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SL Green Realty Corp. (SLG)

Q3 2025 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Thank you, everybody, for joining us, and welcome to SL Green Realty Corp.'s Third Quarter 2025 Earnings Results Conference Call. This conference call is being recorded.

At this time, the company would like to remind listeners that, during the call, management may make forward-looking statements. You should not rely on forward-looking statements as predictions of future events, as actual results and events may differ from any forward-looking statements that management may make today. All forward-looking statements made by management on this call are based on their assumptions and beliefs as of today. Additional information regarding the risks, uncertainties and other factors that could cause such differences to appear are set forth in the risk factors and MD&A section of the company's latest Form 10-K and other subsequent reports filed by the company with the Security and Exchange Commission (sic) [Securities and Exchange Commission] (00:01:02).

Also during today's conference call, the company may discuss non-GAAP financial measures as defined by Regulation G under the Securities Act. The GAAP financial measures most directly comparable to each non-GAAP financial measure discussed, and the reconciliation of differences between each non-GAAP financial measures and the comparable GAAP financial measures can be found on both the company's website at www.slgreen.com by selecting the press release regarding the company's third quarter 2025 earnings and in our supplemental information included in our current report on Form 8-K relating to our third quarter 2025 earnings.

Before turning the call over to Marc Holliday, Chairman and Chief Executive Officer of SL Green Realty Corp., I ask that those of you participating in the Q&A portion of the call to please limit your questions to two per person. Thank you.

I will now turn the call over to Marc Holliday. Please go ahead, Marc.

Marc Holliday

Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

Thank you for joining us this afternoon to recap what was undoubtedly a very busy and a very productive quarter. As the Wall Street Journal reported just this week, the New York office market is roaring back, and you can see it across every aspect of our business. We have now signed more than 1.9 million square feet of leases to date just this year. And we are trading paper on leases that will take us well over 2 million square feet with 2.5 months of the year still to go. These are extraordinary numbers coming on the heels of such a big leasing year. In 2026, it was over 3 million square feet of leasing and one of our highest leasing years ever. So, back-to-back years of extraordinary result. And as a result, we've increased our occupancy significantly quarter-over-quarter, climbing above 92% as of the end of September. And we're on track to hit our goal of 93.2% by the end of this year.

I'm especially proud of the incredible momentum at One Madison, where three huge leases this quarter have brought occupancy over 91% on that development project, and we're on track to reach 93% leased by end of year, at which point we expect to have just a single available floor left to lease, putting us in a position to execute a significant upsized refinancing in 2026. And the market outlook for the remainder of the year is good, with the strong pace of leasing we saw in Midtown Manhattan during Q3, expected to continue on into Q4 and beyond. Accelerating office-to-residential conversions, combined with limited new construction, is creating a scarcity dynamic in the high-end space market, which is expected to drive market vacancy rates lower and net effective rents higher.

With tenant demand and rents continuing to rise, particularly in the Park Avenue corridor, last night we announced the acquisition of Park Avenue Tower for $730 million. This is a very targeted market play, acquiring a well-leased asset with rents considerably under market and where we see significant near-term upside from rapidly increasing rents. We add Park Avenue Tower to our growing collection of premier Park Avenue assets; One Vanderbilt, 500 Park, 450 Park, 280 Park, 245 Park, 125 Park, 100 Park, not to mention all those just off of Park. No one can come close to this concentration of premier properties along our Park Avenue spine nor our track record of profitable acquisitions over the past five years. We saw the heightened demand for well-located Park Avenue and Grand Central assets long before the competition, and now it's truly paying off.

Earlier in the quarter, we delivered on our goal of identifying a major new development site, acquiring 346 Madison Avenue and 11 East 44th. Across the street from One Vanderbilt, this is the perfect plato build the next great building on the heels of what we accomplished at OVA and OMA.

At a time, there is very little new quality office inventory being delivered in Midtown over the next five years. So, this is the exact right time we want to be launching on this office development project. We think we can get this done by 2030, delivering right behind two projects we expect will be completed and fully leased well before our delivery date, Extell's 570 Fifth Ave. and BXP's 343 Madison Ave., both of which are in advanced negotiations with tenants, covering much of the space they have available in those buildings. And that basically leaves little to no competition for what we'll be delivering on our new project in 2030.

We're looking at smaller floor play building than One Vanderbilt geared to boutique financial tenants paying on average over $200 per square foot. We'll have more on this project in December when hopefully we see many of you at our annual investor conference.

I should note that we were very busy in the third quarter also in our debt business, and particularly with our SLG Opportunistic Debt Fund where closings now stand at $1 billion with additional closings expected in November before we finally close the fund to new investment. I'm also pleased to report that we've commenced deployments out of the fund, which amount to about $220 million as we speak, which is anticipated to rise to over $400 million by the end of this year. We are also beginning to plan for additional fundraising strategies for 2026 that we'll discuss in more detail at our December investor conference.

And finally, we successfully completed a $1.4 billion refinancing at 11 Madison with our joint venture partner, PGIM, at a rate of approximately 5.6%, which we were very happy with that outcome. And it's reflective of a deep pool of buyers for sizable quality Manhattan office [ph] as B (00:07:31) financings.

I'd be remiss if I didn't mention the disappointment we felt in not advancing in the state process for a gaming license. You know we put our heart and soul into Caesars Palace Times Square, and it was an enormous loss for New York City and for the large coalition of community stakeholders that stood to gain so much from this project. Despite the outcome, we cannot be prouder of the enormous effort that the entire company put behind this proposal from the start of the project. It reflected SL Green at our best, bold, community-minded, and rooted in New York.

It would have improved Times Square, created thousands of good jobs, and served as an economic engine for every business in the area for generations to come. We truly did leave it all on the field, and I have no regrets whatsoever about our proposal, but many regrets about the outcome of a process that puts so much power in the hands of so few.

There should be at least one casino in Manhattan. I think that's obvious and Times Square was the exact right location, but the process was designed to make that impossible, at least for the time being. Positive outcome is that we know we have an extremely valuable asset at 1515 Broadway, whether its future is as office or as an entertainment and hospitality use. We have plenty of time to sort that out since the building is fully leased through mid-2031, and you'll be hearing more about that in the near future.

Before I open the line for questions, I just want to say that this is an incredibly exciting time in the city, at the doorstep of the AI industrial revolution, and especially exciting time in our company housing, the companies that are the new frontier of demand both in tech and financial services. You can see that we are executing our business plan for the year with ruthless efficiency, taking advantage of dislocations in the market, and reaping the rewards of an ideally located portfolio of properties expertly assembled over the years. I know you've heard this from us before, but it's increasingly undeniable. Demand for amenitized core Midtown assets is literally off the charts, and the lack of supply is driving up rents for the foreseeable future.

With that, I'd like to open it up for questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] And our first question is going to come from the line of Steve Sakwa with Evercore ISI. Your line is open. Please go ahead.

Steve Sakwa
Analyst, Evercore ISI
Q

Yeah, thanks. Good afternoon. Maybe just starting on the leasing front, Marc or Steve, just maybe can you comment on the activity from big tech? I guess there's been some just discussions about them maybe picking up their activity levels and you guys definitely signed some tech firms down at OMA in the quarter. But just maybe what are you seeing from the large tech firms in the city today? Thank you.

Steven M. Durels
Executive Vice President & Director-Leasing and Real Property, SL Green Realty Corp.
A

I think and you've heard me say this for the past couple earnings call, I think tech is back in a big way, driven largely by AI. We've seen some big AI requirements. As a matter of fact, one of the 92,000 square foot leases we signed was with an AI firm. So, we're feeling that that demand is here to stay and they're driving absorption. They're driving rents particularly in the Midtown South market.

Steve Sakwa
Analyst, Evercore ISI
Q

Okay. Maybe a follow-up, just on the transaction, Marc, obviously you guys announced Park Avenue Tower, but I think it was pretty well-known that a number of public companies and private took a look at another public office company, which wasn't successful by any REIT. And I'm just curious. When you sort of look at the two deals and the underwriting, I guess, how did you sort of think about the large public M&A deal versus kind of a one-off deal where you were successful?

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.
A

Well, I mean, everything we're looking at is always a relative analysis of where we're going to deploy our capital. So, clearly, we were – we had in our sights at the time looking at 623 Fifth Paramount REIT, the 346 Madison development site, and just the beginnings of Park Avenue Tower. That was kind of like on the late stages of our decision matrix there, and 590 Madison. So, I mean, there was a lot on the market in a very short period of time.

I think what's interesting to note is it all cleared. So, whether your perception, Steve, is that something went cheap or something went full or whatever, we looked at every one of those deals hard and we made our decision of where to plant our flag and that was 346 Madison and that was Park Avenue Tower. And I'm extremely happy with the outcome, both of what we got and what we passed on. So, any deal you can always reach and try and win it if you have the resources, too, but I like to think after 28 years of this group being at the leadership of this company, we exert a lot of discipline. And we target the deals we like and where we think there's relative value. And we constrain ourselves in deals where we don't. So, I hope that answers your question, but that's how I look at those deals.

Steve Sakwa
Analyst, Evercore ISI

Q

Yeah. I mean, I can follow-up offline on some other stuff.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

What was the question? See if I didn't hit it. What was the question?

Steve Sakwa
Analyst, Evercore ISI

Q

Well, I guess I'm just trying to maybe dig a little deeper on just maybe the opportunity set and like I guess I would have maybe thought that a public company could do better merging with another public company and squeeze more synergies than a private equity firm might [indiscernible] (00:14:15) platform and...

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

Steve, when you say public company, the public company was a compilation of six assets. So, you got to evaluate the six assets and put a value on them. And then figure out what all the frictional costs of transfer are versus a stand-alone single asset. So, we did all that and I think the issue is not so much whether you think one went cheap and one went expensive. I think the issue is, like I said, billions and billions of dollars cleared. That's probably close to $10 billion of product there that all cleared the pipe in – at probably relatively good market terms. So, I think that's the big story, Steve, is not why did – I don't know, why did a public company trade to one and a private company trade to – an individual asset trade to a REIT.

From our perspective, it's where we saw the most value, period. I don't care if we're buying – I don't care if I'm buying debt or assets or a public company or whatever it is. We want to buy relatively good risk-adjusted returns. Our going in cap rate on Park Avenue is about 6%. Our levered returns are well into the mid-teens and it's a rock-solid rent roll. It's on the market. We're going to lease the hell out of the portfolio, and perform some upgrades. And I think people will be – make the building as part of the SL Green family of Park Avenue buildings and make it very desirable and enviable.

Blackstone did a very good job putting – investing in the project over the years, but time flies and some of those improvements were already a bit dated and you have to revisit and do it again, which we will do. But fortunately, the building's in pretty good shape, and I think we made a really good buy on that project. That's it.

Steve Sakwa
Analyst, Evercore ISI

Q

Okay, thanks. Appreciate the color.

Operator: Thank you and one moment for our next question. Our next question is going to come from the line of John Kim with BMO Capital Markets. Your line is open. Please go ahead.

John P. Kim
Analyst, BMO Capital Markets Corp.

Q

Thank you. I had a question on – or two-part question on cash lease spreads. Basically, just what drove it to be slightly negative this quarter? And also, we noticed this quarter that less than half of the leases signed are part of your mark-to-market calculation and can you just remind us on the methodology and why you include in replacement leases a timeframe rather than just the prior rents on that space?

Matthew J. DiLiberto
Chief Financial Officer, SL Green Realty Corp.

A

Hey, John. It's Matt. So, I'll kind of go in reverse order, and Steve can talk about the quarter itself. Yeah, mark-to-market, the way we do it, so let's talk about how we do it is benchmark based on, first, it's space that was occupied within the last 12 months. So, if a tenant expired in August of last year and we retenanted the space this year, it's not in mark-to-market even though August of last year feels like yesterday. And the comparison is fully escalated rents, meaning if it's leased on 10 years ago, it's the base rent plus the expense escalations that happened over that term as against the day one cash rent of the new lease.

Now, I've heard that maybe that's too conservative, to punishing a way to do the math, but that is the way we do it and it's only on, for every quarter, a fraction of the space. You made the point that it's only 300,000 feet, which is about 1% of our entire portfolio in any quarter. Clearly, that can be then swayed by any one lease in any one building in that given quarter. And with that, I'll turn over to Steve just to talk about the third quarter itself.

Steven M. Durels
Executive Vice President & Director-Leasing and Real Property, SL Green Realty Corp.

A

Yeah. It's a nutty calculation because it's not indicative of the market and just to drill a point into it is we signed 54 leases in the third quarter, and our mark-to-market was driven by the anomaly of two single leases. If not for those two leases, we would have shown a positive mark-to-market. So, it shows you how little relevance the mark-to-market calculation is as an indicator of the overall health of the marketplace.

John P. Kim
Analyst, BMO Capital Markets Corp.

Q

My second question is for Marc on 1515 Broadway. Just based on your commentary, is the vision of obtaining a casino at this property completely dead? One of the remaining proposals has come to life. And when do you think you'll make a decision as far as potentially converting this into a different use?

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.
A

Yeah, no. I don't think by any means it's, to use your terms, completely dead. I think the whole process and the outcome is still unknown, how many bidders will there be, how many licenses will be awarded, and whether if any are held back, there'll be another shot for casinos in Manhattan or otherwise to come into play. So, I think this is still a process playing out, but we are evaluating all options from our current situation with our existing tenant, which has just gotten financially much stronger through its buyout from Skydance and the subsequent strength in both business announcements and stock price movement as well as what we uncovered through this multi-year process of repositioning, unearthing pockets of opportunity we think are very interesting as it relates to immersive and destination entertainment uses combined with hotel and hospitality offerings in the tower. The building converts perfectly and obviously keeping alive a hope for the future of a possible casino if a license remains available.

So, we're going to evaluate all options. The beautiful thing is right now we've got so much flexibility because our debt per square foot is, I think, like $375 a foot or thereabouts. So, we have complete financial flexibility. The building's net leased through, I think, the middle of 2031 and the cash flow is significant from the property. And that's a good scenario for us to sort of look at all options, commence multiple negotiations and try and end up in the best place. I think the debt yield on – the debt currently is like 13%. It's probably the highest in our portfolio.

John P. Kim
Analyst, BMO Capital Markets Corp.
Q

Thank you.

Operator: Thank you and one moment for our next question. Our next question comes from the line of Anthony Paolone with JPMorgan. Your line is open. Please go ahead.

Anthony Paolone
Analyst, JPMorgan Securities LLC
Q

Great. Thank you. My first question is when you think about 346 Madison and even like the north of $200 rents, you're getting it at OVA, can you just talk about like debt to market at that rental price point versus kind of where the rest of like a lot of Park Avenue is and Park Avenue Tower down in the low 100s?

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.
A

Well, I don't – Steve can chime in with rents, but I don't want to go through rent by rent by rent. But I would not say Park Avenue is low 100s. Park Avenue is decidedly, I would say, mid-100s or even higher on average. So, Steve can sort of address Park Avenue rents generally, but new building rents in or around Park Avenue is kind of rare inventory and I do think today, one, those deals are going to have to underwrite $2, $2.25 a foot or higher on average relative to new costs.

I think we bought 346 Madison well enough that we have some room and cushion there to go forward with the site that we've acquired and the ability to max out the zoning pursuant to Midtown East rezoning and also through landmark zoning. So, we feel, I feel very good about our basis on 346 Madison. It's not a big building. We talked about depth of demand. There's like 25 million plus or minus tenants in the market looking for a space kind of like this. The building at 346 Madison will be about 800,000 square feet.

So, it's – I think things are decidedly tilted in the supply and demand metric in favor of having the space, being able to deliver the space and meeting the market at those rents. But if you want to compare, it's a little apples and oranges if we want to compare those rents with, let's call it, Park Avenue rents in buildings built in the 1950s, 1960s, and 1970s. Steve, you can answer that.

Steven M. Durels
Executive Vice President & Director-Leasing and Real Property, SL Green Realty Corp.
A

Well, just a couple points. If you look at the buildings within our own portfolio, whether they're 40-, 50-year-old buildings like a 245 Park, a 280 Park Avenue, we're seeing massive rent appreciation in those buildings. We're doing deals today 20% higher rents than we were doing at the beginning of this year. So, that's 10 months of rent appreciation.

The other point, I guess what you're trying to inquire is like what's the level of tenant demand. As Marc said, there's actually 27 million square feet of tenant activity in the marketplace. The most notable about that, there's 72 tenants that are being tracked right now at requirements of more than 100,000 square feet. So, there's not nearly as enough supply to support the tenant demand that's out there as we sit here at this moment in time.

Anthony Paolone
Analyst, JPMorgan Securities LLC
Q

Okay. Got it. Thank you for that. And then...

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.
A

[indiscernible] (00:24:32) Steve, you said are over 50,000...

Steven M. Durels
Executive Vice President & Director-Leasing and Real Property, SL Green Realty Corp.
A

There's 72 tenants with requirements of over 100,000 square feet.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.
A

Right. And how many square feet is that? You know offhand?

Steven M. Durels
Executive Vice President & Director-Leasing and Real Property, SL Green Realty Corp.
A

Don't know the total.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.
A

Okay. But, yeah, the point is we did like 5 of those 10.

Steven M. Durels
Executive Vice President & Director-Leasing and Real Property, SL Green Realty Corp.
A

Yeah.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

Yeah, not 72.

Anthony Paolone
Analyst, JPMorgan Securities LLC

Q

Got it. Thanks. And then just second one for me on Park Avenue Tower, can you just talk about just how you plan to finance it? And just you talked about the debt fund a little bit, but just what's appetite for equity to partner up with you all at this point?

A

Well, just working through the capital stack, on the credit side, I'll tell you that in the past 12 hours, I've been inundated with lenders reaching out, both bond buyers, balance sheet lenders, banks, all trying to get their hands on financing this. Pricing is getting very tight, just again, in the past 12 hours, based on inbounds we've received and I would expect to see us finance this through either, again, bank execution or through CMBS. And we'll make that decision in the next couple of weeks.

And then on the...

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

Order of magnitude.

A

...in terms of size of debt, roughly around $475 million against the purchase price, which is roughly around 65% of the purchase price. And then on the equity side, plan is to close this through the balance sheet. We've already gotten inbounds just like on the debt side from equity investors looking to discuss this project. And I'll also note, we've gotten similar inbounds from equity investors on 346 Madison as well. We'll evaluate those options and make sure that we're not leaving any money on the table by bringing in partners too soon into these projects.

Anthony Paolone
Analyst, JPMorgan Securities LLC

Q

Okay. Thank you.

Operator: Thank you and one moment for our next question. Our next question will come from the line of Nicholas Yulico with Scotiabank. Your line is open. Please go ahead.

Nicholas Yulico
Analyst, Scotia Capital (USA), Inc.

Q

Thanks. Just going back to Park Avenue Tower. Can you just talk a little bit more about where the occupancy of the asset is, and then also in-place rents, first market, just a feel for sort of how big that gap is?

A

Yeah, sure. So, in-place occupancy today is 95%. It was a lease that actually signed the day of contract signing that brought it to 95% and there's a pending lease out there right now with a hedge fund tenant that will bring it to just over 96%.

And in terms of in-place rents, their in-place rents today are about $125 a foot blended. I'll let Steve speak to market and the amount of appreciation we see in those rents, but I think a critical component of this is this is a cash flowing asset. Building needs very limited capital. Marc talked about some refreshing that we'll do to really brand it through the SL Green platform, but Blackstone did a great job with this asset and this is really investment focused on appreciation that we're going to see in the Park Avenue corridor over the coming years. And I'll let Steve speak to that.

Steven M. Durels
Executive Vice President & Director-Leasing and Real Property, SL Green Realty Corp.

A

There's a lot of the building in certainly the bottom third of the properties put to bed for the next five or six years at least. So, where there's opportunity, which is the mid-rise, the tower of the building, those rents are easily in the mid-$150 to well over $200 a square foot depending on the floor that you're on and that's as we sit today. And if we continue to see the kind of appreciation in rents the way we've experienced throughout this year, then it's easy to see where those rents are headed in the not too distant future.

Nicholas Yulico
Analyst, Scotia Capital (USA), Inc.

Q

Okay, thanks. That's helpful. Second question, I guess, is for Matt. Just in terms of FFO, which I know it's now a quarterly issue where there's maybe some noise in the numbers and you talked about last quarter, I think, that you could have a larger-than-expected debt extinguishment gain happened in the quarter yet the guidance sounded like you changed. So, just maybe you could just sort of walk through some of the pieces of that and thinking about versus original guidance kind of where you're standing on FFO. Any items we should be thinking about for the fourth quarter? Thanks.

Matthew J. DiLiberto
Chief Financial Officer, SL Green Realty Corp.

A

Sure, sure. Yeah, I mean, you start off with the right theme. Every quarter has its puts and takes. I'm a champion of eliminating quarterly reporting as a result, but as to FFO, we did have an incremental gain above and beyond our $20 million DPO gain over 1552 Broadway. That, of course, was offset by the transaction costs of about $0.17, that charge that we took in the third quarter.

And then the other side of that, in the third quarter and into the fourth, we do have a feature up at SUMMIT called ASCENT. That is down for maintenance. It was down for the entirety of the third quarter that hit the FFO numbers, that hit same-store results as a result of percentage rent that it pays. We expect that to come on in the fourth quarter, but it is still going to be down for a period of the fourth quarter.

And as a result of some sales that we have delayed or deferred, we are carrying more line balance for longer in the year than we originally anticipated. So, interest expense is up, and fee income is a little behind where we expected, interest expense, probably $0.20 over the course of the third and fourth quarters as against what we expected, the vast majority of that being as a result of carrying a higher line balance.

Nicholas Yulico
Analyst, Scotia Capital (USA), Inc.
Q

Okay, thanks.

Operator: Thank you and one moment for our next question. Our next question comes from the line of Blaine Heck with Wells Fargo. Your line is open. Please go ahead.

Blaine Heck
Analyst, Wells Fargo Securities LLC
Q

Great. Thanks. Just following up on the leasing market, given the tightness that's emerged in some of your key submarkets, are you seeing any moderation on the concession side, whether that's lower TIs or free rent?

Steven M. Durels
Executive Vice President & Director-Leasing and Real Property, SL Green Realty Corp.
A

Yeah, we're starting to see that some early tightening in concessions. Certainly on the top end of the market where you're seeing sort of that disproportionate base rent increase, you're also seeing some tightening of the concessions. So, I would say we're seeing examples where the TI is down $5 to $10 a square foot where the free rents been brought in. If you said the high watermark was 18 months of free rent. Now, it's down to 14 to 15, 16 months of free rent and that's kind of new news over the past, I would say, three months or so where it's more common than it is an anomaly. And it's probably the top third of the market is where it's most pronounced.

Blaine Heck
Analyst, Wells Fargo Securities LLC
Q

Great. That's helpful. And then second question. Can you comment on the King & Spalding lease that's expiring this month at 1185 Sixth? Are there any subtenants there that you're working with to go direct or any commentary on potential tenant interest in backfilling that lease? And maybe also where you think the market rents are relative to what King & Spalding is paying.

Steven M. Durels
Executive Vice President & Director-Leasing and Real Property, SL Green Realty Corp.
A

Yeah. Well, they subleased a little bit of their space, and we're in discussions with some of those subtenants, but we're also with leases out on a couple of the floors with replacement tenants as new tenants to the portfolio. Rents have been rising in that part of the building. It's the better part of the building.

So, I would say rents are – we've seen probably a 10% to 15% rise in our taking risk on the building over the past six months. Having said that, the mark-to-market on it will be down. King & Spalding will roll off of a heavy rent, but that's reflective of the fact that it's escalated over a lot of years not – and does not indicate the good news of how we've seen the rents over the past 12 months rise in that building.

Blaine Heck
Analyst, Wells Fargo Securities LLC
Q

Okay, great. Thanks, Steve.

Operator: Thank you. One moment for our next question. Our next question will be from the line of Alexander Goldfarb with Piper Sandler. Your line is open. Please go ahead.

Alexander Goldfarb
Analyst, Piper Sandler & Co.

Q

Hey. Thank you. Good afternoon, Marc. So, two questions here. First, Marc, just going back to your comments on the casino, you guys have done a lot of public-private. One Vanderbilt, of course, you were with the MTA in the city. Would you say the casino experience is a one-off or is your view that the way the city is doing public-private partnerships has changed and therefore may make you a little bit more cautious next time there's something similar that comes along?

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

Well, look, I still have a lot of faith in our ability to work with certainly this current administration and city council to get things done. It's usually a win-win situation. I think this is more of an anomaly where it needed a leader. You needed someone to stand up for what's right and to sort of do the right thing and sort of not give in to the pressure of the vocal minority, I think many in our elected government do, both at the city and state level. I think in general, we have very good leaders, very good legislators at the state level, very good counsel people who are thoughtful in Manhattan, which is the universe we deal with in particular.

I would not call this extrapolatable or it doesn't diminish our desire to want to do the things we do in terms of breathing new life into older buildings, rehabilitating landmarks, developing new properties, providing market rate and affordable housing, supporting all the charities and philanthropies we do, most notably Food1st for the food-needy. I mean, we are in New York, and New York's been good to us and we want to return the favor. I think this was more of a one-off example of some misguided view on that CAC community that just didn't get it.

And as a result, it will remain in a sort of a time bubble for the time being until we take another run at the goal line maybe with others, trying to come up with something transformational for Times Square, which should be something that is an iconic asset for the city not just for tourists that want to go through and take pictures, but for people who – including locals and people from the city and around the boroughs who want to shop there, dine there, stay there, go to Broadway and go to other forms of entertainment there. I think there's more work to be done.

Alexander Goldfarb
Analyst, Piper Sandler & Co.

Q

Okay. Second question, Steve, obviously we talked. You gave a good discussion of lease spreads as it's presented, but just curious. As you're mapping out your rents given that there's dwindling availability, no supply for the next five years or so, are you seeing faster escalations, meaning in prior cycles where you had a starting rent and the finishing rent? Are you seeing that pace accelerate now where there's much more growth over the course of the lease, or has there been no change despite the market tightening in the pace of growth between the starting rent and the final rent of the term?

Steven M. Durels
Executive Vice President & Director-Leasing and Real Property, SL Green Realty Corp.

A

Well, remember the – how the rent grows over the term of the lease is really a function of a pass-through in escalations of operating and tax increases. So, that's not really a base rent increase. That's just what gives priority for the landlord to stay neutral to his numbers on day one. We do get a base rent increase midterm typically and that can be anywhere from $5 to $20 a foot depending on what the base rent is. But I don't think those increases are necessarily driven by an improving market. What we're seeing, I think, consistent with where we've seen other market recoveries over the years past, these things tend to move very quickly so that when the market recovers, it starts to go up. It doesn't go up in small, little, 2% or 3% a year. It goes up in big moves of 7%, 8%, 10% a year. And that's what we're seeing in the market right now. Started off on Park Avenue, started to spread over the Sixth Avenue Rock Center, and now you're seeing the overflow come out to Fifth and Madison, and even, if you can believe it, Third Avenue is now seeing rent appreciation. So, I think we're in the early days of significant rent increases because of the lack of supply and strong tenant demand, and we see no reason why that's going to abate over the foreseeable future.

Alexander Goldfarb
Analyst, Piper Sandler & Co.

Q

Thank you.

Operator: Thank you. One moment for our next question. Our next question comes from the line of Ronald Kamdem with Morgan Stanley. Your line is open. Please go ahead.

Ronald Kamdem
Analyst, Morgan Stanley & Co. LLC

Q

Hey, great. Just my first one. Was just going back, I think you mentioned the Ascent as sort of a headwind to same-store. But now, I see same-store down 1.6% year-to- date. At the Investor Day, I think you were looking for 1% to 2%. Just wondering, was that all the Ascent to delta or what else is going into that number and how do we think about, as you're rolling into 2026, factors to consider?

Matthew J. DiLiberto
Chief Financial Officer, SL Green Realty Corp.

A

Yeah. Just our guidance for same-store cash NOI was 0.5% up to 1.5% down. So, we're only 0.1% below the bottom end of our range. Remember, guidance and goals are different. We stretch our goals to try and get above the guidance range. We actually would be squarely within the guidance range if it wasn't for Ascent being offline. And again, they pay percentage rent. And then uniquely, we had a tenant of fairly significant size convert TI to free rent, which is an option in their lease, rarely taken advantage of. They did, and that impacts. It's no incremental dollars out of our pocket, but it's a change in the treatment of those dollars and it hits cash NOI. Otherwise, it would be squarely within our guidance range.

Ronald Kamdem
Analyst, Morgan Stanley & Co. LLC

Q

Got it. So, what was baked into the goals that maybe is not materializing?

Matthew J. DiLiberto
Chief Financial Officer, SL Green Realty Corp.

A

Nothing baked into the goals. The goals are, hey, let's outperform our guidance.

Ronald Kamdem
Analyst, Morgan Stanley & Co. LLC

Q

Got it.

A

[indiscernible] (00:39:57).

Ronald Kamdem
Analyst, Morgan Stanley & Co. LLC

Q

Okay. My second question, if I may, just on the sort of the development. Obviously, you bought the land and so forth. Any sort of incremental color on just the amount of capital needs and again funding? Because I know you also have or managing sort of the balance sheet leverage as well. Thanks.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

[indiscernible] (00:40:25).

A

What's the question?

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

Ron, can you give that question one more time?

Ronald Kamdem
Analyst, Morgan Stanley & Co. LLC

Q

Sorry about that. On the asset that you bought that you're planning to do a development on, just thoughts on cost and funding and potential impact on the balance sheet. Thanks.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

So, you're talking about 346 Madison. We'll do a deeper dive on 346 once we get out to the investor conference, talking about the plans and cost returns and the like. As a general matter, as you've seen us do on One Vanderbilt and One Madison, likely capitalization would involve construction financing and the JV partners. As we sit today, that's our funding strategy. We'll give you more detail when we get out to December.

Ronald Kamdem
Analyst, Morgan Stanley & Co. LLC

Q

Great. Thanks so much.

Operator: Thank you. And one moment for our next question. Our next question comes from the line of Seth Bergey with Citi. Your line is open. Please go ahead.

Seth Bergey
Analyst, Citigroup Global Markets, Inc.

Q

Hi. Thanks for taking my question. Just given the leasing activity to date, kind of at the 1.9 million square foot, and you've done or announced an incremental 390,000 square foot since our last leasing update, do you have a sense of kind of where you could get to by the end of the year?

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

We don't give quarterly guidance on leasing. I mean, we have 1 million square foot pipeline. So, I would sort of be guided by that. You know what that translates into. I don't want to get caught in what's going to close by December 31, what's going to close Jan 5? We're going to vastly exceed 2 million feet. I mean, that's clear. I mean, will we exceed 2.25 million feet, 2.5 million feet? That's to be seen. I mean, we generally run at a cliff, and let's call it average 500,000 feet a quarter. If you missed by a week or two, it could be a little less. If you accelerate by a week or two, it could be in the [ph] 6's plus (00:42:27). But if we're at 1.9 million now, then I would think for the quarter we should be on something close to $0.5 million run rate and that'd be sort of guided. But we can't give any detailed guidance for the next 2.5 months. But we're going to be 20% plus or minus ahead of our original projections.

Seth Bergey
Analyst, Citigroup Global Markets, Inc.

Q

Okay. Thanks. That's helpful. And then you mentioned rents were 20% higher in some spaces than they were at the beginning of the year. Do you have a sense of how much of the portfolio is kind of at below market rents or an overall portfolio mark-to-market?

Steven M. Durels
Executive Vice President & Director-Leasing and Real Property, SL Green Realty Corp.

A

No, I mean, I guess not at our fingertips. We'd have to go through and do a real granular calculation building by building and space by space, but that's not something that we do. Generally speaking, I'd tell you there's, where we have a lot of leasing activity or where we've done a lot of leasing activity, whether it be Park Avenue, Sixth Avenue or even some of the Third Avenue and Graybar Building examples, that's just where we happen to have a lot of activity, we've seen rents generally up somewhere between 10% to 20%, depending on the building that we're talking about, over the last 10 months.

Seth Bergey
Analyst, Citigroup Global Markets, Inc.

Q

Great. Thanks.

Operator: Thank you. And one moment for our next question. Our next question is going to come from the line of Michael Lewis with Truist Securities. Your line is open. Please go ahead.

Michael Lewis
Analyst, Truist Securities, Inc.

Q

Great. Thank you. On 1515 Broadway, has Paramount already determined it will move out in 2031? Or is it possible that just becomes a renewal? I don't know if that makes sense for them or for you.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

Oh, I don't think there's any determination that I'm aware of that's been made. We had dialogue and negotiations in connection with the casino, but that's completely different and apart from the steady-state situation now. And I have no reason to believe one way or the other they're going to stay or go at the end of 2031. They're happy with the building. And I mean, like 2031, I think in the realm of planning for these guys is eons away. They just bought the company. So, I think they're going to have to go through and figure out what are they doing maybe with

Warner or maybe not with Warner, rumored to be in dialogue with them, how big a New York City footprint will they maintain, and how big will be on the West Coast. But on the one hand, I don't think anything's set in stone there, certainly that I'm aware of at this moment. I think having just acquired the company less than two months ago, I can't imagine there's anything definitive on their end yet.

With that said, this is a big valuable block of space. And whether we keep it long term as office use or we now know if it converts, I mean, seamlessly into solid hotel use, we've got the plans to revamp those signs into state-of-the-art signage where we can increase substantially the revenues we're getting from those older signs that served their purpose, but are past useful life. And Viacom doesn't pay a big rent. Viacom, I call them from the old days. Skydance Paramount doesn't pay a big rent. I don't have it in front of me, I don't know, but the escalated rent in place, I think, is in the 70s at most, like low 70s. So, you've got a big block of space. They're not paying a big rent. Like I said, they like the building. It's well-located, but it also has flexibility of use, and we have low debt on the property. So, I think it's a perfect storm for us to keep forging forward with our plans and try and do something really transformational with the building, which could include doing an early renewal deal with guidance if they choose to.

Michael Lewis
Analyst, Truist Securities, Inc.

Q

Okay. Great. And then my last question, you obviously continue to have very strong leasing volume. There's been a lot of talk on this call about very high rents and optimism where rents are going. I wanted to ask about OpEx, overhead CapEx. Because I look at the 3Q results, your NOI margin I see 54%, your G&A 10% of total revenue, give or take, and then, obviously, CapEx. If we back out the debt [indiscernible] (00:47:25), it looks like your FAD would be well below your dividend, and I understand, quarter to quarter, count this and don't count that. I guess the question is, is there any concern now with leasing volume and rents, but with office real estate profitability? Does it make sense?

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

Well, I mean, what you're saying, I understand the question. The way we position ourselves is how we combat that issue by focusing in on the buildings that have the highest net effective rents. And I've said this before, I'll say again, the TI, the physical costs of construction are relatively fixed. So, if you're doing business at the high end of the market with $150 rents or $125 to an upwards to $250 or higher, that's where there is a lot of margin in the business, first generation and even more so in second generation. And we just need to let all of that bleed through into the numbers. I think what you're focusing in on is due in part to the way we do the business, which is as soon as something gets to stabilization, we tend to sell or JV.

And as a result, you put all the work in on the front end, and we realize and monetize what you would be looking at as, call it, FAD. We monetize it in profit, and we have significant profits that we bring in when we JV an asset. I mean, look at what we just did with our sale of 5% to Mori at a $4.7 billion valuation on a project where our basis was under $3 billion. So, we lose that coverage, but we get that, in that case, $80-something million. And we have that for reinvestment and into new projects and capital. So, it's a little bit of a different game plan. But I think the business we're doing is very profitable. We do cover our dividend, but we cover it in a holistic way through FAD and through a harvesting, which we do year in, year out for 28 years.

Michael Lewis
Analyst, Truist Securities, Inc.

Q

Okay. Got it. Thank you.

Operator: Thank you. And one moment for our next question. Our next question will come from the line of Vikram Malhotra with Mizuho. Your line is open. Please go ahead.

Vikram Malhotra
Analyst, Mizuho Securities USA LLC

Q

Good afternoon. Thanks for taking the questions. Just, I guess, two clarifications. One, on the recent transaction, Park Tower. You mentioned sort of the cap rate. I just want to clarify, does that include – I believe you mentioned that took the occupancy up? And could you just sort of clarify the value creation you kind of highlighted? What's the capital you need to put in and the timeline to sort of get a decent chunk of the building to that $200 rent level?

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

Well, I think with both leases, the cap rate is actually 6.2%, rounded to 6%. I think if you're looking for a precise number, the number I saw with both the lease [indiscernible] (00:50:31) lease pending was at 6.2%. So, I don't know if that answered the question, or is that – what was the second part of that question?

Vikram Malhotra
Analyst, Mizuho Securities USA LLC

Q

Yeah, just you mentioned the value creation, the $125 rent, you hope to get it up to $200...

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

I got you.

Vikram Malhotra
Analyst, Mizuho Securities USA LLC

Q

... [indiscernible] (00:50:46). I'm just trying to get a sense of the value creation from where you bought it today and for cap rate wise.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

So, what I said in the first part of this call was this is really a market play more than – this is not a redevelopment project like a 245 Park, like a 750 Third. We have capital allocated for what I'll call refreshening or updating the amenities, probably expanding the amenities as well, bringing in some newer and, I would say, better, higher elevated food and beverage, which I think we've gotten quite good at. And also, doing something with the entry experience at the Plaza, which right now, I think, is okay, but I think we can improve it. So, these are not big capital in the context of a $730 million investment. I think the capital devoted to those uses in total, including infrastructure, is like less than $50 million, and might even be less than like in the high 20s or something. I don't have it in front, but in that range of, let's call it, $25 million to $40 million. And that's over time. That plan would be a five-, six-year plan.

So, it's not a big capital intensive. All the capital would be leasing-oriented capital, TIs and commissions. We'll try and minimize that because there's not a lot of lease-up. So, we're going to try to make your money, I would say, on second generation deals, retaining tenants, renewals, et cetera. Play the Park Avenue scarcity market where I think rents could be up 20% to 25% over the next four to five years. I think that's completely within reach given the dynamics between the sort of ever-expanding space needs right now by New York's larger growing tenants and just no real space delivery in and around Park Avenue, at least not for the foreseeable future. So, it's really a market positioning and rental play. It's a cash flow and deal right out of the blocks. So, it's different than a lot of what we do. We're going to get good financial leverage because there's going to be good competition for this debt. And we'll hit our underwriting on our spreads. And maybe down the road, we'll consider a JV. And then you throw in an extra 300 basis points of yield for fee and promote income. But I think we have some work to do on the front end over the next 12, 18 months, and then revisit that situation down the road, which is how we typically do it.

Vikram Malhotra
Analyst, Mizuho Securities USA LLC

Q

Okay. I mean, just maybe building upon that, you mentioned Park Avenue rents could be up 20% over the next few years.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

I say 25% over four to five years.

Vikram Malhotra
Analyst, Mizuho Securities USA LLC

Q

20%, 20%?

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

I just want to be quick, 20% to 25% over the next four to five years. I think that, for this slice of the market, I think that's completely within reason.

Vikram Malhotra
Analyst, Mizuho Securities USA LLC

Q

Okay. I guess just like in the past, like you mentioned this, that you've done a lot of other deals, those more specific basis play or you bought the debt and you eventually converted. So, it's been much more value or I guess basis oriented. This one is different, I get it. But the opportunity set going forward, given what you just said about rent growth, is your acquisition pipeline, is it more just tower type deal, do you think, or is it more kind of your historical, you buy it at a much, much lower basis and it's more of an NAV play than just a rental play or a market there?

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

I would say our pipeline is opportunistic and doesn't have any one. It could be a deal like this, which is rental rate-driven. It could be 346, which is development-driven. It could be opportunistic debt like 522 Fifth. It could be a complete wholesale redevelopment play like 245 Park. I mean it's – the only thing symmetrical about the business we do is that it's all in Midtown Manhattan. So, that's a good bet. But beyond that, if you're trying to characterize the nature of the opportunity set, I think it's all over the place where we're looking for risk-adjusted returns generally on a debt neutral leverage basis in the mid-teens, for Midtown Manhattan high-quality assets, that's a very good return historically and today.

Vikram Malhotra
Analyst, Mizuho Securities USA LLC

Q

Okay. And then, sorry, just last clarification. You mentioned, again, the rent growth, the strengthening of the broader markets spilling over into a lot of submarkets. So, I'm just wondering, as you look into 2026, like you said you don't have a mark-to-market. But I guess, historically, you have had some sense whether it's 5%, 10%, but given the strength you're seeing into next year spilling across markets, I mean, would you venture a high level guess, like where do you see rents going, market rents going next year, and where's your portfolio today?

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

Here's what I would suggest. I'm going to save you a front row seat at December investor conference. We will have front row. We will have all the information. What you're asking for is completely reasonable, but it requires a substantial amount of work which we do in preparation for our three-hour full portfolio granular asset-by-asset review. It's not like an earnings call thing for us. And I'm not – I'm very optimistic about what those numbers will show. Because the rents are generally, for most of the buildings, in the portfolio on a rapidly rising trend, and we're starting to see the concessions come in. So, there's a story to tell there. We will tell the story. I think what Steve said earlier, and I'll have to reiterate, is we just can't do that right now. And I don't want to ballpark it or back of the envelope it. We're going to have – like you've been to these before, you know the drill. We're going to have complete illumination in December of what we think 2026 looks like, where the opportunities are, how we're going to drive our earnings, et cetera. But at this exact moment in time, we just don't have that number in front of us.

Vikram Malhotra
Analyst, Mizuho Securities USA LLC

Q

Fair enough. Thank you.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

Okay.

Operator: Thank you. And one moment for our next question.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

We'll take one or two more, operator, just given we're on 3 o'clock now, so I think we'll take time for one or two more.

Operator: All right. Our next question is going to come from the line of Caitlin Burrows with Goldman Sachs. Your line is open. Please go ahead.

Caitlin Burrows
Analyst, Goldman Sachs & Co. LLC

Q

Hi. Just two follow-ups on recent questions. Maybe just I hear you on the Investor Day, I was wondering if you could confirm it's going to be on December 1, because I have gotten some questions. But just on the – when you look at the 2026 lease expirations, it does look like those rents are relatively low versus the rest of the portfolio.

So, I guess I was just wondering if at this point you guys have a sense of what those spaces are? Like, does that create an easier comp or does it reflect the quality of those 2026 expirations?

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.
A

Do you have those in the release?

A

No.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.
A

Boy, it's tough. Again, jumping on the heels of, we don't have all of those 2026 expirations...

[indiscernible] (00:58:42)

A

... lease by lease and evaluate it.

Steven M. Durels
Executive Vice President & Director-Leasing and Real Property, SL Green Realty Corp.
Q

I mean, the one thing I'll say, as you look into next year, it's not a particularly large lease rollover year next year. Our largest lease that we know will vacate next year is only 120,000 square feet. And after that, there's a handful of leases that are kind of in the 50,000 square foot range. So, we have leasing to do and renewals to take care of. But our mark-to-market, I don't think will be as driven by one particular lease expiring this year, or upsize.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.
A

Another way to look at it, we've only got one large block of space, I think, that exists in the portfolio. We've got like 30 million square feet. I think the largest block of contiguous vacant is 250,000 square feet with BMW, right? That's it.

Steven M. Durels
Executive Vice President & Director-Leasing and Real Property, SL Green Realty Corp.
A

That's really forward-looking.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.
A

That's forward. It's not even existing vacant. So, we really – I mean, just putting – we're approaching 93% leased on 30 million square feet. And what you have are little pockets of vacancy across many different buildings. And that's the dynamic our shareholders want because that's where we can really start in the coming years with nearly fully leased buildings and no big blocks in the near-term to worry about to try and rightsize the concessions and push the rents to the natural level of where they should be to meet the demand. And hopefully, that will result in good mark-to-market and everything that comes from that next year. And I think we're going through our 2026 budgets right now as we speak. We do it lease by lease, asset by asset. We roll it up. We generally have that done a couple of weeks ahead of the conference. And then we'll come with full transparency on everything. But we're optimistic that there'll be earnings momentum, and as characterized by leasing momentum going into the year just because as we get closer to fully leased, that's where we want to be.

Caitlin Burrows
Analyst, Goldman Sachs & Co. LLC

Q

Okay. And then the other one, just on the back of the question related to kind of like cost of the business. It looks like the operating expenses line was relatively high this quarter. I was just wondering if you could confirm, is that the line where the expense related to the gaming that was included?

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

No, that's not the line where the expense related to gaming but was. That's in its own line called transaction costs. Operating expense is affected by two things; one, moving a DPE position over from the DPE book into real estate as we executed a control shift, which you've seen as the accounting for that. That's, call it, $1 million of the expense. The rest is actually utilities. Third quarter tends to be the highest utility costs of the year. And utility costs, we fixed price on the supply portion, but the variable portion of our utility costs are higher, and that's what drove the operating expense increase in the quarter.

Caitlin Burrows
Analyst, Goldman Sachs & Co. LLC

Q

Got it. Thanks.

Operator: Thank you. And one moment for our next question.

Marc Holliday
Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

A

Operator, this is going to be, unfortunately, the last question, because we're over time right now.

Operator: All right. Our last question is going to come from the line of Brendan Lynch with Barclays. Your line is open. Please go ahead.

Brendan James Lynch
Analyst, Barclays Capital, Inc.

Q

Great. Thanks for squeezing me in. I'll give it quick. Just a couple of quick ones on One Vanderbilt. Did Mori have an option to purchase the additional 5% stake? What drove the transaction now and why was the valuation the same as late 2024?

A

Yeah. They did not have an option. This is a deal Marc and I made with Mori in January of this year. We always tell you guys that transactions with some of our partners take some time. But we cut this deal early January, probably 45 days after we closed the first transaction. We always intended to sell down an additional 5% stake. I think we were public about that in our investor conference. Right after that, we went out to Japan, made this deal, and closed last quarter.

Brendan James Lynch

Analyst, Barclays Capital, Inc.

Q

And are you looking to maintain the current 55% stake?

A

Yes, that's it. That's the final piece of our dispositions in our One Vanderbilt stake.

Brendan James Lynch

Analyst, Barclays Capital, Inc.

Q

Great. Thank you.

Marc Holliday

Chairman, Chief Executive Officer & Interim President, SL Green Realty Corp.

All right. Thank you. So, in wrapping up, Matt's got some info that we'll conclude with.

Matthew J. DiLiberto

Chief Financial Officer, SL Green Realty Corp.

Yeah. I just want to remind everybody who's still on the call, apologies, we're running a little long, our investor conference this year will change in schedule. It would have typically been on Monday, December 8, but due to the changing of the date of the NAREIT conference starting that same day, we're moving our investor conference to the Friday before, Friday, December 5, 10 AM, here at One Vanderbilt. That is invite only, but it is webcast. So, for those being invited, keep an eye on your inbox, and then there'll be an announcement of webcast link for those who want to listen in.

And with that, thanks, everybody, for joining the call today. And we will see you December 5.

Operator: This concludes today's conference call. Thank you for participating. You may now disconnect.