

Paramount Group, Inc.
Form 10-Q
May 01, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the Quarterly Period Ended: March 31, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from to

Commission File Number: 001-36746

PARAMOUNT GROUP, INC.

(Exact name of registrant as specified in its charter)

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Maryland 32-0439307
(State or other jurisdiction of (IRS Employer
incorporation or organization) Identification No.)

1633 Broadway, Suite 1801, New York, NY 10019
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (212) 237-3100

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Trading Symbol Name of each exchange on which registered
Common stock of Paramount Group, Inc., \$0.01 par value per share	PGRE The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	Accelerated Filer
Non-Accelerated Filer	Smaller Reporting Company
Emerging Growth Company	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 15, 2019, there were 234,477,998 shares of the registrant's common stock outstanding.

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PART I – FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

PARAMOUNT GROUP, INC.

CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(Amounts in thousands, except share, unit and per share amounts)	March 31, 2019	December 31, 2018
Assets		
Real estate, at cost:		
Land	\$2,065,206	\$2,065,206
Buildings and improvements	6,064,321	6,036,445
	8,129,527	8,101,651
Accumulated depreciation and amortization	(689,860)	(644,639)
Real estate, net	7,439,667	7,457,012
Cash and cash equivalents	342,308	339,653
Restricted cash	18,163	25,756
Investments in unconsolidated joint ventures	136,426	78,863
Investments in unconsolidated real estate funds	8,163	10,352
Preferred equity investments	-	36,042
Accounts and other receivables, net of allowance of \$593 in 2018	20,136	20,076
Deferred rent receivable	279,036	267,456
Deferred charges, net of accumulated amortization of \$32,682 and \$30,129	119,191	117,858
Intangible assets, net of accumulated amortization of \$252,273 and \$245,444	254,354	270,445
Other assets	104,193	132,465
Total assets ⁽¹⁾	\$8,721,637	\$8,755,978
Liabilities and Equity		
Notes and mortgages payable, net of deferred financing costs of \$30,867 and \$32,883	\$3,568,933	\$3,566,917
Revolving credit facility	-	-
Accounts payable and accrued expenses	125,599	124,334
Dividends and distributions payable	25,949	25,902
Intangible liabilities, net of accumulated amortization of \$91,053 and \$89,200	89,955	95,991
Other liabilities	56,565	51,170
Total liabilities ⁽¹⁾	3,867,001	3,864,314
Commitments and contingencies		
Paramount Group, Inc. equity:		

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Common stock \$0.01 par value per share; authorized 900,000,000 shares; issued		
and outstanding 234,478,379 and 233,135,704 shares in 2019 and 2018, respectively	2,345	2,329
Additional paid-in-capital	4,218,060	4,201,756
Earnings less than distributions	(239,949)	(219,906)
Accumulated other comprehensive income	8,421	16,621
Paramount Group, Inc. equity	3,988,877	4,000,800
Noncontrolling interests in:		
Consolidated joint ventures	367,012	394,995
Consolidated real estate fund	81,434	66,887
Operating Partnership (24,648,305 and 25,127,003 units outstanding)	417,313	428,982
Total equity	4,854,636	4,891,664
Total liabilities and equity	\$8,721,637	\$8,755,978

⁽¹⁾Represents the consolidated assets and liabilities of Paramount Group Operating Partnership LP, a Delaware limited partnership (the “Operating Partnership”). The Operating Partnership is a consolidated variable interest entity (“VIE”), of which we are the sole general partner and own approximately 90.5% as of March 31, 2019. The assets and liabilities of the Operating Partnership, as of March 31, 2019, include \$1,973,010 and \$1,266,163 of assets and liabilities, respectively, of certain VIEs that are consolidated by the Operating Partnership. See Note 11, Variable Interest Entities (“VIEs”).

See notes to consolidated financial statements (unaudited).

PARAMOUNT GROUP, INC.

CONSOLIDATED STATEMENTS OF INCOME

(UNAUDITED)

(Amounts in thousands, except share and per share amounts)	For the Three Months Ended March 31,	
	2019	2018
Revenues:		
Rental revenue	\$182,616	\$177,679
Fee and other income	9,176	6,592
Total revenues	191,792	184,271
Expenses:		
Operating	68,381	68,978
Depreciation and amortization	63,089	65,156
General and administrative	17,443	12,631
Transaction related costs	736	120
Total expenses	149,649	146,885
Other income (expense):		
Loss from unconsolidated joint ventures	(1,027)	(62)
Income (loss) from unconsolidated real estate funds	46	(66)
Interest and other income, net	3,900	2,016
Interest and debt expense	(36,924)	(36,082)
Net income before income taxes	8,138	3,192
Income tax expense	(1,138)	(477)
Net income	7,000	2,715
Less net (income) loss attributable to noncontrolling interests in:		
Consolidated joint ventures	(2,794)	(1,055)
Consolidated real estate fund	(94)	(430)
Operating Partnership	(403)	(116)
Net income attributable to common stockholders	\$3,709	\$1,114
Income per Common Share - Basic		
Income per common share	\$0.02	\$0.00
Weighted average shares outstanding	233,419,299	240,311,744
Income per Common Share - Diluted		
Income per common share	\$0.02	\$0.00
Weighted average shares outstanding	233,458,438	240,338,698

See notes to consolidated financial statements (unaudited).

PARAMOUNT GROUP, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(UNAUDITED)

(Amounts in thousands)	For the Three Months Ended March 31,	
	2019	2018
Net income	\$7,000	\$2,715
Other comprehensive (loss) income:		
Change in value of interest rate swaps	(9,026)	14,551
Pro rata share of other comprehensive (loss) income of unconsolidated		
joint ventures	(108)	54
Comprehensive (loss) income	(2,134)	17,320
Less comprehensive (income) loss attributable to noncontrolling interests in:		
Consolidated joint ventures	(2,794)	(1,055)
Consolidated real estate fund	(51)	(430)
Operating Partnership	488	(1,492)
Comprehensive (loss) income attributable to common stockholders	\$(4,491)	\$14,343

See notes to consolidated financial statements (unaudited).

PARAMOUNT GROUP, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(UNAUDITED)

(Amounts in thousands, except per share and unit amounts)	Common Shares		Additional	Earnings	Accumulated	Noncontrolling	Interests in		Total
	Shares	Amount	Paid-in-Capital	Less than Distributions	Other Comprehensive Income	Consolidated Ventures	Real Estate Fund	Consolidated Operating Partnership Equity	
Balance as of December 31, 2017	240,427	\$2,403	\$4,297,948	\$(133,693)	\$10,083	\$404,997	\$14,549	\$425,797	\$5,022,084
Basis adjustment upon adoption of ASU 2017-05	-	-	-	529	-	-	6,557	-	7,086
Balance as of January 1, 2018	240,427	2,403	4,297,948	(133,164)	10,083	404,997	21,106	425,797	5,029,170
Net income	-	-	-	1,114	-	1,055	430	116	2,715
Common shares issued upon redemption of common units	7	-	123	-	-	-	-	(123)	-
Common shares issued under Omnibus share plan, net of shares withheld for taxes	72	-	-	(213)	-	-	-	-	(213)
Dividends and distributions (\$0.10 per share)	-	-	-	(24,051)	-	-	-	(2,576)	(26,627)

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and unit)									
Contributions from noncontrolling interests	-	-	-	-	-	-	29,920	-	29,920
Distributions to noncontrolling interests	-	-	-	-	-	(1,915)	-	-	(1,915)
Change in value of interest rate swaps	-	-	-	-	13,179	-	-	1,372	14,551
Pro rata share of other comprehensive income of unconsolidated joint ventures	-	-	-	-	50	-	-	4	54
Amortization of equity awards	-	-	838	-	-	-	-	5,746	6,584
Other	-	-	(5,700)	(171)	-	-	-	5,702	(169)
Balance as of March 31, 2018	240,506	\$2,403	\$4,293,209	\$(156,485)	\$23,312	\$404,137	\$51,456	\$436,038	\$5,054,070
Balance as of December 31, 2018	233,136	\$2,329	\$4,201,756	\$(219,906)	\$16,621	\$394,995	\$66,887	\$428,982	\$4,891,664
Net income	-	-	-	3,709	-	2,794	94	403	7,000
Common shares issued upon redemption of common units	1,288	13	21,969	-	-	-	-	(21,982)	-
Common shares issued under Omnibus share plan, net of shares withheld for taxes	54	3	-	(304)	-	-	-	-	(301)
Dividends and distributions (\$0.10 per share)	-	-	-	(23,448)	-	-	-	(2,501)	(25,949)

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and unit)									
Contributions from noncontrolling interests	-	-	-	-	-	-	14,496	-	14,496
Distributions to noncontrolling interests	-	-	-	-	-	(30,777)	-	-	(30,777)
Change in value of interest rate swaps	-	-	-	-	(8,142)	-	-	(884)	(9,026)
Pro rata share of other comprehensive loss of unconsolidated joint ventures	-	-	-	-	(58)	-	(43)	(7)	(108)
Amortization of equity awards	-	-	697	-	-	-	-	6,940	7,637
Other	-	-	(6,362)	-	-	-	-	6,362	-
Balance as of March 31, 2019	234,478	\$2,345	\$4,218,060	\$(239,949)	\$8,421	\$367,012	\$81,434	\$417,313	\$4,854,636

See notes to consolidated financial statements (unaudited).

PARAMOUNT GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(Amounts in thousands)	For the Three Months Ended March 31,	
	2019	2018
Cash Flows from Operating Activities:		
Net income	\$7,000	\$2,715
Adjustments to reconcile net income to net cash provided by		
operating activities:		
Depreciation and amortization	63,089	65,156
Straight-lining of rental revenue	(11,578)	(13,244)
Amortization of stock-based compensation expense	7,602	6,265
Amortization of above and below-market leases, net	(3,276)	(4,420)
Amortization of deferred financing costs	2,801	2,761
Receipt of accrued interest on preferred equity investment	2,339	-
Realized and unrealized (gains) losses on marketable securities	(1,880)	29
Loss from unconsolidated joint ventures	1,027	62
Distributions of earnings from unconsolidated real estate funds	1,011	68
Distributions of earnings from unconsolidated joint ventures	537	600
(Income) loss from unconsolidated real estate funds	(46)	66
Other non-cash adjustments	(458)	202
Changes in operating assets and liabilities:		
Accounts and other receivables	(60)	46
Deferred charges	(2,570)	(4,427)
Other assets	31,000	(26,035)
Accounts payable and accrued expenses	(2,544)	5,325
Other liabilities	457	400
Net cash provided by operating activities	94,451	35,569
Cash Flows from Investing Activities:		
Investments in and contributions of capital to unconsolidated joint ventures	(49,239)	(16,115)
Redemption of preferred equity investment	33,750	-
Additions to real estate	(27,944)	(25,413)
Receivable from affiliate	(11,000)	-
Purchases of marketable securities	(6,568)	(3,805)
Sales of marketable securities	3,132	7,825
Distributions of capital from unconsolidated real estate funds	1,260	-
Contributions of capital to unconsolidated real estate funds	(36)	(157)
Escrow deposits and loans receivable for Residential Development Fund	-	(15,680)

Net cash used in investing activities

(56,645) (53,345)

See notes to consolidated financial statements (unaudited).

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PARAMOUNT GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

(UNAUDITED)

(Amounts in thousands)	For the Three Months Ended March 31,	
	2019	2018
Cash Flows from Financing Activities:		
Distributions to noncontrolling interests	\$(30,777)	\$(1,915)
Dividends paid to common stockholders	(23,356)	(22,841)
Contributions from noncontrolling interests	14,496	29,920
Distributions paid to common unitholders	(2,546)	(2,370)
Repurchase of shares related to stock compensation agreements and related tax withholdings	(301)	(213)
Debt issuance costs	(260)	(6,351)
Proceeds from notes and mortgages payable	-	16,700
Net cash (used in) provided by financing activities	(42,744)	12,930
Net decrease in cash and cash equivalents and restricted cash	(4,938)	(4,846)
Cash and cash equivalents and restricted cash at beginning of period	365,409	250,425
Cash and cash equivalents and restricted cash at end of period	\$360,471	\$245,579
Reconciliation of Cash and Cash Equivalents and Restricted Cash:		
Cash and cash equivalents at beginning of period	\$339,653	\$219,381
Restricted cash at beginning of period	25,756	31,044
Cash and cash equivalents and restricted cash at beginning of period	\$365,409	\$250,425
Cash and cash equivalents at end of period	\$342,308	\$212,547
Restricted cash at end of period	18,163	33,032
Cash and cash equivalents and restricted cash at end of period	\$360,471	\$245,579
Supplemental Disclosure of Cash Flow Information:		
Cash payments for interest	\$33,872	\$33,170
Cash payments for income taxes, net of refunds	1,480	299
Non-Cash Transactions:		
Dividends and distributions declared but not yet paid	\$25,949	\$26,627
Additions to real estate included in accounts payable and accrued expenses	15,630	13,334
Common shares issued upon redemption of common units	21,982	123
Change in value of interest rate swaps	9,026	(14,551)

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Write-off of fully amortized and/or depreciated assets	1,578	350
Basis adjustment to investment in unconsolidated joint ventures upon adoption of ASU 2017-05	-	7,086

See notes to consolidated financial statements (unaudited).

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PARAMOUNT GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

1. Organization and Business

As used in these consolidated financial statements, unless otherwise indicated, all references to “we,” “us,” “our,” the “Company,” and “Paramount” refer to Paramount Group, Inc., a Maryland corporation, and its consolidated subsidiaries, including Paramount Group Operating Partnership LP (the “Operating Partnership”), a Delaware limited partnership. We are a fully-integrated real estate investment trust (“REIT”) focused on owning, operating, managing, acquiring and redeveloping high-quality, Class A office properties in select central business district submarkets of New York City, San Francisco and Washington, D.C. As of March 31, 2019, our portfolio consisted of 13 Class A office properties aggregating approximately 12.2 million square feet. We conduct our business through, and substantially all of our interests in properties and investments are held by, the Operating Partnership. We are the sole general partner of, and owned approximately 90.5% of, the Operating Partnership as of March 31, 2019.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are unaudited and have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and in conjunction with the instructions to Form 10-Q of the Securities and Exchange Commission (“SEC”). Accordingly, certain information and footnote disclosures required by GAAP for complete financial statements have been condensed or omitted. These consolidated financial statements include the accounts of Paramount and its consolidated subsidiaries, including the Operating Partnership. In the opinion of management, all significant adjustments (which include only normal recurring adjustments) and eliminations (which include intercompany balances and transactions) necessary to present fairly the financial position, results of operations and changes in cash flows have been made. The consolidated balance sheet as of December 31, 2018 was derived from audited financial statements as of that date, but does not include all information and disclosures required by GAAP. These consolidated

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financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2018, as filed with the SEC.

Significant Accounting Policies

There are no material changes to our significant accounting policies as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018.

Use of Estimates

We have made estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ materially from those estimates. The results of operations for the three months ended March 31, 2019, are not necessarily indicative of the operating results for the full year.

Reclassifications

Certain prior year balances have been reclassified to conform to current year presentation.

PARAMOUNT GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

Recently Issued Accounting Pronouncements Not Materially Impacting Our Financial Statements

In June 2016, the FASB issued ASU 2016-13, an update to ASC Topic 326, Financial Instruments – Credit Losses. ASU 2016-13 requires measurement and recognition of expected credit losses on financial instruments measured at amortized cost at the end of each reporting period rather than recognizing the credit losses when it is probable that the loss has been incurred in accordance with current guidance. In November 2018, the FASB issued ASU 2018-19, which clarified that receivables arising from operating leases are not within the scope of ASC Topic 326, and instead, impairment of receivables arising from operating leases should be accounted for under the scope of ASC Topic 842, Leases. ASU 2016-13 is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2019, with early adoption permitted. We do not believe the adoption of ASU 2016-13 will have a material impact on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, an update to ASC Topic 820, Fair Value Measurements. ASU 2018-13 modifies the disclosure requirements in ASC Topic 820, by (i) removing certain disclosure requirements related to transfers between Level 1 and Level 2 of the fair value hierarchy and the valuation processes for Level 3 fair value measurements, (ii) modifying existing disclosure requirements related to measurement uncertainty and (iii) adding new disclosure requirements related to changes in unrealized gains or losses for the period included in other comprehensive income for recurring Level 3 fair value measurements and disclosures related to the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. ASU 2018-13 is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2019, with early adoption permitted. We are evaluating the impact of ASU 2018-13 but do not believe the adoption will have an impact on our consolidated financial statements.

In December 2018, the FASB issued ASU 2018-20, an update to ASC Topic 842, Leases. ASU 2018-20 allows lessors to make an accounting policy election not to evaluate whether sales taxes and similar taxes imposed by a governmental authority on a specific lease transaction and collected by the lessor from the lessee are the primary obligation of the lessor. A lessor that makes this election must exclude from the consideration in the contract and from variable payments not included in the consideration in the contract all taxes within the scope of the election and make additional disclosures. ASU 2018-20 requires a lessor to exclude lessor costs paid directly by a lessee to third parties

on the lessor's behalf from variable payments, but lessor costs that are paid by the lessor and reimbursed by the lessee are required to be included in variable payments. The effective date of ASU 2018-20 is required to coincide with the effective date of ASU 2016-02. We adopted the provisions of ASU 2018-20 on January 1, 2019 in conjunction with the adoption of ASU 2016-02. This adoption did not have an impact on our consolidated financial statements.

PARAMOUNT GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

Recently Issued Accounting Pronouncements Impacting or Potentially Impacting Our Financial Statements

In February 2016, the FASB issued ASU 2016-02, an update to ASC Topic 842, Leases. ASU 2016-02 amends the existing guidance for lease accounting by requiring lessees to, among other things, (i) recognize most leases on their balance sheets, (ii) classify leases as either financing or operating, and (iii) record a right-of-use asset and a lease liability for all leases with a term greater than 12 months. ASU 2016-02 is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2018, with early adoption permitted. We adopted the provisions of ASU 2016-02 on January 1, 2019, using the alternative modified retrospective method, also known as the transition relief method, permitted under ASU 2018-11 which allows companies to not recast comparative periods in the period of adoption. Accordingly, we have applied the provisions of the standard on January 1, 2019, the date of adoption. Upon adoption of this ASU, we recorded a \$4,184,000 right-of-use asset and a lease liability for leases in which we are a lessee, which are included as components of “other assets” and “other liabilities”, respectively, on our consolidated balance sheet as of March 31, 2019.

While accounting for lessors under ASU 2016-02 is substantially similar to existing lease accounting guidance, lessors are required to separate payments received pursuant to a lease between lease components (payments received towards the leased space) and non-lease components (payments received towards common area maintenance activities). In July 2018, the FASB issued ASU 2018-11, which provided lessors with a practical expedient to not separate lease and non-lease components, if certain criteria are met. Upon the adoption of ASU 2016-02, we elected this practical expedient and accordingly, have combined lease and non-lease components into rental revenue on our consolidated statements of income. We account for both components under ASC Topic 842. ASU 2016-02 also requires companies to account for the impairment of receivables arising from operating leases (previously recorded as bad debt expense, a component of “operating expenses”), as a reduction to “rental income”. Accordingly, beginning on January 1, 2019, impairment of receivables arising from operating leases have been recorded as a reduction of rental income and are no longer reflected as bad debt expense.

Furthermore, ASU 2016-02 also updates the definition of initial direct costs for both lessees and lessors to include only incremental costs of a lease that would not have been incurred if the lease had not been obtained. This ASU also provides a package of practical expedients which permits companies not to reassess under ASC Topic 842, its prior conclusions about lease identification, lease classification and initial direct costs. Upon adoption of ASU 2016-02, we elected this practical expedient and accordingly, effective January 1, 2019, we no longer capitalize internal leasing costs.

In October 2018, the FASB issued ASU 2018-17, an update to ASC Topic 810, Consolidations. ASU 2018-17 requires reporting entities to consider indirect interests held by related parties under common control on a proportional basis rather than as the equivalent of a direct interest in its entirety in determining whether a decision-making fee is a variable interest. ASU 2018-17 is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2019, with early adoption permitted. We are evaluating the impact of ASU 2018-17 on our consolidated financial statements.

PARAMOUNT GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

3. Investments in Unconsolidated Joint Ventures

On February 7, 2019, we completed the acquisition of 111 Sutter Street, a 293,000 square foot office building in San Francisco, California. Simultaneously with closing, we brought in a joint venture partner to acquire 51.0% of the equity interest. We have retained the remaining 49.0% equity interest and manage and lease the asset. The purchase price was \$227,000,000. In connection with the acquisition, the joint venture completed a \$138,200,000 financing of the property. The four-year loan is interest only at LIBOR plus 215 basis points and has three one-year extension options. We began accounting for our investment in 111 Sutter Street, under the equity method, from the date of the acquisition.

On March 29, 2019, our consolidated Residential Development Fund (“RDF”) acquired an additional 5.0% economic interest in One Steuart Lane from one of its joint venture partners for \$9,339,000. Subsequent to this transaction, RDF owns a 30.0% economic interest in the property and the remaining 70.0% interest is owned by the joint venture partners. We own a 7.4% interest in RDF and continue to consolidate RDF and reflect the 92.6% interest we do not own, as noncontrolling interests. As of March 31, 2019, our economic interest in the One Steuart Lane (based on our ownership of RDF) was 2.22%.

The following tables summarize our investments in unconsolidated joint ventures as of the dates thereof and the income or loss from these investments for the periods set forth below.

(Amounts in thousands)	Paramount	As of	
Our Share of Investments:	Ownership	March	December
		31, 2019	31, 2018
712 Fifth Avenue ⁽¹⁾	50.0%	\$-	\$-
111 Sutter Street	49.0%	45,152	-
60 Wall Street ⁽²⁾	5.0%	21,685	22,353
One Steuart Lane ⁽²⁾	30.0% ⁽³⁾	66,059	52,923
Oder-Center, Germany ⁽²⁾	9.5%	3,530	3,587
Investments in unconsolidated joint ventures		\$136,426	\$78,863

(Amounts in thousands)	For the Three Months Ended March 31,	
Our Share of Net Income (Loss):	2019	2018
712 Fifth Avenue ⁽¹⁾	\$-	\$-
111 Sutter Street	(872) ⁽⁴⁾	-
60 Wall Street ⁽²⁾	(149)	(73)
One Steuart Lane ⁽²⁾	(15)	(2)
Oder-Center, Germany ⁽²⁾	9	13
Loss from unconsolidated joint ventures	\$(1,027)	\$(62)

⁽¹⁾As of March 31, 2019, our basis in the partnership that owns 712 Fifth Avenue, was negative \$16,340 resulting from distributions made to us in excess of our share of earnings recognized. Accordingly, we no longer recognize our proportionate share of earnings from the venture because we have no further obligation to fund additional capital to the venture. Instead, we only recognize earnings to the extent we receive cash distributions from the venture.

⁽²⁾As of March 31, 2019, the carrying amount of our investments in 60 Wall Street, One Steuart Lane and Oder-Center is greater than our share of equity in these investments by \$2,760, \$935 and \$5,027, respectively, and primarily represents the unamortized portion of our capitalized acquisition costs. Basis differences allocated to depreciable assets are being amortized into “income from unconsolidated joint ventures” over the estimated useful life of the related assets.

⁽³⁾Represents RDF’s economic interest in One Steuart Lane.

⁽⁴⁾Represents our share of earnings from the date of acquisition through March 31, 2019.

PARAMOUNT GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

The following tables provide the combined summarized financial information of our unconsolidated joint ventures as of the dates and for the periods set forth below.

(Amounts in thousands)	As of	
Balance Sheets:	March 31,	December
	2019	31, 2018
Real estate, net	\$1,460,396	\$1,236,989
Intangible assets, net	106,781	97,658
Other assets	95,031	91,552
Total assets	\$1,662,208	\$1,426,199