

Leadership in Cost-Effective Energy Efficiency, Convenient Location and Modern Amenities Make the Empire State Building the Venue of Choice for Tenants of All Sizes

On April 5, 2009, President Bill Clinton, New York Mayor Michael Bloomberg, and W&H Properties' Empire State Building (ESB) unveiled a new model for economically viable, replicable energy retrofits for existing buildings to reduce materially energy consumption, operating costs, and carbon footprint. The announcement was the product of almost two years of coordination, collaboration, and work under a veil of secrecy.

In this, the last of four publications (visit www.esbnycleasing.com/advertisements.phtml to see the three prior issues), we summarize what the changes at the Empire State Building means to satisfy today's tenants and why commercial brokers and their clients should consider ESB first for cost-competitive, state-of-the-art office space with modern amenities and convenient location.



Tenants who choose ESB benefit from:

- A market-leading, rebuilt and repurposed Pre-War Trophy which satisfies the most modern and demanding requirements and provides the benefits of energy efficiency, reduced operating costs and carbon footprint;
- \$550 million upgrade and modernization program, including our restored and recreated lobby with the latest in tenant service and security and new common areas and restrooms on multi-tenanted floors;
- Experienced, owner-dedicated professionals to work with tenants to plan for and achieve tremendous cost savings over a lease term through a unique set of energy saving capabilities and services, without compromise of design or function;
- Healthier, more productive work environment with more fresh air for fewer sick days, higher employee retention, and enhanced recruitment;
- ESB's center core design and extensive, oversized windows, which provide abundant natural light throughout the entire floor plate;
- Central location in the heart of Midtown Manhattan – equidistant from Grand Central Terminal, Penn Station and the Port Authority – with unsurpassed access to all major subway and bus lines;
- New amenities and services within ESB's repositioned ground floor retail, including national retailers Starbucks, Bank of America, AT&T, and the recently opened Empire Room;
- Long-term, financially strong ownership that will meet every obligation throughout the term of the lease and deliver on each and every promise.

When Malkin Holdings assumed the supervision of the Empire State Building in 2006 and immediately began an ambitious "Empire State Re-Building" program, ownership committed over \$550 million dollars to modernizing, upgrading and repositioning the property to become the flagship of the W&H Properties portfolio of Pre-War Trophy office buildings. At the core of ESB's efforts are economic returns from intelligent investment for tenants and ownership alike.

Upgrades include state-of-the-art mechanical and electrical systems, including the world's largest wireless Building Management System (BMS) network to manage climate control, ensure tenant comfort, and provide fresh, clean air throughout every floor; recreated Art Deco lobby, new tenant- and tenant-guest dedicated entrances, 24/7 concierge on 33rd and 34th Streets, and the latest in guest services and security; 6,514 windows retrofitted on-site for improved energy efficiency; new elevators; and upgraded air-conditioned public corridors and restrooms.

Part of ESB's global leadership position in energy efficiency retrofits includes creating tools with which we assist tenants in planning their own occupancy to reduce costs, without any sacrifice in the function, comfort, and quality of their office environments. Even before lease execution, ESB's on-site sustainability team can provide assistance in the design and construction of an energy efficient space, with guidelines that provide a clear set of implementable solutions - from lighting and HVAC to layout. ESB also offers a full suite of "green" practices, from tenant and construction waste recycling to "green" cleaning and pest control solutions, providing a healthy, clean environment for our tenants and reduced impact on the environment.

After salary and rent, electricity bills are the third largest operating expense for office tenants, and typically the least under the tenant's control. At ESB, our objective is to reduce tenant exposure to energy costs from their own occupancy and from increases in operating expenses passed through to tenants. ESB provides sub-metered electric in all new offices greater than 2,500 square feet and the building's customized Tenant Energy Management System, which enables tenants to view, measure, and control their energy usage from continuous real-time data, with actionable recommendations for improving efficiency.

Supplementing this extensive range of energy efficient upgrades and services are the inherent advantages of the building's design and location. The center-core design and oversized, operable windows provide an unusually high window-to-floor ratio that facilitates efficient design and creates an abundance of natural light with extraordinary views, even from lower floors. Tenants also enjoy unparalleled convenience, with

nine subway lines and many local and express buses surrounding ESB, and easy access to Penn Station and the Long Island Rail Road, PATH lines to New Jersey, and Grand Central Terminal and Metro North trains.

First class tenants of all sizes have discovered ESB and are achieving measurable, quantifiable cost savings benefits. As noted in our last publication, Skanska U.S.A., a full-floor tenant that relocated to ESB in 2008, achieved a 57 percent reduction in its energy costs in its first full year of occupancy compared with its prior office. That reduction translates to \$1.98 per square foot, or \$680,000 over the life of Skanska's 15-year lease. In addition, Skanska reports a reduction in sick days taken by employees, suggesting that its new corporate home (which has earned LEED-Platinum Certification) has improved productivity while reducing energy costs.

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In addition to Skanska, other major firms to take occupancy of one or more full floors in the past two years include Coty, the world leader in fragrances; the Federal Deposit Insurance Corporation; the international architecture firm BBG-BBGM; global consulting firm Funaro & Co., and Taylor Communications, a national public relations company.

ESB has been able to implement the energy retrofit program and massive building-wide upgrade because of ownership's long-term financial stability, with over 75 years of prudent, successful real estate investment and asset management. At ESB and at all W&H properties supervised by Malkin Holdings, tenants enjoy the security of knowing that their landlord will meet every one of its obligations for the entire term of the lease. And brokers know ownership is committed to providing the flexibility, creativity and dedication to getting deals done, with 100 percent of broker commissions always paid upon leasing signing. At W&H Properties, tenant and broker satisfaction is our number one priority.

Tenants and their representatives should visit the Empire State Building and see how tenancy in the World's Most Famous Office Building can help satisfy their needs for location, productive work environments, and cost controls. For more information, please contact William G. Cohen at 212-372-2233, or wcohen@newmarkkf.com. You also can learn more by visiting www.esbnyc.com and www.esbsustainability.com. Thank you for giving us the opportunity to compete for your business.



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