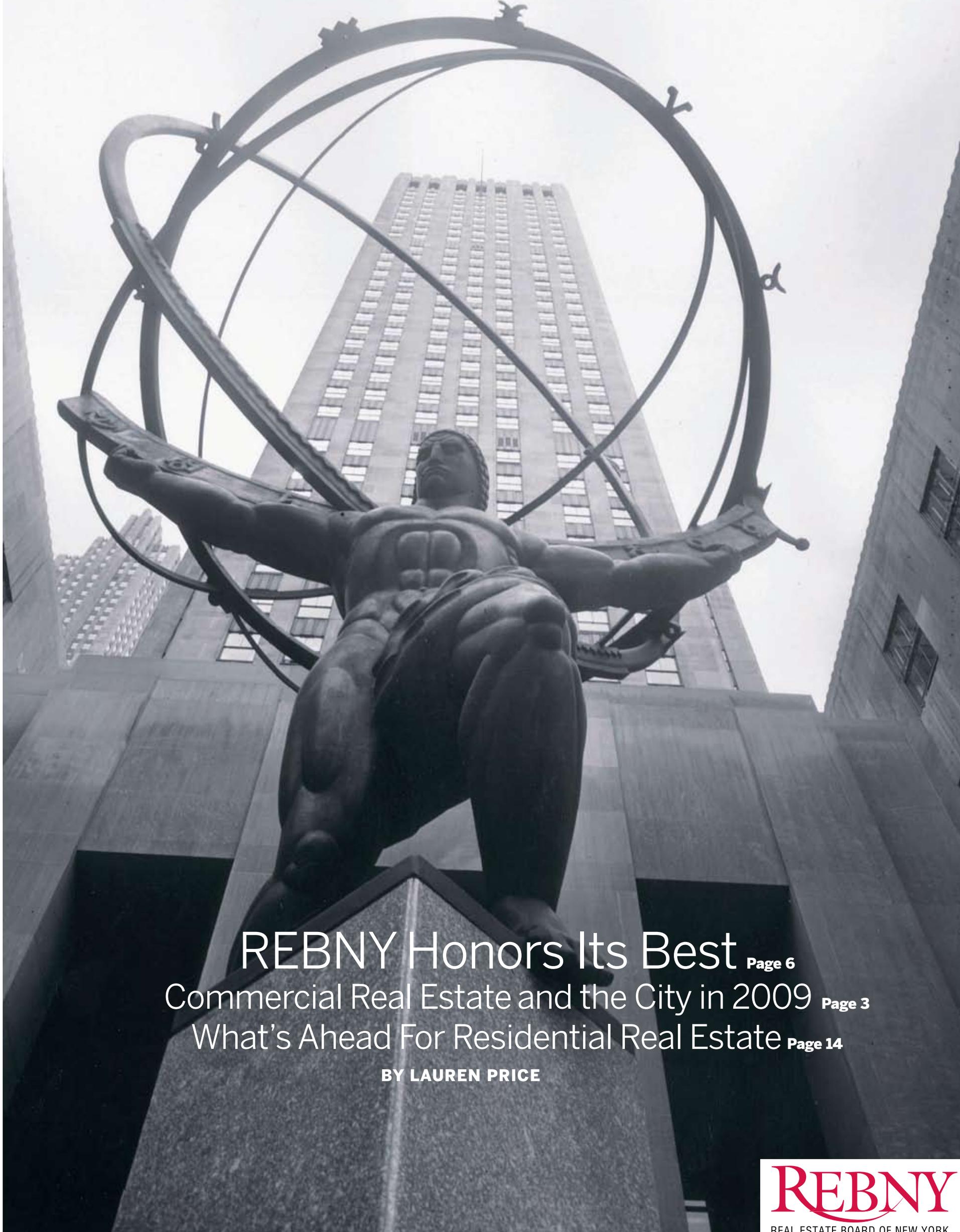


THE REAL ESTATE OBSERVER



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BY LAUREN PRICE

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Commercial Real Estate and the City in 2009

With real estate seemingly stuck in a nosedive and not likely to rebound anytime soon, New York's leading developers, landlords and brokerage houses are predicting a daunting 2009.

By Lauren Price

Despite the gloomy forecast for what is already a fragile economy, and rumors of not bottoming out for another year or so, these real estate leaders express cautious optimism for 2009 and beyond when it comes to turning things around.

Along with stalled funding for new projects, to say nothing of copious cash-strapped, in-progress developments and the imploded deals we are experiencing in this economy meltdown, it has been reported that commercial landlords are now facing rising vacancy rates to as much as 18 percent. Add a stunning streak of shrinking employment (nearly two million jobs have been lost since last January, a third of them office workers) to the mix and the demand for office space is greatly reduced. But smart owners are beginning to "get" the need to negotiate with existing and prospective tenants seeking lower rents and to put forth more concessions, such as free rent

periods and funded build outs.

By most accounts, retail tenants are also looking for lower rents and those same concessions, according to the chairman of the retail leasing and sales division at Prudential Douglas Elliman, Faith Hope Consolo. "The mindset in 2009 will be very different from 2008," said Ms. Consolo, who added she saw the

change coming last spring. "First of all, it's no longer about "here's the lease, like it or not" and more about retaining a current tenant. And finally, landlords are listening to us and are now seemingly open to a discussion about what works for both parties, be it longer leases, subsidizing a build out or renovation... even accepting a lower base rent or perhaps getting

a percentage of sales. But make no mistake; these landlords are looking a lot closer at the financials before they'll even consider negotiating with a tenant. Second, it is really no longer about the commission, but about being a client's financial advisor and strategist.

Robin Abrams, executive vice president and a principal at The

Lansco Corporation and a leading force in finding leasing options for the company's marquis retailers on a national basis, agrees that a retail broker's role is becoming more challenging and more encompassing. "Secondly there is no question that deals are becoming harder to make," Ms. Abrams said. "And landlords, particularly in Manhattan, are now

willing to exhibit flexibility if the now more value-centric renter shows viable financial strength and stability."

"I think 2009 will be the year for confronting our problems," concurred Robert K. Futterman, chairman and chief executive officer of Robert K. Futterman & Associates (RKF). "Our financial troubles will certainly continue through 2009, but hopefully,

we will then be able to move into a healthier cycle in 2010," he said. "But I don't think it's as much about finding new tenants right now as it is about keeping the existing ones. As for flexibility, landlords were flexible after September 11 and that certainly worked... so it makes sense to follow suit." Asked about retail trends, Ms.

Consolo said, "After September 11, banks saved the day, but landlords are now reeling from what's going on with the financial institutions and can no longer rely on banks proliferating their available spaces. What we are seeing now is a lot of retail leasing stemming from high-end jewelers, watchmakers and haute couture designers from overseas looking to open flagship stores in the United States. Child-centric stores are another hot market, as are food purveyors like Trader Joe's."

According to a Newmark Knight Frank—Focus on Manhattan report in December, since the beginning of 2008, the Manhattan office market continued to decline, with the availability rate increasing from 8.3 percent, up 2.6 percentage points, to the what was than the most current reading. The average asking rent dropped to \$57.49 per square foot from \$59.81 per square foot in October, down sharply from the February 2008 peak of \$65.75

CONTINUED ON PAGE 4

THE REAL ESTATE OBSERVER



MADISON AVENUE IS POPULAR WITH HIGH-END RETAIL SHOPS.

'What we are seeing now is a lot of retail leasing stemming from high-end jewelers, watchmakers and haute couture designers from overseas looking to open flagship stores.'

—Faith Hope Consolo, chairman of the retail leasing and sales division at Prudential Douglas Elliman



WNET AT LINCOLN CENTER

Forecasting 2009 and Beyond

CONTINUED FROM PAGE 3
per square foot, and much of that drop was attributable to a big drop in sublet rents.

And according to the latest information from Real Capital Analytics, there were 1,410 transactions totaling \$49.3 billion office space nationwide from January to December 2008—down from 4,410 transactions valued at \$207.2 billion during the same period in 2007.

President-elect Barack Obama's weekly "fireside chats" bring promises of change much like FDR in 1932. In his January 3rd address, he said in part, "We need an American Recovery and Reinvestment Plan that not only creates jobs in the short-term but spurs economic growth and competitiveness in the long-term and this plan must be designed in a new way—we can't just fall into the old Washington habit of throwing money at the problem. [Less investment equals less growth, and less growth in turn equals less demand, which in turn accelerates job loss.] We must make strategic investments that will serve as a down payment on our long-term economic future. We must demand vigorous oversight and strict accountability for achieving results. And we must restore fiscal responsibility and make the tough choices so that as the economy recovers, the deficit starts to come down. That is how we will achieve the number one goal of my plan, which is to create three million new jobs, more than eighty percent of them in the private sector." [Relating to improving our crumbling infrastructure projects such as bridge repairs, water projects, renewable energy, health care technology, etc.]

Immediately surrounding himself with an impressive coterie of brilliant financial minds such as Warren Buffet, Paul Volcker and Lawrence Summers from the start, Mr. Obama is seemingly at war to resuscitate our economy

and obviously has a lot riding on his ability to push the American Recovery and Reinvestment Plan (with an expected cost of nearly \$800 million) through the House and Senate after taking office.

The president of the Rudin Management Company, William C. Rudin, sees this stimulus package as a vital element to our financial recovery. "The commercial real estate community is eager for Mr. Obama to sign the package because it helps rebuild liquidity," said Mr. Rudin. "Our industry certainly has challenges ahead and our liquidity crisis stalling our economy is one of our biggest problem, so it is very important that we work together to get the credit markets back. [Without liquidity, the economy stalls and can propel us into a depression, which is what happened in 1929 when our government stood by, thinking Wall Street would come back on its own.] Some \$400 billion of loans are coming due in 2009's first quarter and there's virtually no credit available for refinancing. That is why commercial real estate developers are also asking for a bailout from TALF (the Federal Reserve Bank of New York's Term Asset-Backed Securities Loan Facility)."

Mitchell S. Steir is the chairman and chief executive officer of Studley, our nation's leading commercial real estate firm specializing in tenant-only representation who said in 2007 alone, they inked the dozen-plus transactions of the top fifty leases in New York City. Studley's most recent standouts include 41,000 square feet in Long Island City for Panavision, the renewal of 35,000 square feet for Nordea Bank Finland PLC at 437 Madison Avenue and Burberry's relocation to 68,348 square feet at 444 Madison Avenue which include three illuminated Burberry signs, two of which will indicate time and temperature atop the

building. Channel Thirteen's new 4,5000-square feet street-front studio at Avery Fisher Hall at Lincoln Center and the 120,060 square foot expansion for Kirkland & Ellis LLP at the Citigroup Center on East 53rd Street.

"The commercial real estate market is inherently inefficient relative to other markets for a number of reasons," said Mr. Steir. "When the market is downward sloping, the inefficiency becomes even more exaggerated because of ever-increasing supply, less demand and fewer transactions. Those sponsors that are well capitalized and savvy (the ones smart enough to know that they'd rather rent than wait when a financially sound tenant is in a deal-making posture) will be more aggressive in their pursuit of transactions.

Laura Pomeranz, a founding partner of PBS Real Estate, deals in the leasing of both retail and office spaces across America. She also agrees leasing is now a combination of financials and rethinking deal structures, but

perhaps more importantly, about a landlord being more open to a new kind of tenant. "There's an increased focus on the Cap-X process because if well managed, it reduces costs and generate savings." Pomeranz added that foreign retailers are increasingly scoping out US locations because, "Their reaction to our electing Barack Obama is an optimistically positive one, and I think they now feel America is on more now on steadier ground, despite the collapsed markets."

Mitchell E. Rudin, president and chief executive officer of the Tri-State Region for CB Richard Ellis told us, "Despite the economic downturn, his region finished strong in October and November." Among those recent deals was the renewal through at least 2015 for Viacom International. Made up of 1.35 million square feet at 1515 Broadway, it is one of the largest leases in New York and said to be the third largest in the city's history. Other inked deals in October and November included well over 300,000 square feet for a condominium at 770 Seventh Avenue purchased by luxury automaker Mercedes Benz, more than 95,000 square feet for Comcast at 5 Times Square—and 100,000 square feet for Pryor Cashman at the Times Square Tower. Asked what's ahead, Rudin noted, "We've been through downturns before and historically, the commercial market doesn't come back until the residential market corrects itself, which will probably be sometime in mid-2010. In general, it takes another six to eight months before confidence in the commercial market returns."

The president and chief executive officer of Brookfield Ric Clark told us that in general, 2008 was a good year for his commercial real estate company. "We currently have some 74 million square feet in our commercial

CONTINUED ON PAGE 10



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2008 REBNY Awards

They Won Through Service and Inspiration—and Deals, Big Deals!

By Lauren Price

The Real Estate Board of New York (REBNY) will honor six industry leaders of great influence at its 113th Annual Banquet tomorrow evening at the New York Hilton. "All of our honorees have accomplished great things in their careers and they have demonstrated the highest professional and ethical standards," said REBNY president Steven Spinola. "These industry veterans are not only professionally successful, but each contributes significantly to strengthening the communities they serve. We commend each individual for their hard work and dedication to the industry and the City."

They are Diane M. Ramirez of Halstead Property, Mary Ann Tighe of CB Richard Ellis, Earle S. Altman of ABS Partners, Joseph A. Grotto Jr. of Colliers ABR, James H. Farley of Stahl Real Estate and Leonard Litwin of Glenwood Management.

Interviewed recently, some honorees conveyed their opinions and forecasts for New York's real estate markets, not just through 2009, but 2010 and beyond.

Halstead Property's president, Diane Ramirez, will receive the Kenneth R. Gerrey Humanitarian Award for her meritorious service to the community. In 1988, she was the first recipient of REBNY's Deal of the Year Award and in 2007, received its Henry Forster Award for lifetime achievements.

Together with Clark Halstead, the company was founded in 1984 because they shared a vision for creating a high-end, tech-savvy brokerage firm without sacrificing Old World graciousness. Climbing the corporate ladder solely based on her ongoing exemplary performances, she was named president, partner and board member until Terra Holdings acquired the firm in 2001. Halstead now boasts 600 agents and 11 offices.

Ms. Ramirez serves on REBNY's Board of Governors, co-chairs the Board of Directors of the Residential Division and serves on the Deal of the Year Committee, the Admissions Committee and the Investment Advisory sub-committee. She is a voting member of the Residential Brokerage Division, Interfirm Forum, which she co-chaired from 1996 to



1998—and was the co-chair of the Ethics Committee and Education Committee from 1994 to 1996. Additionally, she serves on the board of ResidentialNYC, is a member of the Council of Real Estate Brokerage Managers Council (a not-for-profit affiliate of the National Association of Realtors) from which she earned CRB designation in 1996. On top of all that, Ms. Ramirez is an accredited continuing education teacher for New York State.

Deeply involved in philanthropy, both in and out of the real estate community, she, and often with her husband Sam Ramirez, has been frequently honored for her outstanding commitment and involvement by organizations such as the Neighborhood Coalition for Shelter and New Jersey's centers for the Valerie Fund (which supports children with blood and cancer disorders).

Asked for her take on the New York's residential market for 2009 and beyond, Ms. Ramirez said, "Right now we're doing a lot of business for homes priced under \$2 million. "It goes without saying that there is no question of it being a buyer's market for the first time in a long time. And, first-time buyers are particularly golden because they don't have to worry about selling their current homes. According to the Wall Street Journal, mortgage rates are at a 37-year low, but it still remains a more cautious, more hesitant market.

I would imagine a few years from now, quite a lot of people will look back on all this and wonder why they didn't buy now."

Mary Ann Tighe, CB Richard Ellis' chief executive officer of the New York Tri-State Region since 2002, will receive the Bernard H. Mendik Lifetime Leadership in Real Estate Award for her exceptional lifetime accomplishments and invaluable contributions to New York's real estate industry. A six-time winner of REBNY's Deal of the Year Awards, Tighe has also been the recipient of the 2007 Henry Hart Rice Achievement Award and the 2004 Louis Smadbeck Memorial Broker Recognition Award.

Overseeing 10 offices and annual revenues exceeding half a billion dollars, the *Wall Street Journal* appropriately once wrote, "(There is an exceedingly small club of women who have managed to move to the top of the brokerage business. That club's most prominent member is Mary Ann Tighe." As well, Ms. Tighe took fourth place on *Crain's New York Business*' 100 Most Influential Women in Business list in 2007 and took the same spot on the *New York Post's* 50 Most Powerful Women in NYC list in 2008.

From the revitalization of Times Square to Downtown's rebirth, Tighe has been at the forefront these transformations of our skyline for 24 years. She has been responsible for leasing over 70 million square feet

of commercial transactions, and her record deals have anchored more than 5.5 million square feet of new construction in the region.

Most significantly, Ms. Tighe has enjoyed long-term relationships with numerous public and private companies and non-profit organizations—shaping, strategizing and implementing their real estate projects, both large and small, including the Archdiocese of New York, CIT, *Condé Nast*, *Crain's*, Limited Brands, Medco, The New York Times Company, The Conference Board and WPP Group. Recently, she represented WestLB, a leading German financial institution, in its 15-year lease for approximately 129,000 square feet of office space on the top three floors of 7 World Financial Center. Beginning as a broker at the Edward S. Gordon Company, she was ultimately named of vice chairman of Insignia/ESG. Prior to real estate, Tighe served as a vice president ABC-Television, where she launched the A&E channel. Recognized nationally for her expertise in the arts, Ms. Tighe is a former Deputy Chair of the National Endowment for the Arts, Arts Advisor to Vice President Walter Mondale, and a Smithsonian Institution staff member.

Mr. Altman and his team have managed, leased and sold commercial and residential buildings well in excess of a billion dollars. And years before loft and commercial building conversions became popular, he helped pioneer their conversions into residential co-ops and condominiums by consistently citing the fundamental land, building, and conversion values versus ground-up construction.

Mr. Altman is on the New York City Advisory Board of M&T Bank and a Real Estate Loan Committee member since 1989. He was honored as

for New York City, Joan's Legacy: Uniting Against Lung Cancer and the Chairman's Council and Business Committee and the Metropolitan Museum of Art.

"I see a period of time in which we will look to reestablish confidence... not just in pricing, but in the viability of our financial markets," she said. "Many believe the commercial market is frozen, but I believe it is alive and well. Our renewals constituted 37 to 40 percent of the leasing market in 2008, which is about 20 percent higher than usual and I see 2009 as a "moment of opportunity" for favorable rents, in fact the lowest we've seen in a long time. Over the next five years, 2009 will represent the bottom of the market.

Earle Altman, chairman of ABS Partners Real Estate, will receive the Louis Smadbeck Broker Recognition Award, which honors an executive who exemplifies the characteristics of a successful commercial broker.

Highly respected, Mr. Altman spent over 40 years at Helmsley-Spear, Inc., one of our nation's most renowned real estate firms, rising to the position of senior vice president in charge of the Sales and Leasing Divisions. Together with Steven Hornstock and Peter Burack, ABS was founded in 2000 and specializes in real estate investment, brokerage, management and consulting, specializing in the acquisition, repositioning and development of commercial and residential properties. Altman works in acquisitions, sales, management, leasing, and advisory groups.

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Mr. Altman is on the New York City Advisory Board of M&T Bank and a Real Estate Loan Committee member since 1989. He was honored as

CONTINUED ON PAGE 7

REBNY Winners

both Young Man of the Year in 1971, and in 1982, its Senior Man of the Year by the Young Men's/Women's Real Estate Association of New York, an honor society of young real estate professionals, of which he was in 1964, chairman of its Board of Governors.

He is also on the Board of Directors of The Realty Foundation of New York and has served as a REBNY Board of Governors member and three-time chair of its Sales Broker Committee.

Along with Linda, his wife of more than 50 years, Mr. Altman is an active and strong supporter of numerous charities. He was co-chair of the Real Estate Council of Carnegie Hall, as well as a benefactor of the Albert Einstein College of Medicine, where Linda serves as a member of its Board and Executive Committee. A guest lecturer at both Cornell University and New York University, Mr. Altman was also president of the Real Estate Society of Baruch College and recently honored as an Alumni of Distinction, where he presently serves as a member of the Advisory Board of its Newman Real Estate Institute.

Currently, Mr. Altman is working to help create a program to build 3,000 middle-income cooperative and condominium apartments for New York City teachers, nurses, firefighters, and police officers on well over two square blocks of land on Queens Boulevard, to include municipal garages and round-the-clock drive-in supermarkets.

Joseph Grotto Jr, senior managing director and partner at Colliers ABR has been chosen as the Young Real Estate Man of the Year—the very same honor bestowed upon his father and mentor, Joseph senior, in 1970. He was selected by the Young Men's/Women's Real Estate Association of New York on the basis of integrity, professional and personal ethics and knowledge, ability and accomplishments in the field of real estate, contribution of time and effort to the Association and REBNY and constructive participation in community life.

Mr. Grotto has been active in the real estate industry for over 25 years, since graduating from Ohio's Denison University, where he won the Economics Award for his graduating class. Beginning at the early age of 16, he interned at Brown, Harris, Stevens Inc. in the Appraisals Department. He then moved into commercial leasing after graduation.

In 1986, Mr. Grotto co-founded J. Grotto & Associates with his father, before merging with Colliers ABR in 2003. Before forming their company, Joe senior was president of Brown Harris Stevens.

Mr. Grotto's accomplishments encompass commercial leasing transactions in excess of one million square feet and over \$300

million in sales, and takes on numerous consulting projects for both corporations and institutions.

Mr. Grotto was awarded the 1994 Robert T. Lawrence Memorial Award by the Sales Brokers Committee of REBNY and is currently on REBNY's Board of Governors. He is also part of the Midtown West Rental Conditions and General Meetings Committees and served on the Board of Directors for the Commercial Brokerage Division. Mr. Grotto currently serves as the assistant treasurer of the Realty Foundation of New York and is past chairman and vice chairman of the Young Men's/Women's Real Estate Association (YMWREA) of New York and served on the Board of Governors. [Younger brother John, a Durst Organization leasing representative, was also YMWREA chairman.]

"Unlike other downturns, this time around there's now an opportunity to go from a B building to an A building and flexible leases, though I think there will be an abundance of renewals moving forward," Mr. Grotto said. "People are certainly playing it more conservatively... closer to the vest. But many are staying put for many reasons... as it is a given that these companies are so hi-tech, that it simply comes down to it being cheaper to stay than to incur the cost of having to invest in duplicating that infrastructure elsewhere. Looking at 2009 and beyond, it's important to note that by nature, landlords and developers are an optimistic group, but 2008, between record lending and acting like there was no risk involved, there was what I call the "perfect storm" for creating this downturn."

James Farley, a senior vice president responsible for construction, development and management for the Stahl Organization, will receive the George M. Brooker Management Executive of the Year Award, which recognizes individuals of superior accomplishment from the management area, based on outstanding professionalism, civic achievements and contributions to the real estate industry.

A diversified company, Stahl is an owner, developer and investor in more than 4,000,000 square feet of commercial space and 3,000 apartments. With Stahl since 1990, Mr. Farley's career began in 1980, when he went to work for Muirfield Contracting, where he ran its field operations. Next, he worked for Williams Real Estate, managing a substantial portfolio of buildings—then ArDe Realty Corp in Nevada just prior to joining Stahl.

Mr. Farley is director of REBNY's Management Division and is a member of

CONTINUED ON PAGE 9

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THE REAL ESTATE OBSERVER



REBNY awards

CONTINUED FROM PAGE 7
the Realty Advisory Board on Labor Relations' Negotiating Committee, as well as the Building and Managers' Association International. He has an MBA from Columbia University, a BS in Civil Engineering from Lafayette College in Pennsylvania and a Diploma in Construction Management from New York University.

Other standout accomplishments for Mr. Farley include overseeing the renovations of both 277 Park Avenue and the Lunt Fontaine Theater, the residential condominium conversion of the landmarked Apple Bank for Savings building at 73rd Street and Broadway, and the construction of L haus, a luxury residential condominium in Long Island City. Mr. Farley also oversaw the restoration of the Chanin Building on East 42nd Street, following the summer 2007

Con Edison steam pipe explosion near Grand Central Station.

Leonard Litwin, the owner of Glenwood Management, will receive the Harry B. Helmsley Distinguished New Yorker Award, which is presented for a lifetime of exceptional accomplishment in the profession and invaluable contributions to New York's civic welfare.

One of the city's most esteemed residential owners and management companies—Glenwood's first building was the Pavilion on East 77th Street, one of the largest luxury apartment buildings in Manhattan. Today Glenwood owns and rents 4,200 high-end units.

The Litmans have been nurserymen for over 70 years, maintaining the 200-acre Woodbourne Cultural Nurseries, which is being converted to the Woodbourne Arboretum in Melville,

'The Litmans have been nurserymen for over 70 years, maintaining the 200-acre Woodbourne Cultural Nurseries, which is being converted to the Woodbourne Arboretum in Melville, NY.'

NY, so no surprise that Glenwood buildings are built with substantial amounts of beautifully landscaped areas that certainly contribute to the overall beauty of Manhattan. Mr. Litwin is actively promoting Mayor Bloomberg's new plan to "green" New York City and with Cornell University's, established the Cornell Quarantine Center, which is used to help eradicate invasive pests.

Mr. Litwin is the vice chair of the Rent Stabilization Association of New York, a governor and secretary of REBNY, and co-chair of the Board of Governors of the Associated

Builders and Owners of Greater New York. He is also actively involved in numerous charities such as the Crohn's and Colitis Foundation of America, for which he recently gave a large gift to create the first initiative into juvenile Crohn's research—and founded the New York Crohn's Foundation and co-founded the Litwin Zucker Alzheimer's Research Center at North Shore Long Island Jewish Health System. Mr. Litwin has substantially supported Alzheimer's disease research at number of prominent hospitals. He also funds research to find treatments for

Chronic Fatigue Syndrome and other maladies—and is a major benefactor of Temple Beth-el in Great Neck on Long Island—and he has established the Litwin Foundation to ensure that these endeavors last well beyond his lifetime.

Glenwood's Liberty Plaza on Liberty Street, the first building to rise after September 11, received special recognition from the both the New York and Federal Register's Historic Places as a shining example of what should be built in historic districts and stands as an example of Mr. Litwin's dedication to the city.

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A Daunting 2009



CONTINUED FROM PAGE 4
portfolio leased and leased six million square feet in 2008," said Mr. Clark. And though that is a under what we had a year ago, we still performed well. "Obviously, 2009 will be challenging for all us, and until borrowing gets easier, there just won't be a lot of movement.

Time Equities, Inc. chairman Francis Greenburger also reported that, "Not withstanding all the problems the real estate industry faced in the latter part of 2008, our company financed over \$200 million in deals throughout 2008." Time Equities deals in real estate investment, development and property management and currently owns a portfolio of approximately 20 million square feet of residential, industrial, office and retail properties. Their Helmut Jahn-designed 50 West Street mixed-use development is currently on hold, but not for the obvious reasons. It seems the city is rebuilding the surrounding roadway and is not expected to finish before next summer, according to Mr. Greenburger.

Larry A. Silverstein is the president and chief executive officer of Silverstein

Properties, a real estate development and investment firm that has owned and managed 24 million square feet of office, residential and retail space. The firm currently has \$10 billion worth of development activity under way, including the rebuilding of the \$8 million office component of the World Trade Center site, which includes the already completed LEED Gold 7 World Financial Center (the remaining towers will also be LEED Gold-certified) that are now set for completion in late 2012, early 2013—and the \$1 million Robert A. M. Stern-designed residential development from Four Seasons Hotels on Church Street, which will be marketed by one of Corcoran Group's marketing arms, Corcoran Sunshine.

"The cost of fuel is down and that's good because the significant effect is immediate," Mr. Silverstein said. "Though I believe that we will still feel the brunt of this "tsunami" in 2009, I have hope that our government will do everything it can to stimulate economy. Obama's relief program will have tremendous effect on the economy because its purpose is to get us spending again... and that raises public confidence. Right now, fear has replaced greed as a motivating force, but greed usually prevails seeing as people like to buy." [In overvalued

markets, we run out of willing, financeable, and confident buyers.]

SL Green Realty Corp. is the city's largest commercial landlord with some 30 trophy towers in its premier portfolio, including the one chosen for Viacom's move, and nearly 24 million square feet. A self-administered and self-managed real estate investment trust (REIT) it predominantly acquires, owns, repositions and manages Manhattan office properties. The company is the only publicly held REIT that specializes in this niche. In addition, SL Green holds investment interests in, among other things, eight retail properties encompassing approximately 400,212 square feet, two development properties encompassing approximately 363,000 square feet and two land interests, along with ownership interests in 36 suburban assets totaling 7,867,500 square feet in Brooklyn, Queens, Long Island, Westchester County.

Along with recent mega-deals like Viacom, new deals include nearly 65,000 square feet for Wurf Environments, LLC at 1515 Broadway, two floors for News America Incorporated at 1185 Avenue of the Americas. A nearly 34,000 square foot expansion for Eisner LLP at 750 Third
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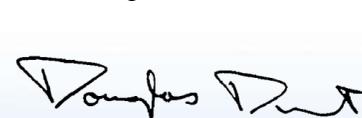


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Douglas Durst


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We especially acknowledge the following individuals and firms with whom we worked so closely and successfully in 2008:

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A Daunting 2009

CONTINUED FROM PAGE 10
 Avenue and two leases at 317 Madison Avenue: one for Mass. Mutual Life Insurance Co. and the other for Moore Stephens Business Solutions. Steven M. Durels, the director of leasing and real property said, "Despite uncertainty about where this challenging market is and will be going, our company is faring well."

Don Trump Jr. is the executive vice president of development and acquisitions at the Trump Organization. His role since joining the company in 2001, was to expand the company's real estate, retail, commercial and hotel interests nationally and internationally. As well, he actively oversees the organization's current property portfolio, which

contains over 70 projects. "It's no secret that landlords in commercial, residential and retail real estate are in a completely different position than they were 18 months ago," said Mr. Trump. "We have a tough road ahead in 2009, particularly for those who got "greedy" during the last business cycle, encumbering their properties with excessive debt."

BRONX TERMINAL MARKET



What's Hot in 2009

With one million square feet, retails options will, come summer, be alive and well in a borough that has been long been under-retailed, Gateway Center at Bronx Terminal Market along the Harlem River Waterfront is overseen by Glenn Goldstein, the president of Related Retail. A peripatetic half-mile stroll south of the new Yankee Stadium, this 18-acre site will feature national retailers such as Target, Home Depot, Toys/Babies 'R Us, Best Buy, BJ's Wholesale Club, Raymour & Flanigan, Bed Bath and Beyond and Marshalls. Along with restaurants such as

Applebee's, there will be parking for over 2,300 cars. Related Retail is also converting the landmarked Kingsbridge Armory to the Shops at the Armory. The LEED Silver-registered project is slated to open as early as 2013. "These are clearly challenging times," said Mr. Goldstein. "But I think we're doing well in outer boroughs that were heretofore significantly under-retailed... which in great part accounts for Gateway Center being over 85 percent leased."

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 Thanks The Following Tenants And Brokers
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What's Ahead For Residential Real Estate

By Lauren Price

Stephen G. Kliegerman, the executive director of development marketing at Halstead Property told us there are now two million renters spread out through all five boroughs. "People move into the city because there are still jobs here," he said. "They need space and renting is a great option for those hoping to get financing when the financial markets ease up. Interesting enough, we're doing very well in selling Toren,

in fact it's the fastest selling development in the city since coming on the market last fall... and we're already 50 percent sold at record-setting price points on an open square foot basis. We're still going ahead with starting sales mid-2009 for 384 Bridge Street in Brooklyn, which will be the tallest building in Brooklyn, which is expected to open in 2011. Bruce A. Beal Jr. an executive vice president at the Related Companies is the force behind



THE CALEDONIA

the company's very successful hybrids (One Carnegie Hill on the Upper Eastside was the first and a third is being built in Boston's Back Bay area). Made up of beautifully designed luxury rentals and luxury condominiums, the now-open The Caledonia on West 17th Street with direct access to the elevated High Line Park is yet one more success story for Related (read: Time-Warner Center, the Shops at Columbus Circle, LEED-registered Snowmass Village in Colorado). "We believe that in some markets, there are those who

want to rent and there are those who like to buy and with hybrids, we can offer either option," Mr. Beal said. "With a large building, it is financially sound to offer top-drawer amenities that are shared by all the residents. In certain neighborhoods, we have found that there's a large concentration of both renters and buyers at certain price points... and both the Upper Eastside and the High Line neighborhood fit that description, which has much to do with our being 90 percent leased and basically 100

percent sold The Caledonia. Moreover, a good many of our renters become our buyers... maybe 20 percent. We offer a lifestyle that is embraced by our customers, so there's not a lot of turnover." Jeffrey E. Levine, chairman of Douglaston Development, is currently developing 316 Eleventh. A residential rental high-rise in the now-hot Hudson Yards area, it's expected to welcome tenants this coming summer. Mr. Levine said, "With the lack of financing available right now, rentals prevail.



TOREN

915 BROADWAY Southwest corner of 21st Street

NEW TO MARKET



915 Broadway (Flatiron) s/w/c 21st St.
Corner unit – high floor 6435 sf
Fully built - move-in condition
Smaller loft-style pre-built office units available
Short/Long Term
Updated pricing
Coming Soon - Entire top floor

JAY CASELEY
212-400-6075
jc@absre.com

BEN WALLER
212-400-6097
bwaller@absre.com



210 ELEVENTH AVENUE Southeast corner of 25th Street

NEW TO MARKET



210 Eleventh Ave. - s/e/c 25th St.
Rare vacancy
Celebrity quality space
5600 sf with 100' of river views
Offices, pantry, private bathroom
Move-in condition
Short/ Long Term

JAY CASELEY
212-400-6075
jc@absre.com

JOE LAROSA
212-400-2355
jlarosa@absre.com



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629,578 RSF | 57 Deals

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CB Richard Ellis
- Robert Constable
Cushman & Wakefield
- Michael Frantz
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- Leon Manoff
FirstService Williams
- Marc Packman
Cushman & Wakefield
- Andrew Peretz
Cushman & Wakefield
- Donald Preate
Cushman & Wakefield

TEN HUDSON SQUARE

- Michael Glanzberg
Sinvin Realty
- Christopher Owles
Sinvin Realty
- Kenneth Salzman
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100 AVENUE OF THE AMERICAS

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155 AVENUE OF THE AMERICAS

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205 HUDSON STREET

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CB Richard Ellis
- Henry Kobrin
Newmark Knight Frank
- Randy Kornblatt
Spaceworks Real Estate Services
- Steven Rotter
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- Marc Shapses
Studley

304 HUDSON STREET

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- Joanne Podell
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435 HUDSON STREET

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74 TRINITY PLACE

- Robert Dalton
RMD Realty Associates

137 VARICK STREET

- Nick Romito
Murray Hill Properties

143 VARICK STREET

- Robert Frischman
JDF Realty

225 VARICK STREET

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