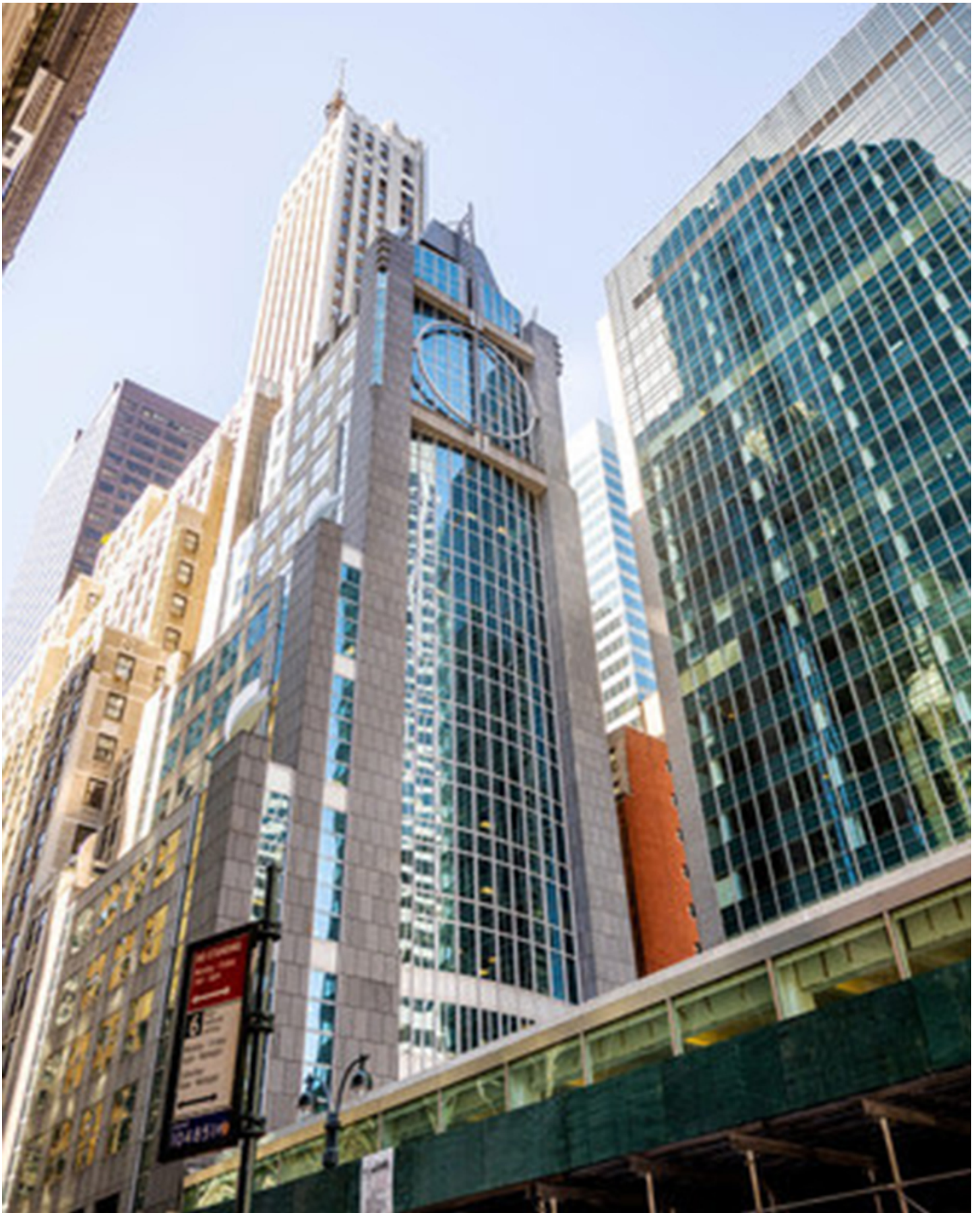




Newmark arranges \$175 million for ZG Capital Partners/Rialto Capital Management JV

July 26, 2022 - Front Section



Manhattan, NY Newmark has arranged \$175 million in capitalization to facilitate the acquisition and renovation of 45 East 53rd St. (Park 53), a premier office building located in the Plaza District of Midtown, by a joint venture formed between ZG Capital Partners and Rialto Capital Management.

The Newmark team was led by vice-chairmen and co-heads of the debt & structured finance team Dustin Stolly and Jordan Roeschlaub with senior managing director Daniel Fromm. Eden Abraham and Michael Dorfman provided additional support on the transaction. ACRES Capital provided the loan to finance the acquisition and fund the comprehensive renovation plan, which will position the asset as an amenitized boutique Park Ave. office building. The joint venture has hired Newmark's Brian Waterman and Scott Klau to handle the leasing of the asset.

Newmark arranged the joint venture between ZG Capital and Rialto Capital Management for the project, with a total future capitalization of \$175 million, of which \$120 million will come from the loan and \$55 million will come from equity. The effort to raise capital for the project is part of Newmark's continued push into complex joint venture financing. Led by Stolly and Roeschlaub, the initiative focuses on raising capital for platform and programmatic joint ventures. Most recently, the group arranged a total of \$432 million in joint venture financing for a luxury Manhattan waterfront residential development and 2600 Biscayne Blvd. in Miami.

Initially developed in 1991 as the NYC headquarters for Santander Bank, Park 53 represents a 20-story, 129,000 s/f boutique office tower featuring a glass and steel façade located on the corner of 53rd St. and Park Ave., near Grand Central. The property's positioning behind the one-story landmarked Lever House provides all floors with natural light and views of Park Ave. without the risk of obstruction from future development.

Park 53 will offer tenants reimagined workspaces, a full suite of amenities and unparalleled access to the city along the iconic Park Avenue.

The full-scale interior renovation and modernization of the asset and the building's efficient column-free floor plates are expected to attract strong demand from small to medium-sized tenants seeking prestigious and highly amenitized full-floor space. Renovations will consist of a reimagined lobby, upgraded common areas and elevators, activation of outdoor spaces on the seventh and 11th floors and the addition of two amenity centers.