

Not-for-Profits

The Market

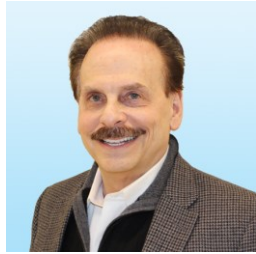
Your Building

Your Space

January 14, 2021

Real Estate Issues and Strategies to Consider

Introductions



Robert Tunis

Vice Chairman



Jared Rutledge

Director

1

**Current and
forecast market
conditions**

2

**How to
assess Landlord
vulnerability
in negotiating
your lease**

3

**Optimize your
planning now**

4

**How are
non-profits' office
space concerns
analogous to
technology firms?**

5

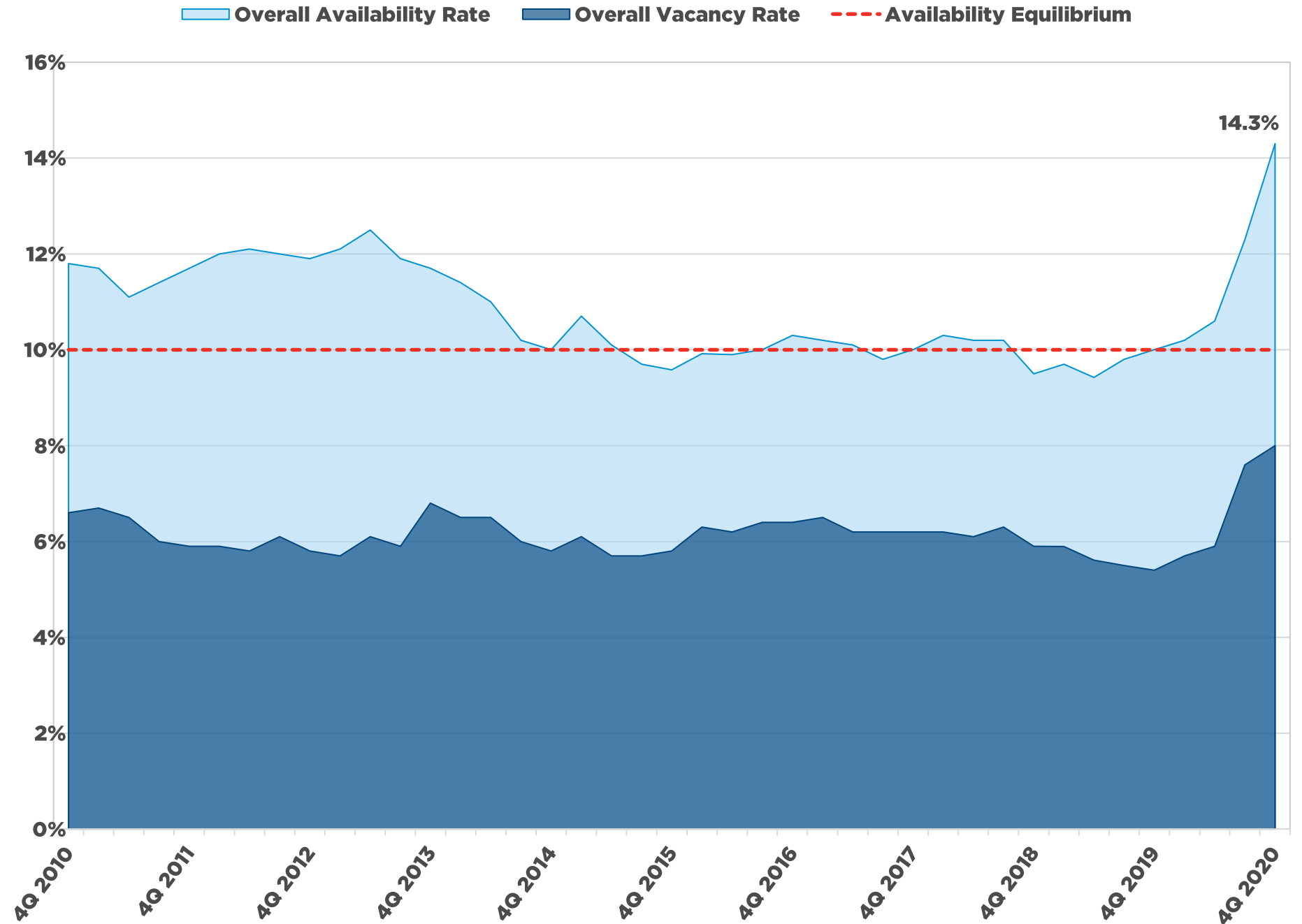
**The future of
remote work**

The Market

Manhattan Availability Rate

The availability rate increased to 14.3%, the highest quarterly availability on record and the largest quarterly increase in supply since 2009

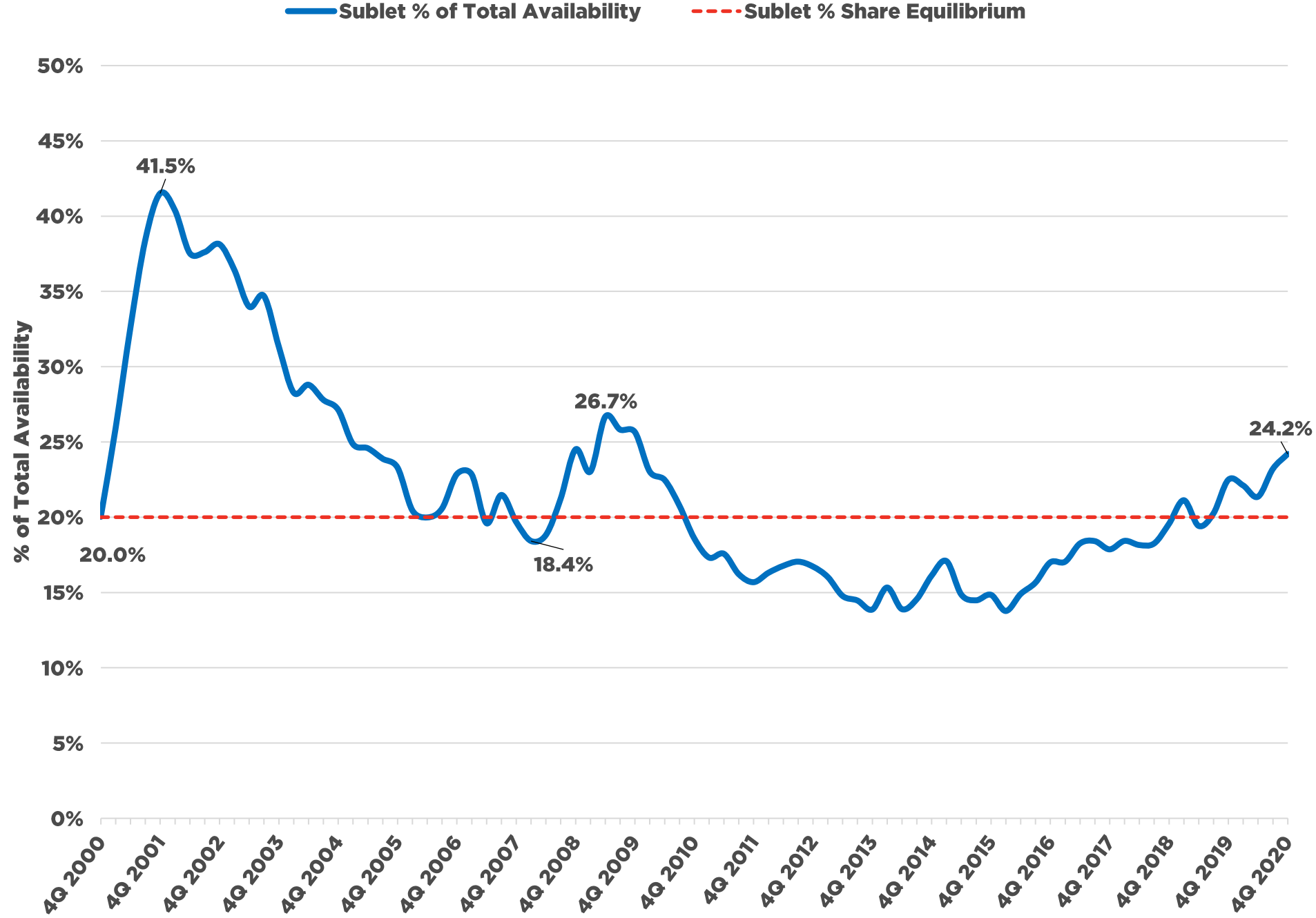
Source: Colliers International Research



The Market

Manhattan Sublet Share of Total Availability Rate

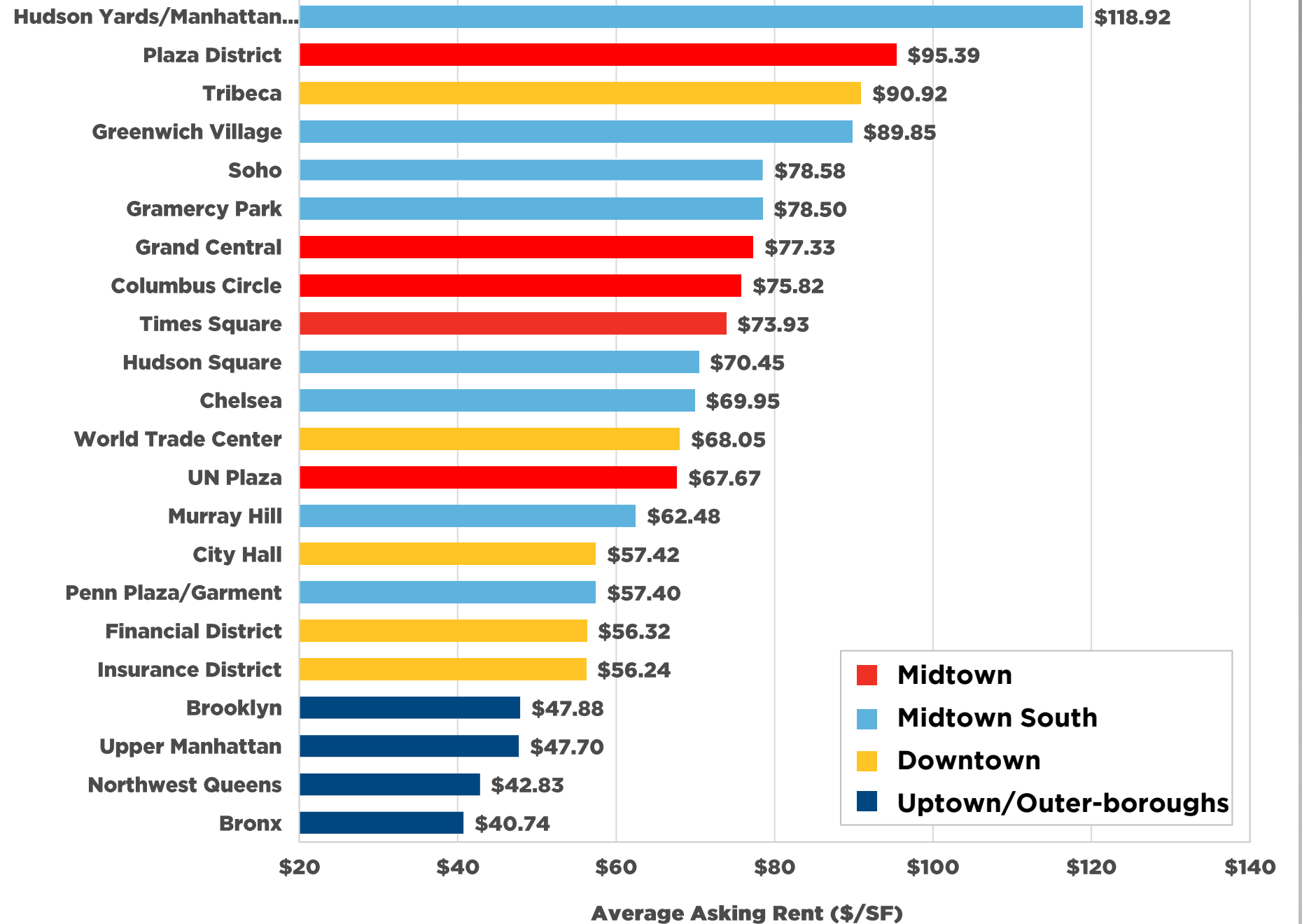
Source: Colliers International Research



The Market

Manhattan Asking Rent by Submarket 4Q 2020

The Greenwich Village submarket had the sharpest yearly decrease to the asking rent average, lower by 18.3% since year-end 2019

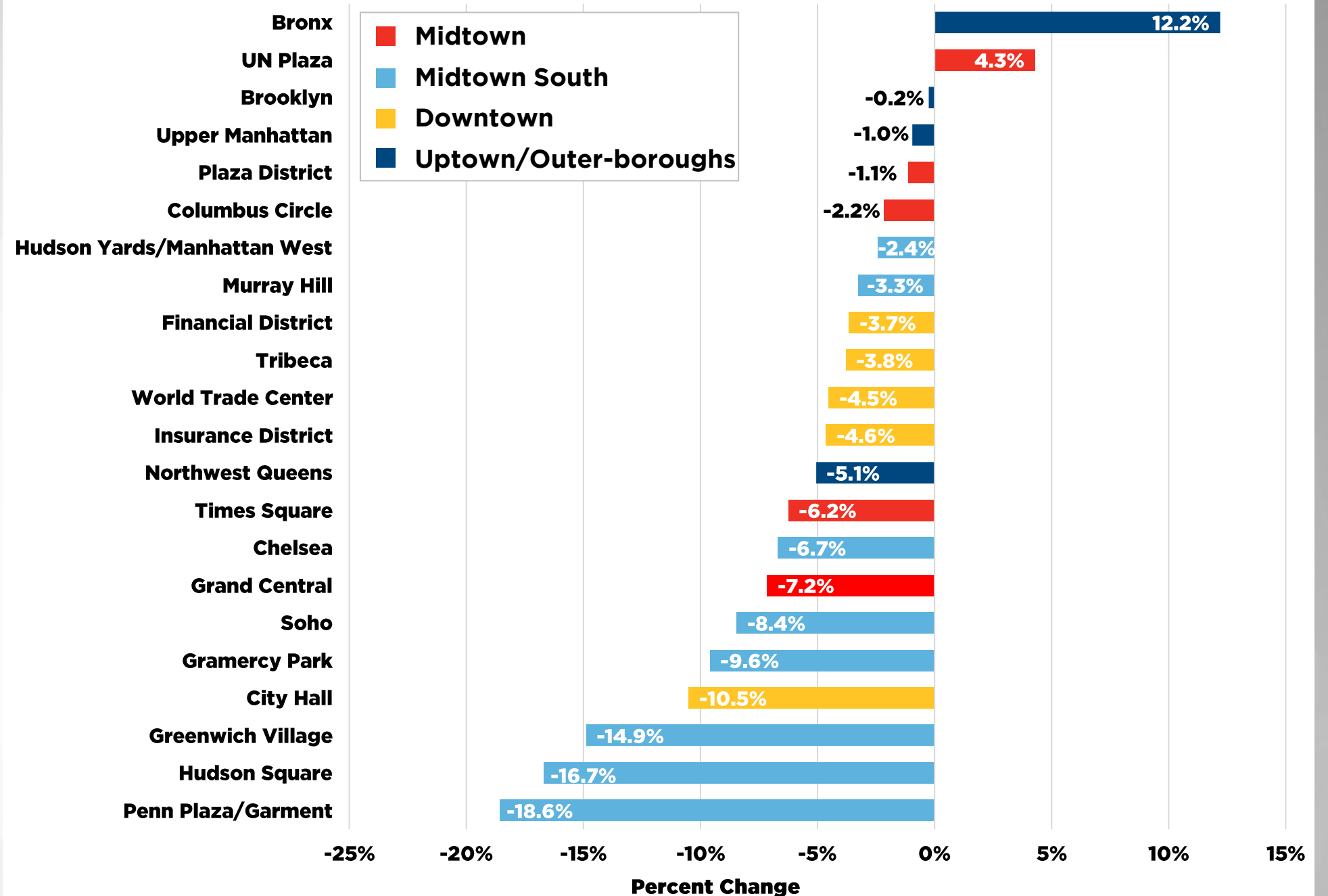


Source: Colliers International Research, CoStar

The Market

Submarket Asking Rent Percentage Change 4/1/2020 to 12/31/2020

Source: Colliers International Research, CoStar



Your Building

Landlord

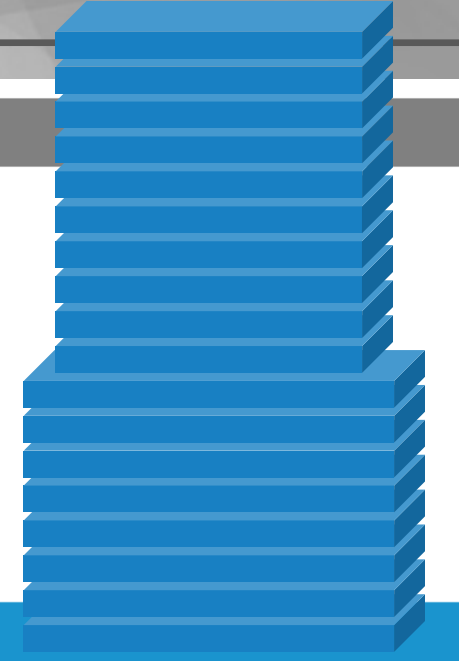
% Vacancy

Lease Expiration Roll Over

Location

Mortgage Debt Analysis

Owner: tbd
Lenders: tbd
Loan Origination: Oct 2018
Loan Maturity: Oct 2023
Building SF: 675,000 SF



Debt: Interest Only

Outstanding Loan Amount	\$400,000,000
Outstanding Loan Amount per RSF	\$592.59
Weighted Average Interest Rate	4.250%
Debt Service	\$17,000,000

Debt Service/rsf

\$25.19

Operating Expenses **\$16.00**

Fiscal 2020/21 Real Estate Taxes **\$20.00**

Total Minimum Carrying Costs/rsf

\$61.19

Your Building

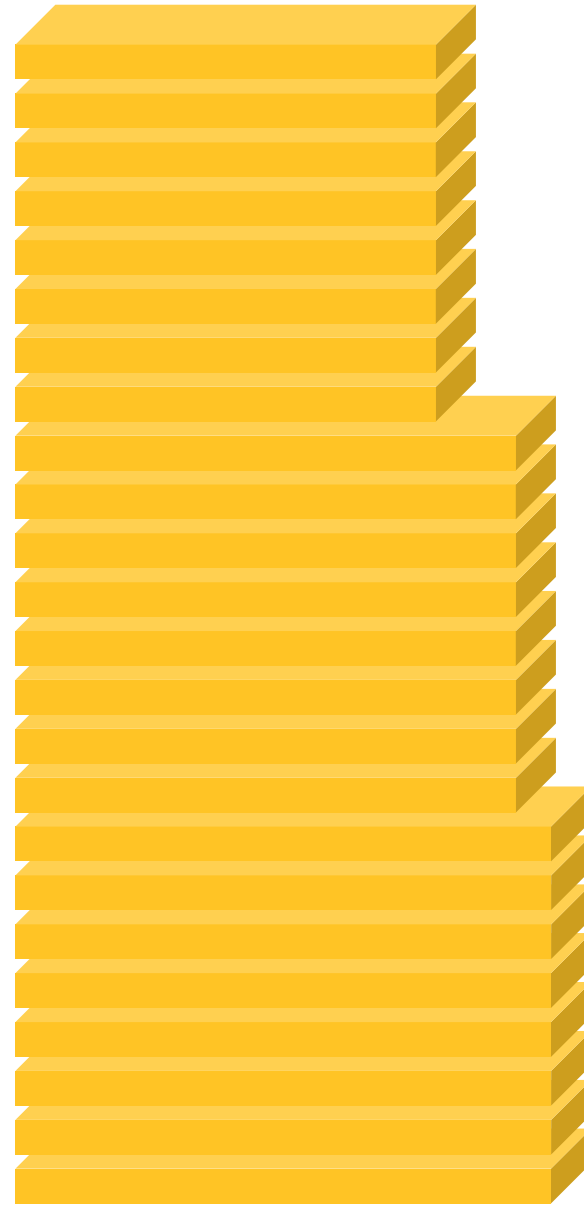
Landlord

% Vacancy

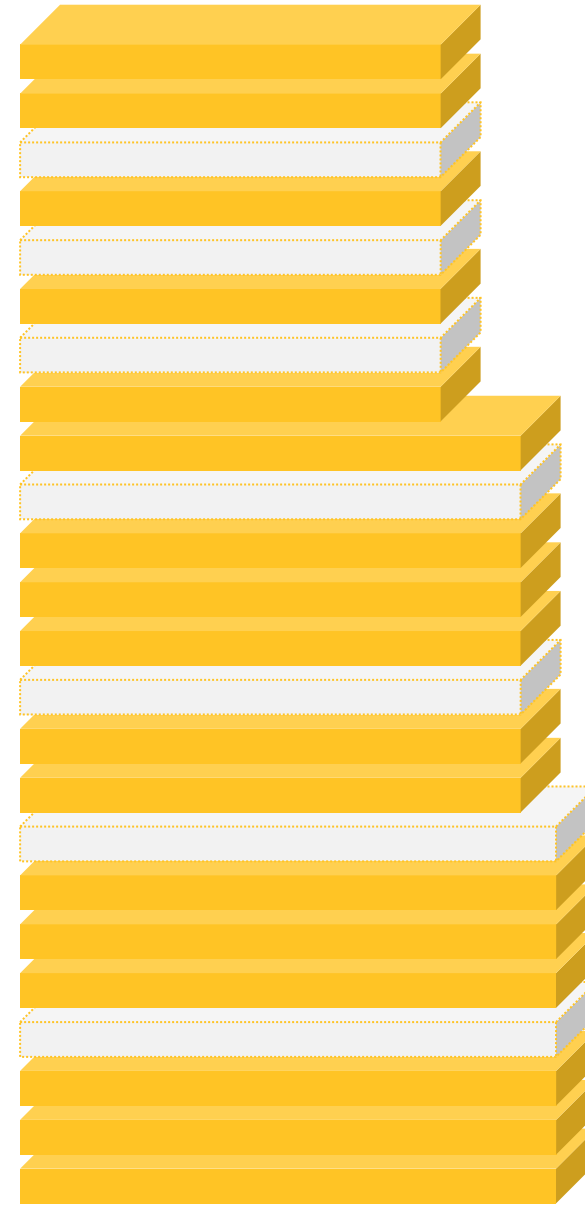
Lease Expiration Roll Over

Location

100% LEASED



70% LEASED



55% LEASED



Your Building

Landlord

% Vacancy

Lease Expiration Roll Over

Location



■ Available ■ 2021-2024 ■ 2025-2029 ■ 2030+

Your Building

Landlord

% Vacancy

Lease Expiration Roll Over

Location

Manhattan Submarket Statistics | 4Q 2020

Source: Colliers International Research

Submarket	4Q 2020	4Q 2019
Columbus Circle		
Availability Rate:	15.0%	12.7%
Avg. Asking Rent:	\$75.82	\$78.04
Times Square		
Availability Rate:	14.9%	10.2%
Avg. Asking Rent:	\$73.93	\$76.15
Hudson Yards/Manhattan West		
Availability Rate:	8.1%	4.5%
Avg. Asking Rent:	\$118.92	\$121.37
Penn Plaza/Garment		
Availability Rate:	14.4%	10.3%
Avg. Asking Rent:	\$57.40	\$68.80
Chelsea		
Availability Rate:	12.9%	6.8%
Avg. Asking Rent:	\$69.95	\$74.99
Hudson Square		
Availability Rate:	12.8%	4.5%
Avg. Asking Rent:	\$70.45	\$81.72
Tribeca		
Availability Rate:	8.5%	7.1%
Avg. Asking Rent:	\$90.92	\$96.79
World Trade Center		
Availability Rate:	14.9%	11.2%
Avg. Asking Rent:	\$68.05	\$68.19
Financial District		
Availability Rate:	14.7%	10.9%
Avg. Asking Rent:	\$56.32	\$58.74



Submarket	4Q 2020	4Q 2019
Plaza District		
Availability Rate:	15.3%	11.9%
Avg. Asking Rent:	\$95.39	\$96.92
UN Plaza		
Availability Rate:	7.3%	6.7%
Avg. Asking Rent:	\$67.67	\$65.49
Grand Central		
Availability Rate:	16.1%	10.4%
Avg. Asking Rent:	\$77.33	\$85.13
Murray Hill		
Availability Rate:	14.3%	10.5%
Avg. Asking Rent:	\$62.48	\$62.67
Gramercy Park		
Availability Rate:	12.8%	6.7%
Avg. Asking Rent:	\$78.50	\$84.80
Greenwich Village		
Availability Rate:	13.9%	7.8%
Avg. Asking Rent:	\$89.85	\$109.92
SOHO		
Availability Rate:	18.8%	11.7%
Avg. Asking Rent:	\$78.58	\$88.90
City Hall		
Availability Rate:	13.2%	11.1%
Avg. Asking Rent:	\$57.42	\$64.57
Insurance District		
Availability Rate:	11.9%	9.3%
Avg. Asking Rent:	\$56.24	\$57.95

Your Building

Landlord

% Vacancy

Lease Expiration Roll Over

Location

Upper Manhattan
Queens
Brooklyn
Bronx

Source: Colliers International Research, CoStar

Asking Rents
4Q2019: \$47.84
4Q2020: \$47.70

Availability Rate:
4Q2019: 55.6%
4Q2020: 68.8%

Asking Rents
4Q2019: \$35.19
4Q2020: \$40.74

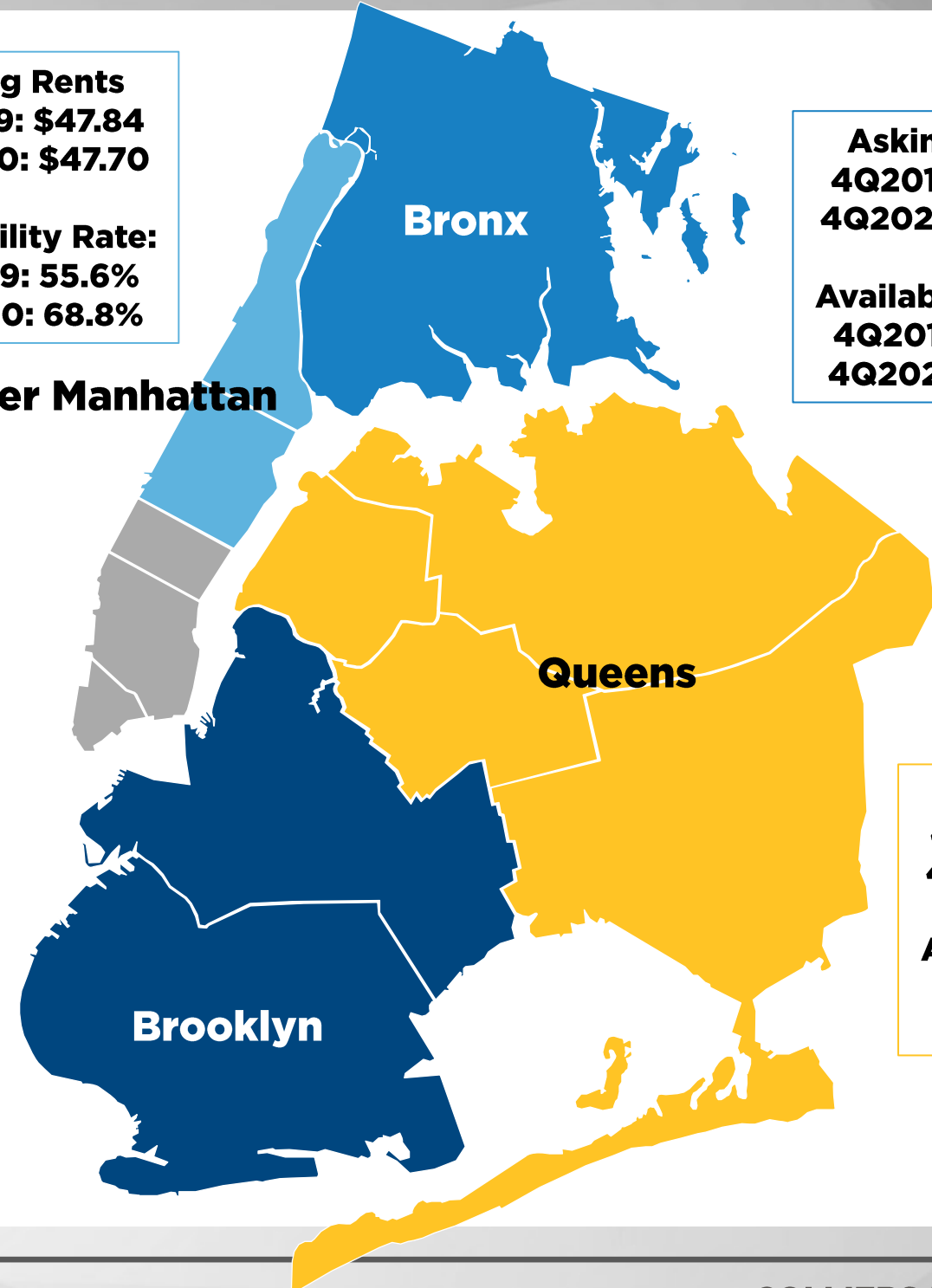
Availability Rate:
4Q2019: 57.0%
4Q2020: 68.3%

Asking Rents
4Q2019: \$50.22
4Q2020: \$47.88

Availability Rate:
4Q2019: 20.5%
4Q2020: 23.9%

Asking Rents
4Q2019: \$44.73
4Q2020: \$42.83

Availability Rate:
4Q2019: 38.8%
4Q2020: 51.8%



Your Space

Your Lease

Workplace

Sublease Scenarios

**Term/
Remaining
Obligation**

**Sublet/
Assignment
Clauses**

**Escalation
Audits**
(tax & operating)

**Security
Deposit**

Options
Cancel
Extend
Space +/-

**Use
Clause**



Your Space

Your Lease

Workplace

Sublease Scenarios

Issues to Consider



Return Strategy

- Strategically ID who comes back first and why
- Address density
- Safety etiquette must be crystal clear before people return
- Smart orgs are using this to solidify business continuity plans
- Opportunity to truly connect with employees and demonstrate caring



Workplace Prep

- Design
- Behaviors
- Communication and Navigation
- Hygiene and cleaning
- Technology



Work Practices - New Normal

- Flexibility
- Business continuity
- Autonomy to choose



Circle of Trust- Unspoken Rules

- Managing collaboration
- Sense of belonging redefined
- Performance, productivity & presenteeism



New Behaviors - Clearly Defines

- When in office
- When at home
- Greetings



Space Priority - Optimized/Sanitized

- Density
- Unassigned or assigned
- Space calculations

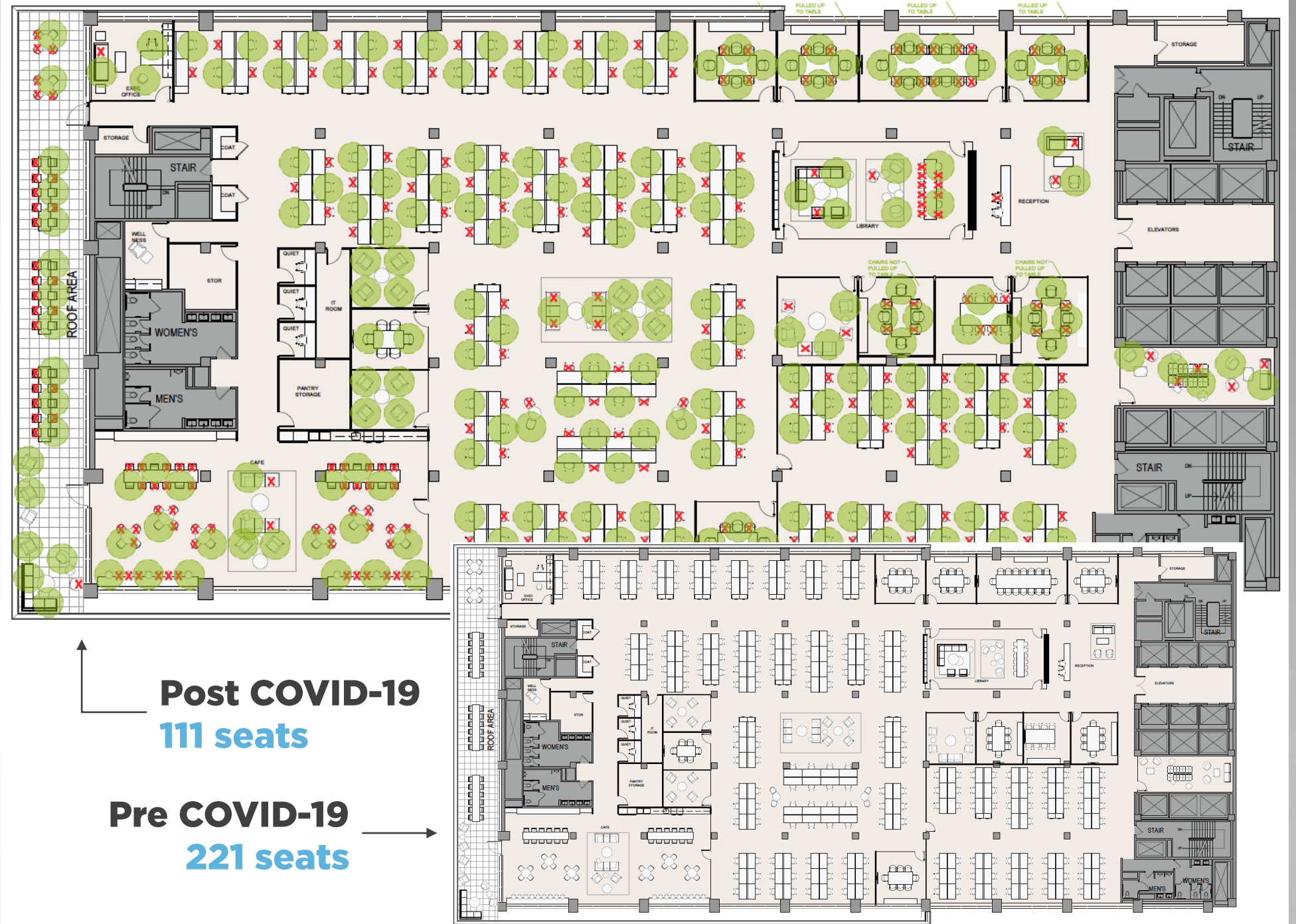
Your Space

Your Lease

Workplace

Sublease Scenarios

Sample Layout Comparison



Your Space

Your Lease

Workplace

Sublease Scenarios

Reimagining the workplace total flexibility and cost savings

Workpoint

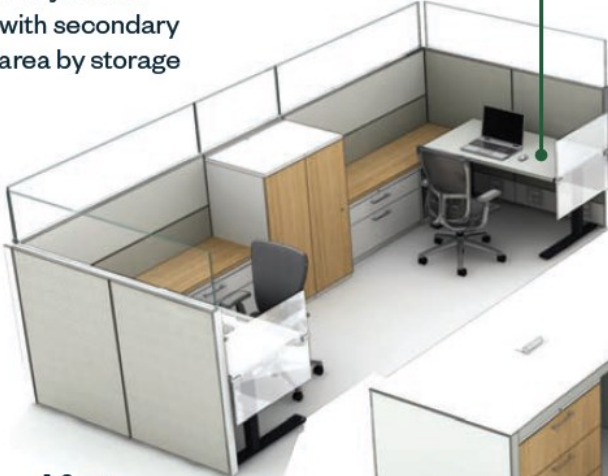
Integrated Palette™ is a family of adaptable product platforms developed from our insights on human, organizational, and facility performance. It allows you to easily adjust and reconfigure workpoint applications quickly and cost-effectively. Short-term or long-term, Integrated Palette lets you tailor spaces, from the floorplate to the workpoint, and adapts to today's changing business concerns.



Before



Movement
Height-adjustable table with secondary work area by storage



After



Affinity
Standing-height work area provides grounding element for team



Access
Maintain storage with additional spacing on center bank



Insulation
16" frameless glass for safety and light transmission

Your Space

Your Lease

Workplace

Sublease Scenarios

**Reimagining
the workplace**
total flexibility and
cost savings

Movable Wall Features

Pre-assembled
unitized
construction

Easy tip-in installation
and attachment to
ceiling grid or finished
ceiling

Removable wall
tiles for easy
changes

Plug-and-play
power and data
integration



Your Space

Your Lease

Workplace

Sublease Scenarios

a

**Sublease All or
a Portion of
Current
Space(s)**

b

**Consolidate
from Different
Locations**

c

**Reconfigure
Existing
Space(s)**

Sublease Process

1.
STRATEGIC
PLANNING

2.
ANALYZE
MARKET

3.
DEVELOP
MARKETING
PROGRAM

4.
QUALIFY
PROSPECTS

5.
FINALIZE
NEGOTIATIONS

Tax Exempt Property

Sample Space

Fewer than 5 tax exempt properties in Manhattan

205 EAST 42ND STREET
ENTIRE FLOOR 13 | 22,264 SF



BUILDING EXTERIOR



13TH FLOOR TERRACE - ARTIST RENDERING

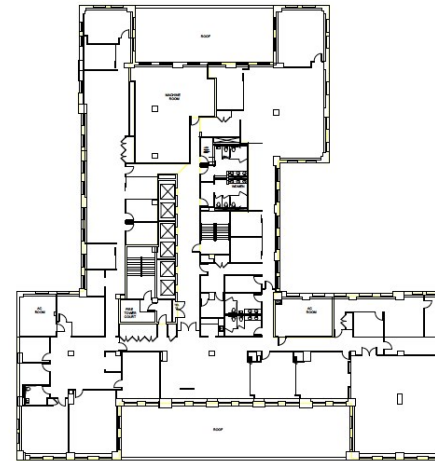
AVAILABILITY FEATURES

- Full-floor leasehold condo ideal for 501(c)(3) organizations.
- Pristine, built, and furnished with potential to create accessible outdoor space.
- 48,836 SF contiguous with 12th Floor.

PROPERTY FEATURES

- EPA Water Sense-labeled new plumbing fixtures promote water efficiency
- LEED Gold certified under the LEED v4 Existing Buildings: Operations + Maintenance
- ENERGY STAR® certified

AS-BUILT PLAN



East 42nd Street



PRIMARY LEASING CONTACT
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205 EAST 42ND STREET
ENTIRE FLOOR 12 | 26,572 SF



BUILDING EXTERIOR



BUILDING LOBBY

AVAILABILITY FEATURES

- Full-floor leasehold condo ideal for 501(c)(3) organizations.
- Pristine, built space.
- Only available in conjunction with the 13th floor for a contiguous total of 48,836 SF.

HEADCOUNT

PRIVATE OFFICE	14
BENCHING STATION	83
TOTAL HEADCOUNT	97

GENERAL SPACES

CONF. ROOM / MEETING AREA	6
PANTRY	1
COPY/STORAGE	1
IT ROOMS	1

AS-BUILT PLAN



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Sample Analysis

205 East 42nd Street

	COMMENCEMENT EXPIRATION TERM IN YEARS	RENTABLE AREA	BASE RENT (PSF)	TOTALS	NPV @ 6.0%	ANNUITY		
Hypothetical Lease (For Profit Fully Assessed Taxes)	1/1/2022	48,836	Starting Rent	\$60.00	\$75,487,000	\$41,192,000	\$3,437,000	
	12/31/2042		Rent Steps Every 5 Years	\$5.00				\$70.38 /RSF
	21.0							
Hypothetical Lease (Not For Profit Real Estate Tax Exempt)	1/1/2022	48,836	Base Rent	\$60.00	\$57,468,000	\$31,584,000	\$2,636,000	
	12/31/2042		Less: RE Tax Base	(\$12.06)				\$53.97 /RSF
	21.0		Starting Rent	\$47.94	Not For Profit Lease Savings			
			Rent Steps Every 5 Years	\$5.00	\$18,019,000	\$9,608,000	\$801,000	

Notes:

(A) Actual lease term is through 2043, analysis has been truncated.

This projection is based upon assumptions and information from sources deemed reliable. No representation as to its accuracy is made or implied. It is submitted subject to prior lease, errors, omissions, changes and/or withdrawal without notice.

FAQs

How can we balance the need for desirable, functional space with the cost of premium real estate?

Will remote working stick around?

Can we renegotiate our current lease?

How can we plan for the future right now?

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Thank you!