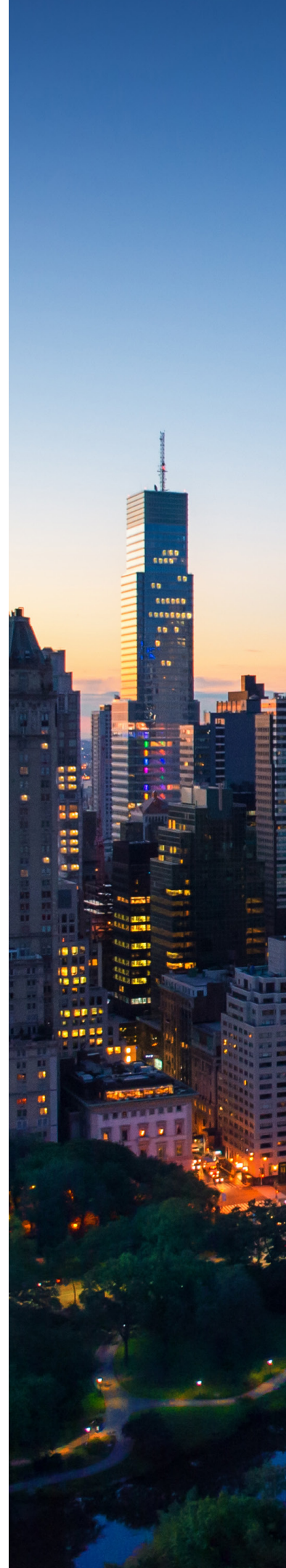


# OFFICE EQUITY

PRIVATE EQUITY FIRM OCCUPANCY REPORT  
NEW YORK | MID-YEAR 2019

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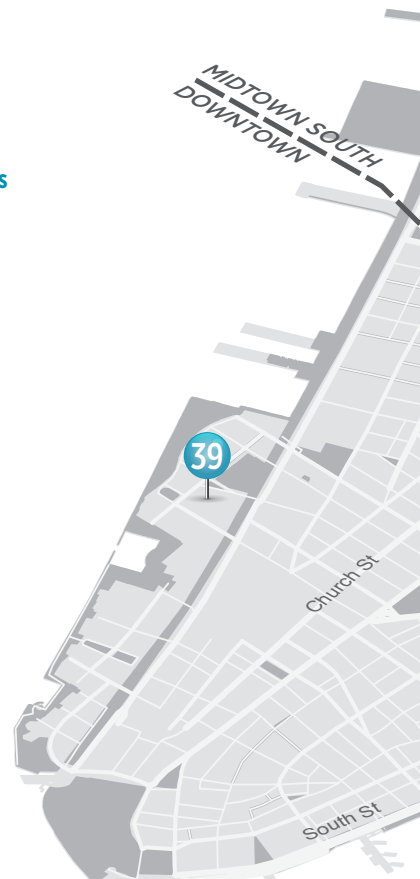




# COMPETITIVE LANDSCAPE

## 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 TRANSACTIONS OF 2Q 2019

### **Sentinel Capital Partners & KPS Capital Partners** **One Vanderbilt Avenue**

SL Green Realty Corp.'s premier Midtown development continues to hold its position as the building of choice for financial services firms in Manhattan. In 2Q 2019, the landlord signed two major leases at One Vanderbilt with private equity firms: Sentinel Capital Partners and KPS Capital Partners.

Both firms hail from the Grand Central submarket. KPS will vacate neighboring office tower 485 Lexington Avenue (also owned by SL Green) upon One Vanderbilt's completion in early 2020. KPS previously signed a 10-year lease renewal and expansion at 485 Lexington, but it's believed that SL Green offered the tenant an early termination right on the agreement they lease a full floor at One Vanderbilt.

SL Green also employed this leasing strategy with Sentinel, as it has been reported that they bought out Sentinel's lease obligation at 330 Madison Avenue which expires in 2024. The tenant is growing from 9,900 sf at its current location to 28,448 sf on the entire 51st floor at One Vanderbilt.

Both transactions were 15-year leases with each having starting rents well above \$160 psf.





# IN THE SPOTLIGHT

## NEW SUBLEASE AVAILABILITY

### 30 Hudson Yards Partial 68th Floor

Located on one of the few floors at 30 Hudson Yards not held as a condominium interest, this suite offers a rare leasing opportunity for smaller tenants at the most iconic asset in Hudson Yards.

The installation's raw condition allows potential subtenants to work with a "blank canvas" when designing their operations.

The 68th floor provides unencumbered northwest views and all the benefits of new construction, including column-free space, floor-to-ceiling glass and above-standard 13'6" slab heights.

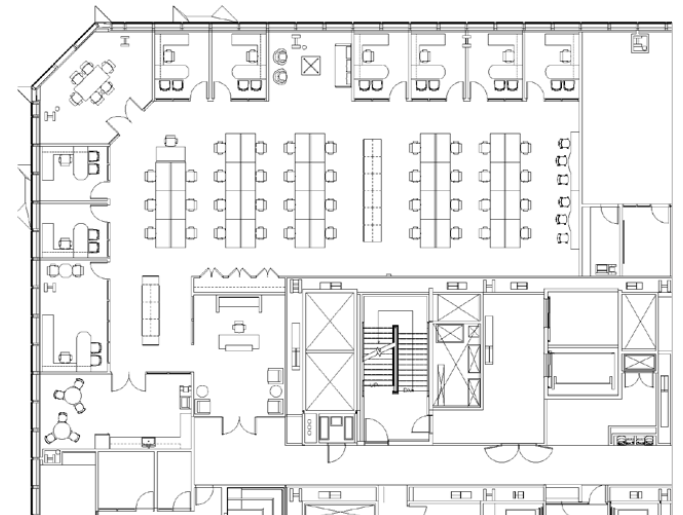
The building's blue-chip tenant roster includes Warner Media, Wells Fargo, KKR and The Related Companies.

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<b>Asking Rent:</b>	\$195.00 psf
<b>Size:</b>	10,306 sf
<b>Term:</b>	Through March 30, 2026 (will consider 7-10 year sublease term)

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#### Sample Test-Fit



# OFFICE MARKET SNAPSHOT

At the time of publication, Cushman & Wakefield's research team tracked 20 private equity firm transactions this quarter. The breakdown is below:

## Midtown

Fifteen leases were executed, accounting for 182,142 sf. The average taking rent was \$107.36 psf—a 19.1% increase from last quarter. Concessions for new leases averaged seven months of free rent and \$84.60 psf in tenant improvement allowance.

## Midtown South

Five leases were executed—a slight improvement compared to last quarter when three leasing transactions occurred. Two of the five deals were signed by venture capital firms.

## Downtown

No new leasing transactions were tracked.

- New Launch
- Relocation
- Expansion
- Renewal

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

*\*\*Inspired Capital Partners and Vertica Capital Management 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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