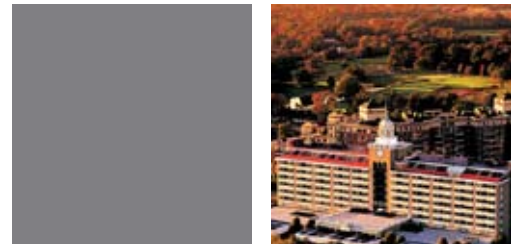


NAI Long Island

Office Report | First Quarter 2009



Long Island



TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents



OVERVIEW:

The Long Island Office Market ended the 1st quarter 2009 with a vacancy rate of 8.4%. The vacancy rate was 8.7% at the end of the 4th quarter 2008, 9.2% at the end of the 3rd quarter 2008, and 9.5% at the end of the 2nd quarter.

Net absorption for the overall Long Island office market was positive 466,683 SF in the 1st quarter 2009. That compares to positive 875,319 SF in the 4th quarter 2008, positive 428,191 SF in the 3rd quarter 2008, and negative (162,500) SF in the 2nd quarter 2008.

During the 1st quarter 2009, 3 buildings totaling 89,421 SF were completed in the Long Island market area. This compares to 7 buildings totaling 108,469 SF that were completed in the 4th quarter 2008, 8 buildings totaling 136,971 SF completed in the 3rd quarter 2008, and 189,385 SF in 10 buildings completed in the 2nd quarter 2008. There were 1,765,440 SF of office space under construction at the end of the 1st quarter 2009.

The average quoted asking rental rate for available office space, all classes, was \$27.69 per SF per year at the end of the 1st quarter 2009 in the Long Island market area. This represented a 1.4% increase in quoted rental rates from the end of the 4th quarter 2008, when rents were reported at \$27.32 per SF.

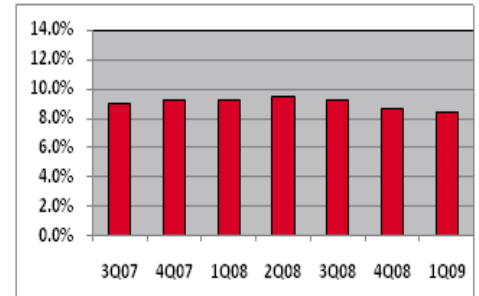
ABSORPTION NEWS:

Nassau Market - 63,580 SF lease signed by North Shore Community Services at Lake Success Corporate Center.

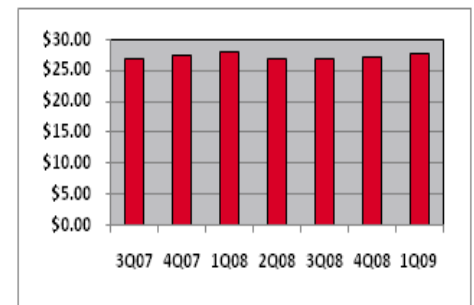
Nassau Market - 35,000 SF deal signed by Forchelli, Curto, Deegan, Schwartz, Mineo & Cohn at Omni Marathon Reckson.

Nassau Market - 13,000 SF lease signed by New York Spine Institute at 761 Merrick Ave.

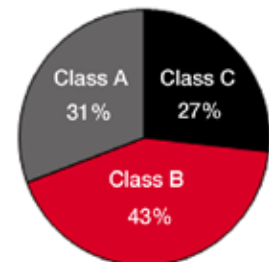
Overall Vacancy (%)



Average Asking Rental Rate



Existing Inventory



Major Lease Transactions

Tenant:	Building:	Size (SF):	Submarket:
N/A	Queens Atrium Corporate Center 2	155,430 SF	Northwest Queens
North Shore Community Services	Lake Success Corporate Center**	63,580 SF	Western Nassau
Forchelli, Curto, Deegan, Schwartz, Mineo & Cohn	Omni Marathon Reckson	35,000 SF	Central Nassau
N/A	Bulova Corporate Center	24,781 SF	Northwest Queens
N/A	1 Hunters Point Plaza	17,000 SF	Northwest Queens

*All rents are per SF/per YR unless otherwise noted.

** Renewal

NAI Long Island

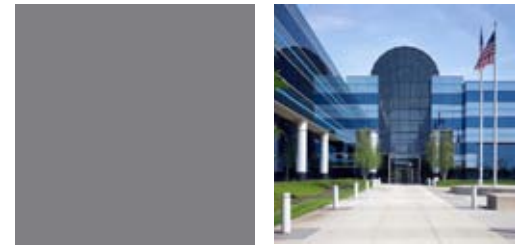
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SUBMARKET/ CLASS	# BLDGS.	TOTAL RBA (SF)	TOTAL AVAIL. (SF)	TOTAL VACANT AVAIL (%)	TOTAL NET Absorption (SF)	TOTAL AVERAGE RATE (\$/SF/YR)	UNDER CONSTRUCTION (SF)
Central Nassau							
Class A	31	6,345,261	431,698	6.8%	(78,386)	\$36.28	0
Class B	134	5,301,694	450,255	8.5%	5,406	\$29.10	0
Class C	289	3,586,245	342,809	9.6%	(30,192)	\$23.47	0
Central Queens							
Class A	4	926,703	27,229	2.9%	0	\$35.37	0
Class B	59	986,004	82,977	8.4%	16,828	\$29.81	0
Class C	98	1,112,273	25,431	2.3%	(1,331)	\$25.56	0
Central Suffolk							
Class A	25	1,283,256	72,123	5.6%	23,764	\$23.81	146,400
Class B	313	4,098,840	643,436	15.7%	22,230	\$20.20	1,800
Class C	349	2,799,557	218,451	7.8%	(10,945)	\$18.84	0
Downtown Brooklyn							
Class A	15	8,299,387	967,699	11.7%	9,066	\$33.73	17,525
Class B	68	8,989,181	307,358	3.4%	7,891	\$30.91	0
Class C	78	3,247,968	148,326	4.6%	(13,600)	\$34.99	0
Eastern Nassau							
Class A	31	4,361,197	499,420	11.5%	14,122	\$33.72	0
Class B	164	50,394,150	3,551,743	16.5%	55,414	\$26.98	280,000
Class C	214	3,106,315	146,666	4.7%	50,667	\$24.30	0
Eastern Suffolk							
Class A	14	166,298	15,075	9.1%	0	\$26.28	0
Class B	136	1,111,123	132,961	12.0%	38,867	\$27.95	0
Class C	150	860,089	52,769	6.1%	10,240	\$23.04	0
North Brooklyn							
Class A	4	68,076	3,576	5.3%	0	\$25.00	0
Class B	134	3,362,856	951,765	28.3%	13,467	\$29.20	6,500
Class C	262	3,185,451	203,758	6.4%	9,794	\$18.27	0
Northeast Queens							
Class A	10	1,244,068	53,663	4.3%	(1,204)	\$33.32	0
Class B	362	5,793,478	186,722	3.2%	20,903	\$33.52	31,534
Class C	163	1,947,461	32,869	1.7%	12,100	\$36.48	0
Northern Nassau							
Class A	1	75,000	12,355	16.5%	349	\$29.50	0
Class B	30	297,830	32,300	10.8%	1,157	\$23.26	0
Class C	65	629,619	50,285	8.0%	3,136	\$23.10	0
Northwest Queens							
Class A	11	3,913,264	94,262	2.4%	159,877	\$35.24	742,000
Class B	87	3,544,922	340,567	9.6%	8,527	\$25.94	0
Class C	147	2,202,104	328,966	14.9%	21,203	\$25.58	0
South Brooklyn							
Class A	10	331,404	66,185	20.0%	0	\$34.08	128,703
Class B	149	2,778,660	173,151	6.2%	(20,131)	\$33.52	88,746
Class C	293	3,301,243	148,891	4.5%	(18,360)	\$22.72	14,535
South Queens							
Class A	4	1,069,830	0	0.0%	1,000	\$23.76	0
Class B	63	2,524,205	122,264	4.8%	12,802	\$19.58	40,000
Class C	184	2,322,538	171,986	7.4%	(6,390)	\$24.10	0
Southeast Nassau							
Class A	1	14,000	1,837	13.1%	0	\$28.21	0
Class B	30	336,031	19,564	5.8%	1,646	\$21.37	0
Class C	89	705,307	24,048	3.4%	36,414	\$25.72	0
Southern Nassau							
Class A	3	240,440	67,785	28.2%	(5,770)	\$17.99	0
Class B	127	2,368,189	175,110	7.4%	16,093	\$28.47	0
Class C	269	2,468,704	119,019	4.8%	8,060	\$23.61	0
Southwestern Suffolk							
Class A	1	14,000	0	0.0%	0	\$0.00	0
Class B	66	870,226	127,459	14.6%	4,486	\$21.23	0
Class C	151	1,189,976	68,501	5.8%	(10,669)	\$21.86	0
Western Nassau							
Class A	28	4,994,292	394,748	7.9%	147,275	\$34.20	55,000
Class B	124	3,598,737	172,772	4.8%	8,932	\$30.50	0
Class C	172	1,914,521	65,878	3.4%	7,928	\$22.95	0
Western Suffolk							
Class A	86	10,615,470	1,241,818	11.7%	(49,456)	\$30.11	165,000
Class B	366	7,181,602	577,918	8.0%	8,963	\$22.27	40,000
Class C	284	2,851,263	142,755	5.0%	8,329	\$25.34	0

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Methodology / Definitions / Sub Market Map



Absorption (Net)

The change in occupied space in a given time period.

Available Square Footage

Net rentable area considered available for lease; excludes sublease space.

Average Asking Rental Rate

Rental rate as quoted from each building's owner/management company, For office space, a full service rate was requested; for retail, a triple net rate requested; for industrial, a NN basis.

Building Class

Class A Product is office Space of steel and concrete construction, built after 1980, quality tenants, excellent amenities & premium rates. Class B product is office Space built after 1980, fair to good finishes & wide range of tenants.

Direct Vacancy

Space currently available for lease directly with the landlord or building owner.

Market Size

Includes all existing and under construction office buildings (office, office condo, office loft, office medical, all classes and all sizes, both multi-tenant and single-tenant, including owner-occupied buildings) within each market.

Overall Vacancy

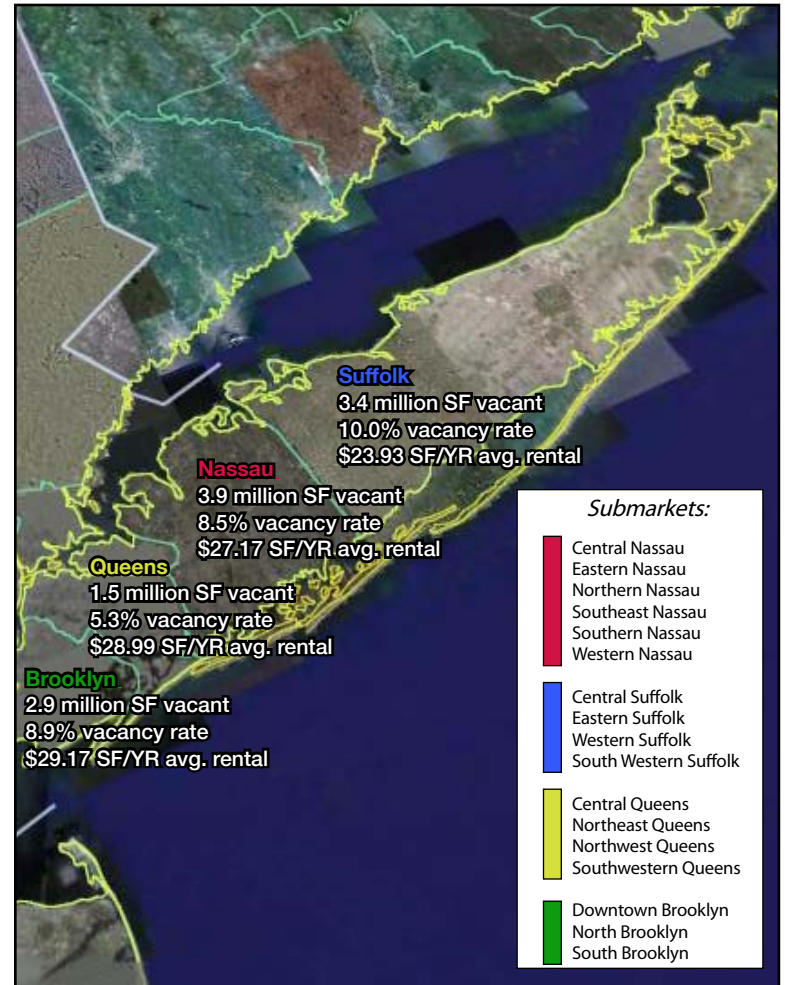
All unoccupied lease space, either direct or sublease.

SF/PSF

Square foot/per square foot, used as a unit of measurement.

Sublease

Arrangement in which a tenant leases rental property to another, and the tenant becomes the landlord to the subtenant.



Sublease Space

Total square footage being marketed for lease by the tenant. Sublease space is not considered in the overall occupancy or absorption numbers - only direct leases are included.

Sublease Vacancy

Space currently available in the market for sublease with an existing tenant within a building acting as the landlord.