



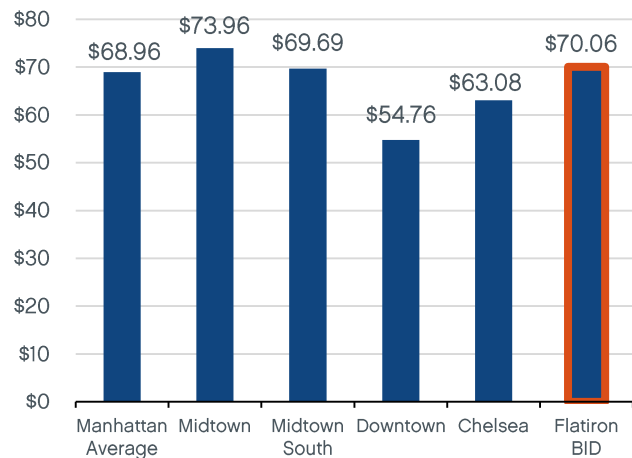
Flatiron: Where Then Meets Now

Flatiron District Market Snapshot/Q4 2017

MARKET OVERVIEW

Within the boundaries of the Flatiron BID, there are over 200 commercial office buildings with a rentable building area of approximately 21.6 million square feet. The Flatiron BID continues to have historically low vacancy rates. In Q4 2017, the Class A & B vacancy rate within the boundaries of the Flatiron BID, as reported in CoStar, was 4.1%. This is a slight increase from the 4.0% vacancy rate reported in Q3 2017. The Q4 2017 vacancy rate is down from the Flatiron District's 5-year average vacancy rate of 6.3%. The graph to the right illustrates vacancy rates in the Flatiron District compared to Manhattan and other districts.

During Q4 2017, asking rents for Class A & B spaces averaged \$70.06/SF, a slight decrease from \$70.35/SF in Q3 2017 and from \$70.13/SF one year ago in Q4 2016. Average asking rents in the Flatiron District in Q4 2017 are up from the Flatiron District's 5-year average of \$69.15/SF and also higher than the Class A & B Manhattan-wide average of \$68.96/SF. The comparative graph is below.

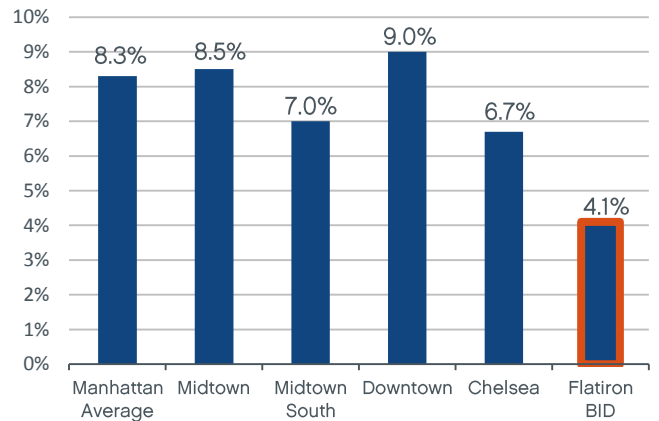


Source: CoStar

Demand for office space remained high in the fourth quarter (Q4) of 2017 as new coworking spaces and tenants from the technology, advertising, media, and information (TAMI) sectors continued to seek out new locations in the Flatiron District. The Flatiron District continues to have one of the lowest Class A & B vacancy rates in New York City.

COMMERCIAL OFFICE MARKET

Q4 Commercial Vacancy Rates - Class A&B



Source: CoStar

Flatiron Remains Popular Coworking Neighborhood

With 35 coworking spaces in and around the boundaries of the BID, the Flatiron District continues to be one of the most popular neighborhoods for coworking in New York City. Startup office provider Knotel made headlines in Q4 2017 as the company opened two new coworking spaces in the Flatiron District. Knotel's new spaces at 373 Park Avenue South and 55 West 21st Street account for a combined 42,464 square feet, making Knotel the largest new tenant to move to the Flatiron District in 2017. Coworking giants The Yard and WeWork also increased their footprint in the Flatiron District in Q4 2017. The Yard leased an additional 3,000 square feet at its Flatiron North location at 246 Fifth Avenue and WeWork leased an additional 7,000 square feet at its NoMad location at 79 Madison Avenue.

Gemini Trust Company
 315 Park Avenue South
 11 years, 34,000 SF
 New

Trustpilot
 245 Fifth Avenue
 7 years, 5,385 SF
 New

4K Media
 49-53 West 23rd Street
 10 years, 22,053 SF
 New

Artisan Partners
 220 Fifth Avenue
 10 years, 9,000 SF
 New

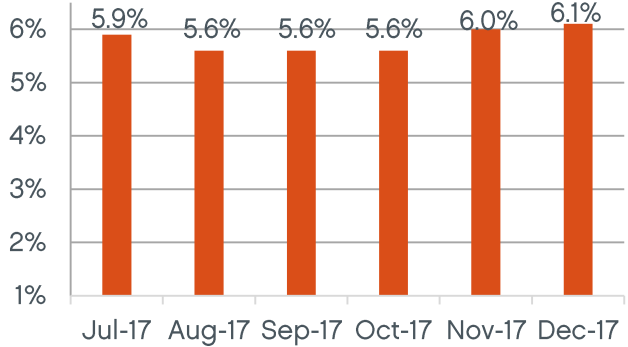


Inventory of available retail spaces in the district, which are tracked and published monthly by the BID, remained low in Q4 2017. There was a slight increase in available retail spaces from Q3 2017 as several listings along 23rd Street, including 49 West 23rd, 12 West 23rd, and 110 East 23rd, are on the market and looking for new ground-floor retail tenants. The graphs below show changes to the retail availability rate over the past six months.

Flatiron District Grows as Hub for Home Design

As documented in previous quarterly reports, the Flatiron District has long been a hub for home design and furniture retailers. The Flatiron District strengthened this reputation in Q4 2017 as fabrics designer Togas House of Textiles opened its first New York City retail location at 212 Fifth Avenue and Minneapolis-based furniture retailer Blu Dot opened their largest US showroom at 79 Madison Avenue. The number of home design stores in the Flatiron District will continue to grow in 2018 as Italian jeweler and mosaic tile manufacturer SICIS is slated to open a new showroom at 240 Fifth Avenue.

Flatiron District Marketed Available Retail Space Q3-Q4 2017

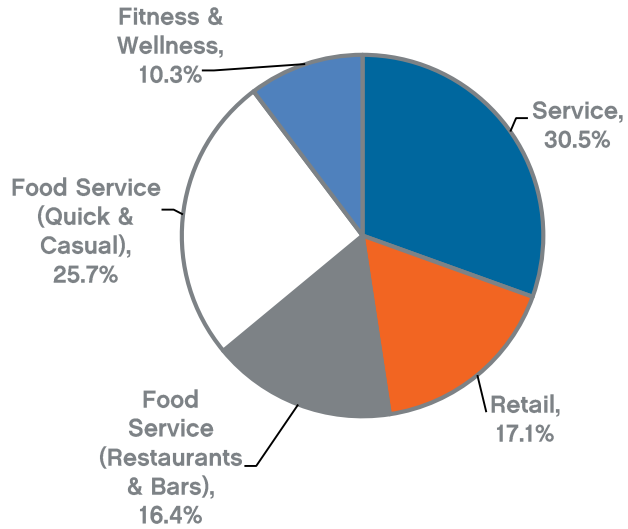


Source: September-December 2017 Flatiron BID Retail Opportunities Maps

Food & Dining in NoMad

NoMad, in the northwest corner of the Flatiron BID, continues to see a wave of new restaurant openings. New NoMad restaurants in Q4 2017 include fast-casual Bondi Sushi at 6 West 28th Street and Bazar Tapas and Restaurant at 31 West 26th Street. The number of dining options in NoMad will continue to grow in 2018 with the expected openings of American steakhouse Quality Eats at 3 East 28th Street and Italian restaurant Scarpetta at The James Hotel at 22 East 29th Street. Quick & casual restaurants currently account for 25.7% of all ground-floor businesses in the Flatiron District, while sit down restaurants and bars account for 16.4%. See the chart to the right for the current composition of ground-floor businesses by retail use.

Ground-Floor Business Composition



Sources: FWTMN 2017, Flatiron BID Ground Floor Survey



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