



**PARAMOUNT ACQUIRES 44% INTEREST IN 55 SECOND STREET  
AND  
SEPARATELY ENTERS INTO AN AGREEMENT TO ACQUIRE  
MARKET CENTER IN SAN FRANCISCO**

**NEW YORK – August 21, 2019** – [Paramount Group, Inc.](#) (NYSE: PGRE) (“Paramount” or the “Company”) today announced that it has completed the acquisition of a 44% joint venture interest in 55 Second Street in San Francisco. The property was valued at approximately \$402.0 million, or \$1,039 per square foot. In connection with the acquisition, the existing \$137.5 million mortgage loan will remain in place and be upsized by an additional \$50.0 million. The \$187.5 million mortgage loan is interest-only at a fixed interest rate of 3.88% and matures in October 2026.

In an unrelated transaction, the Company also announced that it has entered into an agreement to acquire Market Center, a two-building Class A office complex comprising 753,000 square feet, located in San Francisco’s South Financial District. The complex consists of 555 Market Street and 575 Market Street comprising 280,000 square feet and 473,000 square feet, respectively. The purchase price is approximately \$722.0 million or \$959 per square foot. The transaction, which is subject to customary closing conditions, is expected to close in the fourth quarter of 2019. In connection with the transaction, the Company expects to bring in a joint venture partner prior to closing.

“We continue to opportunistically redeploy capital in one of the most desirable markets in the country at an attractive basis,” stated Albert Behler, Chairman, Chief Executive Officer and President. “We plan to aggressively manage future rollover at the property, where in-place rents sit well below market in a city with very limited new office supply and strong tenant demand for large-block availabilities.”

Located on Market Street with significant frontage to this essential thoroughfare, Market Center is currently 94% leased primarily to technology and professional services tenants. The two buildings are uniquely linked by a landscaped garden plaza and elevated walkway, and are located within walking distance of all major local transit systems including the Montgomery BART station, the Transbay Transit Center and the San Francisco Bay Ferry. Market Center’s efficient floorplates with several large base floors position the complex to appeal to a diverse set of tenants in need of high-quality space. The property’s stature offers tenants panoramic views of the city and an abundance of natural light, and an 89-vehicle subterranean parking garage provides a unique and highly desirable amenity. Market Center is LEED Gold certified, and 555 Market Street and 575 Market Street boast Energy Star ratings of 88 and 93, respectively.

**About Paramount Group, Inc.**

Headquartered in New York City, Paramount Group, Inc. is a fully-integrated real estate investment trust that owns, operates, manages, acquires and redevelops high-quality, Class A office properties located in select central business district submarkets of New York City, San Francisco and Washington, D.C. Paramount is focused on maximizing the value of its portfolio by leveraging the sought-after locations of its assets and its proven property management capabilities to attract and retain high-quality tenants.



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