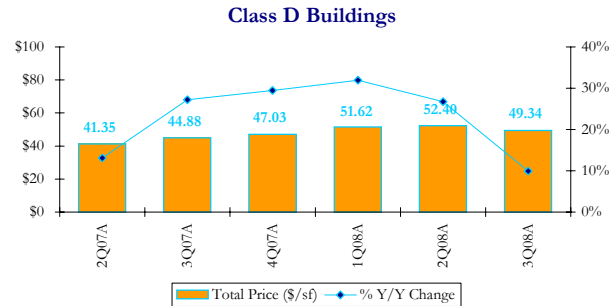
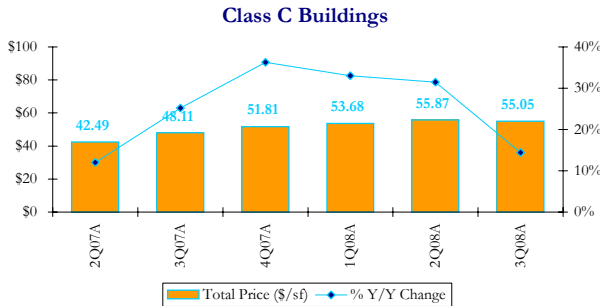
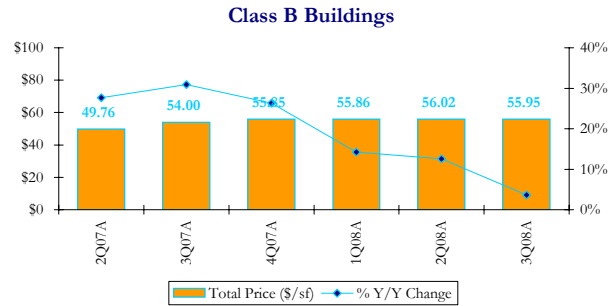
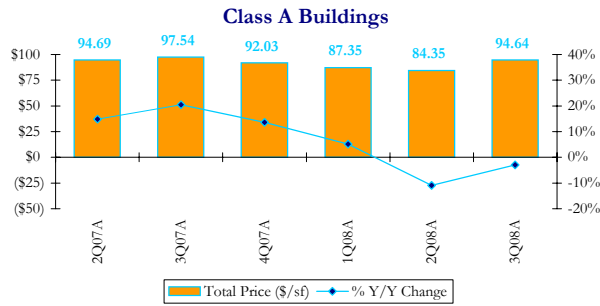


TENANTWISE

Midtown South Office Market Analysis

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

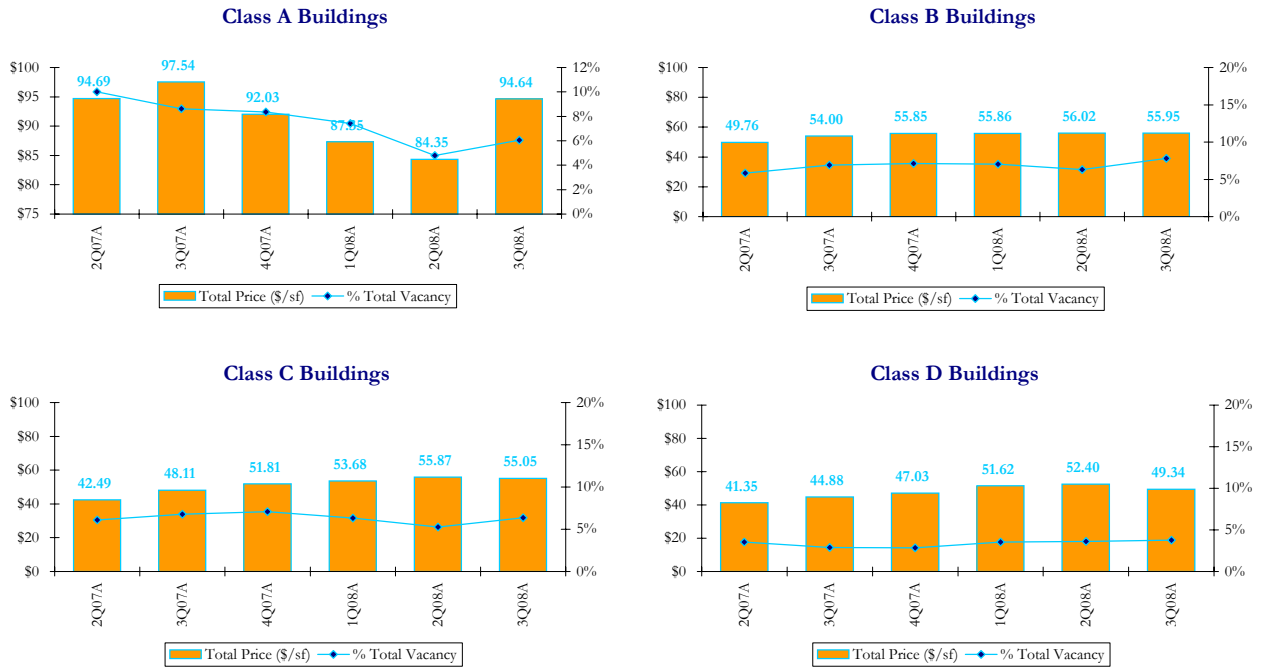


- The current quarter represents the first quarter since the onset of the credit crisis that saw a sequential decline in asking rates. The Midtown South average asking rate fell \$0.15 psf from 2Q08, to \$56.66 psf. This represented 3.5% y/y growth in the quarter, a significant deceleration from 11.3% growth last quarter and peak growth of 17.9% in 4Q07.
- The decline in the asking rate was driven by declines in Class B, C and D buildings, with the most significant occurring in Class D properties. The Class D average asking rate fell \$3.06 psf, or 5.8%, from last quarter to \$49.34 psf.
- Reductions in the Class C and B asking rates were more modest at \$0.82 psf and \$0.06 psf respectively. These reductions were partially offset by a sizeable increase in the Class A asking rate, though at only 8% of market availability, Class A properties did not account for enough of the market to offset the decline in the other building classes.

TENANTWISE

Midtown South Office Market Analysis

Total Price (\$/sf) and % Vacancy

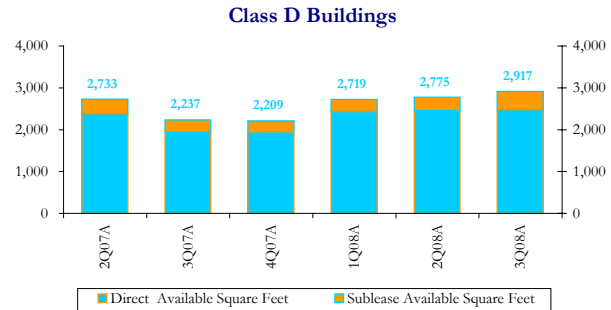
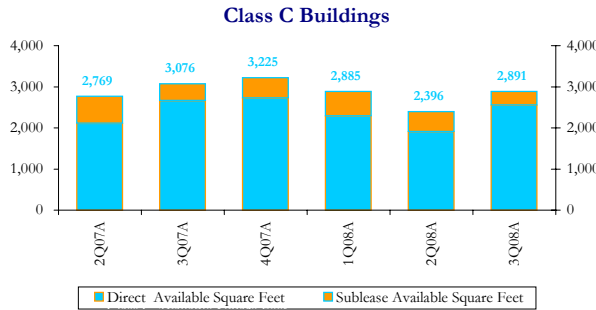
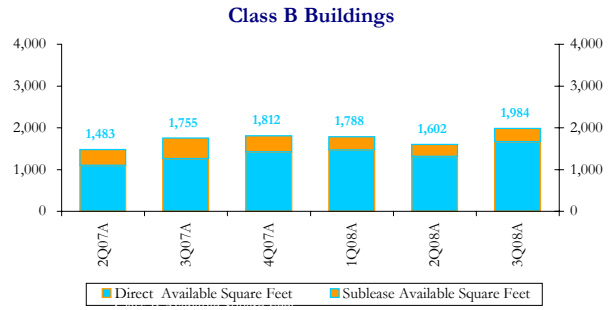
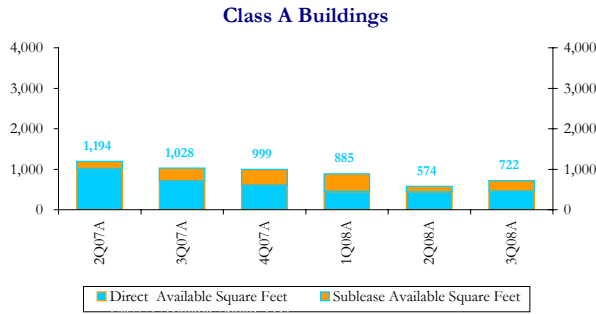


- Vacancy in the quarter reached 5.3%, after falling to a near record low of 4.6% in 2Q08. 3Q08 vacancy was up 73 bps over last quarter, and up 26 bps y/y.
- The vacancy increase represented an increase in availability of 1.17M sq ft, driven primarily by increase in Class B and C availability.
- Class B vacancy increased to 7.8%, up 150 bps over last quarter and up 90 bps y/y, representing a 381K sq ft increase in availability, up 23.8% over last quarter.
- Class C vacancy increased to 6.4%, up 109 bps over last quarter, representing a 381K sq ft increase in availability, up 20.7% over last quarter.

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Midtown South Office Market Analysis

Total Available Square Feet = Direct Available + Sublease Available

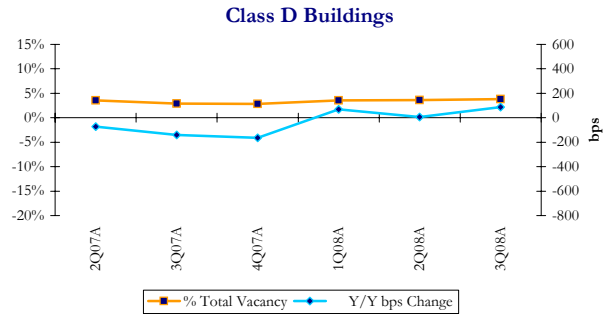
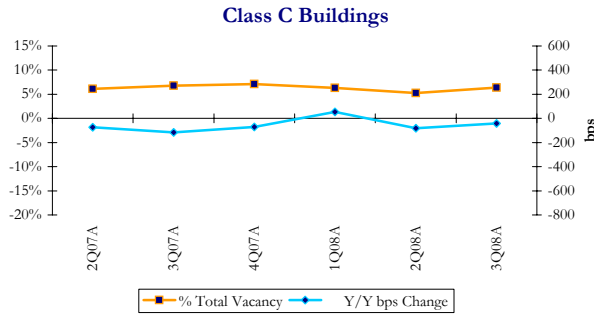
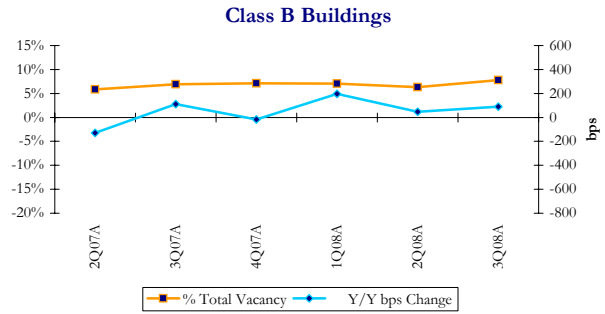
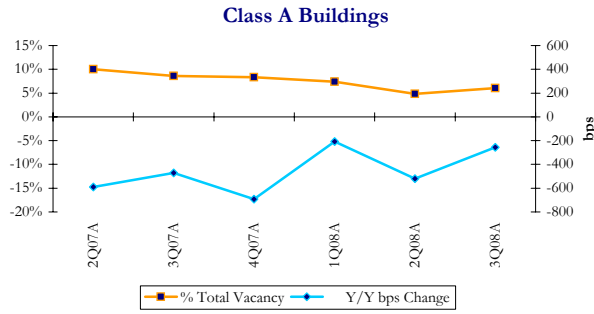


- These graphs show the relative contribution of building classes to market availability in Midtown South. While Class A properties accounted for only 8.5% of availability at quarter end, they are currently offered at a 61% premium to Class B space, so an increase in the proportion of Class A availability is still a meaningful driver of rate growth. Class A availability was up from 6.7% of total availability in 2Q08.
- Shifts in availability had the effect of increasing the total proportion of available space attributable to direct space slightly in the quarter, from 83.0% in 2Q08 to 83.8% in 3Q08. However, unlike Midtown and Downtown, sublease space in Midtown South is offered at about par to direct space, so the increase in direct availability had little impact on rate growth in the

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Midtown South Office Market Analysis

Total Vacancy and Y/Y bps Change



- These graphs show that vacancy for Class B and D buildings increased on a y/y basis, while Class A vacancy was down y/y and Class C vacancy was about flat to year ago levels. The market as a whole was up slightly as well with 5.3% vacancy in 3Q08 representing a 26 bps y/y increase.
- While market vacancy was up y/y, quarter end vacancy of 5.3% was still down significantly from period ending vacancy in 2006 of 6.7%, 2005 of 6.4% and 2004 of 8.4%.
- Most of the y/y vacancy reduction in Class A properties was associated with the lease up of 1095 Ave of the Americas, which has been undergoing renovations. However, in the current quarter, availability at this property actually increased by 95K sq ft, driven primarily by 83K sq ft of new sublease availability at the property, likely from recently announced sublease availability from either iStar Financial or MetLife.

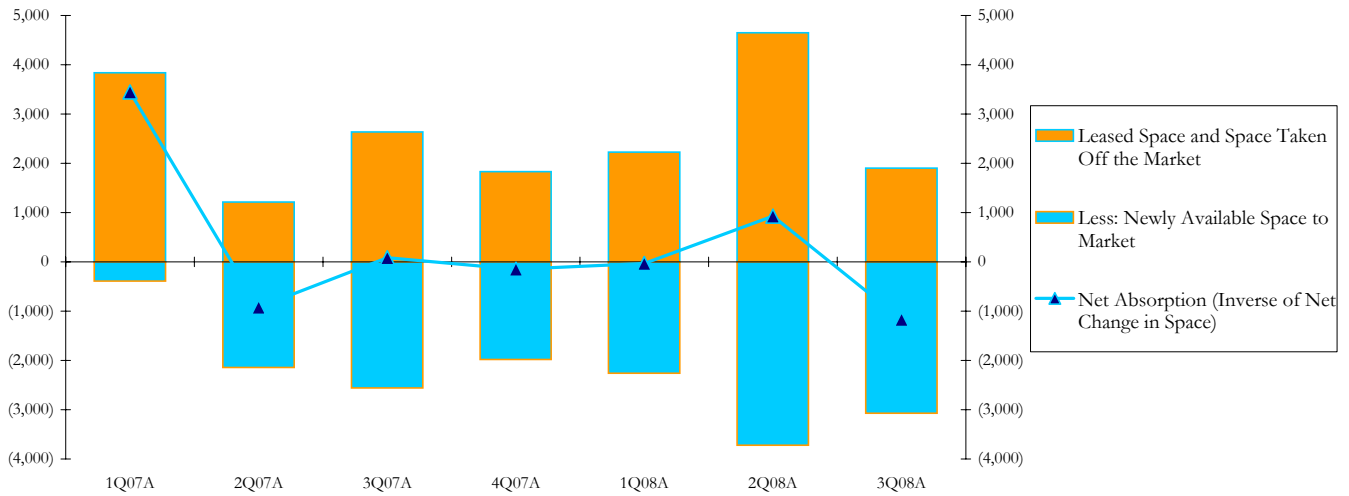
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Midtown South Office Market Analysis

Absorption Trend Line

(all square feet in '000s)

	2006A	1Q07A	2Q07A	3Q07A	4Q07A	2007A	1Q08A	2Q08A	3Q08A
CHANGE IN AVAILABLE SPACE:									
Total Market Square Feet	159,960	159,960	159,999	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	7,347
Plus: Newly Available Space to Market	9,624	392	2,141	2,558	1,981	7,071	2,258	3,720	3,072
Less:									
Leased Space	(7,186)	(1,095)	(696)	(1,547)	(1,610)	(4,947)	(2,011)	(3,730)	(991)
Space Taken Off Market	(1,907)	(2,742)	(521)	(1,093)	(222)	(4,578)	(215)	(921)	(914)
Net Change in Space	531	(3,445)	924	(82)	149	(2,454)	33	(931)	1,166
Ending Available Square Feet	10,700	7,255	8,178	8,096	8,245	8,245	8,277	7,347	8,513
% Total Vacancy	6.7%	4.5%	5.1%	5.1%	5.2%	5.2%	5.2%	4.6%	5.3%
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	1,906
Less: Newly Available Space to Market	(9,624)	(392)	(2,141)	(2,558)	(1,981)	(7,071)	(2,258)	(3,720)	(3,072)
Net Absorption (Inverse of Net Change in Space)	(531)	3,445	(924)	82	(149)	2,454	(33)	931	(1,166)



TENANTWISE

Midtown South Office Market Analysis Market Status Trendline

(all square feet in '000s)

	4Q06A	2006A	1Q07A	2Q07A	3Q07A	4Q07A	2007A	1Q08A	2Q08A	3Q08A
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	1,617	1,617	964	1,015	712	603	603	446	431	457
% Direct Vacancy	13.5%	13.5%	8.1%	8.5%	6.0%	5.1%	5.1%	3.7%	3.6%	3.8%
Y/Y bps Change	317	317	(77)	(621)	(614)	(849)	(849)	(434)	(489)	(214)
% of Class A Available Square Feet	88.6%	88.6%	85.0%	85.1%	69.3%	60.4%	60.4%	50.4%	75.2%	63.3%
Direct Price (\$/sf)	\$85.35	\$85.35	\$87.79	\$100.56	\$108.47	\$104.99	\$104.99	\$101.57	\$87.75	\$90.15
% Y/Y Change	10.8%	10.8%	10.2%	17.2%	27.9%	23.0%	23.0%	15.7%	-12.7%	-16.9%
Number of Direct Listings	86	86	60	64	44	38	38	29	31	35
Sublease Available Square Feet	208	208	171	178	315	396	396	439	142	265
% Sublease Vacancy	1.7%	1.7%	1.4%	1.5%	2.6%	3.3%	3.3%	3.7%	1.2%	2.2%
Y/Y bps Change	51	66	22	30	143	158	211	225	(30)	(42)
% of Class A Available Square Feet	11.4%	11.4%	15.0%	14.9%	30.7%	39.6%	39.6%	49.6%	24.8%	36.7%
Sublease Price (\$/sf)	\$38.19	\$38.19	\$39.72	\$63.88	\$75.37	\$75.62	\$75.62	\$71.54	\$74.01	\$104.49
% Y/Y Change	-1.3%	0.8%	-8.4%	51.0%	65.7%	98.0%	66.2%	80.1%	15.9%	38.6%
Number of Sublease Listings	13	13	13	15	20	24	24	23	12	16
Class A Available Square Feet										
% Total Vacancy	15.3%	15.3%	9.5%	10.0%	8.6%	8.4%	8.4%	7.4%	4.8%	6.0%
Y/Y bps Change	367	367	(56)	(591)	(471)	(692)	(692)	(209)	(519)	(256)
Total Price (\$/sf)	\$81.00	\$81.00	\$83.10	\$94.69	\$97.54	\$92.03	\$92.03	\$87.35	\$84.35	\$94.64
% Y/Y Change	11.7%	11.7%	10.9%	14.9%	20.4%	13.6%	13.6%	5.1%	-10.9%	-3.0%
Total Number of Listings	99	99	73	79	64	62	62	52	43	51
CLASS B BUILDINGS:										
Total Square Feet	25,419	25,419	25,419	25,459	25,459	25,459	25,459	25,459	25,459	25,459
Direct Available Square Feet	1,504	1,504	964	1,098	1,256	1,418	1,418	1,463	1,307	1,661
% Direct Vacancy	5.9%	5.9%	3.8%	4.3%	4.9%	5.6%	5.6%	5.7%	5.1%	6.5%
Y/Y bps Change	40	40	(230)	(122)	48	(35)	(35)	195	82	159
% of Class B Available Square Feet	81.1%	81.1%	75.0%	74.1%	71.6%	78.3%	78.3%	81.8%	81.6%	83.7%
Direct Price (\$/sf)	\$44.33	\$44.33	\$50.37	\$50.37	\$56.37	\$57.49	\$57.49	\$58.23	\$57.49	\$57.33
% Y/Y Change	18.5%	18.5%	33.0%	34.1%	40.8%	29.7%	29.7%	15.6%	14.1%	1.7%
Number of Direct Listings	136	136	96	122	125	143	143	133	119	145
Sublease Available Square Feet	350	350	322	385	499	394	394	326	296	323
% Sublease Vacancy	1.4%	1.4%	1.3%	1.5%	2.0%	1.5%	1.5%	1.3%	1.2%	1.3%
Y/Y bps Change	(71)	(71)	(19)	(8)	64	17	17	1	(35)	(69)
% of Class B Available Square Feet	18.9%	18.9%	25.0%	25.9%	28.4%	21.7%	21.7%	18.2%	18.4%	16.3%
Sublease Price (\$/sf)	\$43.73	\$43.73	\$40.64	\$47.32	\$47.08	\$49.20	\$49.20	\$44.74	\$48.36	\$46.00
% Y/Y Change	-6.4%	-6.4%	-9.3%	6.6%	2.9%	12.5%	12.5%	10.1%	2.2%	-2.3%
Number of Sublease Listings	23	23	20	25	23	19	19	13	13	14
Class B Available Square Feet										
% Total Vacancy	7.3%	7.3%	5.1%	5.8%	6.9%	7.1%	7.1%	7.0%	6.3%	7.8%
Y/Y bps Change	(31)	(31)	(248)	(130)	112	(18)	(18)	196	47	90
Total Price (\$/sf)	\$44.22	\$44.22	\$48.91	\$49.76	\$54.00	\$55.85	\$55.85	\$55.86	\$56.02	\$55.95
% Y/Y Change	10.6%	10.6%	24.9%	27.7%	30.9%	26.3%	26.3%	14.2%	12.6%	3.6%
Total Number of Listings	159	159	116	147	148	162	162	146	132	159
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	2,710	2,710	1,906	2,107	2,663	2,721	2,721	2,286	1,909	2,550
% Direct Vacancy	6.0%	6.0%	4.2%	4.6%	5.9%	6.0%	6.0%	5.0%	4.2%	5.6%
Y/Y bps Change	(68)	(68)	(176)	(86)	(35)	2	2	83	(44)	(25)
% of Class C Available Square Feet	76.4%	76.4%	72.1%	76.1%	86.5%	84.4%	84.4%	79.2%	79.7%	88.2%
Direct Price (\$/sf)	\$38.36	\$38.36	\$41.12	\$42.42	\$48.41	\$52.78	\$52.78	\$55.00	\$56.33	\$55.96
% Y/Y Change	2.5%	2.5%	7.0%	11.0%	25.2%	37.6%	37.6%	33.8%	32.8%	15.6%
Number of Direct Listings	298	298	169	207	172	184	184	179	134	205
Sublease Available Square Feet	839	839	737	662	414	503	503	599	487	341
% Sublease Vacancy	1.8%	1.8%	1.6%	1.5%	0.9%	1.1%	1.1%	1.3%	1.1%	0.7%
Y/Y bps Change	76	76	13	12	(80)	(74)	(74)	(30)	(38)	(16)
% of Class C Available Square Feet	23.6%	23.6%	27.9%	23.9%	13.5%	15.6%	15.6%	20.8%	20.3%	11.8%
Sublease Price (\$/sf)	\$35.84	\$35.84	\$34.77	\$43.03	\$44.70	\$45.80	\$45.80	\$46.21	\$52.60	\$42.66
% Y/Y Change	10.6%	10.6%	-4.5%	18.9%	21.5%	27.8%	27.8%	32.9%	22.2%	-4.6%
Number of Sublease Listings	39	39	30	37	30	29	29	31	28	34
Class C Available Square Feet										
% Total Vacancy	7.8%	7.8%	5.8%	6.1%	6.8%	7.1%	7.1%	6.3%	5.3%	6.4%
Y/Y bps Change	8	8	(163)	(74)	(116)	(71)	(71)	53	(82)	(41)
Total Price (\$/sf)	\$38.01	\$38.01	\$40.36	\$42.49	\$48.11	\$51.81	\$51.81	\$53.68	\$55.87	\$55.05
% Y/Y Change	3.0%	3.0%	5.9%	12.0%	25.2%	36.3%	36.3%	33.0%	31.5%	14.4%
Total Number of Listings	337	337	199	244	202	213	213	210	162	239

TENANTWISE

Midtown South Office Market Analysis Market Status Trendline

(all square feet in '000s)

	4Q06A	2006A	1Q07A	2Q07A	3Q07A	4Q07A	2007A	1Q08A	2Q08A	3Q08A
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	2,930	2,930	1,945	2,373	1,928	1,910	1,910	2,408	2,448	2,465
% Direct Vacancy	3.8%	3.8%	2.5%	3.1%	2.5%	2.5%	2.5%	3.1%	3.2%	3.2%
Y/Y bps Change	12	12	(98)	(51)	(111)	(132)	(132)	60	10	70
% of Class D Available Square Feet	84.4%	84.4%	88.8%	86.8%	86.2%	86.5%	86.5%	88.6%	88.2%	84.5%
Direct Price (\$/sf)	\$36.30	\$36.30	\$39.19	\$41.41	\$45.09	\$47.29	\$47.29	\$51.94	\$53.69	\$49.80
% Y/Y Change	10.0%	10.0%	8.6%	13.1%	27.7%	30.3%	30.3%	32.5%	29.6%	10.4%
Number of Direct Listings	602	602	406	455	342	323	323	383	400	463
Sublease Available Square Feet	541	541	245	359	310	299	299	311	327	452
% Sublease Vacancy	0.7%	0.7%	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.6%
Y/Y bps Change	6	6	(15)	(22)	(29)	(31)	(31)	8	(4)	18
% of Class D Available Square Feet	15.6%	15.6%	11.2%	13.2%	13.8%	13.5%	13.5%	11.4%	11.8%	15.5%
Sublease Price (\$/sf)	\$36.49	\$36.49	\$38.37	\$40.76	\$43.20	\$44.94	\$44.94	\$47.87	\$38.75	\$46.14
% Y/Y Change	24.2%	24.2%	9.1%	12.4%	22.9%	23.1%	23.1%	24.7%	-4.9%	6.8%
Number of Sublease Listings	93	93	54	62	43	43	43	45	39	57
Class D Available Square Feet										
	3,471	3,471	2,190	2,733	2,237	2,209	2,209	2,719	2,775	2,917
% Total Vacancy	4.5%	4.5%	2.8%	3.5%	2.9%	2.9%	2.9%	3.5%	3.6%	3.8%
Y/Y bps Change	18	18	(114)	(72)	(140)	(164)	(164)	69	5	88
Total Price (\$/sf)	\$36.32	\$36.32	\$39.13	\$41.35	\$44.88	\$47.03	\$47.03	\$51.62	\$52.40	\$49.34
% Y/Y Change	11.7%	11.7%	8.7%	13.1%	27.2%	29.5%	29.5%	31.9%	26.7%	9.9%
Total Number of Listings	695	695	460	517	385	366	366	428	439	520
TOTAL MIDTOWN MARKET:										
Total Midtown South Square Feet	159,960	159,960	159,960	159,999	159,999	159,999	159,999	159,999	159,999	159,999
Direct Square Feet	8,762	8,762	5,779	6,594	6,559	6,653	6,653	6,603	6,095	7,132
% Direct Vacancy	5.5%	5.5%	3.6%	4.1%	4.1%	4.2%	4.2%	4.1%	3.8%	4.5%
Y/Y bps Change	16	16	(140)	(115)	(102)	(132)	(132)	51	(31)	36
% of Midtown South Available Square Feet	81.9%	81.9%	79.7%	80.6%	81.0%	80.7%	80.7%	79.8%	83.0%	83.8%
Direct Avg. Asking Price (\$/sf)	\$49.56	\$49.56	\$51.62	\$52.34	\$55.48	\$56.94	\$56.94	\$57.75	\$57.74	\$56.34
% Y/Y Change	19.3%	19.3%	20.6%	6.1%	15.2%	14.9%	14.9%	11.9%	10.3%	1.5%
Number of Direct Listings	1122	1122	731	848	683	688	688	724	684	848
Sublease Square Feet	1,938	1,938	1,476	1,584	1,537	1,592	1,592	1,675	1,252	1,381
% Sublease Vacancy	1.2%	1.2%	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	0.8%	0.9%
Y/Y bps Change	17	17	(5)	(6)	(16)	(22)	(22)	12	(21)	(10)
% of Midtown South Available Square Feet	18.1%	18.1%	20.3%	19.4%	19.0%	19.3%	19.3%	20.2%	17.0%	16.2%
Sublease Avg. Asking Price (\$/sf)	\$37.86	\$37.86	\$37.53	\$45.90	\$51.46	\$53.90	\$53.90	\$52.87	\$50.42	\$56.45
% Y/Y Change	3.0%	3.0%	-3.5%	18.2%	32.5%	42.4%	42.4%	40.9%	9.8%	9.7%
Number of Sublease Listings	168	168	117	139	116	115	115	112	92	121
Total Available Square Feet										
	10,700	10,700	7,255	8,178	8,096	8,245	8,245	8,277	7,347	8,513
% Total Vacancy	6.7%	6.7%	4.5%	5.1%	5.1%	5.2%	5.2%	5.2%	4.6%	5.3%
Y/Y bps Change	33	33	(145)	(121)	(118)	(154)	(154)	64	(52)	26
Total Avg. Asking Price (\$/sf)	\$47.74	\$47.74	\$49.77	\$51.05	\$54.77	\$56.29	\$56.29	\$57.07	\$56.82	\$56.66
% Y/Y Change	17.0%	17.0%	18.0%	10.9%	17.8%	17.9%	17.9%	14.7%	11.3%	3.5%
Total Number of Listings	1,290	1,290	848	987	799	803	803	836	776	969