

According to the Downtown Alliance, Lower Manhattan has more than 4,100 hotel rooms in its current inventory, with nearly 20 hotel development projects under construction or planned including the 65-room Hampton Inn at 32 Pearl Street, which is expected to be completed within the next few months. More than 1,700 additional hotel rooms are scheduled for delivery before year-end 2014.

4,100

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LOWER MANHATTAN HOTEL DEVELOPMENT			
HOTEL	LOCATION	YEAR OPEN	STATUS
Hampton Inn	32 Pearl Street	2014	U/C
Holiday Inn	99 Washington Street	2014	U/C
Independent Hotel	24-26 John Street	2014	U/C
Aloft Hotel	49 Ann Street	2014	U/C
Fairfield Inn & Suites	161 Front Street	2014	U/C
Marriott Residence Inn	170 Broadway	2014	U/C
Four Points by Sheraton	217 Pearl Street/6 Platt Street	2014	U/C
Residence Inn/Courtyard by Marriott	215 Pearl Street	2014	U/C
TBD	70 Pine Street	2014	U/C
Boutique	Battery Maritime Building	2015	U/C
Thompson Hotels	5 Beekman Street/115 Nassau Street	2015	U/C
Boutique	100 Greenwich Street	2014	Planned
Courtyard by Marriott	133 Greenwich Street	2015	Planned
Hilton	6 Water Street	2015	Planned
Four Seasons	30 Park Place	2015	Planned
TBD	11 Stone Street	TBD	Planned
TBD	84 William Street	TBD	Planned
TBD	17 John Street	TBD	Planned

Source: Downtown Alliance

GROWING AND DIVERSIFYING EMPLOYMENT BASE

Complementing Lower Manhattan’s growing tourist volume and residential base is its sizable and well-established employment base. Already one of the top business hubs in the world, Lower Manhattan hosts nearly 320,000 professionals working daily in 9,000 firms, earning an average annual salary of \$152,000. The number of professionals working in the area is expected to grow with the upcoming opening of One World Trade and the completion of the Fulton Street and World Trade Center subway stations, which are expected to serve between 300,000 and 500,000 people per day.

320,000

Lower Manhattan’s daytime population

One World Trade and the surrounding complex are expected to have a dramatic impact on the immediate area. The two towers nearing completion are not just among the most technologically advanced buildings in the city, and, indeed, the world, but they are also already more than 50% leased, which means over the next two years Downtown will add thousands more workers to its environs.

In addition to a growing stable of grocery stores and luxury brands, fitness clubs & gyms are proliferating throughout Lower Manhattan, following residential migration and growth trends in the area.

Smaller name brand eating establishments that have never had a presence in Lower Manhattan are steadily leasing space as well. Among the notable brands are Umami Burger, Gregory's Coffee, Bareburger, Lenny's, Chop't, and Mighty Quinn's BBQ.

RETAIL INVENTORY GROWS

Not surprisingly, the growth in retail sales and the increasing number of retailers entering the market have had a noticeable impact on the area's retail supply characteristics.

It is estimated that there is currently a total of nearly 6.0 million square feet of existing retail inventory in Lower Manhattan located along high streets, in subway stations, commercial buildings, and mixed use projects.

Although Lower Manhattan's retail vacancy rate increased to 10.2% in Q3 2013 from 9.1% the previous year as a result of two spaces added to the market on the prime stretch of Broadway north of Maiden Lane., it remains comparable to several Midtown submarkets including Fifth Avenue (49th to 60th Street) and Times Square, with vacancy rates of 10.3% and 11.1%, respectively.

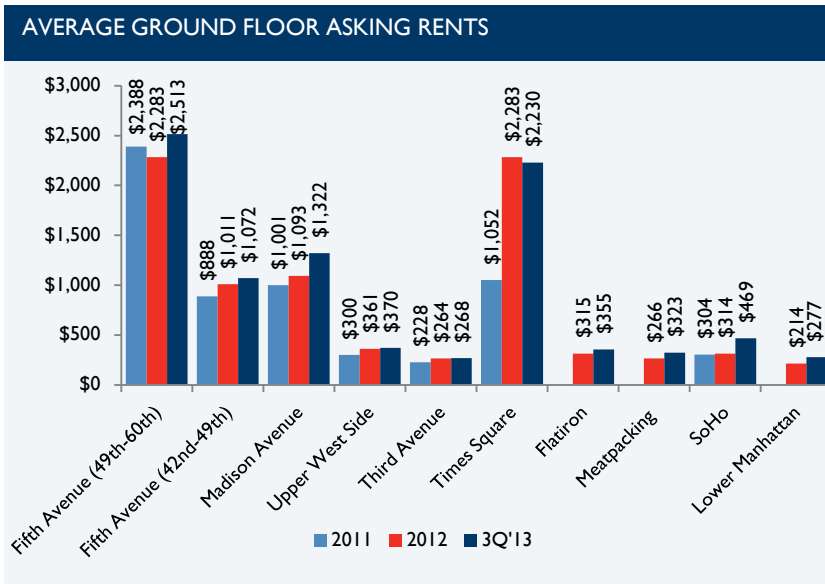
While retail rents in Lower Manhattan are still cheap relative to Manhattan overall, they continue to rise. At Q3 2013, average ground floor asking rent in Lower Manhattan was \$277 per square foot, a 29.4% increase over the past year, which ranked Lower Manhattan fourth among all Manhattan retail submarkets in annual rental rate growth.

10.2% Vacancy

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29.4% Growth

Average ground floor asking rent in Lower Manhattan increased 29.4% over the past year to \$277 per square foot



Source: Cushman & Wakefield Research