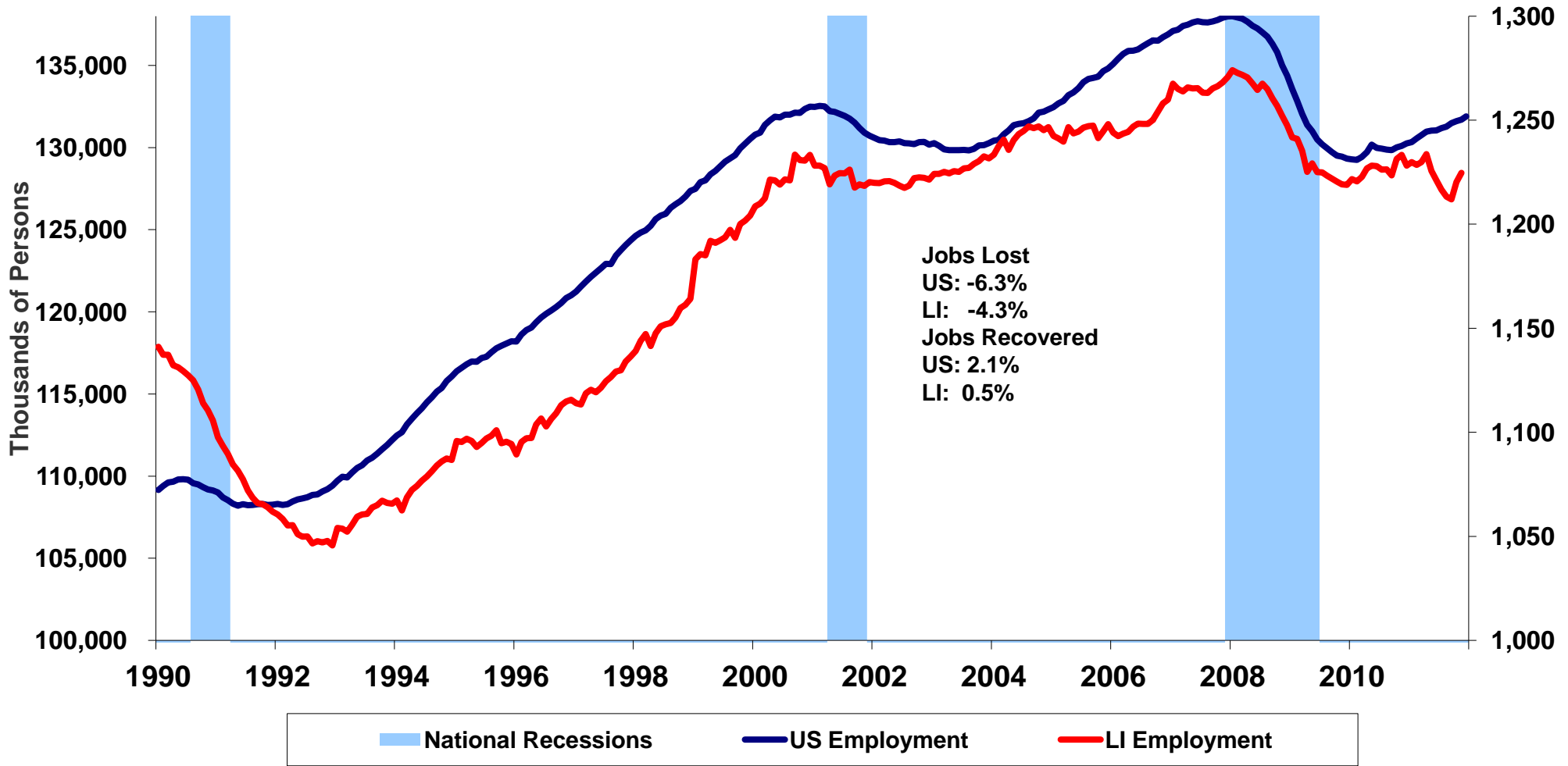


Long Island Office & Industrial Overview

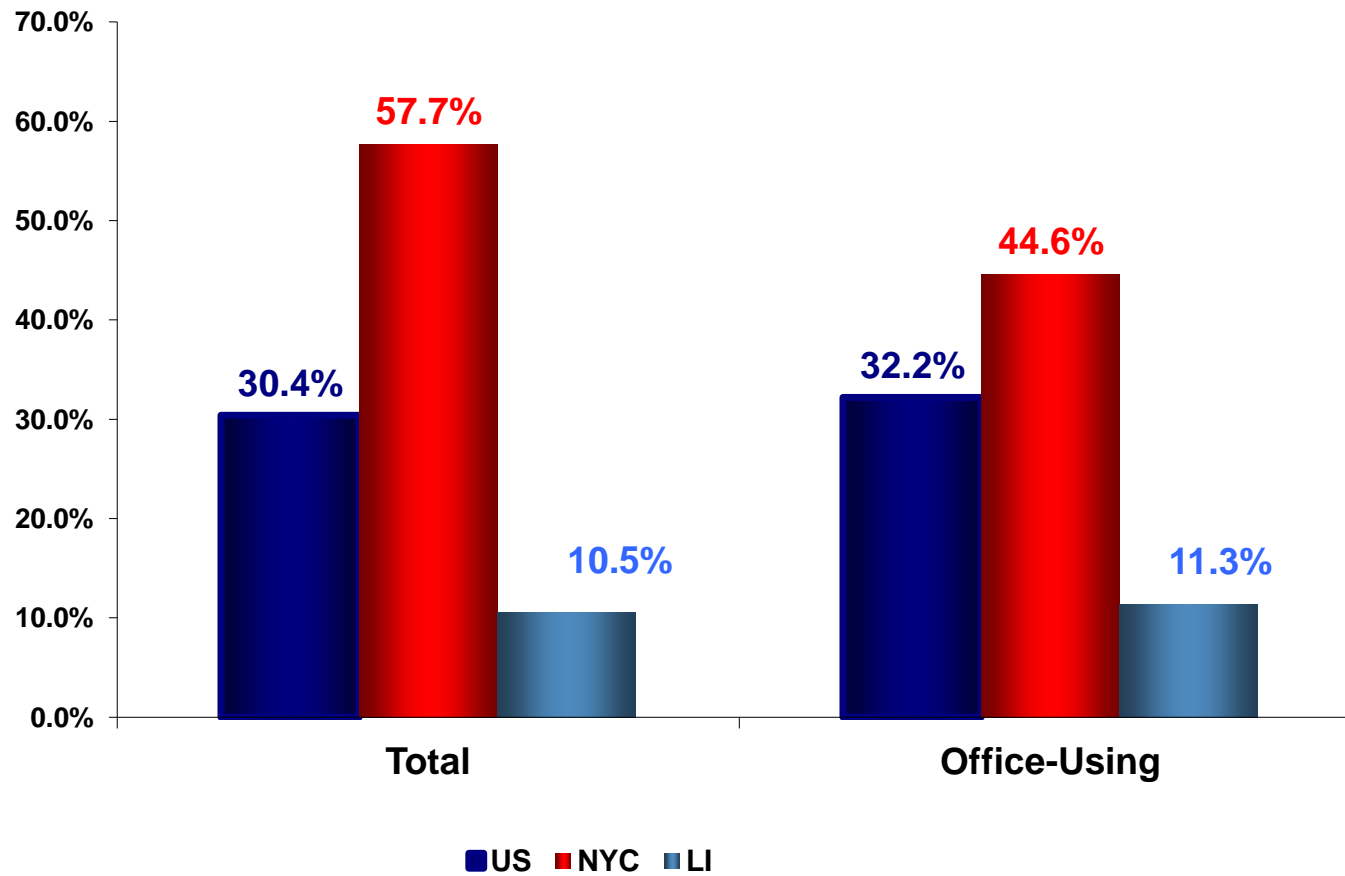
January 19, 2012

US Employment Compared with Long Island



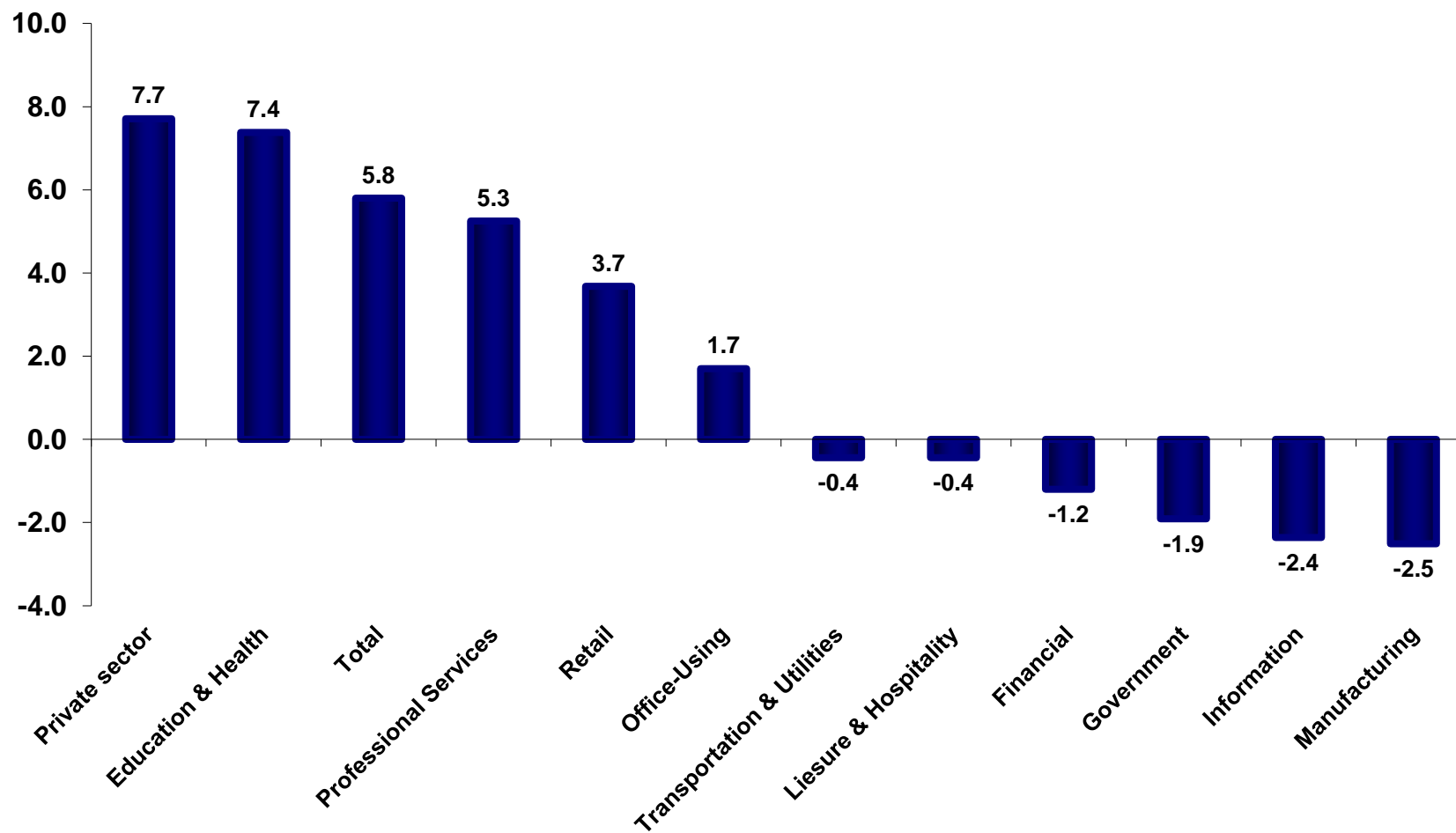


Jobs Recovered Since February 2010 As a percent of Jobs Lost



Long Island Employment Change Since Trough By Industry

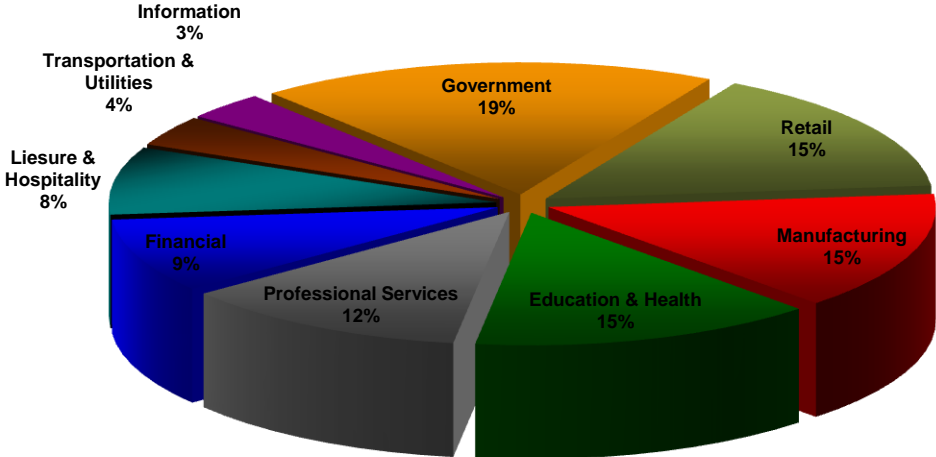
3



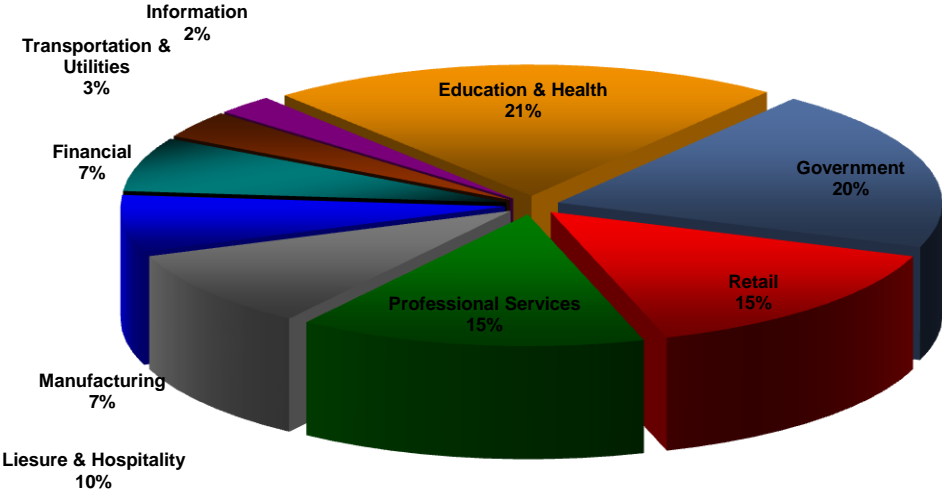
Changing Employment Structure



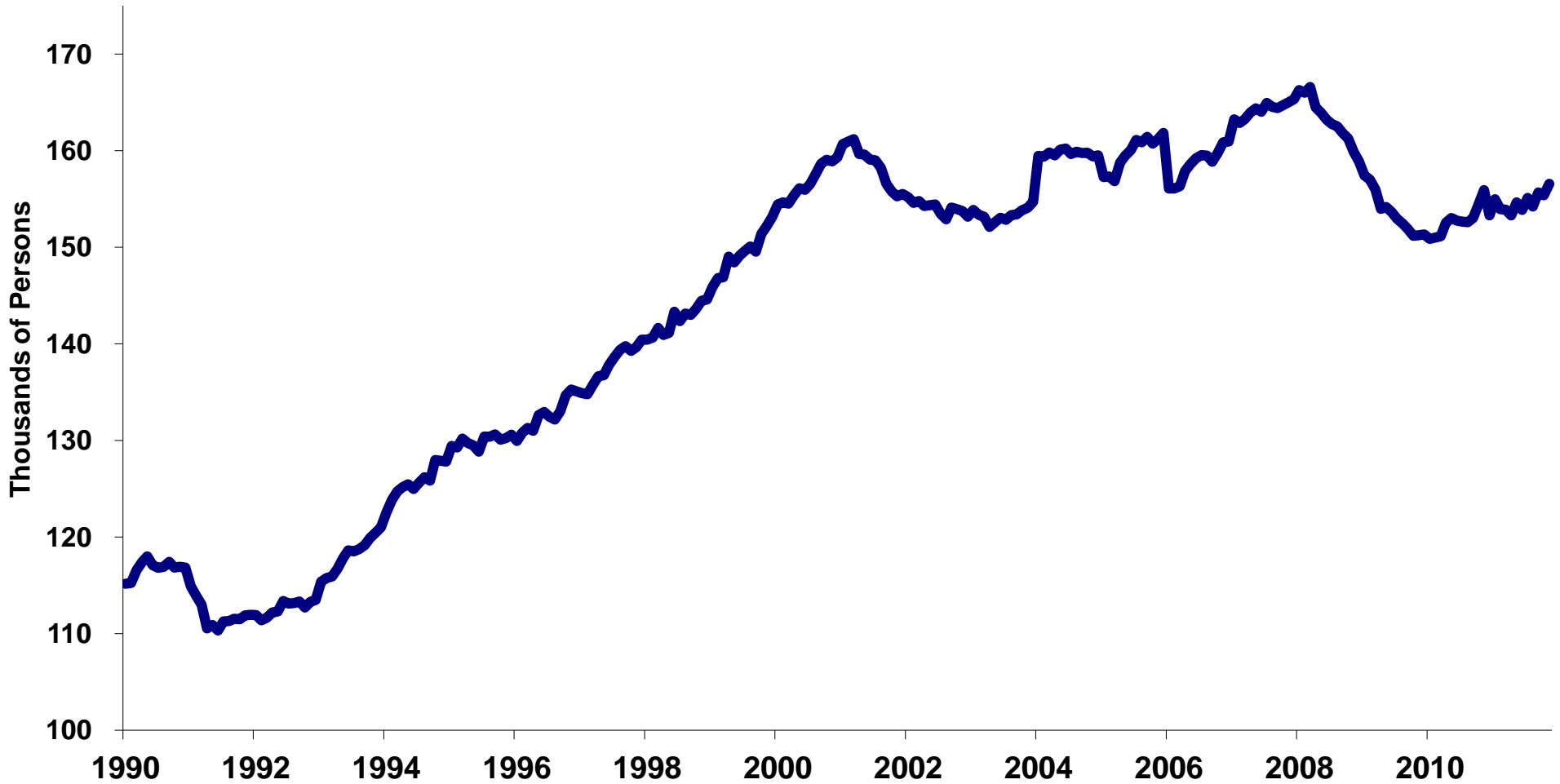
1990
Total Employment: 1.12 million



2010
Total Employment: 1.26 million

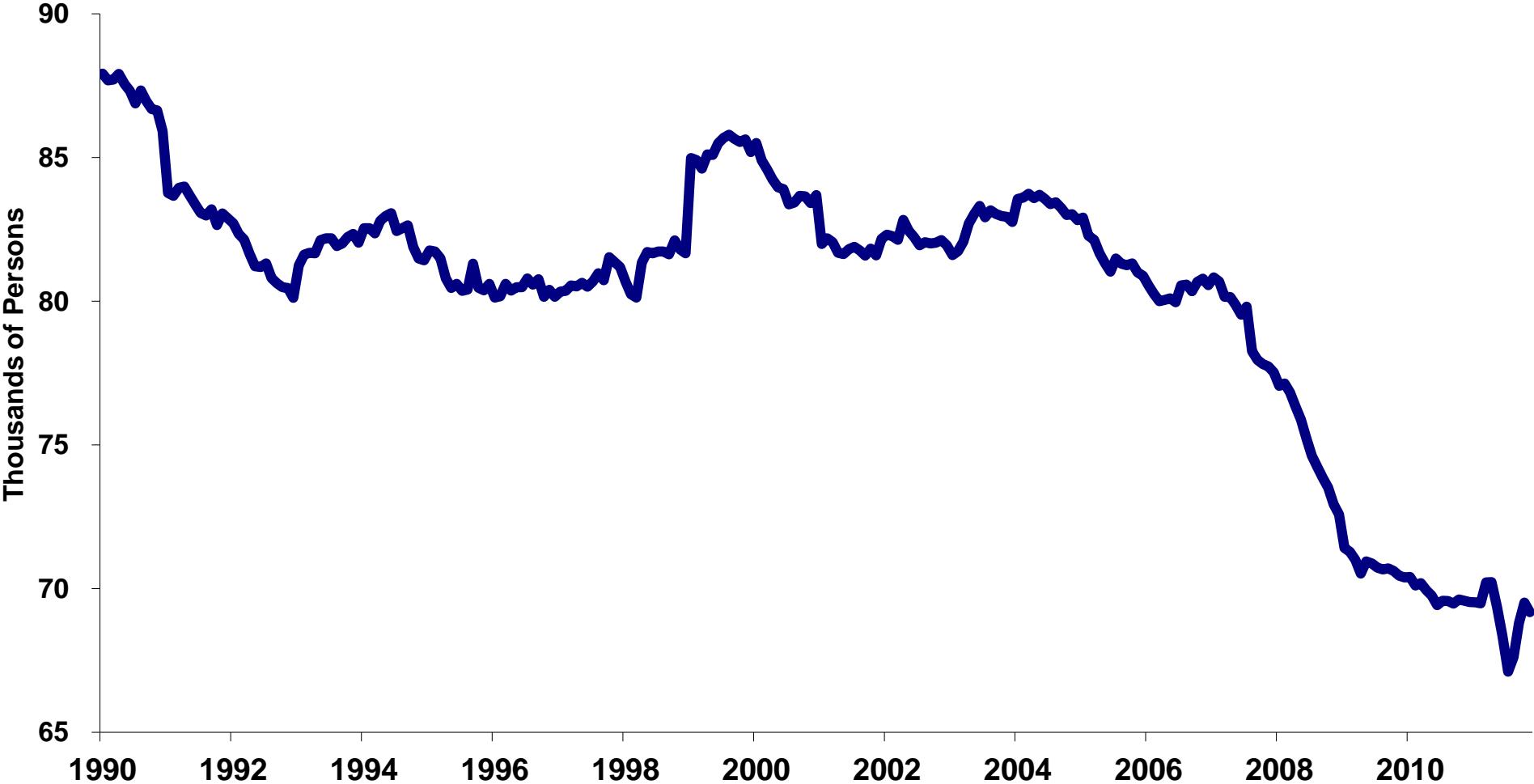


LI Professional Services Employment



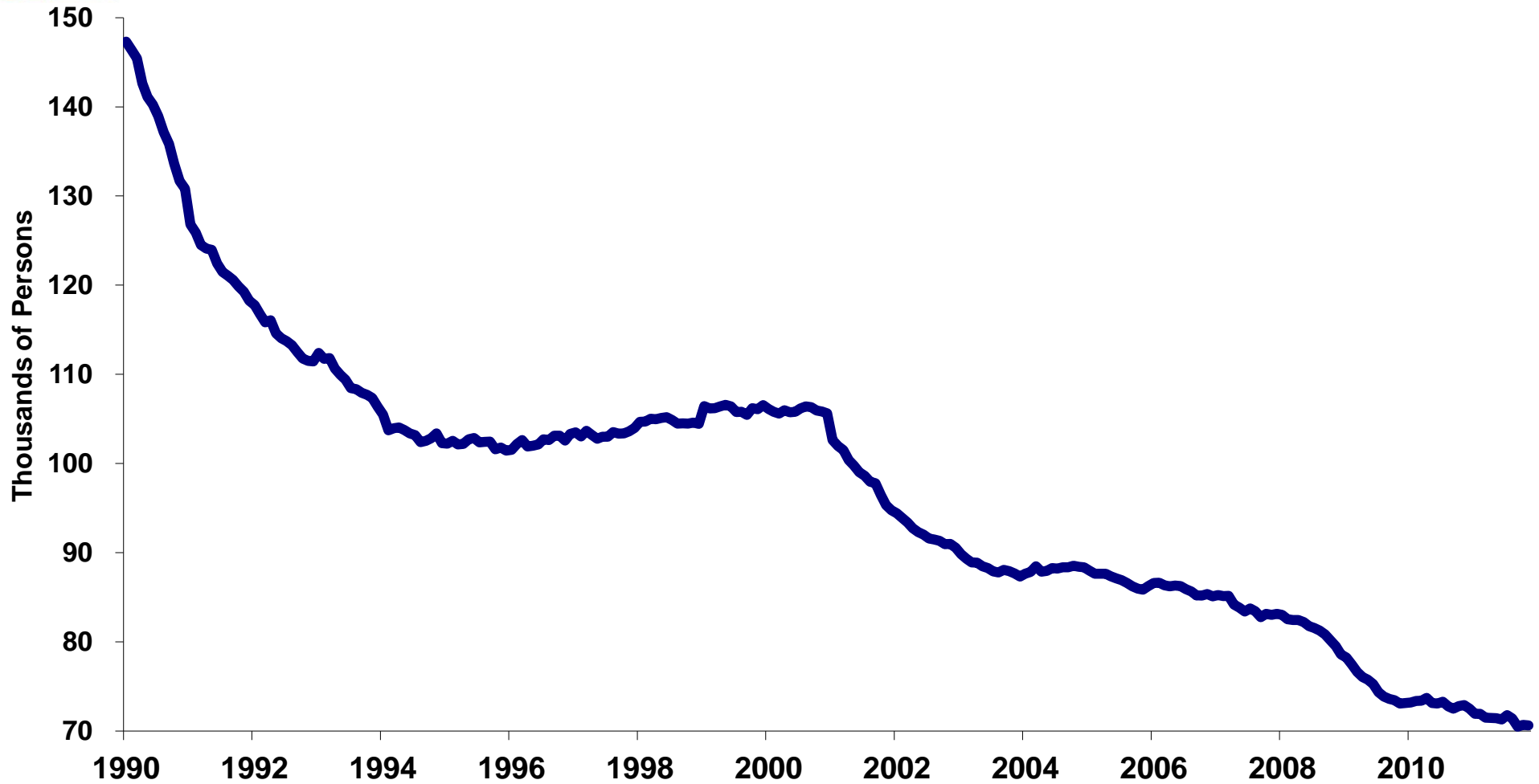
Source: US Bureau of Labor Statistics

LI Financial Services Employment



Source: US Bureau of Labor Statistics

LI Manufacturing Employment



Source: US Bureau of Labor Statistics



Market Indicators

Yearly Comparison

Overall Vacancy Rate

4Q-11: 17.7%
 3Q-11: 18.2%
 4Q-10: 19.5%



Overall Absorption (YTD)

4Q-11: 755,878
 3Q-11: 612,751
 4Q-10: -701,266



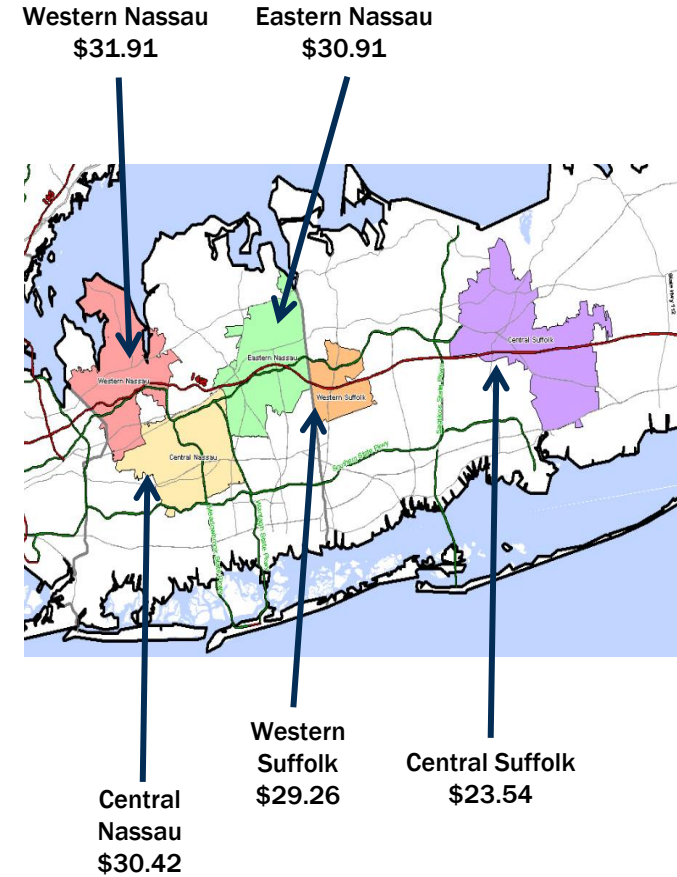
Leasing Activity (YTD)

4Q-11: 1,474,479 SF
 3Q-11: 1,114,261 SF
 4Q-10: 1,865,349 SF



- The Long Island market saw a 9.2% decreased year-over-year vacancy rate, while the overall rental rate increased by 2.2%
- Notable transactions in **Nassau County** in 2011 include:
 - Health Care Partners: 57,000-sf sublease at 501 Franklin Avenue
 - Astoria Federal Savings: 55,000 sf at One Jericho Plaza
- Notable transactions in **Suffolk County** in 2011 include:
 - Suffolk County: 63,402 sf at 3500 Sunrise Highway
 - MBS Insight: 31,561-sf sublease at 265 Broadhollow Road
 - Tower Insurance Group: 30,500 sf at 3 Huntington Quadrangle
- Several large tenants have **renewed** their leases and/or expanded to stay in their current location
 - Merrill Lynch, Pierce, Fenner & Smith: Renewed 50,154 sf at 1225 Franklin Avenue
 - JPMorgan Chase: Renewed 40,000 sf at 395 N. Service Road
 - UBS: Renewed 25,176 sf at 225 Broadhollow Road
 - PricewaterhouseCoopers: Renewed 19,676 sf at 401 Broadhollow Road
 - Yellowbook: Renewed 17,000 sf at 333 Earle Ovington Boulevard
- Leasing activity decreased by 21.0 % since 4Q-10
 - Market activity shows brighter prospects in future demand. Leases are in place for:
 - 200,000 sf at 2200 Northern Boulevard with **St. Francis Hospital**
 - 50,000 sf at 3 Huntington Quadrangle with **Northshore LIJ** (sublease)
 - 39,000 sf at 2200 Northern Boulevard with **MetLife**
 - 38,000 sf at 100 Sunnyside Boulevard with **Sbarro**

Asking Rents



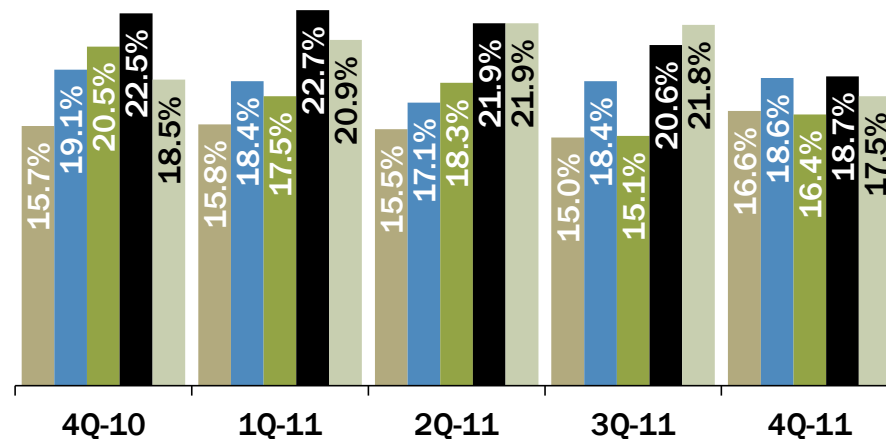
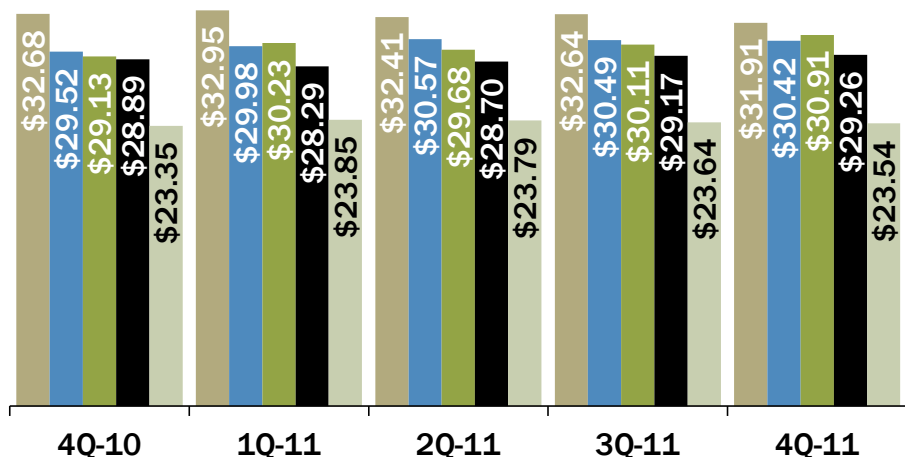


Overall Rental Rates By Submarket

	Overall Long Island	Western Nassau	Central Nassau	Eastern Nassau	Western Suffolk	Central Suffolk
4Q11	\$29.62	\$31.91	\$30.42	\$30.91	\$29.26	\$23.54
3Q11	\$29.31	\$32.64	\$30.49	\$30.11	\$29.17	\$23.64
2Q11	\$29.19	\$32.41	\$30.57	\$29.68	\$28.70	\$23.79
1Q11	\$29.15	\$32.95	\$29.98	\$30.23	\$28.29	\$23.85
4Q10	\$28.98	\$32.68	\$29.52	\$29.13	\$28.89	\$23.35

Overall Vacancy Rates By Submarket

	Overall Long Island	Western Nassau	Central Nassau	Eastern Nassau	Western Suffolk	Central Suffolk
4Q11	17.7%	16.6%	18.6%	16.4%	18.7%	17.5%
3Q11	18.2%	15.0%	18.4%	15.1%	20.6%	21.8%
2Q11	18.5%	15.5%	17.1%	18.3%	21.9%	21.9%
1Q11	19.2%	15.8%	18.4%	17.5%	22.7%	20.9%
4Q10	19.5%	15.7%	19.1%	20.5%	22.5%	18.5%



- Western Nassau
- Central Nassau
- Eastern Nassau
- Western Suffolk
- Central Suffolk



- Overall vacancy is currently at 17.7%, down by 0.5% from a year ago
- Nassau County's vacancy rate is currently 17.4%
- Suffolk County's vacancy rate is currently 18.3%
- Long Island's overall average asking rent is \$29.62 psf
- Nassau County's overall rent is \$30.94 psf
- Suffolk County's overall rent is \$27.44 psf
- Vacancy rates are forecast to decrease and rental rates are expected to gradually increase in the upcoming months

LONG ISLAND OFFICE MARKET AT A GLANCE

MARKET SIZE

Total Inventory	32,041,037 SF
Nassau County Inventory	20,015,748 SF
Suffolk County Inventory	12,025,289 SF

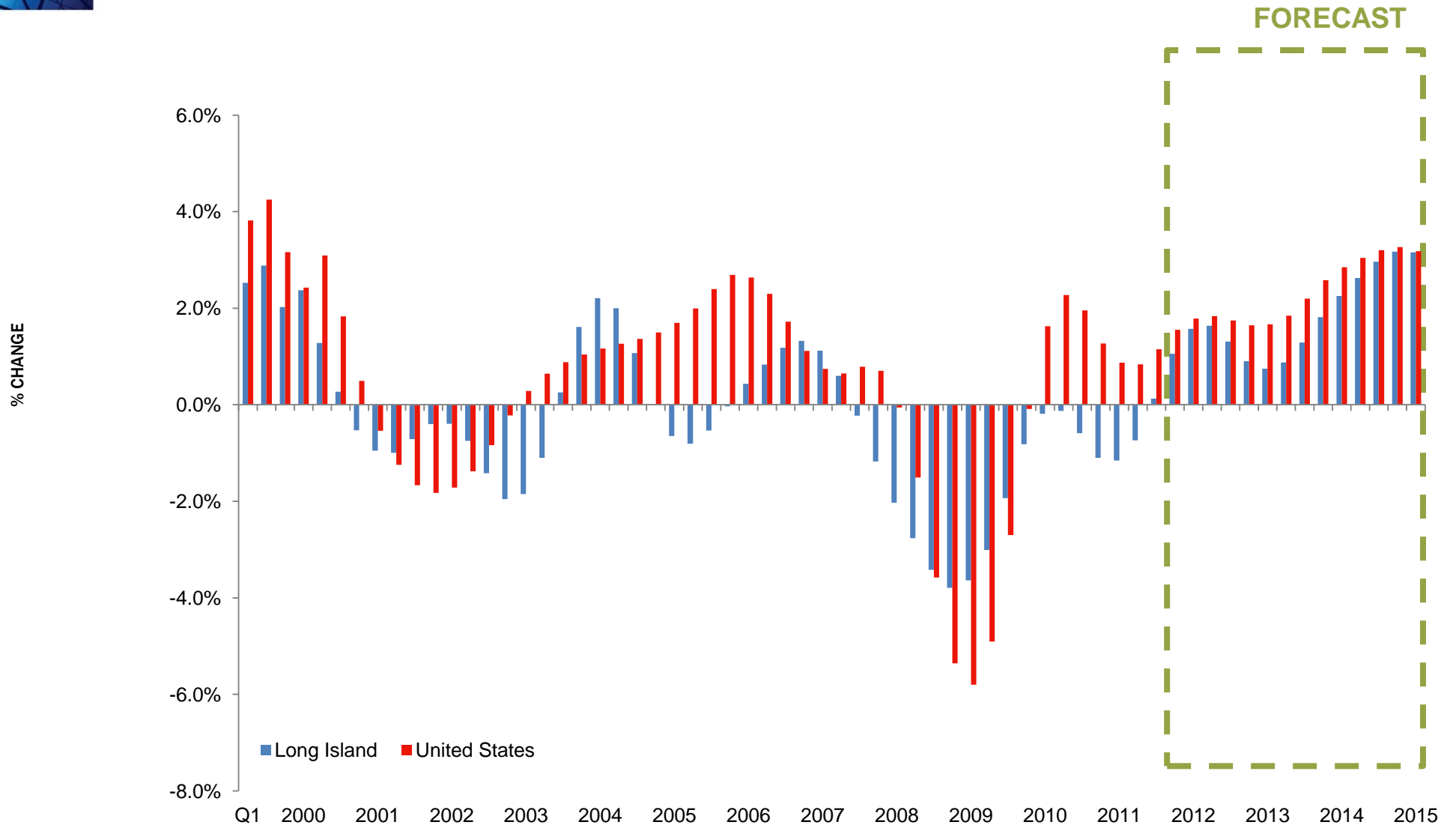
Long Island Overall

Overall Vacancy	17.7%
Overall Vacancy Forecast (12 mos.)	↓
Avg. Direct Asking Rent	\$30.03 PSF
Avg. Direct Asking Rent Forecast (12 mos.)	↑



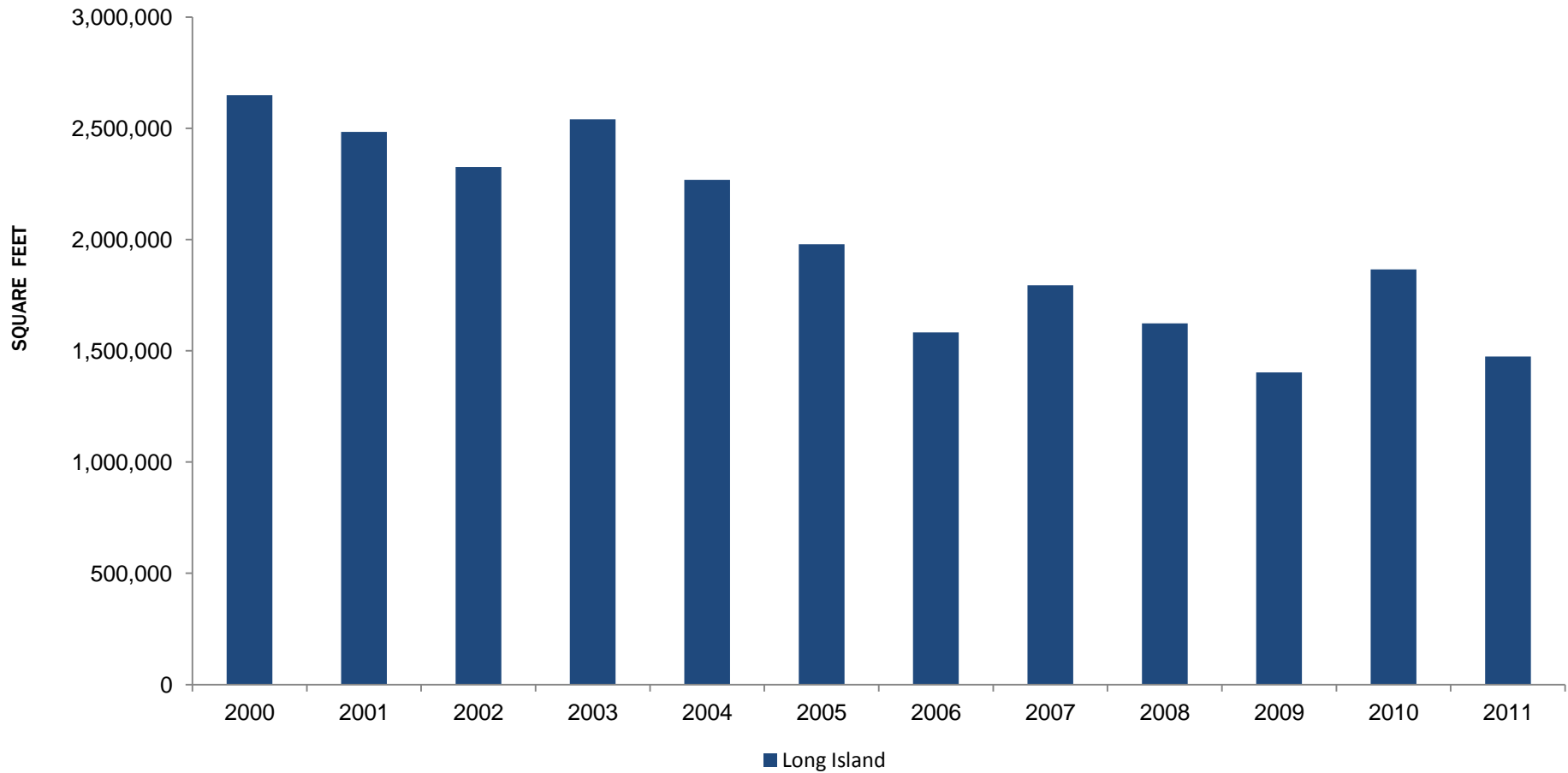
Office-Using Employment

% CHANGE IN EMPLOYMENT | LONG ISLAND VS U.S.

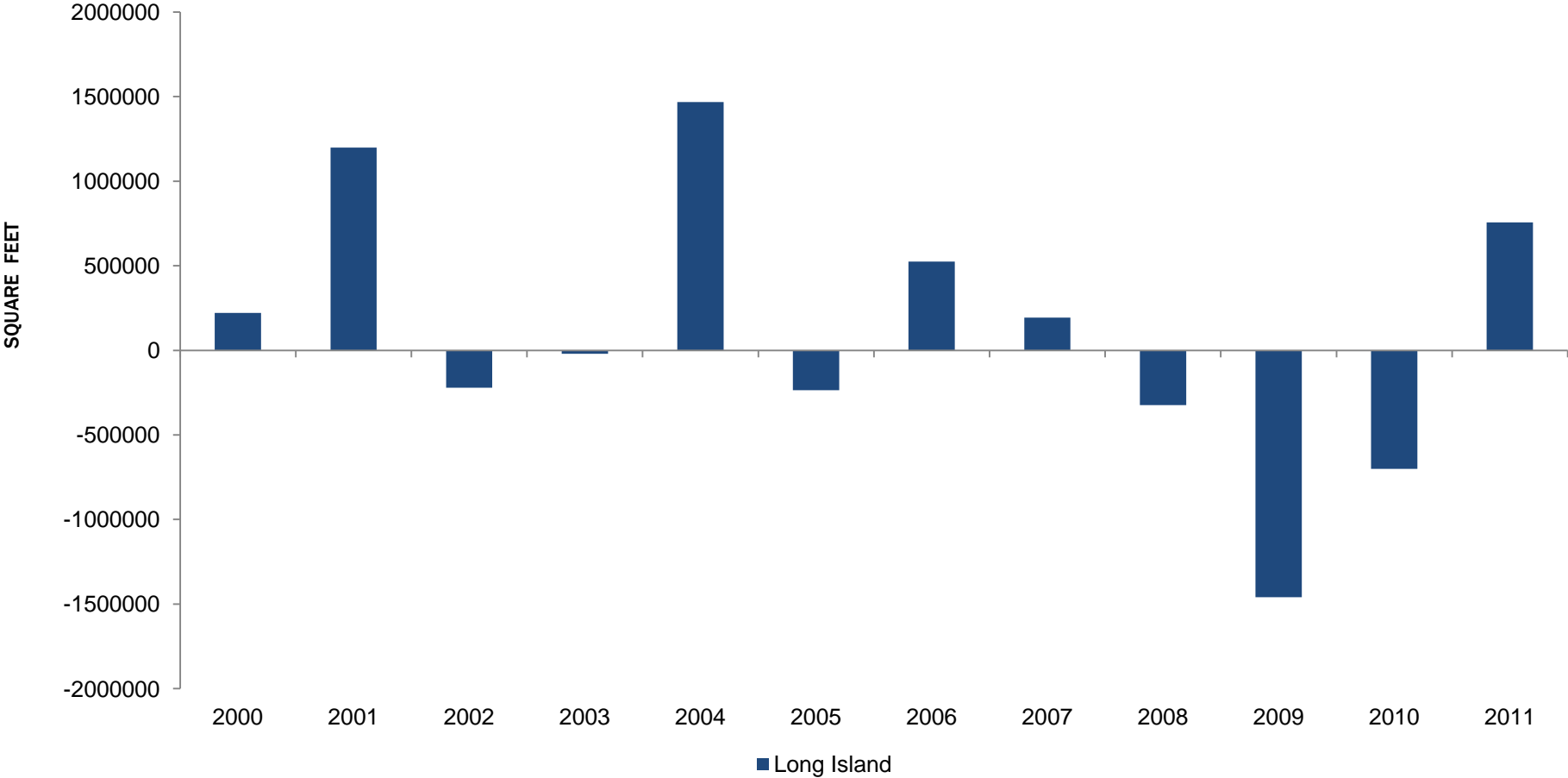




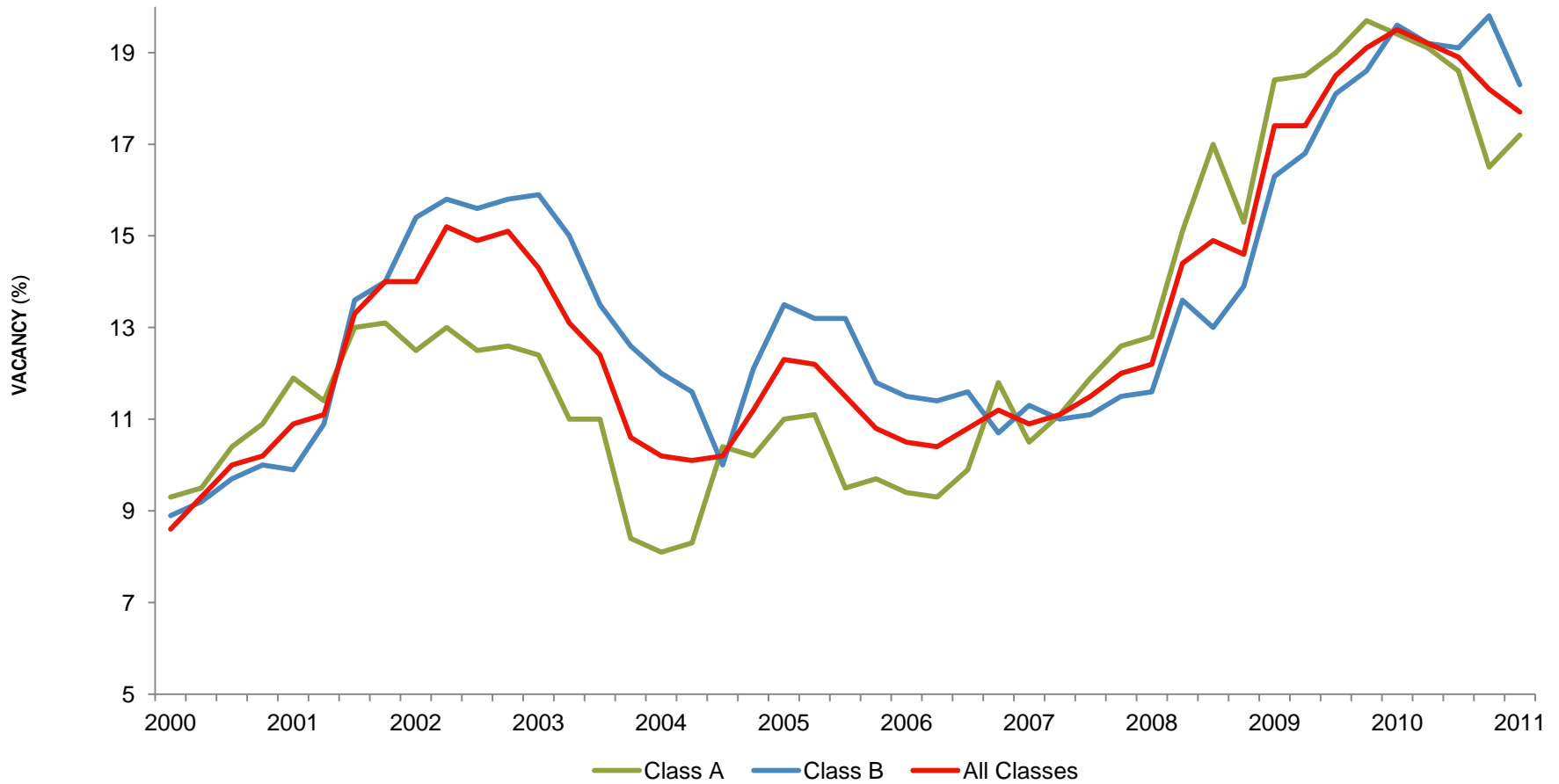
Long Island



Long Island



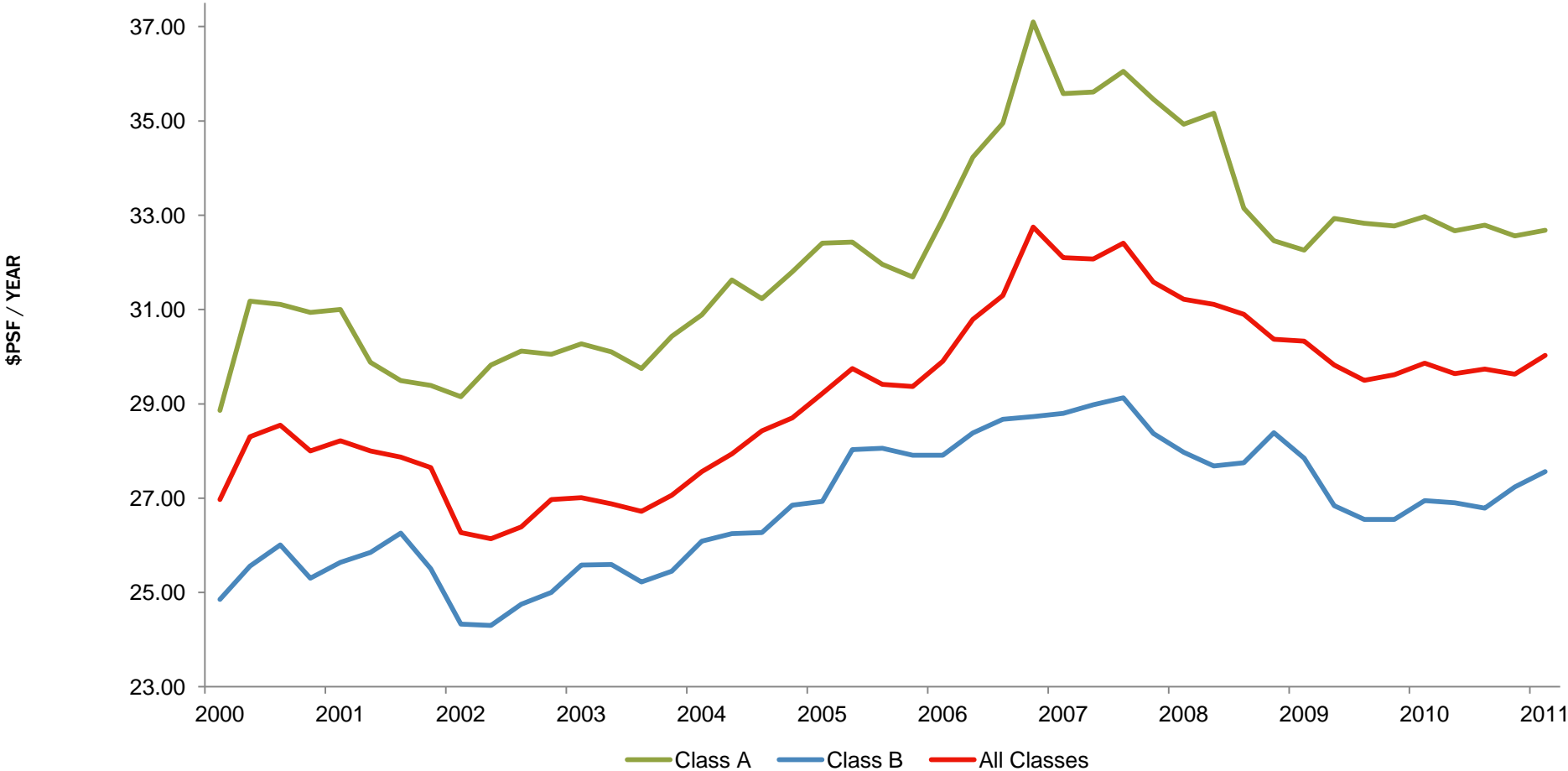
Long Island Overall Vacancy 14





Long Island Direct Rent

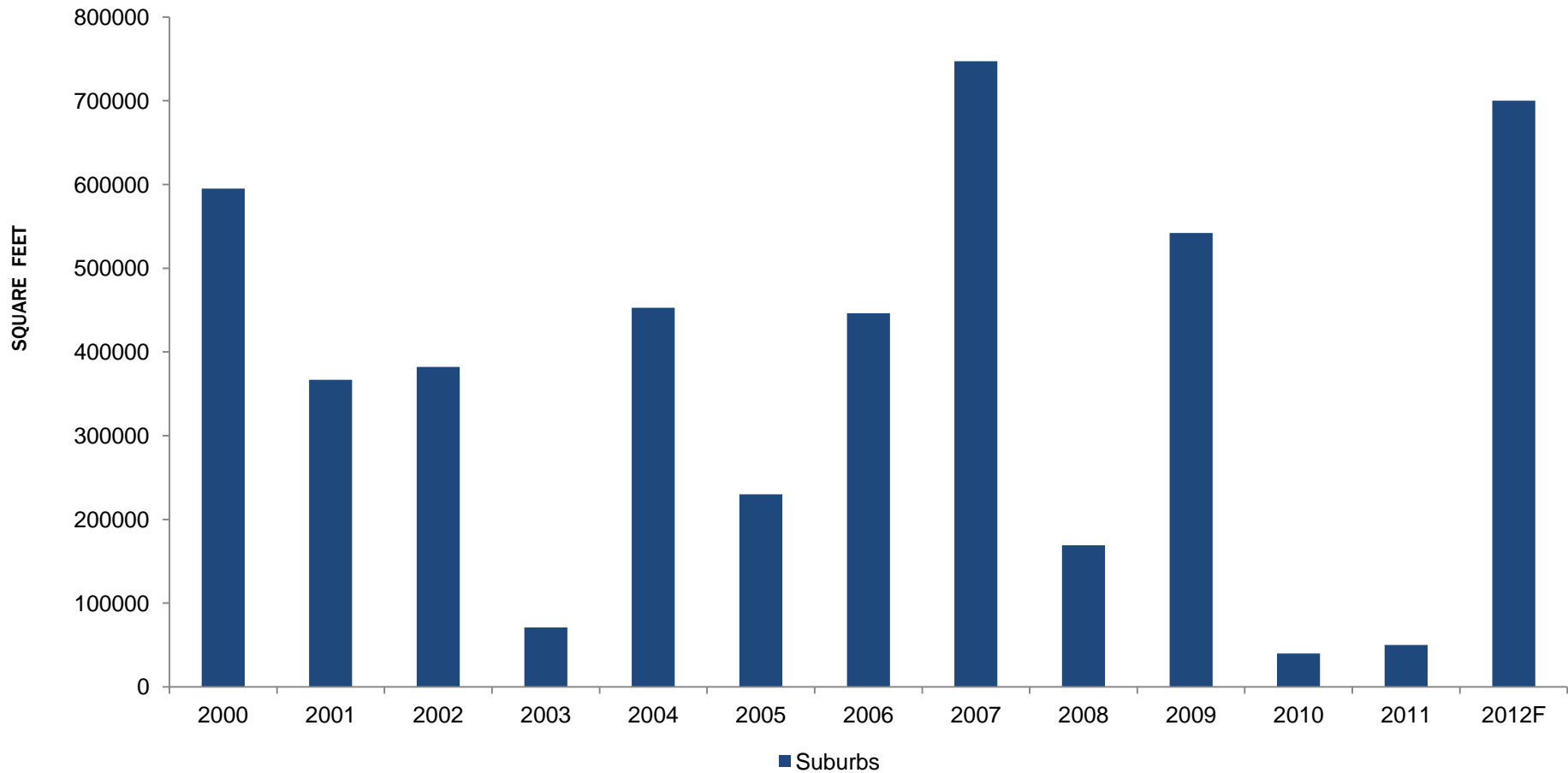
WEIGHTED AVERAGE GROSS ASKING RENT



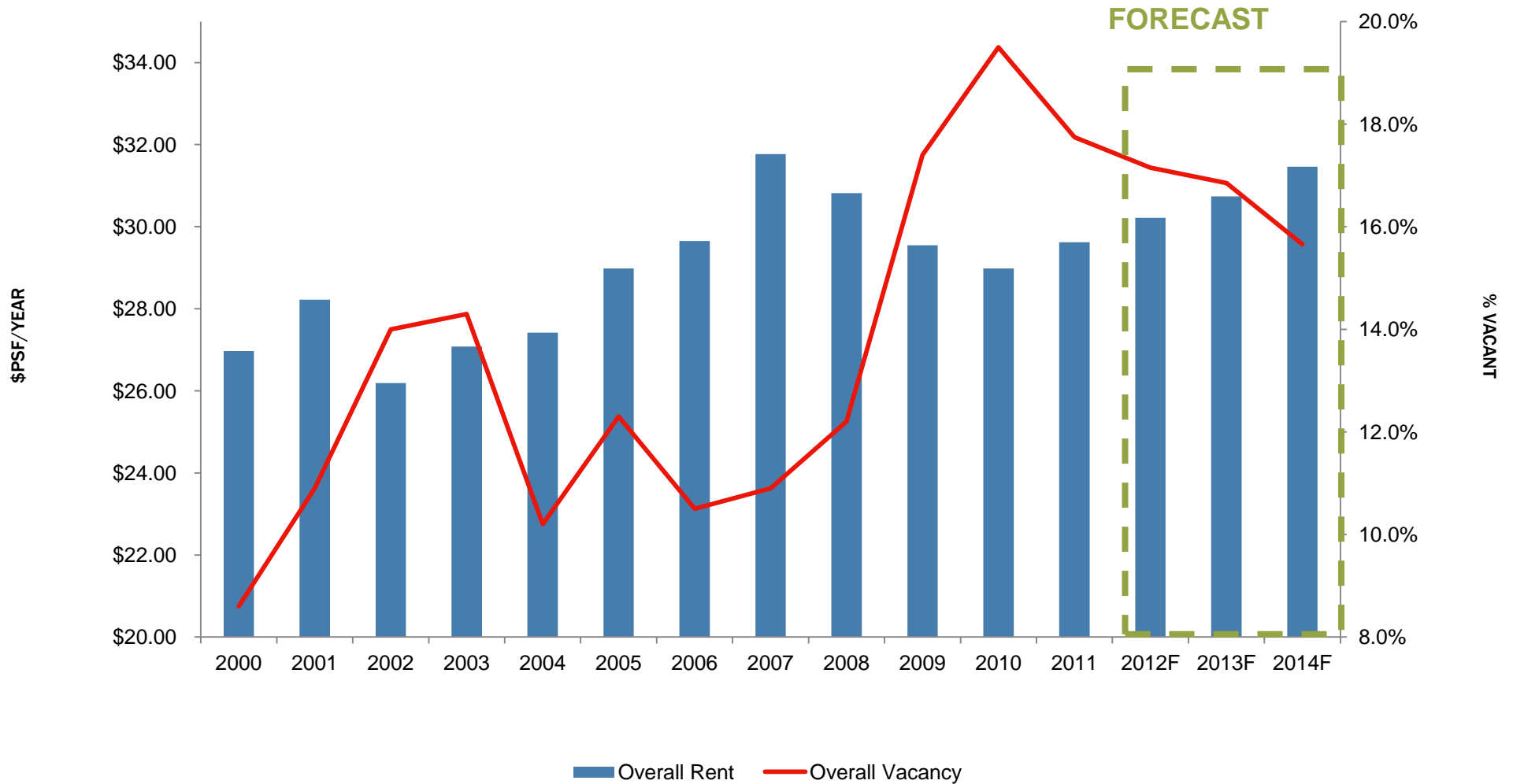
Office Construction Completions

2000 - 2012 FORECAST

Long Island



Forecast: Overall Rent vs. Vacancy





- Long Island’s industrial market vacancy rate is currently at 12.5%, which represents a .5% decrease since last year
- Average direct net asking rents for industrial space on Long Island are currently \$6.82 psf
- The highest asking rents are in Nassau County, with the Western Nassau County submarket showing the highest asking rents for industrial space on Long Island at \$8.76 psf
- The industrial market is expected to remain flat and gradually see signs of improvement next year, with vacancy rates forecast to decrease

LONG ISLAND INDUSTRIAL MARKET AT A GLANCE

MARKET SIZE

Total Inventory	126,195,121 SF
High Tech	10,329,078SF
Manufacturing	18,032,213SF
Warehouse	96,733,732SF
Office Service	1,100,098 SF

OVERALL VACANCY

High Tech	9.5%
Manufacturing	11.6%
Warehouse	12.9%
Office Service	15.2%

DIRECT ASKING RENT (NNN)

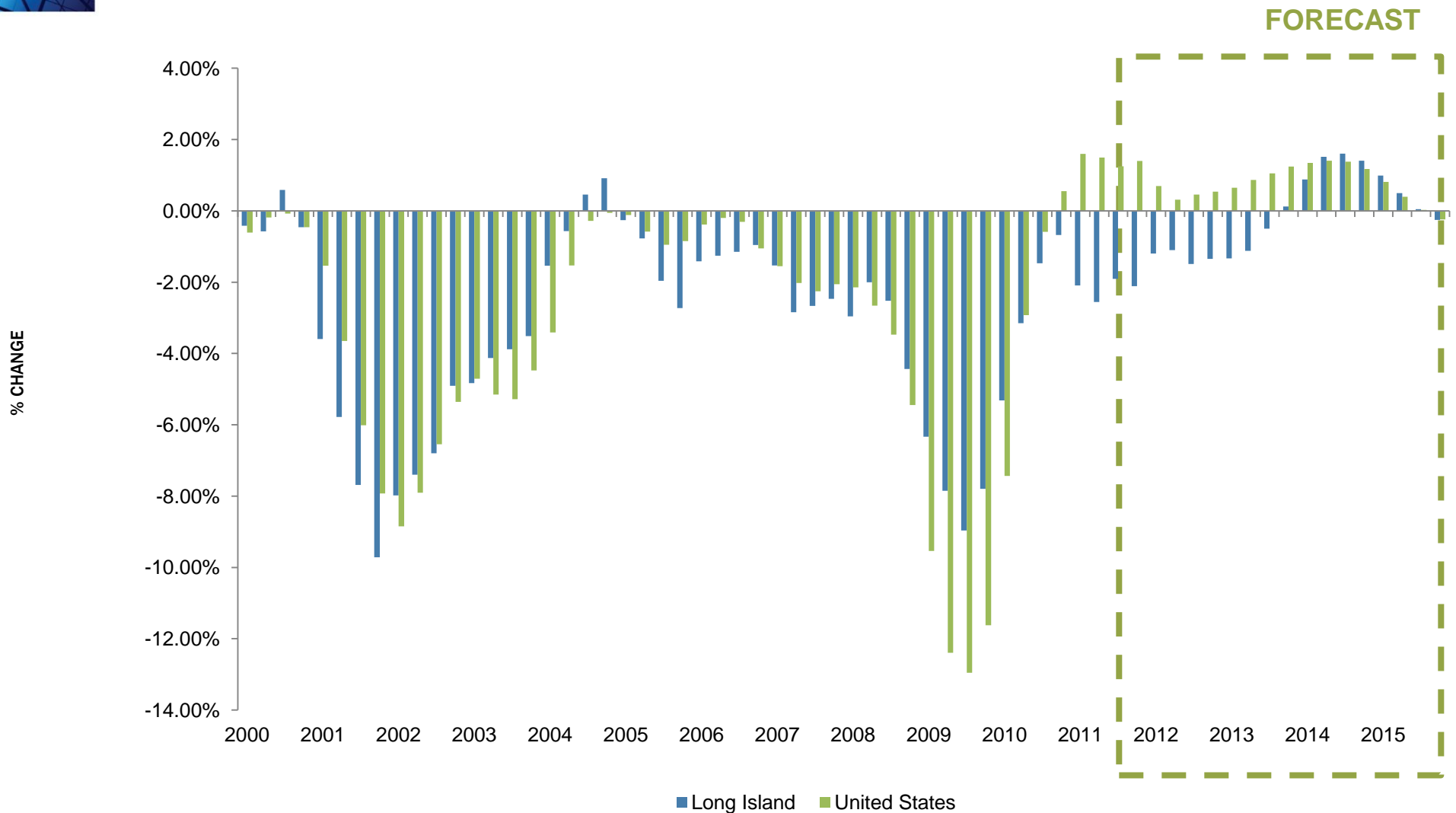
High Tech	\$8.01 / SF
Manufacturing	\$7.09 / SF
Warehouse	\$6.68 / SF
Office Service	\$7.88 / SF



Manufacturing Employment

19

QUARTER OVER QUARTER CHANGE IN EMPLOYMENT

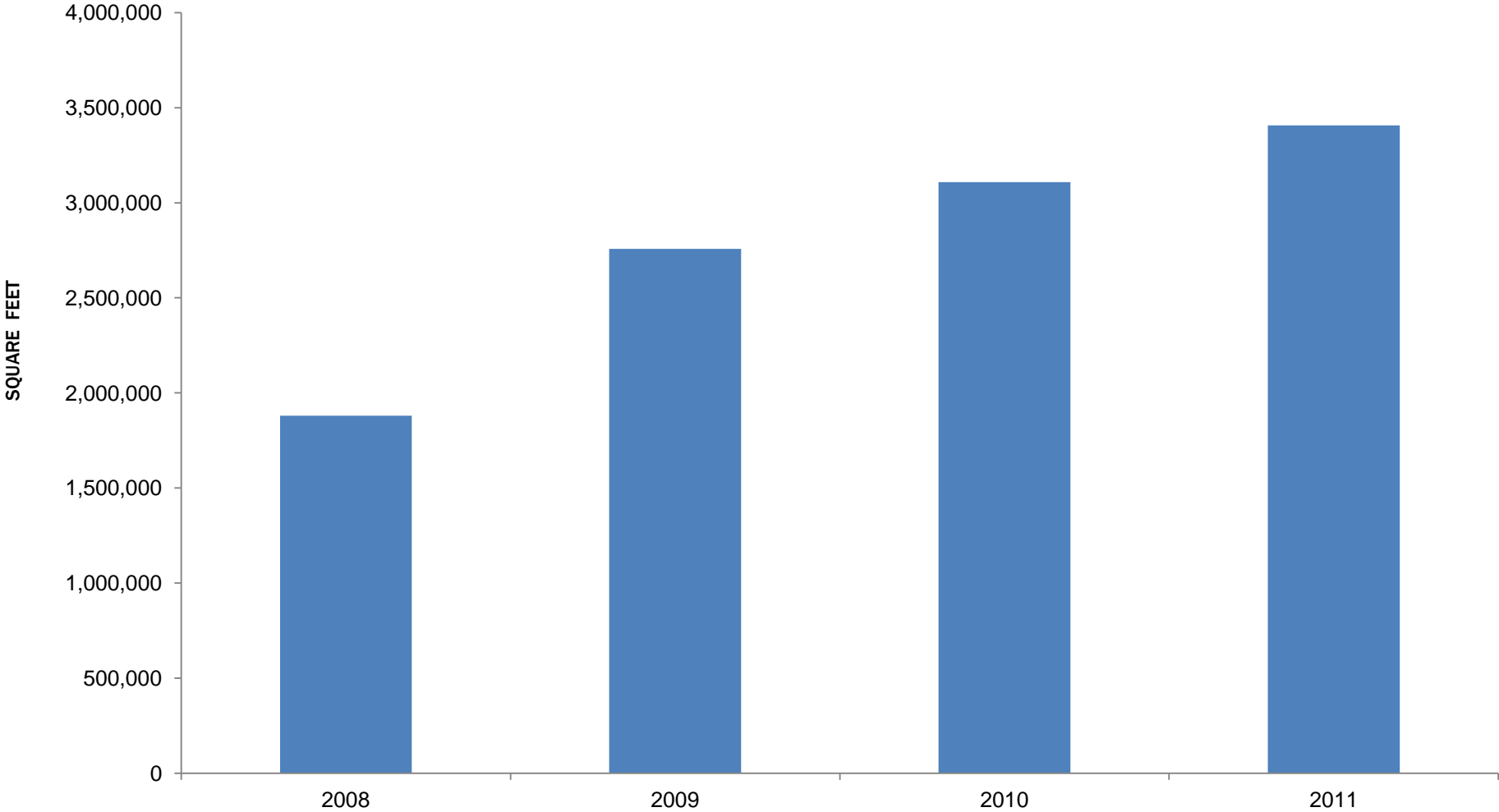




Industrial Leasing Activity

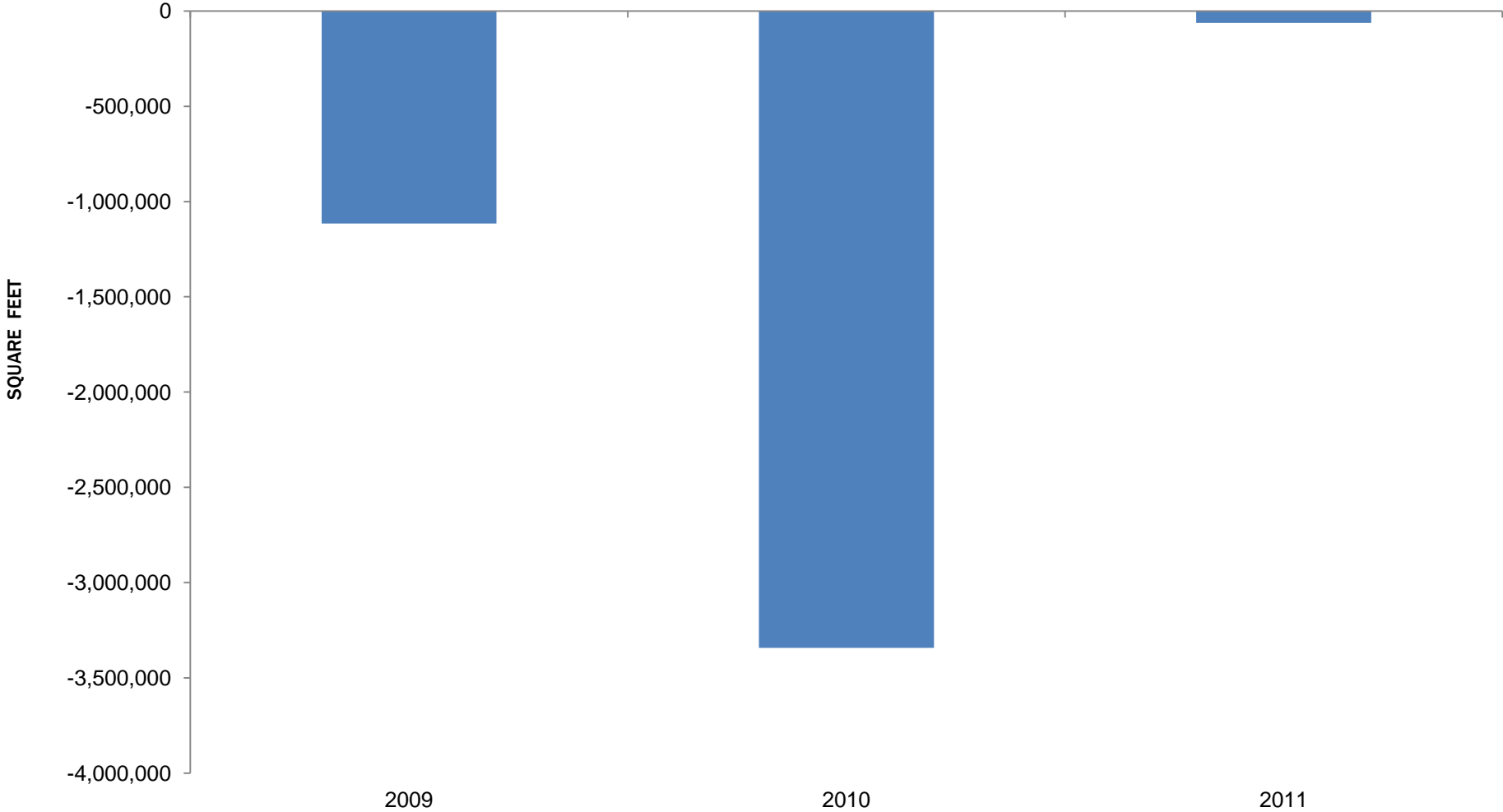
20

ALL PROPERTY TYPES



Industrial Overall Net Absorption

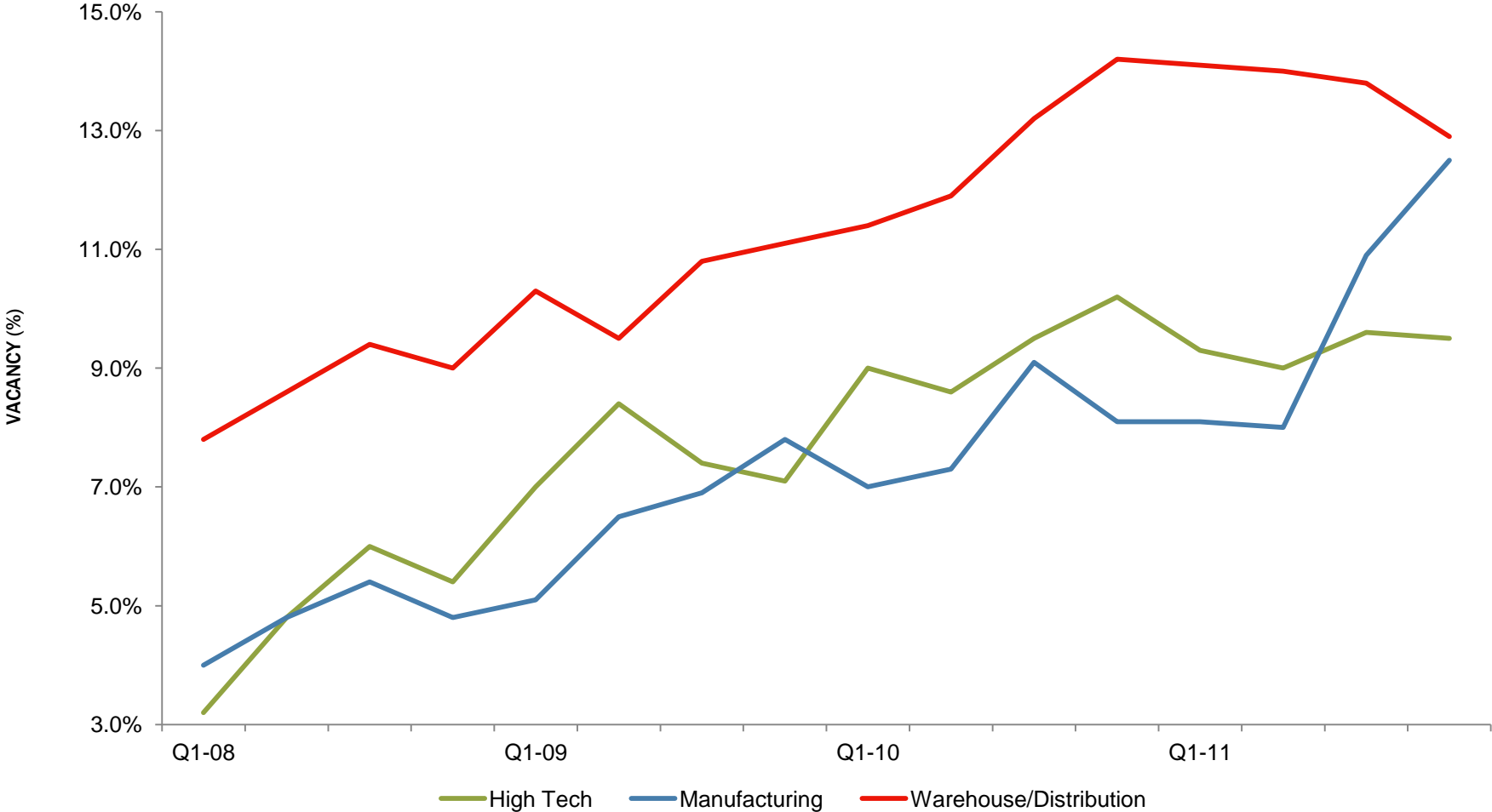
ALL PROPERTY TYPES





Industrial Overall Vacancy

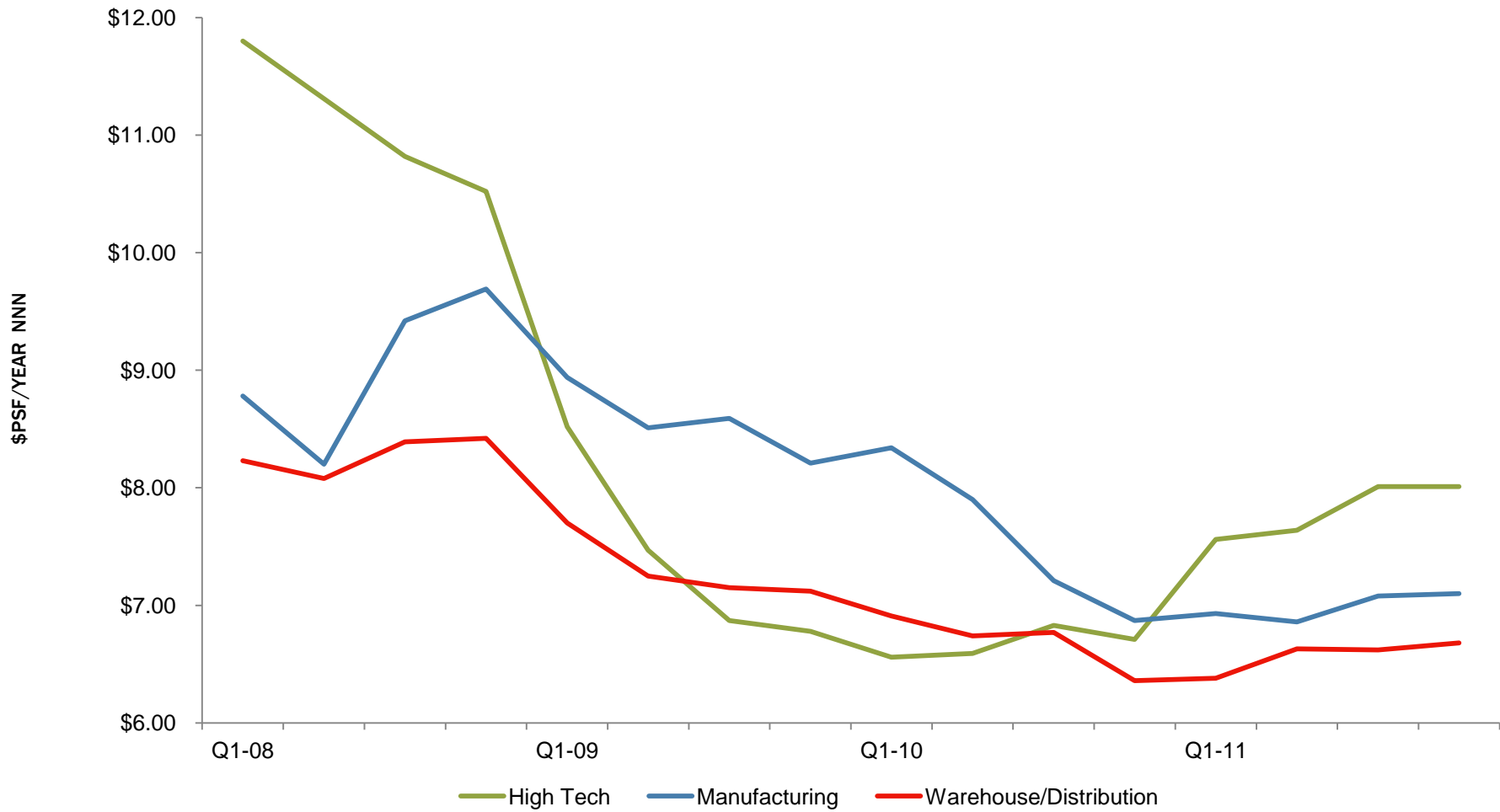
BY PROPERTY TYPE





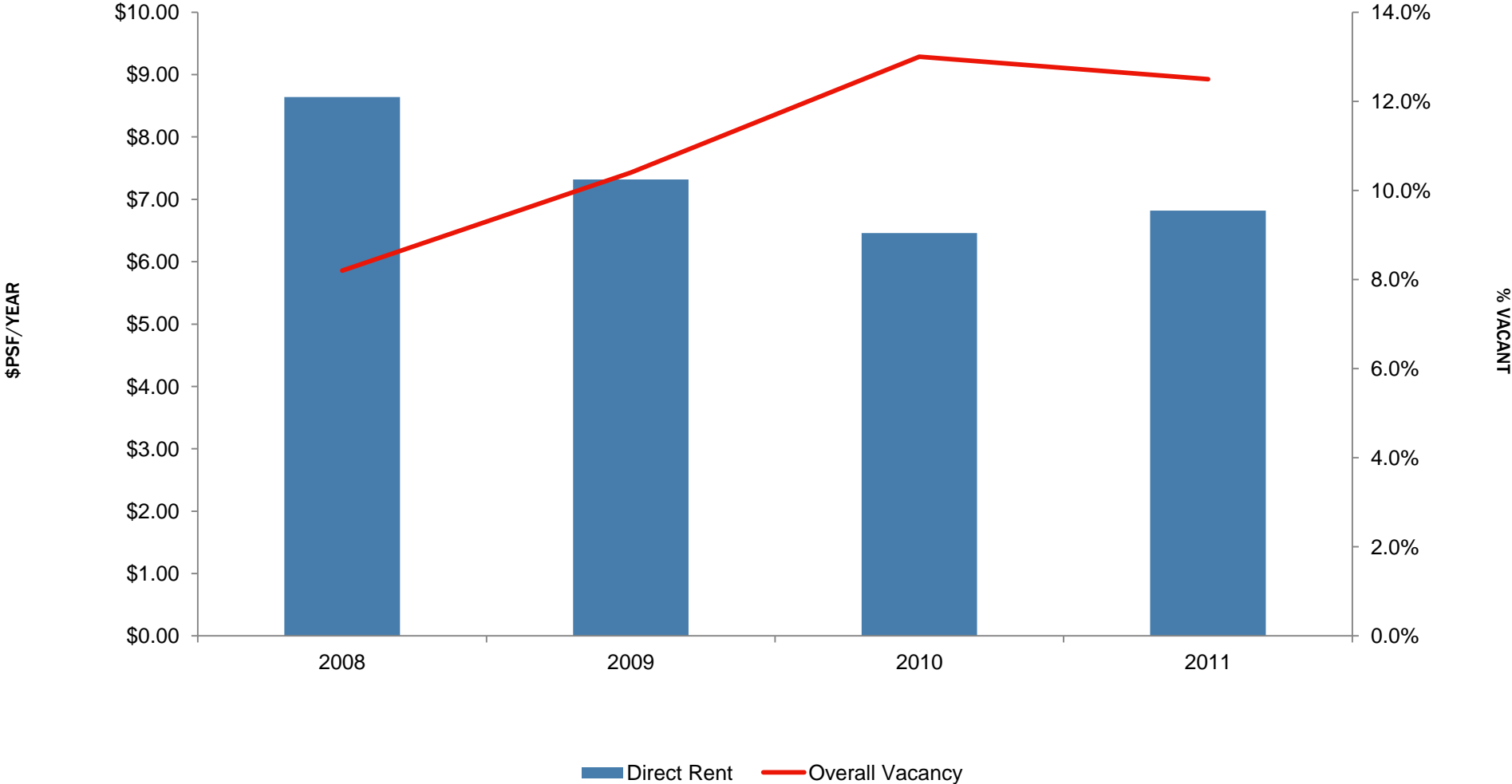
Industrial Direct Rent

BY PROPERTY TYPE



Rent vs. Overall Vacancy

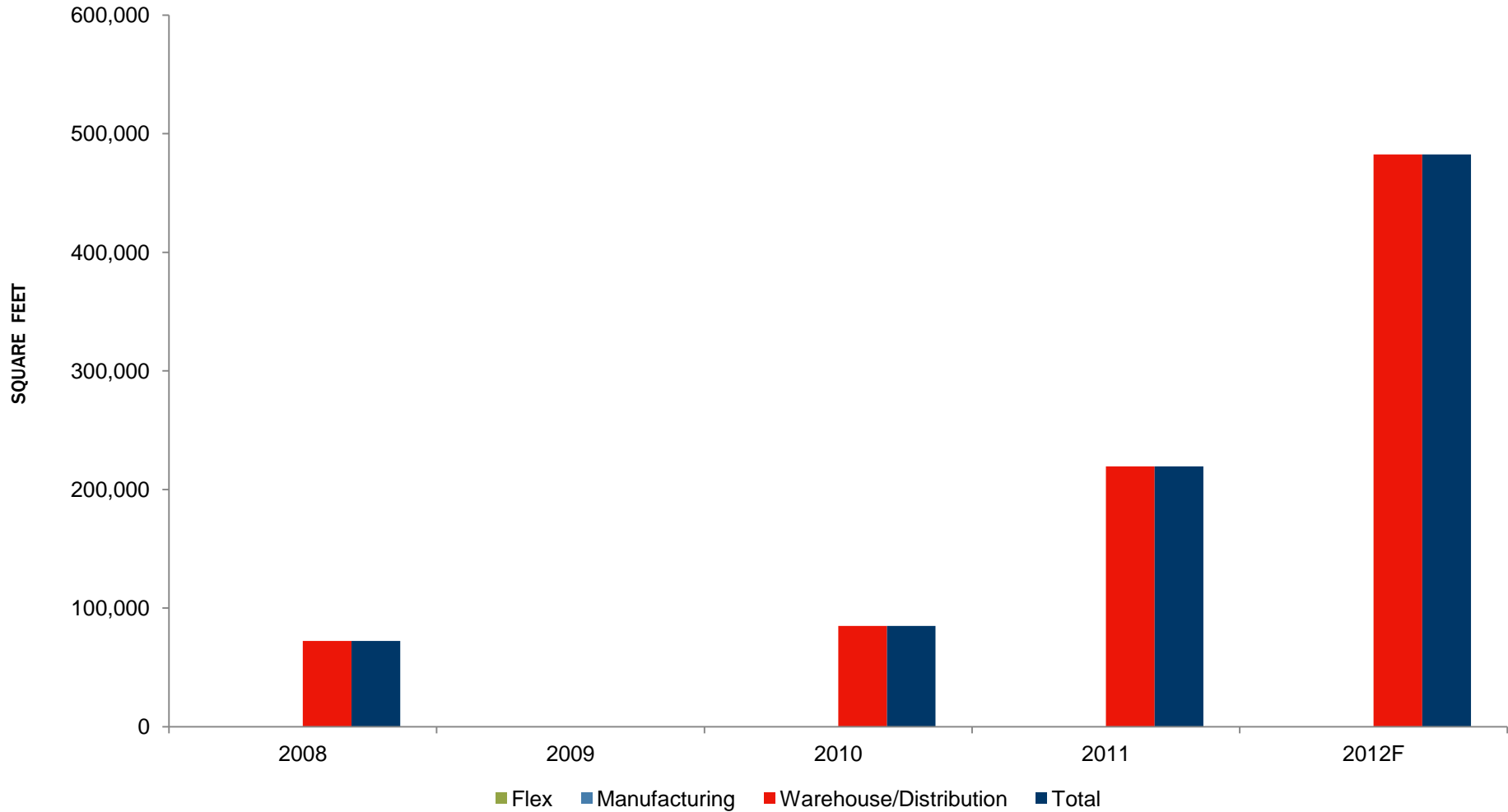
ALL PROPERTY TYPES



Industrial Construction Deliveries

25

2008 - 2012 FORECAST





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