

Bloomberg

September 14, 2022

Wealth

Blue Owl Signs Park Avenue Office Lease in Manhattan Expansion

Private equity firm takes space at landmark Seagram Building alongside other financial companies.

By Natalie Wong

Private equity shop Blue Owl Capital Inc. is expanding its offices in Manhattan with a lease at Park Avenue's landmark Seagram Building.

The Manhattan-based firm, with more than \$119 billion in assets under management, is taking 137,660 square feet (12,800 square meters) of space in the tower at 375 Park Ave. Its landlord, Aby Rosen's RFR Holding LLC, has signed a total of 375,000 square feet of leases this year at the 38-story building with tenants including Clayton, Dubilier & Rice, Sound Point Capital Management and Teachers Insurance and Annuity Association of America, which plans to use the space for Churchill Asset Management.



The Seagram Building Source: RFR

“Blue Owl’s early success is in no small part fueled by the hard work and myriad contributions of our many dedicated colleagues,” co-founder Marc Lipschultz said in a statement. “Creating a first-class office environment where our people can collaborate is integral to Blue Owl’s corporate culture, and we are delighted that we were able to partner with Aby and the rest of the RFR team to help fuel our continued expansion.”

The firm currently has offices nearby, at 399 Park Ave.

Blue Owl is led by Doug Ostrover, one of the founders of Blackstone Inc.’s alternative credit platform. In 2016, he started Owl Rock Capital Partners with Lipschultz and Craig Packer, growing rapidly with a

focus on lending and credit. At the end of 2020, Owl Rock combined with Neuberger Berman's Dyal Capital Partners in a deal that took the asset managers public and formed Blue Owl.

Finance firms have been vocal about the need for employees to get back to the office, after more than two years of widespread remote work. Companies from Citadel to Blackstone have been on the hunt for space and are gravitating toward new or renovated skyscrapers full of amenities to attract talent. Related Cos. and Brookfield Properties have recently lured banks and law firms to relocate their offices to new developments on the far west side of Manhattan.

RFR invested \$25 million to create the Seagram Playground, a 34,000-square-foot complex with a sports court, a rock climbing wall, a wellness center, a town hall that can accommodate 240 people and an executive boardroom.

The Seagram Building, at 53rd Street and Park Avenue, is also home to restaurants, a library and an outdoor terrace. Rents at the building — a New York landmark that's lauded as an architectural masterpiece — have reached more than \$200 a square foot, RFR said. That's far higher than the average asking rent for Manhattan of \$75 a square foot, according to Colliers.

"We have created a new benchmark for the high-end office market," said AJ Camhi, RFR's executive vice president. "The flight-to-quality in New York office is very real."

— With assistance by Heather Perlberg