



The FiDi Report

*A Survey of Apartment Rental Trends
in New York's Financial District*

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Introduction

After the collapse of Wall Street and the economy in the fourth quarter of 2008, the Financial District was braced for a bumpy ride in 2009. With the influx of new development and decreasing renewal rate, the market was hit hard with vacancy and saw an average decrease in rent prices of almost 10% across the board.

Concessions became the norm as nearly all buildings began to offer anywhere from one month to four months free in some cases. With the high number of non-renewals, we saw a large increase in the amount of units hitting the market and being rented. With the tough economic climate, many people were forced to leave Manhattan for the outer boroughs and other parts of the country where there was a lower cost of living.

Interestingly, the amount of turnover on the market increased by almost 75% in comparison to 2008 with the number of units rented in FiDi in 2009 being 2,472 (versus 1,418 in 2008).

Projections for 2010 are conservative at best with hopes of a rebound on the horizon. However, with major developments hitting the market in the year to come, we anticipate that the market may once again begin to stabilize.



Daniel Hedaya
Executive Vice President

MARKET OVERVIEW							
		<i>SF</i>	<i>Price</i>	<i>\$/SF</i>	<i>#</i>	<i>%</i>	<i>% Change</i>
2009	Studio	566	\$ 2,210.77	\$ 46.84	851	34%	-9.88%
	Studio w/ HO	703.5	\$ 2,648.90	\$ 45.19	382	15%	-11.10%
	1 Bedroom	718	\$ 2,901.18	\$ 48.49	922	37%	-8.30%
	2 Bedroom	1076.98	\$ 4,073.94	\$ 45.39	317	13%	-7.82%
2008	Studio	543	\$ 2,453.08	\$ 54.23	443	31%	6.69%
	Studio w/ HO	688.2	\$ 2,980.63	\$ 51.97	202	14%	6.14%
	1 Bedroom	687.6	\$ 3,163.93	\$ 55.22	535	38%	3.45%
	2 Bedroom	1003	\$ 4,419.45	\$ 52.53	238	17%	3.26%
2007	Studio	499	\$ 2,299.21	\$ 55.30	179	41%	9.90%
	Studio w/ HO	674	\$ 2,808.08	\$ 49.97	60	14%	6.86%
	1 Bedroom	666	\$ 3,058.47	\$ 55.08	131	30%	10.89%
	2 Bedroom	971	\$ 4,280.10	\$ 52.84	71	15%	9.98%

Rental Market Down Across the Board

With the recession in full effect, the Financial District has seen an average of almost a 10% decrease in asking rents. Studio with home offices showed the most dramatic decline at 11.1%, while two-bedrooms have shown a moderate decrease of slightly less than eight percent. It's interesting to note that the Financial District still offers spacious layouts with two-bedrooms averaging over 1050 square feet and studios at a large average of 566 square feet. The introduction of concessions has influenced market levels as well.

SIZE VS. CONCESSIONS				
	<i>1 Month</i>	<i>2 Months</i>	<i>3 Months</i>	<i>4 Months</i>
Studio	108	247	102	4
Studio w/ HO	85	104	46	0
1 Bedroom	129	333	26	0
2 Bedroom	37	120	10	3

Concessions, Concessions, Concessions!

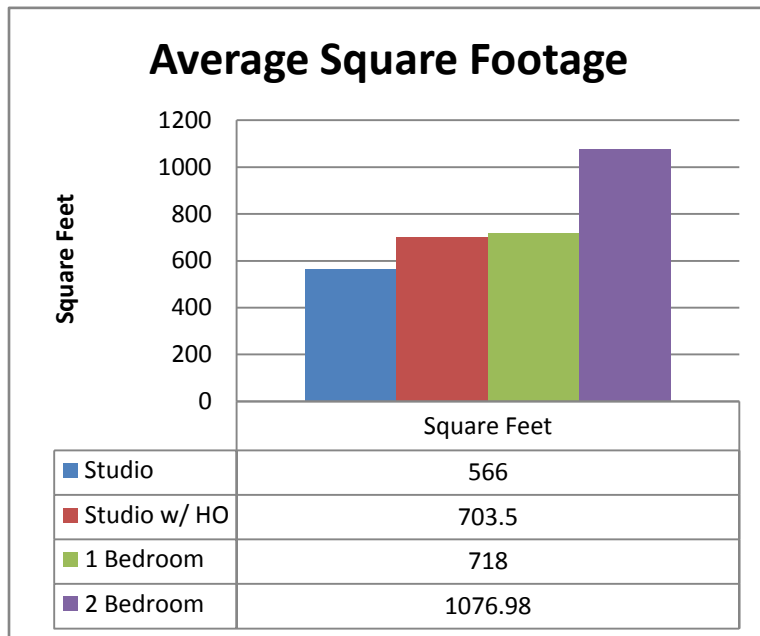
As a means of enticing renters, landlords in the Financial District began offering concessions in the form of one to four months free, in addition to owner-paid (OP) commissions. With 55% of units rented with free rent concessions in 2009, and even more apartments offering a variety of other concessions including covering the cost of moving expenses, the Financial District continued to be a neighborhood where renters could highly benefit from the current market conditions. Due to a dramatic increase in the vacancy rate, however, landlords will likely continue to offer these concessions throughout at least the first quarter of 2010.

VACANCY RATE	
Market Size 2008	6686 Units
Vacancy Rate 2008	2.28%
Market Size 2009	7649 Units
Vacancy Rate 2009	4.98%

Vacancy More Than Doubled

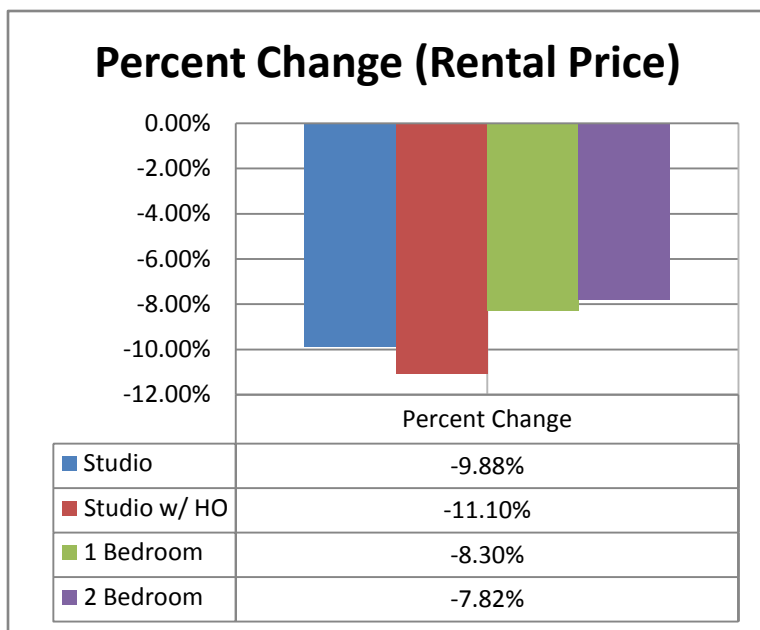
With a surge in new development and more people opting to not renew their rents, the vacancy rate in FiDi has more than doubled. At just under 5%, there are many new developments with vacant apartments that are being forced to increase concessions and decrease rents. Despite more

new developments hitting the market in 2010, we anticipate less people will move from their current apartments than was the case in 2009.



Spacious Layouts in FiDi

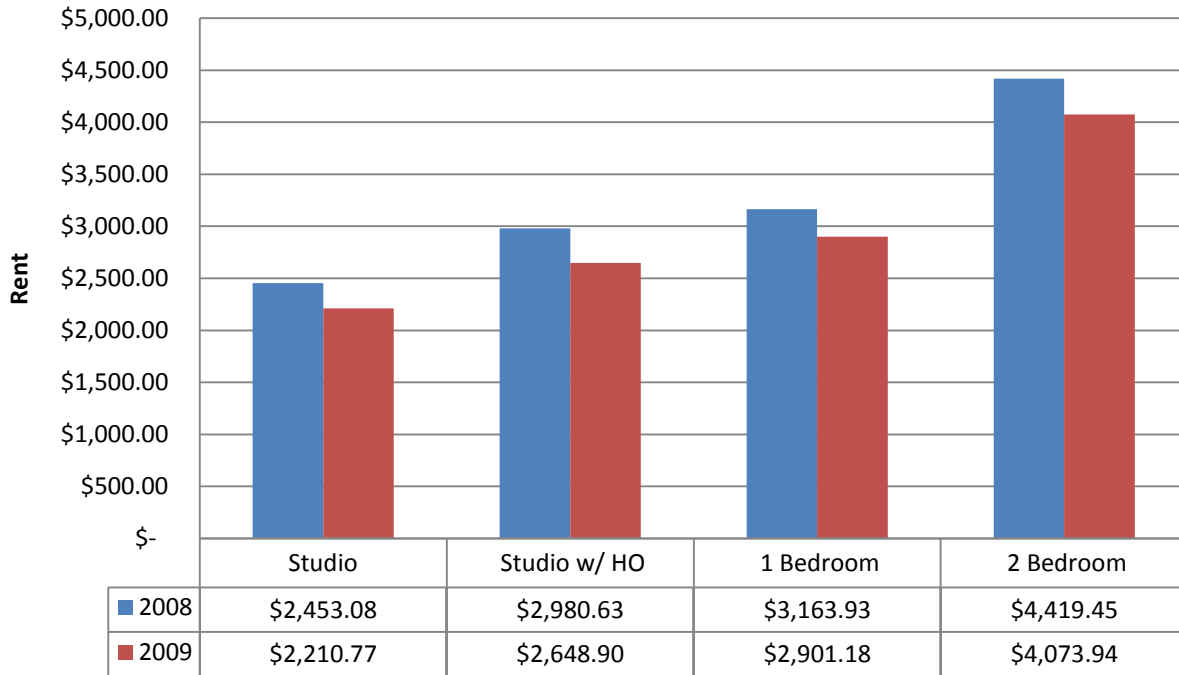
With average square footages well above other prime neighborhoods of Manhattan, FiDi continued to offer soaring ceilings and large spaces. With an average square footage just slightly below that of a one-bedroom, studios with home offices have proven to be a great economical alternative for renters, priced almost 10% lower.



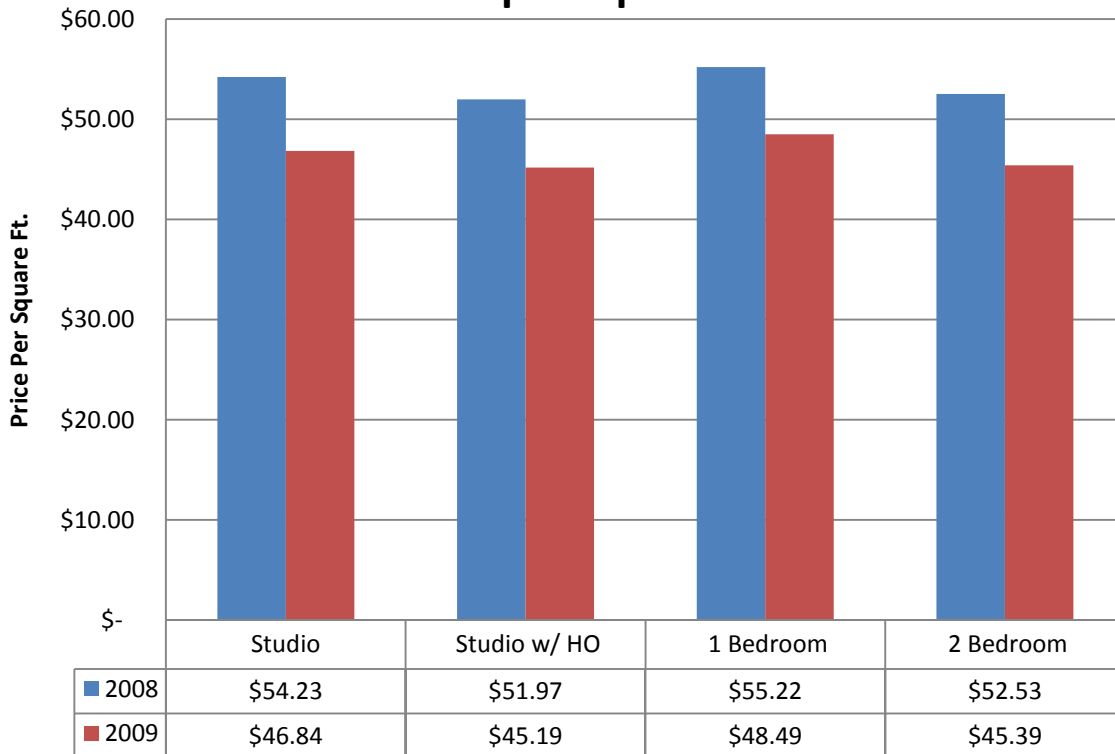
Rents Down, Bargains Up

Average losses for the year-to-year comparison are at almost 10%. While many landlords have not lowered rents, this is factoring in rent concessions that are now rampant. Studio with home offices have showed the most dramatic decrease in rental prices at just over 11%.

Average Rental Prices



Annual Price per Square Foot



The FiDi Report, which is prepared by Platinum Properties' Executive Vice President Daniel Hedaya, focuses exclusively on real estate activities in New York City's Financial District, encompassing the areas bounded by the West Side Highway, the FDR Drive, Fulton Street and Battery Park. Luxury doorman buildings containing over 7,600 rental apartment units participated in this survey. Data represents best available information derived, in part, from 2,472 individual leasing transactions completed during this Report's stated time frame.