

The average asking rent for **Manhattan** soared in June, with the class A figure closing the month at \$80.47/sf up a stunning 5.9% from the \$75.99/sf in May. For the past twelve months, the Manhattan class A average asking rent has jumped 41.0% from \$57.06/sf in May 2006. The most impressive growth has been recorded in Midtown though Midtown South and Downtown have been on the rise as well. In addition, there have been rent increases for class B and class C availability though not quite at the torrid pace of the class A market. The overall average asking rent did climb above the \$60.00/sf figure in May, closing at \$60.71/sf up 3.6% for the month and 33.4% over the past year. Meanwhile, the class A vacancy rate fell to 5.6% in June from 6.0% in May primarily due to two blocks of space removed from the market Downtown. The overall vacancy rate closed the month lower as well, dropping to 6.9% from 7.1%.

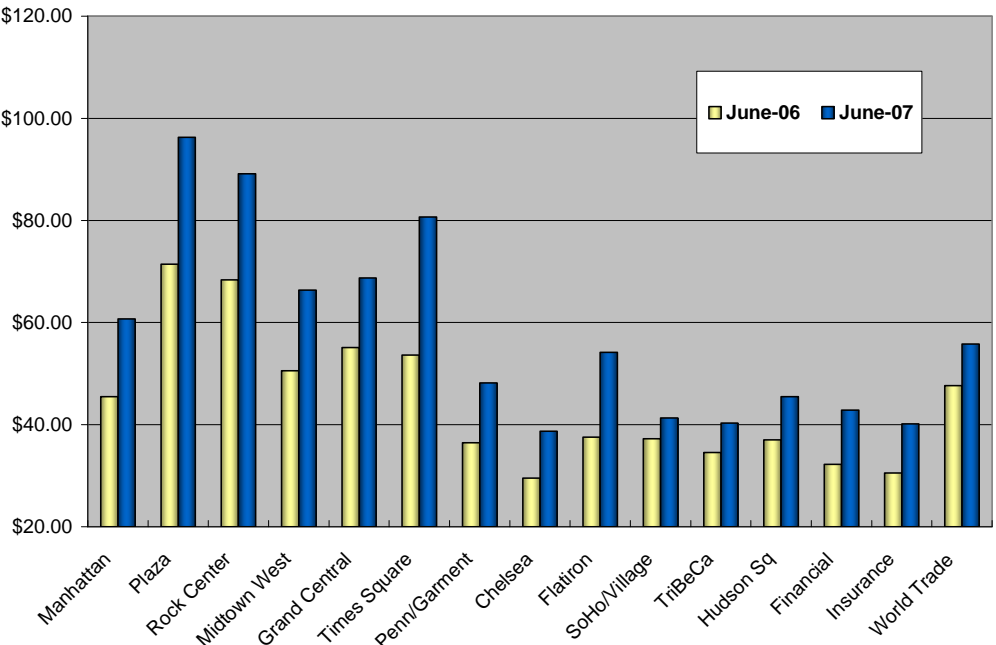
Manhattan rent continues to soar with the class A figure closing the month above \$80.00/sf.

Plaza submarket class A rent shoots above \$100.00/sf for the first time, finishing the month at \$104.92/sf.

Rockefeller Center showed the greatest increase for the month as buildings were re-priced and the asking rent skyrocketed to \$95.29/sf.

Downtown rent climbed only slightly though the vacancy rate took a plunge due in part to yet another residential conversion play.

Overall Average Asking Rents by Submarket



For **Midtown**, the class A average asking rent hit \$92.31/sf in June, up 5.0% from \$87.95/sf in May. Increases were recorded in five of its six submarkets with the most impressive recorded in the Plaza (\$104.92/sf from \$99.50/sf), Times Square (\$95.43/sf from \$90.70/sf) and Rockefeller Center (\$95.29/sf from \$83.91/sf). The Grand Central submarket remains almost a bargain by comparison with its class A average asking rent at \$79.78/sf, equal to the May figure though the year over year increase has been similar to other Midtown submarkets. The class A vacancy rate edged down to 5.5% from 5.6% in May.

The **Midtown South** overall average asking rent climbed to \$45.75/sf in June up from 5.7% for the month from \$43.27/sf. The overall vacancy rate held at 7.2% with class B availability falling but that was offset by a slight increase in class A space on the market.

Downtown was quite active in June with two large blocks of space removed from the market. Yet another residential conversion has pulled the nearly 488,000-sf of availability off the market at 95 Wall Street while at 60 Broad Street, the State of New York Unified Court System has renewed its lease for just under 468,000-sf for a 5-year period (it eventually plans to move to the Freedom Tower). These transactions allowed the class A vacancy rate to plummet to 5.8% from 7.4% in May. The class A average asking rent climbed to \$53.76/sf, up slightly from the \$53.49/sf in May.



NOTEWORTHY LEASES ANNOUNCED IN JUNE

Address	Tenant	Sq. Ft.	Circumstances
825 Eighth Avenue	Cravath Swaine & Moore	600,000	Renewal
100 Park Avenue	Seligman	103,000	Renewal
150 East 42 nd Street	Marubeni	88,000	New Location
114 West 47 th Street	Axinn Veltrop & Harkrider	34,000	Relocation

NOTEWORTHY SALES ANNOUNCED IN JUNE

Address	Buyer	Seller	Sq. Ft.	Price
444 Madison Avenue	Westbrook Partners	444 Madison LLC	475,000	\$313.75 Million or \$661/sf; Under Contract
660 Madison Avenue	Gruppo Zunino	Broadway Real Estate Partners	254,000	\$375 Million or \$1,476/sf; Under Contract; Office Building Portion

MANHATTAN OFFICE MARKET OVERVIEW

Submkt/ Building Class	Rentable Square Feet	Net Absorption* YTD 2007	Overall Vacancy** June 2007 (SF)		Overall Vacancy** May 2007 (SF)		Overall Vacancy** June 2006 (SF)		Avg Asking Rent*** June 2007 (PSF)	Avg Asking Rent*** May 2007 (PSF)	Avg Asking Rent*** June 2006 (PSF)
				%		%		%			
Midtown											
A	155,704,186	147,482	8,586,513	5.5%	8,786,634	5.6%	9,597,689	6.2%	\$92.31	\$87.95	\$66.85
B	71,685,570	(18,518)	6,536,246	9.1%	6,177,825	8.6%	7,567,655	10.6%	\$55.09	\$54.23	\$44.38
C	24,125,958	171,915	912,361	3.8%	930,817	3.9%	1,341,640	5.6%	\$41.47	\$39.50	\$30.55
Subtotal	251,515,714	300,879	16,035,120	6.4%	15,895,276	6.3%	18,506,984	7.4%	\$74.25	\$72.01	\$55.03
Midtown South											
A	14,176,244	178,461	776,142	5.5%	723,130	5.1%	730,524	5.2%	\$59.36	\$57.97	\$38.81
B	52,215,845	773,415	3,727,623	7.1%	4,152,952	8.0%	5,531,174	10.6%	\$47.45	\$44.18	\$37.10
C	31,947,410	(425,686)	2,557,560	8.0%	2,198,083	6.9%	2,041,748	6.4%	\$39.13	\$36.70	\$30.02
Subtotal	98,339,499	526,190	7,061,325	7.2%	7,074,165	7.2%	8,303,446	8.5%	\$45.75	\$43.27	\$35.51
Downtown											
A	55,573,774	768,466	3,195,503	5.8%	4,091,789	7.4%	5,661,230	10.2%	\$53.76	\$53.49	\$42.81
B	29,926,449	36,913	3,607,739	12.1%	3,710,421	12.4%	4,428,698	14.8%	\$39.61	\$39.64	\$29.58
C	4,243,507	(135,784)	534,291	12.6%	541,507	12.8%	415,051	9.8%	\$36.17	\$34.57	\$28.03
Subtotal	89,743,730	669,595	7,337,533	8.2%	8,343,717	9.3%	10,504,979	11.7%	\$45.53	\$46.11	\$36.65
Manhattan											
A	225,454,204	1,094,409	12,558,158	5.6%	13,601,553	6.0%	15,989,443	7.1%	\$80.47	\$75.99	\$57.06
B	153,827,864	791,810	13,871,608	9.0%	14,041,198	9.1%	17,527,527	11.4%	\$49.01	\$47.40	\$38.34
C	60,316,875	(389,555)	4,004,212	6.6%	3,670,407	6.1%	3,798,439	6.3%	\$39.27	\$37.10	\$29.99
TOTAL	439,598,943	1,496,664	30,433,978	6.9%	31,313,158	7.1%	37,315,409	8.5%	\$60.71	\$58.61	\$45.51

*Net change in occupied space between two points in time; includes both direct and sublease space

Includes space available for sublease *Weighted by SF available for lease

Colliers ABR, Inc.'s New York Office Market Report serves as a supplement to our quarterly review, The Barometer.

For more information, please contact Robert Sammons at 212.758.0800 or email rsammons@colliersabr.com. This report is also listed at www.colliersabr.com. Information contained herein has been obtained from sources deemed reliable and no representation is made as to the accuracy thereof. Data is sourced from Colliers ABR Research, CoStar, Real Capital Analytics, the NYC Office of the Comptroller and the NYC Office of Management & Budget. The ideas and expressions herein reflect the views of Colliers ABR, Inc.