

# OFFICE EQUITY

PRIVATE EQUITY FIRM OCCUPANCY REPORT

NEW YORK | 3Q 2019

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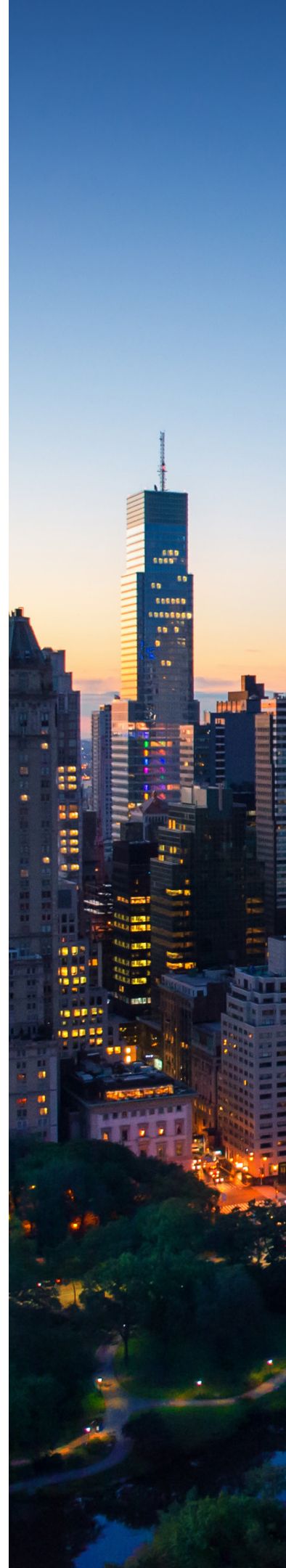
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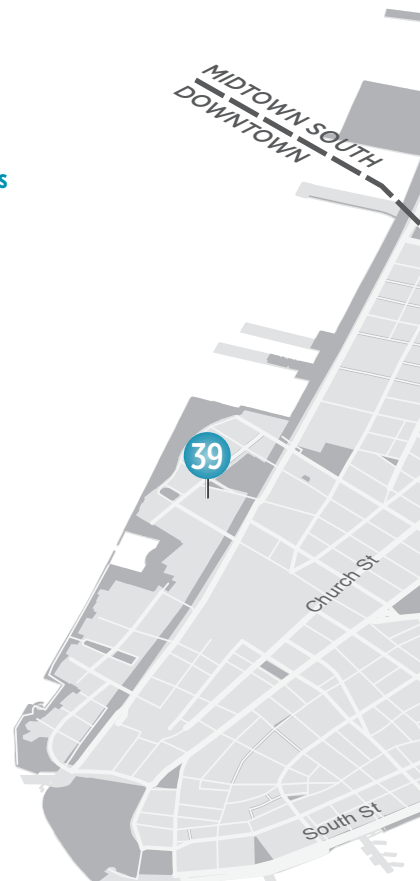




# COMPETITIVE LANDSCAPE

## SELECT LIST OF LARGEST PRIVATE EQUITY FIRMS BASED ON AUM

- 1) **610 Fifth Avenue**  
Hamilton Lane
- 2) **875 Third Avenue**  
Cerberus Capital Management
- 3) **860 Washington Street**  
LG Capital
- 4) **55 Fifth Avenue**  
Hermes GPE
- 5) **399 Park Avenue**  
The Jordan Company  
Trilantic Capital Partners
- 6) **380 Lafayette Street**  
Select Equity Group
- 7) **345 Park Avenue**  
Blackstone
- 8) **650 Madison Avenue**  
BC Partners
- 9) **320 Park Avenue**  
Permira Advisors  
Kelso & Co.  
MidOcean Partners
- 10) **50 Hudson Yards**  
BlackRock
- 11) **1166 Avenue of the Americas**  
WL Ross & Co.
- 12) **79 Madison Avenue**  
GI Partners
- 13) **277 Park Avenue**  
CCMP Capital
- 14) **55 East 52nd Street**  
General Atlantic  
Court Square
- 15) **1270 Avenue of the Americas**  
Palladium Equity Partners
- 16) **299 Park Avenue**  
AlpInvest Partners  
American Securities  
GoldPoint Partners
- 17) **1633 Broadway**  
New Mountain Capital
- 18) **712 Fifth Avenue**  
CVC Capital Partners  
Riverstone Holdings  
Onex
- 19) **9 West 57th Street**  
Apollo Global Management  
Veritas Capital  
Sycamore Partners  
Lightyear Capital
- 20) **55 Hudson Yards**  
Silver Lake  
Vista Equity Partners
- 21) **30 Hudson Yards**  
KKR
- 22) **390 Park Avenue**  
Hellman & Friedman
- 23) **450 Lexington Avenue**  
Warburg Pincus  
American Industrial Partners
- 24) **485 Lexington Avenue**  
Tailwind Capital Partners
- 25) **245 Park Avenue**  
Ares Management  
Vestar Capital Partners
- 26) **1370 Avenue of the Americas**  
Ardian
- 27) **52 Vanderbilt Avenue**  
Platinum Equity
- 28) **510 Madison Avenue**  
Cinven  
One Equity Partners
- 29) **375 Park Avenue**  
Clayton, Dubilier & Rice  
Centerbridge Partners  
InvestIndustrial  
Pamplona Capital Management
- 30) **100 Park Avenue**  
Arsenal Capital Partners
- 31) **31 West 52nd Street**  
Providence Equity Partners
- 32) **630 Fifth Avenue**  
L Catterton  
The Riverside Company
- 33) **590 Madison Avenue**  
Crestview Partners  
Odyssey Investment Partners
- 34) **1290 Avenue of the Americas**  
Neuberger Berman Group
- 35) **1325 Avenue of the Americas**  
PAI Partners
- 36) **1114 Avenue of the Americas**  
EQT  
Insight Venture Partners  
Partners Group
- 37) **410 Park Avenue**  
Yorktown Partners
- 38) **745 Fifth Avenue**  
Searchlight Capital Partners
- 39) **250 Vesey Street**  
Brookfield Asset Management
- 40) **919 Third Avenue**  
Stone Point Capital
- 41) **140 East 45th Street**  
Cortec Group
- 42) **599 Lexington Avenue**  
Welsh Carson Anderson & Stowe
- 43) **65 East 55th Street**  
TowerBrook Capital Partners  
Oak Hill Capital Partners  
Avista Capital Partners
- 44) **100 Fifth Avenue**  
FirstMark Capital
- 45) **60 East 42nd Street**  
Pine Brook Partners
- 46) **1 Vanderbilt Avenue**  
The Carlyle Group  
KPS Capital Partners  
Sentinel Capital Partners
- 47) **295 Lafayette Street**  
Thrive Capital
- 48) **535 Madison Avenue**  
Bain Capital  
Aquiline Capital Partners
- 49) **402 West 13th Street**  
Stripes Group
- 50) **412 West 15th Street**  
Kimmeridge Energy  
Tikehau Capital  
Copenhagen Infrastructure Partners
- 51) **601 Lexington Avenue**  
Apax Partners  
OrbiMed Advisors  
Siris Capital
- 52) **505 Fifth Avenue**  
Kinderhook Industries
- 53) **1185 Avenue of the Americas**  
EagleTree Capital
- 54) **888 Seventh Avenue**  
TPG
- 55) **12 East 49th Street**  
Advent International  
Rhone Group
- 56) **666 Fifth Avenue**  
AEA Investors
- 57) **7 Times Square**  
TZP Group
- 58) **40 Tenth Avenue**  
Starwood Capital



# MOST NOTABLE TRANSACTION OF 3Q 2019

## **Addition Financial** **Park Avenue Tower** **65 East 55th Street**

After a successful career at Tiger Global Management, Lee Fixel made waves this quarter when his recently-launched fund, Addition Financial, signed a 12-year lease for 14,091 sf on the entire penthouse floor of Park Avenue Tower.

An office tower featured in previous editions of this publication, Park Avenue Tower benefited from an opportunistic renovation program completed by Blackstone Group in 2017. Equity Office (“EO”), a subsidiary of Blackstone, purchased the asset in 2014 with over 400,000 sf of vacancy coming to market. Over the past five years, EO has invested over \$150,000,000 in capital improvements which include a new lobby, renovated HVAC and elevator systems, a tenant amenity center with conferencing and event space, a grab-and-go food concept, and a fitness center.

The penthouse floor—once the executive office for Sandy Weill—is one of the most unique floors in the Plaza District. It boasts unrivaled 34’6” ceilings heights, three separate window lines, a fireplace, and 360-degree unobstructed views. The asking rent was above \$170.00/sf, and Addition Financial received a substantial concession package.



# IN THE SPOTLIGHT: NEW DEVELOPMENT

## The Six 106 West 56th Street

The Six, Savanna Real Estate Fund's 26-story new office development, caters specifically to boutique financial tenants. The building is expected to deliver in January 2020.

Surrounded by New York landmarks such as Carnegie Hall and Central Park, the 90,000-sf building's design includes 13'6" ceiling heights, column-free floor plates, numerous terraces, and floor-to-ceiling windows that frame spectacular Central Park views.

Given the limited number and stature of its tenancy, The Six will offer smaller tenants an exclusive and bespoke office product unlike anything else in New York City. Asking rents range from \$105.00/sf on base floors to \$150.00/sf on the tower floors.

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**Total Building Size:** 90,000 sf

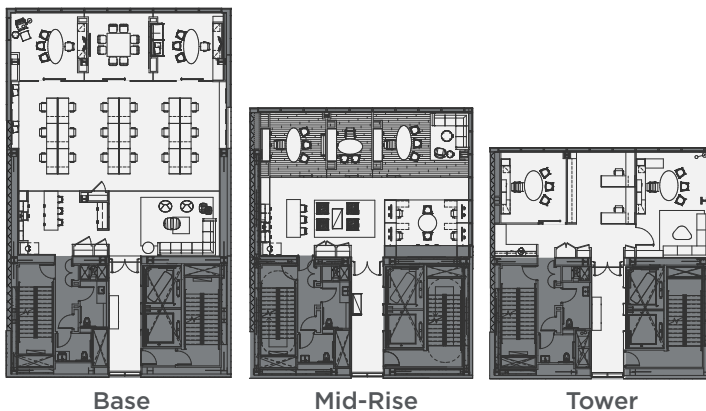
**Typical Floor Size:** 2,500–4,500 sf

**Delivery:** January 2020

**Asking Rent:** \$105.00–\$150.00/sf

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### Sample Test-Fits



# OFFICE MARKET SNAPSHOT

At the time of publication, Cushman & Wakefield's research team tracked 13 private equity firm transactions this quarter. The breakdown is below:

## Midtown

Seven leases were executed, accounting for 115,767 sf. The average taking rent was \$104.50 psf—a 2.7% decrease from last quarter. Concessions for new leases averaged six months of free rent and \$125.00 psf in tenant improvement allowance.

## Midtown South

Five leases were executed—the same number of transactions that occurred last quarter.

## Downtown

Friendly Capital's renewal at 17 State Street was the only leasing transaction that took place Downtown this quarter.

- New Launch
- Relocation
- Expansion
- Renewal

*\*Financial terms and conditions of these transactions are kept in strictest confidence.*

*\*\*Addition Financial included due to illiquid investments*







# IMPORTANT CREDIT CONSIDERATIONS

## Key business drivers that owners evaluate when determining security deposit

- Operational history
- AUM
- Investment/industry diversification
- Average investment hold period
- Size and depth of investment team
- Advisory fee structure on portfolio companies

*Source: Tenant Risk Assessment*



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