



The FiDi Report

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

INAUGURAL MID-YEAR REPORT

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Introduction

Seeing a dramatic shift in the available inventory Downtown for the first time over the past five years, Platinum is pleased to release the inaugural mid-year The FiDi Report, which looks at current trends in the luxury rental market in the city's Financial District over the last six months. January 2010 started off strong with inventory low in the Financial District and demand high. We saw much of the lingering apartments absorbed by mid January and maintained through the spring. With the temperatures outside warming and flowers blooming, we began to see prices increase, fewer concessions, and a dramatic drop in the neighborhood vacancy rate.

In more recent weeks leading up to summer, we have started to notice a notable shift in the overall vacancy rate, which was cut by more than half when compared to six months ago and prices increase by as much as nearly 5%. This trend is expected to continue throughout the summer and will likely change come September and August when leases are expiring from the extended leases of last year.

The outlook for FiDi is optimistic through the summer months with some new units coming on the market at 20 Exchange place, developed by Metro Loft Management.



Daniel Hedaya
Executive Vice President

MARKET OVERVIEW							
		<i>SF</i>	<i>Price</i>	<i>\$/SF</i>	<i>#</i>	<i>%</i>	<i>% Change</i>
2010	Studio	575	\$ 2,261.20	\$ 47.19	173	31%	2.28%
	Studio w/ HO	727	\$ 2,667.85	\$ 44.04	77	14%	0.72%
	1 Bedroom	734	\$ 3,038.22	\$ 49.67	217	39%	4.72%
	2 Bedroom	1071.85	\$ 4,201.67	\$ 47.04	96	17%	3.14%
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%	6.30%
	Studio w/ HO	688.2	\$ 2,980.63	\$ 51.97	202	14%	3.93%
	1 Bedroom	687.6	\$ 3,163.93	\$ 55.22	535	38%	3.33%
	2 Bedroom	1003	\$ 4,419.45	\$ 52.53	238	17%	3.15%

Prices Inch Up as Weather Warms

As is the seasonal norm, prices have begun to increase with the spring behind us and summer months close by. One bedrooms showed the most significant increase with an almost 5% jump from the end of 2009, while studios with home offices showed a more moderate increase of just under 1%. Moving into the summer prices are anticipated to continue on the rise as supply will be limited with minimal new development coming on the market in the neighborhood.

SIZE VS. CONCESSIONS				
	<i>0 Months</i>	<i>1 Month</i>	<i>2 Months</i>	<i>3 Months</i>
Studio	46	66	61	0
Studio w/ HO	11	42	24	0
1 Bedroom	44	89	79	5
2 Bedroom	22	29	42	3

Concessions Being Cut Back

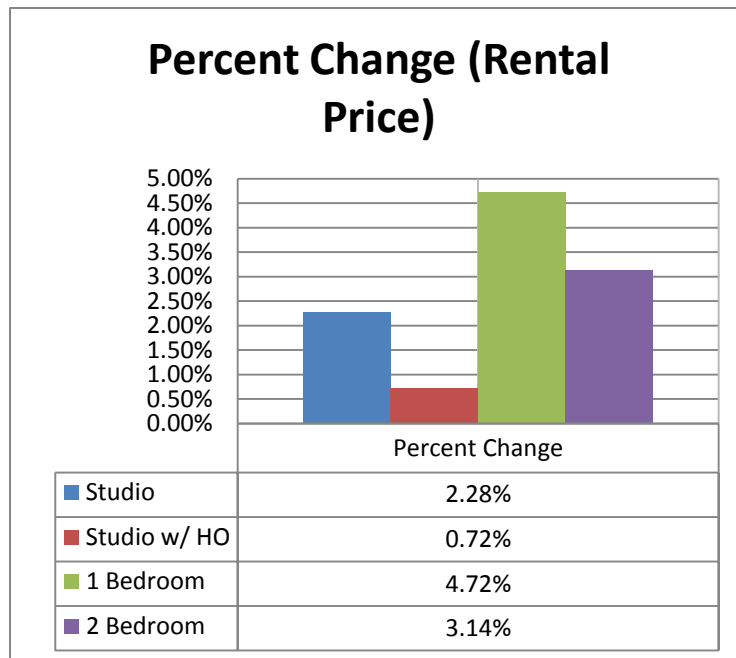
Unlike last year, landlords see much less inventory approaching through the summer and have cut back on the available rental concessions. These cut backs come in the form of not only monthly rental concessions but also in the form of Owner Paid (OP) commissions. With demand high and supply down, landlords don't see the need to offer as many concessions as in previous years. While prices are still well below other neighborhoods of Manhattan and many buildings are still offering anywhere from one to three month concessions, the number of buildings offering these concessions overall has dropped.

VACANCY RATE	
Market Size 2009	7649 Units
Vacancy Rate 2009	4.98%
Market Size 2009	7649 Units
Vacancy Rate 2010	2.17%

Vacancy Rate Cut In Half

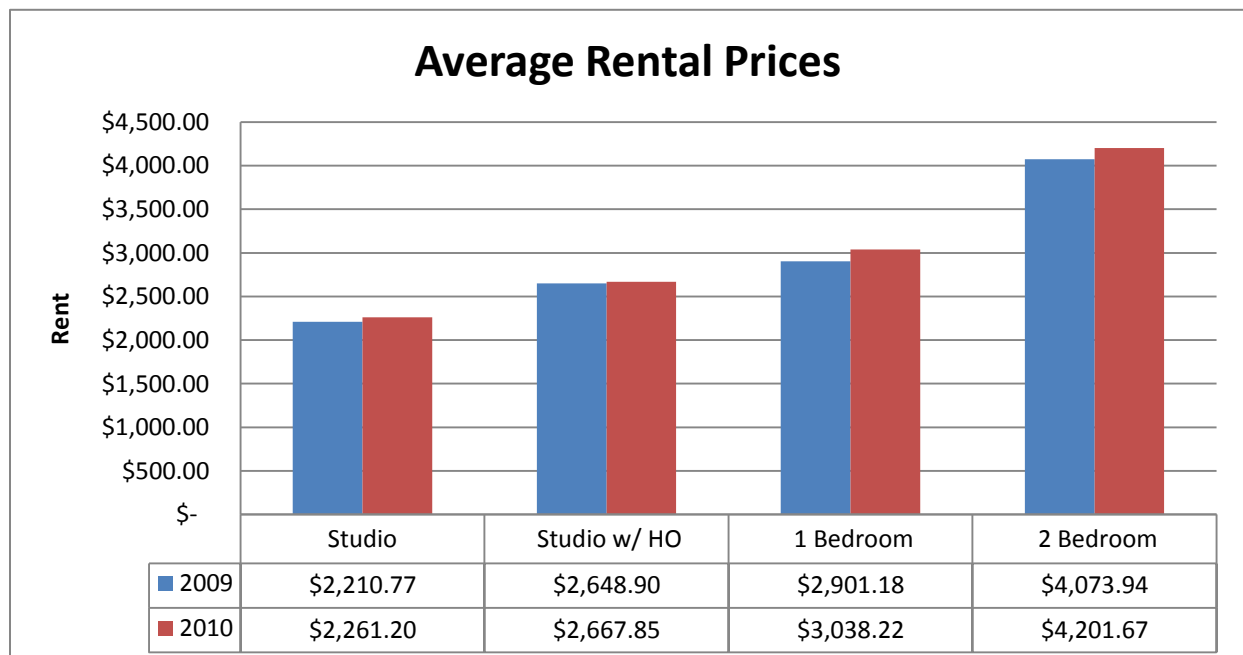
The Financial District saw a tremendous drop in vacancy in the first half of 2010. Unlike previous years when landlords saw much of their inventory renew during the summer time, the longer lease terms and higher concessions of last year extended the renewals towards the beginning of the

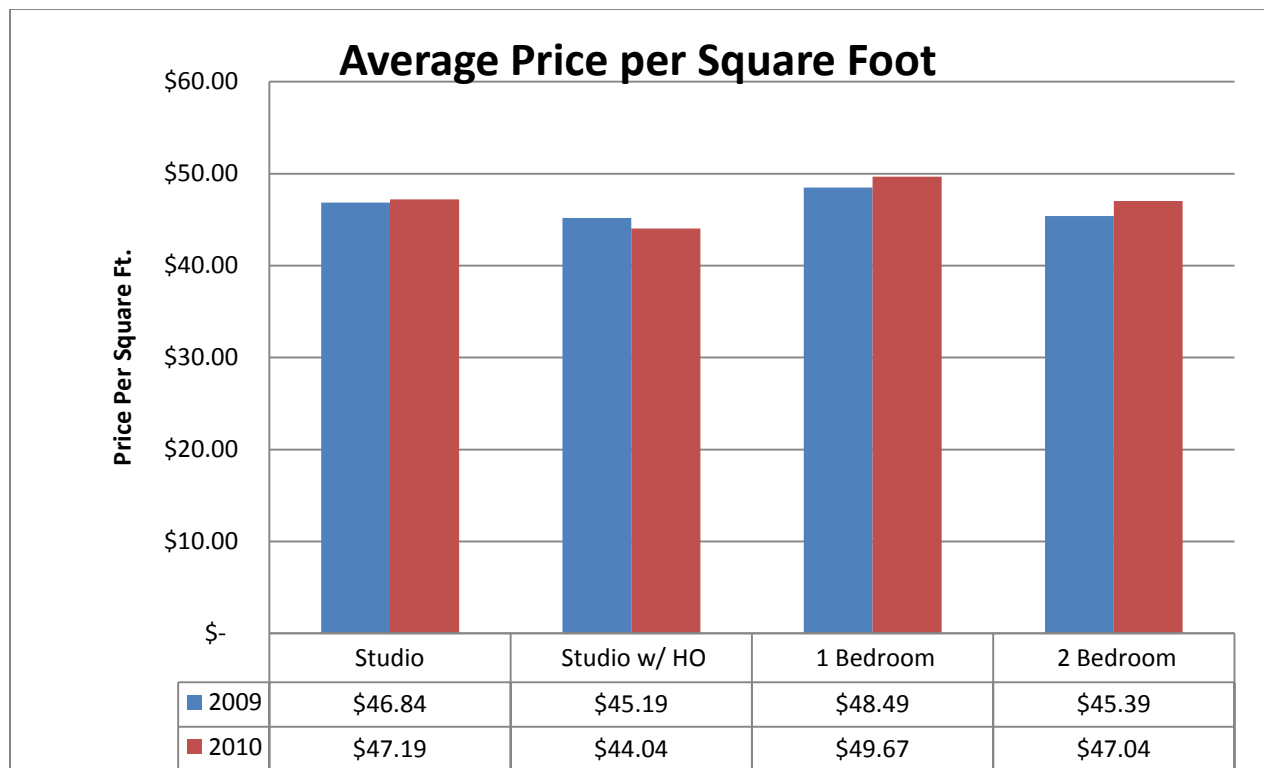
fall. The seasonal demand in conjunction with the limited renewals and new development should drive prices up through the duration of the summer.



Rents Show Increase

Rents have shown a minor increase since the end of 2009. Anticipating a positive outlook for the summer, the cutback of concessions and limited inventory has allowed landlords to raise pricing. Nevertheless, FiDi continues to offer great deals for any renter looking for luxe living.





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 563 individual leasing transactions completed during this Report's stated time frame.