



THE **LEE** BUILDING
1825 PARK AVENUE

Economic Incentives

Relocation & Employment Assistance Program (REAP)¹:

1825 Park Avenue tenants that relocate jobs from outside New York City or below 96th Street in Manhattan are eligible to receive REAP business income tax credits equal to \$3,000 per employee per year for up to twelve years. A relocating full floor tenant can save \$225,000 per year with income tax credits under REAP representing savings of \$20.00 per rentable square foot per year.

Commercial Rent Tax Exemption²:

1825 Park Avenue tenants are exempt from the occupancy tax that companies pay south of 96th Street. This exempts tenants from an annual tax of 3.9% of the rent, representing savings of approximately \$1.75 per square foot per year.

Sample Tenant Savings over 5-year Lease Term:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Unabated Rent	\$517,500	\$533,025	\$549,016	\$565,486	\$582,451
REAP Savings	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)
Commercial Rent Tax Exemption	(\$20,183)	(\$20,788)	(\$21,412)	(\$22,054)	(\$22,716)
Annual Savings	\$245,183	\$245,788	\$246,412	\$247,054	\$247,716
Cumulative Savings	\$245,183	\$490,970	\$737,382	\$984,436	\$1,232,152
Effective Rent	\$249,588	\$264,508	\$279,875	\$295,703	\$312,006
<i>Effective Rent PSF</i>	<i>\$21.70</i>	<i>\$23.00</i>	<i>\$24.34</i>	<i>\$25.71</i>	<i>\$27.13</i>

¹ Relocation of a full floor assumes tenant relocates 75 employees and takes occupancy of the average floor plate 11,513 SF

² Commercial Rent Tax Exemption is based on market rent assumption of \$45 PSF and tenant occupancy of the average floor plate of 11,513 SF