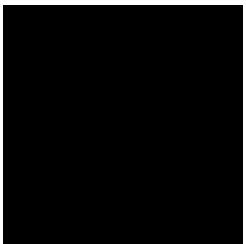


NAI Long Island

Office Report | 1st Quarter 2008



NAI Long Island

Commercial Real Estate Services, Worldwide.

Long Island



TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents



OVERVIEW:

Long Island vacancy rate increased **9.2%** at 1st quarter's closing, compared to **9.1%**, 4th quarter 2007. **Net Absorption** ended positive **38,180 SF** in the first quarter of 2008. **RENTAL RATE AVERAGES** ended with **\$28.44** per SF on Long Island, increasing over the previous quarter. **ABSORPTION** in the office sector on Long Island showed a positive **38,180 SF**. **INVENTORY** amounted to **133,432,727 SF** within **5,146** buildings, at the close of quarter. A total of 9 buildings were delivered totaling **124,222 SF** of which, **620,238 SF** are currently under construction at the end of 1st quarter, 2008.

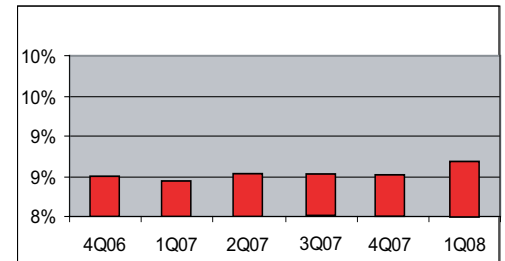
ABSORPTION NEWS:

Suffolk Market - 60,000 SF lease signed by Lend America in Huntington Business Campus 2

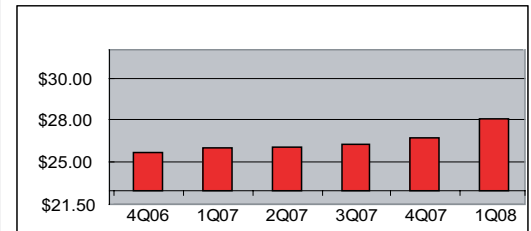
Suffolk Market - 37,147 SF deal signed by The American Institute of Physics at 2 Huntington Quadrangle

Queens Market - 32,000 SF lease signed by Unique Settings at The Falchi Bldg.

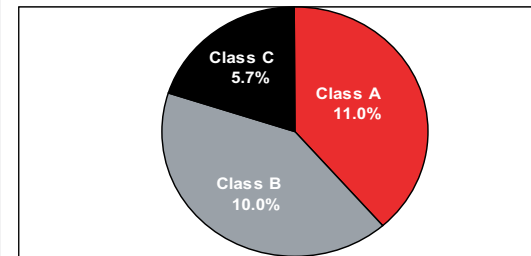
Overall Vacancy (%)



Average Asking Rental Rate



YTD Net Absorption (SF)



Major Lease Transactions

Tenant:	Building:	Size (SF):	Submarket:
N/A	Court Square Place	79,079 SF	Northwest Queens
Lend America	Huntington Business Campus 2	60,000 SF	Western Suffolk
N/A	3 Huntington Quadrangle	50,000 SF	Western Suffolk
N/A	31-11 Thompson Avenue	42,747 SF	Northwest Queens
The American Institute of Physics	2 Huntington Quadrangle	37,147 SF	Western Suffolk

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

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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	6,322,438	445,532	7.0%	5,454	\$37.14	0
Class B	123	5,205,982	447,313	8.6%	(11,994)	\$29.39	14,000
Class C	274	3,559,383	135,816	3.8%	(14,054)	\$27.78	0
Eastern Nassau							
Class A	29	4,372,543	559,674	12.8%	(76,532)	\$34.52	0
Class B	138	5,525,671	1,024,060	18.5%	(15,458)	\$26.85	125,000
Class C	193	2,881,531	201,985	7.0%	222,305	\$25.91	0
Northern Nassau							
Class A	1	324,544	2,710	0.8%	0	\$0.00	0
Class B	24	288,783	19,009	6.6%	1,381	\$21.12	0
Class C	58	513,094	66,542	13.0%	(13,383)	\$21.72	0
Southern Nassau							
Class A	3	240,440	15,124	29.5%	(12,920)	\$35.00	0
Class B	109	2,136,439	145,624	9.2%	(69,778)	\$26.91	0
Class C	249	2,345,219	98,474	4.2%	26,073	\$21.07	0
Southeast Nassau							
Class A	1	20,000	6,627	33.1%	672	\$0.00	0
Class B	28	325,275	24,758	7.6%	0	\$22.51	0
Class C	80	630,200	31,900	5.1%	(2,440)	\$26.90	0
Western Nassau							
Class A	28	5,034,167	511,087	10.2%	1,398	\$36.12	50,000
Class B	108	3,431,923	321,274	9.4%	(12,022)	\$31.24	0
Class C	167	1,997,077	114,753	5.7%	6,559	\$25.95	0
Central Suffolk							
Class A	20	1,285,717	73,354	5.7%	(2,402)	\$22.28	20,784
Class B	157	3,451,959	528,511	16.9%	(56,959)	\$20.43	47,700
Class C	207	2,293,093	169,735	7.4%	(56,721)	\$18.55	0
Eastern Suffolk							
Class A	1	6,500	0	0.0%	6,500	\$22.00	12,000
Class B	54	697,808	118,472	17.0%	19,181	\$24.14	8,000
Class C	74	822,646	33,758	4.1%	1,744	\$18.29	0
Western Suffolk							
Class A	78	10,335,624	1,229,170	11.9%	53,238	\$30.39	161,400
Class B	302	7,643,840	674,889	8.8%	(17,336)	\$22.91	26,000
Class C	250	2,826,151	98,992	3.5%	1,847	\$23.19	0
Southwestern Suffolk							
Class A	1	14,000	0	0%	0	\$00.00	0
Class B	51	765,586	153,706	20.1%	25,029	\$19.50	16,000
Class C	131	1,026,771	67,128	6.5%	17,540	\$22.31	0
Central Queens							
Class A	4	912,247	34,471	3.8%	475	\$36.50	0
Class B	51	896,233	80,318	9.0%	(29,816)	\$29.50	0
Class C	87	1,022,163	24,850	2.4%	(1,000)	\$23.55	0
Northeast Queens							
Class A	8	1,136,160	50,500	4.4%	(6,486)	\$29.38	25,000
Class B	343	5,935,135	229,375	3.9%	86,540	\$28.57	58,619
Class C	154	1,969,116	60,666	3.1%	(11,998)	\$34.65	0
Northwest Queens							
Class A	10	4,004,343	252,939	6.4%	(26,931)	\$38.25	0
Class B	82	4,607,180	437,173	9.5%	(45,732)	\$28.64	0
Class C	138	1,750,001	277,063	15.8%	6,350	\$25.84	0
South Queens							
Class A	2	223,469	0	0.0%	(4,800)	\$23.76	0
Class B	53	1,554,433	141,464	9.0%	3,195	\$21.95	0
Class C	165	2,729,957	180,043	6.6%	3,767	\$21.30	0

NAI Long Island

Methodology / Definitions / 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

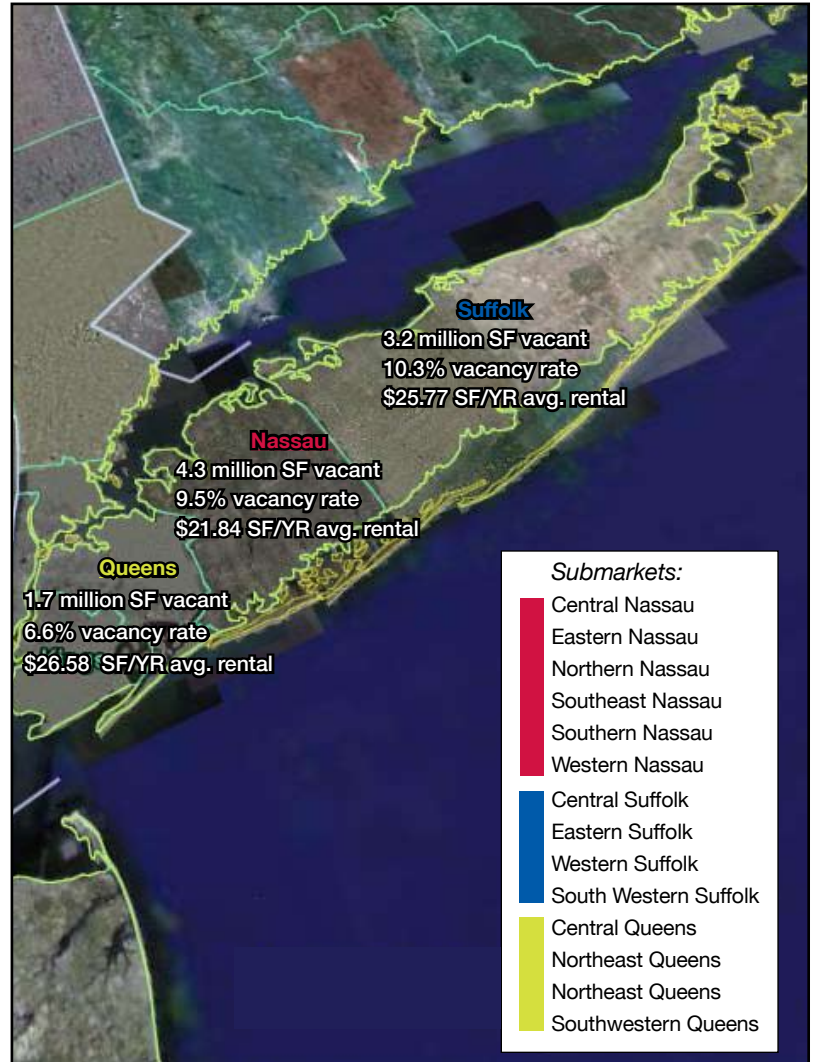
All unoccupied lease space, either direct or sublease.

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.