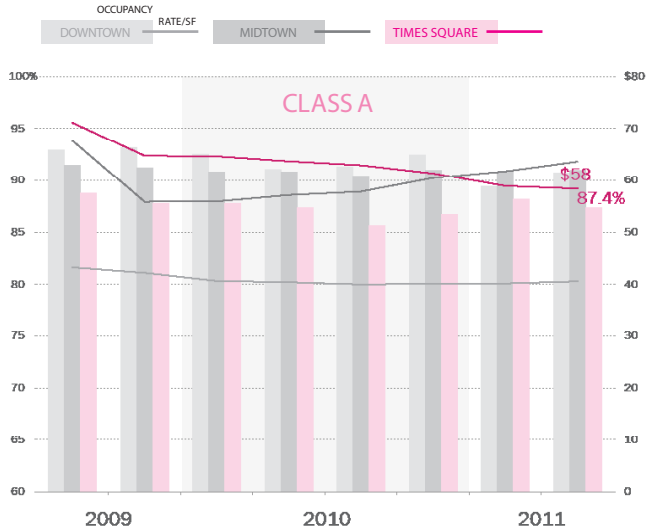
TIMES SQUARE QUARTERLY MARKET REVIEW Q2 2011

TIMES SQUARE ALLIANCE
TIMESSQUARENYC.ORG

COMMERCIAL REAL ESTATE QUARTERLY RATES AND OCCUPANCY



Source: CoStar Group, Inc.

Times Square figures include commercial properties within BID boundaries; Downtown and Midtown figures based on CoStar submarkets. Average monthly rates include direct and sublet figures.

LEASING ACTIVITY

	Address	Class	SF	Sign	Move	Term	Price	Tenant
CLASS A	7 Times Sq	A	3,921	4/6/11	5/6/11	-	$62/SF	-
	810 Seventh Ave	A	3,552	4/27/11	5/27/11	-	$58/SF	-
	1 Bryant Park	A	15,037	4/28/11	10/1/11	10 yrs	-	QFR Capital Management
	1441 Broadway	A	2,557	5/1/11	5/1/11	7 yrs	$43/SF	Linhai Melrose Import & Export Corp
	1500 Broadway	A	6,247	5/5/11	8/20/11	-	-	Dai & Associates
	120 W 45th St	A	4,585	5/6/11	6/5/11	-	$55/SF	-
	120 W 45th St	A	13,313	5/16/11	8/14/11	-	$65/SF	-
	1441 Broadway	A	3,950	5/17/11	7/1/11	9.5 yrs	$40/SF	Womenkind LLC
	120 W 45th St	A	2,105	5/18/11	6/17/11	2 yrs	-	-
	11 Times Sq	A	17,144	5/20/11	9/1/11	10 yrs	$72/SF	Zukerman Gore Brandeis & Crossman LLP
	7 Times Sq	A	2,169	5/31/11	6/1/11	2 yrs	-	-
	1633 Broadway	A	54,118	6/10/11	11/7/11	-	-	Allianz Global Investors Capital
	120 W 45th St	A	13,313	6/12/11	6/13/11	4 yrs	-	World Business Lenders LLC
	1540 Broadway	A	4,125	6/20/11	7/25/11	3 yrs	-	Kildonan Castle Partners
	825 Eighth Ave	A	861,504	6/29/11	7/1/13	20 yrs	$55/SF	Nomura Securities International, Inc
	Total		**1,007,640**					
CLASS B	1501 Broadway	B	1,018	5/10/11	6/9/11	-	$45/SF	VallotKarp Consulting Group
	1560 Broadway	B	459	5/12/11	5/12/11	-	$35/SF	-
	570 Seventh Ave	B	2,691	5/13/11	6/12/11	-	$41/SF	-
	130 W 42nd St	B	4,500	6/1/11	7/1/11	-	-	-
	1560 Broadway	B	1,000	6/2/11	6/2/11	-	$35/SF	-
	1560 Broadway	B	7,700	6/14/11	8/13/11	-	$49/SF	-
	145 W 45th St	B	1,566	6/29/11	7/29/11	-	-	-
	145 W 45th St	B	3,474	6/29/11	7/29/11	-	-	-
	145 W 45th St	B	2,824	6/29/11	7/29/11	-	-	-
	1501 Broadway	B	649	6/29/11	40723	-	$45/SF	Lisa Booth Management, Inc.
	130 W 42nd St	B	5,000	6/30/11	9/1/11	-	-	-
	Total		**30,881**					
CLASS C	1674 Broadway	C	1,500	4/26/11	5/26/11	1 yr	$24/SF	Fortune Franchise Corp
	250 W 49th St	C	704	5/4/11	5/4/11	4 yrs	$29/SF	Oved Diamond Co.
	303 W 42nd St	C	100	5/12/11	5/12/11	-	$81/SF	-
	Total		**2,304**					

Source: CoStar Group, Inc.

It has been a busy quarter for commerical real estate, as 29 deals translated to a total of 1,040,825 SF of office space leased.

In Class A buildings, occupancy remains steady around 87% but average rate declined to $58/SF, lower than Midtown for the first time. This decline was attributable to a Q2 megadeal involving Nomura Securities International, which leased 861,504 SF of office space at 825 8th Avenue for the below-market rate of $55/SF. This deal made up 85% of total Class A leasing for the quarter, skewing average rates downward.

In Class B+C buildings, Times Square continues to outperform Midtown and Downtown in both occupancy (closing at a two-year high of 96.7%) and rate (closing at $40/SF). While no single deals dominated the Class B/C market this quarter, the volume of leasing was still strong at 33,185 SF.

1560 BROADWAY, SUITE 800, NEW YORK, NY 10036 T 212 768 1560 F 212 768 0233 WWW.TIMESSQUAREALLIANCE.ORG

RETAIL NEWS

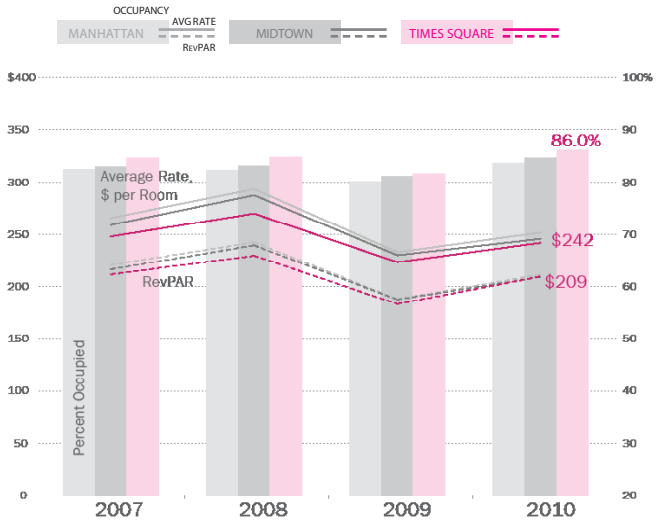
Observed during district walk, 8/9/2011.

Location	Tenant	Note
620 8th Ave	First New York	New restaurant opening up, managed by Joe Cassissa
61 W 42nd Street	Crumbs Bake Shop	New Crumbs location opening in former site of a NYC gift store
1611 Broadway	Unnamed Café	New café opening on the former site of Charlie O's
1619 Broadway	Broadway Computer and Video	Closing
1585 Broadway	Starbucks	New location opening September 2011
249 W 49th Street	Unnamed Restaurant	Site redeveloping into new restaurant/bar location
218 W 50 Street	Platinum 247	Retail space sold to unknown tenant
120 W 45th Street	BV Burgers	Bobby Van's opening a new take-out location
156 W 44th Street	Unnamed Restaurant	Former site of Viva Ponchos redeveloping into hotel/restaurant site

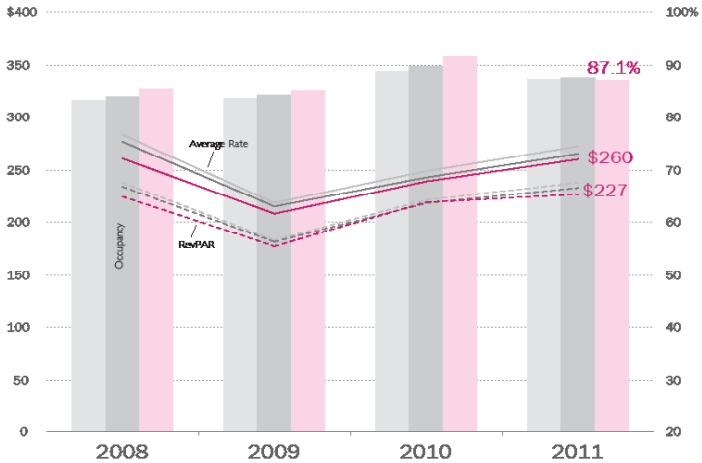
Q2 '11 was relatively quiet for retail in Times Square, although major deals are expected to come soon as the former ESPNZone space is leased at 4 Times Square. In fall 2011 select food concessions will set up shop in the Times Square pedestrian plazas under a license agreement with the Times Square Alliance.

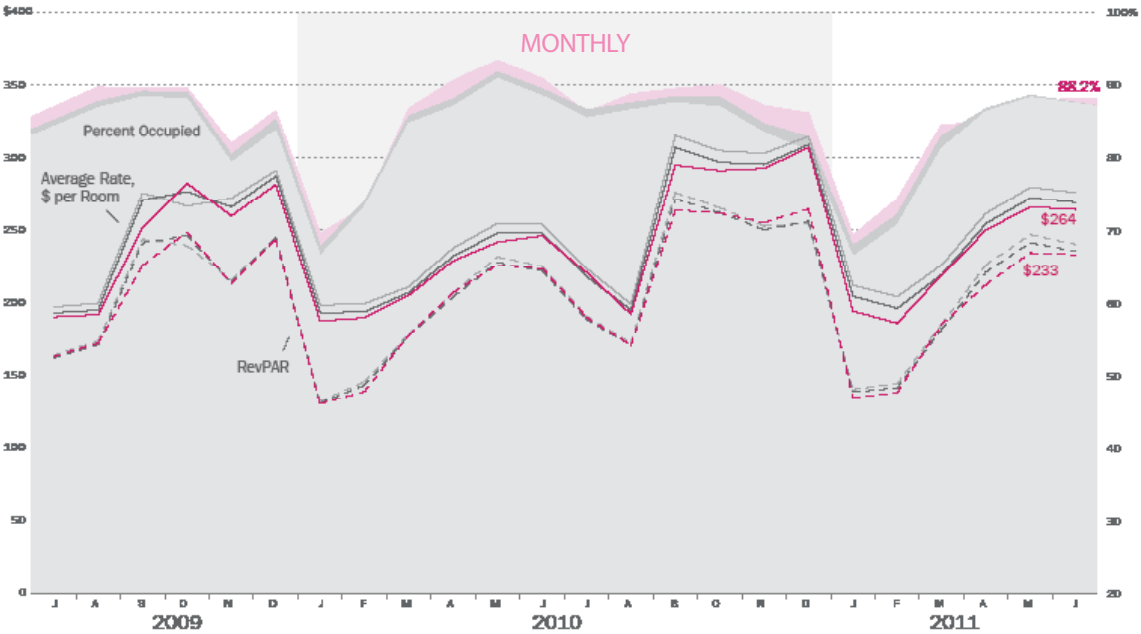
It was a strong quarter for the District's hotels, which witnessed an increase in average rate and RevPAR over last year (up to $260 and $227). Occupancy dipped slightly, allowing Midtown and Downtown hotels to move ahead in this metric in April and May, but Times Square reclaimed the lead in early June, finishing at 88.2%.

HOTELS RATES, REVENUE & OCCUPANCY



Source: Smith Travel Research, Inc.





All figures based on representative samples of hotels within respective boundaries. RevPAR is a measurement of revenue per available room.

BROADWAY THEATRES

Source: The Broadway League

Broadway had avery strong second quarter, as attendance (3.6 million), occupancy (83.7%), and gross sales ($303 million) all show significant increases over the 2010 season and match highs last seen in 2007.

While seasonal trends still largely determined Broadway performance within the quarter, these three months were bolstered by a number of high-profile successes, including critical praise for Trey Parker and Matt Stone's *The Book of Mormon,* well-timed *Harry Potter* publicity for Daniel Radcliffe (now appearing in *How to Succeed in Business Without Really Trying*), and the much awaited opening of *Spiderman: Turn Off the Dark* after months of delays.