

The **RPG** Newsletter

News and Insight on New York City's Office Condominium Market

THE UNITED NATIONS SUBMARKET

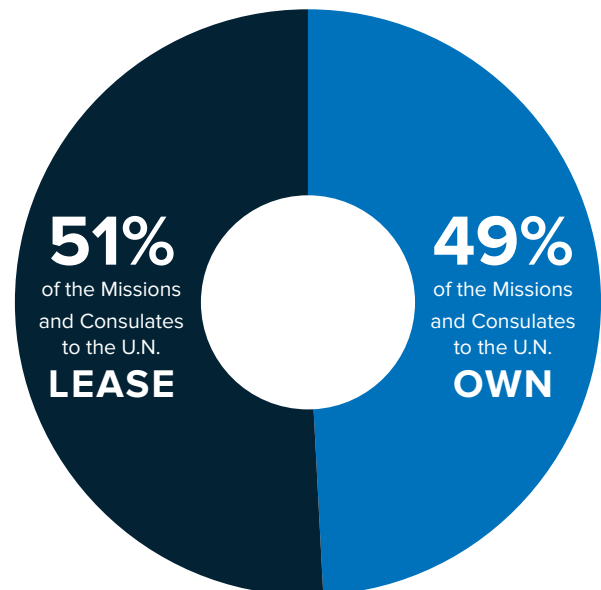
In the New York City commercial market, the vast majority of office users lease their space rather than own. However, in the United Nations submarket, office ownership is far more prevalent. In fact, **nearly half of all Missions and Consulates in New York City own their office space.**

Facts about the Missions and Consulates in New York City:

- There are 193 Missions and 112 Consulates.
- In total there are 305 offices, the majority of which are located in the United Nations submarket.
- 150 of the 305 Mission and Consulate offices are owned, equating to 49% office ownership. The offices are typically a small building townhouse or an office condominium.

The governments which own their office space reap the long-term benefits of real estate ownership. These benefits include:

- Governments are exempt from paying real estate taxes when they own, but not when they lease.
- Owning secures a permanent office location and the owners can never be displaced.
- Owning, rather than leasing, demonstrates a commitment to the United Nations.



3 MILLION

Square footage of properties owned by Missions and Consulates



49%

Percentage of the 305 Missions and Consulates that own their office space



3.5%

Current vacancy rate in the United Nations office submarket, one of the lowest vacancy rates citywide

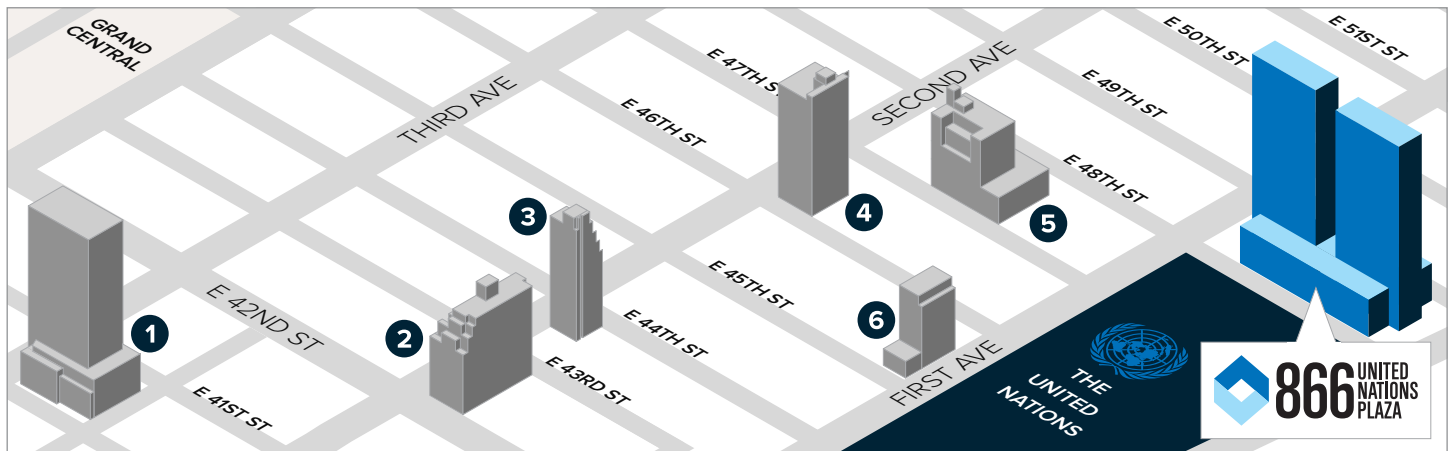


\$66.31

Average quoted rental rate in the United Nations submarket, approximately 85% higher than the cost of ownership

GOVERNMENT OWNERS

Below is a partial list of the Missions and Consulates which have taken advantage of the long-term benefits of office condominium ownership in the United Nations submarket:



1 633 Third Avenue

Mission of Trinidad and Tobago
Mission of Afghanistan
Mission of Lichtenstein
Consulate General of Switzerland

4 866 Second Avenue

Mission of Greece
Mission of Bahrain
Democratic Republic of Ethiopia
Hashemite Kingdom of Jordan
Mission of Saudi Arabia
Mission of Morocco
Mission of Portugal

2 800 Second Avenue

Mission of Equatorial Guinea
Government of Cote d'Ivoire
Government of Israel
Government of Ecuador

5 305 E 47th Street

Hellenic Republic
Mission of Kazakhstan
Mission of Sudan
African Union Missions
Consulate General of Antigua & Barbuda
Mission of Estonia
United Arab Emirates
Mission of Oman

3 820 Second Avenue

Mission of The Republic of Angola
Delegation of Euskadi (Basque)
Mission of Syria
Mission of Peru
Mission of the Republic of Croatia
Mission of Bangladesh
Mission of Barbados
Consulate General of Madagascar
Mission of Sri Lanka

6 809 United Nations Plaza

Government of Qatar
Kingdom of Saudi Arabia



Missions and Consulates that are currently leasing their offices should consider the following:

- According to CoStar's Third Quarter 2015 Office Report, the United Nations submarket has an average quoted rental rate of \$66.31 per square foot. **The annual cost of leasing in the United Nations submarket is approximately 85% higher than the annual cost of ownership.**
- CoStar reports that there is a mere 3.5% vacancy rate in the United Nations submarket, one of the lowest citywide vacancy rates. Due to the low vacancy rate, in the event a Mission or Consulate has to relocate at the expiration of its lease, it may have a difficult time finding suitable office space within the submarket.
- On average, real estate taxes are over \$10 per square foot. Governments are exempt from paying real estate taxes when they own but not when they lease.

866 UNITED NATIONS PLAZA

The office condominiums at 866 United Nations Plaza offer Missions and Consulates, non-profits and businesses an exceptional opportunity to secure a permanent office in a highly prestigious building located only steps from the United Nations Headquarters.

The newly converted 866 United Nations Plaza consists of over 471,000 square feet of Class A office condominiums, with units for sale ranging from under 1,000 square feet to over 50,000 square feet. Office condominium ownership at 866 United Nations Plaza allows office condominium owners to lock in their occupancy costs and insulate themselves from the ever-rising expense of office leasing in Midtown Manhattan.



866 United Nations Plaza: Recently Renovated Lobby



866 UNITED NATIONS PLAZA

WORLD CLASS OWNERSHIP

OFFICE CONDOMINIUMS AT
866 UNITED NATIONS PLAZA

For more information on the office condominium opportunities at 866 United Nations Plaza please, visit www.866UNPlaza.com or contact:

Michael Rudder
(212) 966-3611
mrudder@rudderpg.com

Michael Heller
(212) 966-3622
mheller@rudderpg.com

THE COMPLETE TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR. FILE NO. CD14-0202. SPONSOR: 866 UN PLAZA PROPERTY LLC, 130 EAST 59TH STREET, SUITE 1300, NEW YORK, NEW YORK 10022.

