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Market Indicators	1Q 2015	4Q 2015	CURRENT
<b>%</b> AVAILABILITY RATE	<b>28.0%</b>	<b>21.9%</b>	<b>23.6%</b>
<b>\$</b> AVERAGE ASKING RENT (\$/SF/YR)	<b>\$37.78</b>	<b>\$38.79</b>	<b>\$38.06</b>

Among the buildings in the Colliers “Brooklyn 30” statistical sample, the quarterly availability rate was up 1.7pp (percentage points) to 23.6%, but was still less than the 28.0% availability rate during 1Q 2015.

Less than a year after Hillary Clinton’s campaign leased space at One Pierrepont Plaza in Forest City Realty Trust’s MetroTech neighborhood, the 84,000 SF block was put back on the market with possession January 1, 2017.

The average asking rent for the “Brooklyn 30” fell by 1.9% to \$38.06/ SF, quarter-over-quarter. An additional 100,000 SF of space was listed at 241 37th Street in Industry City (including a 24,000 SF office sublease from Makerbot) with below-average asking rents. However, year-over-year asking rents have climbed 0.7% from \$37.78/ SF.

Brooklyn continues to attract a diverse tenant demographic out of Manhattan. Last quarter, ad agency 72andSunny leased 42,000 SF at 55 Water Street in DUMBO in a relocation from Midtown South. Additionally, Tesla Motors leased 40,000 SF of office and showroom space – Tesla’s first Brooklyn showroom – at 160 Van Brunt Street in Red Hook. Online Trading Academy left Lower Manhattan and leased 10,000 SF at 2 Hanson Place in Downtown Brooklyn.

Cushman & Wakefield also relocated within in Downtown Brooklyn. The real estate company leased 17,000 SF at One Pierrepont Plaza moving Massey Knakal (which it purchased last year) out of 205 Montague Street, which is being converted to residential. One Pierrepont Plaza continues to command premium rents and the Cushman deal was reportedly the most expensive lease to date in the building with starting rents in the mid-\$40/ SF range.

Some back-office tenants, once the mainstay of Brooklyn leasing, are now relocating to Manhattan. It was reported that in a cost cutting measure, Morgan Stanley is considering terminating its lease on approximately 200,000 SF at One Pierrepont Plaza where several hundred employees are located and consolidating back to Manhattan.

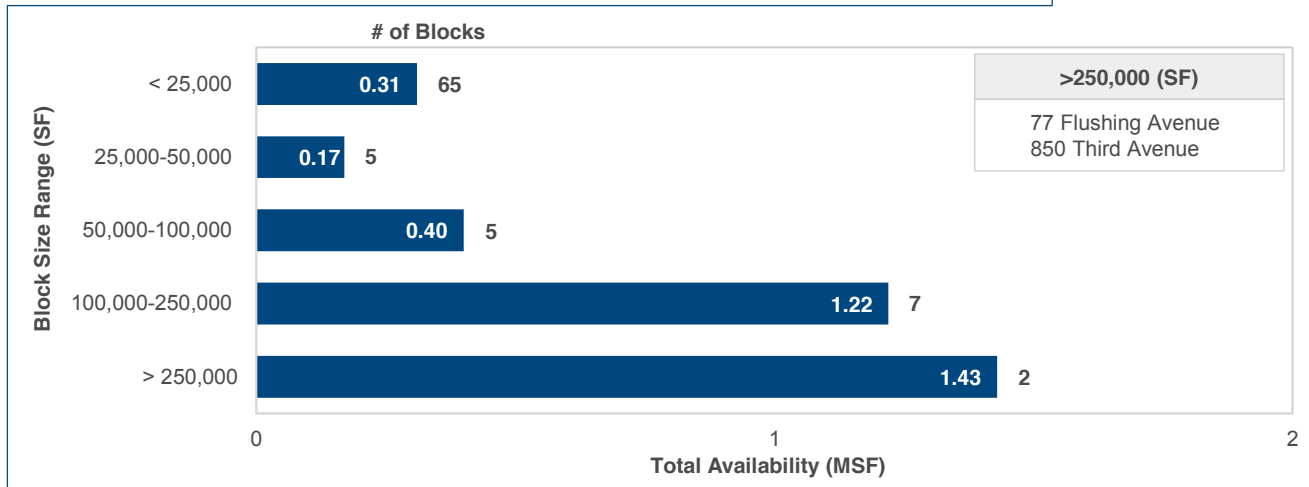
New office and retail development – both within the traditional boundaries of the Brooklyn office market and beyond – continue to take shape. Forest City Realty Trust is exploring the possibility of building a 1.50 MSF office tower at 590 Atlantic Avenue in Downtown Brooklyn. If built, it would be the largest office building in Brooklyn. Nearby, Aviev Equities is reportedly in contract to purchase three commercial buildings along Livingston Street that could allow for the construction of more than 220,000 SF of office and retail space.<sup>1</sup>

In the Williamsburg/Bushwick area, the Rabsky Group will redevelop the recently purchased industrial building at 101 Varick Avenue as a 285,000 SF office and retail building. Meadow Partners filed plans to convert 60,000 SF of factory space into office space at 109 South 5th Street. Transition Acquisitions will convert the 58,000 SF former Globe Exchange Bank Building at 815 Broadway also into office and retail space.

Mayor de Blasio unveiled his proposal in February for a new 16-mile streetcar line that would run along the East River from Astoria in Queens to Sunset Park in Brooklyn. If approved, the estimated \$2.5 project would perhaps spur even further residential, retail and office development but would not begin service until the mid-2020s.

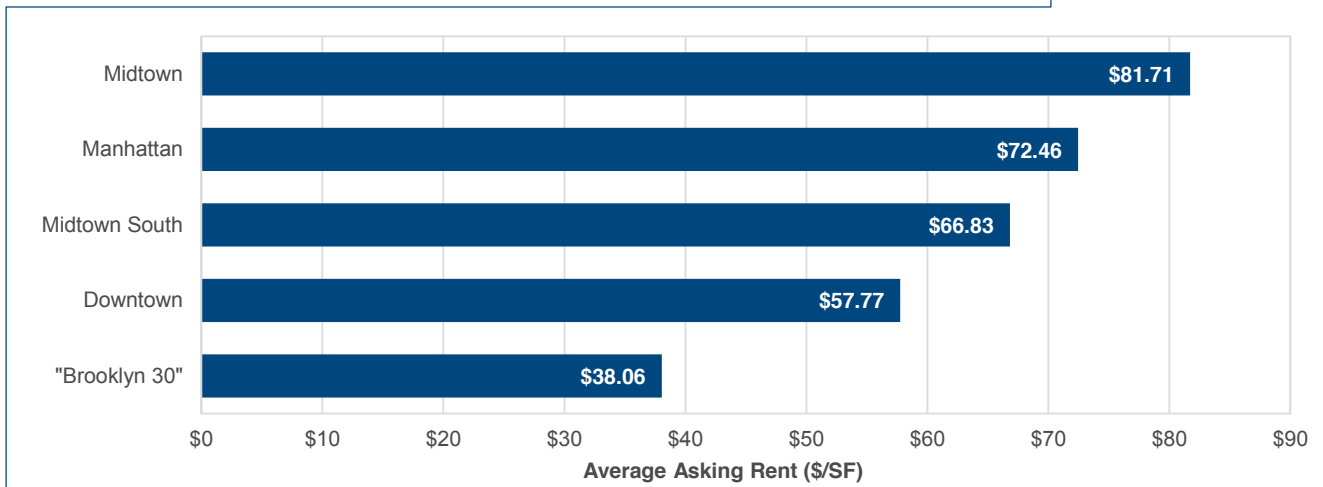
<sup>1</sup> Source: The Real Deal

## "Brooklyn 30" | Available Blocks of Space



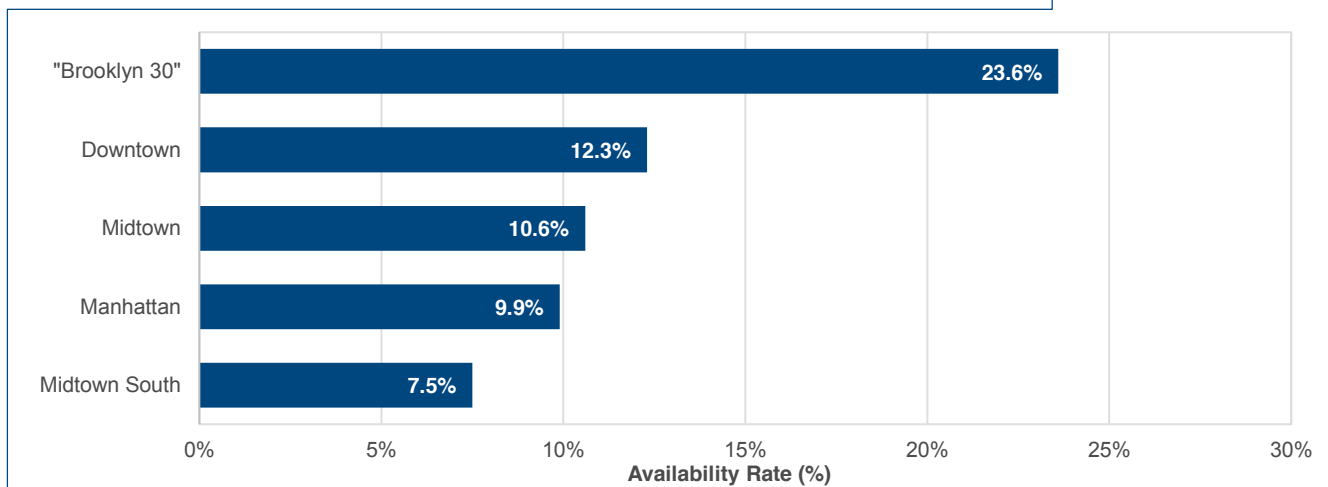
Source: Colliers International Research

## "Brooklyn 30" | Overall Average Asking Rent Comparison



Source: Colliers International Research

## "Brooklyn 30" | Availability Rate Comparison



Source: Colliers International Research