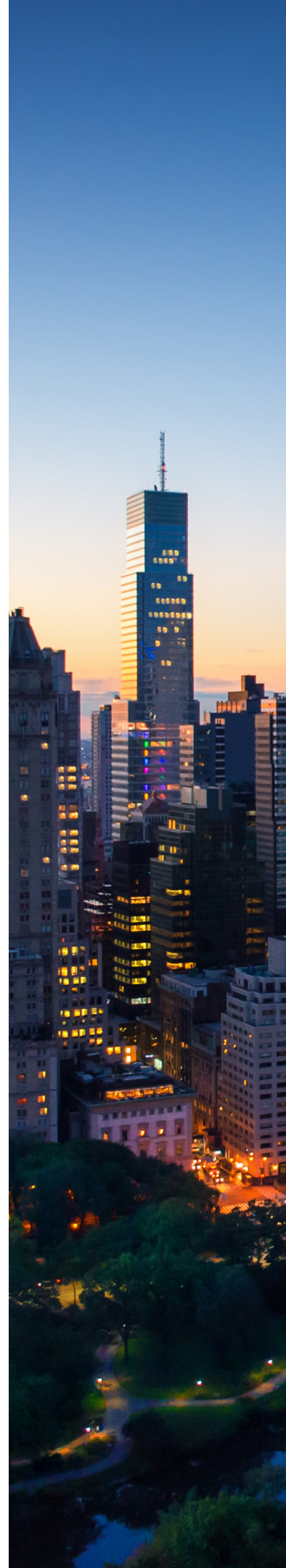


OFFICE ALPHA

LIQUID INVESTMENT FIRM OCCUPANCY REPORT
NEW YORK | MID-YEAR 2019

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EVOLUTION OF A LIQUID INVESTMENT FIRM

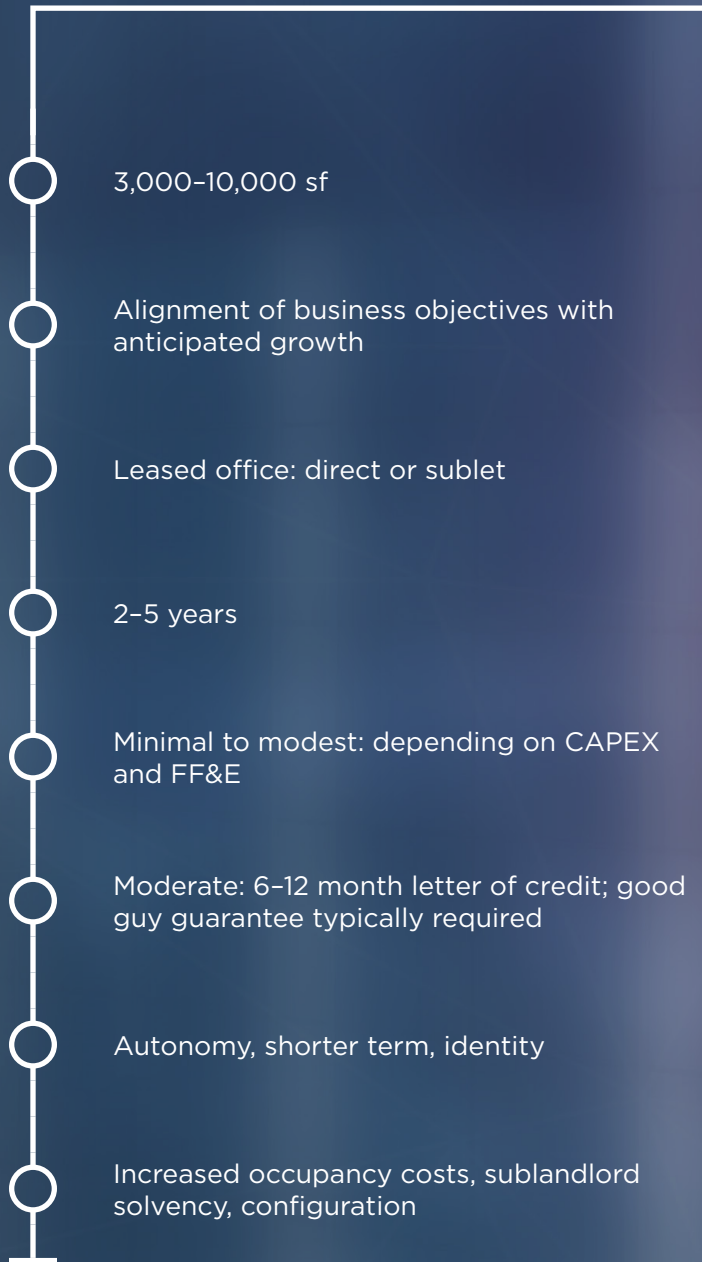
A startup fund is a unique specimen.

From incubator space to an established headquarters, these occupiers have an evolutionary pattern all their own.

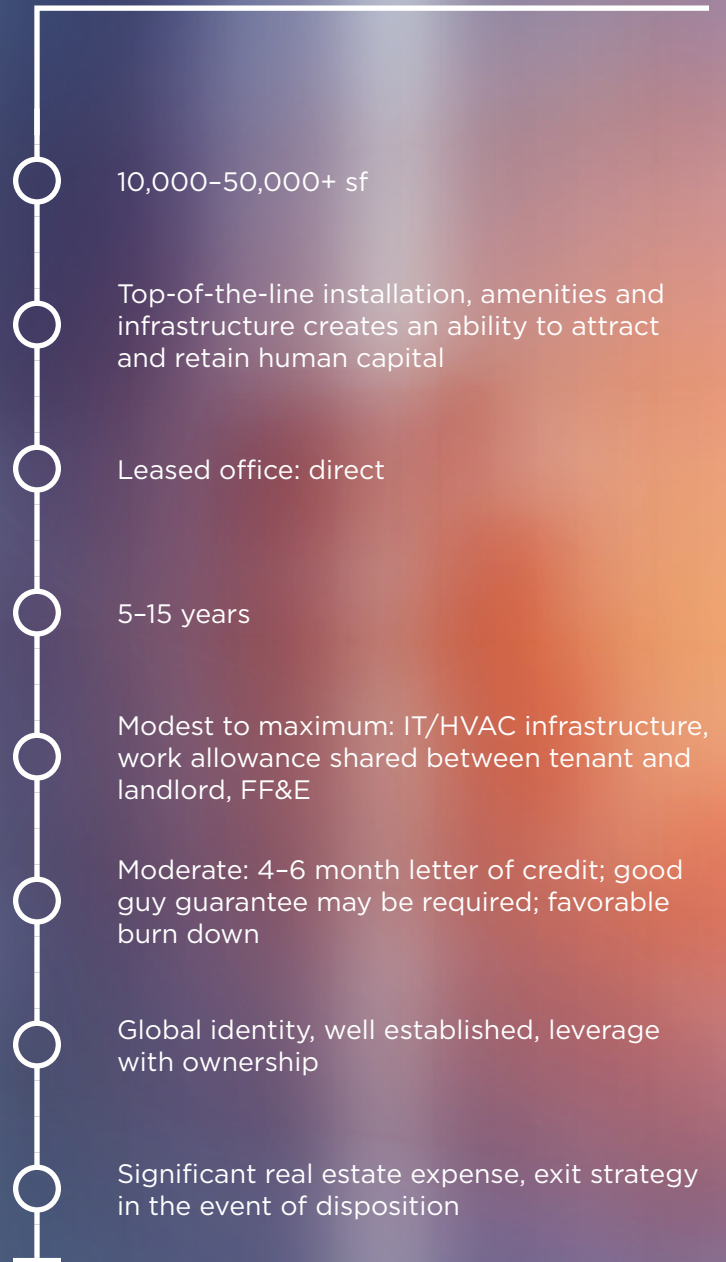
PHASE 1 COWORKING/SHARED/INCUBATOR



PHASE 2 FIRST OFFICE



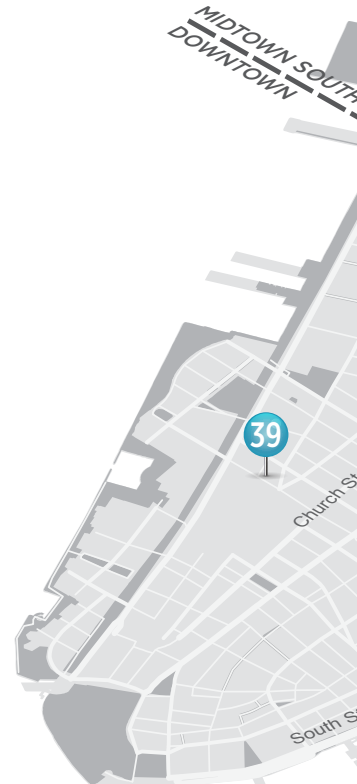
PHASE 3 ESTABLISHED HEADQUARTERS



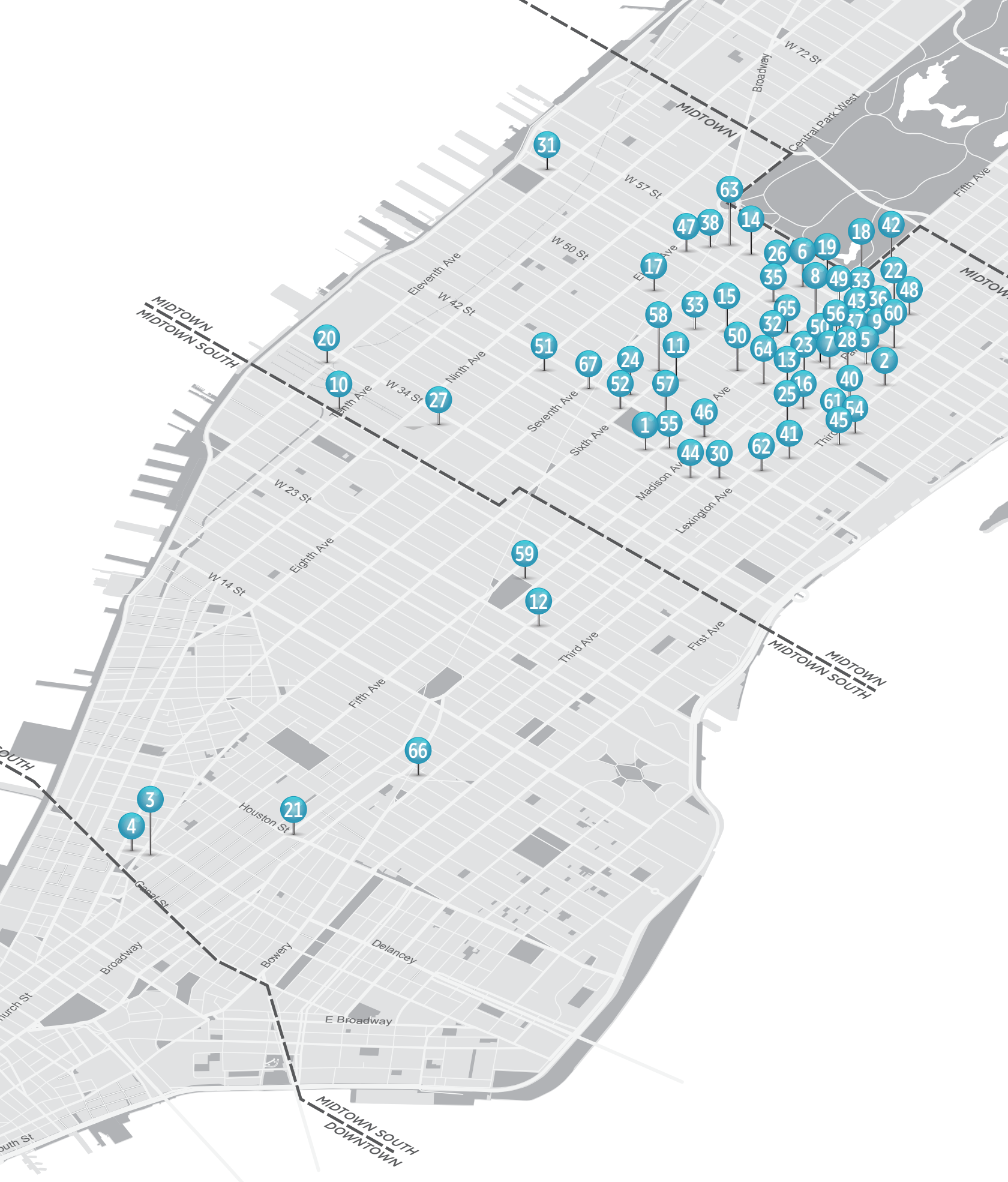
COMPETITIVE LANDSCAPE

SELECT LIST OF LARGEST FUNDS BASED ON AUM

- 1) **452 Fifth Avenue**
Man Group
Tilden Park Capital Management
Varadero Capital
- 2) **880 Third Avenue**
Renaissance Technologies
- 3) **100 Avenue of the Americas**
Two Sigma Investments
- 4) **101 Avenue of the Americas**
Two Sigma Investments
- 5) **399 Park Avenue**
Millennium Management
Brigade Capital Management
- 6) **40 West 57th Street**
Elliott Management
PointState Capital Management
Highbridge Capital Management
- 7) **350 Park Avenue**
Marshall Wace
- 8) **520 Madison Avenue**
Davidson Kempner Capital Management
Element Capital Management
TIG Advisors
Axonic Capital Management
- 9) **425 Park Avenue**
Citadel
- 10) **50 Hudson Yards**
BlackRock
- 11) **1166 Avenue of the Americas**
D. E. Shaw Group
- 12) **315 Park Avenue South**
Winton Capital Management*
- 13) **280 Park Avenue**
Viking Global Investors
BlueMountain Capital Management
Napier Park Global Capital
Triam Partners
Taconic Capital Advisors
- 14) **152 West 57th Street**
Canyon Capital
CQS
Kingdon Capital Management
Haidar Capital Management
- 15) **1270 Avenue of the Americas**
TCI Fund Management
- 16) **299 Park Avenue**
King Street Capital Management
Bardin Hill Asset Management
- 17) **1633 Broadway**
PIMCO
- 18) **767 Fifth Avenue**
York Capital Management
Perella Weinberg Partners
Glenview Capital Management
Maverick Capital
Reservoir Capital Management
Icahn Enterprises
- 19) **9 West 57th Street**
Och-Ziff Capital Management*
D1 Capital Partners
Coatue Management
- 20) **55 Hudson Yards**
Third Point
Point72 Asset Management
Engineers Gate
Centiva Capital
Nokota Capital Management
Arosa Capital Management
Healthcor Management
- 21) **610 Broadway**
Anchorage Capital Group
- 22) **500 Park Avenue**
Magnetar Capital
Samlyn Capital
Caxton Associates
- 23) **300 Park Avenue**
GoldenTree Asset Management
- 24) **One Bryant Park**
SRS Investment Management
Marathon Asset Management
- 25) **245 Park Avenue**
Angelo, Gordon & Co.
- 26) **1370 Avenue of the Americas**
Pharo Management
- 27) **1 Penn Plaza**
SECOR Capital Advisors
- 28) **510 Madison Avenue**
Senator Investment Group
Varde Partners
400 Capital Management
Stone Ridge Asset Management
Chieftain Capital Management
- 29) **375 Park Avenue**
Carlson Capital
EnTrustPermal
- 30) **101 Park Avenue**
Tiger Global Management
Hound Partners
- 31) **787 Eleventh Avenue**
Pershing Square
- 32) **650 Fifth Avenue**
Systematica Investments
WorldQuant
- 33) **590 Madison Avenue**
Brevan Howard
DW Partners
- 34) **1251 Avenue of the Americas**
Waterfall Asset Management
- 35) **1350 Avenue of the Americas**
Cheyne Capital
- 36) **450 Park Avenue**
Steadfast Capital Management
Harbinger Capital
Junto Capital Management
- 37) **410 Park Avenue**
Solus Alternative Asset Management
- 38) **1745 Broadway**
PDT Partners
- 39) **7 World Trade Center**
Capstone Investment Advisors
- 40) **800 Third Avenue**
Graticule Asset Management
- 41) **140 East 45th Street**
Greenlight Capital
- 42) **660 Madison Avenue**
Birch Grove Capital
- 43) **65 East 55th Street**
Eminence Capital
ExodusPoint
- 44) **90 Park Avenue**
Autonomy Capital
Bridger Capital Management
Tenaron Capital Management
Abdiel Capital Management
- 45) **767 Third Avenue**
Rubric Capital Management
- 46) **330 Madison Avenue**
HG Vora Capital Management
- 47) **250 West 55th Street**
Soros Fund Management
Sachem Head Capital Management
Warlander Asset Management
Squarepoint Capital Management
- 48) **499 Park Avenue**
Empyrean Capital Partners
Cantillion Capital Management
- 49) **535 Madison Avenue**
Garda Capital Partners
Gotham Asset Management
Aurelius Capital Management
Melvin Capital Management
Monarch Alternative Capital
- 50) **One Rockefeller Plaza**
Highline Capital Management
- 51) **11 Times Square**
Kecos Capital
Moore Capital Management
SIR Capital Management
- 52) **1095 Avenue of the Americas**
Pine River Capital Management
- 53) **600 Lexington Avenue**
LibreMax Capital
MKP Capital Management
KCL Capital Management
- 54) **777 Third Avenue**
Hudson Bay Capital Management
Medalist Partners
- 55) **475 Fifth Avenue**
Ionic Capital Management
- 56) **527 Madison Avenue**
Long Pond Capital
SkyBridge Capital
- 57) **500 Fifth Avenue**
Hildene Capital Management
- 58) **1177 Avenue of the Americas**
Seer Capital Management
- 59) **15 East 26th Street**
Holocene Advisors
- 60) **126 East 56th Street**
Quest Partners
- 61) **780 Third Avenue**
Tricadia Capital Management
- 62) **405 Lexington Avenue**
Saba Capital Management
- 63) **888 Seventh Avenue**
Tourbillon Capital Partners
Wildcat Capital Management
- 64) **12 East 49th Street**
Argentem Creek Partners
Brave Warrior Advisors
- 65) **666 Fifth Avenue**
Atlantic Investment Management
- 66) **51 Astor Place**
Tudor Investment Corporation
Perceptive Advisors
Maplelane Capital
- 67) **7 Times Square**
TimesSquare Capital Management



*Space on the market for sublease



MOST NOTABLE TRANSACTION OF 2Q 2019

Deerfield Management 345 Park Avenue South

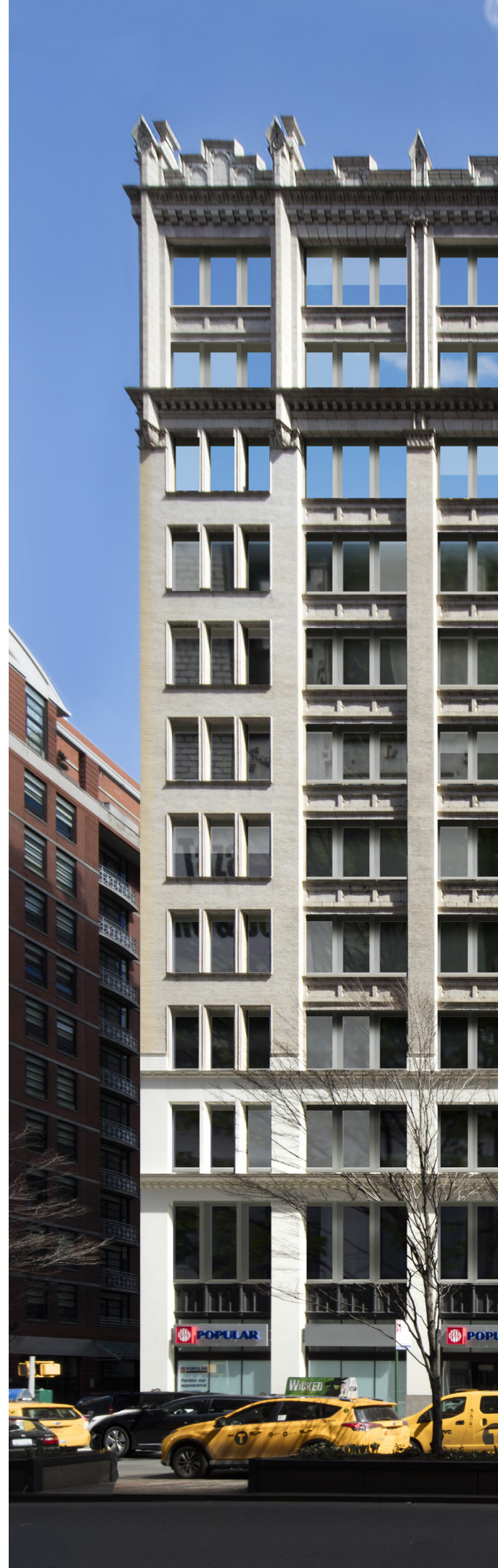
Owned by RFR Realty (“RFR”) since 1992, 345 Park Avenue South was fully occupied by advertising agency firm Digitas until its lease termination in February 2018. In hopes of securing one or two anchor tenants to fill the 333,800-square-foot building, RFR planned—and highly publicized—a major renovation.

RFR’s strategy fell through in May 2019 when Deerfield Management (“DM”) announced its acquisition of the building. Given RFR’s public marketing and leasing efforts, it came as a shock to the industry that DM would assume full ownership and control of the asset.

For two years prior to the announcement, DM had been quietly searching the market for a site that could serve a dual purpose: a headquarters for its own operations and a life sciences development center.

The reported sale price ranges from \$345,000,000 to \$385,000,000, equating to about \$1,033 to \$1,153 per square foot. Sources also reported that RFR received an interest in one of DM’s funds valued at approximately \$150,000,000.

According to a cost-benefit analysis filed in April with the New York City Industrial Development Agency, DM is seeking \$97,300,000 in tax benefits for the project. However, the new owner estimates that the project could result in \$162,300,000 of benefits to the city and create 974 full-time jobs within three years of its 2020 completion.





OFFICE MARKET SNAPSHOT

At the time of publication, Cushman & Wakefield's research team tracked 22 liquid investment firm transactions this quarter. The breakdown is below:

Midtown

Eighteen leases were executed, accounting for 151,250 sf. The average taking rent was \$88.53 psf, a 23.1% decrease from last quarter. Concessions for new leases averaged five months of free rent and \$70.00 psf in tenant improvement allowance.

Midtown South

Three leases were executed averaging \$91.00 psf, a marginal increase in leasing activity compared to last quarter when no transactions occurred.

Downtown

The only leasing transaction that took place was Alphadyne Asset Management's renewal and expansion at 17 State Street. The firm signed a 43,109-sf lease for 12 years.

- New Launch
- Relocation
- Expansion
- Renewal

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





IN THE SPOTLIGHT

NEW SUBLEASE AVAILABILITY

412 West 15th Street Entire 9th Floor

With its sights set on a nearby asset able to accommodate long-term growth objectives, this fund elected to put its space on the market.

This ninth-floor sublease provides prospective subtenants the opportunity to house their operations in one of the most coveted buildings in the Meatpacking District. Designed by Fogarty Finger and constructed within the past year, the installation can accommodate 26 employees and includes brand new furniture for a true “plug and play” opportunity, thus limiting a subtenant’s exposure to CAPEX.

In 2018, 412 West 15th Street was one of the most sought-after buildings among alternative investment firms. Its tenant roster includes Tikehau Capital, Copenhagen Infrastructure Partners, Long Light Capital and Kimmeridge Energy. As a newly-constructed asset with spectacular views located in the trendiest neighborhood in Manhattan, the building is able to command taking rents well above \$115 psf.

Asking Rent: \$135.00 psf

Size: 8,376 sf

Term: Through June 29, 2026

Free Rent: 2-3 months

TI Allowance: As-is

Existing Installation



9 | Office Alpha





IMPORTANT CREDIT CONSIDERATIONS

Key business drivers that owners evaluate when determining security deposit

- GP and LP diversification
- Fund/investment management contract structure
- Investment strategy
- AUM, fee and redemption restrictions
- Number of funds
- Fund performance history
- Number and nature of regulatory issues

Source: Tenant Risk Assessment



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