, Midtown	Plaza District, Midtown	Plaza District, Midtown	Sixth Avenue/ Rockefeller Center, Midtown	Sixth Avenue/ Rockefeller Center, Midtown	Park Avenue, Midtown
Building Class	A	A	A	A	A	A
Rentable Area	865,121 SF	625,000 SF	625,000 SF	1,598,288 SF	1,598,288 SF	1,278,807 SF
Year Built	1902 to 1984	1947 / 2017	1947 / 2017	1974 / 2014	1974 / 2014	1986 / 2014
Number of Stories	10 / 30	33	33	48	48	43
Actual Lease Comparison						
Tenant Name		Island Capital	William Jones Wealth Management	Southpoint Capital Advisors	Antin	PJT Partners
Floor Number(s)		E15, E18	P11	P22	E21	E11-17
Leased Area (SF)		17,755 SF	12,417 SF	10,644 SF	30,097 SF	290,639 SF
Lease Type		Renewal	New	Mod. Gross	Mod. Gross	Mod. Gross
Lease Start Date		January 2024	January 2024	January 2024	January 2024	December 2023
Lease Term (mos.)		67.0 mos.	193.0 mos.	122.0 mos.	102.0 mos.	190.1 mos.
		<u>Rent Terms</u>	<u>Rent Terms</u>	<u>Rent Terms</u>	<u>Rent Terms</u>	<u>Rent Terms</u>
Base Rent (\$/SF)		7 Yrs. \$100.00	2 Yrs. \$91.00	5 Yrs. \$145.00	9 Yrs. \$145.00	6 Yrs. \$125.16
Rent Step 1 (\$/SF)		5 Yrs. \$97.00	1 Yrs. \$95.50	5 Yrs. \$155.00		5 Yrs. \$135.16
Rent Step 2 (\$/SF)		5 Yrs. \$103.00				5 Yrs. \$145.16
Rent Step 3 (\$/SF)						
Free Rent (mos.)		13.0 mos.	3.0 mos.	6.0 mos.	9.0 mos.	13.8 mos.
Tenant Improvements (\$/SF)		\$50.00	\$0.00	\$95.00	\$135.00	\$140.51
Net Effective Rent (\$/SF)		\$90.69	\$84.92	\$133.25	\$116.32	\$116.79

Compiled by Newmark

CONCLUSION OF OFFICE RENT COMPARABLES AND NET EFFECTIVE RENT ANALYSIS

In determining the subject's market rent, we have researched recent leases within comparable properties located throughout the subject's office submarket. We have appropriately accounted for the subject's quality and condition when estimating our market leasing assumptions for the subject property.

METHODOLOGY

We calculated the net effective rent for the comparable properties by adjusting for variations in free rent and tenant improvements. The average annual base rent is the aggregate base rent over the term of the lease divided by the number of years in the term. Free rent and tenant improvement allowances are adjusted by the average contract rent over the lease term, and resultant amount is divided by the lease term. An example calculation of the net effective rent is further clarified below:

- Average Rent Over Term – (Initial Rent / 12 Mos. * Free Rent / Lease Term) – (Tenant Improvement / Lease Term) = **Net Effective Rent**

The following calculations summarize the net effective rent calculations assuming a tenant signs a lease for a 15-year term at an initial contract rent of \$55.00 per square foot, with \$5.00 per square foot increases every five years (\$60.00 per square foot average rent over 15 years), while receiving a concession package of 10 months free and a tenant improvement allowance of \$70.00 per square foot. The following example calculation outlines the net effective rent conclusion:

- **Free Rent Adjustment**= $(\$55.00 / 12 \text{ Mos.} * 10 \text{ Mos.} / 15 \text{ Yrs.}) = \3.06 PSF
- **Tenant Improvement Adjustment**= $(\$70.00 / 15 \text{ Yrs.}) = \4.67 PSF
- **Net Effective Rent Conclusion**= $\$60.00 \text{ (Avg. Rent)} - \$3.06 \text{ (Free Rent)} - \$4.67 \text{ (TI)} = \$52.28 \text{ PSF}$

LEASE TERM CONCLUSION COMMENTS

The lease term for the existing tenants ranged from 3.00 to 21.92 years, with an average of 11.06 years. The lease terms negotiated for the comparable leases ranged from 5.42 to 22.00 years, with an average of 11.28 years. Conversations with brokers familiar with the subject property indicate that typical office leases in the market are signed with 10 to 20-year lease terms, depending on the size of the tenant. Within this analysis, we have assumed the subject property will be leased on terms ranging from 10 to 15-years.

FREE RENT

The free rent within comparable leases ranged from 3 to 22 months, with an average free rent term of 10.80 months. This compares to the leases signed within the subject property which ranged from 1.0 to 20.0 months, with an average of 9.92 months.

Within this analysis, we have projected free rent ranging from 12.0 to 14.0 months for all prospective office tenants, which is directly in-line with leases signed in the surrounding market and well supported by the recent leasing activity within the subject property.

Furthermore, we have relied upon our discussions with the owner's leasing team along with brokers at Newmark who are actively leasing space within surrounding marketplace. The market sentiment indicates the free rent anticipated to be achieved for future leases will typically range from 0.75 to 1.50 months per term of the lease, and free rent is traditionally negotiated outside of the lease term. For example, if a tenant were to receive 12 months free rent for a 10-year lease, the lease term would be for a period of 132 months or 11.0 years. This is well supported by the comparable leases that were provided free rent. These comparable leases exhibited an average lease term of 11.28 years and included an average of 10.80 months of free rent.

TENANT IMPROVEMENTS

The tenant improvement allowances within the comparable leases ranged from \$0.00 to \$200.00 per square foot, with an average of \$100.34 per square foot, which adjusts to \$118.05 per square foot excluding the tenants that did not receive a tenant improvement allowance. This compares to the recently signed leases that received tenant improvement allowances ranging from \$0.00 to \$163.00 per square foot, with an average of \$145.46 per square foot.

The improvement allowance projected within this analysis ranges from \$140.00 to \$150.00 per square foot for all prospective office tenants. Within this analysis, we have placed reliance on the tenant improvement allowances negotiated within the subject property.

MARKET RENT CONCLUSIONS

The following chart provides the directly comparable leases utilized for the office market leasing assumption:

Comparable Reliance Summary							
#	Market Leasing Assumption	Most Comparable Leases	Minimum	Maximum	Average	Recent Leasing Avg.	Market Rent
1	Office (2-11)	Comparables 3, 4, 5, 12, 17, 20	\$78.00	\$169.00	\$110.03	\$89.00	\$90.00
2	Office (12-18)	Comparables 8, 12, 16, 17, 20	\$91.00	\$169.00	\$128.86	\$131.39	\$130.00
3	Office (19-24)	Comparables 1, 6, 8, 12, 16, 18, 19	\$100.00	\$190.00	\$152.59	\$119.74	\$135.00
4	Office (25-27)	Comparables 1, 8, 12	\$159.15	\$169.00	\$162.72	\$114.00	\$150.00
5	Office (28-30)	Comparables 1, 2, 7, 8, 9, 10, 11, 12, 13,	\$131.00	\$180.00	\$155.11	\$137.56	\$155.00

Compiled by Newmark

- The comparable office rents ranged from \$78.00 to \$190.00 per square foot, averaging \$138.87 per square foot. Excluding 1 West 39th Street, the market rents applied to the subject property the estimated market rents utilized by Newmark which range from \$90.00 to \$155.00 per square foot, with an average of \$113.00 per square foot. The concluded rents are below the comparable leases in the marketplace due to the large floor plates located within the base of the property. Investors and market participants traditionally target aggregate rents for properties and aim to achieve an average rent that is considered

reflective of market standards. Therefore, a rent in excess of \$100.00 per square foot is considered reasonable for the subject property given the recent activity within the tower of the property (Floors 14 to 30), which exhibited contract rents ranging from \$113.00 to \$150.00 per square foot, with an average of \$124.89 per square foot, which is directly in-line with the comparable leases in the marketplace.

- The net effective rent of the comparable leases ranged from \$55.29 to \$162.91 per square foot, with an average of \$121.13 per square foot. This compares to the net effective rent conclusions applied to the subject property ranging from \$83.00 to \$130.50 per square foot, with a blended aggregate average net effective rent for the subject property at \$98.55 per square foot, excluding 1-11 West 39th Street.

In addition to utilizing the comparable leases signed in the surrounding marketplace to determine the market leasing assumptions within this appraisal report, a comparison of the Newmark conclusions to the recently signed leases within the subject property have been outlined on the following chart:

Recent Leasing Summary vs. Market Leasing Assumption Comparison																
Market Leasing Assumption	Leased Space	No. of Leases	Average Lease Term (yrs.)	Market Lease Term	Contract Rent Summary			Free Rent Summary			Tenant Improvement Summary			Net Effective Rent Summary		
					Range	Average	Market	Range	Average	Market	Range	Average	Market	Range	Average	Market
Office (2-11)	329,165 SF	1	1.4 yrs.	15.0 yrs.	\$89.00	\$89.00	\$90.00	16.0	16.0	14.0	\$163.00	\$163.00	\$150.00	\$79.10	\$79.10	\$83.00
Office (12-18)	21,975 SF	2	5.4 yrs.	10.0 yrs.	\$122.00 - \$135.00	\$131.39	\$130.00	1.0 - 5.0	3.0	12.0	\$0.00 - \$35.00	\$25.27	\$140.00	\$122.00 - \$125.75	\$124.71	\$108.00
Office (19-24)	39,036 SF	5	8.1 yrs.	10.0 yrs.	\$113.00 - \$129.00	\$119.74	\$135.00	3.0 - 8.0	6.6	12.0	\$0.00 - \$150.82	\$80.31	\$140.00	\$95.45 - \$118.25	\$103.27	\$112.50
Office (25-27)	32,421 SF	2	11.7 yrs.	10.0 yrs.	\$114.00	\$114.00	\$150.00	16.0	16.0	12.0	\$155.00	\$155.00	\$140.00	\$91.23	\$91.23	\$126.00
Office (28-30)	32,438 SF	2	11.3 yrs.	10.0 yrs.	\$125.00 - \$150.00	\$137.56	\$155.00	12.0 - 20.0	16.0	12.0	\$75.00 - \$160.00	\$117.71	\$140.00	\$111.36 - \$119.14	\$115.27	\$130.50
Total/Average	455,035 SF	12	8.2 yrs.	13.6 yrs.*		\$98.93	\$104.70 *		9.9	13.4 *		\$145.46	\$147.23 *		\$86.82	\$93.19 *

Compiled by Newmark

*Averages on the chart above only account for recently leased office space, and do not account for the remaining vacant and occupied space within the subject

Apart from the lease with Amazon, most of the recently signed leases within the property were signed at rents that are considered below market levels. The market rents have placed greatest reliance on the renewal rent with Novartis, what was recently signed during January 2025 at \$135.00 per square foot. In addition, 17 Capital Partners signed a lease on the 29th floor for \$150.00 per square foot. Therefore, it is reasonable to expect rents ranging from \$135.00 to \$150.00 per square foot for the tower office space located on floors 14 through 30, based on the most recent activity within the property.

ADDITIONAL COMPARABLE SUPPORT

To further support the side street market leasing assumption applied to 1-11 West 39th Street, additional leases were surveyed in the marketplace, which have been outlined on the following page:

1 West 39th Street							
Sign Date	Address	Building Class	Submarket	Floors	Size	Term	Rent
April-25	60 East 42nd Street	A	Grand Central	E3, P4	80,000	129	\$70.00
March-25	60 East 42nd Street	A	Grand Central	P31	3,051	64	\$72.00
March-25	60 East 42nd Street	A	Grand Central	P8	2,388	28	\$63.00
February-25	60 East 42nd Street	A	Grand Central	P35	1,261	38	\$78.60
February-25	60 East 42nd Street	A	Grand Central	E9-10	80,000	188	\$74.00
January-25	122 East 42nd Street	B	Grand Central	P23	1,785	39	\$50.00
January-25	110 East 42nd Street	B	Grand Central	P14	2,944	89	\$59.00
January-25	110 East 42nd Street	B	Grand Central	P15	4,313	38	\$63.04
December-24	110 East 42nd Street	B	Grand Central	P10	7,076	39	\$36.00
November-24	110 East 42nd Street	B	Grand Central	E17	13,968	66	\$56.00
November-24	10 East 40th Street	B	Grand Central	E37-39	17,271	130	\$65.00
November-24	110 East 42nd Street	B	Grand Central	P14	7,047	45	\$51.24
October-24	60 East 42nd Street	A	Grand Central	P11	3,685	39	\$64.00
October-24	10 East 40th Street	B	Grand Central	P17	3,374	91	\$66.00
September-24	11 East 44th Street	B	Grand Central	P4	3,250	24	\$51.50
September-24	60 East 42nd Street	A	Grand Central	P15	5,181	66	\$60.00
September-24	60 East 42nd Street	A	Grand Central	P31	2,548	64	\$70.00
September-24	110 East 42nd Street	B	Grand Central	P7	9,873	130	\$52.00
September-24	110 East 42nd Street	B	Grand Central	P7	9,873	130	\$52.00
September-24	60 East 42nd Street	A	Grand Central	P17	3,975	24	\$58.00
September-24	10 East 40th Street	B	Grand Central	E26	7,910	65	\$63.00
September-24	60 East 42nd Street	A	Grand Central	P6	2,953	62	\$60.00
August-24	60 East 42nd Street	A	Grand Central	P20	3,413	64	\$63.00
August-24	60 East 42nd Street	A	Grand Central	P9	8,082	64	\$63.00
July-24	60 East 42nd Street	A	Grand Central	E54	9,429	72	\$54.23
Averages					11,786	71.52	\$60.58

Compiled by Newmark

The market rent applied to 1 West 39th Street is directly supported by the comparable leases referenced on the chart above.

The market leasing assumptions within this analysis are supported by the recent and pending leases within the subject property, the recently signed leases within comparable properties in the surrounding marketplace, the excellent construction quality of the subject improvements, the unobstructed views of Bryant Park along the entire northern portion of the property, as well as the proximity of the property to transit centers, specifically Grand Central. Based on our review of the comparable office market rents previously outlined, the following market leasing assumptions have been applied for the subject office space. Primarily reliance was placed on the concluded net effective rents from the recently signed leases within the subject and the concluded assumptions on the following page are considered slightly above market levels:

Market Leasing Assumption Conclusions - Office						
Space / Building Type	Office Floors (2-11)	Office Floors (12-18)	Office Floors (19-24)	Office Floors (25-27)	Office Floors (28-30)	Office Floors (2-12) 39th Street
Market Rent (\$/SF/Yr)	\$90.00	\$130.00	\$135.00	\$150.00	\$155.00	\$58.00
Lease Structure	Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross
Lease Term	15 Years	10 Years	10 Years	10 Years	10 Years	15 Years
Escalations		\$10.00 Per Square Foot Increase Every 60 Months				\$5.00 Per Square Foot Increase Every 60 Months
Probability of Tenant Retention	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
Months Down Time - New Tenant	10.00 Mos.	10.00 Mos.	10.00 Mos.	10.00 Mos.	10.00 Mos.	10.00 Mos.
Rent Concession (New/Renewal)	14 mos./7 mos.	12 mos./6 mos.	12 mos./6 mos.	12 mos./6 mos.	12 mos./6 mos.	14 mos./7 mos.
TI Allowance \$/SF - (New/Renewal)*	\$150.00/\$60.00	\$140.00/\$55.00	\$140.00/\$55.00	\$140.00/\$55.00	\$140.00/\$55.00	\$120.00/\$60.00
Leasing Commission - (New/Renewal)	3.50% / 1.75%	4.00% / 2.00%	4.00% / 2.00%	4.00% / 2.00%	4.00% / 2.00%	3.50% / 1.75%
Net Effective Rents	\$83.00	\$108.00	\$112.50	\$126.00	\$130.50	\$44.00

*The tenant improvement allowances for 452 Fifth Avenue for first-generation leases are estimated to decrease from \$150.00 and \$140.00 per square foot, to \$120.00 and \$110.00 per square foot, respectively. The adjustment will occur in year 6 of the analysis period, which is supported by the strong performance for Class A office space and limited availability that is likely to continue to diminish over the next several quarters.

Compiled by Newmark

MARKET RENT CONCLUSION COMMENTS

We interviewed leasing brokers familiar with the subject property. The brokers indicated that base rents generally range between \$75.00 and \$175.00 per square foot, modified gross, for standard Class A office space.

LEASE STRUCTURE

We have assumed that future leases in the subject property will be on a modified gross basis. Tenants will be responsible for operating expenses and/or real estate taxes over a base year amount billed either monthly or semi-annually. Furthermore, we have assumed tenants will be responsible for a \$10.00 per square foot rent increase every 60 months throughout their lease term for 452 Fifth Avenue, and a \$5.00 per square foot increase every 5-years for 1-11 East 39th Street.

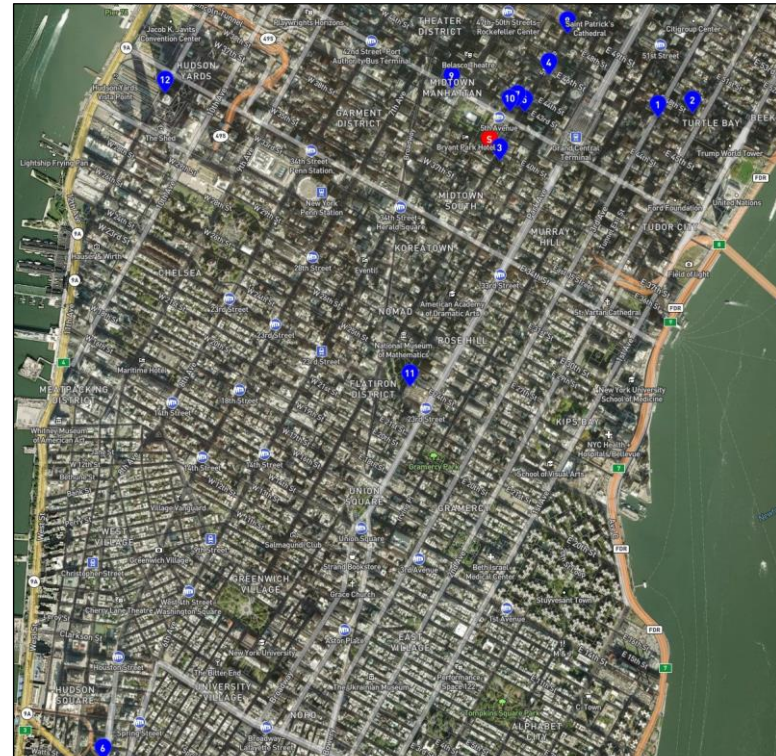
RETAIL MARKET RENT ANALYSIS

As previously mentioned, the retail component is actively being repositioned and upon completion will consist a large multi-level health club leased to Lifetime totaling 51,961 square feet, the HSBC Bank Vault premises totaling 31,095 square feet, and a Fifth Avenue corner suite located at the southwest corner of West 40th Street totaling 5,442 square feet. Given the large multi-level use of the Health Club and Vault premises, large multi-level comparable retail leases, along with local area comparable leases have been outlined within this section of the appraisal.

In estimating retail market rents for the subject property, we analyzed actual recent leases from comparable buildings. We also interviewed leasing brokers for their opinion of market rent. The rent comparables summarized on the following pages were chosen based upon similar location, age, and utility.


Retail Rent Comparable Map

Subject	10 Bryant Park
Comparable 1	747 Third Avenue
Comparable 2	885 Second Avenue
Comparable 3	445 Fifth Avenue
Comparable 4	555 Fifth Avenue
Comparable 5	511 Fifth Avenue
Comparable 6	75 Varick Street
Comparable 7	510 Fifth Avenue
Comparable 8	597 Fifth Avenue
Comparable 9	1095 Avenue of the Americas
Comparable 10	500 Fifth Avenue
Comparable 11	1 Madison Avenue
Comparable 12	35 Hudson Yards










RETAIL LEASE COMPARABLES

Retail Rent Comparable Summary

	Subject	Comparable 1		Comparable 2		Comparable 3		Comparable 4		Comparable 5		Comparable 6	
													
Address	452 Fifth Avenue	747 Third Avenue		885 Second Avenue		445 Fifth Avenue		555 Fifth Avenue		511 Fifth Avenue		75 Varick Street	
Cross Streets	Between East 39th & 40th Streets	East block between East 46th St and East 47th St		Between East 47th and East 48th Streets		SEC East 39th Street		Between East 45th and East 46th Streets		SEC of East 43rd Street		SWC of Watts Street	
Neighborhood City, State	Bryant Park Manhattan, NY	Midtown East Manhattan, NY		East Side Manhattan, NY		Bryant Park Manhattan, NY		Fifth Avenue Manhattan, NY		Fifth Avenue Manhattan, NY		Hudson Square Manhattan, NY	
Lease Details													
Tenant Name		TMPL		Fitness International		Toastique		Rodd and Gunn		The North Face		Equinox	
Leased Area Summary	Grd. Fl.	264 SF	Grd. Fl.	22,877 SF	Grd. Fl.	1,000 SF	Grd. Fl.	1,870 SF	Grd. Fl.	6,315 SF	Grd. Fl.	2,681 SF	
	Mezz.	6,434 SF	LL	10,910 SF			LL	1,134 SF	LL	5,065 SF	2nd Fl.	26,847 SF	
	2nd Fl.	19,198 SF							2nd Fl.	7,902 SF			
Total Leased Area (SF)	Total	25,896 SF	Total	33,787 SF			Total	3,004 SF	Total	27,459 SF	Total	29,528 SF	
	Lease Type	Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross	Mod. Gross	
	Lease Start (Year - Quarter)	2025-1	2024-4	2024-4	2024-4	2024-4	2024-3	2024-3	2024-3	2024-3	2024-3	2024-3	
Lease Term (mos.)	240.0 mos.	180.0 mos.	120.0 mos.	48.0 mos.	120.0 mos.	48.0 mos.	120.0 mos.	258.0 mos.	258.0 mos.	258.0 mos.	258.0 mos.	258.0 mos.	
Rent Summary													
Rent by Floor (\$/SF)	Grd. Fl.	\$61.79	Grd. Fl.	\$47.95	Grd. Fl.	\$222.00	Grd. Fl.	\$334.84	Grd. Fl.	\$454.67	Grd. Fl.	\$118.53	
	Mezz.	\$61.79	LL	\$47.95			LL	\$25.00	LL	\$50.00	2nd Fl.	\$118.53	
	2nd Fl.	\$61.79							2nd Fl.	\$70.00			
Blended Average Rent (\$/SF)	Avg.	\$61.79	Avg.	\$47.95			Avg.	\$217.88	Avg.	\$154.78	Avg.	\$118.53	
Total Annual Rent		\$1,600,000		\$1,620,000		\$222,000		\$654,500		\$4,250,000		\$3,500,000	
Rent Steps		\$5 increases every 5 years		Fixed Increases		% Annual Inc.		% Annual Inc.		% Annual Inc.		8.5% Steps Every 5-Years	
Concessions													
Free Rent (mos.)		0.0 mos.		7.5 mos.		4.0 mos.		0.0 mos.		12.0 mos.		18.0 mos.	
Tenant Improvements (\$/SF)		\$0.00		\$0.00		\$55.00		\$0.00		\$0.00		\$360.00	

Compiled by Newmark

Retail Rent Comparable Summary

	Subject	Comparable 7		Comparable 8		Comparable 9		Comparable 10		Comparable 11		Comparable 12	
													
Address	452 Fifth Avenue	510 Fifth Avenue		597 Fifth Avenue		1095 Avenue of the Americas		500 Fifth Avenue		1 Madison Avenue		35 Hudson Yards	
Cross Streets	Between East 39th & 40th Streets	NWC West 43rd Street		East block between East 48th St and East 49th St		West block between West 41st and West 42nd Streets		NWC 42nd Street		E. 23rd and E. 24th Sts.		Southeast Corner of Eleventh Avenue	
Neighborhood City, State	Bryant Park Manhattan, NY	Fifth Avenue Manhattan, NY		Fifth Avenue Manhattan, NY		Bryant Park Manhattan, NY		Bryant Park Manhattan, NY		Flatiron District Manhattan, NY		Hudson Yards Manhattan, NY	
Lease Details													
Tenant Name		GU		Club Monaco		Deco Bryant (Rosetta Bakery)		Calzedonia		Chelsea Piers Fitness Club		Equinox	
Leased Area Summary		Grd. Fl.	5,000 SF	Grd. Fl.	4,806 SF	Grd. Fl.	2,084 SF	Grd. Fl.	959 SF	Grd. Fl.	5,570 SF	Grd. Fl.	0 SF
		LL	4,560 SF	LL	4,003 SF			2nd Fl.	621 SF	LL	13,530 SF	4th Fl.	21,000 SF
		2nd Fl.	9,763 SF	Mezz.	4,056 SF					2nd Fl.	19,690 SF	5th Fl.	21,000 SF
										3rd Fl.	16,990 SF		
Total Leased Area (SF)	Total	19,323 SF		Total 12,865 SF				Total	1,580 SF		Total	55,780 SF	
											Total	42,000 SF	
Lease Type		Mod. Gross		Mod. Gross		Mod. Gross		Mod. Gross		Mod. Gross		Mod. Gross	
Lease Start (Year - Quarter)		2024-2		2024-2		2024-1		2023-4		2022-2		2020-2	
Lease Term (mos.)		120.0 mos.		120.0 mos.		129.0 mos.		120.0 mos.		248.0 mos.		240.0 mos.	
Rent Summary													
Rent by Floor (\$/SF)		Grd. Fl.	\$613.54	Grd. Fl.	\$415.52	Grd. Fl.	\$356.87	Grd. Fl.	\$560.90	Grd. Fl.	\$148.31	Grd. Fl.	
		LL	\$100.00	LL	\$75.00			2nd Fl.	\$100.00	LL	\$20.00	4th Fl.	\$105.36
		2nd Fl.	\$100.00	Mezz.	\$50.00					2nd Fl.	\$50.00	5th Fl.	\$105.36
										3rd Fl.	\$50.00		
Blended Average Rent (\$/SF)	Avg.	\$232.88		Avg. \$194.33				Avg.	\$379.75		Avg.	\$52.54	
											Avg.	\$105.36	
Total Annual Rent		\$4,500,000		\$2,500,000		\$743,717		\$600,000		\$2,930,681		\$4,425,000	
Rent Steps		% Annual Inc.		% Annual Inc.		Year 4 Stabilized 3.0% Annual Inc.		3.0% Annual Inc.		8.0% Step Every 3-Years		Fixed Increases	
Concessions													
Free Rent (mos.)		8.0 mos.		0.0 mos.		8.0 mos.		2.0 mos.		8.0 mos.		12.0 mos.	
Tenant Improvements (\$/SF)		\$0.00		\$0.00		\$0.00		\$0.00		\$152.38		\$0.00	

Compiled by Newmark

RETAIL MARKET RENT CONCLUSIONS

In determining the subject's market rent, we have researched recent leases within comparable properties located throughout the subject's retail submarket. We have appropriately accounted for the subject's quality and condition when making our estimate of market rents for the subject property.

The comparable retail leases ranged from \$47.95 to \$613.54 per square foot, with an average of \$303.17 per square foot for ground floor space. Based on the quality, utility and location of the comparable leases, the following chart provides the directly comparable leases utilized for each market leasing assumption within this appraisal report.

Comparable Reliance Summary							
#	Market Leasing Assumption	Most Comparable Leases	Minimum	Maximum	Average	Recent Leasing Avg.	Market Rent
1	Health Club (Multi-Level)	Comparables 1, 2, 6, 11, 12	\$47.95	\$118.53	\$77.23	\$61.58	\$65.00
2	40th Corner	Comparables 3, 4, 9	\$222.00	\$356.87	\$304.57	--	\$300.00

Compiled by Newmark

Based on our analysis of the market and the utility of the retail space located within the subject property, the concluded market leasing assumptions are further outlined on the following chart:

Market Leasing Assumption Conclusions - Retail				
Space / Building Type	Retail (Corner 40th Street)	Retail (Vault)	Storage (Lower Level)	Retail (Multi-Level / Health Club)
Market Rent (\$/SF/Yr)	\$300.00	\$55.00	\$25.00	\$65.00
Lease Structure	Mod. Gross	Mod. Gross	None	Mod. Gross
Lease Term	10 Years	10 Years	10 Years	15 Years
Escalation	3.0% Increase Per Annum			10.0% Inc. Every 5-Years
Probability of Tenant Retention	65.00%	65.00%	65.00%	65.00%
Months Down Time - New Tenant	10.00 Mos.	10.00 Mos.	10.00 Mos.	12.00 Mos.
Rent Concession (New/Renewal)	10 / 5 Mos.	10 / 5 Mos.	6 / 3 Mos.	12 / 6 Mos.
Leasing Commissions (New/Renewal)	4.00% / 2.00%	4.00% / 2.00%	4.00% / 2.00%	4.00% / 2.00%
TI Allowance \$/SF - (New/Renewal)	\$100.00 / \$75.00	None	None	\$120.00 / \$60.00

Compiled by Newmark

LEASE TERM CONCLUSION COMMENTS

The existing retail leases within the subject property exhibit terms ranging from 5.25 to 20.33 years, with an average of 13.11 years. The comparable retail leases exhibited retail lease terms ranging from 4.0 to 21.5 years, with an average of 13.5 years. Conversations with brokers familiar with the subject property indicate that typical retail leases in the market are signed with 5 to 15-year lease terms, depending on the size of the tenant. Within this analysis, we have assumed prospective tenants will sign between 10 and 15-year leases.

LEASE STRUCTURE

This analysis assumes that future retail leases in the subject property will be on a modified gross basis. Tenants will be responsible for their pro-rate share of real estate tax increases over a base year amount billed monthly. Furthermore, traditional retail tenants and storage tenants will be

responsible for a 3.00% increase in base contract rents every year, in lieu of an operating expense reimbursement, while the prospective health club operator will be responsible for 10.0% every increase every 60-months.

POTENTIAL GROSS RENT

An overview of the total projected market rent, and the contract to market analysis for the existing leases negotiated within the subject property is further highlighted on the following charts:

Total Projected Gross Rent									
Suite	Tenant	Rentable Area	Re-Measured Area	Yr. 1 Contract Rent		Yr. 1 Market Rent*		Contract as % of Market	Total Projected Gross Rent**
Occupied Area									
S-Cellar-1	HSBC Bank USA (Renewal)	11,825	11,825	\$55.00	\$650,375	\$55.00	\$650,375	100.00%	\$650,375
S-Cellar-2	HSBC Bank USA (Renewal)	19,270	19,270	\$55.00	\$1,059,850	\$55.00	\$1,059,850	100.00%	\$1,059,850
S-Cellar-3	Lifetime Fitness	10,892	10,892	\$61.58	\$670,729	\$70.00	\$762,440	87.97%	\$670,729
Cellar-03	Lifetime Fitness	16,516	16,516	\$61.58	\$1,017,055	\$70.00	\$1,156,120	87.97%	\$1,017,055
Cellar-04	BMO	1,361	1,361	\$0.00	\$0	\$25.00	\$34,025	0.00%	\$0
Cellar-05	BMO	3,639	3,639	\$0.00	\$0	\$25.00	\$90,975	0.00%	\$0
Cellar-06	HBK New York	500	500	\$56.50	\$28,250	\$25.00	\$12,500	226.00%	\$28,250
Lobby	Amazon	730	730	\$300.00	\$219,000	\$175.00	\$127,750	171.43%	\$219,000
Grade-01	Staples < Lifetime Fitness	5,731	6,137	\$129.64	\$742,992	\$225.00	\$1,380,825	53.81%	\$742,992
Grade-02	Lifetime Fitness	6,137	6,137	\$61.58	\$377,916	\$65.00	\$398,905	94.74%	\$377,916
Mezz-01	Staples < Lifetime Fitness	11,926	12,279	\$129.64	\$1,546,139	\$75.00	\$920,925	167.89%	\$1,546,139
0300	Amazon	41,063	41,063	\$89.00	\$3,654,607	\$90.00	\$3,695,670	98.89%	\$3,654,607
0400	Amazon	41,304	41,304	\$89.00	\$3,676,056	\$90.00	\$3,717,360	98.89%	\$3,676,056
0500	Amazon	41,087	41,087	\$89.00	\$3,656,743	\$90.00	\$3,697,830	98.89%	\$3,656,743
0600	Amazon	40,202	40,202	\$89.00	\$3,577,978	\$90.00	\$3,618,180	98.89%	\$3,577,978
0700	Amazon	40,433	40,433	\$89.00	\$3,598,537	\$90.00	\$3,638,970	98.89%	\$3,598,537
0800	Amazon	40,603	40,603	\$89.00	\$3,613,667	\$90.00	\$3,654,270	98.89%	\$3,613,667
0900	Amazon	31,025	31,025	\$89.00	\$2,761,225	\$90.00	\$2,792,250	98.89%	\$2,761,225
1000	Amazon	36,697	36,697	\$89.00	\$3,266,033	\$90.00	\$3,302,730	98.89%	\$3,266,033
1100	Amazon	16,751	16,751	\$89.00	\$1,490,839	\$90.00	\$1,507,590	98.89%	\$1,490,839
1200	Novartis	15,865	15,865	\$110.00	\$1,745,150	\$130.00	\$2,062,450	84.62%	\$1,745,150
1400	Novartis	388	388	\$110.00	\$42,680	\$130.00	\$50,440	84.62%	\$42,680
1401	Icon Infrastructure North America	6,110	6,110	\$122.00	\$745,420	\$130.00	\$794,300	93.85%	\$745,420
1402	Baker & McKenzie	8,127	8,127	\$55.00	\$446,985	\$130.00	\$1,056,510	42.31%	\$446,985
1500	Baker & McKenzie	16,263	16,263	\$79.00	\$1,284,777	\$130.00	\$2,114,190	60.77%	\$1,284,777
1600	Baker & McKenzie	16,263	16,263	\$79.00	\$1,284,777	\$130.00	\$2,114,190	60.77%	\$1,284,777
1700	Baker & McKenzie	16,267	16,267	\$79.00	\$1,285,093	\$130.00	\$2,114,710	60.77%	\$1,285,093
1800	Baker & McKenzie	16,275	16,275	\$79.00	\$1,285,725	\$130.00	\$2,115,750	60.77%	\$1,285,725
1900	Baker & McKenzie	16,314	16,314	\$79.00	\$1,288,806	\$135.00	\$2,202,390	58.52%	\$1,288,806
2000	Baker & McKenzie	16,294	16,294	\$79.00	\$1,287,226	\$135.00	\$2,199,690	58.52%	\$1,287,226
2101	Brigton Park Capital	10,338	10,338	\$123.00	\$1,271,574	\$135.00	\$1,395,630	91.11%	\$1,271,574
2102	Brigton Park Capital	2,536	2,536	\$123.00	\$311,928	\$135.00	\$342,360	91.11%	\$311,928
2103	Brigton Park Capital	3,554	3,554	\$123.00	\$437,142	\$135.00	\$479,790	91.11%	\$437,142
2200	HBK New York	16,428	16,428	\$113.00	\$1,856,364	\$135.00	\$2,217,780	83.70%	\$1,856,364
2300	Haitong International Securities	10,248	10,248	\$112.00	\$1,147,776	\$135.00	\$1,383,480	82.96%	\$1,147,776
2301	Dawson Partners	6,180	6,180	\$129.00	\$797,220	\$135.00	\$834,300	95.56%	\$797,220
2400	NCH Capital	16,428	16,428	\$98.00	\$1,609,944	\$135.00	\$2,217,780	72.59%	\$1,609,944
2500	Lombard Odier Asset Mgt	16,288	16,288	\$105.00	\$1,710,240	\$150.00	\$2,443,200	70.00%	\$1,710,240
2600	Generate Capital	16,291	16,291	\$114.00	\$1,857,174	\$150.00	\$2,443,650	76.00%	\$1,857,174
2700	Generate Capital	16,130	16,130	\$114.00	\$1,838,820	\$150.00	\$2,419,500	76.00%	\$1,838,820
2800	Tilden Park Capital Management	16,140	16,140	\$125.00	\$2,017,500	\$155.00	\$2,501,700	80.65%	\$2,017,500
2900	Capital Dynamics < 17 Capital Americas	16,298	16,298	\$106.56	\$1,736,715	\$155.00	\$2,526,190	68.75%	\$1,736,715
3001	Varadero Capital	7,636	7,636	\$111.00	\$847,596	\$155.00	\$1,183,580	71.61%	\$847,596
3002	Triangle Capital	7,054	7,054	\$115.00	\$811,210	\$155.00	\$1,093,370	74.19%	\$811,210
Total Occupied		707,407	708,166	\$91.26	\$64,555,834	\$108.06	\$76,526,470	84.36%	\$64,555,834
Vacant Area									
Cellar-01	To-Be-Leased	2,029	2,029			\$70.00	\$142,030		\$142,030
Cellar-02	To-Be-Leased	1,681	1,681			\$70.00	\$117,670		\$117,670
Grade-03	To-Be-Leased	4,318	4,318			\$300.00	\$1,295,400		\$1,295,400
Grade- Side Street	To-Be-Leased	6,026	6,026			\$60.00	\$361,560		\$361,560
Mezz-02	To-Be-Leased	1,124	1,124			\$60.00	\$67,440		\$67,440
0200	To-Be-Leased	4,306	4,306			\$75.00	\$322,950		\$322,950
0201 - 1W	To-Be-Leased	13,078	13,078			\$60.00	\$784,680		\$784,680
0301 - 1W	To-Be-Leased	13,043	13,043			\$60.00	\$782,580		\$782,580
0401 - 1W	To-Be-Leased	13,050	13,050			\$60.00	\$783,000		\$783,000
0501 - 1W	To-Be-Leased	13,064	13,064			\$60.00	\$783,840		\$783,840
0601 - 1W	To-Be-Leased	13,064	13,064			\$60.00	\$783,840		\$783,840
0701 - 1W	To-Be-Leased	12,314	12,314			\$60.00	\$738,840		\$738,840
0801 - 1W	To-Be-Leased	12,304	12,304			\$60.00	\$738,240		\$738,240
0901 - 1W	To-Be-Leased	12,304	12,304			\$60.00	\$738,240		\$738,240
1001 - 1W	To-Be-Leased	12,304	12,304			\$60.00	\$738,240		\$738,240
1101 - 1W	To-Be-Leased	11,517	11,517			\$60.00	\$691,020		\$691,020
1201 - 1W	To-Be-Leased	11,429	11,429			\$60.00	\$685,740		\$685,740
Total Vacant Space		156,955	156,955			\$67.25	\$10,555,310		\$10,555,310
Overall Total		864,362	865,121			\$100.66	\$87,081,780		\$75,111,144

*Based on re-measured square footage

**The total projected gross rent estimate for year 1 is not in line with the figures presented within the Discounted Cash Flow and Direct Capitalization analyses due to contractual rent increases.

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Based on the market leasing assumptions estimated herein, the current contract rents for the existing tenants within the subject are considered to be 84.36% of market levels, which is considered below market. It should be noted that the recent leases with Amazon and Lifetime Fitness are 98.27% of market levels. The below market rents are located throughout the 12th through 30th floors of the property, whereby the contract rents are 71.82% of market levels. This

is largely a result of the recent office leases that have been signed within the tower portion of the subject property. The current in-place office rent averages \$99.92 per square foot on the 12th through 30th floors, which compares to the recently signed tower leases within the subject property averaging \$124.89 per square foot. Overall, it is anticipated that the contract rents will continue to escalate to be more in line with the estimated market leasing assumptions based on the recently signed leases.

MARKET LEASING ASSUMPTIONS

RENEWAL PROBABILITY

We have assumed a 65% probability of renewal (signing new lease) and 35% probability of turnover (allow the lease to expire and vacate the property) upon expiration of each office lease term. These assumptions are based on retention rates quoted by owners and managers of competitive properties.

DOWNTIME CONCLUSION

The downtime between lease terms estimates the period needed to identify a prospective tenant and the necessary timeframe for the construction period to build-out a tenant space. Based on our review of the market and discussions with active market participants throughout New York City, this analysis has assumed a downtime conclusion of 10 months for all tenants.

TENANT IMPROVEMENT ALLOWANCES

The tenant improvement allowance conclusion was previously outlined within the office and retail lease comparable section of this appraisal report. Landlords have acknowledged that enhanced concessions in the form of tenant improvements allowances above historical market standards have assisted in above market retention ratios for existing tenants, as well as attracting new tenants to a property. This has allowed landlords to increase occupancy rates to combat lingering market pressures caused by hybrid work models and tenant contraction. In efforts to remain competitive with the market and acknowledge the above market office availability rate for Manhattan office buildings, the market leasing assumptions applied within this appraisal report were adjusted to current market conditions. Market participants indicated that improvement allowances are likely to remain inflated, and are continue to advise owners to pre-build as much vacant space to provide tenants with immediate occupancy needs. Therefore, the improvement allowance applied herein is considered in-line with current pre-build costs extracted from the marketplace and information received from several appraisals completed throughout the New York City marketplace.

LEASING COMMISSIONS

The chart on the following page details the projected leasing commission schedules based on a 5-year, 10-year, 15-year and 20-year leasing term. These assumptions are consistent with typical commission schedules quoted by Newmark as well as every major New York City leasing brokerage firm and vary depending on the length of the term. It should be noted that commission

schedules are traditionally higher for new tenants than renewal tenants, as an override is not included within this schedule due to the tenant's occupancy within the building. A new tenant will typically result in the full commission amount due, whereas a renewing tenant typically results in half. Furthermore, the chart on the following page details the full commission schedule, properly taking into consideration the commission schedule for the exclusive leasing agent, along with the projected override for an outside broker.

The standard New York City office building owner employs exclusive leasing agents who receive a commission, in addition to the commission payable to an outside broker. Based on the existing size, quality, and leasing profile of the building, it is our opinion that the ownership would employ an exclusive agent. Therefore, the chart on the following page outlines the full commission on each lease, factoring in that 50% for all new leases would be orchestrated by an outside broker; with the remainder of the lease attributed to the exclusive leasing agent. Assuming this 50% override, each new lease would attribute a commission expense of 125% of the standard rate. The calculation employed is as follows:

- 50% (override) X 50% (outside broker) = 25%
- Total Commission To Be Paid = 125%

Newmark Commission Schedule					
Lease Term	Years	Full Commission	Override Commission	Total Commission @ 100.0% Override Probability	Renewal Commission @50%
	1	5.00%	1.25%	6.25%	3.13%
	2	4.00%	1.00%	5.00%	2.50%
	3	3.50%	0.88%	4.38%	2.19%
	4	3.50%	0.88%	4.38%	2.19%
	5	3.50%	0.88%	4.38%	2.19%
5 Year Total	Total	19.50%	4.88%	24.38%	12.19%
5 Year Average	Avg.	3.90%	0.98%	4.88%	2.44%
	6	2.50%	0.63%	3.13%	1.56%
	7	2.50%	0.63%	3.13%	1.56%
	8	2.50%	0.63%	3.13%	1.56%
	9	2.50%	0.63%	3.13%	1.56%
	10	2.50%	0.63%	3.13%	1.56%
10 Year Total	Total	32.00%	8.00%	40.00%	20.00%
10 Year Average	Avg.	3.20%	0.80%	4.00%	2.00%
	11	2.00%	0.50%	2.50%	1.25%
	12	2.00%	0.50%	2.50%	1.25%
	13	2.00%	0.50%	2.50%	1.25%
	14	2.00%	0.50%	2.50%	1.25%
	15	2.00%	0.50%	2.50%	1.25%
15 Year Total	Total	42.00%	10.50%	52.50%	26.25%
15 Year Average	Avg.	2.80%	0.70%	3.50%	1.75%
	16	2.00%	0.50%	2.50%	1.25%
	17	2.00%	0.50%	2.50%	1.25%
	18	2.00%	0.50%	2.50%	1.25%
	19	2.00%	0.50%	2.50%	1.25%
	20	2.00%	0.50%	2.50%	1.25%
20 Year Total	Total	52.00%	13.00%	65.00%	32.50%
20 Year Average	Avg.	2.60%	0.65%	3.25%	1.63%

Compiled by Newmark

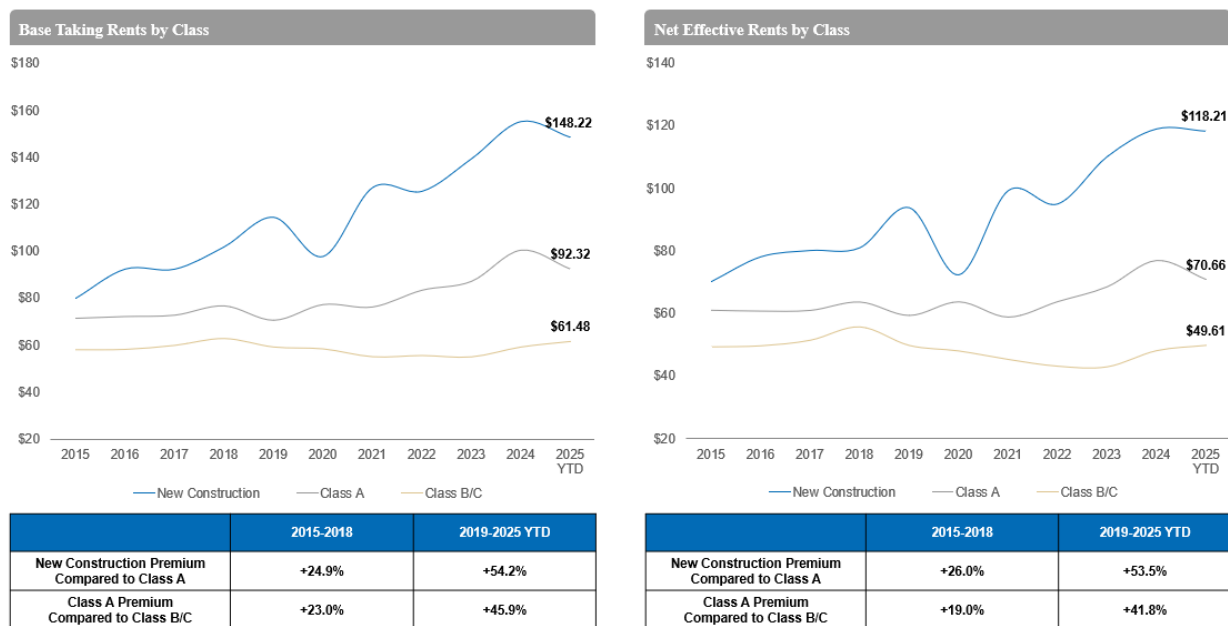
MARKET RENT AND EXPENSE GROWTH ASSUMPTIONS

OFFICE RENT GROWTH ANALYSIS

The concluded office rent growth assumptions have been determined based on discussions with Newmark's leasing brokerage group, along with owners, developers and investment managers who specialize in office leasing, acquisitions, and developments throughout New York City.

Historically rent growth has been underwritten between 2.0% and 4.00%, with an average of 3.0% per annum, however, as additional support we have analyzed and considered current market conditions within our assumption of near-term rent growth. The following chart highlights the percent change year-over-year of asking rents within the Manhattan office markets:

There is a notable bifurcation within the office market between Trophy and Class A properties versus Class B and C properties. Trophy and Class A office buildings have experienced significant rent growth due to limited supply and a continued flight to quality trend. Since 2019, base taking rents for new construction and Class A assets have increased by 54.20% and 45.290%, respectively. This trend highlights the demand for high-quality office space, with new construction and Class A buildings outpacing Class B and C spaces in rent growth. The following chart will provide a detailed comparison of taking and net effective rents for new construction, Class A, and Class B/C assets, further emphasizing the disparity in growth trends across different property classes.



Note: Rents are based on direct deals with 5+ year term. New construction is defined as any building that have been built or undergone full renovation since 2010.
Source: Newmark Research

Flight to Quality Rent Comparison

MARKET PARTICIPANTS

We have relied on conversations with active market participants and underwriters for recent office sale transactions to establish the projected market rent growth rates concluded within our

analysis to better understand the current market and the outlook of investors acquiring office buildings throughout Manhattan.

Market participants indicated that rent growth for Class B office buildings during the initial years of their projected cash flows range from 0.0% to 3.0%, with a return to the long-term average of 3.0% thereafter. Investors of Trophy and Class A are currently underwriting rent growth ranging from 2.0% to 4.0%, with an average of 3.0%.

INVESTOR SURVEYS

Investor Surveys - Market Rent Growth

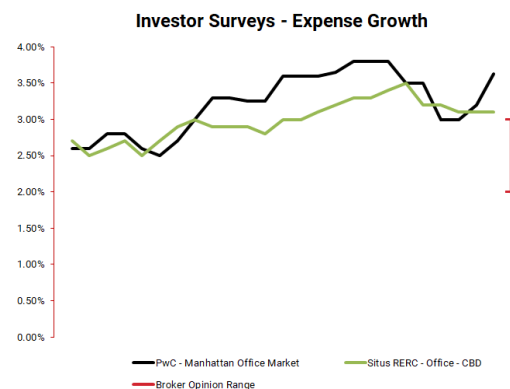
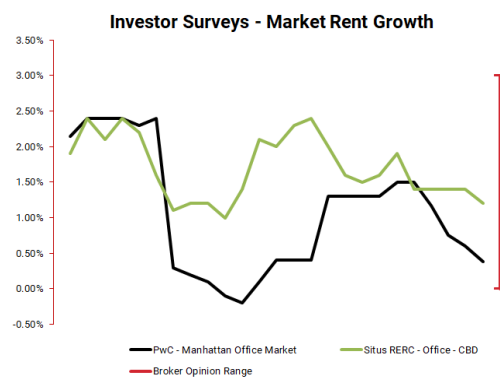
Source	Period	Low	High	Average
PwC - Manhattan Office Market	Q4 2024	0.00%	2.00%	0.38%
Situs RERC - Office - CBD	Q4 2024	0.00%	3.00%	1.20%
Newmark V&A Market Survey - Class A	Q1 2025	-	-	3.00%
Newmark V&A Market Survey - Class B	Q1 2025	-	-	3.00%
Broker Opinions		0.00%	3.00%	

Compiled by Newmark

Investor Surveys - Expense Growth

Source	Period	Low	High	Average
PwC - Manhattan Office Market	Q4 2024	3.00%	5.00%	3.63%
Situs RERC - Office - CBD	Q4 2024	3.00%	3.40%	3.10%
Newmark V&A Market Survey - Class A	Q1 2025	-	-	3.00%
Newmark V&A Market Survey - Class B	Q1 2025	-	-	3.00%
Broker Opinions		2.00%	3.00%	

Compiled by Newmark



- The respective surveys by PwC indicates that rent growth has been underwritten by investors in the marketplace to range from 0.00% to 2.00%, with an average of 0.38%.
- The respective surveys by RERC indicates that rent growth has been underwritten by investors in the marketplace to range from 0.00% to 3.00%, with an average of 1.20%.
- The current PwC survey indicates that participants responded with expectations of expense growth ranging from 3.00% to 5.00% with an average of 3.63%.

- The current Situs RERC survey indicated that participants responded with expectations of expense growth ranging from 3.00% to 3.40%. with an average of 3.10%.

CONCLUSIONS

Market participants continue to analyze prior recovery trends to adjust their outlook on the prospective market. However, the general sentiment is that investments being initiated in the current environment have properly adjusted rents, downtime and concessions to appropriate levels for sustainable returns in the marketplace. A key metric that is traditionally tracked to support rent growth is the Consumer Price Index (CPI), which rose by 2.89% year-over-year. When compared to CPI metrics from 2005 to 2024, the average increase in CPI has been 3.06%. Investment grade real estate within New York City is expected to appreciate in concert with the average increase in CPI over the last 20-years. The following chart analyzes the growth in asking rents for Manhattan and the subject’s market and submarket since 2015, and the variance between rent inflation and CPI.

Average Annual Growth Rate - Office Rents (2015-2025)	
Market	Rent Growth
Manhattan	0.68%
Midtown	0.15%
Times Square South	-1.22%
Subject Annual Growth Projections	3.00%
20 Year Consumer Price Index (CPI)	3.07%

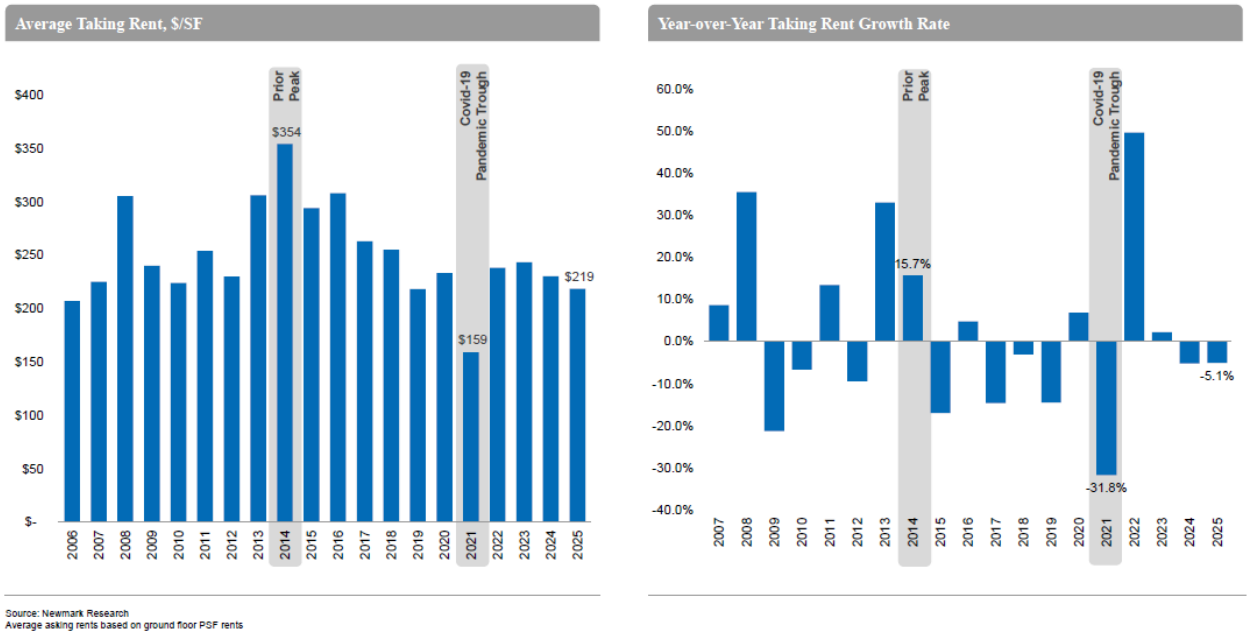
Within this analysis, we have assumed that rent growth will increase at 3.0% per annum throughout the entirety of the analysis period. Despite moderate historical rent growth for the Manhattan office market, several participants are optimistic on the long-term performance of the office market. There is limited inventory planned to enter the market over the next several years, and the quality office product is diminishing. Due to the oversupply of space that was a result of the COVID-19 pandemic, landlords were forced to reset rents that enticed leasing activity. As such, the general sentiment is that rents have been repriced and are at levels that can sustain long-term growth expectations of at least 3.0%. per annum. Based on our conversations with active market participants and investors in the marketplace, this assumption appears reasonable and competitive with investor trends and analytics surveyed for the New York City market.

RETAIL MARKET RENT GROWTH ASSUMPTIONS

As a foundation for our assumptions, we have interviewed several market participants that specialize in retail leasing in the Manhattan marketplace. Based on our discussions with active market participants, retail growth rates are expected to moderate towards historical norms in the coming quarters as the boost in consumption resulting from the pandemic subsides.

Average Manhattan taking rents decreased slightly quarter-over-quarter to \$219.00 per square foot as of the first quarter of 2025 as a result of decreased leasing activity. Despite decreasing

since the fourth quarter of 2024, taking rents have increased by 37.5% from the pandemic trough of \$159 per square foot. In the first quarter of 2025 average asking rents increased in four of the ten trade areas. Fifth Avenue’s asking rent increased by 15.3% to \$1,250 per square foot, the largest quarterly change of the trade areas due to its low availability rate and strong demand from luxury tenants. Fifth Avenue continues to remain the most expensive trade area in Manhattan. The following charts present historical average asking rents from 2007 through the first quarter of 2025, as well as year-over-year asking rent growth rate:



As evidenced by the charts above, the Manhattan Retail market peaked in 2014 and remained above historical averages until the Covid-19 pandemic. Manhattan’s retail market was evidencing a correction through the end of 2019 and it appeared a new equilibrium and retail rent had been re-established after a 4-year adjustment. However, the impacts of Covid-19 halted leasing activity across Manhattan and retail rents were greatly reduced in order to attract tenants within the market. However, as of 2025, the retail market appears to be on track to a healthy recovery. Leasing activity in the first quarter totaled 1.3 million square feet, representing a 17.4% decrease quarter-over-quarter. Despite the quarterly decline, leasing activity in the first quarter of 2025 remained above the long-term first quarter average of 1.2 million square feet.

Based on our discussions with brokers and capital market professionals, rent growth is currently being underwritten at either no growth for one year followed by 3.0% per annum or at 3.0% However, it was noted that growth depended upon the location and quality of the asset. It is likely that rent growth will follow the historical average CPI growth, which has averaged 3.07% per annum from 2005 through 2025.

RETAIL RENT GROWTH CONCLUSION

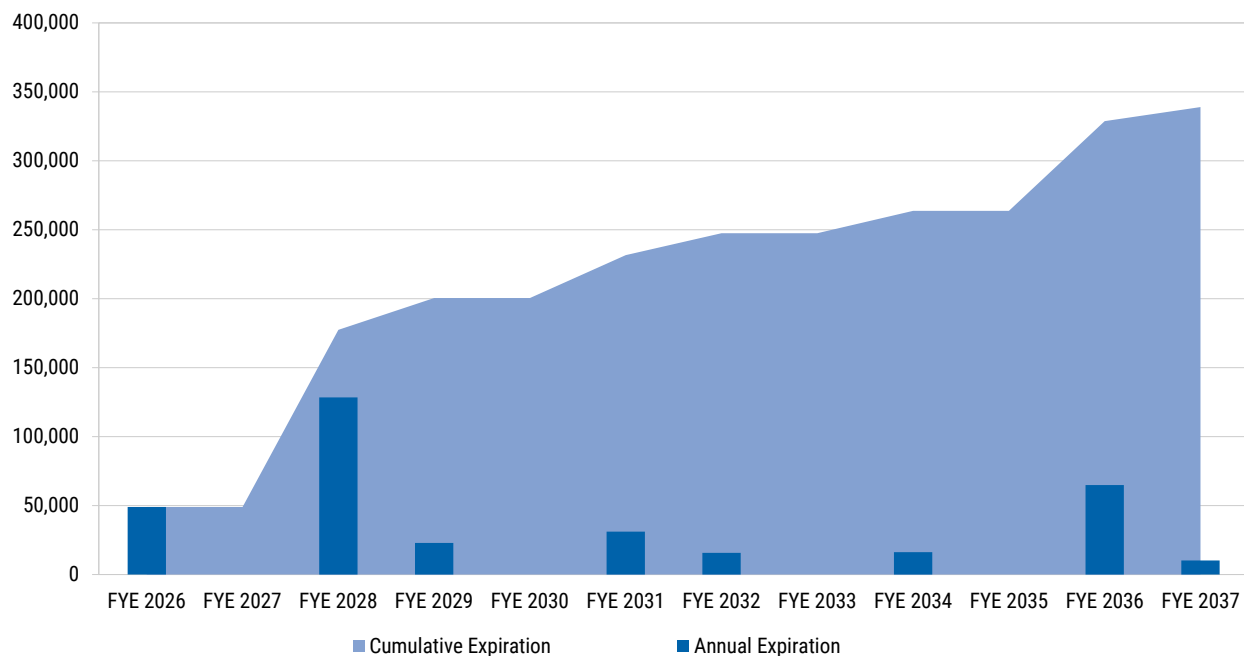
Brokers surveyed believe that retail rents will continue to be projected based on the assumption that rent growth will start to resume, similar to pre-pandemic levels. As tenants have continued to re-emerge into the market and leasing activity continues throughout the year, rents are anticipated to grow in-line with historical levels. Therefore, we have assumed the growth rate for the retail market rent will increase by 3.0% per annum through the remainder of the holding period.

LEASE EXPIRATION ANALYSIS

A lease expiration schedule for the existing tenants is shown in the table on the following chart.

Existing Lease Expiration										
Year No.	Year Ending	No. of Suites	SF Expiring	% of Total	Cumulative SF	% of Total SF	Rent At Expiration	WTD. AVG Contract Rent	% of Total Rent	Cumulative Expired Rent
1	FYE 2026	6	49,033	5.67%	49,033	5.67%	\$5,727,254	\$116.80	7.99%	7.99%
2	FYE 2027	0	0	0.00%	49,033	5.67%	\$0	\$0.00	0.00%	7.99%
3	FYE 2028	9	128,411	14.84%	177,444	20.51%	\$10,570,553	\$82.32	14.74%	22.73%
4	FYE 2029	3	23,038	2.66%	200,482	23.17%	\$2,630,034	\$114.16	3.67%	26.40%
5	FYE 2030	0	0	0.00%	200,482	23.17%	\$0	\$0.00	0.00%	26.40%
6	FYE 2031	2	31,095	3.59%	231,577	26.77%	\$1,710,225	\$55.00	2.39%	28.79%
7	FYE 2032	1	15,865	1.83%	247,442	28.60%	\$2,141,775	\$135.00	2.99%	31.77%
8	FYE 2033	0	0	0.00%	247,442	28.60%	\$0	\$0.00	0.00%	31.77%
9	FYE 2034	1	16,288	1.88%	263,730	30.48%	\$1,791,680	\$110.00	2.50%	34.27%
10	FYE 2035	0	0	0.00%	263,730	30.48%	\$0	\$0.00	0.00%	34.27%
11	FYE 2036	6	64,989	7.51%	328,719	38.00%	\$8,302,758	\$127.76	11.58%	45.85%
12	FYE 2037	1	10,248	1.18%	338,967	39.18%	\$1,311,744	\$128.00	1.83%	47.68%
Not Expiring Over Analysis		13	363,440	42.01%			\$37,507,073	\$103.20	52.32%	
	Vacant	19	161,955	18.72%						
	Mgmt.	0	0	0.00%						
Expiration Through 2041										
Cumulative Expiration			338,967	39.18%			\$34,186,023		47.68%	
Annual Average			28,247	3.27%			\$2,848,835		3.97%	
Compiled by Newmark										

Compiled by Newmark



Approximately 50.0% of the existing tenants in-place are anticipated to rollover during the analysis period and the planned rollover averages 3.27% per annum, which is considered below market. This is attributed to Lifetime Fitness and Amazon, the two anchor tenants, extending beyond the analysis period.

VACANCY AND COLLECTION LOSS ANALYSIS

The average occupancy over the 12-year holding period, exclusive of the projected rollover, is estimated within this analysis at 96.79% for the “As Is” holding period. The implied vacancy and historic occupancy levels have been considered when determining the vacancy collection loss and renewal probability within this appraisal report. The following chart details the subject’s average occupancy over the analysis period for the As Is Market Value:

Average Occupancy Over Holding Period						
Year	Year Ending	Average Occupied SF	Annual Remeasured SF	Occupancy	Vacancy & Collection	Average Occupancy
1	FYE 2026	669,011	865,121	77.33%	0.42%	76.91%
2	FYE 2027	833,262	865,121	96.32%	0.42%	95.90%
3	FYE 2028	822,317	865,121	95.05%	0.42%	94.63%
4	FYE 2029	858,977	865,121	99.29%	1.83%	97.46%
5	FYE 2030	864,103	865,121	99.88%	2.43%	97.46%
6	FYE 2031	854,756	865,121	98.80%	1.35%	97.46%
7	FYE 2032	859,833	865,121	99.39%	1.97%	97.42%
8	FYE 2033	865,121	865,121	100.00%	2.58%	97.42%
9	FYE 2034	859,692	865,121	99.37%	1.95%	97.42%
10	FYE 2035	865,121	865,121	100.00%	2.58%	97.42%
11	FYE 2036	840,997	865,121	97.21%	0.58%	96.63%
12	FYE 2037	855,029	865,121	98.83%	1.41%	97.42%
Average Over Holding Period "As Is"				96.79%		95.29%

Compiled by Newmark

The average occupancy rate considers a 2.00% general vacancy deduction and a 1.00% collection loss deduction for all existing and prospective tenants, which totals 3.00%. The chart above effectively presents the percentage of total potential gross revenue projected to be collected on an annual basis throughout the analysis period.

- The “Occupancy” column reflects the annual average physical occupancy of the property.
- Vacancy Allowance only deducts from Potential Gross Income when the occupancy of the property exceeds the long-term projection (1-Vacancy Allowance) of 98.00%. Therefore, in years the occupancy does not exceed 98.00%, there is no Vacancy Allowance deduction considered in the cash flow.
- Credit Loss of 1.00% is deducted from Potential Gross Revenue regardless of occupancy level. We have not applied an override to the vacancy and/or credit loss to consider any investment grade credit ratings within this analysis.
- The Vacancy & Collection Loss column considers the annual blend of Vacancy Allowance (adjusting for annual occupancy levels as discussed above) plus Credit Loss.
- The Average Occupancy column will be adjusted to reflect “Average Adjusted Occupancy” which considers the difference between the Physical Occupancy Level and the Vacancy and Credit Loss deduction.
- The implied vacancy rate effectively measures the amount of Potential Gross Income reduced throughout the analysis period, considering Absorption & Turnover Vacancy (rent loss), Vacancy Allowance and Credit Loss.

When applying the vacancy rate, the average occupancy adjusts to 95.29% for the “As Is” holding period. This level of stabilized occupancy is within the range of comparable office properties surrounding the subject and the implied occupancy rate is considered reflective of current market standards.

Moreover, a 1.75% Vacancy Allowance and a 1.00% Credit Loss has been applied within the direct capitalization approach, totaling 2.75%. This level of occupancy is considered to be in-line with the adjusted implied vacancy for the subject property, the stabilized vacancy within the subject’s competitive market, and is reflective market parameters. As additional support, we have surveyed the subject’s surrounding marketplace in order to ascertain vacancy rates witnessed within the market, which have been highlighted on the chart on the following chart:

Occupancy Conclusions

Manhattan	87.50%
Midtown	89.00%
Times Square South	87.50%
Bryant Park	92.60%
Trophy Office Market	94.30%
<u>Subject Property's Current Occupancy</u>	<u>81.84%</u>
Subject Property's Stabilized Implied Occupancy - As Is	95.29%
Subject Property's Stabilized Implied Occupancy - As Stabilized	97.29%
Lease-up Period (Months)	22 mos.

Source: Newmark Valuation & Advisory

OPERATING EXPENSE HISTORY

Operating Expense History and Projections

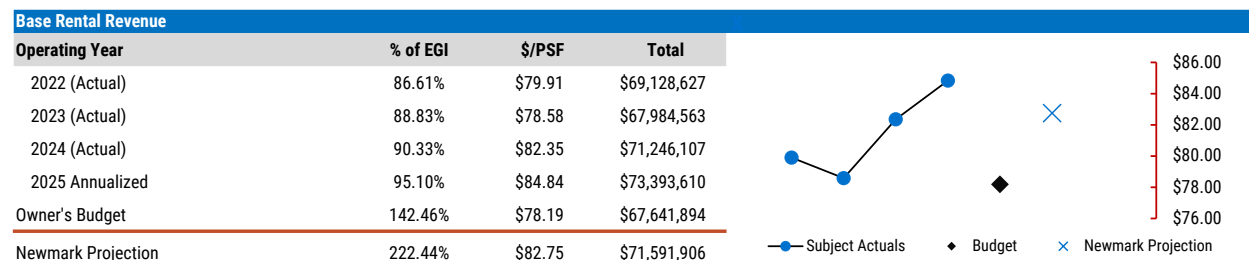
	Actual CY 2022		Actual CY 2023		Actual CY 2024		Actual CY 2025 Annualized		Owners CY 2025 Budget		Newmark FY 2026 Projection	
	Total	\$/SF	Total	\$/SF	Total	\$/SF	Total	\$/SF	Total	\$/SF	Total	\$/SF
Commercial Revenue												
Base Rental Revenue	\$69,128,627	\$79.91	\$67,984,563	\$78.58	\$71,246,107	\$82.35	\$73,393,610	\$84.84	\$67,641,894	\$78.19	\$71,591,906	\$82.75
Absorption & Turnover Vacancy	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	(\$10,239,483)	(\$11.84)
Base Rent Abatements	\$0	\$0.00	(\$3,405,240)	(\$3.94)	(\$3,834,775)	(\$4.43)	(\$6,417,962)	(\$7.42)	(\$27,187,740)	(\$31.43)	(\$34,529,352)	(\$39.91)
Real Estate Tax Reimbursements	\$5,231,239	\$6.05	\$5,521,084	\$6.38	\$5,570,365	\$6.44	\$5,906,761	\$6.83	\$3,315,046	\$3.83	\$1,355,130	\$1.57
Operating Expense Reimbursements	\$4,140,582	\$4.79	\$4,044,684	\$4.68	\$4,655,024	\$5.38	\$3,748,012	\$4.33	\$2,863,749	\$3.31	\$2,884,208	\$3.33
Tenant Electric Income	\$1,276,633	\$1.48	\$1,193,896	\$1.38	\$1,110,473	\$1.28	\$454,083	\$0.52	\$825,431	\$0.95	\$1,314,138	\$1.52
Other Income	\$38,431	\$0.04	\$1,195,687	\$1.38	\$126,268	\$0.15	\$94,478	\$0.11	\$22,181	\$0.03	\$22,225	\$0.03
Potential Gross Income	\$79,815,512	\$92.26	\$76,534,674	\$88.47	\$78,873,462	\$91.17	\$77,178,982	\$89.21	\$47,480,561	\$54.88	\$32,398,773	\$37.45
Vacancy and Collection Loss	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	(\$213,541)	(\$0.25)
Effective Gross Income	\$79,815,512	\$92.26	\$76,534,674	\$88.47	\$78,873,462	\$91.17	\$77,178,982	\$89.21	\$47,480,561	\$54.88	\$32,185,231	\$37.20
Operating Expenses												
Payroll (R&M Salary)	\$1,955,645	\$2.26	\$2,236,191	\$2.58	\$2,855,544	\$3.30	\$3,369,501	\$3.89	\$2,453,734	\$2.84		
Payroll (Security)	\$1,941,540	\$2.24	\$2,221,470	\$2.57	\$2,217,181	\$2.56	\$2,513,207	\$2.91	\$2,456,496	\$2.84	\$5,775,000	\$6.68
Payroll (On-Site SG+A)	\$569,428	\$0.66	\$665,109	\$0.77	\$0	\$0.00	\$0	\$0.00	\$795,900	\$0.92		
Utilities	\$2,677,335	\$3.09	\$2,585,221	\$2.99	\$2,739,798	\$3.17	\$3,777,528	\$4.37	\$3,084,165	\$3.57	\$3,000,000	\$3.47
Repairs and Maintenance	\$1,938,046	\$2.24	\$2,948,576	\$3.41	\$2,371,254	\$2.74	\$1,971,206	\$2.28	\$2,437,329	\$2.82	\$2,500,000	\$2.89
Cleaning	\$2,755,220	\$3.18	\$3,523,777	\$4.07	\$3,001,194	\$3.47	\$2,632,057	\$3.04	\$3,087,380	\$3.57	\$2,750,000	\$3.18
Insurance	\$574,050	\$0.66	\$970,630	\$1.12	\$728,787	\$0.84	\$788,515	\$0.91	\$832,700	\$0.96	\$920,000	\$1.06
General and Administrative	\$580,690	\$0.67	\$555,812	\$0.64	\$533,786	\$0.62	\$589,939	\$0.68	\$625,065	\$0.72	\$600,000	\$0.69
Management Fee	\$266,164	\$0.31	\$282,239	\$0.33	\$270,000	\$0.31	\$270,000	\$0.31	\$270,000	\$0.31		
Management Office Rent	\$341,772	\$0.40	\$0	\$0.00	\$341,774	\$0.40	\$450,000	\$0.52	\$450,000	\$0.52	\$565,000	\$0.65
Total Operating Expenses (No RE Taxes)	\$13,599,890	\$15.72	\$15,989,023	\$18.48	\$15,059,317	\$17.41	\$16,361,952	\$18.91	\$16,492,769	\$19.06	\$16,110,000	\$18.62
Real Estate Taxes	\$16,450,314	\$19.02	\$17,750,704	\$20.52	\$18,099,102	\$20.92	\$18,361,960	\$21.22	\$18,623,862	\$21.53	\$18,312,284	\$21.17
Advertising / Marketing	\$138,231	\$0.16	\$891,505	\$1.03	\$426,439	\$0.49	\$11,728	\$0.01	\$350,000	\$0.40	\$300,000	\$0.35
Total Operating Expenses	\$30,188,435	\$34.90	\$34,631,232	\$40.03	\$33,584,858	\$38.82	\$34,735,640	\$40.15	\$35,466,631	\$41.00	\$34,722,284	\$40.14
Operating Expense Ratio	37.82%		45.25%		42.58%		45.01%		74.70%		107.88%	
Net Operating Income	\$49,627,077	\$57.36	\$41,903,442	\$48.44	\$45,288,604	\$52.35	\$42,443,342	\$49.06	\$12,013,930	\$13.89	(\$2,537,053)	(\$2.93)

Compiled by Newmark

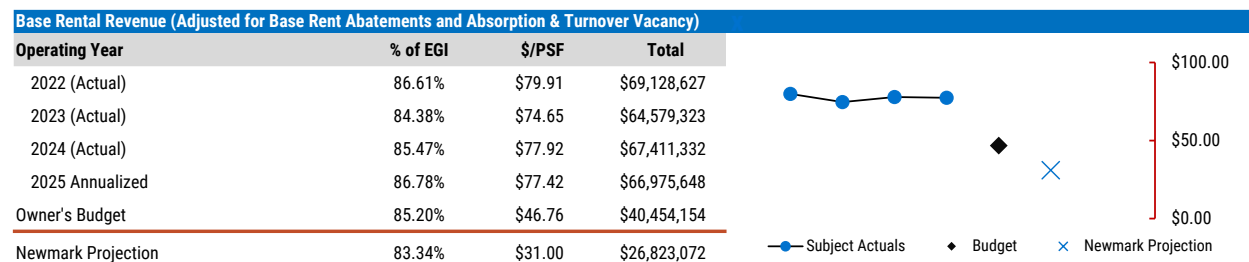
REVENUE ASSUMPTIONS

BASE RENTAL REVENUE

The historical and Newmark projection of the subject's Base Rental Revenue is highlighted on the following chart:



The difference between the historic and budgeted income and expenses for base rental revenue and the Newmark projection can be attributed to Newmark's assumed Absorption & Turnover Vacancy and Base Rent Abatement, which will exclude income attributed to vacant space. An overview of the adjusted historic and budgeted figures has been provided on the following chart:

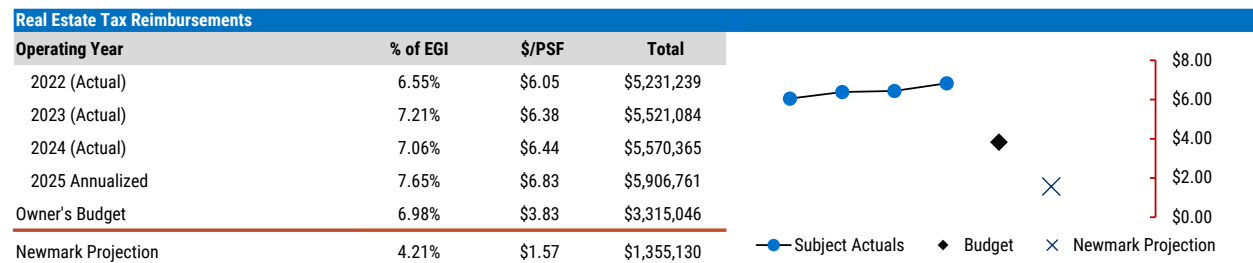


EXPENSE REIMBURSEMENTS

The subject's existing leases are structured on a modified gross basis, and are responsible for real estate taxes and operating expenses over a base year amount, along with directly metered charges. In addition, office tenants are responsible for expense reimbursements on a consumption basis, which include HVAC charges, water and sewer charges, direct tenant sales and tenant sundries. On the following charts, an overview of the expense reimbursements for the subject property have been provided.

REAL ESTATE TAXES

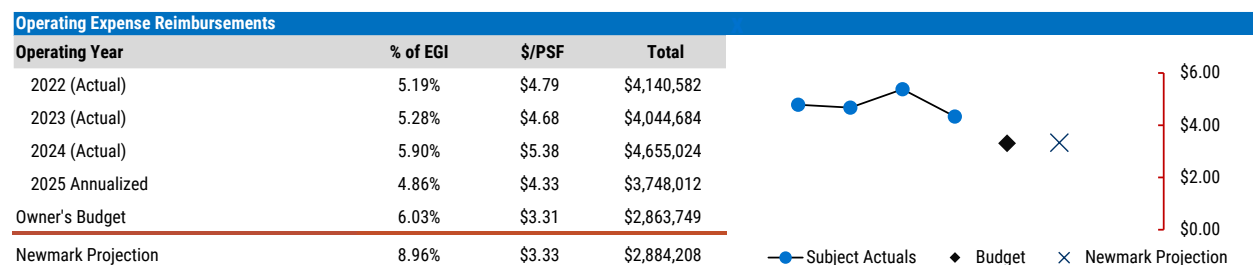
Real estate tax increases over a base tax year amount billed monthly for new tenants. A historical overview, the owner's 2024 annualized operations, the 2025 budget and the Newmark estimate of the real estate tax reimbursements are further outlined on the following chart:



Due to the recent vacancy of HSBC, a reduction to the real estate reimbursement for the property is considered warranted. Moreover, the 2025 annualized expenses and budget are as of January 1st, 2025, and considers 4-months of HSBC income. The Newmark figures are materially below these figures due to the cash flow start date as of July 1, 2025.

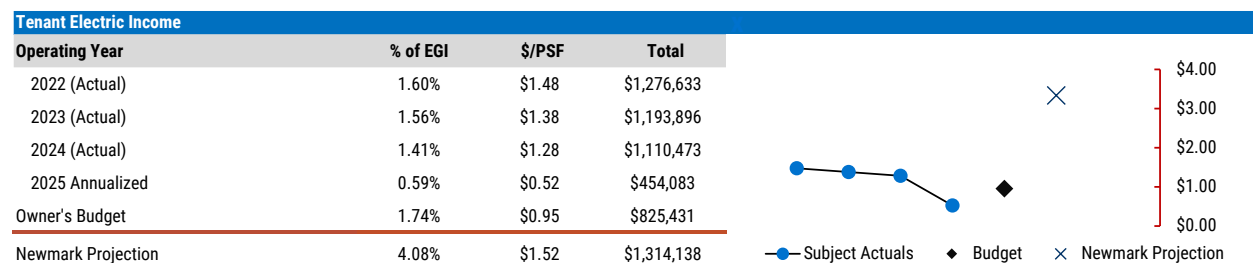
OPERATING EXPENSE REIMBURSEMENT INCOME

The tenants are responsible for fixed monthly water and sprinkler charges. A historical overview, the owner's 2024 annualized operations, the 2025 budget and the Newmark estimate of the real estate tax reimbursements are further outlined on the following chart:



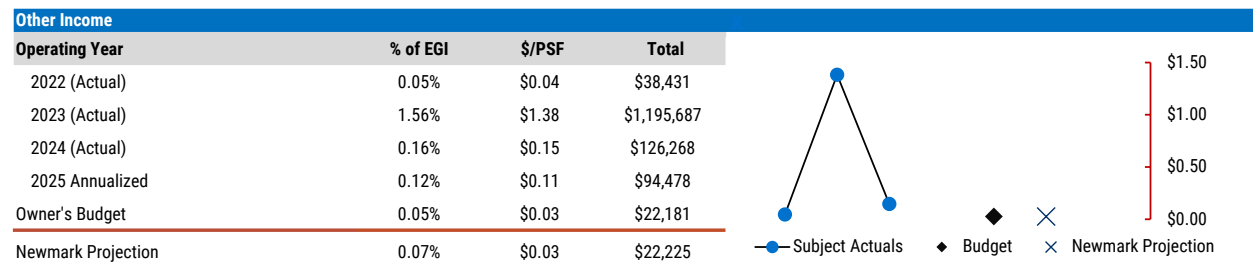
TENANT ELECTRIC INCOME

New and existing tenants will be responsible for sub-metered electric charges. An overview of the tenant electric income has been outlined on the following chart:



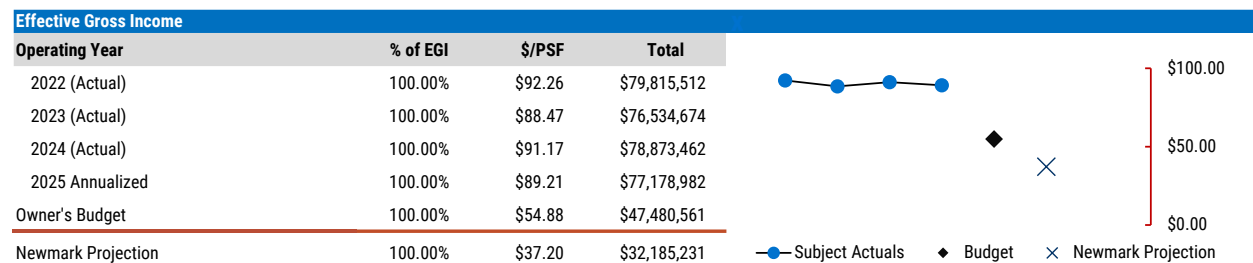
OTHER INCOME

This category primarily includes antenna income. The historical income include late fee and other lease related passthroughs that are considered one-time income line-items. An overview of the other income estimated within this appraisal report has been outlined on the following chart:



EFFECTIVE GROSS INCOME

An overview of the historical statements and Newmark projection of the effective gross income is highlighted on the following chart.

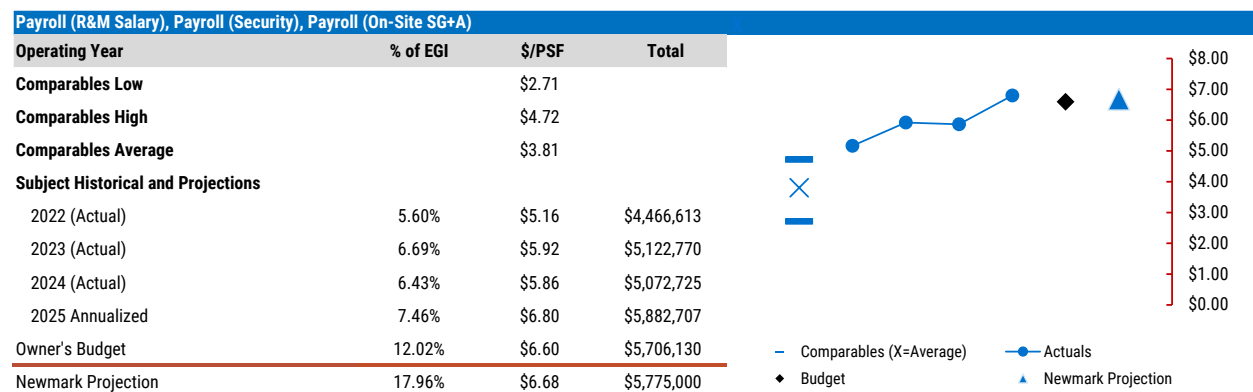


OPERATING EXPENSE ANALYSIS

Expense Comparable Analysis													
	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6	Comp 7	Comp 8	Comp 9	Subject	Subject	Subject	Subject
Address	285 Madison Avenue (Grand Central)	10 East 53rd Street (Plaza District)	601 Lexington Avenue (Eastside)	437 Madison Avenue (Grand Central)	330 Madison Avenue (Grand Central)	787 Seventh Avenue (Westside)	575 Fifth Avenue (Grand Central)	1140 Avenue of the Americas (Sixth Ave. / Rock Center)	390 Madison Avenue (Grand Central)				
Rentable Area (SF)	510,922	390,182	1,675,993	930,060	869,789	1,762,790	510,585	247,539	931,750				
Year Built	1926 / 2016	1971 / 2016	1977 / 2020	1967 / 2020	1963 / 2012	1985 / 2018	1984 / 2016	1931 / 2007	1953 / 2020				
Expense Year	Budget CY 2025	Budget CY 2025	Budget CY 2025	Budget CY 2024	Budget CY 2024	Budget CY 2025	Budget CY 2025	Budget CY 2025	Budget CY 2024				
Expenses (\$/SF)	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6	Comp 7	Comp 8	Comp 9	Actual CY 2022	Actual CY 2023	Actual CY 2024	Actual CY 2025 Annualized
Payroll (P&M Salary)	\$3.64	\$2.71	\$3.06	\$3.49	\$4.56	\$3.40	\$4.72	\$4.37	\$4.33	\$5.16	\$5.92	\$5.86	\$6.80
Utilities	\$4.67	\$5.38	\$2.79	\$4.25	\$3.17	\$2.03	\$3.21	\$4.41	\$2.17	\$3.09	\$2.99	\$3.17	\$4.37
Repairs and Maintenance	\$2.00	\$4.21	\$5.70	\$3.93	\$1.23	\$4.29	\$3.29	\$2.64	\$1.78	\$2.24	\$2.41	\$2.74	\$2.28
Cleaning	\$4.58	\$6.17	\$3.82	\$2.72	\$3.78	\$2.54	\$2.71	\$4.24	\$4.57	\$3.18	\$4.07	\$3.47	\$3.04
Insurance	\$1.02	\$0.77	\$1.19	\$0.64	\$1.80	\$2.50	\$0.44	\$0.72	\$0.53	\$0.66	\$1.12	\$0.84	\$0.91
General and Administrative	\$1.11	\$0.84	\$1.20	\$2.83	\$1.58	\$1.01	\$1.17	\$0.39	\$1.41	\$0.67	\$0.64	\$0.62	\$0.68
Management Fee	\$3.34	\$0.00	\$2.08	\$1.84	\$2.04	\$2.18	\$1.96	\$0.32	\$1.46	\$0.70	\$0.33	\$0.71	\$0.83
Operating Expenses (\$/SF)	\$20.36	\$20.08	\$19.84	\$19.70	\$18.16	\$17.95	\$17.50	\$17.10	\$16.25	\$15.72	\$18.48	\$17.41	\$18.91
Real Estate Taxes	\$13.78	\$16.99	\$24.05	\$17.01	\$18.69	\$20.53	\$16.96	\$20.88	\$0.00	\$19.02	\$20.52	\$20.92	\$21.22
Total Expenses (\$/SF)	\$34.14	\$37.07	\$43.89	\$37.79	\$36.85	\$38.48	\$34.46	\$37.16	\$16.25	\$34.74	\$39.00	\$38.33	\$40.14
													\$40.59
													\$39.75

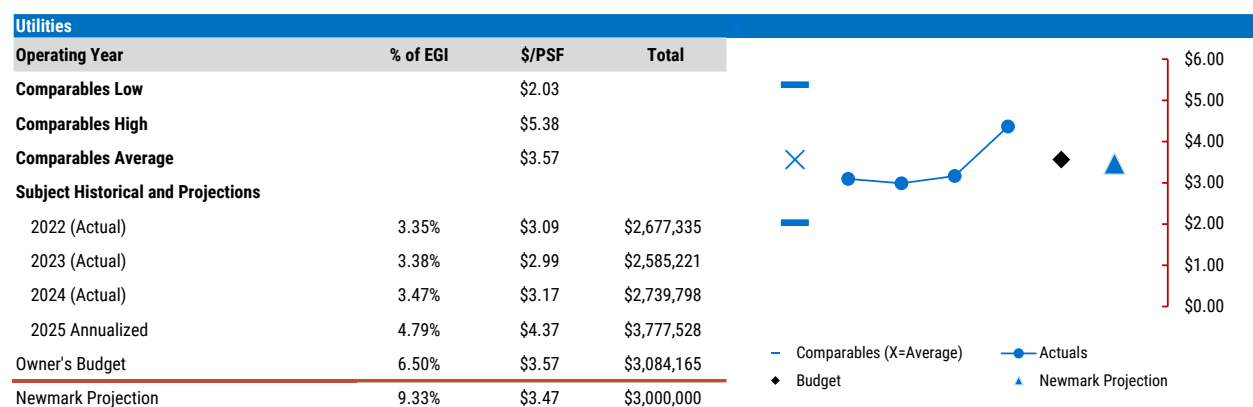
PAYROLL AND RELATED

This expense includes wages and benefits covering employees of the building including union staffing and nonunion salaries and benefits of the administrative personnel, along with security related expenses. The Payroll and Related expense estimated by Newmark has been analyzed by comparing operating expenses from similar buildings, along with the historical operations of the property, the 2025 annualized operations, and the 2025 budget which is further outlined on the following chart:



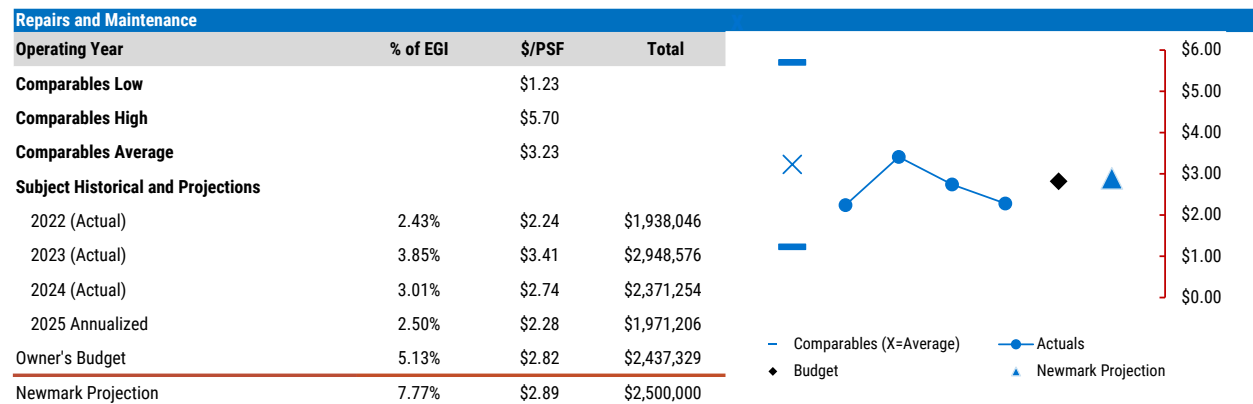
UTILITIES

This expense category includes expenses for tenant electric, heat/steam, water and sewer charges and other utilities. Utilities are generally property specific and vary considerably from property to property in the subject's market based on the utilities paid by the tenant and the owner, and the efficiency of the HVAC systems. The comparable expenses have been adjusted appropriately. The Utilities expense estimated by Newmark has been analyzed by comparing operating expenses from similar buildings, along with the historical operations of the property, the 2025 annualized operations, and the 2025 budget which is further outlined on the following chart:



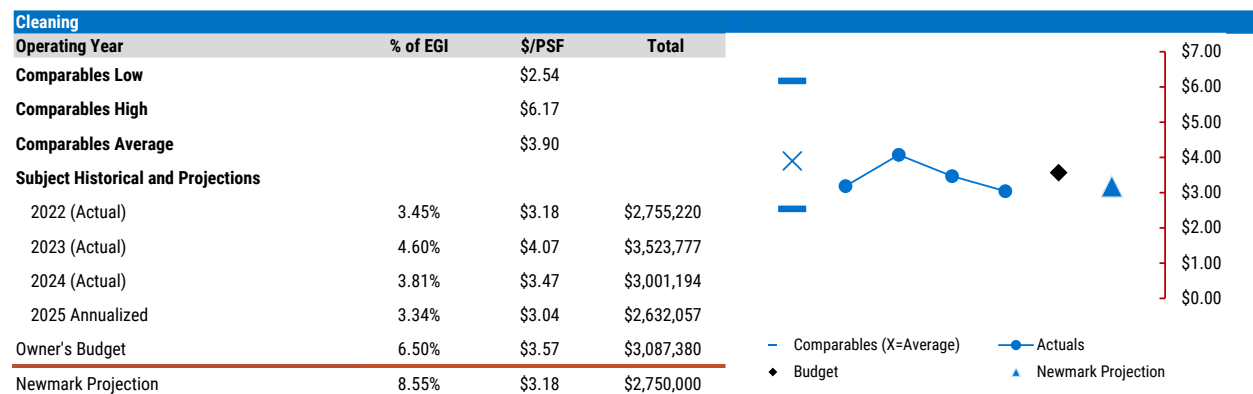
REPAIRS AND MAINTENANCE

This expense category includes all expenses incurred for general repairs and maintenance, including HVAC, electrical, plumbing, safety systems and pest control/exterminating. This expense also typically includes all outside maintenance service contracts and the cost of maintenance and repairs supplies. The Repairs and Maintenance expense estimated by Newmark has been analyzed by comparing operating expenses from similar buildings, along with the historical operations of the property, the 2025 annualized operations, and the 2025 budget which is further outlined on the following chart:



CLEANING

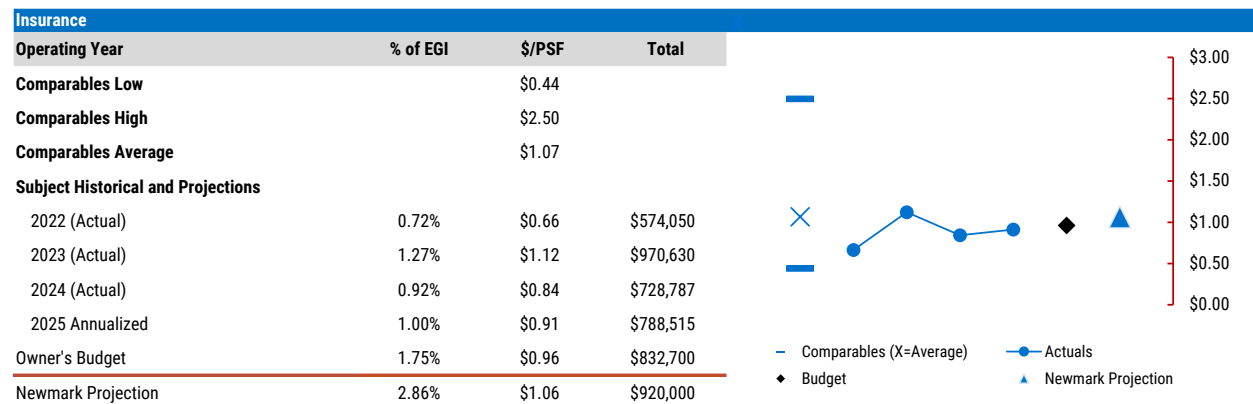
This expense category includes all expenses incurred for cleaning the entire property, including both tenant spaces and common areas. The Cleaning expense estimated by Newmark has been analyzed by comparing operating expenses from similar buildings, along with the historical operations of the property, the 2025 annualized operations, and the 2025 budget which is further outlined on the following chart:



The 2025 cleaning expense has been negotiated materially lower than the expected budgeted amount. As a result, primary reliance was placed on the 2025 annualized expenses.

INSURANCE

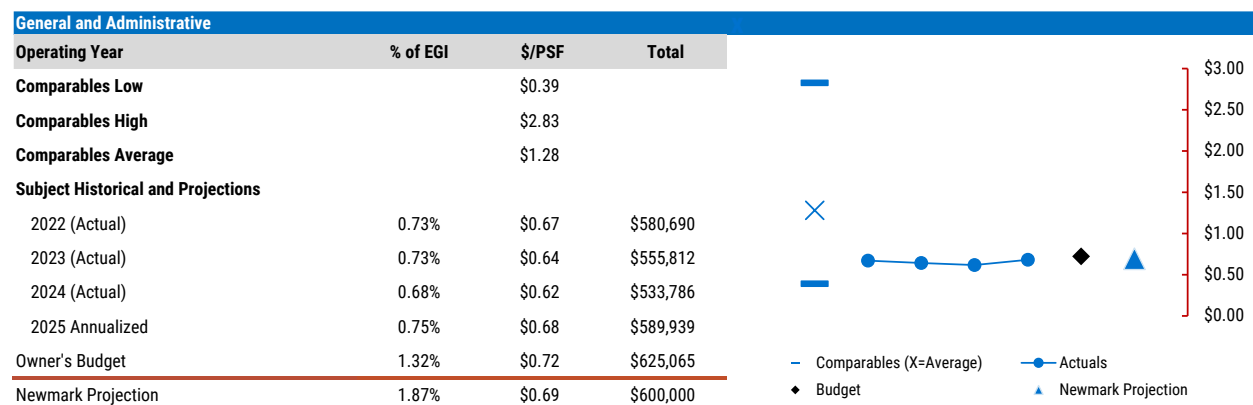
Insurance expenses typically include fire and extended coverage and owner's liability coverage. The Insurance expense estimated by Newmark has been analyzed by comparing operating expenses from similar buildings, along with the historical operations of the property, the 2025 annualized operations, and the 2025 budget which is further outlined on the following chart:



Similar to cleaning, the owner has indicated that insurance for 2025 is being negotiated materially higher than the budgeted expectations. As a result, direct reliance was placed on our conversations with the owner.

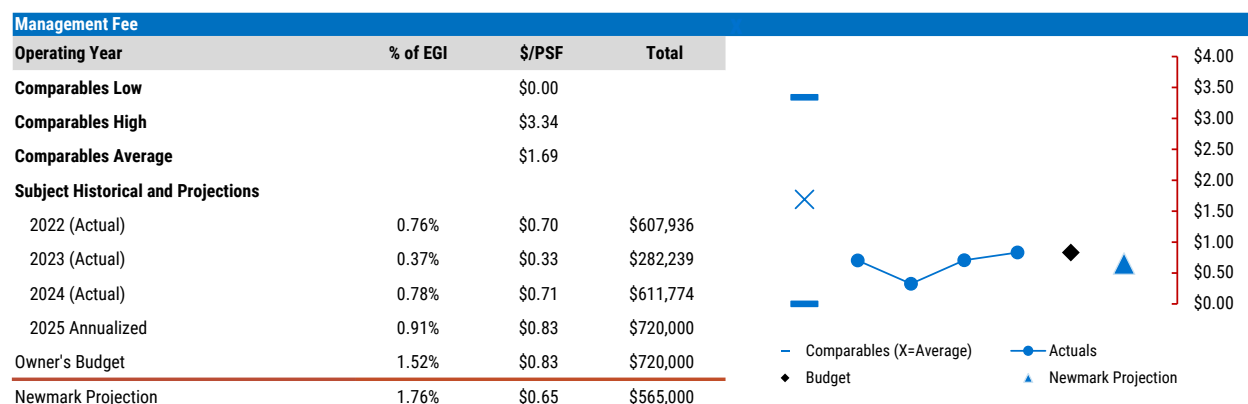
GENERAL AND ADMINISTRATIVE

This expense includes costs for general and administrative expenses related to operating an office building including security, legal and professional fees. Administrative and general also includes telephone, audit and other related expenses. The General and Administrative expense estimated by Newmark has been analyzed by comparing operating expenses from similar buildings, along with the historical operations of the property, the 2025 annualized operations, and the 2025 budget which is further outlined on the following chart:



MANAGEMENT FEE

For the management fee, we have applied a rate that is quoted by brokerage and management firms in New York City including Newmark. The management fee per square foot typically changed by third party managers is typically based on the size of the property and excludes profit.



The Newmark management fee considers that a traditional real estate service company would manage the building, exclusive of profit. The management fee expense concluded within this analysis assumes that a traditional owner would employ a third-party real estate corporation to manage the property, along with the marketing and leasing responsibilities of the building. Third-party real estate companies will manage for a nominal fee in order to retain the revenue from leasing commissions, along with providing accounting, engineering, and project management personal. The ancillary services are considered much more profitable to a full-service real estate company, rather than management fee mark-up owner-users traditionally underwrite.

The building is owner-operated, and owners traditionally charge between 1% to 3% of effective gross revenue as a management fee. Third-party management companies are significantly less. Extracted third-party management fees propose a fee ranging from 0.8% to 1.0% of effective gross revenue. This fee would include full accounting. If an owner requested a flat fee, third-party management companies traditionally propose rates ranging from \$150,000 to \$500,000 annually. This could fluctuate depending on the management intensity of the building.

Newmark property management currently manages approximately 75 office properties exceeding 250,000 square feet, and the average Newmark management fee is \$0.35 per square foot.

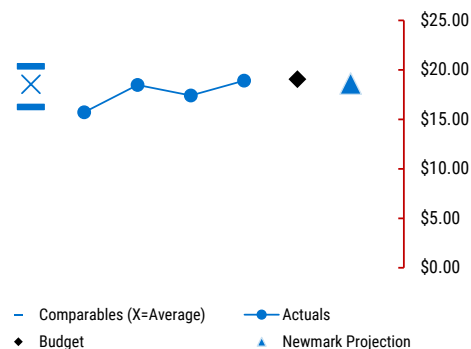
The FY year-ending 2026 forecast of \$0.65 per square foot has placed primary reliance on extracted third-party management rates in the marketplace.

REAL ESTATE TAXES

The real estate taxes were presented previously in this appraisal report. Therefore, a comparative analysis is not warranted.

TOTAL OPERATING EXPENSES (EXCLUDING REAL ESTATE TAXES)

Total Operating Expenses			
Operating Year	% of EGI	\$/PSF	Total
Comparables Low		\$16.25	
Comparables High		\$20.36	
Comparables Average		\$18.55	
Subject Historical and Projections			
2022 (Actual)	17.04%	\$15.72	\$13,599,890
2023 (Actual)	20.89%	\$18.48	\$15,989,023
2024 (Actual)	19.09%	\$17.41	\$15,059,317
2025 Annualized	20.74%	\$18.91	\$16,361,952
Owner's Budget	34.74%	\$19.06	\$16,492,769
Newmark Projection	50.10%	\$18.62	\$16,110,000



The comparable operating expenses utilized within this analysis ranged from \$16.25 to \$20.36 per square foot, with an average of \$18.55 per square foot. The historical operating expenses for the subject property ranged from \$15.72 to \$18.48 per square foot, with an average of \$17.20 per square foot. This compares to the 2025 annualized expenses of \$18.91 per square foot and the owner's 2025 budget at \$19.06 per square foot.

Based on our review of the comparable operating expenses in the surrounding marketplace, the Newmark operating expense estimate is \$18.62 per square foot, which is well supported by the comparable properties.

DIRECT CAPITALIZATION APPROACH

NATIONAL CAP RATE AND VALUE CHANGES – BEGINNING OF 1Q 2025

According to Mark Zandi, "The U.S. economy is performing exceptionally well to kick off 2025, and we can look forward to another strong year."² The Federal Reserve raised the Federal Funds Rate to a high range of 5.25% to 5.50% in July 2023 and held them there until September 18, 2024 at which time the Fed began lowering rates culminating in a current range of 4.25% to 4.50%. The 10 year Treasury had moved downward to about 3.65% in the first half of September but immediately after the first rate reduction by the Fed began climbing again – and is now just above 4.5% - partly driven by expectations around the new U.S. administration's economic policies.

The impacts to both the residential and commercial real estate markets from the period of higher interest rates have been material as borrowing costs have increased significantly. "Rescue equity" has been observed replacing some of the capital shortfalls as values decline and cost of debt rises. While lower than they were, rates remain at higher levels and negative leverage continues to occur since mortgage rates are above capitalization rates and this is unsustainable. Distress sales are increasing but still a small percentage of overall sales activity. Transactions slowed

² 2024 U.S. Economic Outlook with Moody's Analytics Chief Economist Dr. Mark Zandi, Traveler's Institute, January 15, 2025 ([2025 Economic Outlook | Travelers Institute](#))

and deals stalled during the period from 2022 to mid-2024 and limited current data points reduced clarity with respect to price discovery and valuations.

However, there are positive signs. PwC reports the bid-ask pricing gap to be narrowing and investor sentiment is improving.³ The majority of investors surveyed by PwC expect capitalization rates to hold steady over the next six months – but there continues to be a fairly large segment continuing to expect increases. The January 15, 2025 Federal Reserve Beige Book noted “cautious optimism continues to prevail among survey respondents given modestly positive trends in loan demand, wage growth, and consumer spending.”

Real Capital Analytics reported in their end of 2024 Capital Trends publication that “the commercial property markets turned a corner in 2024.” Deal volume climbed in 2024 and price declines are coming to an end overall. The RCA CPPI pricing index reflected no change from the 3rd Quarter 2024 and only a -0.7% loss for the year. RCA also noted, however, that distress reached \$107.0 billion at the end of 2024 – a \$20.9 billion increase. However, new inflows to distress only outpaced workouts by \$2.2 billion – the smallest net change since late 2022. Apartment properties were the source of much of the new distress in the fourth quarter although office continues to dominate the overall totals.

According to Moody's, President Trump's election, and the control of congress, “will result in meaningful changes to economic policy and, therefore, to the economic outlook.” Moody's is most concerned with the effects of tariffs but also calls out immigration deportations and the impact that deficit-financed tax cuts would have. Moody's view is that the new administration's economic policies will “result in some combination of higher inflation and interest rates-and diminished growth.” A 90 basis point increase in the 10 year Treasury yield since the election is directly tied to this expectation, according to Moody's. Zandi does not expect additional interest rate cuts until the end of 2025.

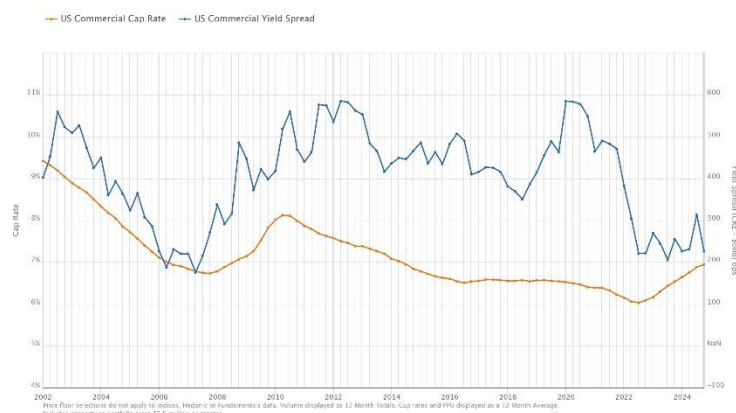
COST OF CAPITAL

The increase in base interest rates directly affects financing rates. Mortgage rates for agency apartment debt had increased to near 7% while bank financing floated above. Recently, agency multifamily lending is falling around 6%. These rates also carry with them lower debt coverage ratios so the equity requirements are returning to more typical levels. That said, bank financing remains higher and lower leverage continues to be present. Equity funds generally carry higher rates of return than debt and this translates to higher capitalization rates as well. Moody's projects that the 10 year Treasury yield will remain around 4.3% for the next three years implying that this will be the new normal.

³ PwC Real Estate Investor Survey, 4th Quarter 2024

CAPITALIZATION RATES

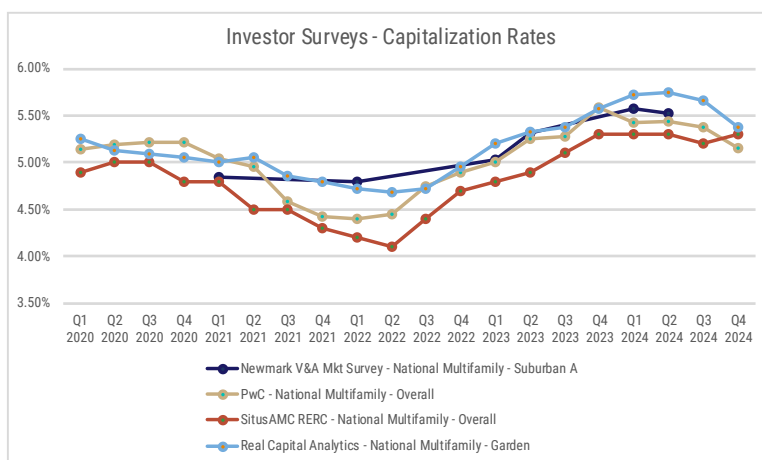
The majority of investors surveyed by PwC for their Four Quarter 2024 Real Estate Investor Survey expect capitalization rates to remain stable over the next six months while a sizable percentage does still expect increases – particularly in hard hit sectors such as office. Lower transaction volume than the past several years will continue. Still, PwC notes that investors believe that greater buying opportunities exist at this time and this tracks with other sources such as the Federal Reserve Biege Book.



In the past, there tended to be a noticeable lag between changes in capitalization rates and underlying financing rates. The graph to the left from Real Capital Analytics depicts the spread between capitalization rates and underlying interest rate yields (bond rates in this case). As interest rates began to climb into 2007, while capitalization rates continued a

slow downtrend, the spread fell to below 200 basis points. This began occurring again in mid-2022 and has continued even as cap rates have increased. Note that this spread could also be indicative of the fact that transaction volume is thin and focused on upper tier properties.

Cap rates have been reacting but at a slower pace than would have been expected. The graph to the right depicts investor survey data for multifamily properties from our investor survey, PwC, and SitusAMC RERC as well as the actual data from Real Capital Analytics. As shown, up to 1Q 2024, the prior seven quarters reflected increases in the Real Capital Analytics cap rate data (which is based on closed transactions). This trend has reversed over the course of 2024 with both the RCA (closed transaction based) and PwC data back to levels last seen in mid-2023.



Green Street tracks capitalization rates in six property types in the top 50 MSA's. Their September 2024 Cap Rate Observer reflects some moderation in cap rates over the past year as rates stabilized and have begun to decline. rates. The following summarizes the weighted averages for various property types in these 50 top MSA's. Because the index does include REIT returns, it

tends to be more reactionary to macro-economic conditions and stock market trends. This makes the Green Street data more reflective of near term trends as opposed to the lag of strictly transactional based metrics. March 2022 data is also provided for comparison against the approximate value peak. December 2023 is provided to illustrate changes over the course of 2024.

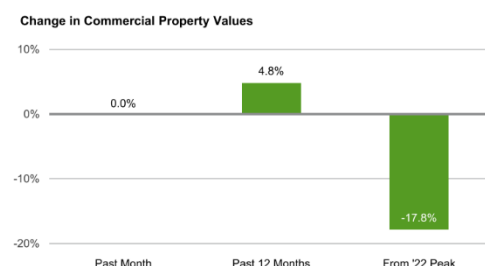
Green Street – Cap Rate Observer – December 2024				
Property Type Sector	Mar 22 Cap Rates	Dec 23 Cap Rates	Dec 24 Cap Rates	One Year ▲ (bps)
Apartment	3.9%	5.8%	5.2%	-60
Industrial	3.9%	5.1%	5.2%	+10
Office	6.5%	10.7%	10.7%	0
Strip Center	5.5%	7.3%	7.0%	-20
Self-Storage	4.3%	5.8%	5.8% (Sept 24)	0
Single-Family Rental	4.6%	4.9%	5.0%	+10
Lodging	N/A	N/A	9.1%	+20

Compiled by Newmark

The single-family rental sectors has performed well over time and has seen the smallest overall change from the March 2022 value peak. Apartments tend to be quite interest rate sensitive but are sliding back down in the one year comparison and since the end of 2023.

PROPERTY VALUES

Property values are declining both from transactional evidence and from REIT valuations. The graph to the right from Green Street is their most recent Commercial Property Price Index report January 7, 2025 and reflects the change from the recent peak and past 12 months. The past 12 months is notable given the 4.8% increase over the year.



Green Street CPPI®: Sector-Level Indexes

	Index Value	Change in Commercial Property Values		
		Past Month	Past 12 Mos	From '22 Peak
All Property	127.3	0.0%	5%	-18%
Core Sector	128.3	0.0%	6%	-20%
Apartment	153.4	0.0%	14%	-20%
Industrial	215.9	0.0%	1%	-15%
Mall	91.3	0.0%	17%	-6%
Office	72.6	0.0%	-1%	-36%
Strip Retail	117.0	0.0%	8%	-11%
Data Center	109.7	0.0%	5%	-15%
Health Care	125.4	0.0%	4%	-17%
Lodging	102.3	0.0%	-3%	-10%
Manufactured Home Park	278.5	0.0%	1%	-14%
Net Lease	94.3	0.0%	0%	-19%
Self-Storage	242.1	0.0%	-2%	-23%

the Agencies have supported more transactions and this has at least marginally improved market conditions for multifamily. Lodging is one of the least impacted at this time but still down from

All property sectors are negative since the recent peak as shown in the table to the left. The largest downturn is in the office sector with smaller but still significant declines in Apartment and Self Storage. The apartment sector has been impacted by financing availability since agency debt was priced higher forcing more bank and life insurance company financed transactions. However, recent quotes by

its recent peak. The appearance of Malls in the significant positive increases over the past 12 months and the smallest value decline from the peak is at least partly driven by the large value losses which accelerated out of the pandemic for the shopping center sector in general – which were heavily focused on malls.

Again, note that the Green Street data is heavily REIT based and tends to be more volatile than the CRE market by itself. This data should be viewed as an indication of trends and not necessarily absolute change. For the alternate view, Real Capital Analytics data is reflective of closed transactions only.

Deal volume has been falling from recent peaks. According to Real Capital Analytics, transaction volume for the year was \$420.4 billion – 9% increase over 2023. Demand has fallen from 2022 and prior – which has driven price down just from a simple economics supply and demand model. On the other hand, pricing metrics from Real Capital Analytics have not been severely impacted – pricing is basically flat over the past 12 months. The graph to the right shows price per unit for apartments (orange line) and price per square foot for commercial properties (blue line). The downtrend leading into 2024 is noticeable but rebounding as 2024 draws to a close. Commercial properties are still pricing just the pre-Great Recession peak.



FINAL THOUGHTS

It is important to acknowledge that there continues to be a dearth of transactions in the marketplace and this makes it more difficult to determine the impact on values and cap rates. This is partly a function of the reported disconnect between sellers and buyers over the past several quarters – but PwC and other sources suggest this bid-ask gap is narrowing and, in addition to the moderation of credit conditions, the frozen CRE market is thawing.

- Investors have become selective, cautious, and tentative as cost of capital has increased.
- Volatility in the market has led to the disconnect between buyers and sellers thus reducing transaction volume – both in number of sales and overall price volume.
- Although the number of transactions has dropped precipitously, market participants are saying that price discovery is demonstrating that values trended lower but have recently stabilized in some sectors.

- Negative leverage is present in the market and this cannot be sustained which is putting downward pressure on values.
- Investors are taking a stance of cautious optimism given modestly positive trends in loan demand, wage growth, and consumer spending.
- According to Moody's, the economic policies of the new U.S. administration will likely result in higher inflation and higher interest rates but, at a minimum, creates uncertainty in the market.

The following subsections represent different techniques for deriving an overall capitalization rate.

COMPARABLE SALE ANALYSIS

Comparable Going-In Capitalization Rates

	Property Name	Date	Rentable Area	\$/SF	Occupancy (%)	Cap Rate	Adjusted Cap Rate
1	590 Madison Avenue	July 2025	1,050,000	\$1,100	87.0%	5.80%	--
2	522 Fifth Avenue	May 2025	540,893	\$843	Owner-User	--	--
3	1345 Avenue of the Americas	May 2025	1,950,028	\$500	97.7%	0.52%	6.18%
4	285 Madison Avenue	April 2025	510,773	\$685	97.3%	7.22%	5.50%
5	500 Park Avenue	January 2025	201,411	\$663	100.0%	4.34%	6.74%
6	1211 Avenue of the Americas	January 2025	2,045,600	\$572	100.0%	8.00%	7.00%
7	320 Park Avenue	December 2024	765,717	\$901	96.9%	2.90%	5.35%
8	250 Park Avenue	August 2024	540,960	\$592	70.0%	3.83%	5.70%
Additional Comparable Transactions							
9	100 Park Avenue	December 2024	702,384	\$584	96.0%	2.87%	7.24%
10	799 Broadway	November 2024	177,191	\$1,439	71.3%	4.50%	5.30%
11	One Vanderbilt Avenue	November 2024	1,654,688	\$2,840	99.2%	4.29%	4.70%
12	10 East 53rd Street	March 2024	390,061	\$564	98.3%	7.05%	6.29%
13	20 Hudson Yards	November 2023	432,000	\$1,250	100.0%	4.25%	4.42%
14	245 Park Avenue	June 2023	1,779,367	\$1,124	84.9%	3.90%	4.50%
Range						0.52% - 8.00%	4.42% - 7.24%
Average From Sales							5.25%

Compiled by Newmark

The overall capitalization rates indicated by the improved sales provide a credible range of capitalization rates to be expected for the subject property. The Direct Capitalization method has been utilized to determine the As Is market value of the property. The comparable capitalization rates ranged from 0.52% to 8.00%, with an average of 4.57%. The sales located at the lower end of the range exhibited capitalization rates reflected properties that were leased at below market levels and projected to be released at higher market levels upon the expiration of the existing leases. Conversely, capitalization rates towards the higher end of the range are reflective of properties that were leased slightly above market levels, or future risk was anticipated by the purchaser at the time of sale.

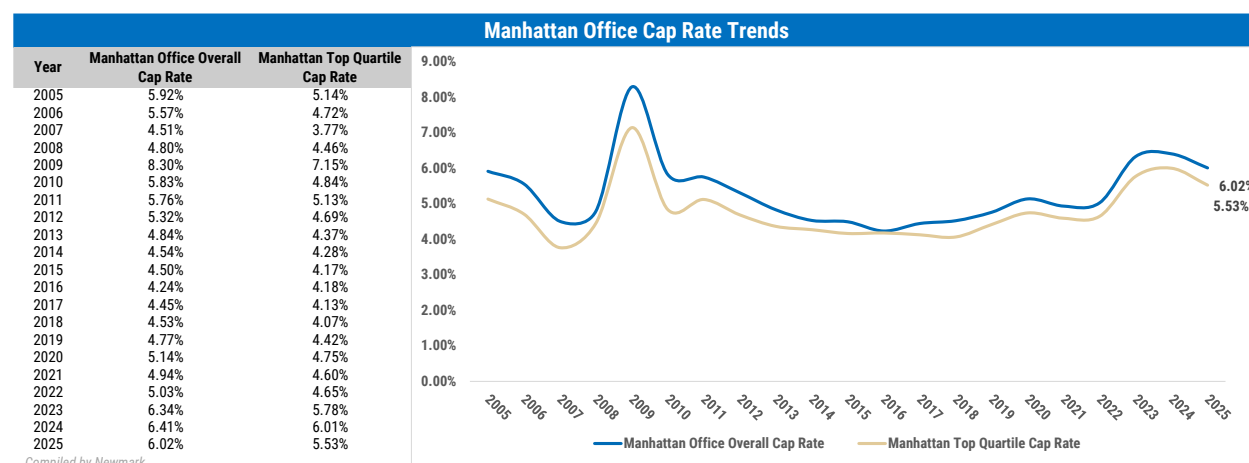
As further support, the adjusted capitalization rates were extracted from the comparable sales by accounting for certain atypical and/or one-time income changes not representative of stabilized operation of each respective property, resulting in a different capitalization rate than what has been reported at the time of sale. Common examples include temporary abated real estate taxes

to unabated levels, above market income for tenants that were known to be vacating at the time of sale, initial free rent and downtime (in excess of frictional vacancy) or future contractual income that will impact the net operating income within the initial years of a transaction. The amendments to the comparable sales for the adjusted capitalization rates are typical for investors in the marketplace seeking to ascertain “stabilized” capitalization rates and mirror the amendments that are applied to the capitalized Net Operating Income for subject property within this appraisal report. The amendments consist of abating the base rental income to reflect a stabilized potential gross revenue, adjusted real estate taxes and operating expenses to reflect stabilized amounts, with the present market value of tax savings and / or leasing and capital costs as below the line adjustments after capitalizing a stabilized net operating income. Therefore, the adjusted capitalization rates ranged from 4.42% to 7.24%, with an average of 5.74%.

- As indicated by the transactions, the adjusted capitalization rates that investors are targeting remain at or above 5.00%. Although capitalization rates remain compressed for New York City as compared to the rest of the country, the selected rate largely depends on the quality of the property, general location/proximity to public transportation and the tenancy quality located within the building.

HISTORICAL CAPITALIZATION RATES

On the following chart, we have presented Manhattan Office Building Average and Top Quartile Capitalization Rate trends over the past 20-years.



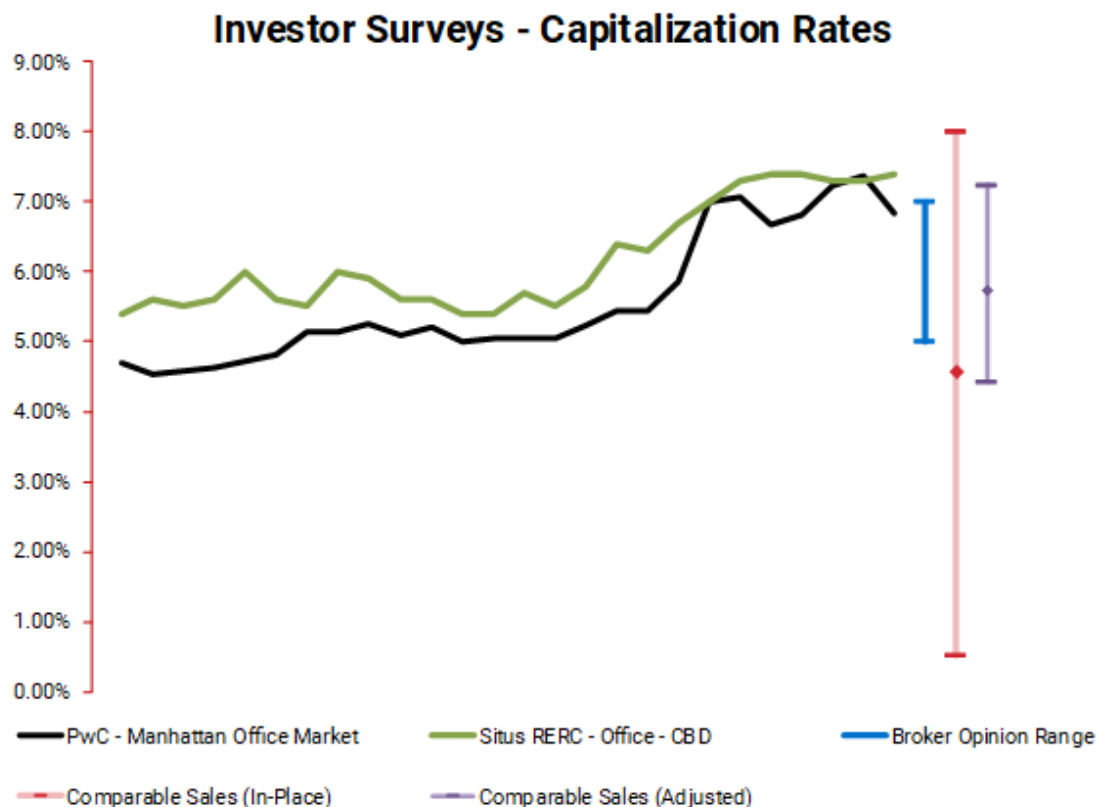
Despite softening in the market experienced from 2017 to 2019, and the significant correction resulting from the Great Financial Crisis (2008 to 2011), Manhattan overall capitalization rates have remained relatively flat in the high 4.0% to low 5.0% range. Historically low interest rates remaining since the end of the Great Financial Crisis allowed capitalization rates to remain in the 4.0% range from 2012 through 2019. However, following 2020 and the onset of COVID-19, capitalization rates began to increase given the general uncertainty of the office market. Thereafter, following inflationary pressures and rising interest rates, capitalization rates increased in 2023 and 2024.

However, in the second half of 2024, investors began to re-deploy capital into the Manhattan marketplace through the acquisitions of commercial product. The market for Trophy and Class A quality office product continues to remain deep and competitive with tight spreads compared to the 10-year treasury. This is further supported by the revitalization of the CMBS market, providing liquidity to larger single asset single borrower loans that were not available the past few years. Furthermore, following the approval of multiple rezoning efforts including the City of Yes initiative and the Midtown South rezoning, providing relaxed zoning requirements, investors began to seek opportunistic commercial investments with high vacancy rates or less favorable commercial locations for the residential conversions. These factors have resulted in capitalization rate compression in 2025.

INVESTOR AND MARKET PARTICIPANT SURVEYS

In deriving an appropriate overall capitalization rate for the subject, market participants were interviewed and consulted within gathering applicable information. The following charts details the investor surveys for assets similar to the subject property.

Investor Surveys - Capitalization Rates				
Source	Period	Low	High	Average
PwC - Manhattan Office Market	Q1 2025	5.20%	10.00%	6.83%
Situs RERC - Office - CBD	Q1 2025	6.50%	8.30%	7.40%
Newmark V&A Market Survey - Class A	Q1 2025	-	-	5.75%
Newmark V&A Market Survey - Class B	Q1 2025	-	-	6.25%
Broker Opinions		5.00%	7.00%	
Comparable Sales (In-Place)		0.52%	8.00%	4.57%
Comparable Sales (Adjusted)		4.42%	7.24%	5.74%
Compiled by Newmark				



- The most PwC and Situs RERC current survey data indicates that going-in capitalization rates range from 5.20% to 10.0%, averaging 6.83% and 7.40%, respectively.
- Respondents indicated a range for stabilized properties similar to the subject from 5.00% to 7.00%. Following the election in November 2024, Real Estate reacted with strong leasing and capital markets activity, given the clarity the election result gave on public policy direction. After 12 consecutive quarters of upward investor survey trends, reports commencing in the fourth quarter of 2024 suggest that Investment rates are starting to recalibrate and are showing signs of compression after several consecutive quarters of increases. However, participants surveyed remain cautiously optimistic about further rate compression, as the uncertainty surrounding the U.S. administration's economic policies such as Tariffs may put pressure on the Federal Reserve to revisit their intentions to continue reducing the Federal Funds Rate in 2025.
- Negative leverage is present in the market, and this cannot be sustained for an extended period of time. If interest rates continue to rise, this could have an impact of property values. The Secured Overnight Financing Rate (SOFR), which replaced the London Interbank Offered Rate (LIBOR), as the market standard for floating rate loans in the marketplace, provides insight to the correlation between potential impact of negative leverage on a cash flow and required rates of return. According to Chatham Financial, a reputable Global Financial Risk Management Firm that surveys multiple Federal Reserve

Presidents, Governors and other market participants, the current 1-month Term SOFR rate is expected to peak during the second quarter of 2025, subsequently declining to the to the mid-to-high 3.0% range by 2026. This indicates the cash-flow generating assets with enough excess Net Operating Income to exceed monthly interest payments and debt service coverage ratios, as well as weighted average remaining lease terms (WALT) that exceed 24 to 36 months are more likely to undertake negative leverage, with the assumption that future returns will account for any interim shortfall.

Positive Attributes	Negative Attributes
<ul style="list-style-type: none">- The subject property is located within a desirable commercial location within the Times Square South office submarket of Midtown, and largely influenced by the Bryant Park Sub-District, which remains one of the top performing office nodes throughout Manhattan. The existing trophy product surrounding the subject property continues to achieve rents in excess of \$120.00 per square foot, which bodes well for the property and the near-term vacancy. The planned renovation, along with the addition of Lifetime as a rent paying amenity for the building is anticipated to assist in the re-leasing of the existing and planned vacancy.- The continued public and private investment throughout the subject’s neighborhood as a result of the Midtown East Rezoning is anticipated to increase the overall investment activity throughout this area.- Good quality and appeal commensurate with competing Class A properties in the submarket based on the rents achieved and LEED Gold certification of the building. Class A real estate continues to command competitive pricing, as transactional and leasing volume has been concentrated to Class A properties. This bodes well for the long-term viability of the property.- The subject property is located adjacent to Bryant Park, with unobstructed views along the north side of the office tower. The above market light and air, along with the protected views of the surrounding area has been	<ul style="list-style-type: none">- There have been some signs of increased CRE activity stemming from moderation in interest rates, adjustments by buyers and sellers to the economic environment, and an easing of credit restrictions. But distress in the CRE market remains a drag on CRE performance.- The threat of a recession and high tariffs could have an impact all facets of real estate including leasing activity, rent growth, the cost of financing commercial product and the required returns from investors in the marketplace.- We have considered the projected rollover that is anticipated to occur throughout the discounted cash flow period and properly adjusted the market leasing assumptions and capitalization rate to consider the anticipated risk that market professionals would account for under current market conditions.- The lease-up risk of 1 West 39th Street in the event Amazon does not exercise their expansion option in 18-months adds significant risk to the property.

considered when selecting the office market rents applied within this analysis.

- An investment grade anchor office tenant such as Amazon adds to the investment appeal of the property. The strong anchor tenancy of the property has impacted the investment rates applied to the subject property.
- The mark-to-market upside of recapturing below market leases at current market levels is considered attractive to investors in the market seeking trophy office product. With limited office supply coming online, the most desirable buildings will continue to benefit from rent appreciation.

Capitalization Rate Conclusion

Going-In Capitalization Rate - As Is

5.25%

Compiled by Newmark

The purpose of the Direct Capitalization approach is to capitalize a stabilized pro-forma. As previously mentioned, the subject is 81.84% leased as of the effective date of value. Given the current occupancy and several of the income and / or expense items modelled within this appraisal report are based on the occupancy of the property and will fluctuate until the building achieves stabilization. As such, the income and expenses have been adjusted to reflect the year **seven** stabilized operations, which are inflated by the respective growth rates for each income and expense line item. The net operating has been deflated at a rate of 3.00% per annum for three years to determine the As Is value, which is in concert with the assumed rent growth of the base rental revenue.

ADJUSTMENTS TO VALUE

To develop an indication of the "As Is" Market Value for the subject, the present market value of the leasing and capital costs that are anticipated to occur through the first seven years of the analysis period have been deducted from the initial value conclusion. The estimated present market value of the leasing costs is further outlined on the following chart:

PV of Lease Up Costs - 6 Years												
Leasing Related Cost	Year 1	PSF	Year 2	PSF	Year 3	PSF	Year 4	PSF	Year 5	PSF	Year 6	PSF
Absorption & Turnover Vacancy	\$10,239,483	\$11.84	\$1,128,585	\$1.30	\$6,000,984	\$6.94	\$882,624	\$1.02	\$148,999	\$0.17	\$660,873	\$0.76
Base Rent Abatements	\$34,529,352	\$39.91	\$21,532,124	\$24.89	\$5,095,503	\$5.89	\$12,167,588	\$14.06	\$802,121	\$0.93	\$1,115,223	\$1.29
Tenant Improvements	\$56,193,990	\$64.96	\$33,432,429	\$38.64	\$10,989,945	\$12.70	\$2,093,696	\$2.42	\$582,814	\$0.67	\$0	\$0.00
Leasing Commissions	\$5,177,214	\$5.98	\$6,216,806	\$7.19	\$4,474,857	\$5.17	\$874,316	\$1.01	\$233,333	\$0.27	\$583,559	\$0.67
Capital Expenditure	\$25,258,330	\$29.20	\$18,489,675	\$21.37	\$4,450,000	\$5.14	\$0	\$0.00	\$0	\$0.00	\$289,819	\$0.34
Total Year Lease Up Costs	\$131,398,368	\$151.88	\$80,799,620	\$93.40	\$31,011,290	\$35.85	\$16,018,224	\$18.52	\$1,767,266	\$2.04	\$2,649,474	\$3.06
7.00% Discount Factor	0.93458		0.87344		0.81630		0.76290		0.71299		0.66634	
PV of Lease Up Costs	\$122,802,214	\$141.95	\$70,573,517	\$81.58	\$25,314,450	\$29.26	\$12,220,226	\$14.13	\$1,260,037	\$1.46	\$1,765,456	\$2.04
Rounded	\$122,800,000	\$141.95	\$70,570,000	\$81.57	\$25,310,000	\$29.26	\$12,220,000	\$14.13	\$1,260,000	\$1.46	\$1,770,000	\$2.05
Total Lease Up Costs	\$233,930,000											

Compiled by Newmark

DIRECT CAPITALIZATION SUMMARY – MARKET VALUE AS IS

Direct Capitalization Summary			
		Nominal FY Ending 2032	\$/SF
Income			
Base Rental Revenue		\$88,389,983	\$102.17
Absorption & Turnover Vacancy		\$0	\$0.00
Base Rent Abatements		\$0	\$0.00
Scheduled Base Rent		\$88,389,983	\$102.17
Real Estate Tax Reimbursements		\$1,389,911	\$1.61
Operating Expense Reimbursements		\$5,623,426	\$6.50
Tenant Electric Income		\$2,017,481	\$2.33
Total Reimbursable Revenue		\$9,030,818	\$10.44
Other Income		\$26,581	\$0.03
Total Potential Gross Income		\$97,447,382	\$112.64
Vacancy Allowance	1.75%	(\$1,705,329)	(\$1.97)
Credit Loss	1.00%	(\$974,474)	(\$1.13)
Effective Gross Income		\$94,767,579	\$109.54
Operating Expenses			
Real Estate Taxes		\$19,903,345	\$23.01
Payroll and Related		\$6,895,652	\$7.97
Utilities		\$3,582,157	\$4.14
Repairs and Maintenance		\$2,985,131	\$3.45
Cleaning		\$3,283,644	\$3.80
Insurance		\$1,098,528	\$1.27
General and Administrative		\$716,431	\$0.83
Management Fee		\$674,640	\$0.78
Total Expenses	41.30%	\$39,139,528	\$45.24
Net Operating Income (FY Ending 2032)		\$55,628,052	\$64.30
Deflated Net Operating Income (FY Ending 2026)		\$49,424,803	\$57.13
Capitalization Rate		5.25%	
Indicated As If Stabilized Value by Direct Capitalization		\$941,424,825	\$1,088.20
Less: Lease-Up Costs and Outstanding CapEx		(\$233,930,000)	(\$270.40)
Less: Entrepreneurial Profit @ 15.0%		(\$35,089,500)	(\$40.56)
Adjusted Value by the Direct Capitalization		\$672,405,325	\$777.24
Rounded		\$670,000,000	\$774.46

Compiled by Newmark

DISCOUNTED CASH FLOW ANALYSIS

INTRODUCTION

Argus Enterprise (AE) software was used to develop a projection of periodic cash flows from the property over an anticipated investment holding period based on leases in place and anticipated changes in market rent and operating expenses.

This analysis considers current market conditions and typical assumptions of market participants concerning future trends as summarized in the following table.

Discounted Cash Flow Assumptions												
General Assumptions												
Argus Start Date	July 1, 2025											
Date of Value "As Is"	June 30, 2025											
Date of Value "As Stabilized"	January 1, 2031											
Holding Period	12 Years ("As Is")											
Reversion Year	13th Year ("As Is")											
Market Leasing Assumptions (MLA)	Rentable Area; In-Place (SF)	Rentable Area; Re-Stacked (SF)	Market Rent (\$ / SF)	Lease Term	Lease Type	Downtime	Free Rent (New/Renewal)	Escalations	Renewal Prob.	Tenant Improvements (New/Renewal)	Leasing Commissions (New/Renewal)	Net Effective Rent
Storage	5,500	5,500	\$25.00	10 yrs.	Gross	10 mos.	6 mos./3 mos.	3.0% Annual Inc.	65%	None	4.00% / 2.00%	
Retail (Vault)	31,095	31,095	\$55.00	10 yrs.	Modified Gross	10 mos.	10 mos./5 mos.	3.0% Annual Inc.	65%	None	4.00% / 2.00%	
Retail (Cellar)	31,118	3,710	\$70.00	10 yrs.	Modified Gross	10 mos.	10 mos./5 mos.	3.0% Annual Inc.	65%	\$75.00/\$55.00	4.00% / 2.00%	
Retail (Corner 39Th)	5,731	0	\$225.00	10 yrs.	Modified Gross	10 mos.	10 mos./5 mos.	3.0% Annual Inc.	65%	\$100.00/\$75.00	4.00% / 2.00%	
Retail (Midblock)	730	730	\$175.00	10 yrs.	Modified Gross	10 mos.	10 mos./5 mos.	3.0% Annual Inc.	65%	\$100.00/\$75.00	4.00% / 2.00%	
Retail (Corner 40Th)	4,318	4,318	\$300.00	10 yrs.	Modified Gross	10 mos.	10 mos./5 mos.	3.0% Annual Inc.	65%	\$100.00/\$75.00	4.00% / 2.00%	
Retail (Mezz)	16,232	4,306	\$75.00	10 yrs.	Modified Gross	10 mos.	10 mos./5 mos.	3.0% Annual Inc.	65%	\$75.00/\$55.00	4.00% / 2.00%	
Retail (Health Club)	6,137	51,961	\$65.00	15 yrs.	Modified Gross	10 mos.	12 mos./6 mos.	10.0% Inc. Every 5 Years	65%	\$120.00/\$60.00	3.50% / 1.75%	
Office (2-11)	329,165	329,165	\$90.00	15 yrs.	Modified Gross	10 mos.	14 mos./7 mos.	\$10.00/SF Inc. Every 5 Years	65%	\$150.00/\$60.00	3.50% / 1.75%	\$83.00
Office (12-18)	95,558	95,558	\$130.00	10 yrs.	Modified Gross	10 mos.	12 mos./6 mos.	\$10.00/SF Inc. Year 6	65%	\$140.00/\$55.00	4.00% / 2.00%	\$108.00
Office (19-24)	98,320	98,320	\$135.00	10 yrs.	Modified Gross	10 mos.	12 mos./6 mos.	\$10.00/SF Inc. Year 6	65%	\$140.00/\$55.00	4.00% / 2.00%	\$112.50
Office (25-27)	48,709	48,709	\$150.00	10 yrs.	Modified Gross	10 mos.	12 mos./6 mos.	\$10.00/SF Inc. Year 6	65%	\$140.00/\$55.00	4.00% / 2.00%	\$126.00
Office (28-30)	47,128	47,128	\$155.00	10 yrs.	Modified Gross	10 mos.	12 mos./6 mos.	\$10.00/SF Inc. Year 6	65%	\$140.00/\$55.00	4.00% / 2.00%	\$130.50
Office (2-12) 39Th Street	144,621	144,621	\$60.00	15 yrs.	Modified Gross	10 mos.	14 mos./7 mos.	\$5.00/SF Inc. Every 5 Years	65%	\$120.00/\$60.00	3.50% / 1.75%	\$44.00
Growth Rates												
Market Rent Growth	3.00% - Per Annum											
Expense Growth	3.00% - Per Annum											
Financial Rate Assumptions As Is												
Vacancy & Collection Loss (%)*	4.71%											
Discount Rate	7.00%											
Terminal Capitalization Rate	5.50%											
Cost of Sale	4.00%											
Rounding Constant	\$5,000,000											
*This assumption includes a 1.00% credit loss for all existing and prospective tenants throughout the analysis period (excluding investment grade credit or equivalent tenants) and a 2.00% general vacancy allowance that will fluctuate												
Compiled by Newmark												

HOLDING PERIOD

The As Is date of value for the subject property is June 30, 2025 and the analysis start date for the subject property utilizing the discounted cash flow analysis is July 1, 2025. The As Is value includes a forecast period of 13 years, and a holding period of 12 years. A prudent investor would sell the property following the projected holding periods in order to maximize the resale value of the property.

REPLACEMENT RESERVES: BUILDING

This additional expense category in the DCF accounts for the cost of periodic replacement of capital items such as the roof and HVAC system. While this expense is not appropriate in the direct capitalization analysis, as a result of consistency with capitalization rate data, it is used by investors in the DCF analyses. This expense is projected at \$0.50 per square foot, which takes into account the recently passed Climate Mobilization Act passed in April 2019, which sets limits on carbon emissions for buildings in New York City that contain over 25,000 square feet. Buildings will face punitive fines if they do not conform to these standards. The subject property complies

with the Climate Mobilization Act. The replacement reserves consider any potential additional capital costs needed to ensure the subject complies with this law.

FINANCIAL ASSUMPTIONS

As discussed throughout this analysis, investment activity from 2020 through the first half of 2024 was highly specialized among investors. Capital was primarily allocated to a well located, Class A office product with established credit tenancy and long-term Weighted Average Lease Term (WALT). A handful of investors sought opportunistic investment; however, pricing disparity led to limited transaction volume for commodity Class A and underperforming Class B office product. However, several market developments throughout 2024 that have been highlighted below resulted in increased investment sales activity throughout Manhattan:

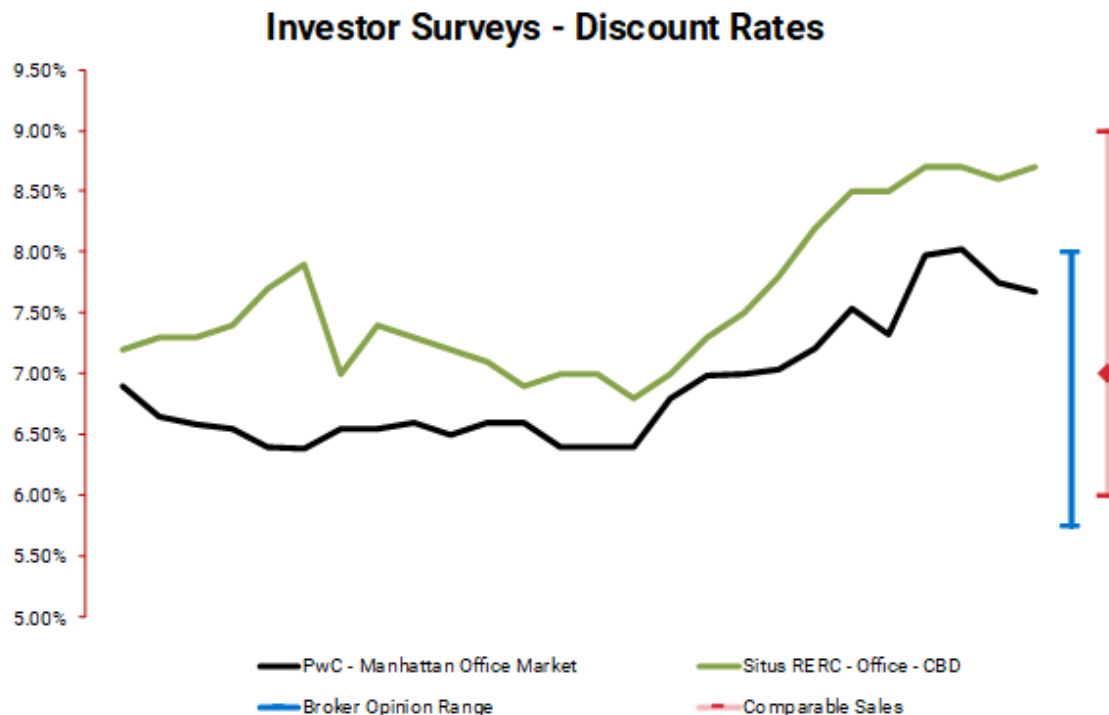
- The conclusion of the Presidential election in November 2024 gave investors public policy direction. However, with uncertainty surrounding economic policies may impact the Federal Reserve's directive, as tariffs will likely have a short-term impact on inflation resulting in delayed interest rate reduction.
- CMBS market activity increased, providing additional access to funds for institutional investors and large Single Asset Single Borrowers.
- The implementation of the City of Yes initiative provided relaxed zoning restrictions for underperforming commercial product and lucrative tax benefits for Residential conversions, bringing a large amount of opportunistic investors back to the marketplace.
- The return to the office initiative appears to have come to fruition as many large institutions implemented more restrictive in-person work policies. This included many TAMI tenants, which had the most relaxed policies.
- Limited development activity due to the availability of favorable financing has resulted in a scarcity of excellent quality Class A office product, resulting in unprecedented rent growth over the past 5 years. As a result, inferior quality Class A and B office product with large block availability has become desirable from large users, with some electing to stay, relocate to speculative developments with scheduled completion past 2030, or seek development opportunities in partnership with institutional owners. Based on the significantly reduced development pipeline scheduled through 2030, most participants surveyed expect this trend to continue.
- Distressed asset sales throughout 2024 represented the highest percentage of total property sales since the great financial crisis, generally fueled by a combination of debt maturities and high interest rates, preventing landlords from replacing loans originated in a historically low-interest rate environment. There is an estimated \$64.2 billion of mortgage maturities scheduled through 2027, which may exasperate this trend.

DISCOUNT RATE DISCUSSION/CONCLUSION

The appropriate discount rate applicable to the subject is concluded by analyzing the expectations typically used by buyers and sellers in the marketplace. Published investor surveys, in concert with Newmark's survey of brokers and investors active in the local market form the foundation for the selection of the appropriate discount rate.

Investor Surveys - Discount Rates					
Source	Period	Low	High	Spread*	Average
PwC - Manhattan Office Market	Q1 2025	6.00%	9.00%	84	7.67%
Situs RERC - Office - CBD	Q1 2025	8.00%	11.00%	130	8.70%
Newmark V&A Market Survey - Class A	Q1 2025	-	-	150	7.25%
Newmark V&A Market Survey - Class B	Q1 2025	-	-	175	8.00%
Broker Opinions		5.75%	8.00%	-	
Comparable Sales		6.00%	9.00%	243	7.00%

*Compiled by Newmark *Spread over going-in capitalization rate (in-place for sales)*



- The most current survey data indicates that discount rates range from 6.00% to 11.00%, averaging 7.67% and 8.70%, respectively. The PwC Investor Survey specifically focuses on the Manhattan marketplace, which provides a better indication of pricing for the subject property based on location. After several quarters of increases, investors appear to have generally responded with decreasing Discount Rate expectations over the past three quarters, which mirrors the anecdotal trends previously discussed. This is compared to the Situs RERC investor surveys showing generally flat trends.

- Brokers in the marketplace indicated that a discount rate ranging from 5.75% to 8.00% could be expected for the subject.

Investor surveys are not traditionally reliable for the premium associated with New York City office buildings and do not segregate properties by building class. On the following chart, we have also considered the discount rates from the improved property sales, which are supported by the PWC and RERC investor surveys previously presented.

Comparable Discount Rates						
	Property Name	Date	Rentable Area	\$/SF	Occupancy (%)	IRR
1	590 Madison Avenue	July 2025	1,050,000	\$1,100	87.0%	--
2	522 Fifth Avenue	May 2025	540,893	\$843	Owner-User	--
3	1345 Avenue of the Americas	May 2025	1,950,028	\$500	97.7%	7.25%
4	285 Madison Avenue	April 2025	510,773	\$685	97.3%	9.00%
5	500 Park Avenue	January 2025	201,411	\$663	100.0%	6.50%
6	1211 Avenue of the Americas	January 2025	2,045,600	\$572	100.0%	--
7	320 Park Avenue	December 2024	765,717	\$901	96.9%	6.75%
8	250 Park Avenue	August 2024	540,960	\$592	70.0%	7.25%
Additional Comparable Transactions						
9	100 Park Avenue	December 2024	702,384	\$584	96.0%	7.00%
10	799 Broadway	November 2024	177,191	\$1,439	71.3%	7.25%
11	One Vanderbilt Avenue	November 2024	1,654,688	\$2,840	99.2%	6.25%
12	10 East 53rd Street	March 2024	390,061	\$564	98.3%	7.50%
13	20 Hudson Yards	November 2023	432,000	\$1,250	100.0%	6.00%
14	245 Park Avenue	June 2023	1,779,367	\$1,124	84.9%	6.25%
Range						6.00% - 9.00%
Average From Sales						7.00%

Compiled by Newmark

The discount rates noted on the chart above were extrapolated from an underwriting model provided by buyers and/or sellers at the time of sale, verbal verification through discussions with the parties involved or investment sales professionals that marketed each property or taken directly from prior appraisal reports completed from the properties at the time of the transaction.

- The discount rates for the comparable properties noted above ranged from 6.00% to 9.00%, with an average of 7.00%. The selected discount rate selection for the property at 7.00% is supported by the range exhibited by the comparable sales and is warranted given the Class A quality of the property and strong anchor tenancy vacancy.
- The subject property consists of a 10 and part 30-story, plus three levels below grade Class A office buildings that is currently 81.84% leased to 3 retail and 15 office tenants 3 retail and 15 office tenants and located within the Times Square South office submarket of Midtown. Upon Lifetime taking over Staples, the weighted average lease term of the property will be 135.0 months (11.25 years), providing long-term stable cash flow. The property is anchored by excellent quality tenants including Amazon, Lifetime Fitness,

Baker & McKenzie, HSBC Bank USA (Renewal), Generate Capital, Brighton Park Capital, Lombard Odier Asset Mgt, and Novartis which are primarily considered investment grade, credit tenants.

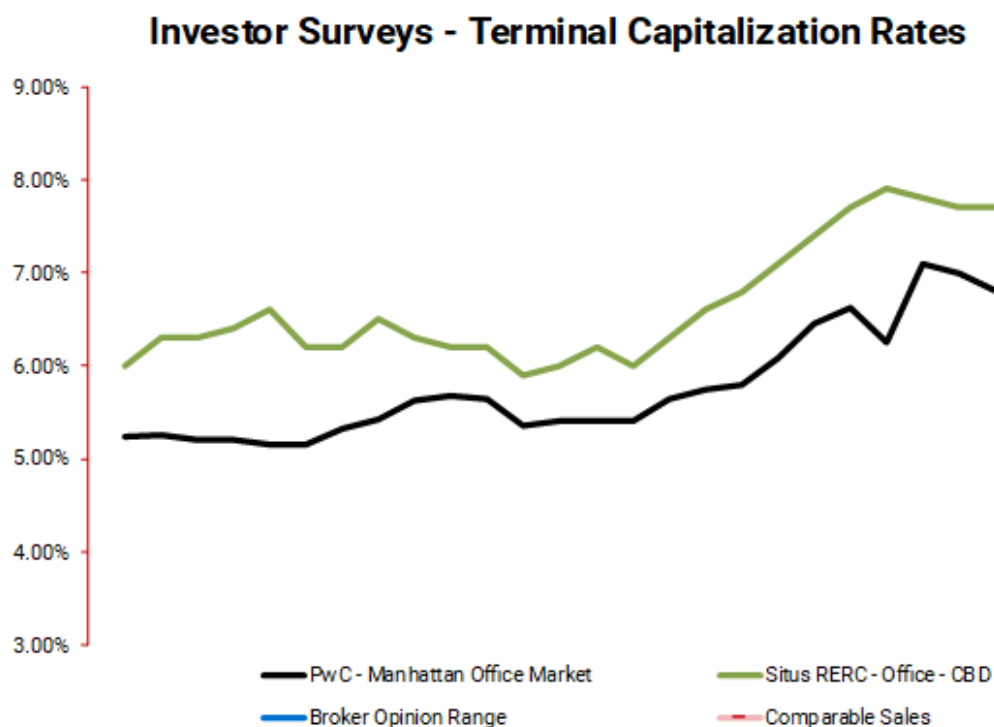
- The building currently has a LEED Gold Certification, which adds to the investment appeal of the property as tenants in the marketplace have shifted demand to buildings in-line with corporate sustainability and ESG requirements.
- The location of the property adds to the investment appeal and investment rate selection based on the convenient location of the property within close proximity to all major transportation hubs (Grand Central, Penn Station / Moynihan Train Hall and Port Authority Bus Terminal). Tenants continue to seek long-term space needs that are located within close proximity to primary transportation centers.
- The subject contains unobstructed views of Bryant Park throughout the entire office component which allows the owner to command a premium in rents. The unobstructed views has been considered within the discount rate selection.
- The compound annual growth of the net operating income for the subject property of 2.72% per annum upon economic stabilization in year 7 of this analysis through the assumed holding period. The growth of the net operating income measures up-side potential, the potential risk associated with a properties cash flow maturation and is traditionally benchmarked against the 20-year consumer price index (CPI) growth previously presented. While Net Operating Income growth greater than this benchmark typically indicates below market revenue upside potential, this would traditionally warrant higher unlevered returns to account for risk associated with lack of stabilized income. Conversely, Net Operating Income Growth below the benchmark traditionally indicates market-oriented rental rate steps at rents reflect near market levels with a more stable tenancy profile. It should be noted that negative growth traditionally indicates above market rental rates, presenting additional risk consideration.

Based on our analysis, we have concluded to a discount rate of 7.00% for the As Is approach to value. Considering the quality of the improvements, creditworthiness of the existing tenancy mix, the scheduled lease-up risk associated with the existing vacancy, the expected compound annual growth of the net operating income and the holding period utilized, the discount rate selection is considered reflective of current market standards and properly accounts for the risk of the property.

TERMINAL CAPITALIZATION RATE DISCUSSION/CONCLUSION

Source	Period	Low	High	Spread*	Average
PwC - Manhattan Office Market	Q1 2025	5.75%	10.00%	34	7.17%
Situs RERC - Office - CBD	Q1 2025	6.50%	10.50%	40	7.80%
Newmark V&A Market Survey - Class A	Q1 2025	-	-	50	6.25%
Newmark V&A Market Survey - Class B	Q1 2025	-	-	50	6.75%
Broker Opinions		5.00%	6.50%	-	
Comparable Sales		4.50%	7.25%	95	5.52%

Compiled by Newmark *Spread over going-in capitalization rate (in-place for sales)



- The most current survey data indicates that discount rates range from 5.75% to 10.50%, averaging 7.17% and 7.80%, respectively. As previously discussed, rates appear to have recalibrated and are starting to show signs of compression after several quarters of rate increases.
- After several quarters of inverted capitalization rate spread expectations (Terminal Capitalization Rate – Going-In Capitalization Rate), due to above market concessions, cost of capital and downtime risk, investors began responding in the first quarter of 2025 with a positive spread. This data indicates investors have begun to perceive risk related to time (market conditions) and forecasted income as greater than current market conditions.

The following chart provides an overview of the terminal capitalization rates from improved property sales that were considered in our analysis.

Comparable Terminal Capitalization Rates and Holding Periods						
Property Name	Date	Rentable Area	\$/SF	Occupancy %	Terminal Cap Rate	Holding Period (Years)
1 590 Madison Avenue	July 2025	1,050,000	\$1,100	87.0%	--	--
2 522 Fifth Avenue	May 2025	540,893	\$843	Owner-User	--	--
3 1345 Avenue of the Americas	May 2025	1,950,028	\$500	97.7%	5.75%	13 Years
4 285 Madison Avenue	April 2025	510,773	\$685	97.3%	7.25%	10 Years
5 500 Park Avenue	January 2025	201,411	\$663	100.0%	5.25%	16 Years
6 1211 Avenue of the Americas	January 2025	2,045,600	\$572	100.0%	--	--
7 320 Park Avenue	December 2024	765,717	\$901	96.9%	5.75%	14 Years
8 250 Park Avenue	August 2024	540,960	\$592	70.0%	5.50%	10 Years
Additional Comparable Transactions						
9 100 Park Avenue	December 2024	702,384	\$584	96.0%	5.50%	15 Years
10 799 Broadway	November 2024	177,191	\$1,439	71.3%	5.50%	13 Years
11 One Vanderbilt Avenue	November 2024	1,654,688	\$2,840	99.2%	4.75%	15 Years
12 10 East 53rd Street	March 2024	390,061	\$564	98.3%	6.00%	11 Years
13 20 Hudson Yards	November 2023	432,000	\$1,250	100.0%	5.00%	10 Years
14 245 Park Avenue	June 2023	1,779,367	\$1,124	84.9%	4.50%	10 Years
Range					4.50% - 7.25%	10 - 16 Years
Average From Sales					5.50%	
<i>Compiled by Newmark</i>						

The terminal capitalization rate considers several key factors for a property and traditionally fluctuate based on the following: location, the net operating income achieved during the terminal year of the cash flow and its relation to current market standards, the remaining contractual WALT extending beyond the selected holding period, the spread of the terminal capitalization rate as compared to the implied going-in capitalization rate, along with overall class of the subject property. The terminal capitalization rates noted on the chart above were extrapolated from an underwriting model provided by buyers and/or sellers at the time of sale, verbal verification through discussions with the parties involved or investment sales professionals that marketed each property or taken directly from prior appraisal reports completed from the properties at the time of the transaction. In order to determine the appropriate terminal capitalization rate, the following data points were analyzed by the data extracted from the improved property sales.

- The improved property sales exhibited terminal capitalization rates ranging from 4.50% to 7.25%, with an average of 5.52%. The terminal capitalization rate selection applied within this appraisal report is 5.50%, which is directly in-line with the comparable properties.
- Additional support for the selected terminal capitalization rate was supported by analyzing the spread between the going-in or implied capitalization rates to the terminal capitalization rates referenced by the comparable sales. The office building sales exhibited capitalization rates ranging 0.52% to 8.00%, with an average of 4.57% and an adjusted average of 5.74%. The average spread between the terminal capitalization rates compared to the overall capitalization rates exhibited by the improved property sales was 95 basis points and negative 22 basis points for the adjusted average. Since 2020, comparable sales and investor surveys pointed toward compressed or inverted spread when compared to terminal capitalization rates to account for above historic average

near-term cost of capital. However, as previously presented, investor sentiment particularly pertaining to investor surveys and market participant interviews, indicates that this relationship is trending towards historic market standards with positive spread expectations. The positive spread between going in capitalization rates and terminal capitalization rates that was observed by investors in the marketplace considered the risk related to time (market conditions).

- As previously discussed, the adjusted average capitalization rate considers adjustments for certain cash flow changes that would reflect a different capitalization rate than what has been reported at the time of sale. Based on this, the adjusted capitalization rates represent a more accurate spread between the Terminal Capitalization Rate that is being applied by investors in the marketplace. Based on the subjects income characteristics that directly compete with a majority of the selected sales on the previous chart, the spread between the overall (OAR) and terminal capitalization rate selected herein is 25 basis points, which is considered warranted given the mark-to-market upside of the in-place tenants.

DISCOUNTED CASH FLOW ANALYSIS –MARKET VALUE AS IS

The cash flow projection is on the following page, which utilizes a holding period of 12 years and reversion in the 13th year. The cash flow exhibits a value matrix along with a matrix of rates of return over the projection period. The Argus cash flow is presented on the following page which commences on June 30, 2025.

Based on the projected rollover and leasing costs planned in the terminal year, the reversionary net operating income has been adjusted. The net operating income was adjusted to exclude downtime and base rent abatements. Thereafter, the leasing costs in the terminal year were deducted from the reversionary value.

452 Fifth Avenue Market Value "As Is" As Of June 30, 2025															
Year Month End	Year 1 Jun-26	Year 2 Jun-27	Year 3 Jun-28	Year 4 Jun-29	Year 5 Jun-30	Year 6 Jun-31	Year 7 Jun-32	Year 8 Jun-33	Year 9 Jun-34	Year 10 Jun-35	Year 11 Jun-36	Year 12 Jun-37	Year 13 Jun-38	CAGR Over Hold	
Base Rental Revenue	\$71,591,906	\$73,913,434	\$78,722,232	\$83,729,173	\$84,047,251	\$84,881,835	\$88,389,983	\$89,526,137	\$91,471,706	\$92,736,368	\$95,928,284	\$101,736,917	\$104,068,649	3.17%	
Absorption & Turnover Vacancy	(\$10,239,483)	(\$1,128,585)	(\$6,000,984)	(\$882,624)	(\$148,999)	(\$660,873)	(\$820,891)	\$0	(\$1,031,658)	\$0	(\$4,664,092)	(\$2,196,310)	(\$3,381,162)		
Base Rent Abatements	(\$34,529,352)	(\$21,532,124)	(\$5,095,503)	(\$12,167,588)	(\$802,121)	(\$1,115,223)	(\$1,436,559)	(\$225,745)	\$0	(\$2,151,780)	(\$3,779,909)	(\$8,063,824)	(\$3,317,207)		
Scheduled Base Rent	\$26,823,072	\$51,252,725	\$67,625,744	\$70,678,961	\$83,096,132	\$83,105,738	\$86,132,533	\$89,300,392	\$90,440,049	\$90,584,589	\$87,484,283	\$91,476,783	\$97,370,280	11.34%	
Real Estate Tax Reimbursements	\$1,355,130	\$1,372,102	\$1,866,598	\$573,295	\$814,460	\$1,424,063	\$1,389,911	\$2,045,597	\$3,142,756	\$4,338,028	\$5,247,111	\$6,300,169	\$6,872,150		
Operating Expense Reimbursements	\$2,884,208	\$3,860,942	\$3,986,067	\$4,172,090	\$4,674,546	\$5,139,301	\$5,623,426	\$6,184,069	\$6,718,276	\$7,270,597	\$7,684,049	\$8,179,167	\$8,625,643		
Tenant Electric Income	\$1,314,138	\$1,686,517	\$1,714,297	\$1,844,443	\$1,911,113	\$1,947,154	\$2,017,481	\$2,090,786	\$2,139,994	\$2,218,114	\$2,220,950	\$2,325,745	\$2,376,200		
Total Reimbursable Revenue	\$5,553,476	\$6,919,562	\$7,566,961	\$6,589,828	\$7,400,119	\$8,510,518	\$9,030,818	\$10,320,452	\$12,001,026	\$13,826,740	\$15,152,111	\$16,805,081	\$17,873,993	10.23%	
Other Income	\$22,225	\$23,059	\$23,617	\$24,325	\$25,055	\$25,807	\$26,581	\$27,378	\$28,200	\$29,046	\$29,917	\$30,815	\$31,739		
Potential Gross Income	\$32,398,773	\$58,195,345	\$75,216,322	\$77,293,114	\$90,521,306	\$91,642,063	\$95,189,932	\$99,648,222	\$102,469,275	\$104,440,374	\$102,666,310	\$108,312,679	\$115,276,012	11.16%	
Less: Vacancy & Collection Loss	(\$213,541)	(\$235,122)	(\$273,398)	(\$331,468)	(\$1,230,108)	(\$785,657)	(\$650,093)	(\$1,547,487)	(\$592,143)	(\$1,630,327)	(\$514,432)	(\$532,118)	(\$586,056)		
Effective Gross Income	\$32,185,231	\$57,960,223	\$74,942,925	\$76,961,646	\$89,291,198	\$90,856,406	\$94,539,838	\$98,100,735	\$101,877,131	\$102,810,047	\$102,151,879	\$107,780,561	\$114,689,956	11.17%	
Per Square Foot	\$37.20	\$67.00	\$86.63	\$88.96	\$103.21	\$105.02	\$109.28	\$113.40	\$117.76	\$118.84	\$118.08	\$124.58	\$132.57		
Operating Expenses															
Real Estate Taxes	\$18,312,284	\$18,537,039	\$19,619,446	\$18,875,520	\$19,180,924	\$19,912,574	\$19,903,345	\$20,558,249	\$21,675,443	\$22,945,548	\$24,198,521	\$25,722,789	\$26,622,955		
Payroll and Related	\$5,775,000	\$5,948,250	\$6,126,698	\$6,310,498	\$6,499,813	\$6,694,808	\$6,895,652	\$7,102,522	\$7,315,597	\$7,535,065	\$7,761,117	\$7,993,951	\$8,233,769		
Utilities	\$3,000,000	\$3,090,000	\$3,182,700	\$3,278,181	\$3,376,526	\$3,477,822	\$3,582,157	\$3,689,622	\$3,800,310	\$3,914,320	\$4,031,749	\$4,152,702	\$4,277,283		
Repairs and Maintenance	\$2,500,000	\$2,575,000	\$2,652,250	\$2,731,818	\$2,813,772	\$2,898,185	\$2,985,131	\$3,074,685	\$3,166,925	\$3,261,933	\$3,359,791	\$3,460,585	\$3,564,402		
Cleaning	\$2,750,000	\$2,832,500	\$2,917,475	\$3,004,999	\$3,095,149	\$3,188,004	\$3,283,644	\$3,382,153	\$3,483,618	\$3,588,126	\$3,695,770	\$3,806,643	\$3,920,842		
Insurance	\$920,000	\$947,600	\$976,028	\$1,005,309	\$1,035,468	\$1,066,532	\$1,098,528	\$1,131,484	\$1,165,428	\$1,200,391	\$1,236,403	\$1,273,495	\$1,311,700		
General and Administrative	\$600,000	\$618,000	\$636,540	\$655,636	\$675,305	\$695,564	\$716,431	\$737,924	\$760,062	\$782,864	\$806,350	\$830,540	\$855,457		
Management Fee	\$565,000	\$581,950	\$599,409	\$617,391	\$635,912	\$654,990	\$674,640	\$694,879	\$715,725	\$737,197	\$759,313	\$782,092	\$805,555		
Total Operating Expenses	\$34,422,284	\$35,130,339	\$36,710,545	\$36,479,352	\$37,312,871	\$38,588,480	\$39,139,528	\$40,371,517	\$42,083,109	\$43,965,444	\$45,849,013	\$48,022,797	\$49,591,963	3.09%	
Per Square Foot	\$39.79	\$40.61	\$42.43	\$42.17	\$43.13	\$44.60	\$45.24	\$46.67	\$48.64	\$50.82	\$53.00	\$55.51	\$57.32		
% of Effective Gross Income	106.95%	60.61%	48.98%	47.40%	41.79%	42.47%	41.40%	41.15%	41.31%	42.76%	44.88%	44.56%	43.24%		
Net Operating Income	(\$2,237,053)	\$22,829,884	\$38,232,380	\$40,482,294	\$51,978,327	\$52,267,926	\$55,400,311	\$57,729,219	\$59,794,022	\$58,844,604	\$56,302,865	\$59,757,764	\$65,097,993	N/A	
Per Square Foot	(\$2.59)	\$26.39	\$44.19	\$46.79	\$60.08	\$60.42	\$64.04	\$66.73	\$69.12	\$68.02	\$65.08	\$69.07	\$75.25		
Leasing & Capital Costs															
Tenant Improvements	\$56,193,990	\$33,432,429	\$10,989,945	\$2,093,696	\$582,814	\$0	\$1,406,565	\$0	\$0	\$1,577,972	\$6,484,979	\$2,862,975	\$2,451,714		
Leasing Commissions	\$5,177,214	\$6,216,806	\$4,474,857	\$874,316	\$233,333	\$583,559	\$641,457	\$0	\$0	\$824,603	\$3,330,157	\$1,433,296	\$1,607,979		
Capital Reserves	\$432,724	\$445,537	\$458,903	\$472,671	\$486,851	\$501,456	\$516,500	\$531,995	\$547,955	\$564,393	\$581,325	\$598,765	\$616,728		
Marketing / Other	\$300,000	\$309,000	\$318,270	\$327,818	\$337,653	\$347,782	\$358,216	\$368,962	\$380,031	\$391,432	\$403,175	\$415,270	\$427,728		
One-Time & Local Law Expenses	\$1,357,945	\$0	\$0	\$0	\$0	\$289,819	\$298,513	\$307,468	\$316,693	\$326,193	\$335,979	\$346,058	\$356,440		
Capital Expenditure	\$23,900,385	\$18,489,675	\$4,450,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Leasing & Capital Costs	\$87,362,258	\$58,893,448	\$20,691,976	\$3,768,501	\$1,640,650	\$1,722,616	\$3,221,251	\$1,208,425	\$1,244,678	\$3,684,593	\$11,135,615	\$5,656,365	\$5,460,589		
Net Cash Flow	(\$89,599,311)	(\$36,063,564)	\$17,540,404	\$36,713,793	\$50,337,677	\$50,545,311	\$52,179,060	\$56,520,793	\$58,549,344	\$55,160,011	\$45,167,250	\$54,101,399	\$59,637,404	N/A	
Additional KPIs															
Annual Overall Capitalization Rate	-0.32%	3.26%	5.46%	5.78%	7.43%	7.47%	7.91%	8.25%	8.54%	8.41%	8.04%	8.54%	9.30%		
Cash on Cash Return	-12.80%	-5.15%	2.51%	5.24%	7.19%	7.22%	7.45%	8.07%	8.36%	7.88%	6.45%	7.73%	8.52%		
Year over Year Growth (NOI)		-1120.53%	67.47%	5.88%	28.40%	0.56%	5.99%	4.20%	3.58%	-1.59%	-4.32%	6.14%	8.94%		
Cash Flow Assumptions															
Valuation Scenario:	Market Value "As Is"														
Cash Flow Start Date:	7/1/2025														
Discount Rate:	7.00%														
Terminal Cap Rate:	5.50%														
Cost of Sale at Reversion	4.00%														
Investment Holding Period:	12.0 Years														
Analysis Projection Period:	13.0 Years														
Square Footage (NRA)	865,121														
Rounding Constant	\$5,000,000														
Indicated Market Value	\$700,000,000														
Valuation Matrix															
Terminal Cap	Internal Rate of Return														
		6.50%	6.75%	7.00%	7.25%	7.50%									
	5.00%	\$799,410	\$777,367	\$755,952	\$735,145	\$714,927									
	5.25%	\$769,533	\$748,319	\$727,708	\$707,681	\$688,220									
	5.50%	\$742,372	\$721,912	\$702,032	\$682,714	\$663,941									
	5.75%	\$717,573	\$697,801	\$678,588	\$659,918	\$641,773									
6.00%	\$694,841	\$675,699	\$657,099	\$639,022	\$621,452										
*Values are presented as \$000's															

Discounted Cash Flow Summary**General Cash Flow Assumptions**

Valuation Scenario:	Market Value "As Is"
Cash Flow Start Date:	7/1/2025
Investment Holding Period:	12.0 Years
Analysis Projection Period:	13.0 Years
Rounding Constant	\$5,000,000
Vacancy & Collection Loss*	4.71%

Indicated Market Value	\$700,000,000
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*See DCF Assumptions Table

Capital Expenditures

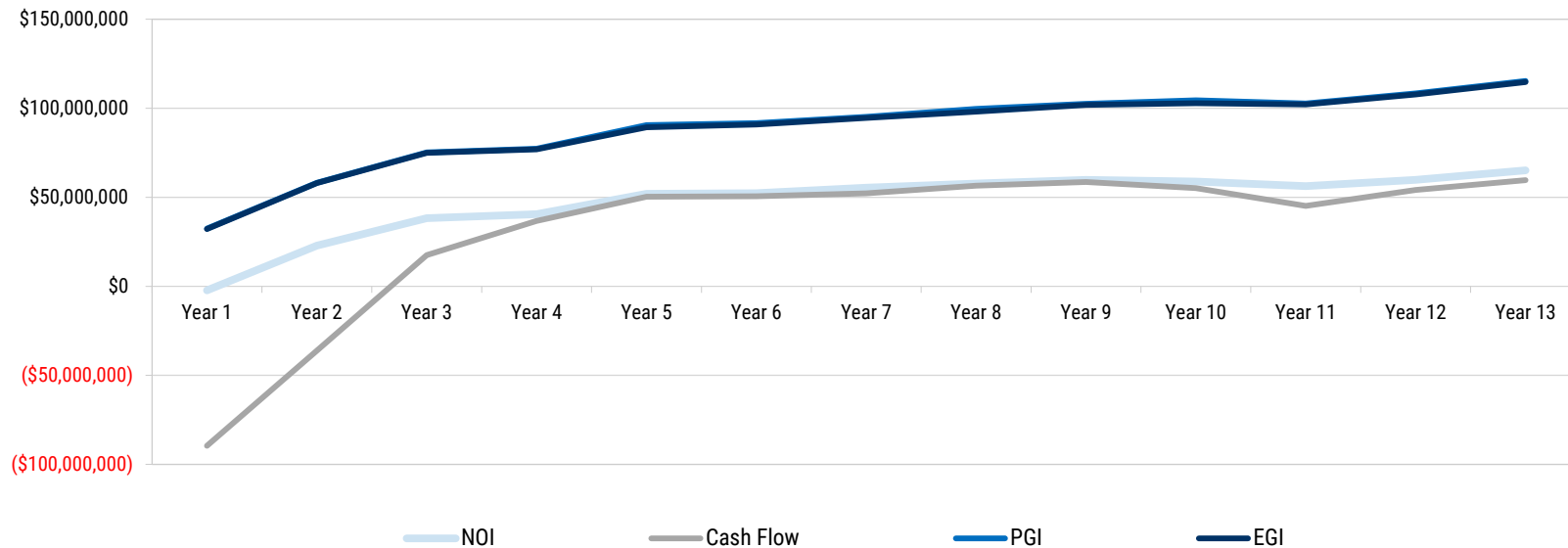
Replacement Reserves (\$/SF)		\$0.50
Near Term Capital Expenditures	Yr. 1	\$23,900,385
	Yr. 2	\$18,489,675
	Yr. 3	\$4,450,000
	Yr. 4	\$0
	Yr. 5	\$0

Growth Rates

	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Market Rent	3.00%	3.00%	3.00%	3.00%
Other Income	3.00%	3.00%	3.00%	3.00%
Expenses	3.00%	3.00%	3.00%	3.00%
Leasing Costs	3.00%	3.00%	3.00%	3.00%
Real Estate Taxes	1.23%	5.84%	-3.79%	1.62%

Rates of Return

	Low	Mid	High
Internal Rate of Return:	6.50%	7.00%	7.50%
Terminal Capitalization Rate:	5.00%	5.50%	6.00%
Reversionary Sales Cost:	4.00%	4.00%	4.00%

Annual Cash Flow

Compiled by Newmark

DCF Valuation Analysis								
Market Value "As Is" As Of June 30, 2025								
Year #	Year	Net Operating Income	Net Cash Flow	Discount Factor 7.00%	Discounted Cash Flows	Cash On Cash Return	Yield	Annual Overall Cap Rates
Year 1	Jun-2026	(\$2,237,053)	(\$89,599,311)	0.93458	(\$83,737,674)	-12.76%	-11.93%	-0.32%
Year 2	Jun-2027	\$22,829,884	(\$36,063,564)	0.87344	(\$31,499,314)	-5.14%	-4.49%	3.26%
Year 3	Jun-2028	\$38,232,380	\$17,540,404	0.81630	\$14,318,195	2.50%	2.04%	5.46%
Year 4	Jun-2029	\$40,482,294	\$36,713,793	0.76290	\$28,008,777	5.23%	3.99%	5.78%
Year 5	Jun-2030	\$51,978,327	\$50,337,677	0.71299	\$35,890,068	7.17%	5.11%	7.43%
Year 6	Jun-2031	\$52,267,926	\$50,545,311	0.66634	\$33,680,475	7.20%	4.80%	7.47%
Year 7	Jun-2032	\$55,400,311	\$52,179,060	0.62275	\$32,494,496	7.43%	4.63%	7.91%
Year 8	Jun-2033	\$57,729,219	\$56,520,793	0.58201	\$32,895,616	8.05%	4.69%	8.25%
Year 9	Jun-2034	\$59,794,022	\$58,549,344	0.54393	\$31,846,964	8.34%	4.54%	8.54%
Year 10	Jun-2035	\$58,844,604	\$55,160,011	0.50835	\$28,040,552	7.86%	3.99%	8.41%
Year 11	Jun-2036	\$56,302,865	\$45,167,250	0.47509	\$21,458,635	6.43%	3.06%	8.04%
Year 12	Jun-2037	\$59,757,764	\$54,101,399	0.44401	\$24,021,668	7.71%	3.42%	8.54%
Present Value of Cash Flows:					\$167,418,459		23.85%	6.56%
Reversion:		NOI:	Adjusted NOI:	Terminal Rate	Total	\$/SF		
Year 13	Jun-2038	\$65,097,993	\$69,573,816	5.50%	\$1,264,978,474	\$1,462.20		
Less: Absorption & Turnover Vacancy					(\$3,381,162)	(\$3.91)		
Less: Base Rent Abatements					(\$3,317,207)	(\$3.83)		
Less: Tenant Improvements					(\$2,451,714)	(\$2.83)		
Less: Leasing Commissions					(\$1,607,979)	(\$1.86)		
Adjusted Value:					\$1,254,220,412	\$1,449.76		
Less: Cost of Sale				4.00%	\$50,168,816	\$57.99		
Reversion Value					\$1,204,051,595	\$1,391.77		
Discount Factor					0.444012			
Present Value of Reversion:					\$534,613,308	\$617.96	76.15%	
Compound Aggregate Growth Rates								
Reversion					5.50%			
Cash Flow					N/A			
Total Present Value					\$702,031,767	\$811.48	100.00%	
Rounded					\$700,000,000	\$809.14	100.00%	

Compiled by Newmark

INCOME CAPITALIZATION APPROACH CONCLUSION

Income Capitalization Approach - Indicated Value	
Market Value Premise	Retrospective As Is
As of Date:	June 30, 2025
Direct Capitalization	\$670,000,000
Discounted Cash Flow	\$700,000,000
Reconciled Value	\$700,000,000
Value per Square Foot	\$809.14

Compiled by Newmark

The concluded value by the Income Capitalization Approach is focused on the discounted cash flow analysis as this tracks best with investor actions for a property like the subject. The final value conclusion by this approach is more heavily weighted to the discounted cash flow analysis, because the direct capitalization approach does not adequately capture market condition adjustments made to account for the lease-up of the vacant office space over the initial years of the investment holding period.

RECONCILIATION OF VALUE

The values indicated by our analyses are as follows:

Market Value Indications	
Market Value Premise	Retrospective As Is
As of Date:	June 30, 2025
Cost Approach:	Not Used
Sales Comparison Approach:	\$685,000,000
Income Capitalization Approach:	\$700,000,000
Market Value Conclusion	\$700,000,000

Compiled by Newmark

COST APPROACH

The Cost Approach has best applicability for properties with new or nearly new improvements. It is a summation approach in that the underlying land value is added to the depreciated replacement cost for the indicated value. In this case, the cost approach was not utilized due to the age of the improvements which results in significant depreciation thereby reducing the reliability of this approach.

SALES COMPARISON APPROACH

The Sales Comparison Approach is focused on comparing the subject to sale and other market transactions with the aim to develop an indication of value that is founded on the theory of substitution. Basically, the intention is to determine value through considering the prices of properties which would be a substitute property to the subject. In this case, a selection of reasonably similar sales were obtained and the adjustment process was well founded by reasoning and direct evidence. Although this analysis is considered to be well founded and reliable, the subject property is an income producing property and the sales comparison approach, like the cost approach, is limited in its ability to directly consider the income levels of the subject and the sales. Accordingly, secondary weight is given to the sales comparison approach.

INCOME CAPITALIZATION APPROACH

The subject property is a multi-tenant office property. It is distinctly an income producing property and this approach is specifically designed to address the value of such a property. Both direct capitalization and discounted cash flow analyses were developed. Market rent was well established by reasonably similar lease data. The property has a stable history and both income and expense estimates track with historical trends. Capitalization rates were developed from a number of sources including the sales used in the sales comparison approach. Discount and terminal capitalization rates were developed from investor surveys and market participant

data. In total, the income capitalization approach is considered to be most applicable to the subject and most reliable. This approach is given greatest weight for that reason.

VALUE CONCLUSION

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Retrospective Market Value "As Is"	Leased Fee	6/30/2025	\$700,000,000

Compiled by Newmark

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

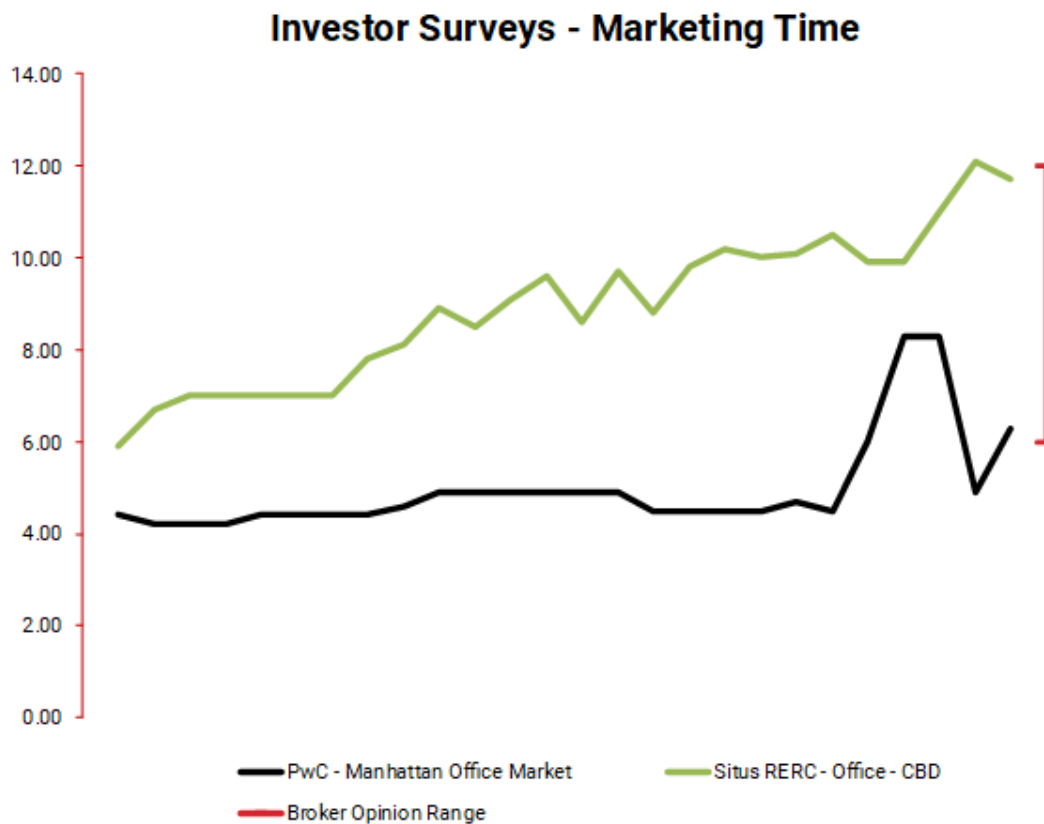
Compiled by Newmark

MARKETING TIME

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. Due to the rising cost of debt, it is likely owners hold on to properties longer until borrowing rates become more favorable. Recent sales transaction data for similar properties indicate that timing is more accelerated than the opinion quoted herein; however, supply and demand characteristics for the local Class A office buildings market are still reacting to current economic conditions based on the opinions of local market participants that were interviewed.

Investor Surveys - Marketing Time				
Source	Period	Low	High	Average
PwC - Manhattan Office Market	Q1 2025	3.0 Mos.	12.0 Mos.	6.3 Mos.
Situs RERC - Office - CBD	Q1 2025	-	-	11.7 Mos.
Newmark V&A Market Survey - Class A	Q1 2025	-	-	-
Newmark V&A Market Survey - Class B	Q1 2025	-	-	-
Broker Opinions		6.0 Mos.	12.0 Mos.	

Compiled by Newmark



Traditionally, marketing time in the Manhattan marketplace ranges from 6 to 9 months. However, in light of recent events and the continued high cost of debt, we have adjusted the marketing period to a range of 6 to 12 months. Based on discussions with market participants, a global adjustment to marketing materials and investor outlook for assets throughout New York City is extended marketing periods as real estate markets and equity market aim for a correction by year end 2025, whereby several market participants are anticipating interest rate relief.

EXPOSURE TIME

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our discussions with market participants, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 6 to 12 months.

ASSUMPTIONS AND LIMITING CONDITIONS

The Appraisal contained in this Report (herein "Report") is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein "Property") is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.
4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.

5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.
11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other

advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.

12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.

ADDENDUM A

GLOSSARY OF TERMS

The following definitions are derived from The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

- ◆ **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ◆ **Absorption Rate:** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ◆ **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (International Association of Assessing Officers [IAAO])
- ◆ **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- ◆ **Cash Equivalency:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.
- ◆ **Contract Rent:** The actual rental income specified in a lease.
- ◆ **Disposition Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.

- ◆ **Excess Land:** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also **surplus land**.
- ◆ **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.
- ◆ **Exposure Time:** 1) The time a property remains on the market. 2) [The] estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.
- ◆ **Extraordinary Assumption:** An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. See also **hypothetical condition**.
- ◆ **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- ◆ **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- ◆ **Frictional Vacancy:** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- ◆ **Full Service Lease:** See **gross lease**.
- ◆ **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- ◆ **Going-Concern Premise:** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).
- ◆ **Going Concern Value:** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold

in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business.

- ◆ **Gross Building Area (GBA):** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.
- ◆ **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- ◆ **Hypothetical Condition:** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. See also **extraordinary assumption**.
- ◆ **Intended Users:** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment. (USPAP, 2016-2017 ed.)
- ◆ **Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (International Valuation Standards [IVS])
- ◆ **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties.
- ◆ **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- ◆ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

- ◆ **Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- ◆ **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- ◆ **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- ◆ **Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Market Rent:** The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).
- ◆ **Market Value:** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following. 1) The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. 2) Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of

such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. ⁴

- ◆ **Market Value of the Going Concern:** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.
- ◆ **Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.
- ◆ **Modified Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.
- ◆ **Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also *gross lease; modified gross lease*.
- ◆ **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called NNN lease, triple net lease, or fully net lease.
- ◆ **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied.
2) The ratio of occupied space to total rentable space in a building.
- ◆ **Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- ◆ **Percentage Rent:** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.

⁴ The actual definition of value used for this appraisal is contained within the body of the report. The definition of market value given above is general in viewpoint and is only provided for amplification.

- ◆ **Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.
- ◆ **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
- ◆ **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- ◆ **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- ◆ **Surplus Land:** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also **excess land**.
- ◆ **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.
- ◆ **Usable Area:** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor

area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.

- ◆ **Use Value:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually. See also **value in use**.
- ◆ **Value In Use:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. See also **use value**.
- ◆ **Value Indication:** A valuer's conclusion of value resulting from the application of an approach to value, e.g., the value indication by the sales comparison approach.

ADDENDUM B

TENER CONSULTING SERVICES TAX ANALYSIS

452 Fifth Avenue

ADDENDUM C

COMPARABLE SALES DATA SHEETS

Comparable Office Improved Sale 1



Transaction			
Address	590 Madison Avenue	Transaction Date	Jul-25
Submarket, City	Plaza District, Midtown	Price	\$1,155,000,000
State	NY	Price Per SF	\$1,100.00
Tax ID		Conditions of Sale	
Buyer	RXR	Financing	
Seller	590 Madison Avenue, LLC (OSTRS)	Interest Conveyed	Leased Fee
Transaction Type	Closed Sale	Days on Market	

Land		
Acres	0.9	Topography
Land Area	39,162 SF	Zoning
Road Frontage		Flood Zone
Shape		Encumbrance or Easement
Utilities		Environmental Issues

Improvements & Financial Data			
Occupancy	87.00%	NOI	\$66,990,000.00
Rentable Area (SF)	1,050,000 SF	In-Place Capitalization Rate	5.80%
GBA	1,050,000 SF	Adjusted Capitalization Rate	--
Year Built	1982 / 2006	Terminal Capitalization Rate	--
Stories	43	Discount Rate	--
Investment Grade	Class A	Holding Period	--

Comments

This is the pending contract of sale of a 49-story Class A office building located along the entire western blockfront of Madison Avenue, between West 56th and West 57th Streets within the Plaza District office submarket of Midtown. The property is reportedly under contract of sale for approximately \$1.155 billion.

Comparable Office Improved Sale 2



Transaction			
Address	522 Fifth Avenue	Transaction Date	May-25
Submarket, City	Grand Central, Midtown	Price	\$456,000,000
State	NY	Price Per SF	\$843.05
Tax ID		Conditions of Sale	
Buyer	Amazon.COM Services LLC c/o Amazon.COM, INC.	Financing	
Seller	522 Fifth Office LLC c/o RFR Realty	Interest Conveyed	Fee Simple
Transaction Type	Closed Sale	Days on Market	

Land			
Acres	0.6	Topography	
Land Area	27,025 SF	Zoning	
Road Frontage		Flood Zone	
Shape		Encumbrance or Easement	
Utilities		Environmental Issues	

Improvements & Financial Data			
Occupancy	Owner-User	NOI	#VALUE!
Rentable Area (SF)	540,893 SF	In-Place Capitalization Rate	--
GBA	540,893 SF	Adjusted Capitalization Rate	--
Year Built	1919/1995/2023	Terminal Capitalization Rate	--
Stories	23	Discount Rate	--
Investment Grade	Class A	Holding Period	--

Comments
This is the sale of a Class A, LEED Gold Certified, Class A office building with multi-level retail space located on the southwest corner of Fifth Avenue and West 44th Street within the Grand Central office submarket of Midtown. Historically, the office component of the property had been owner-occupied by Morgan Stanley, which structured a sale-leaseback of the property in August 2020 with the previous owner, RFR Holding Corporation, for a total purchase price of \$350.0 million. Morgan Stanley exercised a termination option in 2024 and subsequently vacated the property. According to our knowledge of the asset and discussions with the buyer and seller, the property has historically been well maintained, as Morgan Stanley maintained and upgraded the property since the most recent renovation in 1995. The seller intended to reposition the asset into an excellent quality, Class A office building before the property sold to Amazon for owner-user occupancy. Amazon intends to occupy the entire buildings as part of their Bryant Park office campus.

Comparable Office Improved Sale 3



Transaction			
Address	1345 Avenue of the Americas	Transaction Date	May-25
Submarket, City	Sixth Avenue / Rockefeller Center	Price	\$975,000,000
State	NY	Price Per SF	\$499.99
Tax ID		Conditions of Sale	
Buyer	JP Morgan Chase	Financing	
Seller	Blackstone	Interest Conveyed	Leased Fee
Transaction Type	Closed Sale	Days on Market	

Land		
Acres	2.1	Topography
Land Area	90,375 SF	Zoning
Road Frontage		Flood Zone
Shape		Encumbrance or Easement
Utilities		Environmental Issues

Improvements & Financial Data			
Occupancy	97.70%	NOI	\$5,065,125.00
Rentable Area (SF)	1,950,028 SF	In-Place Capitalization Rate	0.52%
GBA	1,950,028 SF	Adjusted Capitalization Rate	6.18%
Year Built	1969 / 2021	Terminal Capitalization Rate	5.75%
Stories	50	Discount Rate	7.25%
Investment Grade	Class A	Holding Period	13 Years

Comments
This is the sale of a 49.51% non-controlling minority interest within a LEED Silver Certified 50-story Class A office building located along the entire western blockfront of Avenue of the Americas between West 54th and West 55th Streets within the Sixth Avenue / Rockefeller Center office submarket of Midtown. Historically, the property was anchored by Alliance Bernstein, which leased approximately 950,000 square feet which relocated to Hudson Yards in 2024. The tenant provided ample notice to the owner of their intention to relocate allowing the owner to complete an approximately \$120.0 million renovation while collecting contractual revenue from the tenant in 2021. The renovation included a fully re-imagined Outdoor Plaza and Fisher Park, a lobby repositioning, elevator upgrades and modernizations, base building work and the creation of a 20,000 square foot amenity center designed by David Rockwell that includes a conference center, fitness facility, wellness & massage rooms, and a tenant lounge with a cafe. Prior to expiration of Alliance Bernstein in December 2023, the owner pre-leased approximately 885,000 square feet to Paul Weiss for 22-years throughout the building at an initial blended contract of \$92.50 per square foot. Subsequent to this anchor lease, the owner signed several leases bringing the occupancy to 97.70% at the time the property entered into contract of sale. In addition to the office space, the property had approximately 25,000 square feet of retail space, 64,000 square feet of lower-level amenity and storage space, a 4-level below grade parking garage totaling 341 legal spaces that is partially leased to Hertz and partially owner-operated by Fisher Brothers. Additionally, the property features a separate 3-story building historically known as the Ziegfeld Theater totaling 21,715 square feet that is leased long-term to Core Ziegfeld as an event hall. Based on the net operating income in-place at the time of sale, the property was purchased (utilizing the grossed up purchase price of \$1,400,000,000 based on an overall capitalization rate of 0.52%, which was largely impacted by the free rent associated with recent leases in the property. The capitalization rate is anticipated to increase to 6.18% in year five of the investment holding period.

Comparable Office Improved Sale 4



Transaction			
Address	285 Madison Avenue	Transaction Date	Apr-25
Submarket, City	Grand Central, Midtown	Price	\$350,000,000
State	NY	Price Per SF	\$685.24
Tax ID		Conditions of Sale	
Buyer	Ocean West Capital Partners c/o Daol Asset Management	Financing	
Seller	285 Madison Mezzanine LLC c/o RFR Holding Corp.	Interest Conveyed	Leased Fee
Transaction Type	Closed Sale	Days on Market	

Land		
Acres	0.5	Topography
Land Area	21,887 SF	Zoning
Road Frontage		Flood Zone
Shape		Encumbrance or Easement
Utilities		Environmental Issues

Improvements & Financial Data			
Occupancy	97.30%	NOI	\$25,262,832.58
Rentable Area (SF)	510,773 SF	In-Place Capitalization Rate	7.22%
GBA	510,773 SF	Adjusted Capitalization Rate	5.50%
Year Built	1926 / 2013	Terminal Capitalization Rate	7.25%
Stories	25	Discount Rate	9.00%
Investment Grade	Class A	Holding Period	10 Years

Comments

This is the foreclosure of a LEED Gold certified, 25-story plus lower level, Class A office building located on the northeast corner of East 40th Street and Madison Avenue in the Grand Central office submarket of Midtown, Manhattan. The building was constructed in 1926 and was most recently renovated in 2016. The renovations totaled \$77.0 million, and the scope of work included a complete renovation of the office lobby, modernization of the interior elevators, exterior sidewalks, the addition of a usable rooftop amenity terrace, and the modernization of all major building systems including HVAC, electrical distribution and an emergency generator. The lobby was re-positioned and expanded with an amenity center in the rear of the office lobby, new retail storefronts were installed throughout the base of the building and second-floor windows were replaced with expansive glass windows that align with the ground floor. The property comprises 510,773 square feet of net rentable area. The office component is approximately 97% leased to a mix of good to excellent quality credit tenants totaling 465,063 square feet of occupied space. The property is anchored by an investment grade credit tenant, PVH Corporation (Tommy Hilfiger), which leases 43% of the existing net rentable area. The retail space within the property is leased to four tenants: B&B Restaurant Group (Benjamin's Steakhouse; 9,604 square feet), Banco Popular (3,533 square feet), Panera (2,984 square feet), and Naya (2,290 square feet).

Comparable Office Improved Sale 5



Transaction			
Address	500 Park Avenue	Transaction Date	Jan-25
Submarket, City	Park Avenue, Midtown	Price	\$133,500,000
State	NY	Price Per SF	\$662.82
Tax ID		Conditions of Sale	
Buyer	500 Park Commercial Owner LLC c/o SL Green Realty Corp.	Financing	
Seller	PPF OFF 500 Park Avenue, LLC c/o Morgan Stanley	Interest Conveyed	Leased Fee
Transaction Type	Closed Sale	Days on Market	

Land			
Acres	0.6	Topography	
Land Area	25,000 SF	Zoning	
Road Frontage		Flood Zone	
Shape		Encumbrance or Easement	
Utilities		Environmental Issues	

Improvements & Financial Data			
Occupancy	100.00%	NOI	\$5,800,000.00
Rentable Area (SF)	201,411 SF	In-Place Capitalization Rate	4.34%
GBA	201,411 SF	Adjusted Capitalization Rate	6.74%
Year Built	1960/2016	Terminal Capitalization Rate	5.25%
Stories	11	Discount Rate	6.50%
Investment Grade	Class A	Holding Period	16 Years

Comments
This is the sale of an 11-story, plus lower level, Class A, landmarked office condominium building with ground floor retail space located at 500 Park Avenue, within the Park Avenue office submarket of Midtown. The improvements are situated at the southwest corner of East 59th Street, and a portion of the improvements are located within the residential condominium building at 500 Park Avenue. The improvements were recently constructed in 1960 and most recently renovated in 2016. The purchaser intends to renovate the property by spending \$18,751,094 to reposition the office lobby and interior space with amenities for existing and prospective tenants. The property comprises 201,411 square feet of net rentable area and was 100.00% leased to 2 retail and 10 office tenants at the time of sale. The office tenants at the time of sale accounted for 93.0% of the year one in-place base rental revenue and exhibited contract rents ranging from \$72.83 to \$123.00 per square foot, with an average of \$90.04 per square foot. The weighted average remaining lease term for the entire property was 72 months. Based on the net operating income in-place at the time of sale, the property was purchased based on an overall capitalization rate of 4.34%, which is anticipated to increase to 6.74% in year four of the investment holding period.

Comparable Office Improved Sale 6



Transaction			
Address	1211 Avenue of the Americas	Transaction Date	Jan-25
Submarket, City	Sixth Avenue / Rockefeller Center	Price	\$1,170,000,000
State	NY	Price Per SF	\$571.96
Tax ID		Conditions of Sale	
Buyer	1211 6th Avenue Syndication Partners JV, L.P. c/o Ivanhoe	Financing	
Seller	RXR Realty	Interest Conveyed	Leased Fee
Transaction Type	Closed Sale	Days on Market	

Land		
Acres	1.9	Topography
Land Area	84,855 SF	Zoning
Road Frontage		Flood Zone
Shape		Encumbrance or Easement
Utilities		Environmental Issues

Improvements & Financial Data			
Occupancy	100.00%	NOI	\$93,600,000.00
Rentable Area (SF)	2,045,600 SF	In-Place Capitalization Rate	8.00%
GBA	2,045,600 SF	Adjusted Capitalization Rate	7.00%
Year Built	1973	Terminal Capitalization Rate	--
Stories	45	Discount Rate	--
Investment Grade	Class A	Holding Period	--

Comments
This is the sale of a 49% minority interest in a 45-story, Class A office building located along the entire western blockfront of Sixth Avenue between West 47th and West 48th Streets within the Sixth Avenue / Rockefeller Center office submarket of Midtown. At the time of sale, the property was 100% leased to 2 retail and 12 office tenants. The building was anchored by two tenants: News Corp (aka Fox News) (1,200,000 SF or 60% of the NRA) and Ropes & Gray (300,000 SF or 15% of the NRA). In January 2023, Fox News signed a 20-year extension for a portion of the ground, entire 2nd through 22nd and 28th through 31st floors at a blended rent of \$85.00 per square foot, increasing by 10.0% every 5-years of the tenants lease term. Ropes & Gray recently signed a lease at 1285 Avenue of the Americas and plans to vacate the property at the end of their existing lease in 2027. The owner informed us that they intend to vacate the remaining tenants in order to commence an approximately \$300 million renovation, excluding leasing costs, including a renovated lobby, plaza revitalization, the creation of an amenity center featuring conference rooms, a wellness center and other base building upgrades. The purchase price was based on an overall year one capitalization rate 8.00%, which was largely impacted by the near-term vacancy of approximately 600,000 square feet through 2028.

Comparable Office Improved Sale 7



Transaction			
Address	320 Park Avenue	Transaction Date	Dec-24
Submarket, City	Park Avenue, Midtown	Price	\$690,000,000
State	NY	Price Per SF	\$901.12
Tax ID		Conditions of Sale	
Buyer	Munich Reinsurance America, Inc	Financing	
Seller	Mutual Life of America	Interest Conveyed	Leased Fee
Transaction Type	Closed Sale	Days on Market	

Land		
Acres	0.7	Topography
Land Area	30,625 SF	Zoning
Road Frontage		Flood Zone
Shape		Encumbrance or Easement
Utilities		Environmental Issues

Improvements & Financial Data			
Occupancy	96.90%	NOI	\$20,000,000.00
Rentable Area (SF)	765,717 SF	In-Place Capitalization Rate	2.90%
GBA	765,717 SF	Adjusted Capitalization Rate	5.35%
Year Built	1994 / 2021	Terminal Capitalization Rate	5.75%
Stories	35	Discount Rate	6.75%
Investment Grade	Class A	Holding Period	14 Years

Comments
This is the sale of a 25% minority interest of a 35-story, Class A office building located on the west side of Park Avenue between West 50th and West 51st Streets within the Park Avenue office submarket of Midtown. At the time of sale, the property was 96.9% leased to 5 retail and 18 office tenants. The seller, Mutual of America, structured a sale leaseback agreement to occupy 247,385 square feet or 32.29% of the rentable area at a base contract rent of \$70.00 per square foot for a period of 20-years. However, the seller continues to release their space to 3rd party tenants due to the demand for space along Park Avenue. Raymond James is the second largest tenant and leases 172,137 square feet or 21.23% of the net rentable area. The property recently completed a \$35.0 million renovation to reposition the existing lobby with a new entrance along Park Avenue and amenity offerings that will include a barista, grab and go food options, and access to the lower level building fitness center. Moreover, the renovations included the construction of an amenity center on the 16th floor with a wraparound outdoor terrace that can be utilized by all tenants. The purchase price was based on an overall year one capitalization rate 2.90%, which is anticipated to increase to 5.35% by year two of the investment holding period.

Comparable Office Improved Sale 8



Transaction			
Address	250 Park Avenue	Transaction Date	Aug-24
Submarket, City	Grand Central, Midtown	Price	\$320,152,500
State	NY	Price Per SF	\$591.82
Tax ID		Conditions of Sale	
Buyer	J.P. Morgan Chase / Hines	Financing	
Seller	250 Park Avenue LLC c/o AEW Capital Management	Interest Conveyed	Leased Fee
Transaction Type	Closed Sale	Days on Market	

Land		
Acres	0.6	Topography
Land Area	24,970 SF	Zoning
Road Frontage		Flood Zone
Shape		Encumbrance or Easement
Utilities		Environmental Issues

Improvements & Financial Data			
Occupancy	70.00%	NOI	\$12,261,840.75
Rentable Area (SF)	540,960 SF	In-Place Capitalization Rate	3.83%
GBA	540,960 SF	Adjusted Capitalization Rate	5.70%
Year Built	1924 / 2019	Terminal Capitalization Rate	5.50%
Stories	21	Discount Rate	7.25%
Investment Grade	Class A	Holding Period	10 Years

Comments
This is the sale of a 21-story, Class A office building with ground floor retail space located along the entire western blockfront of Park Avenue, between East 46th and East 47th Streets within the Grand Central office submarket of Midtown. At the time of sale, the property was 70% leased with a weighted average remaining lease term of 6.0 years. There is 160,075 square feet of vacant office and retail space available for lease at the time of sale. The property is located within the Grand Central Transit Improvement Subarea of the Greater Midtown East Rezoning District, which allows the pending buyer to potentially increase the maximum zoning floor area of the site from 374,538 square feet to 1,498,170 square feet. The buyer has not released plans for the site. According to our conversations with after market participants and previous bidders, there was significant interest from prospective buyers to retain the existing improvements and utilize the building for continued use at the current price. Based on the net operating income achieved at the time of sale, the property was purchased based on a going-in capitalization rate of 4.09%, which will increase to 6.08% upon stabilization.

ADDENDUM D

RENOVATION BUDGET

	Net 2025 Cost	2026 Cost	2027 Cost	Total Remaining Project Cost
TOTAL	\$ 23,900,385	\$ 18,489,675	\$ 4,450,000	\$ 46,840,060
Local Law 11	\$ 1,357,945	\$ -	\$ -	\$ 1,357,945

ADDENDUM E

APPRAISER QUALIFICATIONS AND LICENSE



Douglas H. Larson

MRICS

*Executive Vice President
Specialty Practice Leader – Office*

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YEARS OF EXPERIENCE

25+

AREAS OF SPECIALTY

Office
Life Science
Industrial
Multifamily
Complex Mixed-Use Assets
Property Tax Appeals
Arbitration Witness

Douglas Larson MRICS, joined Newmark Valuation & Advisory in 2017 and currently serves as an Executive Vice President in the company's New York headquarters. Douglas brings to his position over two decades of financial advisement, underwriting, asset management and valuation expertise. He has appraised several major urban office and retail properties on behalf of clients within the financial, investment banking, private wealth, and insurance industries. Douglas has successfully completed appraisals and consulting assignments for mortgage loan purposes, arbitrations, allocations, estates, and the acquisition, disposition and marketing of real estate.

Douglas is also the national Practice Leader for the Valuation & Advisory's Office Specialty Practice. He oversees a team of experts whose innovative, consulting-driven approach provides best-in-class valuation and consulting services for all properties belonging to the office asset class.

Prior to joining Newmark, Douglas served for 24 years as an Executive Director with Cushman & Wakefield's Valuation & Advisory group in New York where he managed the New York office building valuation team that provided valuation, underwriting and due diligence expertise to support the financing of major office and retail construction projects throughout the city. Clients included private equity firms, hedge funds, banks and other institutional investors. He also provided a number of consulting services, including preparation of appraisals; customized financial analyses; advising acquisition and disposition strategies; preparing market and location studies; and analyzing capital structures to identify short and long-term risks.

Douglas has performed valuation and analysis on a wide variety of property types, including Class A office buildings, high-street retail development projects, shopping centers, apartment buildings, manufacturing plants, warehouses and mixed-use projects. He has extensive experience with New York City office buildings and urban mixed-use properties. He has recently appraised over 500 major office buildings in Manhattan.

Licenses and Designations

- Associate Member, Appraisal Institute Metropolitan New York Chapter
- Member, Royal Institution of Chartered Surveyors (MRICS)
- Certified general real estate appraiser, State of New York #46-39300

Education

Douglas earned a Bachelor of Science degree from Arizona State University in business administration and economics.

UNIQUE ID NUMBER
46000039300

State of New York
Department of State
DIVISION OF LICENSING SERVICES

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PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE
EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.

EFFECTIVE DATE

MO.	DAY	YR.
06	05	24

LARSON DOUGLAS H
C/O NEWMARK KNIGHT FRANK
125 PARK AVE
NEW YORK, NY 10017

EXPIRATION DATE

MO.	DAY	YR.
06	04	26

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A
R. E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused
its official seal to be hereunto affixed.

BRENDAN C. HUGHES
ACTING SECRETARY OF STATE



Charles R. Looney

Vice President

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m (1) 352-208-7372

charles.looney@nmrk.com

YEARS OF EXPERIENCE

10

AREAS OF SPECIALTY

Office

Complex Mixed-Use Assets

Retail Malls

Feasibility Studies

Financial Modeling

Due Diligence

Rent Arbitration

Charles R. Looney joined Newmark Valuation & Advisory in 2017 and currently serves as a vice president. Based in the company's New York headquarters, Charles specializes in the valuation of various property types throughout Manhattan and New York City.

Prior to joining Newmark, Charles spent more than three years as an associate appraiser at Cushman & Wakefield, where he contributed to the valuation of property types that included trophy office buildings, retail condominiums, retail centers, vacant land, transferable development rights, historic and preservation easements, and existing and proposed investment properties located throughout New York City.

Since joining Newmark, Charles has been involved in the valuations of the most iconic and marquis deals transacted in New York City. Year in and year out he's performed appraisals of many of the top ten largest loans recorded annually accounting for over \$2.0 trillion in commitments since 2018.

Professional Affiliations

– Practicing Affiliate, Appraisal Institute Metropolitan New York Chapter

Education

Charles holds a Bachelor of Science degree from the Marist College School of Science.