



Analyst: Dane Bowler
 Contact: 608-833-7793 dbowler@2ndmarketcapital.com
Gramercy Property Trust (GPT)
 90 Park Avenue, 32nd Floor
 New York, NY 10016
<http://www.gptreit.com>
 (212) 297-1000

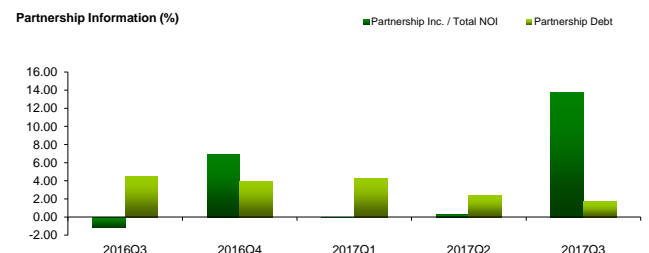
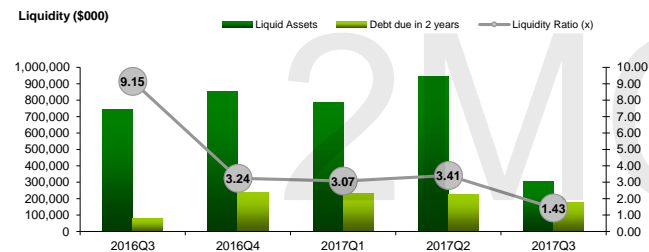
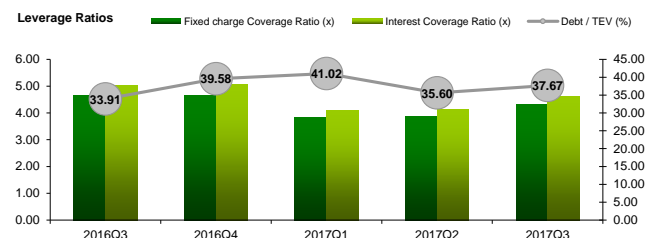
Current Market Information as of 12/27/2017		Closing Price (\$):	
Shares Outstanding (Shares)	160,868,836	Price Target	\$ 30.00
52 week High - Low (\$)	31.26 - 25.21	Price/ FFO (x)	14.1
Average Daily Volume (Shares)	703,201	Price/ LTM FFO (x)	14.0
Market Value (\$M)	4,339.7	Price/ Trailing-four-quarter EPS (x)	61.4
Total Capitalization (\$M)	7,696.2	Prem./Disc to NAV (%)	1.9
Total Enterprise Value (\$M)	7,628.2	TEV/ Recurring EBITDA (x)	NA
10 Year T Note (%)	2.42	Implied Return	11%

Insider Alignment as of 04/17/2017			
Title	Name	Insider shares (Voting)	%
Chief Executive Officer	Gordon F. DuGan	900,979	0.64
President	Benjamin P. Harris	287,923	0.20
Chief Investment Officer	Nicholas L. Pell	234,145	0.17
Total Shares Held by Insiders		1,927,070	1.36

Note: If multiple insiders share controlling interest in a group of shares, they may both show ownership of those shares in insider ownership data.

Institutional Ownership			
Owner	Shares	%	As of
Vanguard Group Inc.	23,856,553	14.85	09/30/2017
BlackRock Inc.	13,357,128	8.31	09/30/2017
FMR LLC	8,978,343	5.59	09/30/2017
Cohen & Steers Capital Management Inc.	7,719,083	4.80	09/30/2017
AEW Capital Management LP	6,157,671	3.83	09/30/2017
Total - 315 Institutions	153,748,818	95.53	

Current Dividend Information			
		% Change	
Dividend (\$)	0.3750	-	0.00 Mst Rct Dividend Anncd Date 10/31/2017
Annual Dividend Rate (\$)	1.5000	▲	82.01 Mst Rct Ex-Dividend Date 12/28/2017
LTM Dividends Anncd (\$)	1.5000		Most Recent Div Pay Date 01/12/2018
Current Dividend Yield (%)	5.55		
LTM Dividend Payout Ratio (%)	340.91		



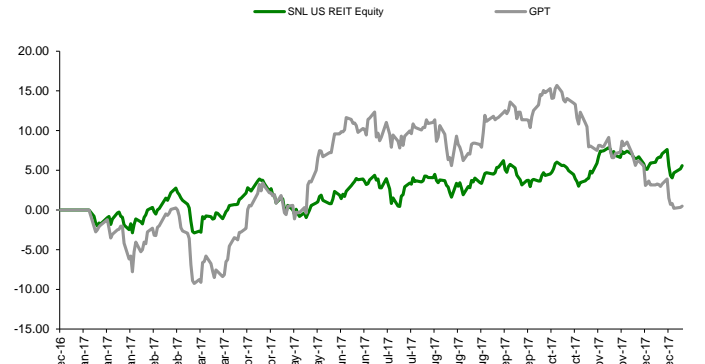
Same Store Analysis	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Same Store NOI Change (%)	-5.60	NA	0.20	-1.90	-1.50
Same Store Rev % Chg (%)	7.80	NA	-1.10	-2.20	-0.90
Same Store Exp % Chg (%)	15.70	NA	-6.10	-3.30	1.80
Same-store REV/PAR (\$)	NA	NA	NA	NA	NA
Same-store ADR (\$)	NA	NA	NA	NA	NA
Same Store Occupancy (%)	NA	NA	NA	NA	NA

Debt Maturity Schedules for the Period 2017Q3						
	Debt Maturity		Principal Payment		Principal Payments Inc JV	
	(\$000)	(%)	(\$000)	(%)	(\$000)	(%)
Total Debt	2,943,679		2,943,679		2,943,679	
Current Fiscal Year	0	0.00	4,073	0.14	4,073	0.14
Next Fiscal Year	124,139	4.22	171,988	5.84	171,988	5.84
Two Years Out	325,015	11.04	335,003	11.38	375,523	12.76
Three Years Out	674,860	22.93	676,900	23.00	676,900	23.00
Four Years Out	765,291	26.00	768,153	26.09	768,153	26.09
Thereafter	1,048,029	35.60	981,217	33.33	990,960	33.66

Credit Ratings	Rating	Date	Direction	Watch
S&P	BBB-	01/06/2014	Initiate	Outlook Stable
Moody's*	-	-	-	-
Fitch	-	-	-	-

*Senior Unsecured Rating

Total Return



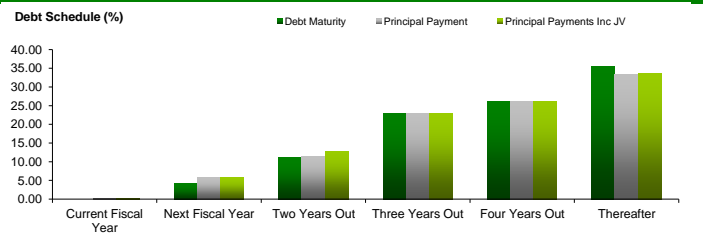
Leverage Analysis	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Capitalization (\$M)					
Implied Market Cap	4,077.0	3,882.1	3,728.2	4,519.1	4,935.0
Total Mezzanine Level Items	0.0	0.0	0.0	0.0	0.0
Total Preferred Equity	87.5	87.5	87.5	87.5	87.5
Noncontrolling Interest	0.0	0.0	0.0	0.0	0.0
Total Debt	2,013.9	2,454.8	2,502.7	2,398.1	2,943.7
Pref. OP-FASB 150/Fin 46 Adj.	0.0	0.0	0.0	0.0	0.0
Total Capitalization	6,178.4	6,424.4	6,318.4	7,004.7	7,966.2
(-) Cash & Cash Equivalents	56.4	67.5	56.3	163.5	68.0
Total Enterprise Value	6,122.0	6,356.8	6,262.1	6,841.1	7,898.2
Leverage Ratios (%)					
Debt/ Total Cap	32.60	38.21	39.61	34.24	36.95
Debt / TEV	33.91	39.58	41.02	35.60	37.67
Debt and Preferred/ TEV	35.32	40.94	42.40	36.87	38.77
Total Debt/ Gross Properties	47.14	50.53	50.94	48.79	50.32
Debt/ RE Value	39.50	44.81	46.44	40.15	42.19
Fixed charge Coverage Ratio (x)	4.65	4.66	3.85	3.88	4.33
Interest Coverage Ratio (x)	5.04	5.05	4.11	4.14	4.61
Debt/ EBITDA (x)	6.52	6.71	6.57	6.55	4.74
Debt/Assets	38.85	43.81	44.64	42.17	45.00
NOI/ Debt	19.74	15.31	16.06	17.46	14.50

Liquidity Analysis (\$000)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Cash and Equivalents	56,352	67,529	56,256	163,509	68,018
Revolving Credit Facilities	850,000	850,000	850,000	850,000	850,000
Revolving Credit Facilities Drawn	163,365	85,837	121,759	70,955	615,097
Liquid Assets	742,987	851,692	784,497	942,554	302,921
Debt Due this Fiscal Year	3,558	65,616	61,474	7,375	4,073
Debt Due during Next Fiscal Year	63,995	171,096	170,819	170,819	171,988
Debt Due this Fiscal Year, Incl. JV	3,644	66,074	61,820	7,375	4,073
Debt Due during Next Fiscal Year, Incl. JV	77,555	171,639	171,447	218,719	171,988
Debt due in 2 years	81,199	237,713	233,267	226,094	176,061
Liquidity Ratio (x)	9.15	3.24	3.07	3.41	1.43

Profitability Analysis (%)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Implied Capitalization Rate	NA	NA	7.66	7.43	7.10
Rental NOI/ Avg Gross Pptys	9.18	8.23	8.23	8.52	7.93
Operating NOI/ Avg Gross Pptys	0.00	0.00	0.00	0.00	0.00
Total RE NOI/ Avg Gross Pptys	9.18	8.23	8.23	8.52	7.93
Partnership Income/ Total Revenue	-3.43	23.32	-0.36	0.90	62.36

Partnership Information (%)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Partnership Inc. / Total NOI	-1.14	6.88	-0.09	0.24	13.74
Partnership Revenue/ Revenue	-0.91	5.08	-0.07	0.19	10.02
Partnership Debt	4.46	3.97	4.30	2.35	1.68
Partnership Income/ Avg Partnerships	-3.43	23.32	-0.36	0.90	62.36

Debt Analysis (%)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Tax-exempt Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Secured Debt/ Debt	18.29	22.76	21.97	20.66	20.62
Short-term Debt/ Debt	NA	2.67	NA	NA	NA
Long-term Debt/ Debt	NA	97.33	NA	NA	NA
Variable-rate Debt/ Debt	23.01	2.68	4.87	2.96	20.90
Fixed-rate Debt/ Debt	76.99	97.32	95.13	97.04	79.10
Hedged Debt/ Debt	47.97	51.56	50.56	52.75	42.96
Convertible Debt/ Debt	5.37	4.43	4.37	4.59	0.00
Credit Lines Drawn/ Available	19.22	7.75	14.32	8.35	72.36



Property Analysis

Property Financials	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
# of Properties Tot (Actual)*	341	362	364	369	382
Portfolio Occupancy(Tot) (%)*	NA	NA	NA	NA	NA
Total Acquisitions (\$000)	184,682	718,500	94,084	171,500	868,900
Total Dispositions (\$000)	400,900	117,406	51,683	183,302	NA
Development Pipeline (\$000)	0	31,201	31,201	80,300	80,300
Development Cost Incurred (\$000)	0	6,178	8,643	30,200	44,300
Net Property Investment (\$000)	4,103,332	4,656,864	4,677,617	4,655,435	5,552,034
Gross Leasable Area (sq. ft.)	65,727,770	77,568,241	80,119,353	#####	NA
Acquisition / Total Assets (%)	3.56	12.82	1.68	3.02	13.28
Disposition / Total Assets (%)	7.73	2.10	0.92	3.22	NA

* If total value is filed as NA for all periods by the company, it will give the individual portfolio level information.

Top 10 Markets*

Name	% of NOI	% of Rev.	% Change SS	Occupancy %
Chicago	NA	10.4	NA	NA
Other	NA	8.2	NA	NA
Dallas	NA	6.9	NA	NA
Los Angeles/Inland Empire	NA	6.8	NA	NA
Atlanta	NA	5.7	NA	NA
South Florida	NA	5.3	NA	NA
Baltimore/Washington	NA	4.8	NA	NA
New York/New Jersey	NA	4.3	NA	NA
Indianapolis	NA	4.0	NA	NA
Columbus	NA	3.7	NA	NA

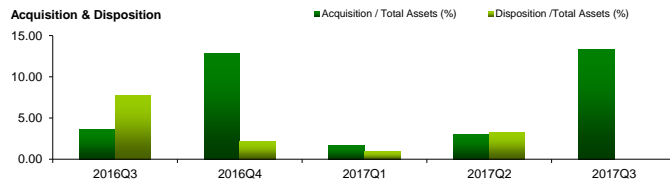
*Based on reported market exposure. SS here stands for Same Store

Top 10 Most Recent Acquisitions

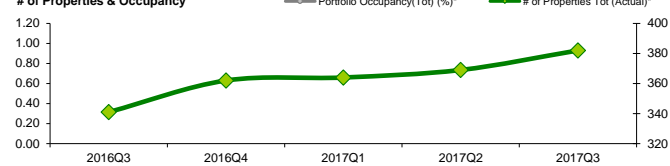
Property Name	Portfolio Acq. Yes/No?	Acq. Date	Owned %	Price (\$000) ¹	Size (Owned Sq. Ft.) ²
Corporate Circle 2280	Yes	10/23/2017	25.00	23,900	NA
Corporate Circle 2290	Yes	10/23/2017	25.00	23,900	NA
Portfolio-USA	Yes	10/04/2017	100.00	106,360	591,180
Portfolio-Core Logistics-Variou	Yes	10/01/2017	100.00	478,900	339,900
San Bernardino	No	09/28/2017	25.00	NA	70,043
Tampa IV	No	09/28/2017	25.00	NA	24,526
Charlotte	Yes	09/20/2017	100.00	224,500	159,000
Norcross	Yes	09/20/2017	100.00	224,500	309,802
Brookshire 545	Yes	09/12/2017	100.00	72,500	NA
Judge Adams 6550	Yes	09/12/2017	100.00	72,500	NA

¹ If the transaction is a portfolio acquisition than the price will be a portfolio Acq. Price.

Acquisition & Disposition



of Properties & Occupancy



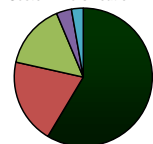
Top 10 Most Recent Dispositions

Property Name	Portfolio Dis. Yes/No?	Dis. Date	Owned %	Price (\$000) ²	Size (Owned Sq. Ft.) ³
Bank of America-Tampa I	Yes	10/01/2017	100.00	10,030	68,867
Sacramento II	Yes	10/01/2017	100.00	10,030	9,900
Pacific Center Court 10450	No	09/30/2017	25.00	11,000	33,500
Bank of America-Fresno I	No	09/06/2017	100.00	1,900	20,125
Bank of America-Ventura	No	08/30/2017	100.00	3,600	16,024
Bank of America-Summit	Yes	07/31/2017	100.00	6,100	16,707
Summit	Yes	07/31/2017	100.00	6,100	13,680
Bank of America-Bakersfield II	No	07/28/2017	100.00	3,000	15,548
Orchard Business Park 2	No	07/25/2017	100.00	400	17,500
Amsterdam	Yes	07/18/2017	14.20	103,800	14,135

² If the transaction is a portfolio sales than the price will be a portfolio disposition Price.

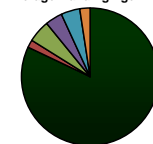
Property Charts

Sector Diversification



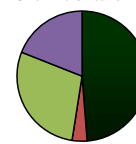
Industrial : 58.58%
Office : 15.19%
Specialty : 2.76%
Other Retail : 3.55%
NA : 19.92%

Average Building Age



Under 5 Years : 1.78%
6-10 Years : 5.13%
11-15 Years : 3.94%
16-20 Years : 4.34%
21-30 Years : 2.37%

Size Diversification

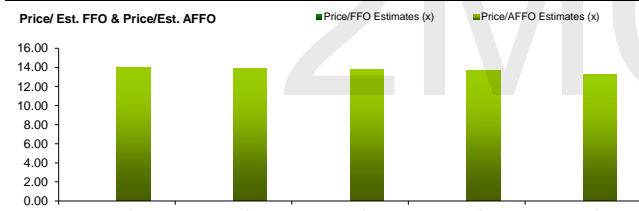


NA : 23.27%
< 9,999 sqft : 1.78%
10,000 - 49,999 sqft : 13.61%
50,000 - 99,999 sqft : 9.07%

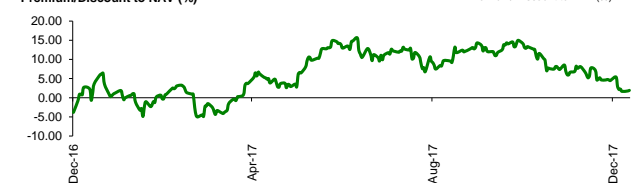
NA = Not Available

Estimates Data

Price/ Est. FFO & Price/Est. AFFO



Premium/Discount to NAV (%)



Estimates Information

	2017FQ4	2018FQ1	2018FQ2	2018FQ3	2018FQ4
FFO Estimates					
FactSet Mean FFO Estimate (\$)					
FactSet High FFO Estimate (\$)					
FactSet Low FFO Estimate (\$)					
FactSet No. of FFO Estimates (Actual)					
Closing Price (\$)	27.01	27.01	27.01	27.01	27.01
Price/FFO Estimates (x)					
AFFO Estimates					
SNL Mean AFFO Estimate (\$)	0.48	0.49	0.49	0.50	0.51
SNL High AFFO Estimate (\$)	0.50	0.51	0.52	0.54	0.56
SNL Low AFFO Estimate (\$)	0.46	0.46	0.46	0.46	0.48
SNL No. of AFFO Estimates (Actual)	6	4	4	4	4
Price/AFFO Estimates (x)	13.97	13.85	13.78	13.64	13.24
EBITDA Estimates					
FactSet Mean EBITDA Estimate (\$000)					
FactSet High EBITDA Estimate (\$000)					
FactSet Low EBITDA Estimate (\$000)					
FactSet No. of EBITDA Estimates (Actual)					
Shares Outstanding (Shares)	160,668,836	160,668,836	160,668,836	160,668,836	160,668,836
Total Enterprise Value (\$M)	7,628.2	7,628.2	7,628.2	7,628.2	7,628.2
Price/ Est. EBITDA per Share (x)					
Current TEV/ Est. EBITDA (x)					
NAV					
Consensus Estimate					
NAV per Share (\$)	26.50	26.72	28.00	24.84	1.31
Price/ NAV	1.02	1.01	0.96	1.09	
Premium/Discount to NAV (%)	1.92	1.09	-3.54	8.74	
Number of NAV per Share Estimates (actual)	6				

Commentary:

Gramercy (GPT) has been transitioning to being an industrial pure play and at about 80% industrial on forward NOI, the transition is nearly complete. Relative to other industrial REITs, GPT trades at a low multiple and a high yield. We like management and have been impressed by their ability to transition the portfolio to higher quality properties at a roughly equal cap rate. Selling a medium quality office property at a 6% cap rate and buying better quality industrial properties at 6% is not immediately FFO accretive, but it is in the long run. The market often forgets that office properties come with tremendous capex in the form of leasing commissions and tenant improvement costs which can be as high as 20% of rent. If we account for the true cashflow after capex, the transition was significantly accretive and should lead to increased growth going forward due to the favorable industrial environment.

The information contained in these documents is confidential, privileged and only for the information of the intended recipient and may not be used, published or redistributed without the prior written consent of 2nd Market Capital Advisory Corporation (2MCAAC). Commentary may contain forward looking statements which are by definition uncertain. Actual results may differ materially from our forecasts or estimations, and 2MCAAC cannot be held liable for the use of and reliance upon the opinions, estimates, forecasts and findings in these documents. The opinions expressed are in good faith and while every care has been taken in preparing these documents, 2MCAAC makes no representations and gives no warranties in respect to these documents, including but not limited to the accuracy or completeness of any information, facts and/or opinions contained therein.