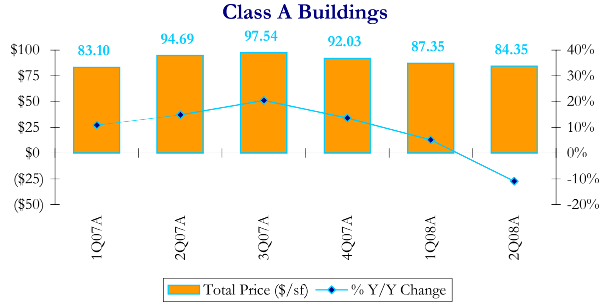
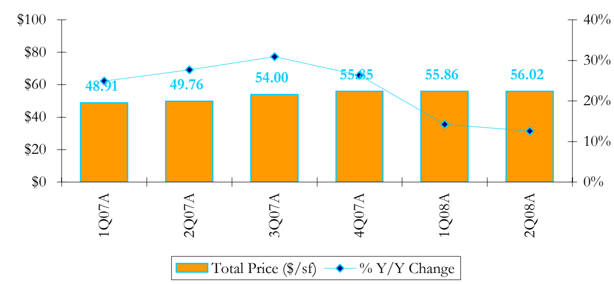
Total Price ($/sf) and % Y/Y Change

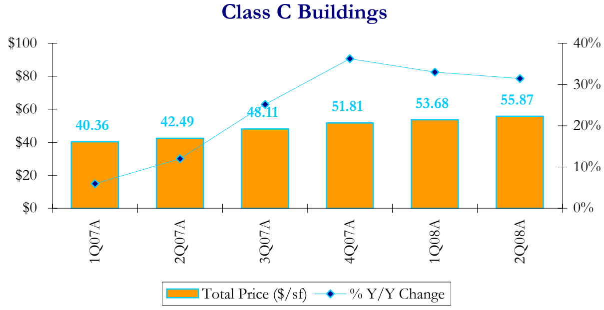
Class A Buildings



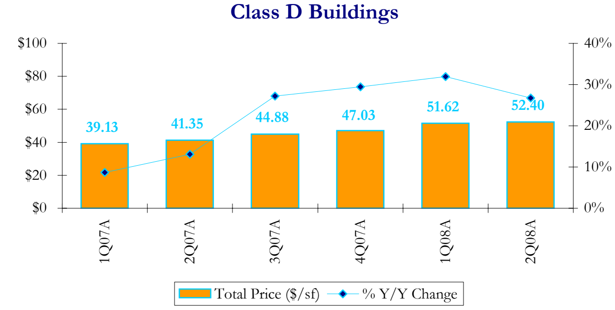
Class B Buildings



Class C Buildings



Class D Buildings

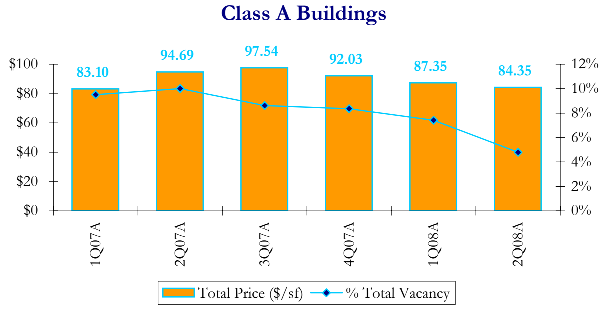


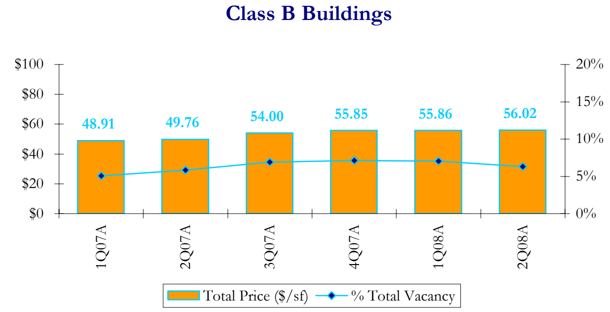
• 2Q08 represented the third full quarter since the onset of the credit crisis, but asking rates continued to increase across three of the four building classes and for the market as whole. However, all four building classes also witnessed a significant deceleration in the pace of asking rate growth, and the Class A asking rate saw a y/y decline for the first time in the current cycle.

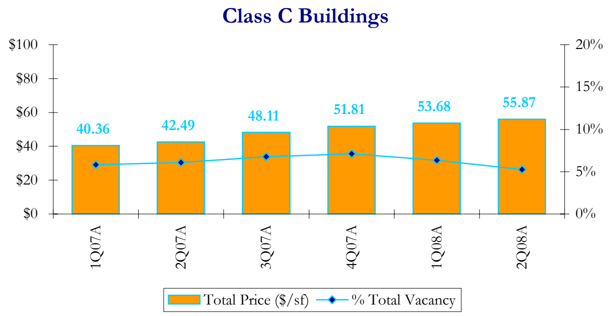
• The submarket as a whole saw an asking rate decrease of $0.26 psf to $56.82 psf as a result of the decrease in the Class A asking rate of $3.00 psf, offset by an increase in the Class C asking rate of $2.18 psf. While the Class A decline was more significant on a nominal basis, this building class accounts for only 7.8% of market availability, vs. Class C buildings which account for 32.6%. This explains how the smaller nominal increase in Class C properties was sufficient to nearly offset the decline in the Class A rate.`

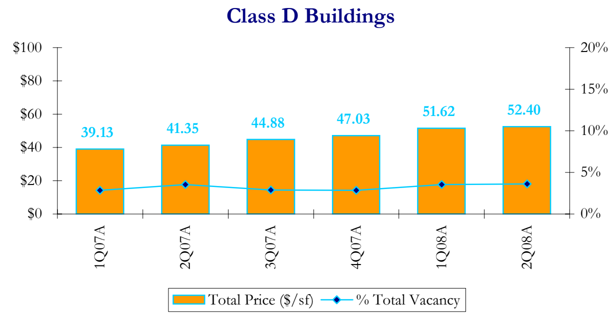
• The decrease in the Class A asking rate occurred as above average rate availability at 1095 Ave of the Americas continued to decline as space at this property continues to be leased up after significant renovations.

Total Price ($/sf) and % Vacancy



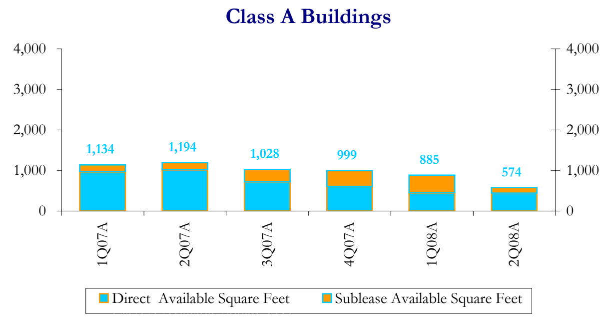


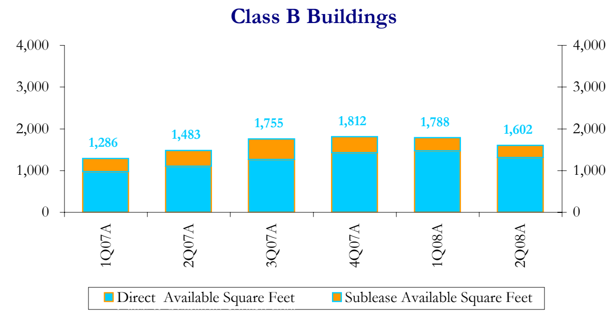


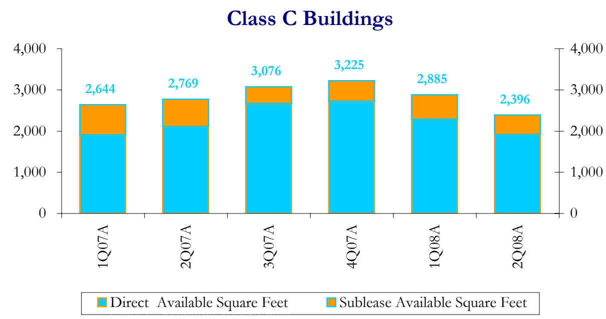


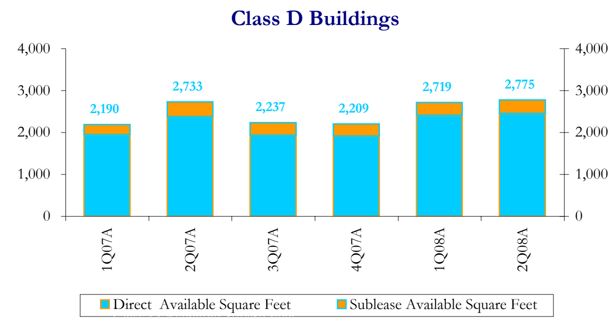
- Vacancy in the market fell to a near record low of just 4.6% driven by vacancy reductions across three of the four building classes.
- The vacancy decline represented a 931K sq ft reduction in availability which consisted of a 311K sq ft reduction in Class A availability, a 73K sq ft reduction in Class B availability and a 489K sq ft reduction in Class C availability.
- Rate growth continued across all but Class A properties, consistent with tight supply associated with vacancy reductions. However, we expect vacancy has reached a structural lower limit in the market, and further vacancy reductions are unlikely.

Total Available Square Feet = Direct Available + Sublease Available





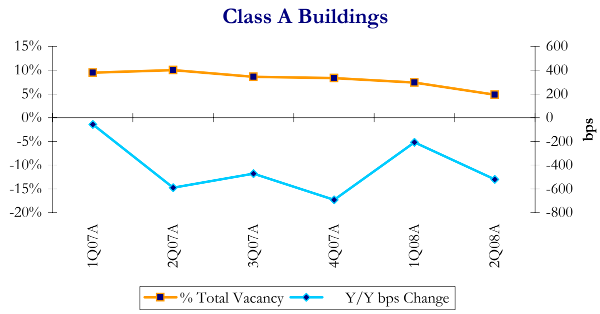


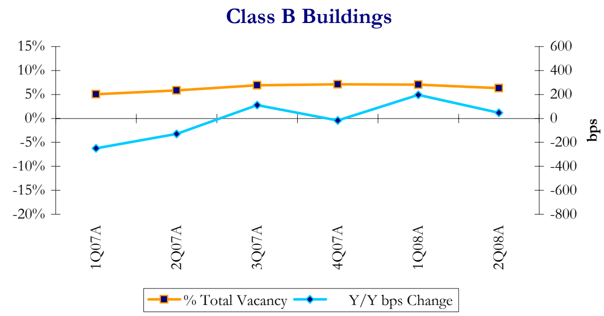


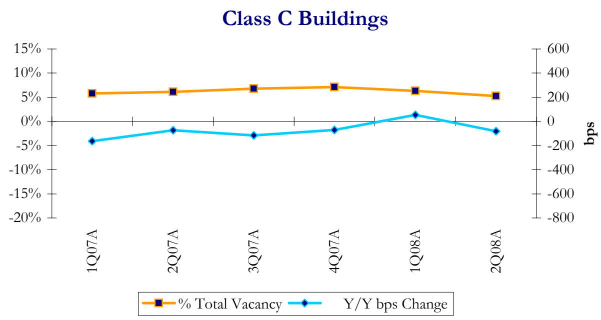
• These graphs show the relative contribution of building classes to market availability in Midtown South. While Class A properties accounted for only 7.8% of availability at quarter end, they are currently offered at a 51% premium to Class B space, so a decrease in the proportion of Class A availability still represents a meaningful drag on rate growth. Class A availability was down from 12.0% of total availability in 1Q08.

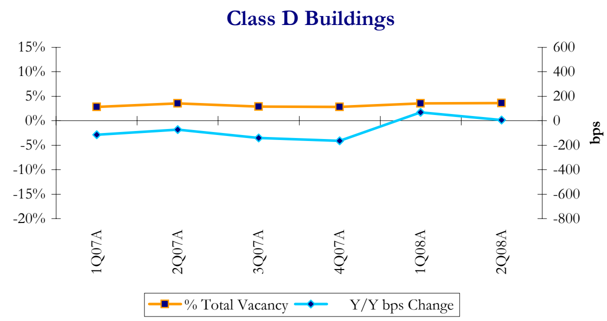
• Shifts in availability had the effect of increasing the total proportion of available space attributable to direct space slightly in the quarter, from 79.8% in 1Q08 to 83.0% in 2Q08. Sublease space is currently offered at a 13% discount to direct space in the market, so the increase in the proportion of direct space was a slight positive for average rate growth in the quarter.

Total Vacancy and Y/Y bps Change







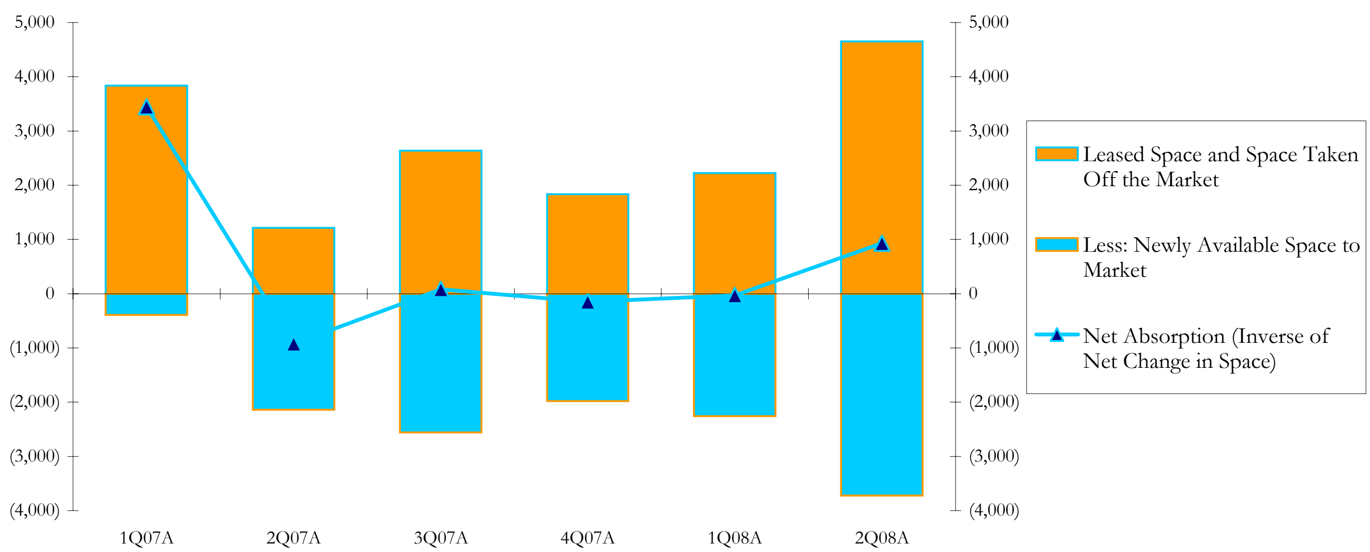


- These graphs show that vacancy for Class B buildings increased slightly on a y/y basis, though this increase was more than offset by a y/y decrease in Class A vacancy and, to a lesser extent, Class C vacancy. As a result, the market as a whole was down y/y as well with 4.6% vacancy in 2Q08 representing a 52 bps y/y decline.
- It is worth noting that the quarter's results represent a return to y/y declines for the market after a significant y/y increase in Class B vacancy drove a y/y increase for the market last quarter. However, we expect the market is at or near a lower structural limit on vacancy, making continued sustained y/y declines less likely in future quarters.

Absorption Trend Line

(all square feet in '000s)

	2006A	1Q07A	2Q07A	3Q07A	4Q07A	2007A	1Q08A	2Q08A
CHANGE IN AVAILABLE SPACE:								
Total Market Square Feet	159,960	159,960	159,999	159,999	159,999	159,999	159,999	159,999
Beginning Available Square Feet	10,169	10,700	7,255	8,178	8,096	10,700	8,245	8,277
Plus: Newly Available Space to Market	9,624	392	2,141	2,558	1,981	7,071	2,258	3,720
Less:								
Leased Space	(7,186)	(1,095)	(696)	(1,547)	(1,610)	(4,947)	(2,011)	(3,730)
Space Taken Off Market	(1,907)	(2,742)	(521)	(1,093)	(222)	(4,578)	(215)	(921)
Net Change in Space	531	(3,445)	924	(82)	149	(2,454)	33	(931)
Ending Available Square Feet	10,700	7,255	8,178	8,096	8,245	8,245	8,277	7,347
% Total Vacancy	*6.7%*	*4.5%*	*5.1%*	*5.1%*	*5.2%*	*5.2%*	*5.2%*	*4.6%*
SUBMARKET ABSORPTION:								
Leased Space and Space Taken Off the Market	9,093	3,837	1,217	2,640	1,832	9,525	2,226	4,651
Less: Newly Available Space to Market	(9,624)	(392)	(2,141)	(2,558)	(1,981)	(7,071)	(2,258)	(3,720)
Net Absorption (Inverse of Net Change in Space)	**(531)**	**3,445**	**(924)**	**82**	**(149)**	**2,454**	**(33)**	**931**



TENANTWISE

Midtown South Office Market Analysis

Market Status Trendline

(all square feet in '000s)

	3Q06A	4Q06A	2006A	1Q07A	2Q07A	3Q07A	4Q07A	2007A	1Q08A	2Q08A
CLASS A BUILDINGS:										
Total Square Feet	11,938	11,938	11,938	11,938	11,938	11,938	11,938	11,938	11,938	11,938
Direct Available Square Feet	1,446	1,617	1,617	964	1,015	712	603	603	446	431
% Direct Vacancy	12.1%	13.5%	13.5%	8.1%	8.5%	6.0%	5.1%	5.1%	3.7%	3.6%
Y/Y bps Change	153	317	317	(77)	(621)	(614)	(849)	(849)	(434)	(489)
% of Class A Available Square Feet	90.9%	88.6%	88.6%	85.0%	85.1%	69.3%	60.4%	60.4%	50.4%	75.2%
Direct Price ($/sf)	$84.83	$85.35	$85.35	$87.79	$100.56	$108.47	$104.99	$104.99	$101.57	$87.75
% Y/Y Change	9.6%	10.8%	10.8%	10.2%	17.2%	27.9%	23.0%	23.0%	15.7%	-12.7%
Number of Direct Listings	78	86	86	60	64	44	38	38	29	31
Sublease Available Square Feet	144	208	208	171	178	315	396	396	439	142
% Sublease Vacancy	1.2%	1.7%	1.7%	1.4%	1.5%	2.6%	3.3%	3.3%	3.7%	1.2%
Y/Y bps Change	13	51	66	22	30	143	158	211	225	(30)
% of Class A Available Square Feet	9.1%	11.4%	11.4%	15.0%	14.9%	30.7%	39.6%	39.6%	49.6%	24.8%
Sublease Price ($/sf)	$45.49	$38.19	$38.19	$39.72	$63.88	$75.37	$75.62	$75.62	$71.54	$74.01
% Y/Y Change	20.0%	-1.3%	0.8%	-8.4%	51.0%	65.7%	98.0%	66.2%	80.1%	15.9%
Number of Sublease Listings	11	13	13	13	15	20	24	24	23	12
Class A Available Square Feet	1,590	1,825	1,825	1,134	1,194	1,028	999	999	885	574
% Total Vacancy	13.3%	15.3%	15.3%	9.5%	10.0%	8.6%	8.4%	8.4%	7.4%	4.8%
Y/Y bps Change	166	367	367	(56)	(591)	(471)	(692)	(692)	(209)	(519)
Total Price ($/sf)	$81.01	$81.00	$81.00	$83.10	$94.69	$97.54	$92.03	$92.03	$87.35	$84.35
% Y/Y Change	10.6%	11.7%	11.7%	10.9%	14.9%	20.4%	13.6%	13.6%	5.1%	-10.9%
Total Number of Listings	89	99	99	73	79	64	62	62	52	43
CLASS B BUILDINGS:										
Total Square Feet	25,419	25,419	25,419	25,419	25,459	25,459	25,459	25,459	25,459	25,459
Direct Available Square Feet	1,133	1,504	1,504	964	1,098	1,256	1,418	1,418	1,463	1,307
% Direct Vacancy	4.5%	5.9%	5.9%	3.8%	4.3%	4.9%	5.6%	5.6%	5.7%	5.1%
Y/Y bps Change	(109)	40	40	(230)	(122)	48	(35)	(35)	195	82
% of Class B Available Square Feet	77.2%	81.1%	81.1%	75.0%	74.1%	71.6%	78.3%	78.3%	81.8%	81.6%
Direct Price ($/sf)	$40.02	$44.33	$44.33	$50.37	$50.37	$56.37	$57.49	$57.49	$58.23	$57.49
% Y/Y Change	8.7%	18.5%	18.5%	33.0%	34.1%	40.8%	29.7%	29.7%	15.6%	14.1%
Number of Direct Listings	122	136	136	96	122	125	143	143	133	119
Sublease Available Square Feet	335	350	350	322	385	499	394	394	326	296
% Sublease Vacancy	1.3%	1.4%	1.4%	1.3%	1.5%	2.0%	1.5%	1.5%	1.3%	1.2%
Y/Y bps Change	(88)	(71)	(71)	(19)	(8)	64	17	17	1	(35)
% of Class B Available Square Feet	22.8%	18.9%	18.9%	25.0%	25.9%	28.4%	21.7%	21.7%	18.2%	18.4%
Sublease Price ($/sf)	$45.77	$43.73	$43.73	$40.64	$47.32	$47.08	$49.20	$49.20	$44.74	$48.36
% Y/Y Change	-0.1%	-6.4%	-6.4%	-9.3%	6.6%	2.9%	12.5%	12.5%	10.1%	2.2%
Number of Sublease Listings	26	23	23	20	25	23	19	19	13	13
Class B Available Square Feet	1,468	1,855	1,855	1,286	1,483	1,755	1,812	1,812	1,788	1,602
% Total Vacancy	5.8%	7.3%	7.3%	5.1%	5.8%	6.9%	7.1%	7.1%	7.0%	6.3%
Y/Y bps Change	(197)	(31)	(31)	(248)	(130)	112	(18)	(18)	196	47
Total Price ($/sf)	$41.24	$44.22	$44.22	$48.91	$49.76	$54.00	$55.85	$55.85	$55.86	$56.02
% Y/Y Change	5.0%	10.6%	10.6%	24.9%	27.7%	30.9%	26.3%	26.3%	14.2%	12.6%
Total Number of Listings	148	159	159	116	147	148	162	162	146	132
CLASS C BUILDINGS:										
Total Square Feet	45,481	45,481	45,481	45,481	45,481	45,481	45,481	45,481	45,481	45,481
Direct Available Square Feet	2,824	2,710	2,710	1,906	2,107	2,663	2,721	2,721	2,286	1,909
% Direct Vacancy	6.2%	6.0%	6.0%	4.2%	4.6%	5.9%	6.0%	6.0%	5.0%	4.2%
Y/Y bps Change	(7)	(68)	(68)	(176)	(86)	(35)	2	2	83	(44)
% of Class C Available Square Feet	78.4%	76.4%	76.4%	72.1%	76.1%	86.5%	84.4%	84.4%	79.2%	79.7%
Direct Price ($/sf)	$38.68	$38.36	$38.36	$41.12	$42.42	$48.41	$52.78	$52.78	$55.00	$56.33
% Y/Y Change	4.7%	2.5%	2.5%	7.0%	11.0%	25.2%	37.6%	37.6%	33.8%	32.8%
Number of Direct Listings	364	298	298	169	207	172	184	184	179	134
Sublease Available Square Feet	779	839	839	737	662	414	503	503	599	487
% Sublease Vacancy	1.7%	1.8%	1.8%	1.6%	1.5%	0.9%	1.1%	1.1%	1.3%	1.1%
Y/Y bps Change	66	76	76	13	12	(80)	(74)	(74)	(30)	(38)
% of Class C Available Square Feet	21.6%	23.6%	23.6%	27.9%	23.9%	13.5%	15.6%	15.6%	20.8%	20.3%
Sublease Price ($/sf)	$36.80	$35.84	$35.84	$34.77	$43.03	$44.70	$45.80	$45.80	$46.21	$52.60
% Y/Y Change	10.6%	10.6%	10.6%	-4.5%	18.9%	21.5%	27.8%	27.8%	32.9%	22.2%
Number of Sublease Listings	46	39	39	30	37	30	29	29	31	28
Class C Available Square Feet	3,603	3,549	3,549	2,644	2,769	3,076	3,225	3,225	2,885	2,396
% Total Vacancy	7.9%	7.8%	7.8%	5.8%	6.1%	6.8%	7.1%	7.1%	6.3%	5.3%
Y/Y bps Change	58	8	8	(163)	(74)	(116)	(71)	(71)	53	(82)
Total Price ($/sf)	$38.44	$38.01	$38.01	$40.36	$42.49	$48.11	$51.81	$51.81	$53.68	$55.87
% Y/Y Change	5.1%	3.0%	3.0%	5.9%	12.0%	25.2%	36.3%	36.3%	33.0%	31.5%
Total Number of Listings	410	337	337	199	244	202	213	213	210	162

TENANTWISE

Midtown South Office Market Analysis

Market Status Trendline

(all square feet in '000s)

	3Q06A	4Q06A	2006A	1Q07A	2Q07A	3Q07A	4Q07A	2007A	1Q08A	2Q08A
CLASS D BUILDINGS:										
Total Square Feet	77,121	77,121	77,121	77,121	77,121	77,121	77,121	77,121	77,121	77,121
Direct Available Square Feet	2,786	2,930	2,930	1,945	2,373	1,928	1,910	1,910	2,408	2,448
% Direct Vacancy	*3.6%*	*3.8%*	*3.8%*	*2.5%*	*3.1%*	*2.5%*	*2.5%*	*2.5%*	*3.1%*	*3.2%*
Y/Y bps Change	*(35)*	*12*	*12*	*(98)*	*(51)*	*(111)*	*(132)*	*(132)*	*60*	*10*
% of Class D Available Square Feet	*84.0%*	*84.4%*	*84.4%*	*88.8%*	*86.8%*	*86.2%*	*86.5%*	*86.5%*	*88.6%*	*88.2%*
Direct Price ($/sf)	**$35.31**	**$36.30**	**$36.30**	**$39.19**	**$41.41**	**$45.09**	**$47.29**	**$47.29**	**$51.94**	**$53.69**
% Y/Y Change	*13.1%*	*10.0%*	*10.0%*	*8.6%*	*13.1%*	*27.7%*	*30.3%*	*30.3%*	*32.5%*	*29.6%*
Number of Direct Listings	589	602	602	406	455	342	323	323	383	400
Sublease Available Square Feet	531	541	541	245	359	310	299	299	311	327
% Sublease Vacancy	*0.7%*	*0.7%*	*0.7%*	*0.3%*	*0.5%*	*0.4%*	*0.4%*	*0.4%*	*0.4%*	*0.4%*
Y/Y bps Change	*(6)*	*6*	*6*	*(15)*	*(22)*	*(29)*	*(31)*	*(31)*	*8*	*(4)*
% of Class D Available Square Feet	*16.0%*	*15.6%*	*15.6%*	*11.2%*	*13.2%*	*13.8%*	*13.5%*	*13.5%*	*11.4%*	*11.8%*
Sublease Price ($/sf)	**$35.15**	**$36.49**	**$36.49**	**$38.37**	**$40.76**	**$43.20**	**$44.94**	**$44.94**	**$47.87**	**$38.75**
% Y/Y Change	*33.1%*	*24.2%*	*24.2%*	*9.1%*	*12.4%*	*22.9%*	*23.1%*	*23.1%*	*24.7%*	*-4.9%*
Number of Sublease Listings	91	93	93	54	62	43	43	43	45	39
Class D Available Square Feet	3,317	3,471	3,471	2,190	2,733	2,237	2,209	2,209	2,719	2,775
% Total Vacancy	*4.3%*	*4.5%*	*4.5%*	*2.8%*	*3.5%*	*2.9%*	*2.9%*	*2.9%*	*3.5%*	*3.6%*
Y/Y bps Change	*(40)*	*18*	*18*	*(114)*	*(72)*	*(140)*	*(164)*	*(164)*	*69*	*5*
Total Price ($/sf)	**$35.29**	**$36.32**	**$36.32**	**$39.13**	**$41.35**	**$44.88**	**$47.03**	**$47.03**	**$51.62**	**$52.40**
% Y/Y Change	*15.1%*	*11.7%*	*11.7%*	*8.7%*	*13.1%*	*27.2%*	*29.5%*	*29.5%*	*31.9%*	*26.7%*
Total Number of Listings	680	695	695	460	517	385	366	366	428	439
TOTAL MIDTOWN MARKET:										
Total Midtown South Square Feet	159,960	159,960	159,960	159,960	159,999	159,999	159,999	159,999	159,999	159,999
Direct Square Feet	8,188	8,762	8,762	5,779	6,594	6,559	6,653	6,653	6,603	6,095
% Direct Vacancy	*5.1%*	*5.5%*	*5.5%*	*3.6%*	*4.1%*	*4.1%*	*4.2%*	*4.2%*	*4.1%*	*3.8%*
Y/Y bps Change	*(25)*	*16*	*16*	*(140)*	*(115)*	*(102)*	*(132)*	*(132)*	*51*	*(31)*
% of Midtown South Available Square Feet	*82.1%*	*81.9%*	*81.9%*	*79.7%*	*80.6%*	*81.0%*	*80.7%*	*80.7%*	*79.8%*	*83.0%*
Direct Avg. Asking Price ($/sf)	**$48.18**	**$49.56**	**$49.56**	**$51.62**	**$52.34**	**$55.48**	**$56.94**	**$56.94**	**$57.75**	**$57.74**
% Y/Y Change	*18.5%*	*19.3%*	*19.3%*	*20.6%*	*6.1%*	*15.2%*	*14.9%*	*14.9%*	*11.9%*	*10.3%*
Number of Direct Listings	1153	1122	1122	731	848	683	688	688	724	684
Sublease Square Feet	1,790	1,938	1,938	1,476	1,584	1,537	1,592	1,592	1,675	1,252
% Sublease Vacancy	*1.1%*	*1.2%*	*1.2%*	*0.9%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*0.8%*
Y/Y bps Change	*3*	*17*	*17*	*(5)*	*(6)*	*(16)*	*(22)*	*(22)*	*12*	*(21)*
% of Midtown South Available Square Feet	*17.9%*	*18.1%*	*18.1%*	*20.3%*	*19.4%*	*19.0%*	*19.3%*	*19.3%*	*20.2%*	*17.0%*
Sublease Avg. Asking Price ($/sf)	**$38.85**	**$37.86**	**$37.86**	**$37.53**	**$45.90**	**$51.46**	**$53.90**	**$53.90**	**$52.87**	**$50.42**
% Y/Y Change	*9.3%*	*3.0%*	*3.0%*	*-3.5%*	*18.2%*	*32.5%*	*42.4%*	*42.4%*	*40.9%*	*9.8%*
Number of Sublease Listings	174	168	168	117	139	116	115	115	112	92
Total Available Square Feet	9,978	10,700	10,700	7,255	8,178	8,096	8,245	8,245	8,277	7,347
% Total Vacancy	*6.2%*	*6.7%*	*6.7%*	*4.5%*	*5.1%*	*5.1%*	*5.2%*	*5.2%*	*5.2%*	*4.6%*
Y/Y bps Change	*(22)*	*33*	*33*	*(145)*	*(121)*	*(118)*	*(154)*	*(154)*	*64*	*(52)*
Total Avg. Asking Price ($/sf)	**$46.50**	**$47.74**	**$47.74**	**$49.77**	**$51.05**	**$54.77**	**$56.29**	**$56.29**	**$57.07**	**$56.82**
% Y/Y Change	*16.6%*	*17.0%*	*17.0%*	*18.0%*	*10.9%*	*17.8%*	*17.9%*	*17.9%*	*14.7%*	*11.3%*
Total Number of Listings	1,327	1,290	1,290	848	987	799	803	803	836	776