UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2020
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: 1-13199 (SL Green Realty Corp.)

Commission File Number: 33-167793-02 (SL Green Operating Partnership, L.P.)

SL GREEN REALTY CORP.
SL GREEN OPERATING PARTNERSHIP, L.P.

(Exact name of registrant as specified in its charter)

SL Green Realty Corp.	**Maryland**	**13-3956775**
SL Green Operating Partnership, L.P.	**Delaware**	**13-3960938**
	(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

420 Lexington Avenue, New York, NY 10170
(Address of principal executive offices—Zip Code)

(212) 594-2700
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Registrant	Trading Symbol	Title of Each Class	Name of Each Exchange on Which Registered
SL Green Realty Corp.	SLG	Common Stock, $0.01 par value	New York Stock Exchange
SL Green Realty Corp.	SLG.PRI	6.500% Series I Cumulative Redeemable Preferred Stock, $0.01 par value	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

SL Green Realty Corp. Yes x No o SL Green Operating Partnership, L.P. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

SL Green Realty Corp. Yes o No x SL Green Operating Partnership, L.P. Yes o No x

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.

SL Green Realty Corp. Yes x No o SL Green Operating Partnership, L.P. Yes x No o

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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

SL Green Realty Corp. Yes x No o SL Green Operating Partnership, L.P. Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

SL Green Realty Corp. o SL Green Operating Partnership, L.P. o

Indicate by check mark whether the registrant is a large accelerated filer, an 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.

SL Green Realty Corp.

Large Accelerated Filer	x	Accelerated Filer	o
Non-Accelerated Filer	o		
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.	o
Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.	☒

SL Green Operating Partnership, L.P.

Large Accelerated Filer	o	Accelerated Filer	o
Non-accelerated filer	x		
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.	o
Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

SL Green Realty Corp. Yes ☐ No x SL Green Operating Partnership, L.P. Yes ☐ No x

The aggregate market value of the common stock held by non-affiliates of SL Green Realty Corp. (65,281,426 shares) was $3.3 billion based on the quoted closing price on the New York Stock Exchange for such shares on June 30, 2020.

As of February 25, 2021, 69,350,829 shares of SL Green Realty Corp.'s common stock, par value $0.01 per share, were outstanding. As of February 25, 2021, 1,025,366 common units of limited partnership interest of SL Green Operating Partnership, L.P. were held by non-affiliates. There is no established trading market for such units.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the SL Green Realty Corp.'s Proxy Statement for its 2021 Annual Stockholders' Meeting to be filed within 120 days after the end of the Registrant's fiscal year are incorporated by reference into Part III of this Annual Report on Form 10-K.

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2020 of SL Green Realty Corp. and SL Green Operating Partnership, L.P. Unless stated otherwise or the context otherwise requires, references to "SL Green Realty Corp.," the "Company" or "SL Green" mean SL Green Realty Corp. and its consolidated subsidiaries; and references to "SL Green Operating Partnership, L.P.," the "Operating Partnership" or "SLGOP" mean SL Green Operating Partnership, L.P. and its consolidated subsidiaries. The terms "we," "our" and "us" mean the Company and all the entities owned or controlled by the Company, including the Operating Partnership.

The Company is a Maryland corporation which operates as a self-administered and self-managed real estate investment trust, or REIT, and is the sole managing general partner of the Operating Partnership. As a general partner of the Operating Partnership, the Company has full, exclusive and complete responsibility and discretion in the day-to-day management and control of the Operating Partnership.

As of December 31, 2020, the Company owns 68,508,127 of the outstanding general and limited partnership units of the Operating Partnership. The Company also owns 9,200,000 Series I Preferred Units of the Operating Partnership. As of December 31, 2020, noncontrolling investors held, in aggregate, 3,938,823 limited partnership units in the Operating Partnership. We refer to these interests as the noncontrolling interests in the Operating Partnership.

The Company and the Operating Partnership are managed and operated as one entity. The financial results of the Operating Partnership are consolidated into the financial statements of the Company. The Company has no significant assets other than its investment in the Operating Partnership. Substantially all of our assets are held by, and our operations are conducted through, the Operating Partnership. Therefore, the assets and liabilities of the Company and the Operating Partnership are substantially the same.

Noncontrolling interests in the Operating Partnership, stockholders' equity of the Company and partners' capital of the Operating Partnership are the main areas of difference between the consolidated financial statements of the Company and those of the Operating Partnership. The common limited partnership interests in the Operating Partnership not owned by the Company are accounted as noncontrolling interests, within mezzanine equity, in the Company's and the Operating Partnership's consolidated financial statements.

We believe combining the annual reports on Form 10-K of the Company and the Operating Partnership into this single report results in the following benefits:

- Combined reports enhance investors' understanding of the Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- Combined reports eliminate duplicative disclosure and provides a more streamlined and readable presentation since a substantial portion of the Company's disclosure applies to both the Company and the Operating Partnership; and
- Combined reports create time and cost efficiencies through the preparation of one combined report instead of two separate reports.

To help investors understand the significant differences between the Company and the Operating Partnership, this report presents the following separate sections for each of the Company and the Operating Partnership:

- consolidated financial statements;
- the following notes to the consolidated financial statements:
  - Note 11, Noncontrolling Interests on the Company’s Consolidated Financial Statements;
  - Note 12, Stockholders' Equity of the Company; and
  - Note 13, Partners' Capital of the Operating Partnership;

This report also includes separate Part II, Item 5. Market for Registrants' Common Equity and Related Stockholder Matters and Issuer Purchases of Equity Securities, and Item 9A. Controls and Procedures sections and separate Exhibit 31 and 32 certifications for each of the Company and the Operating Partnership, respectively, in order to establish that the Chief Executive Officer and the Chief Financial Officer of the Company, in both their capacity as the principal executive officer and principal financial officer of the Company and the principal executive officer and principal financial officer of the general partner of the Operating Partnership, have made the requisite certifications and that the Company and the Operating Partnership are compliant with Rule 13a-15 and Rule 15d-15 of the Securities Exchange Act of 1934, as amended, or the Exchange Act.

On December 4, 2020 our Board of Directors declared an ordinary dividend and a special dividend (together, "the Total Dividend"). The Total Dividend was paid on January 15, 2021 to shareholders of record at the close of business on December

15, 2020 ("the Record Date"). Shareholders had the opportunity to elect to receive the Total Dividend in the form of all cash or all stock, subject to proration if either option was oversubscribed.

To mitigate the dilutive impact of the common stock issued in the special dividend, the board of directors also authorized a reverse stock split, which was effective after markets closed on January 20, 2021. On January 8, 2021, a committee of the Board of Directors calculated the ratio for the reverse stock split of our issued and outstanding shares of common stock as 1.02918-for-1. After the issuance of the dividend and the completion of the reverse stock split, the number of shares of our common stock outstanding was equivalent to the number of total shares outstanding on the Record Date (not including any issuances or repurchases that occurred following the Record Date, as well as any fractional shares that would have been issued but for which cash-in-lieu was paid). However, on a relative basis, some individual shareholders may have more shares of SLG's common stock, and some individual shareholders may have fewer shares of our common stock, depending on their individual elections to receive cash or stock and as a result of the cash option being oversubscribed.

All share-related references and measurements including the number of shares outstanding, share prices, number of shares repurchased, earnings per share, dividends per share, and share-based compensation awards, have been retroactively adjusted to reflect the reverse stock split for all periods presented in this Annual Report on Form 10-K.

SL GREEN REALTY CORP. AND SL GREEN OPERATING PARTNERSHIP, L.P.

TABLE OF CONTENTS

PART I

ITEM 1. BUSINESS

General

SL Green Realty Corp. is a self-managed real estate investment trust, or REIT, engaged in the acquisition, development, ownership, management and operation of commercial and residential real estate properties, principally office properties, located in the New York metropolitan area. We were formed in June, 1997 for the purpose of continuing the commercial real estate business of S.L. Green Properties, Inc., our predecessor entity. S.L. Green Properties, Inc., which was founded in 1980 by Stephen L. Green, who serves as a member and the chairman emeritus of the Company's board of directors, had been engaged in the business of owning, managing, leasing, and repositioning office properties in Manhattan, a borough of New York City.

As of December 31, 2020, we owned the following interests in properties in the New York metropolitan area, primarily in midtown Manhattan. Our investments located outside of Manhattan are referred to as the Suburban properties:

		Consolidated		Unconsolidated		Total		
Location	Property Type	Number of Properties	Approximate Square Feet	Number of Properties	Approximate Square Feet	Number of Properties	Approximate Square Feet	Weighted Average Occupancy(1)
Commercial:								
Manhattan	Office	18	10,681,045	11	11,841,483	29	22,522,528	92.4 %
	Retail	4	44,189	9	301,996	13	346,185	94.2 %
	Development/Redevelopment (1)	8	1,095,418	3	2,927,782	11	4,023,200	N/A
		30	11,820,652	23	15,071,261	53	26,891,913	92.5 %
Suburban	Office	7	862,800	—	—	7	862,800	83.3 %
Total commercial properties		37	12,683,452	23	15,071,261	60	27,754,713	92.1 %
Residential:								
Manhattan	Residential	1	82,250	8	1,663,774	9	1,746,024	75.7 %
Total portfolio		38	12,765,702	31	16,735,035	69	29,500,737	91.2 %

(1) The weighted average occupancy for commercial properties represents the total occupied square feet divided by total square footage at acquisition. The weighted average occupancy for residential properties represents the total occupied units divided by total available units.

As of December 31, 2020, we also managed two office buildings owned by third parties encompassing approximately 2.1 million square feet, and held debt and preferred equity investments with a book value of $1.1 billion, excluding $0.1 billion of debt and preferred equity investments and other financing receivables that are included in balance sheet line items other than the Debt and Preferred Equity Investments line item.

Our corporate offices are located in midtown Manhattan at 420 Lexington Avenue, New York, New York 10170. As of December 31, 2020, we employed 794 employees, 273 of whom were employed in our corporate offices. We can be contacted at (212) 594-2700. We maintain a website at *www.slgreen.com*. On our website, you can obtain, free of charge, a copy of our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we file such material electronically with, or furnish it to, the Securities and Exchange Commission, or the SEC. We have also made available on our website our audit committee charter, compensation committee charter, nominating and corporate governance committee charter, code of business conduct and ethics and corporate governance principles. We do not intend for information contained on our website to be part of this annual report on Form 10-K. The SEC maintains a website (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Unless the context requires otherwise, all references to the "Company," "SL Green," "we," "our" and "us" in this annual report means SL Green Realty Corp., a Maryland corporation, and one or more of its subsidiaries, including the Operating Partnership, or, as the context may require, SL Green only or the Operating Partnership only, and "S.L. Green Properties" means S.L. Green Properties, Inc., a New York corporation, as well as the affiliated partnerships and other entities through which Stephen L. Green historically conducted commercial real estate activities.

Corporate Structure

In connection with the Company's initial public offering, or IPO, in August 1997, the Operating Partnership received a contribution of interests in real estate properties as well as a 95% economic, non-voting interest in the management, leasing and construction companies affiliated with S.L. Green Properties. We refer to these management, leasing and construction entities, which are owned by S.L. Green Management Corp, as the "Service Corporation." The Company is organized so as to qualify, and has elected to qualify as a REIT, under the Internal Revenue Code of 1986, as amended, or the Code.

Substantially all of our assets are held by, and all of our operations are conducted through, the Operating Partnership. We are the sole managing general partner of the Operating Partnership, and as of December 31, 2020, we owned 94.71% of its economic interests. All of the management and leasing operations with respect to our wholly-owned properties are conducted through SL Green Management LLC, or Management LLC. The Operating Partnership owns 100% of Management LLC.

In order to maintain the Company's qualification as a REIT while realizing income from management, leasing and construction contracts with third parties and joint venture properties, all of these service operations are conducted through the Service Corporation, a consolidated variable interest entity. We, through our Operating Partnership, receive substantially all of the cash flow from the Service Corporation's operations. All of the voting common stock of the Service Corporation is held by an entity owned and controlled by Stephen L. Green, who serves as a member and as the chairman emeritus of the Company's board of directors.

Business and Growth Strategies

SL Green is Manhattan's largest owner of office real estate and an investment-grade, S&P 500 company that is focused primarily on the acquisition, development, ownership, management, operation and value maximization of Manhattan commercial properties.

Our core business is the ownership of high quality commercial properties and our primary business objective is to maximize the total return to stockholders, through net income attributable to common stockholders and funds from operations, or FFO, and through asset value appreciation. The commercial real estate expertise resulting from owning, operating, investing, developing, redeveloping and lending on real estate in Manhattan for over 40 years has enabled us to invest in a collection of premier office properties, selected retail and multifamily residential assets, and high-quality debt and preferred equity investments.

We are led by a strong, experienced management team that provides a foundation of skills in all aspects of real estate, including acquisitions, dispositions, management, leasing, development, redevelopment, and financing. It is with this team that we have achieved a market leading position in our targeted submarkets.

We seek to enhance the value of our company by executing strategies that include the following:

- Leasing and property management, which capitalizes on our extensive presence and knowledge of the marketplaces in which we operate;
- Acquiring properties and employing our local market skills to reposition these assets to create incremental cash flow and capital appreciation;
- Identifying properties well suited for development/redevelopment and maximizing the value of those properties through development/redevelopment or reconfiguration to match current workplace, retail and housing trends;
- Investing in debt and preferred equity positions that generate consistently strong risk-adjusted returns, increase the breadth of our market insight, foster key market relationships and source potential future investment opportunities;
- Executing dispositions through sales or joint ventures that harvest embedded equity which has been generated through management's value enhancing activities; and
- Maintaining a prudently levered, liquid balance sheet with consistent access to diversified sources of property level and corporate capital.

Leasing and Property Management

We seek to capitalize on our management's extensive knowledge of Manhattan and the New York metropolitan area and the needs of our tenants through proactive leasing and management programs, which include: (i) use of in-depth market experience resulting from managing and leasing tens of millions of square feet of office, retail and residential space since the Company was founded; (ii) careful tenant management, which results in a high tenant retention rate, long average lease terms and a manageable lease expiration schedule; (iii) utilization of an extensive network of third-party brokers to supplement our in-house leasing team; (iv) use of comprehensive building management analysis and planning; and (v) a commitment to tenant satisfaction by understanding and appreciating our tenant's businesses and the environment in which they are operating, while providing high quality tenant services at competitive rental rates.

Property Acquisitions

We acquire properties for long-term value appreciation and earnings growth. This strategy has resulted in capital gains that increase our investment capital base. In implementing this strategy, we continually evaluate potential acquisition opportunities. These opportunities may come from new properties as well as the acquisition of properties in which we already hold a joint venture interest or, from time to time, from our debt and preferred equity investments.

Through intimate knowledge of our markets we have developed an ability to source transactions with superior risk-adjusted returns by capturing off-market opportunities. In rising markets, we primarily seek to acquire strategic vacancies that provide the opportunity to take advantage of our exceptional leasing and repositioning capabilities to increase cash flow and property value. In stable or falling markets, we primarily target assets featuring credit tenancies with fully escalated in-place rents to provide cash flow stability near-term and the opportunity for increases over time.

We believe that we have many advantages over our competitors in acquiring core and non-core properties, both directly and through our joint venture program that includes a predominance of high quality institutional investors. Those advantages include: (i) senior management's long-tenured experience leading a full-service, fully-integrated real estate company focused, primarily, on the Manhattan market; (ii) the ability to offer tax-efficient structures to sellers through the exchange of ownership interests, including units in our Operating Partnership; and (iii) the ability to underwrite and close transactions on an expedited basis even when the transaction involves a complicated structure.

Property Dispositions

We continually evaluate our portfolio to identify those properties that are most likely to meet our long-term earnings and cash flow growth objectives and contribute to increasing portfolio value. Properties that no longer meet our objectives are evaluated for sale, or in certain cases, joint venture to release equity created through management's value enhancement programs or to take advantage of attractive market valuations.

We seek to efficiently deploy the capital proceeds generated from these dispositions into property acquisitions and debt and preferred equity investments that we expect will provide enhanced future capital gains and earnings growth opportunities. Management may also elect to utilize the capital proceeds from these dispositions to repurchase shares of our common stock, repay existing indebtedness of the Company or its subsidiaries, or increase cash liquidity.

Property Repositioning

Our extensive knowledge of the markets in which we operate and our ability to efficiently plan and execute capital projects provide the expertise to enhance returns by repositioning properties that are underperforming. Many of the properties we own or seek to acquire feature unique architectural design elements or other amenities and characteristics that can be appealing to tenants when fully exploited. Our strategic investment in these properties, combined with our active management and pro-active leasing, provide the opportunity to creatively meet market needs and generate favorable returns.

Development / Redevelopment

Our constant interactions with tenants and other market participants keep us abreast of innovations in workplace layout, store design and smart living. We leverage this information to identify properties primed for development or redevelopment to meet these demands and unlock value. The expertise and relationships that we have built from managing complex construction projects in New York City and its surrounding areas allow us to cost efficiently add new and renovated assets of the highest quality and desirability to our operating portfolio.

Debt and Preferred Equity Investments

We invest in well-collateralized debt and preferred equity investments in the markets in which we operate, primarily New York City, that generate attractive yields. See Note 5, "Debt and Preferred Equity Investments," in the accompanying consolidated financial statements. Knowledge of our markets and our leasing and asset management expertise provide underwriting capabilities that enable a highly educated assessment of risk and return. The benefits of this investment program, which has a carefully managed aggregate size, include the following:

- Our typical investments provide high current returns at conservative exposure levels and, in certain cases, the potential for future capital gains. Our expertise and operating capabilities provide both insight and operating skills that mitigate risk.
- In certain instances, these investments serve as a potential source of real estate acquisitions for us when a borrower seeks an efficient off-market transaction. Ownership knows that we are fully familiar with the asset through our existing investment, and that we can close more efficiently and quickly than others. Property owners may also provide us the opportunity to consider off-market transactions involving other properties because we have previously provided debt or preferred equity financing to them.
- These investments are concentrated in Manhattan, which helps us gain market insight, awareness of upcoming investment opportunities and foster key relationships that may provide access to future investment opportunities.

Capital Resources

Our objective is to maintain multiple sources of corporate and property level capital to obtain the most appropriate and lowest cost of capital. This objective is supported by:

- Property operations that generally provide stable cash flows through market cycles, long average lease terms, high credit quality tenants and superior leasing, operating and asset management skills;
- Concentration of our activities in a Manhattan market that is consistently attractive to property investors and lenders through market cycles relative to other markets;
- Maintaining strong corporate liquidity and careful management of future debt maturities; and
- Maintaining access to corporate capital markets through balanced financing and investment activities that result in strong balance sheet and cash flow metrics.

Manhattan Office Market Overview

Manhattan is the largest office market in the United States containing more rentable square feet than the next four largest central business district office markets combined. According to Cushman and Wakefield Research Services as of December 31, 2020, Manhattan has a total office inventory of approximately 404.7 million square feet, including approximately 248.6 million square feet in midtown. The properties in our portfolio are primarily concentrated in some of Manhattan's most prominent midtown locations.

While the near-term addition of new supply to the Manhattan office inventory is expected to be nominal relative to the size of the overall market, we view new supply as a positive to the Manhattan office market given the older vintage of the majority of Manhattan’s office inventory and the increasing desire of certain tenants to occupy new, high quality, efficient office space, which often isn’t available in older vintage properties.

According to Cushman and Wakefield Research Services the total volume of leases signed in Manhattan for the years ended December 31, 2020 and 2019 was 12.8 million and 34.7 million, respectively. Manhattan's diverse tenant base is exemplified by the following tables, which show the percentage of leasing volume attributable to each industry:

	Percent of Manhattan Leasing Volume (1)	
Industry	**2020**	**2019**
Technology, Advertising, Media, and Information ("TAMI")	32.9 %	38.
Financial Services	29.9 %	19.
Legal Services	11.4 %	7.
Real Estate	8.5 %	12.
Professional Services	6.6 %	6.
Retail/Wholesale	5.1 %	4.
Health Services	3.1 %	4.
Public Sector	1.5 %	3.
Other	1.0 %	3.

(1) Source: Cushman and Wakefield Research Services

General Terms of Leases in the Manhattan Markets

Leases entered into for space in Manhattan typically contain terms that may not be contained in leases in other U.S. office markets. The initial term of leases entered into for space in Manhattan is generally seven to fifteen years. Tenants leasing space in excess of 10,000 square feet for an initial term of 10 years or longer often will negotiate an option to extend the term of the lease for one or two renewal periods, typically for a term of five years each. The base rent during the initial term often will provide for agreed-upon periodic increases over the term of the lease. Base rent for renewal terms is most often based upon the then fair market rental value of the premises as of the commencement date of the applicable renewal term (generally determined by binding arbitration in the event the landlord and the tenant are unable to mutually agree upon the fair market value), though base rent for a renewal period may be set at 95% of the then fair market rent. Very infrequently, leases may contain termination options whereby a tenant can terminate the lease obligation before the lease expiration date upon payment of a penalty together with repayment of the unamortized portion of the landlord's transaction costs (e.g., brokerage commissions, free rent periods, tenant improvement allowances, etc.).

In addition to base rent, a tenant will generally also pay its pro rata share of increases in real estate taxes and operating expenses for the building over a base year, which is typically the year during which the term of the lease commences, based upon the tenant's proportionate occupancy of the building. In some smaller leases (generally less than 10,000 square feet), in lieu of paying additional rent based upon increases in building operating expenses, base rent will be increased each year during the lease term by a set percentage on a compounding basis (though the tenant will still pay its pro rata share of increases in real estate taxes over a base year).

Tenants typically receive a free rent period following commencement of the lease term, which in some cases may coincide with the tenant's construction period.

The landlord most often supplies electricity either on a sub-metered basis at the landlord's cost plus a fixed percentage or on a rent inclusion basis (i.e., a fixed fee is added to the base rent for electricity, which amount may increase based upon increases in electricity rates or increases in electrical usage by the tenant). Base building services, other than electricity, such as heat, air conditioning, freight elevator service during business hours and base building cleaning typically are provided at no additional cost, but are included in the building's operating expenses. The tenant will typically pay additional rent only for services which exceed base building services or for services which are provided other than during normal business hours.

In a typical lease for a new tenant renting in excess of 10,000 square feet, the landlord will deliver the premises with existing improvements demolished. In such instances, the landlord will typically provide a tenant improvement allowance, which is a fixed sum that the landlord makes available to the tenant to reimburse the tenant for all or a portion of the tenant's initial construction of its premises. Such sum typically is payable as work progresses, upon submission by the tenant of invoices for the cost of construction and lien waivers. However, in certain leases (most often for relatively small amounts of space), the landlord will construct the premises for the tenant at a cost to the landlord not to exceed an agreed upon amount with the tenant paying any amount in excess of the agreed upon amount. In addition, landlords may rent space to a tenant that is "pre-built" (i.e., space that was constructed by the landlord in advance of lease signing and is ready to for the tenant to move in with the tenant selecting paint and carpet colors).

Occupancy

The following table sets forth the weighted average occupancy rates at our office properties based on space leased for properties owned by us as of December 31, 2020:

	Percent Occupied as of December 31,	
Property	**2020**	**2019**
Same-Store office properties - Manhattan (1)	93.4%	96.2%
Manhattan office properties	92.4%	94.5%
Suburban office properties	83.3%	85.7%
Unconsolidated joint venture office properties	95.1%	93.9%
Portfolio (2)	91.2%	94.3%

(1) All office properties located in Manhattan owned by us at January 1, 2019 and still owned by us in the same manner at December 31, 2020. Percent Occupied includes leases signed but not yet commenced.
(2) Excludes properties under development.

Rent Growth

We are constantly evaluating our schedule of future lease expirations to mitigate occupancy risk while maximizing net effective rents. We proactively manage future lease expirations based on our view of estimated current and future market conditions and asking rents. The following table sets forth our future lease expirations, excluding triple net leases, and management's estimates of market asking rents. Taking rents are typically lower than asking rents and may vary from building to building. There can be no assurances that our estimates of market rents are accurate or that market rents currently prevailing will not erode or outperform in the future.

ANNUAL LEASE EXPIRATIONS - MANHATTAN OPERATING PROPERTIES

	Consolidated Properties						Joint Venture Properties					
Year of Lease Expiration	Number of Expiring Leases (2)	Rentable Square Footage of Expiring Leases	Percentage of Total Sq. Ft.	Annualized Cash Rent of Expiring Leases	Annualized Cash Rent Per Square Foot of Expiring Leases $/psf (3)	Current Weighted Average Asking Rent $/psf (4)	Number of Expiring Leases (2)	Rentable Square Footage of Expiring Leases	Percentage of Total Sq. Ft.	Annualized Cash Rent of Expiring Leases	Annualized Cash Rent Per Square Foot of Expiring Leases $/psf (3)	Current Weighted Average Asking Rent $/psf (4)
Total 2020 (1)	10	39,791	0.39 %	$2,786,310	$70.02	$68.01	5	22,736	0.20 %	$2,051,481	$90.23	$69.09
1st Quarter 2021	23	372,869	3.70 %	$20,910,116	$56.08	$60.31	4	13,810	0.12 %	$1,198,263	$86.77	$74.12
2nd Quarter 2021	31	264,490	2.62 %	15,162,408	57.33	60.64	7	467,241	4.05 %	36,691,298	78.53	80.96
3rd Quarter 2021	20	160,132	1.59 %	10,785,355	67.35	64.99	7	111,025	0.96 %	8,984,768	80.93	77.35
4th Quarter 2021	25	138,751	1.38 %	10,037,892	72.34	64.47	9	145,878	1.27 %	12,105,051	82.98	70.30
Total 2020	**99**	**936,242**	**9.29 %**	**$56,895,771**	**$60.77**	**$61.82**	**27**	**737,954**	**6.40 %**	**$58,979,380**	**$79.92**	**$78.18**
2022	87	762,956	7.57 %	$59,759,085	$78.33	$69.93	32	903,789	7.84 %	$84,918,914	$93.96	$88.19
2023	64	824,360	8.18 %	51,926,317	62.99	60.94	19	430,135	3.73 %	38,986,617	90.64	75.50
2024	46	355,038	3.52 %	27,105,523	76.35	68.16	26	991,216	8.60 %	107,848,342	108.80	80.45
2025	55	636,787	6.32 %	55,261,421	86.78	69.47	16	438,564	3.80 %	38,120,962	86.92	77.61
2026	45	966,125	9.59 %	66,402,593	68.73	63.64	27	552,407	4.79 %	54,855,563	99.30	93.73
2027	36	608,649	6.04 %	47,859,450	78.63	65.75	18	392,311	3.40 %	35,584,379	90.70	84.05
2028	34	613,768	6.09 %	45,120,014	73.51	68.46	17	195,351	1.69 %	21,333,861	109.21	91.35
2029	17	397,372	3.94 %	26,023,546	65.49	60.22	15	752,707	6.53 %	52,033,180	69.13	74.76
Thereafter	80	3,936,378	39.07 %	238,778,718	60.66	61.13	44	6,112,339	53.02 %	412,603,032	67.50	77.58
	573	**10,077,466**	**100.00 %**	**$677,918,748**	**$67.27**	**$63.58**	**246**	**11,529,509**	**100.00 %**	**$907,315,711**	**$78.70**	**$79.65**

NOTE: Data excludes space currently occupied by SL Green's corporate offices

(1) Includes month to month holdover tenants that expired prior to December 31, 2020.

(2) Tenants may have multiple leases.

(3) Represents in place annualized rent allocated by year of expiration.

(4) Management's estimate of current average asking rents for currently occupied space as of December 31, 2020. Taking rents are typically lower than asking rents and may vary from property to property.

Industry Segments

The Company is a REIT that is engaged in the acquisition, development, ownership, management and operation of commercial and residential real estate properties, principally office properties, located in the New York metropolitan area and has two reportable segments: real estate and debt and preferred equity investments. Our industry segments are discussed in Note 21, "Segment Information," in the accompanying consolidated financial statements.

At December 31, 2020, our real estate portfolio was primarily located in one geographical market, the New York metropolitan area. The primary sources of revenue are generated from tenant rents, escalations and reimbursement revenue. Real estate property operating expenses consist primarily of cleaning, security, maintenance, utility costs, real estate taxes and, at certain properties, ground rent expense. As of December 31, 2020, one tenant in our office portfolio, ViacomCBS Inc., contributed 5.7% of our share of annualized cash rent. No other tenant contributed more than 5.0% of our share of annualized cash rent. No property contributed in excess of 10.0% of our consolidated total revenue for 2020.

At December 31, 2020, we held debt and preferred equity investments with a book value of $1.1 billion, excluding $0.1 billion of debt and preferred equity investments and other financing receivables that are included in balance sheet line items other than the Debt and Preferred Equity Investments line item. At December 31, 2020, the assets underlying our debt and preferred equity investments were located in the New York metropolitan area. The primary sources of revenue are generated from interest and fee income.

Human Capital

Our employees are our most important asset. As we navigated through the challenges of COVID-19, we implemented new employee programs and physical office space enhancements to keep employees healthy, safe, and focused. Through the commitment of our employees, we remained operational for all tenants, including the essential businesses that fill our buildings. As a result of strategic changes to our corporate headquarters, along with employee-focused programs guided by employee input, we were the first employer in New York City to be able to return 100% of its employees to the office.

We are dedicated to creating a diverse workplace where employees feel valued and accepted regardless of race, color, religion, national origin, gender, sexual orientation, age, disability, or veteran status. We have a dual-track performance management program, which includes both ongoing goal setting and annual performance reviews for all employees. Communication, teamwork, and collaboration are the fundamental attributes that are the foundation of our company culture. We promote the professional development of our employees by offering opportunities to participate in trainings and continuing education programs. We also offer a leading benefits package that includes extensive medical coverage, mental health and wellness services, paternal benefits, and financial resources.

Our compensation program is designed to incentivize employees by offering competitive compensation comprised of fixed and variable pay including base salaries and cash bonuses. Several of our employees also receive equity awards that are subject to vesting over a multi-year period based on continued service. We believe these equity awards serve as an additional retention tool for our employees. By cultivating a work culture that prioritizes our people through training, diversity, education, and volunteerism, we have been able to retain a long-tenured staff with 61% of current employees remaining on board for five years or more.

At December 31, 2020, we employed 794 employees, 273 of whom were employed in our corporate offices. There are currently six collective bargaining agreements which cover the union workforce that services substantially all of our properties.

Highlights from 2020

Our significant achievements from 2020 included:

Corporate

- Declared a special dividend paid primarily in stock and authorized a reverse stock split to mitigate the dilutive impact of the special dividend with a ratio of 1.02918-for-1. These transactions were completed in January 2021. All share-related references and measurements in this report including the number of shares outstanding, share prices, number of shares repurchased, earnings per share, dividends per share, and share-based compensation awards, have been retroactively adjusted to reflect the reverse stock split for all periods presented in this Annual Report.
- Repurchased 8.5 million shares of our common stock under our share repurchase program at an average price of $58.90 per share and increased the size of our share repurchase program by $500 million to $3.5 billion. From program inception through December 31, 2020, we have repurchased a cumulative total of 31.5 million shares of our common stock under the program at an average price of $88.39 per share.

Leasing

- Signed 125 Manhattan office leases covering approximately 1.2 million square feet. The mark-to-market on signed Manhattan office leases was 3.6% lower in 2020 than the previously fully escalated rents on the same spaces.
- Reached 73% leased at One Vanderbilt Avenue as of January 2021 after signing new leases with Walker & Dunlop, LLC; Heidrick & Struggles, International; 1Life Healthcase, Inc. d/b/a One Medical; Hodges Ward Elliot; InTandem Capital Partners; Sagewind Capital LLC; and a financial services firm; as well as a lease expansion with Oak Hill Advisors.
- Signed a lease renewal with Travelers Indeminity Company for 133,479 square feet at 485 Lexington Avenue.

Acquisitions

- Closed on the acquisition of 707 Eleventh Avenue for a gross purchase price of $90.0 million.
- Entered into a 99-year ground lease of 15 Beekman and completed the capitalization of a 100% pre-committed development for Pace University by entering into a partnership with a real estate fund managed by Meritz Alternative Investment Management, which holds an 80% interest in the joint venture, and closing on a $125.0 million construction facility. The Company retained a 20% interest in the joint venture and oversight of the development.
- Took possession of 590 Fifth Avenue at a gross asset valuation of $107.2 million.This property previously served as collateral for a debt and preferred equity investment and was acquired through a negotiated transaction with the sponsor of the investment

Dispositions

- Together with our partners, closed on the sale of 410 Tenth Avenue for gross consideration of $952.5 million.
- Closed on the sale of two retail condominiums in Williamsburg, Brooklyn, for a gross sales price of $32.0 million.
- Closed on the sale of 1055 Washington Boulevard in Stamford, Connecticut, for a gross sales price of $23.8 million.
- Closed on the sale of 1010 Washington Boulevard in Stamford, Connecticut, for a gross sales price of $23.1 million.
- Together with our partner, closed on the sale of 400 East 58th Street for a gross sales price of $62.0 million.
- Closed on the sale of a 49.5% interest in One Madison Avenue to the National Pension Service of Korea and Hines Interest LP. These partners have committed aggregate equity to the project totaling no less than $492.2 million. The

Company and Hines Interest LP will co-develop the $2.3 billion project, which will span 1.4 million rentable square feet upon completion.

- Closed on the sale of the retail condominium at 609 Fifth Avenue for a gross sales price of $168.0 million.
- Closed on the sale of 315 West 33rd Street, known as The Olivia, and an adjacent undeveloped parcel of land, for a sale price of $446.5 million. The transaction included a $100 million preferred equity investment by the Company.

Debt and Preferred Equity Investments

- Originated and retained, or acquired, $0.6 billion in debt and preferred equity investments, inclusive of advances under future funding obligations, discount and fee amortization, and paid-in-kind interest, net of premium amortization, and recorded $1.0 billion of proceeds from sales, repayments and participations.

Finance

- Together with our joint venture partners, closed on a new $1.25 billion construction facility for One Madison Avenue. The facility has a term of up to 6 years and bears interest at a floating rate of 3.35% over LIBOR, with the ability to reduce the spread to as low as 2.50% upon achieving certain pre-leasing and completion milestones.
- Together with our joint venture partner, closed on the early refinancing of 100 Park Avenue. The new $360.0 million mortgage has a term of up to 5 years and bears interest at a floating rate of 2.25% over LIBOR.
- Together with our partners, closed on a new $600.0 million construction facility for 410 Tenth Avenue, replacing the previous $465.0 million construction facility that was put in place in 2019. The Company and its partners subsequently closed on the sale of this property for gross consideration of $952.5 million.
- Closed on a $510.0 million mortgage financing of 220 East 42nd Street, also known as the New Building. The new mortgage has a 3-year term, with two one-year extension options and bears interest at a floating rate of 2.75% per annum over LIBOR.
- Together with our partner, closed on the refinancing of 10 East 53rd Street. The new $220.0 million mortgage replaces the previous $170.0 million mortgage, has a 5-year term, and bears interest at a floating rate of 1.35% over LIBOR.

ITEM 1A. RISK FACTORS

The COVID-19 pandemic and health and safety measures intended to reduce its spread could adversely affect our business, results of operations, and financial condition.

The COVID-19 pandemic has caused, and continues to cause, severe disruptions with wide ranging impacts to the global economy and everyday life. We expect that our business, results of operations, liquidity, cash flows, prospects, and our ability to achieve forward-looking targets and expectations could be materially and adversely affected for at least the duration of the COVID-19 pandemic and likely longer. This could also cause significant volatility in the trading prices of our securities. The extent of the impact of the COVID-19 pandemic will depend on future developments, including the duration, severity and spread of the pandemic, health and safety actions taken to contain its spread and how quickly and to what extent normal economic and operating conditions can resume. Additionally, the COVID-19 pandemic could increase the magnitude of many of the other risks described in this Annual Report on Form 10-K and our other SEC filings and may have other adverse effects on our operations that we are not currently able to predict.

The scale and magnitude of adverse impacts could depend on, among other factors:

- the financial condition of our tenants and their ability or willingness to pay rent in full on a timely basis;
- the impact on rents and demand for office and retail space;
- the extent to which work-from-home policies continue subsequent to the easing of pandemic-related restrictions;
- the impact of new regulations or norms on physical space needs and expectations;
- the financial condition of the borrowers and sponsors of our debt and preferred equity investments and their ability or willingness to make interest and principal payments;
- the effectiveness of governmental measures aimed at slowing and containing the spread;
- the effect of changes in laws and regulation;
- the extent and terms associated with governmental relief programs;
- the ability of debt and equity markets to function and provide liquidity; and
- the ability to mitigate delays or cost increases associated with building materials or construction services necessary for development, redevelopment and tenant improvements

Declines in the demand for office space in the New York metropolitan area, and in particular midtown Manhattan, could adversely affect the value of our real estate portfolio and our results of operations and, consequently, our ability to service current debt and to pay dividends and distributions to security holders.

The majority of our property holdings are comprised of commercial office properties located in midtown Manhattan. Our property holdings also include some retail properties and multifamily residential properties. As a result of the concentration of our holdings, our business is dependent on the condition of the New York metropolitan area economy in general and the market for office space in midtown Manhattan in particular. Future weakness and uncertainty in the New York metropolitan area economy could materially reduce the value of our real estate portfolio and our rental revenues, and thus adversely affect our cash flow and our ability to service current debt and to pay dividends and distributions to security holders.

We may be unable to renew leases or relet space as leases expire.

If tenants decide not to renew their leases upon expiration, we may not be able to relet the space. Even if tenants do renew or we can relet the space, the terms of a renewal or new lease, taking into account among other things, the cost of improvements to the property and leasing commissions, may be less favorable than the terms in the expired leases. As of December 31, 2020, approximately 35.3% of the rentable square feet at our consolidated properties and approximately 30.6% of the rentable square feet at our unconsolidated joint venture properties are scheduled to expire by December 31, 2025. As of December 31, 2020, these leases had annualized escalated rent totaling $253.7 million and $330.9 million, respectively. In addition, changes in space utilization by tenants may cause us to incur substantial costs in renovating or redesigning the internal configuration of the relevant property in order to renew or relet space. If we are unable to promptly renew the leases or relet the space at similar rates or if we incur substantial costs in renewing or reletting the space, our cash flow and ability to service debt obligations and pay dividends and distributions to security holders could be adversely affected.

We face significant competition for tenants.

The leasing of real estate is highly competitive. The principal competitive factors are rent, location, lease term, lease concessions, services provided and the nature and condition of the property to be leased. We directly compete with all owners, developers and operators of similar space in the areas in which our properties are located.

Our commercial office properties are concentrated in highly developed areas of the New York metropolitan area. Manhattan is the largest office market in the United States. The number of competitive office properties in the New York metropolitan area, which may be newer or better located than our properties, could have a material adverse effect on our ability to lease office space at our properties, and on the effective rents we are able to charge.

The expiration of long term leases or operating sublease interests where we do not own a fee interest in the land could adversely affect our results of operations.

Our interests in certain properties are entirely or partially comprised of either long-term leasehold or operating sublease interests in the land and the improvements, rather than by ownership of fee interest in the land. As of December 31, 2020, the expiration dates of these long-term leases range from 2043 to 2119, including the effect of our unilateral extension rights at each of these properties. Pursuant to the leasehold arrangements, we, as tenant under the long-term leasehold or the operating sublease, perform the functions traditionally performed by landlords with respect to our subtenants. We are responsible for not only collecting rent from our subtenants, but also maintaining the property and paying expenses relating to the property. Annualized cash rents, including our share of joint venture annualized cash rents, from properties held through long-term leases or operating sublease interests at December 31, 2020 totaled $318.1 million, or 24.8%, of our share of total Portfolio annualized cash rent. Unless we purchase a fee interest in the underlying land or extend the terms of these leases prior to expiration, we will no longer operate these properties upon expiration of the leases, which could adversely affect our financial condition and results of operations. Rent payments under leasehold or operating sublease interests are adjusted, within the parameters of the contractual arrangements, at certain intervals. Rent adjustments may result in higher rents that could adversely affect our financial condition and results of operation.

We rely on five large properties for a significant portion of our revenue.

Five of our properties, 1185 Avenue of the Americas, 11 Madison Avenue, 420 Lexington Avenue, 1515 Broadway, and 220 East 42nd Street accounted for 35.1% of our Portfolio annualized cash rent, which includes our share of joint venture annualized cash rent, as of December 31, 2020.

Our revenue and cash available to service debt obligations and for distribution to our stockholders would be materially adversely affected if any of these properties were materially damaged or destroyed. Additionally, our revenue and cash available to service debt obligations and for distribution to our stockholders would be materially adversely affected if tenants at these properties fail to timely make rental payments due to adverse financial conditions or otherwise, default under their leases or file for bankruptcy or become insolvent.

Our results of operations rely on major tenants and insolvency or bankruptcy of these or other tenants could adversely affect our results of operations.

Giving effect to leases in effect as of December 31, 2020 for consolidated properties and unconsolidated joint venture properties, as of that date, our five largest tenants, based on annualized cash rent, accounted for 16.0% of our share of Portfolio annualized cash rent, with one tenant, Viacom CBS, Inc., accounting for 5.6% of our share of Portfolio annualized cash rent, respectively. Our business and results of operations would be adversely affected if any of our major tenants became insolvent, declared bankruptcy, or otherwise refused to pay rent in a timely fashion or at all. In addition, if business conditions in the industries in which our tenants are concentrated deteriorate, or economic volatility has a disproportionate impact on our tenants, we may experience increases in past due accounts, defaults, lower occupancy and reduced effective rents across tenants in such industries, which could in turn have an adverse effect on our business and results of operations.

Construction is in progress at our development projects

The Company's development projects are subject to internal and external factors which may affect construction progress. Unforeseen matters could delay completion, result in increased costs or otherwise have a material effect on our results of operations. In addition, the extended time frame to complete these projects could cause them to be subject to shifts and trends in the real estate market which may not be consistent with our current business plans for the properties.

We are subject to risks that affect the retail environment.

While only 5.0% of our Portfolio annualized cash rent is generated by retail properties, principally in Manhattan, we are subject to risks that affect the retail environment generally, including the level of consumer spending and preferences, consumer confidence, electronic retail competition, levels of tourism in Manhattan, and governmental measures aimed at slowing the spread of COVID-19. These factors could adversely affect the financial condition of our retail tenants and the willingness of retailers to lease space in our retail properties, which could in turn have an adverse effect on our business and results of operations.

We are subject to the risk of adverse changes in economic and geopolitical conditions in general and the commercial office markets in particular

Our business may be affected by volatility in the financial and credit markets and other market, economic, or political challenges experienced by the U.S. economy or the real estate industry as a whole, including changes in law and policy and uncertainty in connection with any such changes. Future periods of economic weakness or volatility could result in reduced access to credit and/or wider credit spreads. Economic or political uncertainty, including concern about growth and the stability of the markets generally and changes in the federal interest rates, may lead many lenders and institutional investors to reduce and, in some cases, cease to provide funding to borrowers, which could adversely affect our liquidity and financial condition, and the liquidity and financial condition of our tenants. Specifically, our business may be affected by the following conditions:

- significant job losses or declining rates of job creation which may decrease demand for office space, causing market rental rates and property values to be negatively impacted;
- our ability to borrow on terms and conditions that we find acceptable, which could reduce our ability to pursue acquisition and development opportunities and refinance existing debt, reducing our returns from both our existing operations and our acquisition and development activities and increasing our future interest expense; and
- reduced values of our properties, which may limit our ability to dispose of assets at attractive prices or to obtain debt financing secured by our properties and may reduce the availability of unsecured loans.

Leasing office space to smaller and growth-oriented businesses could adversely affect our cash flow and results of operations.

Some of the tenants in our properties are smaller, growth-oriented businesses that may not have the financial strength of larger corporate tenants. Smaller companies generally experience a higher rate of failure than larger businesses. Growth-oriented firms may also seek other office space as they develop. Leasing office space to these companies could create a higher risk of tenant defaults, turnover and bankruptcies, which could adversely affect our cash flow and results of operations.

We may suffer adverse consequences if our revenues decline since our operating costs do not decline in proportion to our revenue.

We earn a significant portion of our income from renting our properties. Our operating costs, however, do not necessarily fluctuate in direct proportion to changes in our rental revenue. If revenues decline more than expenses, we may be forced to borrow to cover our costs, we may incur losses or we may not have cash available to service our debt and to pay dividends and distributions to security holders.

Competition for acquisitions may reduce the number of acquisition opportunities available to us and increase the costs of those acquisitions.

We may acquire properties when we are presented with attractive opportunities. We may face competition for acquisition opportunities from other investors, particularly those investors who are willing to incur more leverage, and this competition may adversely affect us by subjecting us to the following risks:

- an inability to acquire a desired property because of competition from other well-capitalized real estate investors, including publicly traded and privately held REITs, private real estate funds, domestic and foreign financial institutions, life insurance companies, sovereign wealth funds, pension trusts, partnerships and individual investors; and
- an increase in the purchase price for such acquisition property.

If we are unable to successfully acquire additional properties, our ability to grow our business could be adversely affected.

We face risks associated with property acquisitions.

Our acquisition activities may not be successful if we are unable to meet required closing conditions or unable to finance acquisitions and developments of properties on favorable terms or at all. Additionally, we have less visibility into the future performance of acquired properties than properties that we have owned for a period of time, and therefore, recently acquired properties may not be as profitable as our existing portfolio.

Further, we may acquire properties subject to both known and unknown liabilities and without any recourse, or with only limited recourse to the seller. As a result, if a liability were asserted against us arising from our ownership of those properties, we might have to pay substantial sums to settle it, which could adversely affect our cash flow. Unknown liabilities with respect to properties acquired might include:

- claims by tenants, vendors or other persons arising from dealing with the former owners of the properties;

- liabilities incurred in the ordinary course of business;
- claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties; and
- liabilities for clean-up of undisclosed environmental contamination.

Limitations on our ability to sell or reduce the indebtedness on specific properties could adversely affect the value of our common stock.

In connection with past and future acquisitions of interests in properties, we have or may agree to restrictions on our ability to sell or refinance the acquired properties for certain periods. These limitations could result in us holding properties which we would otherwise sell, or prevent us from paying down or refinancing existing indebtedness, any of which may have adverse consequences on our business and result in a material adverse effect on our financial condition and results of operations.

Potential losses may not be covered by insurance.

We maintain “all-risk” property and rental value coverage (including coverage regarding the perils of flood, earthquake and terrorism, excluding nuclear, biological, chemical, and radiological terrorism ("NBCR")) within three property insurance programs and liability insurance. Separate property and liability coverage may be purchased on a stand-alone basis for certain assets, such as the development of One Vanderbilt. Additionally, one of our captive insurance companies, Belmont Insurance Company, or Belmont, provides coverage for NBCR terrorist acts above a specified trigger. Belmont's retention is reinsured by our other captive insurance company, Ticonderoga Insurance Company ("Ticonderoga"). If Belmont or Ticonderoga are required to pay a claim under our insurance policies, we would ultimately record the loss to the extent of required payments. There is no assurance that in the future we will be able to procure coverage at a reasonable cost. Further, if we experience losses that are uninsured or that exceed policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. Additionally, our debt instruments contain customary covenants requiring us to maintain insurance and we could default under our debt instruments if the cost and/or availability of certain types of insurance make it impractical or impossible to comply with such covenants relating to insurance. Belmont and Ticonderoga provide coverage solely on properties owned by the Company or its affiliates.

Furthermore, with respect to certain of our properties, including properties held by joint ventures or subject to triple net leases, insurance coverage is obtained by a third-party and we do not control the coverage. While we may have agreements with such third parties to maintain adequate coverage and we monitor these policies, such coverage ultimately may not be maintained or adequately cover our risk of loss.

The occurrence of a terrorist attack may adversely affect the value of our properties and our ability to generate cash flow.

Our operations are primarily concentrated in the New York metropolitan area. In the aftermath of a terrorist attack or other acts of terrorism or war, tenants in the New York metropolitan area may choose to relocate their business to less populated, lower-profile areas of the United States that those tenants believe are not as likely to be targets of future terrorist activity. In addition, economic activity could decline as a result of terrorist attacks or other acts of terrorism or war, or the perceived threat of such acts. Each of these impacts could in turn trigger a decrease in the demand for space in the New York metropolitan area, which could increase vacancies in our properties and force us to lease our properties on less favorable terms. While under the Terrorism Risk Insurance Program Reauthorization Act of 2019, insurers must make terrorism insurance available under their property and casualty insurance policies, this legislation does not regulate the pricing of such insurance. The absence of affordable terrorism insurance coverage may adversely affect the general real estate lending market, lending volume and the market's overall liquidity and, in the event of an uninsured loss, we could lose all or a portion of our assets. Furthermore, we may also experience increased costs in relation to security equipment and personnel. As a result, the value of our properties and our results of operations could materially decline.

We face possible risks associated with the natural disasters and the effects of climate change.

We are subject to risks associated with natural disasters and the effects of climate change, which can include storms, hurricanes and flooding, any of which could have a material adverse effect on our properties, operations and business. To the extent climate change causes changes in weather patterns, our markets could experience increases in storm intensity and rising sea-levels. Over time, these conditions could result in declining demand for office space in our buildings or the inability of us to operate the buildings at all. Climate change may also have indirect effects on our business by increasing the cost of (or making unavailable) property insurance on terms we find acceptable, increasing the cost of energy at our properties and requiring us to expend funds as we seek to repair and protect our properties against such risks. Climate change may have a material adverse effect on our properties, operations or business.

We face potential conflicts of interest.

There are potential conflicts of interest between us and Stephen L. Green.

There is a potential conflict of interest relating to the disposition of certain property contributed to us by Stephen L. Green and affiliated entities in our initial public offering. Mr. Green serves as a member and as the chairman emeritus of our board of directors. If we sell a property in a transaction in which a taxable gain is recognized, for tax purposes the built-in gain would be allocated solely to him and not to us. As a result, Mr. Green has a conflict of interest if the sale of a property he contributed is in our best interest but not his.

In addition, Mr. Green's tax basis includes his share of debt, including mortgage indebtedness, owed by the Operating Partnership. If the Operating Partnership were to retire such debt, then he would experience a decrease in his share of liabilities, which, for tax purposes, would be treated as a distribution of cash to him. To the extent the deemed distribution of cash exceeded his tax basis, he would recognize gain. As a result, Mr. Green has a conflict of interest if the refinancing of indebtedness is in our best interest but not his.

Members of management may have a conflict of interest over whether to enforce terms of agreements with entities which Mr. Green, directly or indirectly, has an affiliation.

Alliance Building Services, or Alliance, and its affiliates are partially owned by Gary Green, a son of Stephen L. Green, who serves as a member and as the chairman emeritus of our board of directors, and provide services to certain properties owned by us. Alliance’s affiliates include First Quality Maintenance, L.P., or First Quality, Classic Security LLC, Bright Star Couriers LLC and Onyx Restoration Works, and provide cleaning, extermination, security, messenger, and restoration services, respectively. In addition, First Quality has the non-exclusive opportunity to provide cleaning and related services to individual tenants at our properties on a basis separately negotiated with any tenant seeking such additional services. The Service Corporation has entered into an arrangement with Alliance whereby it will receive a profit participation above a certain threshold for services provided by Alliance to certain tenants at certain buildings above the base services specified in their lease agreements.

Our company and our tenants accounted for 15.01% of Alliance's 2020 estimated total revenue, based on information provided to us by Alliance. While we believe that the contracts pursuant to which these services are provided were the result of arm's length negotiations, there can be no assurance that the terms of such agreements, or dealings between the parties during the performance of such agreements, will be as favorable to us as those which could be obtained from unaffiliated third parties providing comparable services under similar circumstances.

RISKS RELATED TO OUR LIQUIDITY AND CAPITAL RESOURCES

Debt financing, financial covenants, degree of leverage, and increases in interest rates could adversely affect our economic performance.

Scheduled debt payments could adversely affect our results of operations.

Cash flow could be insufficient to meet the payments of principal and interest required under our current mortgages, our 2017 credit facility, our senior unsecured notes, our debentures and indebtedness outstanding at our joint venture properties. The total principal amount of our outstanding consolidated indebtedness was $5.0 billion as of December 31, 2020, consisting of $1.5 billion in unsecured bank term loans (or "Term Loan A" and "Term Loan B"), $1.3 billion under our senior unsecured notes, $0.1 billion of junior subordinated deferrable interest debentures, $2.0 billion of non-recourse mortgages and loans payable on certain of our properties and debt and preferred equity investments, $110.0 million drawn under our revolving credit facility, and $26.0 million of outstanding letters of credit. In addition, we could increase the amount of our outstanding consolidated indebtedness in the future, in part by borrowing under the revolving credit facility portion of our 2017 credit facility. As of December 31, 2020, the total principal amount of non-recourse indebtedness outstanding at the joint venture properties was $9.9 billion, of which our proportionate share was $4.7 billion. As of December 31, 2020, we had no recourse indebtedness outstanding at our unconsolidated joint venture properties.

If we are unable to make payments under our 2017 credit facility, all amounts due and owing at such time shall accrue interest at a per annum rate equal to 2% higher than the rate applicable immediately prior to the default. If we are unable to make payments under our senior unsecured notes, the principal and unpaid interest will become immediately payable. If a property is mortgaged to secure payment of indebtedness and we are unable to meet mortgage payments, the mortgagee could foreclose on the property, resulting in loss of income and asset value. Foreclosure on mortgaged properties or an inability to make payments under our 2017 credit facility or our senior unsecured notes could trigger defaults under the terms of our other financings, making such financings at risk of being declared immediately payable, and would have a negative impact on our financial condition and results of operations.

We may not be able to refinance existing indebtedness, which may require substantial principal payments at maturity. $284.5 million of consolidated mortgage debt and $1.1 billion of unconsolidated joint venture debt is scheduled to mature in 2021 after giving effect to our as-of-right extension options and repayments and refinancing of consolidated and joint venture debt between December 31, 2020 and February 25, 2021 as discussed in the "Financial Statements and Supplementary Data" section. At the present time, we intend to repay, refinance, or exercise extension options on the debt associated with our properties on or prior to their respective maturity dates. At the time of refinancing, prevailing interest rates or other factors, such as the possible reluctance of lenders to make commercial real estate loans, may result in higher interest rates. Increased interest expense on the extended or refinanced debt would adversely affect cash flow and our ability to service debt obligations and pay dividends and distributions to security holders. If any principal payments due at maturity cannot be repaid, refinanced or extended, our cash flow will not be sufficient to repay maturing or accelerated debt.

Financial covenants could adversely affect our ability to conduct our business.

The mortgages and mezzanine loans on our properties generally contain customary negative covenants that limit our ability to further mortgage the properties, to enter into material leases without lender consent or materially modify existing leases, among other things. In addition, our 2017 credit facility and senior unsecured notes contain restrictions and requirements on our method of operations. Our 2017 credit facility and our unsecured notes also require us to maintain designated ratios, including but not limited to, total debt-to-assets, debt service coverage and unencumbered assets-to-unsecured debt. These restrictions could adversely affect operations (including reducing our flexibility and our ability to incur additional debt), our ability to pay debt obligations and our ability to pay dividends and distributions to security holders.

Rising interest rates could adversely affect our cash flow.

Advances under our 2017 credit facility and certain property-level mortgage debt bear interest at a variable rate. Our consolidated variable rate borrowings totaled $1.8 billion at December 31, 2020. In addition, we could increase the amount of our outstanding variable rate debt in the future, in part by borrowing additional amounts under our 2017 credit facility. Borrowings under our revolving credit facility and term loans bore interest at the 30-day LIBOR, plus spreads of 100 basis points, 110 basis points, and 100 basis points, respectively, at December 31, 2020. As of December 31, 2020, borrowings under our term loans and junior subordinated deferrable interest debentures totaled $1.5 billion and $100.0 million, respectively. We may incur indebtedness in the future that also bears interest at a variable rate or may be required to refinance our debt at higher rates. At December 31, 2020, a hypothetical 100 basis point increase in interest rates across each of our variable interest rate instruments, including our variable rate debt and preferred equity investments which mitigate our exposure to interest rate changes, would increase our net annual interest costs by $14.0 million and would increase our share of joint venture annual interest costs by $20.6 million. Our joint ventures may also incur variable rate debt and face similar risks. Accordingly, increases in interest rates could adversely affect our results of operations and financial conditions and our ability to continue to pay dividends and distributions to security holders.

The planned phasing out of LIBOR after 2021 may affect our financial results.

The chief executive of the United Kingdom Financial Conduct Authority ("FCA"), which regulates LIBOR, has announced that the FCA intends to stop compelling banks to submit rates for the calculation of certain LIBOR after 2021. In November 2020, ICE Benchmark Administration, the administrator of LIBOR, with the support of the Federal Reserve Board and the FCA, announced plans to extend the publication of certain USD LIBOR settings until June 30, 2023. It is not possible to predict the effect of these changes or the establishment of alternative reference rates.

The Alternative Reference Rate Committee ("ARRC"), a committee convened by the Federal Reserve that includes major market participants, and on which the SEC staff and other regulators participate, has proposed an alternative rate, the Secured Overnight Financing Rate (“SOFR”), to replace U.S. Dollar LIBOR. Any changes announced by the FCA, ARRC, other regulators or any other successor governance or oversight body, or future changes adopted by such body, in the method pursuant to which U.S. Dollar LIBOR, SOFR, or any other alternative rates are determined may result in a sudden or prolonged increase or decrease in the reported LIBOR rates. If that were to occur, the levels of interest payments we incur and interest payments we receive may change. It is also uncertain whether SOFR or any other alternative rate will gain market acceptance. In addition, although certain of our LIBOR based obligations and investments provide for alternative methods of calculating the interest rate if LIBOR is not reported, uncertainty as to the extent and manner of future changes may result in interest rates and/or payments that are higher than, lower than or that do not otherwise correlate over time with the interest rates and/or payments that would have been made on our obligations if LIBOR rate was available in its current form. We may also need to renegotiate our LIBOR based obligations, which we may not be successful in doing on a timely basis or on terms acceptable to us.

Failure to hedge effectively against interest rate changes may adversely affect results of operations.

The interest rate hedge instruments we use to manage some of our exposure to interest rate volatility involve risk and counterparties may fail to perform under these arrangements. In addition, these arrangements may not be effective in reducing our exposure to interest rate changes and when existing interest rate hedges terminate, we may incur increased costs in putting in place further interest rate hedges. Failure to hedge effectively against interest rate changes may adversely affect our results of operations.

Increases in our leverage could adversely affect our stock price.

Our organizational documents do not contain any limitation on the amount of indebtedness we may incur. We consider many factors when making decisions regarding the incurrence of indebtedness, such as the purchase price of properties to be acquired with debt financing, the estimated market value of our properties and the ability of particular properties and our business as a whole to generate cash flow to cover expected debt service. Any changes that increase our leverage could be viewed negatively by investors. As a result, our stock price could decrease.

A downgrade in our credit ratings could materially adversely affect our business and financial condition.

Our credit rating and the credit ratings assigned to our debt securities and our preferred stock could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies, and any rating could be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant such action. If any of the credit rating agencies that have rated our securities downgrades or lowers its credit rating, or if any credit rating agency indicates that it has placed any such rating on a “watch list” for a possible downgrading or lowering, or otherwise indicates that its outlook for that rating is negative, such action could have a material adverse effect on our costs and availability of funding, which could in turn have a material adverse effect on our financial condition, results of operations, cash flows, the trading price of our securities and our ability to satisfy our debt service obligations and to pay dividends and distributions to security holders.

Debt and preferred equity investments could cause us to incur expenses, which could adversely affect our results of operations.

We held first mortgages, mezzanine loans, junior participations and preferred equity interests with an aggregate net book value of $1.1 billion at December 31, 2020. Some of these instruments may have some recourse to their sponsors, while others are limited to the collateral securing the loan. In the event of a default under these obligations, we may have to take possession of the collateral securing these interests. Borrowers may contest enforcement of foreclosure or other remedies, seek bankruptcy protection against such enforcement and/or bring claims for lender liability in response to actions to enforce their obligations to us. Declines in the value of the property may prevent us from realizing an amount equal to our investment upon foreclosure or realization even if we make substantial improvements or repairs to the underlying real estate in order to maximize such property's investment potential. In addition, we may invest in mortgage-backed securities and other marketable securities.

Our debt and preferred equity investments are carried at the net amounts expected to be collected. We maintain and regularly evaluate the need for reserves to protect against potential future credit losses. Our reserves reflect management's judgment of the probability and severity of losses and the value of the underlying collateral. We cannot be certain that our judgment will prove to be correct and that our reserves will be adequate over time to protect against future credit losses because of unanticipated adverse changes in the economy or events adversely affecting specific properties, assets, tenants, borrowers, industries in which our tenants and borrowers operate or markets in which our tenants and borrowers or their properties are located. The ultimate resolutions may differ from our expectation, and we could suffer losses which would have a material adverse effect on our financial performance, the market prices of our securities and our ability to pay dividends and distributions to security holders.

Joint investments could be adversely affected by our lack of sole decision-making authority and reliance upon a co-venturer's financial condition.

We co-invest with third parties through partnerships, joint ventures, co-tenancies or other structures, and by acquiring non-controlling interests in, or sharing responsibility for managing the affairs of, a property, partnership, joint venture, co-tenancy or other entity. Therefore, we may not be in a position to exercise sole decision-making authority regarding such property, partnership, joint venture or other entity. Investments in partnerships, joint ventures, or other entities may involve risks not present were a third party not involved, including the possibility that our partners, co-tenants or co-venturers might become bankrupt or otherwise fail to fund their share of required capital contributions. Additionally, our partners or co-venturers might at any time have economic or other business interests or goals which are competitive or inconsistent with our business interests or goals. These investments may also have the potential risk of impasses on decisions such as a sale, because neither we, nor the partner, co-tenant or co-venturer would have full control over the partnership or joint venture. In addition, we may in specific circumstances be liable for the actions of our third-party partners, co-tenants or co-venturers. As of December 31, 2020, we had an aggregate cost basis in joint ventures totaling $3.8 billion.

Certain of our joint venture agreements contain terms in favor of our partners that could have an adverse effect on the value of our investments in the joint ventures.

Each of our joint venture agreements has been individually negotiated with our partner in the joint venture and, in some cases, we have agreed to terms that are more favorable to our partner in the joint venture than to us. For example, our partner may be entitled to a specified portion of the profits of the joint venture before we are entitled to any portion of such profits. We may also enter into similar arrangements in the future.

We are dependent on external sources of capital.

We need a substantial amount of capital to operate and grow our business. This need is exacerbated by the distribution requirements imposed on us for SL Green to qualify as a REIT. We therefore rely on third-party sources of capital, which may not be available on favorable terms or at all. Our access to third-party sources of capital depends on a number of things, including the market's perception of our growth potential and our current and potential future earnings. In addition, we may raise money in the public equity and debt markets and our ability to do so will depend upon the general conditions prevailing in these markets. At any time, conditions may exist which effectively prevent us, or REITs in general, from accessing these markets. Moreover, additional equity offerings may result in substantial dilution of our stockholders' interests, and additional debt financing may substantially increase our leverage.

RISKS RELATED TO OUR ORGANIZATION AND STRUCTURE

We depend on dividends and distributions from our direct and indirect subsidiaries.

Substantially all of our assets are held through subsidiaries of our Operating Partnership. Our Operating Partnership’s cash flow is dependent on cash distributions from its subsidiaries, and in turn, substantially all of our cash flow is dependent on cash distributions from our Operating Partnership. The creditors of each of our direct and indirect subsidiaries are entitled to payment of that subsidiary’s obligations to them, when due and payable, before distributions may be made by that subsidiary to its equity holders.

Therefore, our Operating Partnership’s ability to make distributions to holders of its partnership units depends on its subsidiaries’ ability first to satisfy their obligations to their creditors and then to make distributions to our Operating Partnership. Likewise, our ability to pay dividends to holders of common stock and preferred stock depends on our Operating Partnership’s ability first to satisfy its obligations to its creditors and make distributions payable to holders of preferred units and then to make distributions to us.

Furthermore, the holders of preferred partnership units of our Operating Partnership are entitled to receive preferred distributions before payment of distributions to holders of common units of our Operating Partnership, including us. Thus, our ability to pay cash dividends to our shareholders and satisfy our debt obligations depends on our Operating Partnership’s ability first to make distributions to holders of its preferred partnership units and then to holders of its common units, including us.

In addition, our participation in any distribution of the assets of any of our direct or indirect subsidiaries upon any liquidation, reorganization or insolvency is only after the claims of the creditors, including trade creditors and preferred security holders, are satisfied.

Our charter documents, debt instruments and applicable law may hinder any attempt to acquire us, which could discourage takeover attempts and prevent our stockholders from receiving a premium over the market price of our stock.

Provisions of our charter and bylaws could inhibit changes in control.

A change of control of our company could benefit stockholders by providing them with a premium over the then-prevailing market price of our stock. However, provisions contained in our charter and bylaws may delay or prevent a change in control of our company. These provisions, discussed more fully below, are:

- Ownership limitations
- Maryland takeover statutes that may prevent a change of control of our company; and
- Contractual provisions that limit the assumption of certain of our debt

We have a stock ownership limit.

To remain qualified as a REIT for federal income tax purposes, not more than 50% in value of our outstanding capital stock may be owned by five or fewer individuals at any time during the last half of any taxable year. For this purpose, stock may be "owned" directly, as well as indirectly under certain constructive ownership rules, including, for example, rules that attribute stock held by one shareholder to another shareholder. In part to avoid violating this rule regarding stock ownership limitations and maintain our REIT qualification, our charter prohibits direct or indirect ownership by any single stockholder of more than 9.0% in value or number of shares of our common stock. Limitations on the ownership of preferred stock may also be imposed by us.

Our board of directors has the discretion to raise or waive this limitation on ownership for any stockholder if deemed to be in our best interest. Our board of directors has granted such waivers from time to time. To obtain a waiver, a stockholder must present the board and our tax counsel with evidence that ownership in excess of this limit will not affect our present or future REIT status.

Absent any exemption or waiver, stock acquired or held in excess of the limit on ownership will be transferred to a trust for the exclusive benefit of a designated charitable beneficiary, and the stockholder's rights to distributions and to vote would terminate. The stockholder would be entitled to receive, from the proceeds of any subsequent sale of the shares transferred to the charitable trust, the lesser of: the price paid for the stock or, if the owner did not pay for the stock, the market price of the stock on the date of the event causing the stock to be transferred to the charitable trust; and the amount realized from the sale.

This limitation on ownership of stock could delay or prevent a change in control of our company.

Maryland takeover statutes may prevent a change of control of our company, which could depress our stock price.

Under the Maryland General Corporation Law, or the MGCL, "business combinations" between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns 10% or more of the voting power of the corporation's outstanding voting stock; or
- an affiliate or associate of the corporation who, at any time within the two year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under the statute if the board of directors approves in advance the transaction by which he otherwise would have become an interested stockholder.

After the five year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation, voting together as a single group; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

The business combination statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer, including potential acquisitions that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.

In addition, the MGCL provides that holders of "control shares" of a Maryland corporation acquired in a "control share acquisition" will not have voting rights with respect to the control shares except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter, excluding shares of stock owned by the acquiror, by officers of the corporation or by directors who are employees of the corporation. "Control shares" means voting shares of stock that, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power: (i) one-tenth or more but less than one-third; (ii) one-third or more but less than a majority; or (iii) a majority or more of all voting power. A "control share acquisition" means the acquisition of ownership of, or the power to direct the exercise of voting power with respect to, issued and outstanding control shares, subject to certain exceptions.

We have opted out of these provisions of the MGCL, with respect to business combinations and control share acquisitions, by resolution of our board of directors and a provision in our bylaws, respectively. However, in the future, our board of directors may reverse its decision by resolution and elect to opt in to the MGCL's business combination provisions, or amend our bylaws and elect to opt in to the MGCL's control share provisions.

Additionally, other provisions of the MGCL permit our board of directors, without stockholder approval and regardless of what is provided in our charter or bylaws, to implement certain other takeover defenses, some of which have been implemented through provisions in our charter or bylaws unrelated to the provisions of the MGCL and others have not been implemented by our board of directors. Such takeover defenses, to the extent implemented now or in the future, may have the effect of inhibiting a third party from making us an acquisition proposal or of delaying, deferring or preventing a change in our control under circumstances that otherwise could provide our stockholders with an opportunity to realize a premium over the then-current market price.

Contractual provisions that limit the assumption of certain of our debt may prevent a change in control.

Certain of our consolidated debt is not assumable and may be subject to significant prepayment penalties. These limitations could deter a change in control of our company.

SL Green's failure to qualify as a REIT would be costly and would have a significant effect on the value of our securities.

We believe we have operated in a manner for SL Green to qualify as a REIT for federal income tax purposes and intend to continue to so operate. Many of the REIT compliance requirements, however, are highly technical and complex. The determination that SL Green is a REIT requires an analysis of factual matters and circumstances. These matters, some of which are not totally within our control, can affect SL Green's qualification as a REIT. For example, to qualify as a REIT, at least 95% of our gross income must come from designated sources that are listed in the REIT tax laws. We are also required to distribute to stockholders at least 90% of our REIT taxable income excluding capital gains. The fact that we hold our assets through the Operating Partnership and its subsidiaries further complicates the application of the REIT requirements. Even a technical or inadvertent mistake could jeopardize our REIT status. Furthermore, Congress and the Internal Revenue Service, or the IRS, might make changes to the tax laws and regulations that make it more difficult, or impossible, for us to remain qualified as a REIT.

If SL Green fails to qualify as a REIT, the funds available for distribution to our stockholders would be substantially reduced as we would not be allowed a deduction for dividends paid to our stockholders in computing our taxable income and would be subject to federal income tax at regular corporate rates and possibly increased state and local taxes.

Also, unless the IRS grants us relief under specific statutory provisions, SL Green would remain disqualified as a REIT for four years following the year in which SL Green first failed to qualify. If SL Green failed to qualify as a REIT, SL Green would have to pay significant income taxes and would therefore have less money available for investments, to service debt obligations or to pay dividends and distributions to security holders. This would have a significant adverse effect on the value of our securities. In addition, the REIT tax laws would no longer obligate us to make any distributions to stockholders. As a result of all these factors, if SL Green fails to qualify as a REIT, this could impair our ability to expand our business and raise capital.

We may in the future pay taxable dividends on our common stock in common stock and cash.

In order to qualify as a REIT, we are required to annually distribute to our stockholders at least 90% of our REIT taxable income, excluding net capital gains. In order to avoid taxation of our income, we are required to annually distribute to our stockholders all of our taxable income, including net capital gains. In order to satisfy these requirements, we may make distributions that are payable partly in cash and partly in shares of our common stock. If we pay such a dividend, taxable stockholders would be required to include the entire amount of the dividend, including the portion paid with shares of common stock, as income to the extent of our current and accumulated earnings and profits, and may be required to pay income taxes with respect to such dividends in excess of the cash dividends received.

RISKS RELATED TO LEGAL AND REGULATORY MATTERS

We may incur costs to comply with governmental laws and regulations.

We are subject to various federal, state and local environmental and health and safety laws that can impose liability on current and former property owners or operators for the clean-up of certain hazardous substances released on a property or of contamination at any facility (e.g., a landfill) to which we have sent hazardous substances for treatment or disposal, without regard to fault or whether the release or disposal was in compliance with law. Being held responsible for such a clean-up could result in significant cost to us and have a material adverse effect on our financial condition and results of operations.

Our properties may be subject to risks relating to current or future laws, including laws benefiting disabled persons, such as the Americans with Disabilities Act, or ADA, and state or local zoning, construction or other regulations. Compliance with such laws may require significant property modifications in the future, which could be costly and non-compliance could result in fines being levied against us in the future. Such costs could have an adverse impact on our cash flows and ability to pay dividends to stockholders.

Compliance with changing or new regulations applicable to corporate governance and public disclosure may result in additional expenses, or affect our operations.

Changing or new laws, regulations and standards relating to corporate governance and public disclosure, including SEC regulations and NYSE rules, can create uncertainty for public companies. These changed or new laws, regulations and standards are subject to varying interpretations in many cases due to their lack of specificity. As a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We are committed to maintaining high standards of corporate governance and public disclosure. If our efforts to comply with new or changed laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, our reputation may be harmed.

Our efforts to comply with evolving laws, regulations and standards have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. In particular, our continued efforts to comply with Section 404 of the Sarbanes-Oxley Act of 2002 and the related regulations regarding our required assessment of our internal controls over financial reporting and our external auditors' audit of that assessment have required the commitment of significant financial and managerial resources. We expect these efforts to require the continued commitment of significant resources. Further, our directors, chief executive officer and chief financial officer could face an increased risk of personal liability in connection with the performance of their duties. As a result, we may have difficulty attracting and retaining qualified directors and executive officers, which could harm our business.

Our property taxes could increase due to reassessment or property tax rate changes.

We are required to pay real property taxes or payments in lieu of taxes in respect of our properties and such taxes may increase as our properties are reassessed by taxing authorities or as property tax rates change. An increase in the assessed value of our properties or our property tax rates could adversely impact our financial condition, results of operations and our ability to satisfy our debt service obligations and to pay dividends and distributions to our security holders.

GENERAL RISK FACTORS

The trading price of our common stock has been and may continue to be subject to wide fluctuations.

Between January 1, 2020 and December 31, 2020, the closing sale price of our common stock on the New York Stock Exchange, or the NYSE, ranged from $37.90 to $98.56 per share. Our stock price may fluctuate in response to a number of events and factors, such as those described elsewhere in this "Risk Factors" section. Equity issuances or buybacks by us or the perception that such issuances or buybacks may occur may also affect the market price of our common stock.

Future issuances of common stock, preferred stock and convertible debt could dilute existing stockholders' interests.

Our charter authorizes our board of directors to issue additional shares of common stock, preferred stock and convertible equity or debt without stockholder approval and without the requirement to offer rights of pre-emption to existing stockholders. Any such issuance could dilute our existing stockholders' interests. Also, any future series of preferred stock may have voting provisions that could delay or prevent a change of control of our company.

Changes in market conditions could adversely affect the market price of our common stock.

As with other publicly traded equity securities, the value of our common stock depends on various market conditions, which may change from time to time. In addition to the current economic environment and future volatility in the securities and credit markets, the following market conditions may affect the value of our common stock:

- the general reputation of REITs and the attractiveness of our equity securities in comparison to other equity securities, including securities issued by other real estate-based companies;
- our financial performance; and
- general stock and bond market conditions.

The market value of our common stock is based on a number of factors including, but not limited to, the market's perception of the current and future value of our assets, our growth potential and our current and potential future earnings and cash dividends. Consequently, our common stock may trade at prices that are higher or lower than our net asset value per share of common stock.

Changes to U.S. federal income tax laws could materially and adversely affect us and our stockholders.

U.S. federal income tax laws and the rules dealing with U.S. federal income taxation are continually under review by Congress, the IRS, and the U.S. Department of the Treasury. Any such changes could have an adverse effect on an investment in our shares or on the market value or the resale potential of our assets.

Loss of our key personnel could harm our operations and our stock price.

We are dependent on the efforts of Marc Holliday, our chairman and chief executive officer, and Andrew W. Mathias, our president. These officers have employment agreements which expire in January 2022 and December 2021, respectively. A loss of the services of either of these individuals could adversely affect our operations and could be negatively perceived by the market resulting in a decrease in our stock price.

Our business and operations would suffer in the event of system failures or cyber security attacks.

Despite system redundancy, the implementation of security measures and the existence of a disaster recovery plan for our internal information technology systems, our systems are vulnerable to a number of risks including energy blackouts, natural disasters, terrorism, war, telecommunication failures and cyber attacks and intrusions, such as computer viruses, malware, attachments to e-mails, intrusion and unauthorized access, including from persons inside our organization or from persons outside our organization with access to our systems. The risk of a security breach or disruption, particularly through cyber attacks and intrusions, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and instructions from around the world have increased. Our systems are critical to the operation of our business and any system failure, accident or security breach that causes interruptions in our operations could result in a material disruption to our business. We may also incur additional costs to remedy damages caused by such disruptions. Although we make efforts to maintain the security and integrity of our systems and have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. Any compromise of our security could also result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to our reputation, loss or misuse of the information (which may be confidential, proprietary and/or commercially sensitive in nature) and a loss of confidence in our security measures, which could harm our business.

Forward-looking statements may prove inaccurate.

See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Forward-looking Information," for additional disclosure regarding forward-looking statements.

ITEM 1B. UNRESOLVED STAFF COMMENTS

As of December 31, 2020, we did not have any unresolved comments with the staff of the SEC.

ITEM 2. PROPERTIES

Our Portfolio

General

As of December 31, 2020, we owned or held interests in 18 consolidated commercial office buildings encompassing approximately 10.7 million rentable square feet and 11 unconsolidated commercial office buildings encompassing approximately 11.8 million rentable square feet located primarily in midtown Manhattan. Many of these buildings include some amount of retail space on the lower floors, as well as basement/storage space. As of December 31, 2020, our portfolio also included ownership interests in one consolidated property, encompassing 7 consolidated commercial office buildings encompassing approximately 0.9 million rentable square feet, which we refer to as our Suburban property. Some of these buildings also include a small amount of retail space on the lower floors, as well as basement/storage space.

As of December 31, 2020, we also owned investments in 13 prime retail properties encompassing approximately 0.3 million square feet, 11 buildings in differing stages of development or redevelopment encompassing approximately 4.0 million square feet, and 9 residential buildings encompassing 2,073 units (approximately 1.7 million square feet). In addition, we manage two office buildings owned by third parties encompassing approximately 2.1 million square feet and held debt and preferred equity investments with a book value of $1.1 billion excluding $0.1 billion of investments recorded in balance sheet line items other than the Debt and Preferred Equity Investments line item.

The following tables set forth certain information with respect to each of the Manhattan and Suburban office, prime retail, residential, development and redevelopment properties in the portfolio as of December 31, 2020 (dollars in thousands):

Manhattan Properties	Year Built/ Renovated	City/ Town	Approximate Rentable Square Feet	Percent Occupied (1)	Annualized Cash Rent (2)	Percent of Portfolio Annualized Cash Rent (3)	Number of Tenants	Annualized Cash Rent per Leased Square Foot (4)
CONSOLIDATED OFFICE PROPERTIES								
"Same Store"								
100 Church Street	1959/2010	Downtown	1,047,500	99.3%	$ 50,221	4.4%	19	$ 45.59
110 East 42nd Street	1921	Grand Central	215,400	88.9	11,911	1.0	26	60.09
110 Greene Street	1908/1920	Soho	223,600	89.3	15,459	1.4	58	83.04
125 Park Avenue	1923/2006	Grand Central	604,245	99.6	47,533	4.1	26	74.22
220 East 42nd Street	1929	Grand Central	1,135,000	94.1	67,262	5.9	32	59.68
304 Park Avenue South	1930	Midtown South	215,000	91.2	16,326	1.4	6	82.26
420 Lexington Ave (Graybar)	1927/1999	Grand Central North	1,188,000	90.5	86,204	7.5	187	63.78
461 Fifth Avenue (5)	1988	Midtown	200,000	86.2	16,575	1.4	13	92.26
485 Lexington Avenue	1956/2006	Grand Central North	921,000	89.5	57,357	5.0	29	71.29
555 West 57th Street	1971	Midtown West	941,000	99.9	49,106	4.3	9	48.53
635 Sixth Avenue	1902	Midtown South	104,000	100.0	10,644	0.9	2	112.87
641 Sixth Avenue	1902	Midtown South	163,000	100.0	16,062	1.4	6	94.70
711 Third Avenue (6)	1955	Grand Central North	524,000	89.1	33,411	2.9	20	63.82
750 Third Avenue	1958/2006	Grand Central North	780,000	66.9	34,266	3.0	23	62.85
810 Seventh Avenue	1970	Times Square	692,000	89.3	45,670	4.0	45	74.08
1185 Avenue of the Americas	1969	Rockefeller Center	1,062,000	79.8	78,908	7.0	12	90.87
1350 Avenue of the Americas	1966	Rockefeller Center	562,000	81.2	39,070	3.4	42	81.14
Subtotal / Weighted Average			**10,577,745**	**89.7%**	**675,985**	**59.0 %**	**555**	
"Non Same Store"								
590 Fifth Avenue	1987	Midtown	103,300	68.5%	8,107	0.7%	10	$ 107.09
Subtotal / Weighted Average			**103,300**	**68.5%**	**8,107**	**0.7%**	**10**	
Total / Weighted Average Manhattan Consolidated Office Properties			**10,681,045**	**89.5%**	**$ 684,092**	**59.7%**	**565**	
UNCONSOLIDATED OFFICE PROPERTIES								
"Same Store"								
10 East 53rd Street— 55.00%	1972/2014	Plaza District	354,300	93.5%	$ 31,901	1.5%	37	$ 88.91
11 Madison Avenue—60.00%	1929	Park Avenue South	2,314,000	95.7	156,910	8.3	10	71.85
55 West 46th Street - Tower 46— 25.00%	2009	Midtown	347,000	91.9	27,340	0.6	16	93.61
100 Park Avenue—50.00%	1950/1980	Grand Central South	834,000	82.5	60,478	2.6	35	82.69
280 Park Avenue—50.00%	1961	Park Avenue	1,219,158	92.0	124,890	5.4	39	104.59
800 Third Avenue—60.50%	1972/2006	Grand Central North	526,000	94.7	39,108	2.1	38	74.11
919 Third Avenue—51.00%	1970	Grand Central North	1,454,000	100.0	101,342	4.5	7	67.72
1515 Broadway— 56.87%	1972	Times Square	1,750,000	99.9	133,649	6.6	11	71.91
Worldwide Plaza— 24.35%	1989/2013	Westside	2,048,725	96.6	146,224	3.1	24	73.97
Added to Same Store in 2020								
2 Herald Square—51.00%	1909	Herald Square	369,000	95.8%	$ 41,648	1.8%	5	$ 116.59
Subtotal / Weighted Average			**11,216,183**	**95.5%**	**$ 863,490**	**36.5%**	**222**	
"Non Same Store"								
885 Third Avenue—100.00% (7)	1986/2006	Midtown / Plaza District	625,300	88.5%	$ 43,826	3.8%	19	$ 79.32
Subtotal / Weighted Average			**625,300**	**88.5%**	**$ 43,826**	**3.8%**	**19**	
Total / Weighted Average Unconsolidated Office Properties			**11,841,483**	**95.1%**	**$ 907,316**	**40.3%**	**241**	**$ 78.70**
Manhattan Office Grand Total / Weighted Average			**22,522,528**	**92.4%**	**$ 1,591,408**	**100.0%**	**806**	
Manhattan Office Grand Total—SLG share of Annualized Rent					**$ 1,147,499**	**100.0%**		
Manhattan Office Same Store Occupancy %—Combined			**21,793,928**	**92.7%**				

Suburban Properties	Year Built/ Renovated	City/ Town	Approximate Rentable Square Feet	Percent Occupied (1)	Annualized Cash Rent (2)	Percent of Portfolio Annualized Cash Rent (3)	Number of Tenants	Annualized Cash Rent per Leased Square Foot (4)
CONSOLIDATED OFFICE PROPERTIES								
"Same Store" Connecticut								
Landmark Square	1973-1984	Stamford	862,800	83.3%	$ 21,221	100.0%	111	$ 35.26
Connecticut Subtotal/Weighted Average			**862,800**	**83.3%**	**$ 21,221**	**100.0%**	**111**	
Total / Weighted Average Consolidated Office Properties			**862,800**	**83.3%**	**$ 21,221**	**100.0%**	**111**	
Suburban Grand Total / Weighted Average			**862,800**	**83.3%**	**$ 21,221**		**111**	
Suburban Office Grand Total—SLG share of Annualized Rent					**$ 21,221**	**100.0%**		
Suburban Office Same Store Occupancy %—Combined			**862,800**	**83.3%**				

	Year Built/ Renovated	City/ Town	Approximate Rentable Square Feet	Percent Occupied (1)	Annualized Cash Rent (2)	Percent of Portfolio Annualized Cash Rent (3)	Number of Tenants	Annualized Cash Rent per Leased Square Foot (4)
PRIME RETAIL								
"Same Store" Prime Retail								
11 West 34th Street—30.00%	1920/2010	Herald Square/Penn Station	17,150	100.0%	$ 3,199	1.5%	1	$ 286.93
21 East 66th Street—32.28%	1921	Plaza District	13,069	100.0	2,073	1.0	1	630.83
121 Greene Street—50.00%	1887	Soho	7,131	100.0	1,787	1.4	2	250.54
650 Fifth Avenue— 50.00%	1977-1978	Plaza District	69,214	100.0	35,511	27.9	1	513.06
717 Fifth Avenue—10.92%	1958/2000	Midtown/Plaza District	119,550	100.0	55,474	9.5	6	448.52
719 Seventh Avenue—75.00%	1927	Times Square	10,040	—	—	—	—	—
760 Madison Avenue	1996/2012	Plaza District	21,124	100.0	17,029	26.7	1	806.15
1552-1560 Broadway—50.00%	1926/2014	Times Square	57,718	88.3	29,711	23.3	3	658.58
Subtotal/Weighted Average			**314,996**	**94.7%**	**$ 144,784**	**91.3%**	**15**	
"Non Same Store" Prime Retail								
85 Fifth Avenue—36.30%	1901/1979	Midtown South	12,946	100.0%	$ 3,885	2.2%	1	$ 300.10
115 Spring Street—51.00%	1900	SoHo	5,218	100.0	$ 3,700	3.0	1	709.04
133 Greene Street	1900	SoHo	6,425	48.6	102	0.2	1	32.70
712 Madison Avenue	1900/1980	Plaza District	6,600	100.0	2,140	3.3	1	324.21
Subtotal/Weighted Average			**31,189**	**89.4%**	**$ 9,827**	**8.7%**	**4**	
Total / Weighted Average Prime Retail Properties			**346,185**	**94.2%**	**$ 154,611**	**100.0%**	**19**	
DEVELOPMENT/REDEVELOPMENT								
19-21 East 65th Street	1928-1940	Plaza District	23,610	3.6%	$ 32	0.1%	1	$ 40.22
106 Spring Street	1900	Soho	5,928	—	—	—	—	—
609 Fifth Avenue	1925/1990	Rockefeller Center	138,563	100.0	11,224	33.6	1	81.00
625 Madison Avenue	1956/2002	Plaza District	563,000	26.7	19,948	59.7	21	126.28
707 Eleventh Avenue	1940	Midtown West	159,720	23.3	1,935	5.8	1	52.05
762 Madison Avenue	1910	Plaza District	6,109	32.8	268	0.8	1	212.27
One Vanderbilt—71.01% [8]	N/A	Grand Central	1,657,198	N/A	N/A	N/A	N/A	—
185 Broadway [9]	N/A	Lower Manhattan	198,488	N/A	N/A	N/A	N/A	—
15 Beekman—20.00% [10]	N/A	Lower Manhattan	221,884	N/A	N/A	N/A	N/A	
One Madison Avenue—50.50% [11]	N/A	Midtown South	1,048,700	N/A	N/A	N/A	N/A	—
Total / Weighted Average Development/Redevelopment Properties			**4,023,200**	**36.7%**	**$ 33,407**	**100.0%**	**25**	

	City/ Town	Useable Sq. Feet	Total Units	Percent Occupied (1)	Annualized Cash Rent (2)	Average Monthly Rent Per Unit
RESIDENTIAL						
"Same Store" Residential						
400 East 57th Street—41.00%	Upper East Side	290,482	263	66.2	9,753	$ 3,917
1080 Amsterdam—92.50%	Upper West Side	82,250	97	35.4	2,090	4,299
Stonehenge Portfolio		445,934	538	72.0	18,352	3,680
605 West 42nd Street—20.00%	Midtown West	927,358	1,175	87.1	45,225	3,291
Subtotal/Weighted Average		**1,746,024**	**2,073**	**78.8 %**	**$ 75,420**	**$ 3,470**
Total / Weighted Average Residential Properties		**1,746,024**	**2,073**	**95.7 %**	**$ 75,420**	**$ 3,470**

(1) Excludes leases signed but not yet commenced as of December 31, 2020.
(2) Annualized Cash Rent represents the monthly contractual rent under existing leases as of December 31, 2020 multiplied by 12. This amount reflects total rent before any rent abatements and includes expense reimbursements, which may be estimated as of such date.
(3) Includes our share of unconsolidated joint venture annualized cash rent.
(4) Annualized Cash Rent Per Leased Square Foot represents Annualized Cash Rent, as described in footnote (1) above, presented on a per leased square foot basis.
(5) The Company has an option to acquire the fee interest for a fixed price on a specific date.
(6) The Company owns 100% of the leasehold interest and 50% of the fee interest.
(7) The Company holds 100% of the preferred equity interest in the property and believes there is no value to the common equity.
(8) The 1.7 million square foot development project, for which we received a temporary certificate of occupancy in September 2020, has a total development budget, including land mark-up, of $3.3 billion. As of December 31, 2020, $539.7 billion of the budget remains to be spent, all of which is intended to be funded by the project's construction facility.
(9) The 0.2 million square foot development project, which is anticipated to be completed in the third quarter of 2021, has a total budget of $306.3 million. As of December 31, 2020, $75.6 million of the budget remains to be spent, comprised of $9.1 million of equity and $66.5 million of financing available under the project's construction facility.
(10) The 0.2 million square foot development, which includes academic space and dormitory space and is 100% pre-leased to Pace University, has a total budget of $219.5 million. Delivery of the academic space is expected in the fourth quarter of 2022 and delivery of the dormitory space is expected in the third quarter of 2023. As of December 31, 2020, $170.0 million of the budget remains to be spent, comprised of $56.2 million of partners' equity and $113.8 million of financing available under the project's construction facility.
(11) The 1.1 million square foot redevelopment, which is anticipated to be completed in the fourth quarter of 2023, has a total budget of $2.3 billion. As of December 31, 2020, $1.7 billion of the budget remains to be spent, comprised of $0.4 billion of partners' equity and $1.3 billion of financing available under the project's construction facility.

Historical Occupancy

Historically, we have achieved consistently higher occupancy rates in our Manhattan portfolio as compared to the overall midtown Manhattan market, as shown over the last five years in the following table:

	Occupancy Rate of Manhattan Operating Portfolio(1)	Occupancy Rate of Class A Office Properties in the Midtown Manhattan Markets(2)(3)	Occupancy Rate of Class B Office Properties in the Midtown Manhattan Markets(2)(3)
December 31, 2020	92.4 %	85.0 %	81.1 %
December 31, 2019	94.5 %	88.8 %	87.4 %
December 31, 2018	94.5 %	91.1 %	89.4 %
December 31, 2017	93.8 %	90.5 %	90.3 %
December 31, 2016	94.9 %	90.0 %	92.2 %

(1) Includes our consolidated and unconsolidated Manhattan office properties.
(2) Includes vacant space available for direct lease and sublease. Source: Cushman & Wakefield.
(3) The term "Class B" is generally used in the Manhattan office market to describe office properties that are more than 25 years old but that are in good physical condition, enjoy widespread acceptance by high-quality tenants and are situated in desirable locations in Manhattan. Class B office properties can be distinguished from Class A properties in that Class A properties are generally newer properties with higher finishes and frequently obtain the highest rental rates within their markets.

Lease Expirations

Leases in our Manhattan portfolio, as at many other Manhattan office properties, typically have an initial term of seven to fifteen years, compared to typical lease terms of five to ten years in other large U.S. office markets. For the five years ending December 31, 2025, the average annual lease expirations at our Manhattan consolidated and unconsolidated operating properties is expected to be approximately 0.7 million square feet and approximately 0.7 million square feet, respectively, representing an average annual expiration rate of approximately 7.1% and approximately 6.1%, respectively, per year (assuming no tenants exercise renewal or cancellation options and there are no tenant bankruptcies or other tenant defaults).

The following tables set forth a schedule of the annual lease expirations at our Manhattan consolidated and unconsolidated operating properties, respectively, with respect to leases in place as of December 31, 2020 for each of the next ten years and thereafter (assuming that no tenants exercise renewal or cancellation options and that there are no tenant bankruptcies or other tenant defaults):

Manhattan Consolidated Operating Properties Year of Lease Expiration	Number of Expiring Leases (1)	Square Footage of Expiring Leases	Percentage of Total Leased Square Feet	Annualized Cash Rent of Expiring Leases (2)	Percentage of Annualized Cash Rent of Expiring Leases	Annualized Cash Rent Per Leased Square Foot of Expiring Leases (3)
2021[4]	109	976,033	9.7 %	$ 59,682,081	8.8 %	$ 61.15
2022	87	762,956	7.6 %	59,759,085	8.8	78.33
2023	64	824,360	8.2 %	51,926,317	7.7	62.99
2024	46	355,038	3.5 %	27,105,523	4.0	76.35
2025	55	636,787	6.3 %	55,261,421	8.2	86.78
2026	45	966,125	9.6 %	66,402,593	9.8	68.73
2027	36	608,649	6.0 %	47,859,450	7.1	78.63
2028	34	613,768	6.1 %	45,120,014	6.7	73.51
2029	17	397,372	3.9 %	26,023,546	3.8	65.49
2030 & thereafter	80	3,936,378	39.1 %	238,778,719	35.1	60.66
Total/weighted average	573	10,077,466	100.0 %	$ 677,918,749	100.0 %	$ 67.27

(1) Tenants may have multiple leases.
(2) Annualized Cash Rent of Expiring Leases represents the monthly contractual rent for December 2020 under existing leases as of December 31, 2020 multiplied by 12. This amount reflects total rent before any rent abatements and includes expense reimbursements, which may be estimated as of such date.
(3) Annualized Cash Rent Per Leased Square Foot of Expiring Leases represents Annualized Cash Rent of Expiring Leases, as described in footnote (2) above, presented on a per leased square foot basis.
(4) Includes approximately 39,791 square feet and annualized cash rent of $2.8 million occupied by month-to-month holdover tenants whose leases expired prior to December 31, 2020.

Manhattan Unconsolidated Operating Properties Year of Lease Expiration	Number of Expiring Leases(1)	Square Footage of Expiring Leases	Percentage of Total Leased Square Feet	Annualized Cash Rent of Expiring Leases(2)	Percentage of Annualized Cash Rent of Expiring Leases	Annualized Cash Rent Per Leased Square Foot of Expiring Leases(3)
2021[4]	32	760,690	6.6 %	$ 61,030,861	6.7 %	$ 80.23
2022	32	903,789	7.8	84,918,914	9.4	93.96
2023	19	430,135	3.7	38,986,617	4.3	90.64
2024	26	991,216	8.6	107,848,342	11.9	108.80
2025	16	438,564	3.8	38,120,962	4.2	86.92
2026	27	552,407	4.8	54,855,563	6.0	99.30
2027	18	392,311	3.4	35,584,379	3.9	90.70
2028	17	195,351	1.7	21,333,861	2.4	109.21
2029	15	752,707	6.5	52,033,180	5.7	69.13
2030 & thereafter	44	6,112,339	53.1	412,603,032	45.5	67.50
Total/weighted average	246	11,529,509	100.0 %	$ 907,315,711	100.0 %	$ 78.70

(1) Tenants may have multiple leases.
(2) Annualized Cash Rent of Expiring Leases represents the monthly contractual rent for December 2020 under existing leases as of December 31, 2020 multiplied by 12. This amount reflects total rent before any rent abatements and includes expense reimbursements, which may be estimated as of such date.
(3) Annualized Cash Rent Per Leased Square Foot of Expiring Leases represents Annualized Cash Rent of Expiring Leases, as described in footnote (2) above, presented on a per leased square foot basis.
(4) Includes approximately 22,736 square feet and annualized cash rent of $0.0 million occupied by month-to-month holdover tenants whose leases expired prior to December 31, 2020.

Tenant Diversification

At December 31, 2020, our properties were leased to 961 tenants, which are engaged in a variety of businesses, including, but not limited to, professional services, financial services, media, apparel, business services and government/non-profit. The following table sets forth information regarding the leases with respect to the 30 largest tenants in our properties, which are not intended to be representative of our tenants as a whole, based on the amount of our share of annualized cash rent as of December 31, 2020:

Tenant Name	Property	Lease Expiration	Total Rentable Square Feet	Annualized Cash Rent	SLG Share of Annualized Cash Rent ($)	% of SLG Share of Annualized Cash Rent (1)	Annualized Rent PSF
ViacomCBS Inc.	1515 Broadway	June 2031	$ 1,569,327	$ 94,640	$ 53,944	4.2 %	$ 60.31
	1515 Broadway	March 2028	9,106	1,964	1,119	0.1 %	$ 215.68
	555 West 57th Street	December 2023	338,527	17,151	17,151	1.3 %	$ 50.66
	Worldwide Plaza	January 2027	32,598	2,267	552	— %	$ 69.53
			$ 1,949,558	$ 116,022	$ 72,766	5.6 %	$ 59.51
Credit Suisse Securities (USA), Inc.	11 Madison Avenue	May 2037	$ 1,265,841	$ 80,109	$ 48,065	3.8 %	$ 63.29
Latham & Watkins LLP	885 Third Avenue	June 2021	$ 408,559	$ 32,269	$ 32,269	2.5 %	$ 78.98
Sony Corporation	11 Madison Avenue	January 2031	$ 578,791	$ 44,859	$ 26,915	2.1 %	$ 77.50
Debevoise & Plimpton, LLP	919 Third Avenue	June 2022	$ 577,438	$ 47,607	$ 24,280	1.9 %	$ 82.45
TD Bank US Holding Company	1 Vanderbilt Avenue	July 2041	$ 185,465	$ 23,553	$ 16,723	1.3 %	$ 127.00
	125 Park Avenue	October 2030	51,707	3,371	3,371	0.3 %	$ 65.19
	125 Park Avenue	August 2030	6,234	2,537	2,537	0.2 %	$ 406.91
			$ 243,406	$ 29,461	$ 22,631	1.8 %	$ 121.04
The City of New York	100 Church Street	March 2034	$ 510,007	$ 21,037	$ 21,037	1.6 %	$ 41.25
King & Spalding	1185 Avenue of the Americas	October 2025	$ 218,275	$ 20,888	$ 20,888	1.6 %	$ 95.70
Metro-North Commuter Railroad Company	420 Lexington Avenue	November 2034	$ 344,873	$ 20,087	$ 20,087	1.6 %	$ 58.25
	420 Lexington Avenue	September 2021	7,537	507	507	— %	$ 67.23
	110 East 42nd Street	October 2021	1,840	126	126	— %	$ 68.63
			$ 354,250	$ 20,720	$ 20,720	1.6 %	$ 58.49
Giorgio Armani Corporation	760 Madison Avenue	December 2024	$ 21,124	$ 17,029	$ 17,029	1.3 %	$ 806.15
	717 Fifth Avenue	March 2023	46,940	25,056	2,731	0.2 %	$ 533.78
	762 Madison Avenue	December 2024	1,264	268	268	— %	$ 212.27
			$ 69,328	$ 42,353	$ 20,028	1.6 %	$ 610.90
Advance Magazine Group, Fairchild Publications	750 Third Avenue	February 2021	$ 286,622	$ 15,355	$ 15,355	1.2 %	$ 53.57
	485 Lexington Avenue	February 2021	52,573	3,685	3,685	0.3 %	$ 70.10
			$ 339,195	$ 19,040	$ 19,040	1.5 %	$ 56.13
Visiting Nurse Service of New York	220 East 42nd Street	September 2048	$ 308,115	$ 18,842	$ 18,842	1.5 %	$ 61.15
WME IMG, LLC	304 Park Avenue	April 2028	$ 174,069	$ 12,741	$ 12,741	1.0 %	$ 73.19
	11 Madison Avenue	September 2030	104,618	9,787	5,872	0.5 %	$ 93.55
			$ 278,687	$ 22,528	$ 18,613	1.5 %	$ 80.84
Nike Retail Services, Inc.	650 Fifth Avenue	January 2033	$ 69,214	$ 35,511	$ 17,756	1.4 %	$ 513.06
Bloomberg L.P.	919 Third Avenue	February 2029	$ 557,208	$ 33,833	$ 17,255	1.3 %	$ 60.72
Cravath, Swaine & Moore LLP	Worldwide Plaza	August 2024	$ 617,135	$ 67,822	$ 16,515	1.3 %	$ 109.90
National Hockey League	1185 Avenue of the Americas	November 2022	$ 148,217	$ 15,763	$ 15,763	1.2 %	$ 106.35

WeWork	609 Fifth Avenue	April 2036	$	138,563	$	11,224	$	11,224	0.9 %	$	81.00
	2 Herald Sqaure	February 2036		153,061		8,842		4,509	0.4 %	$	57.77
			$	291,624	$	20,066	$	15,733	1.2 %	$	68.81
Amerada Hess Corp.	1185 Avenue of the Americas	December 2027	$	167,169	$	15,440	$	15,440	1.2 %	$	92.36
Omnicom Group, Inc., Cardinia Real Estate	220 East 42nd Street	April 2032	$	231,114	$	14,944	$	14,944	1.2 %	$	64.66
Total			**$**	**9,183,131**	**$**	**719,112**	**$**	**479,500**	**37.5 %**	**$**	**78.31**

(1) SLG Share of Annualized Cash Rent includes Manhattan, Suburban, Retail, Residential, and Development / Redevelopment properties.

Environmental Matters

Phase I environmental site assessments have been prepared on the properties in our portfolio, in order to assess existing environmental conditions. All of the Phase I assessments met the American Society for Testing and Materials (ASTM) Standard. Under the ASTM Standard, a Phase I environmental site assessment consists of a site visit, an historical record review, a review of regulatory agency data bases and records, and interviews with on-site personnel, with the purpose of identifying potential environmental concerns associated with real estate. These environmental site assessments did not reveal any known environmental liability that we believe will have a material adverse effect on our results of operations or financial condition.

ITEM 3. LEGAL PROCEEDINGS

As of December 31, 2020, the Company and the Operating Partnership were not involved in any material litigation nor, to management's knowledge, was any material litigation threatened against us or our portfolio which if adversely determined could have a material adverse impact on us.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

ITEM 5. MARKET FOR REGISTRANTS' COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

SL GREEN REALTY CORP.

Our common stock trades on the New York Stock Exchange, or the NYSE, under the symbol "SLG." On February 25, 2021, the reported closing sale price per share of common stock on the NYSE was $67.46 and there were 392 holders of record of our common stock.

On December 4, 2020 our Board of Directors declared an ordinary dividend and a special dividend (together, "the Total Dividend"). The Total Dividend was paid on January 15, 2021 to shareholders of record at the close of business on December 15, 2020 ("the Record Date"). Shareholders had the opportunity to elect to receive the Total Dividend in the form of all cash or all stock, subject to proration if either option was oversubscribed.

To mitigate the dilutive impact of the common stock issued in the special dividend, the board of directors also authorized a reverse stock split, which was effective after markets closed on January 20, 2021. On January 8, 2021, a committee of the Board of Directors calculated the ratio for the reverse stock split of our issued and outstanding shares of common stock as 1.02918-for-1. After the issuance of the dividend and the completion of the reverse stock split, the number of shares of our common stock outstanding was equivalent to the number of total shares outstanding on the Record Date (not including any issuances or repurchases that occurred following the Record Date, as well as any fractional shares that would have been issued but for which cash-in-lieu was paid). However, on a relative basis, some individual shareholders may have more shares of SLG’s common stock, and some individual shareholders may have fewer shares of our common stock, depending on their individual elections to receive cash or stock and as a result of the cash option being oversubscribed.

All share-related references and measurements including the number of shares outstanding, share prices, number of shares repurchased, earnings per share, dividends per share, and share-based compensation awards, have been retroactively adjusted to reflect the reverse stock split for all periods presented in this Annual Report on Form 10-K.

SL GREEN OPERATING PARTNERSHIP, L.P.

At December 31, 2020, there were 3,938,823 units of limited partnership interest of the Operating Partnership outstanding and held by persons other than the Company, which received distributions per unit of the same amount and in the same manner as dividends per share were distributed to common stockholders.

There is no established public trading market for the common units of the Operating Partnership. On February 25, 2021, there were 54 holders of record and 73,517,930 common units outstanding, 69,350,829 of which were held by SL Green.

In order for SL Green to maintain its qualification as a REIT, it must make annual distributions to its stockholders of at least 90% of its taxable income (not including net capital gains). SL Green has adopted a policy of paying regular quarterly dividends on its common stock, and the Operating Partnership has adopted a policy of paying regular quarterly distributions to its common units in the same amount as dividends paid by SL Green. Cash distributions have been paid on the common stock of SL Green and the common units of the Operating Partnership since the initial public offering of SL Green. Distributions are declared at the discretion of the board of directors of SL Green and depend on actual and anticipated cash from operations, financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Internal Revenue Code and other factors SL Green’s board of directors may consider relevant.

Each time SL Green issues shares of stock (other than in exchange for common units of limited partnership interest of the Operating Partnership, or OP Units, when such OP Units are presented for redemption), it contributes the proceeds of such issuance to the Operating Partnership in return for an equivalent number of units of limited partnership interest with rights and preferences analogous to the shares issued.

ISSUER PURCHASES OF EQUITY SECURITIES

In August 2016, our Board of Directors approved a share repurchase program under which we can buy up to $1.0 billion of shares of our common stock. The Board of Directors has since authorized five separate $500.0 million increases to the size of the share repurchase program in the fourth quarter of 2017, second quarter of 2018, fourth quarter of 2018, fourth quarter of 2019, and fourth quarter of 2020 bringing the total program size to $3.5 billion.

At December 31, 2020, repurchases executed under the program were as follows:

Period	Shares repurchased	Average price paid per share	Cumulative number of shares repurchased as part of the repurchase plan or programs
Year ended 2017	8,105,881	$104.61	8,105,881
Year ended 2018	9,468,617	$99.03	17,574,498
Year ended 2019	4,465,857	$86.06	22,040,355
Year ended 2020 (1)	8,538,995	$62.39	30,579,350

(1) Includes 63,374 shares of common stock repurchased by the Company in December 2020 that were settled in January 2021.

SALE OF UNREGISTERED AND REGISTERED SECURITIES; USE OF PROCEEDS FROM REGISTERED SECURITIES

During the year ended December 31, 2020, we issued 98,004 shares of our common stock to holders of units of limited partnership interest in the Operating Partnership upon the redemption of such units pursuant to the partnership agreement of the Operating Partnership. During the years ended December 31, 2019 and 2018, we issued 4,871 and 155,916 shares of our common stock, respectively, to holders of units of limited partnership interest in the Operating Partnership upon the redemption of such units pursuant to the partnership agreement of the Operating Partnership. The issuance of such shares was exempt from registration under the Securities Act, pursuant to the exemption contemplated by Section 4(a)(2) thereof for transactions not involving a public offering. The units were exchanged for an equal number of shares of our common stock.

The following table summarizes information, as of December 31, 2020, relating to our equity compensation plans pursuant to which shares of our common stock or other equity securities may be granted from time to time.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders (1)	3,502,613 (2)	$ 102.62 (3)	3,309,300 (4)
Equity compensation plans not approved by security holders	—	—	—
Total	3,502,613	$ 102.62	3,309,300

(1) Includes our Fourth Amended and Restated 2005 Stock Option and Incentive Plan, Amended 1997 Stock Option and Incentive Plan, as amended, and 2008 Employee Stock Purchase Plan.

(2) Includes (i) 784,995 shares of common stock issuable upon the exercise of outstanding options (784,022 of which are vested and exercisable), (ii) 10,750 restricted stock units and 140,775 phantom stock units that may be settled in shares of common stock (140,775 of which are vested), (iii) 2,252,911 LTIP units that, upon the satisfaction of certain conditions, are convertible into common units, which may be presented to us for redemption and acquired by us for shares of our common stock (1,538,561 of which are vested).

(3) Because there is no exercise price associated with restricted stock units, phantom stock units or LTIP units, these awards are not included in the weighted-average exercise price calculation.

(4) Balance is after reserving for shares underlying outstanding restricted stock units, phantom stock units granted pursuant to our Non-Employee Directors' Deferral Program and LTIP Units. The number of securities remaining available consists of shares remaining available for issuance under our 2008 Employee Stock Purchase Plan and Third Amended and Restated 2005 Stock Option and Incentive Plan.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

SL Green Realty Corp., which is referred to as SL Green or the Company, a Maryland corporation, and SL Green Operating Partnership, L.P., which is referred to as SLGOP or the Operating Partnership, a Delaware limited partnership, were formed in June 1997 for the purpose of combining the commercial real estate business of S.L. Green Properties, Inc. and its affiliated partnerships and entities. The Company is a self-managed real estate investment trust, or REIT, engaged in the acquisition, development, ownership, management and operation of commercial and residential real estate properties, principally office properties, located in the New York metropolitan area. Unless the context requires otherwise, all references to "we," "our" and "us" means the Company and all entities owned or controlled by the Company, including the Operating Partnership.

The COVID-19 pandemic has caused, and continues to cause, severe disruptions with wide ranging impacts to the global economy and everyday life. We expect that our business, results of operations, liquidity, cash flows, prospects, and our ability to achieve forward-looking targets and expectations could be materially and adversely affected for at least the duration of the COVID-19 pandemic and likely longer. This could also cause significant volatility in the trading prices of our securities. The extent of the impact of the COVID-19 pandemic will depend on future developments, including the duration, severity and spread of the pandemic, health and safety actions taken to contain its spread and how quickly and to what extent normal economic and operating conditions can resume. Additionally, the COVID-19 pandemic could increase the magnitude of many of the other risks described in this Annual Report on Form 10-K and our other SEC filings and may have other adverse effects on our operations that we are not currently able to predict.

The scale and magnitude of adverse impacts could depend on, among other factors:

- the financial condition of our tenants and their ability or willingness to pay rent in full on a timely basis;
- the impact on rents and demand for office and retail space;
- the extent to which work-from-home policies continue subsequent to the easing of pandemic-related restrictions;
- the impact of new regulations or norms on physical space needs and expectations;
- the financial condition of the borrowers and sponsors of our debt and preferred equity investments and their ability or willingness to make interest and principal payments;
- the effectiveness of governmental measures aimed at slowing and containing the spread;
- the effect of changes in laws and regulation;
- the extent and terms associated with governmental relief programs;
- the ability of debt and equity markets to function and provide liquidity; and
- the ability to mitigate delays or cost increases associated with building materials or construction services necessary for development, redevelopment and tenant improvements

The following discussion related to our consolidated financial statements should be read in conjunction with the financial statements appearing in Item 8 of this Annual Report on Form 10-K. A discussion of our results of operations for the year ended December 31, 2019 compared to the year ended year ended December 31, 2018 is included in Part II, Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K for the year ended December 31, 2019, filed with the SEC on February 28, 2020, and is incorporated by reference into this Annual Report on Form 10-K.

Leasing and Operating

At December 31, 2020, our same-store Manhattan office property occupancy inclusive of leases signed but not commenced, was 93.4% compared to 96.2% at December 31, 2019. We signed office leases in Manhattan encompassing approximately 1.2 million square feet, of which approximately 0.9 million square feet represented office leases that replaced previously occupied space. Our mark-to-market on the signed Manhattan office leases that replaced previously occupied space was (3.6)% for 2020.

According to Cushman & Wakefield, leasing activity in Manhattan in 2020 totaled approximately 12.8 million square feet. Of the total 2020 leasing activity in Manhattan, the Midtown submarket accounted for approximately 8.9 million square feet, or approximately 69.5%. Manhattan's overall office vacancy went from 11.1% at December 31, 2019 to 15.2% at December 31, 2020. Overall average asking rents in Manhattan decreased in 2020 by 0.3% from $73.41 per square foot at

December 31, 2019 to $73.16 per square foot at December 31, 2020, while Manhattan Class A asking rents increased to $80.18 per square foot , up 0.5% from $79.82 at December 31, 2019.

Acquisition and Disposition Activity

Overall Manhattan sales volume decreased by 61.0% in 2020 to $13.0 billion as compared to $29.4 billion in 2019. However, we continued to take advantage of significant interest by both international and domestic institutions and individuals seeking ownership interests in Manhattan properties to sell assets, disposing of a significant volume of properties that were considered non-core or had a more limited growth trajectory, raising efficiently priced capital that was used primarily for share repurchases and debt reduction. During the year, we closed on the sales of all or a portion of our interests in 30 East 40th Street, 1055 Washington Boulevard, Williamsburg Terrace, 410 Tenth Avenue, 333 East 22nd Street, 400 East 58th Street, the retail condominium at 609 Fifth Avenue, and 315 West 33rd Street - "The Olivia" for total gross valuations of $1.7 billion.

Debt and Preferred Equity

In 2019 and 2020, in our debt and preferred equity portfolio we continued to focus on the origination of financings for owners, acquirers or developers of properties in New York City, while selectively selling certain investments, the proceeds of which were utilized to repurchase shares of common stock or for debt repayment. This investment strategy provides us with the opportunity to fill a need for additional debt financing, while achieving attractive risk adjusted returns to us on the investments and receiving a significant amount of additional information on the New York City real estate market. The typical investments made by us during 2019 and 2020 were to reputable owners or acquirers which have sizable equity subordinate to our last dollar of exposure. During 2020, our debt and preferred equity activities included purchases and originations, inclusive of advances under future funding obligations, discount and fee amortization, and paid-in-kind interest, net of premium amortization, of $0.6 billion, and sales, redemption and participations of $1.0 billion.

For descriptions of significant activities in 2020, refer to "Part I, Item 1. Business - Highlights from 2020."

Critical Accounting Policies

Our discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, and contingencies as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. We evaluate our assumptions and estimates on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Investment in Commercial Real Estate Properties

Real estate properties are presented at cost less accumulated depreciation and amortization. Costs directly related to the development or redevelopment of properties are capitalized. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives.

We recognize the assets acquired, liabilities assumed (including contingencies) and any noncontrolling interests in an acquired entity at their respective fair values on the acquisition date.

The Company classifies those leases under which the Company is the lessee at lease commencement as finance or operating leases. Leases qualify as finance leases if the lease transfers ownership of the asset at the end of the lease term, the lease grants an option to purchase the asset that we are reasonably certain to exercise, the lease term is for a major part of the remaining economic life of the asset, or the present value of the lease payments exceeds substantially all of the fair value of the asset. Leases that do not qualify as finance leases are deemed to be operating leases. On the consolidated statements of operations, operating leases are expensed through operating lease rent while financing leases are expensed through amortization and interest expense.

We incur a variety of costs in the development and leasing of our properties. After the determination is made to capitalize a cost, it is allocated to the specific component of a project that is benefited. Determination of when a development project is substantially complete and capitalization must cease involves a degree of judgment. The costs of land and building under development include specifically identifiable costs. The capitalized costs include, but are not limited to, pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. We consider a construction project as substantially completed and held available for occupancy upon the completion of tenant improvements, but no later than one year after major construction activity ceases. We cease capitalization on the portions substantially completed and occupied or held available for occupancy, and capitalize only those costs associated with the portions under construction.

On a periodic basis, we assess whether there are any indications that the value of our real estate properties may be impaired or that their carrying value may not be recoverable. A property's value is considered impaired if management's estimate of the aggregate future cash flows (undiscounted) to be generated by the property is less than the carrying value of the property. To the extent impairment has occurred, the loss will be measured as the excess of the carrying amount of the property over the fair value of the property as calculated in accordance with ASC 820.

We also evaluate our real estate properties for impairment when a property has been classified as held for sale. Real estate assets held for sale are valued at the lower of their carrying value or fair value less costs to sell and depreciation expense is no longer recorded. See Note 4, "Properties Held for Sale and Dispositions."

Investments in Unconsolidated Joint Ventures

We account for our investments in unconsolidated joint ventures under the equity method of accounting in cases where we exercise significant influence over, but do not control, these entities and are not considered to be the primary beneficiary. We consolidate those joint ventures that we control or which are variable interest entities (each, a "VIE") and where we are considered to be the primary beneficiary. In all these joint ventures, the rights of the joint venture partner are both protective as well as participating. Unless we are determined to be the primary beneficiary in a VIE, these participating rights preclude us from consolidating these VIE entities. These investments are recorded initially at cost, as investments in unconsolidated joint ventures, and subsequently adjusted for equity in net income (loss) and cash contributions and distributions. Equity in net income (loss) from unconsolidated joint ventures is allocated based on our ownership or economic interest in each joint venture and includes adjustments related to basis differences in accounting for the investment. When a capital event (as defined in each joint venture agreement) such as a refinancing occurs, if return thresholds are met, future equity income will be allocated at our increased economic interest. We recognize incentive income from unconsolidated real estate joint ventures as income to the extent it is earned and not subject to a clawback feature. Distributions we receive from unconsolidated real estate joint ventures in excess of our basis in the investment are recorded as offsets to our investment balance if we remain liable for future obligations of the joint venture or may otherwise be committed to provide future additional financial support. We generally finance our joint ventures with non-recourse debt. In certain cases we may provide guarantees or master leases for tenant space, which terminate upon the satisfaction of specified circumstances or repayment of the underlying loans.

We assess our investments in unconsolidated joint ventures for recoverability, and if it is determined that a loss in value of the investment is other than temporary, we write down the investment to its fair value. We evaluate our equity investments for impairment based on each joint ventures' actual and projected cash flows. We do not believe that the values of any of our equity investments were impaired at December 31, 2020.

We may originate loans for real estate acquisition, development and construction ("ADC loans") where we expect to receive some of the residual profit from such projects. When the risk and rewards of these arrangements are essentially the same as an investor or joint venture partner, we account for these arrangements as real estate investments under the equity method of accounting for investments. Otherwise, we account for these arrangements consistent with the accounting for our debt and preferred equity investments.

Lease Classification

Lease classification for leases under which the Company is the lessor is evaluated at lease commencement and leases not classified as sales-type leases or direct financing leases are classified as operating leases. Leases qualify as sales-type leases if the contract includes either transfer of ownership clauses, certain purchase options, a lease term representing a major part of the economic life of the asset, or the present value of the lease payments and residual guarantees provided by the lessee exceeds substantially all of the fair value of the asset. Additionally, leasing an asset so specialized that it is not deemed to have any value to the Company at the end of the lease term may also result in classification as a sales-type lease. Leases qualify as direct financing leases when the present value of the lease payments and residual value guarantees provided by the lessee and unrelated third parties exceeds substantially all of the fair value of the asset and collection of the payments is probable.

Revenue Recognition

Rental revenue for operating leases is recognized on a straight-line basis over the term of the lease. Rental revenue recognition commences when the leased space is available for its intended use by the lessee.

To determine whether the leased space is available for its intended use by the lessee, management evaluates whether we are or the tenant is the owner of tenant improvements for accounting purposes. When management concludes that we are the owner of tenant improvements, rental revenue recognition begins when the tenant takes possession of the finished space, which is when such tenant improvements are substantially complete. In certain instances, when management concludes that we are not the owner of tenant improvements, rental revenue recognition begins when the tenant takes possession of or controls the space.

When management concludes that we are the owner of tenant improvements for accounting purposes, we record amounts funded to construct the tenant improvements as a capital asset. For these tenant improvements, we record amounts reimbursed by tenants as a reduction of the capital asset. When management concludes that the tenant is the owner of tenant improvements for accounting purposes, we record our contribution towards those improvements as a lease incentive, which is included in deferred costs, net on our consolidated balance sheets and amortized as a reduction to rental revenue on a straight-line basis over the term of the lease.

The excess of rents recognized over amounts contractually due pursuant to the underlying leases are included in deferred rents receivable on the consolidated balance sheets.

In addition to base rent, our tenants also generally will pay variable rent which represents their pro rata share of increases in real estate taxes and certain operating expenses for the building over a base year. In some leases, in lieu of paying additional rent based upon increases in certain building operating expenses, the tenant will pay additional rent based upon increases in the wage rate paid to porters over the porters' wage rate in effect during a base year or increases in the consumer price index over the index value in effect during a base year. In addition, many of our leases contain fixed percentage increases over the base rent to cover escalations. Electricity is most often supplied by the landlord either on a sub-metered basis, or rent inclusion basis (i.e., a fixed fee is included in the rent for electricity, which amount may increase based upon increases in electricity rates or increases in electrical usage by the tenant). Base building services other than electricity (such as heat, air conditioning and freight elevator service during business hours, and base building cleaning) are typically provided at no additional cost, with the tenant paying additional rent only for services which exceed base building services or for services which are provided outside normal business hours. These escalations are based on actual expenses incurred in the prior calendar year. If the expenses in the current year are different from those in the prior year, then during the current year, the escalations will be adjusted to reflect the actual expenses for the current year.

Rental revenue is recognized if collectability is probable. If collectability of substantially all of the lease payments is assessed as not probable, any difference between the rental revenue recognized to date and the lease payments that have been collected is recognized as a current-period adjustment to rental revenue. A subsequent change in the assessment of collectability to probable may result in a current-period adjustment to rental revenue for any difference between the rental revenue that would have been recognized if collectability had always been assessed as probable and the rental revenue recognized to date.

We recognize lease concessions related to COVID-19, such as rent deferrals and abatements, in accordance with the Lease Modification Q&A issued by the FASB in April 2020, which provides entities with the option to elect to account for lease concessions as though the enforceable rights and obligations existed in the original lease. This election is only available when total cash flows resulting from the modified lease are substantially similar to the cash flows in the original lease. When total cash flows resulting from the modified lease are not substantially similar to the cash flows in the original lease, we account for the concession agreement as a new lease.

The Company provides its tenants with certain customary services for lease contracts such as common area maintenance and general security. We have elected to combine the non-lease components with the lease components of our operating lease agreements and account for them as a single lease component in accordance with ASC 842.

We record a gain or loss on sale of real estate assets when we no longer hold a controlling financial interest in the entity holding the real estate, a contract exists with a third party and that third party has control of the assets acquired.

Investment income on debt and preferred equity investments is accrued based on the contractual terms of the instruments and when, in the opinion of management, it is deemed collectible. Some debt and preferred equity investments provide for accrual of interest at specified rates, which differ from current payment terms. Interest is recognized on such loans at the accrual rate subject to management's determination that accrued interest is collectible. If management cannot make this determination, interest income above the current pay rate is recognized only upon actual receipt.

Deferred origination fees, original issue discounts and loan origination costs, if any, are recognized as an adjustment to interest income over the terms of the related investments using the effective interest method. Fees received in connection with loan commitments are also deferred until the loan is funded and are then recognized over the term of the loan as an adjustment to yield. Discounts or premiums associated with the purchase of loans are amortized or accreted into interest income as a yield adjustment on the effective interest method based on expected cash flows through the expected maturity date of the related investment. If we purchase a debt or preferred equity investment at a discount, intend to hold it until maturity and expect to recover the full value of the investment, we accrete the discount into income as an adjustment to yield over the term of the investment. If we purchase a debt or preferred equity investment at a discount with the intention of foreclosing on the collateral, we do not accrete the discount. For debt investments acquired at a discount for credit quality, the difference between contractual cash flows and expected cash flows at acquisition is not accreted. Anticipated exit fees, the collection of which is expected, are also recognized over the term of the loan as an adjustment to yield.

Debt and preferred equity investments are placed on a non-accrual status at the earlier of the date at which payments become 90 days past due or when, in the opinion of management, a full recovery of interest income becomes doubtful. Interest income recognition is resumed on any non-accrual debt or preferred equity investment that is when such non-accrual debt or preferred equity investment becomes contractually current and performance is demonstrated to be resumed. Interest is recorded as income on impaired loans only to the extent cash is received. We consider an investment to be past due when amounts contractually due have not been paid.

We may syndicate a portion of the loans that we originate or sell the loans individually. When a transaction meets the criteria for sale accounting, we recognize gain or loss based on the difference between the sales price and the carrying value of the loan sold. Any related unamortized deferred origination fees, original issue discounts, loan origination costs, discounts or premiums at the time of sale are recognized as an adjustment to the gain or loss on sale, which is included in investment income on the consolidated statement of operations. Any fees received at the time of sale or syndication are recognized as part of investment income.

Asset management fees are recognized on a straight-line basis over the term of the asset management agreement.

Debt and Preferred Equity Investments

Debt and preferred equity investments are presented at the net amount expected to be collected in accordance with ASC 326. An allowance for loan losses is deducted from the amortized cost basis of the financial assets to present the net carrying value at the amount expected to be collected through the expected maturity date of such investments. The expense for loan loss and other investment reserves is the charge to earnings to adjust the allowance for loan losses to the appropriate level. Amounts are written off from the allowance when we de-recognize the related investment either as a result of a sale of the investment or acquisition of equity interests in the collateral.

The Company evaluates the amount expected to be collected based on current market and economic conditions, historical loss information, and reasonable and supportable forecasts. The Company's assumptions are derived from both internal data and external data which may include, among others, governmental economic projections for the New York City Metropolitan area, public data on recent transactions and filings for securitized debt instruments. This information is aggregated by asset class and adjusted for duration. Based on these inputs, loans are evaluated at the individual asset level. In certain instances, we may also use a probability-weighted model that considers the likelihood of multiple outcomes and the amount expected to be collected for each outcome.

The evaluation of the possible credit deterioration associated with the performance and/or value of the underlying collateral property as well as the financial and operating capability of the borrower/sponsor requires significant judgment, which include both asset level and market assumptions over the relevant time period.

In addition, quarterly, the Company assigns each loan a risk rating. Based on a 3-point scale, loans are rated “1” through “3,” from lower risk to higher risk, which ratings are defined as follows: 1 - Low Risk Assets - Low probability of loss, 2 - Watch List Assets - Higher potential for loss, 3 - High Risk Assets - Loss more likely than not. Loans with risk ratings of 2 or 3 are evaluated to determine whether the expected risk of loss is appropriately captured through the combination of our expectations of current conditions, historical loss information and supportable forecasts described above or whether risk characteristics specific to the loan warrant the use of a probability-weighted model.

Financing investments that are classified as held for sale are carried at the expected amount to be collected or fair market value using available market information obtained through consultation with dealers or other originators of such investments as well as discounted cash flow models based on Level 3 data pursuant to ASC 820-10. As circumstances change, management may conclude not to sell an investment designated as held for sale. In such situations, the investment will be reclassified at its expected amount to be collected.

Other financing receivables that are included in balance sheet line items other than the Debt and Preferred Equity Investments line are also measured at the net amount expected to the be collected.

Accrued interest receivable amounts related to these debt and preferred equity investment and other financing receivables are recorded at the net amount expected to be collected within Other assets in the consolidated balance sheets. Write offs of accrued interest receivables are recognized as an expense for loan loss and other investment reserves.

Results of Operations

Comparison of the year ended December 31, 2020 to the year ended December 31, 2019

The following comparison for the year ended December 31, 2020, or 2020, to the year ended December 31, 2019, or 2019, makes reference to the effect of the following:

i. “Same-Store Properties,” which represents all operating properties owned by us at January 1, 2019 and still owned by us in the same manner at December 31, 2020 (Same-Store Properties totaled 28 of our 38 consolidated operating properties),
ii. “Acquisition Properties,” which represents all properties or interests in properties acquired in 2020 and 2019 and all non-Same-Store Properties, including properties that are under development or redevelopment,
iii. "Disposed Properties" which represents all properties or interests in properties sold in 2020 and 2019, and
iv. “Other,” which represents properties where we sold an interest resulting in deconsolidation and corporate level items not allocable to specific properties, as well as the Service Corporation and eEmerge Inc.

	Same-Store				Disposed		Other		Consolidated			
(in millions)	**2020**	**2019**	**$ Change**	**% Change**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**$ Change**	**% Change**
Rental revenue	$ 727.6	$ 756.9	$ (29.3)	(3.9)%	$ 28.9	$ 95.5	$ 47.9	$ 131.2	$ 804.4	$ 983.6	$ (179.2)	(18.2)%
Investment income	—	—	—	— %	—	—	120.2	195.6	120.2	195.6	(75.4)	(38.5)%
Other income	33.4	9.4	24.0	255.3 %	3.6	4.6	91.2	45.8	128.2	59.8	68.4	114.4 %
Total revenues	761.0	766.3	(5.3)	(0.7)%	32.5	100.1	259.3	372.6	1,052.8	1,239.0	(186.2)	(15.0)%
Property operating expenses	335.9	352.7	(16.8)	(4.8)%	6.9	25.7	45.7	80.3	388.5	458.7	(70.2)	(15.3)%
Transaction related costs	—	—	—	— %	—	—	0.5	0.7	0.5	0.7	(0.2)	(28.6)%
Marketing, general and administrative	—	—	—	— %	—	—	91.8	100.9	91.8	100.9	(9.1)	(9.0)%
	335.9	352.7	(16.8)	(4.8)%	6.9	25.7	138.0	181.9	480.8	560.3	(79.5)	(14.2)%
Other income (expenses):												
Interest expense and amortization of deferred financing costs, net of interest income									$ (128.5)	$ (202.2)	73.7	(36.4)%
Depreciation and amortization									(313.7)	(272.4)	(41.3)	15.2 %
Equity in net (loss) income from unconsolidated joint ventures									(25.2)	(34.5)	9.3	(27.0)%
Equity in net gain on sale of interest in unconsolidated joint venture/real estate									3.0	76.2	(73.2)	(96.1)%
Purchase price and other fair value adjustment									187.5	69.4	118.1	170.2 %
Gain (loss) on sale of real estate, net									215.5	(16.7)	232.2	(1,390.4)%
Depreciable real estate reserves and impairments									(60.5)	(7.0)	(53.5)	764.3 %
Loan loss and other investment reserves, net of recoveries									(35.3)	—	(35.3)	— %
Net income									$ 414.8	$ 291.5	$ 123.3	42.3 %

Rental Revenue

Rental revenues decreased primarily due to a) our Disposed Properties ($66.6 million), b) Credit Suisse vacating its space at One Madison Avenue in January 2020 pursuant to an agreement to terminate its lease early so the property can be redeveloped ($50.2 million), c) lower contribution from our Same-Store properties ($29.3 million) driven by i) lower expense escalation revenue resulting from lower operating expenses and ii) charge offs of billed tenant receivables and straight-line rent, and d) increased vacancy at 625 Madison Avenue, which is expected to be redeveloped ($26.1 million).

The following table presents a summary of the commenced leasing activity for the year ended December 31, 2020 in our Manhattan portfolio:

	Usable SF	Rentable SF	New Cash Rent (per rentable SF) [1]	Prev. Escalated Rent (per rentable SF) [2]	TI/LC per rentable SF	Free Rent (in months)	Average Lease Term (in years)
Manhattan							
Space available at beginning of the year	1,306,757						
Sold vacancies	(4,545)						
Acquired vacancies	42,800						
Property in redevelopment	(10,695)						
Space which became available during the year[3]							
• Office	1,170,246						
• Retail	90,528						
• Storage	6,294						
	1,267,068						
Total space available	2,601,385						
Leased space commenced during the year:							
• Office[4]	777,511	835,150	$ 68.24	$ 65.37	$ 58.82	6.7	9.9
• Retail	104,800	104,164	$ 142.74	$ 107.30	$ 64.32	8.6	16.9
• Storage	1,339	1,249	$ 35.74	$ 37.41	$ —	3.4	3.9
Total leased space commenced	883,650	940,563	$ 76.44	$ 69.31	$ 59.35	6.9	10.7
Total available space at end of year	1,717,735						
Early renewals							
• Office	499,520	513,010	$ 67.87	$ 71.03	$ 17.76	4.2	4.8
• Retail	105,563	40,238	$ 239.85	$ 211.64	$ —	1.5	2.2
• Storage	15,833	7,070	$ 37.56	$ 37.01	$ —	1.9	5.3
Total early renewals	620,916	560,318	$ 79.84	$ 80.70	$ 16.26	3.9	4.6
Total commenced leases, including replaced previous vacancy							
• Office		1,348,160	$ 68.10	$ 67.82	$ 43.20	5.8	8.0
• Retail		144,402	$ 169.80	$ 145.19	$ 46.40	6.6	12.8
• Storage		8,319	$ 37.28	$ 37.06	$ —	2.1	5.1
Total commenced leases		1,500,881	$ 77.71	$ 74.20	$ 43.27	5.8	8.4

(1) Annual initial base rent.
(2) Escalated rent includes base rent plus all additional amounts paid by the tenant in the form of real estate taxes, operating expenses, porters wage or a consumer price index (CPI) adjustment.
(3) Includes expiring space, relocating tenants and move-outs where tenants vacated. Excludes lease expirations where tenants held over.
(4) Average starting office rent excluding new tenants replacing vacancies was $66.50 per rentable square feet for 672,280 rentable square feet. Average starting office rent for office space (leased and early renewals, excluding new tenants replacing vacancies) was $67.09 per rentable square feet for 1,185,290 rentable square feet.

Investment Income

Investment income decreased primarily as a result of a decrease in the weighted average balance and weighted average yield of our debt and preferred equity investment portfolio. For the years ended December 31, 2020 and 2019, the weighted average balance of our debt and preferred equity investment portfolio and the weighted average yield were $1.4 billion and 7.7%, respectively, compared to $2.1 billion and 8.8%, respectively. As of December 31, 2020, the debt and preferred equity investment portfolio had a weighted average term to maturity of 2.3 years excluding extension options.

Other Income

Other income increased primarily due a) to higher lease termination income in 2020 as compared with 2019 ($48.6 million), b) a settlement fee related to a previous real estate transaction ($20.2 million), and c) development fee income of ($7.3 million) in 2020, offset by d) a decrease in leasing commission income in 2020 as compared to 2019 ($7.0 million).

Property Operating Expenses

Property operating expenses decreased primarily due to a) a reduction in variable operating expenses, such as utilities, cleaning, and security, at our Same-Store properties ($24.3 million) as a result of lower physical occupancy at the properties during the year related to COVID-19 and b) decreased operating expenses and real estate taxes at i) our Disposed properties ($18.8 million and $13.3 million, respectively) and ii) 625 Madison Avenue ($6.5 million and $10.3 million, respectively).

Marketing, General and Administrative Expenses

Marketing, general and administrative expenses decreased to $91.8 million for the year ended December 31, 2020, compared to $100.9 million for the same period in 2019 due to reduced compensation expense.

Interest Expense and Amortization of Deferred Financing Costs, Net of Interest Income

Interest expense and amortization of deferred financing costs, net of interest income, decreased primarily as a result of a) a decrease in corporate interest expense due to lower LIBOR in 2020 ($21.7 million), b) the repayment of an issuance of senior unsecured notes in the first quarter of 2020 ($20.9 million), c) interest capitalization in connection with a property that is under development ($18.3 million) and d) the repayment of the Master Repurchase Agreement in the second quarter of 2020 ($10.3 million). The weighted average consolidated debt balance outstanding was $5.8 billion for the year ended December 31, 2020 as compared to $6.1 billion for the year ended December 31, 2019. The consolidated weighted average interest rate decreased to 3.06% for the year ended December 31, 2020 as compared to 4.00% for the year ended December 31, 2019 as a result of lower LIBOR.

Depreciation and Amortization

Depreciation and amortization increased primarily due to accelerated depreciation at One Madison Avenue related to the redevelopment of the property ($55.2 million), offset by decreased depreciation and amortization at our Disposed properties ($18.5 million).

Equity in net (loss) income from unconsolidated joint ventures

Equity in net loss from unconsolidated joint ventures decreased primarily as a result of increased contribution from 280 Park Avenue resulting from a) lower interest expense ($10.3 million) and b) a tax abatement benefit recognized in 2020 ($2.4 million).

Equity in net gain on sale of interest in unconsolidated joint venture/real estate

During the year ended December 31, 2020, we recognized a gain on the sale of our joint venture interest in 333 East 22nd Street ($3.0 million). During the year ended December 31, 2019, we recognized gains on the sales of our joint venture interests in 521 Fifth Avenue ($57.4 million) and 131 Spring Street ($16.7 million).

Purchase price and other fair value adjustments

In December 2020, the Company admitted partners to the One Madison Avenue development project, which resulted in the Company no longer retaining a controlling interest in the entity, as defined in ASC 810, and the deconsolidation of our remaining 50.5% interest. We recorded our investment at fair value, which resulted in the recognition of a fair value adjustment of $187.5 million.

In August 2019, the Company sold a 49% interest in 115 Spring Street, which resulted in the deconsolidation of our remaining 51% interest. We recorded our investment at fair value which resulted in the recognition of a fair value adjustment of $3.8 million.

In May 2019, the Company closed on the acquisition of a majority and controlling interest in 410 Tenth Avenue. We recorded the assets acquired and liabilities assumed at fair value which resulted in the recognition of a fair value adjustment of $67.6 million million.

Gain (Loss) on Sale of Real Estate, Net

During the year ended December 31, 2020, we recognized gains on the sales of our interests in a) 315 West 33rd Street - "The Olivia" ($72.3 million), b) the retail condominium at 609 Fifth Avenue ($65.4 million), c) 410 Tenth Avenue ($56.4 million), d) 15 Beekman ($17.7 million), e) Williamsburg Terrace ($11.8 million) and f) 400 East 58th Street ($8.3 million), and a loss on sale related to our interest in 1055 Washington Boulevard in Stamford, Connecticut. During the year ended December 31, 2019, we recognized a loss on the sale of our interest in 562 Fifth Avenue ($26.6 million) and gains on the sales of our interests in a) 1640 Flatbush Avenue ($5.5 million), b) 115 Spring Street ($3.3 million), and c) the Suburban Properties ($1.8 million). The Suburban Properties consist of 360 Hamilton Avenue, 100 Summit Lake Drive, 200 Summit Lake Drive, and 500 Summit Lake Drive.

Depreciable Real Estate Reserves and Impairments

During the year ended December 31, 2020, we recorded charges related to a) 106 Spring Street ($39.7 million), b) 133 Greene Street ($14.1 million), and c) 712 Madison Avenue ($6.6 million). During the year ended December 31, 2019, we recorded a charge related to 1010 Washington Boulevard in Stamford, Connecticut ($7.0 million).

Loan loss and other investment reserves, net of recoveries

During the year ended December 31, 2020, we recorded $12.3 million of losses related to certain debt and preferred equity investments that were sold and $23.0 million of loan loss and other investment reserves in conjunction with recording debt and preferred equity investments and other financing receivables at the net amount expected to be collected. There were no loan loss reserves for the year ended December 31, 2019.

Comparison of the year ended December 31, 2019 to the year ended December 31, 2018

For a comparison of the year ended December 31, 2019 to the year ended December 31, 2018, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Form 10-K for the year ended December 31, 2019, which was filed with the SEC on February 28, 2020.

Liquidity and Capital Resources

We currently expect that our principal sources of funds to meet our short-term and long-term liquidity requirements for working capital, acquisitions, development or redevelopment of properties, tenant improvements, leasing costs, share repurchases, dividends to shareholders, distributions to unitholders, repurchases or repayments of outstanding indebtedness and for debt and preferred equity investments will include:

(1) Cash flow from operations;
(2) Cash on hand;
(3) Net proceeds from divestitures of properties and redemptions, participations, dispositions and repayments of debt and preferred equity investments;
(4) Borrowings under the revolving credit facility;
(5) Other forms of secured or unsecured financing; and
(6) Proceeds from common or preferred equity or debt offerings by the Company or the Operating Partnership (including issuances of units of limited partnership interest in the Operating Partnership and Trust preferred securities).

Cash flow from operations is primarily dependent upon the collectability of rent, the occupancy level of our portfolio, the net effective rental rates achieved on our leases, the collectability of rent, operating escalations and recoveries from our tenants and the level of operating and other costs. Additionally, we believe that our debt and preferred equity investment program will continue to serve as a source of operating cash flow.

As of the date of this filing, we have collected gross tenant billings for 2020 of 95.5% overall, including 97.9% from office tenants and 85.4% from retail tenants.

The combined aggregate principal maturities of our property mortgages and other loans payable, Federal Home Loan Bank of New York ("FHLB") facilities, corporate obligations and our share of joint venture debt, including as-of-right extension options, as of December 31, 2020 were as follows (in thousands):

	2021	2022	2023	2024	2025	Thereafter	Total
Property mortgages and other loans	$ 250,727	$ 264,202	$ 566,599	$ 278,034	$ 829	$ 580,969	$ 1,941,360
FHLB facilities	60,000	—	—	—	—	—	60,000
Corporate obligations	350,000	800,000	1,410,000	200,000	100,000	100,000	2,960,000
Joint venture debt-our share	1,085,279	540,947	491,066	617,010	1,385,256	552,813	4,672,371
Total	$ 1,746,006	$ 1,605,149	$ 2,467,665	$ 1,095,044	$ 1,486,085	$ 1,233,782	$ 9,633,731

As of December 31, 2020, we had liquidity of $1.7 billion, comprised of $1.4 billion of availability under our revolving credit facility and $0.3 billion of consolidated cash on hand, inclusive of $28.6 million of marketable securities. This liquidity excludes $122.2 million representing our share of cash at unconsolidated joint venture properties. We may seek to divest of properties, interests in properties, debt and preferred equity investments or access private and public debt and equity capital when the opportunity presents itself, although there is no guarantee that this capital will be made available to us at efficient levels or at all. Management believes that these sources of liquidity, if we are able to access them, along with potential refinancing opportunities for secured and unsecured debt, will allow us to satisfy our debt obligations, as described above, upon maturity, if not before.

We have investments in several real estate joint ventures with various partners who we consider to be financially stable and who have the ability to fund a capital call when needed. Most of our joint ventures are financed with non-recourse debt. We believe that property level cash flows along with unfunded committed indebtedness and proceeds from the refinancing of outstanding secured indebtedness will be sufficient to fund the capital needs of our joint venture properties.

Cash Flows

The following summary discussion of our cash flows is based on our consolidated statements of cash flows in "Item 1. Financial Statements" and is not meant to be an all-inclusive discussion of the changes in our cash flows for the years presented below.

Cash, restricted cash, and cash equivalents were $372.8 million and $241.4 million at December 31, 2020 and 2019, respectively, representing a increase of $131.4 million. The increase was a result of the following changes in cash flows (in thousands):

	Year Ended December 31,		
	2020	**2019**	**(Decrease) Increase**
Net cash provided by operating activities	**$ 554,236**	$ 376,473	$ 177,763
Net cash provided by investing activities	**$ 1,056,430**	$ 114,494	$ 941,936
Net cash used in financing activities	**$ (1,479,301)**	$ (528,650)	$ (950,651)

Our principal sources of operating cash flow are the properties in our consolidated and joint venture portfolios and our debt and preferred equity portfolio. These sources provide a relatively consistent stream of cash flow that provides us with resources to pay operating expenses, debt service, and fund dividend and distribution requirements. Our debt and preferred equity investments and joint venture investments also provide a steady stream of operating cash flow to us.

Cash is used in investing activities to fund acquisitions, development or redevelopment projects and recurring and nonrecurring capital expenditures. We selectively invest in new projects that enable us to take advantage of our development, leasing, financing and property management skills, and invest in existing buildings that meet our investment criteria. During the year ended December 31, 2020, when compared to the year ended December 31, 2019, we used cash primarily for the following investing activities (in thousands):

Acquisitions of real estate	$ 175,745
Capital expenditures and capitalized interest	(205,154)
Escrow cash-capital improvements/acquisition deposits/deferred purchase price	5,239
Joint venture investments	58,367
Distributions from joint ventures	45,552
Proceeds from sales of real estate/partial interest in property	904,080
Debt and preferred equity and other investments	(41,893)
Increase in net cash provided by investing activities	$ 941,936

Funds spent on capital expenditures, which are comprised of building and tenant improvements, increased from $253.0 million for the year ended December 31, 2019 to $458.1 million for the year ended December 31, 2020 due to increased costs incurred in connection with our development and redevelopment properties.

We generally fund our investment activity through the sale of real estate, the sale of debt and preferred equity investments, property-level financing, our credit facilities, senior unsecured notes, and construction loans. From time to time, the Company may issue common or preferred stock, or the Operating Partnership may issue common or preferred units of limited partnership interest. During the year ended December 31, 2020, when compared to the year ended December 31, 2019, we used cash for the following financing activities (in thousands):

Proceeds from our debt obligations	$	613,908
Repayments of our debt obligations		(1,261,752)
Net distribution to noncontrolling interests		(80,675)
Other financing activities		(49,978)
Proceeds from stock options exercised and DRSPP issuance		672
Repurchase of common stock		(144,084)
Redemption of preferred stock		(64,608)
Acquisition of subsidiary interest from noncontrolling interest		24,309
Dividends and distributions paid		12,390
Increase in net cash used in financing activities	$	(949,818)

Capitalization

Our authorized capital stock consists of 260,000,000 shares, $0.01 par value per share, consisting of 160,000,000 shares of common stock, $0.01 par value per share, 75,000,000 shares of excess stock, at $0.01 par value per share, and 25,000,000 shares of preferred stock, $0.01 par value per share. As of December 31, 2020, 68,508,127 shares of common stock and no shares of excess stock were issued and outstanding.

On December 4, 2020 our Board of Directors declared an ordinary dividend and a special dividend (together, "the Total Dividend"). The Total Dividend was paid on January 15, 2021 to shareholders of record at the close of business on December 15, 2020 ("the Record Date"). Shareholders had the opportunity to elect to receive the Total Dividend in the form of all cash or all stock, subject to proration if either option was oversubscribed.

To mitigate the dilutive impact of the common stock issued in the special dividend, the board of directors also authorized a reverse stock split, which was effective after markets closed on January 20, 2021. On January 8, 2021, a committee of the Board of Directors calculated the ratio for the reverse stock split of our issued and outstanding shares of common stock as 1.02918-for-1. After the issuance of the dividend and the completion of the reverse stock split, the number of shares of our common stock outstanding was equivalent to the number of total shares outstanding on the Record Date (not including any issuances or repurchases that occurred following the Record Date, as well as any fractional shares that would have been issued but for which cash-in-lieu was paid). However, on a relative basis, some individual shareholders may have more shares of SLG’s common stock, and some individual shareholders may have fewer shares of our common stock, depending on their individual elections to receive cash or stock and as a result of the cash option being oversubscribed.

All share-related references and measurements including the number of shares outstanding, share prices, number of shares repurchased, earnings per share, dividends per share, and share-based compensation awards, have been retroactively adjusted to reflect the reverse stock split for all periods presented in this Annual Report on Form 10-K.

Share Repurchase Program

In August 2016, our Board of Directors approved a share repurchase program under which we can repurchase up to $1.0 billion of shares of our common stock. The Board of Directors has since authorized five separate $500.0 million increases to the size of the share repurchase program in the fourth quarter of 2017, second quarter of 2018, fourth quarter of 2018, fourth quarter of 2019, and fourth quarter of 2020 bringing the total program size to $3.5 billion.

At December 31, 2020, repurchases executed under the program were as follows:

Period	Shares repurchased	Average price paid per share	Cumulative number of shares repurchased as part of the repurchase plan or programs
Year ended 2017	8,105,881	$104.61	8,105,881
Year ended 2018	9,468,617	$99.03	17,574,498
Year ended 2019	4,465,857	$86.06	22,040,355
Year ended 2020 (1)	8,538,995	$62.39	30,579,350

(1) Includes 63,374 shares of common stock repurchased by the Company in December 2020 that were settled in January 2021.

Dividend Reinvestment and Stock Purchase Plan ("DRSPP")

In February 2018, the Company filed a registration statement with the SEC for our dividend reinvestment and stock purchase plan, or DRSPP, which automatically became effective upon filing. The Company registered 3,500,000 shares of our common stock under the DRSPP. The DRSPP commenced on September 24, 2001.

The following table summarizes SL Green common stock issued, and proceeds received from dividend reinvestments and/or stock purchases under the DRSPP for the years ended December 31, 2020, 2019, and 2018, respectively (dollars in thousands):

	Year Ended December 31,		
	2020	**2019**	**2018**
Shares of common stock issued	**16,676**	3,757	1,359
Dividend reinvestments/stock purchases under the DRSPP	**$ 1,006**	$ 334	$ 136

Fourth Amended and Restated 2005 Stock Option and Incentive Plan

The Fourth Amended and Restated 2005 Stock Option and Incentive Plan, or the 2005 Plan, was approved by the Company's board of directors in April 2016 and its stockholders in June 2016 at the Company's annual meeting of stockholders. Subject to adjustments upon certain corporate transactions or events, awards with respect to up to a maximum of 27,030,000 fungible units may be granted as options, restricted stock, phantom shares, dividend equivalent rights and other equity-based awards under the 2005 Plan. As of December 31, 2020, 3.1 million fungible units were available for issuance under the 2005 Plan after reserving for shares underlying outstanding restricted stock units, phantom stock units granted pursuant to our Non-Employee Directors' Deferral Program and LTIP Units.

Deferred Compensation Plan for Directors

Under our Non-Employee Director's Deferral Program, which commenced July 2004, the Company's non-employee directors may elect to defer up to 100% of their annual retainer fee, chairman fees, meeting fees and annual stock grant. Unless otherwise elected by a participant, fees deferred under the program shall be credited in the form of phantom stock units. The program provides that a director's phantom stock units generally will be settled in an equal number of shares of common stock upon the earlier of (i) the January 1 coincident with or the next following such director's termination of service from the Board of Directors or (ii) a change in control by us, as defined by the program. Phantom stock units are credited to each non-employee director quarterly using the closing price of our common stock on the first business day of the respective quarter. Each participating non-employee director is also credited with dividend equivalents or phantom stock units based on the dividend rate for each quarter, which are either paid in cash currently or credited to the director’s account as additional phantom stock units.

During the year ended December 31, 2020, 20,753 phantom stock units and 8,417 shares of common stock were issued to our board of directors. We recorded compensation expense of $2.3 million during the year ended December 31, 2020 related to the Deferred Compensation Plan. As of December 31, 2020, there were 140,775 phantom stock units outstanding pursuant to our Non-Employee Director's Deferral Program.

Employee Stock Purchase Plan

In 2007, the Company's board of directors adopted the 2008 Employee Stock Purchase Plan, or ESPP, to encourage our employees to make our business more successful by providing equity-based incentives to eligible employees. The ESPP is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code, and has been adopted by the board to enable our eligible employees to purchase the Company's shares of common stock through payroll deductions. The ESPP became effective on January 1, 2008 with a maximum of 500,000 shares of the common stock available for issuance, subject to adjustment upon a merger, reorganization, stock split or other similar corporate change. The Company filed a registration statement on Form S-8 with the SEC with respect to the ESPP. The common stock is offered for purchase through a series of successive offering periods. Each offering period will be three months in duration and will begin on the first day of each calendar quarter, with the first offering period having commenced on January 1, 2008. The ESPP provides for eligible employees to purchase the common stock at a purchase price equal to 85% of the lesser of (1) the market value of the common stock on the first day of the offering period or (2) the market value of the common stock on the last day of the offering period. The ESPP was approved by our stockholders at our 2008 annual meeting of stockholders. As of December 31, 2020, 156,780 shares of our common stock had been issued under the ESPP.

Indebtedness

The table below summarizes our consolidated mortgages and other loans payable, 2017 credit facility, senior unsecured notes and trust preferred securities outstanding at December 31, 2020 and 2019, (amount in thousands).

	December 31,	
Debt Summary:	**2020**	**2019**
Balance		
Fixed rate	**$ 1,985,572**	$ 2,536,286
Variable rate—hedged	**1,150,000**	1,000,000
Total fixed rate	**3,135,572**	3,536,286
Total variable rate	**1,827,677**	2,018,434
Total debt	**$ 4,963,249**	$ 5,554,720
Debt, preferred equity, and other investments subject to variable rate	**345,877**	618,885
Net exposure to variable rate debt	**1,481,800**	1,399,549
Percent of Total Debt:		
Fixed rate	**63.2 %**	63.7 %
Variable rate [(1)]	**36.8 %**	36.3 %
Total	**100.0 %**	100.0 %
Effective Interest Rate for the Year:		
Fixed rate	**3.65 %**	4.05 %
Variable rate	**2.30 %**	3.93 %
Effective interest rate	**2.91 %**	3.85 %

(1) Inclusive of the mitigating effect of our debt, preferred equity, and other investments subject to variable rates, the percent of total debt of our net exposure to variable rate debt was 32.1% and 28.4% as of December 31, 2020 and December 31, 2019, respectively.

The variable rate debt shown above generally bears interest at an interest rate based on 30-day LIBOR (0.14% and 1.76% at December 31, 2020 and 2019, respectively). Our consolidated debt at December 31, 2020 had a weighted average term to maturity of 2.87 years.

Certain of our debt and equity investments and other investments, with carrying values of $0.3 billion at December 31, 2020 and $0.6 billion at December 31, 2019, are variable rate investments, which mitigates our exposure to interest rate changes on our unhedged variable rate debt. Inclusive of the mitigating effect of these investments, the net percent of our variable rate debt to total debt was 32.1% and 28.4%, respectively.

Mortgage Financing

As of December 31, 2020, our total mortgage debt (excluding our share of joint venture mortgage debt of $4.7 billion) consisted of $1.1 billion of fixed rate debt, including swapped variable rate debt, with an effective weighted average interest rate of 4.31% and $0.9 billion of variable rate debt with an effective weighted average interest rate of 2.77%.

Corporate Indebtedness

2017 Credit Facility

In November 2017, we entered into an amendment to the credit facility, referred to as the 2017 credit facility, that was originally entered into by the Company in November 2012, or the 2012 credit facility. As of December 31, 2020, the 2017 credit facility consisted of a $1.5 billion revolving credit facility, a $1.3 billion term loan (or "Term Loan A"), and a $200.0 million term loan (or "Term Loan B") with maturity dates of March 31, 2022, March 31, 2023, and November 21, 2024, respectively. The revolving credit facility has two six-month as-of-right extension options to March 31, 2023. We also have an option, subject to customary conditions, to increase the capacity of the credit facility to $4.5 billion at any time prior to the maturity dates for the revolving credit facility and term loans without the consent of existing lenders, by obtaining additional commitments from our existing lenders and other financial institutions.

As of December 31, 2020, the 2017 credit facility bore interest at a spread over 30-day LIBOR ranging from (i) 82.5 basis points to 155 basis points for loans under the revolving credit facility, (ii) 90 basis points to 175 basis points for loans under Term Loan A, and (iii) 85 basis points to 165 basis points for loans under Term Loan B, in each case based on the credit rating assigned to the senior unsecured long term indebtedness of the Company. In instances where there are either only two ratings available or where there are more than two and the difference between them is one rating category, the applicable rating shall be the highest rating. In instances where there are more than two ratings and the difference between the highest and the lowest is two or more rating categories, then the applicable rating used is the average of the highest two, rounded down if the average is not a recognized category.

At December 31, 2020, the applicable spread was 100 basis points for the revolving credit facility, 110 basis points for Term Loan A, and 100 basis points for Term Loan B. We are required to pay quarterly in arrears a 12.5 to 30 basis point facility fee on the total commitments under the revolving credit facility based on the credit rating assigned to the senior unsecured long term indebtedness of the Company. As of December 31, 2020, the facility fee was 20 basis points.

As of December 31, 2020, we had $26.0 million of outstanding letters of credit, $110.0 million drawn under the revolving credit facility and $1.5 billion outstanding under the term loan facilities, with total undrawn capacity of $1.4 billion under the 2017 credit facility. At December 31, 2020 and December 31, 2019, the revolving credit facility had a carrying value of $105.3 million and $234.0 million, respectively, net of deferred financing costs. At December 31, 2020 and December 31, 2019, the term loan facilities had a carrying value of $1.5 billion and $1.5 billion, respectively, net of deferred financing costs.

The Company and the Operating Partnership are borrowers jointly and severally obligated under the 2017 credit facility.

The 2017 credit facility includes certain restrictions and covenants (see Restrictive Covenants below).

Federal Home Loan Bank of New York ("FHLB") Facility

As of December 31, 2020, the Company's wholly-owned subsidiary, Ticonderoga Insurance Company, or Ticonderoga, a Vermont licensed captive insurance company, was a member of the Federal Home Loan Bank of New York, or FHLBNY. As a member, Ticonderoga was able to borrow funds from the FHLBNY in the form of secured advances that bore interest at a floating rate. In February 2021, Ticonderoga's membership in FHLB New York was terminated and all advances were repaid. As of December 31, 2020, Ticonderoga had a total of $60.0 million in outstanding secured advances with an average spread of 21 basis points over 30-day LIBOR.

Master Repurchase Agreement

The Company entered into a Master Repurchase Agreement, or MRA, known as the 2017 MRA, which provides us with the ability to sell certain mortgage investments with a simultaneous agreement to repurchase the same at a certain date or on demand. We seek to mitigate risks associated with our repurchase agreement by managing the credit quality of our assets, early repayments, interest rate volatility, liquidity, and market value. The margin call provisions under our repurchase facility permit valuation adjustments based on capital markets activity, and are not limited to collateral-specific credit marks. To monitor credit risk associated with our debt investments, our asset management team regularly reviews our investment portfolio and is in contact with our borrowers in order to monitor the collateral and enforce our rights as necessary. The risk associated with potential margin calls is further mitigated by our ability to collateralize the facility with additional assets from our portfolio of debt investments, our ability to satisfy margin calls with cash or cash equivalents and our access to additional liquidity. As of December 31, 2020, there have been no margin calls on the 2017 MRA.

In April 2018, we increased the maximum facility capacity from $300.0 million to $400.0 million. The facility bears interest on a floating rate basis at a spread to 30-day LIBOR based on the pledged collateral and advance rate and is scheduled to mature in June 2021, with a one-year extension option. At December 31, 2020, the facility had no outstanding balance.

Senior Unsecured Notes

The following table sets forth our senior unsecured notes and other related disclosures as of December 31, 2020 and 2019, respectively, by scheduled maturity date (dollars in thousands):

Issuance	December 31, 2020 Unpaid Principal Balance	December 31, 2020 Accreted Balance	December 31, 2019 Accreted Balance	Interest Rate (1)	Initial Term (in Years)	Maturity Date
August 7, 2018 (2)(3)	**$ 350,000**	**$ 350,000**	$ 350,000	1.52 %	3	August 2021
October 5, 2017 (2)	**500,000**	**499,803**	499,695	3.25 %	5	October 2022
November 15, 2012 (4)	**300,000**	**302,086**	303,142	4.50 %	10	December 2022
December 17, 2015 (5)	**100,000**	**100,000**	100,000	4.27 %	10	December 2025
March 16, 2010 (6)	**—**	**—**	250,000			
	$ 1,250,000	**$ 1,251,889**	$ 1,502,837			
Deferred financing costs, net		**(3,670)**	(5,990)			
	$ 1,250,000	**$ 1,248,219**	$ 1,496,847			

(1) Interest rate as of December 31, 2020, taking into account interest rate hedges in effect during the period.
(2) Issued by the Operating Partnership with the Company as the guarantor.
(3) The notes are subject to redemption at the Company's option, in whole but not in part, at a redemption price equal to 100% of the principal amount of the notes, plus unpaid accrued interest thereon to the redemption date. In April 2020, the Company entered into $350.0 million of fixed rate interest swaps at a rate of 0.54375% through August 2021.
(4) In October 2017, the Company and the Operating Partnership as co-obligors issued an additional $100.0 million of 4.50% senior unsecured notes due December 2022. The notes were priced at 105.334% of par.
(5) Issued by the Company and the Operating Partnership as co-obligors.
(6) In March 2020, the notes were repaid.

Restrictive Covenants

The terms of the 2017 credit facility and certain of our senior unsecured notes include certain restrictions and covenants which may limit, among other things, our ability to pay dividends, make certain types of investments, incur additional indebtedness, incur liens and enter into negative pledge agreements and dispose of assets, and which require compliance with financial ratios relating to the maximum ratio of total indebtedness to total asset value, a minimum ratio of EBITDA to fixed charges, a maximum ratio of secured indebtedness to total asset value and a maximum ratio of unsecured indebtedness to unencumbered asset value. The dividend restriction referred to above provides that, we will not during any time when a default is continuing, make distributions with respect to common stock or other equity interests, except to enable the Company to continue to qualify as a REIT for Federal income tax purposes. As of December 31, 2020 and 2019, we were in compliance with all such covenants.

Junior Subordinated Deferrable Interest Debentures

In June 2005, the Company and the Operating Partnership issued $100.0 million in unsecured trust preferred securities through a newly formed trust, SL Green Capital Trust I, or the Trust, which is a wholly-owned subsidiary of the Operating Partnership. The securities mature in 2035 and bear interest at a floating rate of 125 basis points over the three-month LIBOR. Interest payments may be deferred for a period of up to eight consecutive quarters if the Operating Partnership exercises its right to defer such payments. The Trust preferred securities are redeemable at the option of the Operating Partnership, in whole or in part, with no prepayment premium. We do not consolidate the Trust even though it is a variable interest entity as we are not the primary beneficiary. Because the Trust is not consolidated, we have recorded the debt on our consolidated balance sheets and the related payments are classified as interest expense.

Interest Rate Risk

We are exposed to changes in interest rates primarily from our variable rate debt. Our exposure to interest rate fluctuations are managed through either the use of interest rate derivative instruments and/or through our variable rate debt and preferred equity investments. Based on the debt outstanding as of December 31, 2020, a hypothetical 100 basis point increase in the floating rate interest rate curve would increase our consolidated annual interest cost, net of interest income from variable rate debt and preferred equity investments, by $14.0 million and would increase our share of joint venture annual interest cost by $20.6 million. At December 31, 2020, 32.1% of our $1.1 billion debt and preferred equity portfolio is indexed to LIBOR.

We recognize most derivatives on the balance sheet at fair value. Derivatives that are not hedges are adjusted to fair value through income. If a derivative is considered a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset against the change in fair value of the hedged asset, liability, or firm commitment through earnings, or recognized in other comprehensive loss until the hedged item is recognized in earnings.

Our long-term debt of $3.1 billion bears interest at fixed rates, and therefore the fair value of these instruments is affected by changes in the market interest rates. Our variable rate debt and variable rate joint venture debt as of December 31, 2020 bore interest based on a spread of LIBOR plus 18 basis points to LIBOR plus 340 basis points.

Contractual Obligations

The combined aggregate principal maturities of mortgages and other loans payable, the 2017 credit facility, senior unsecured notes (net of discount), trust preferred securities, our share of joint venture debt, including as-of-right extension options and put options, estimated interest expense, and our obligations under our financing and operating leases, as of December 31, 2020 are as follows (in thousands):

	2021	2022	2023	2024	2025	Thereafter	Total
Property mortgages and other loans	$ 250,727	$ 264,202	$ 566,599	$ 278,034	$ 829	$ 580,969	$ 1,941,360
MRA and FHLB facilities	60,000	—	—	—	—	—	60,000
Revolving credit facility	—	—	110,000	—	—	—	110,000
Unsecured term loans	—	—	1,300,000	200,000	—	—	1,500,000
Senior unsecured notes	350,000	800,000	—	—	100,000	—	1,250,000
Trust preferred securities	—	—	—	—	—	100,000	100,000
Financing leases	32,527	3,523	3,570	3,641	3,810	260,550	307,621
Operating leases	28,534	26,228	23,921	23,939	24,026	504,360	631,008
Estimated interest expense	141,815	122,975	60,953	42,990	31,901	55,103	455,737
Joint venture debt	1,085,279	540,947	491,066	617,010	1,385,256	552,813	4,672,371
Total	$ 1,948,882	$ 1,757,875	$ 2,556,109	$ 1,165,614	$ 1,545,822	$ 2,053,795	$ 11,028,097

Off-Balance Sheet Arrangements

We have off-balance sheet investments, including joint ventures and debt and preferred equity investments. These investments all have varying ownership structures. A majority of our joint venture arrangements are accounted for under the equity method of accounting as we have the ability to exercise significant influence, but not control, over the operating and financial decisions of these joint venture arrangements. Our off-balance sheet arrangements are discussed in Note 5, "Debt and Preferred Equity Investments" and Note 6, "Investments in Unconsolidated Joint Ventures" in the accompanying consolidated financial statements.

Capital Expenditures

We estimate that for the remainder of the year ending December 31, 2021, we expect to incur $88.0 million of recurring capital expenditures on existing consolidated properties and $192.2 million of development or redevelopment expenditures on existing consolidated properties, of which $65.5 million will be funded by construction financing facilities. We expect our share of capital expenditures at our joint venture properties will be $343.1 million, of which $248.1 million will be funded by construction financing facilities. We expect to fund these capital expenditures from operating cash flow, existing liquidity, and borrowings from construction financing facilities. Future property acquisitions may require substantial capital investments for refurbishment and leasing costs.

Dividends/Distributions

We expect to pay dividends to our stockholders based on the distributions we receive from our Operating Partnership, which are generated by the collection of property revenues, net of operating expenses, and interest on our debt and preferred equity portfolio.

To maintain our qualification as a REIT, we must pay annual dividends to our stockholders of at least 90% of our REIT taxable income, determined before taking into consideration the dividends paid deduction and net capital gains.

Any dividend we pay may be in the form of cash, stock, or a combination thereof, subject to IRS limitations on the use of stock for dividends. Additionally, if our REIT taxable income in a particular year exceeds the amount of cash dividends we pay in that year, we may pay stock dividends in order to maintain our REIT status and avoid certain REIT-level taxes.

Based on our current annual dividend rate of $3.64 per share, we would pay $249.4 million in dividends to our common stockholders on an annual basis. Before we pay any dividend, whether for Federal income tax purposes or otherwise, which would only be paid out of available cash to the extent permitted under the 2017 credit facility and senior unsecured notes, we must first meet both our operating requirements and scheduled debt service on our mortgages and loans payable.

Related Party Transactions

Cleaning/ Security/ Messenger and Restoration Services

Alliance Building Services, or Alliance, and its affiliates are partially owned by Gary Green, a son of Stephen L. Green, who serves as a member and as the chairman emeritus of our board of directors, and provide services to certain properties owned by us. Alliance's affiliates include First Quality Maintenance, L.P., or First Quality, Classic Security LLC, Bright Star Couriers LLC and Onyx Restoration Works, and provide cleaning, extermination, security, messenger, and restoration services, respectively. In addition, First Quality has the non-exclusive opportunity to provide cleaning and related services to individual tenants at our properties on a basis separately negotiated with any tenant seeking such additional services. The Service Corporation has entered into an arrangement with Alliance whereby it will receive a profit participation above a certain threshold for services provided by Alliance to certain tenants at certain buildings above the base services specified in their lease agreements.

Income earned from the profit participation, which is included in other income on the consolidated statements of operations, was $1.4 million, $3.9 million and $3.9 million for the years ended December 31, 2020, 2019 and 2018, respectively.

We also recorded expenses, inclusive of capitalized expenses, of $13.3 million, $18.8 million and $18.8 million the years ended December 31, 2020, 2019 and 2018, respectively, for these services (excluding services provided directly to tenants).

Management Fees

S.L. Green Management Corp., a consolidated entity, receives property management fees from an entity in which Stephen L. Green owns an interest. We received management fees from this entity of $0.6 million, $0.6 million and $0.6 million for the years ended December 31, 2020, 2019, and 2018 respectively.

One Vanderbilt Investment

In December 2016, we entered into agreements with entities owned and controlled by our Chairman and CEO, Marc Holliday, and our President, Andrew Mathias, pursuant to which they agreed to make an investment in our One Vanderbilt project at the appraised fair market value for the interests acquired. This investment entitles these entities to receive approximately 1.50% - 1.80% and 1.00% - 1.20%, respectively, of any profits realized by the Company from its One Vanderbilt project in excess of the Company's capital contributions. The entities have no right to any return of capital. Accordingly, subject to previously disclosed repurchase rights, these interests will have no value and will not entitle these entities to any amounts (other than limited distributions to cover tax liabilities incurred) unless and until the Company has received distributions from the One Vanderbilt project in excess of the Company's aggregate investment in the project. In the event that the Company does not realize a profit on its investment in the project (or would not realize a profit based on the value at the time the interests are repurchased), the entities owned and controlled by Messrs. Holliday and Mathias will lose the entire amount of their investment. The entities owned and controlled by Messrs. Holliday and Mathias paid $1.4 million and $1.0 million, respectively, which equal the fair market value of the interests acquired as of the date the investment agreements were entered into as determined by an independent third party appraisal that we obtained.

Messrs. Holliday and Mathias cannot monetize their interests until after stabilization of the property (50% within three years after stabilization and 100% three years or more after stabilization). In addition, the agreement calls for us to repurchase these interests in the event of a sale of One Vanderbilt or a transactional change of control of the Company. We also have the right to repurchase these interests on the 7-year anniversary of the stabilization of the project or upon the occurrence of certain separation events prior to the stabilization of the project relating to each of Messrs. Holliday’s and Mathias’s continued service with us. The price paid upon monetization of the interests will equal the liquidation value of the interests at the time, with the value of One Vanderbilt being based on its sale price, if applicable, or fair market value as determined by an independent third party appraiser.

Insurance

We maintain “all-risk” property and rental value coverage (including coverage regarding the perils of flood, earthquake and terrorism, excluding nuclear, biological, chemical, and radiological terrorism ("NBCR")), within three property insurance programs and liability insurance. Separate property and liability coverage may be purchased on a stand-alone basis for certain assets, such as the development of One Vanderbilt. Additionally, one of our captive insurance companies, Belmont Insurance Company, or Belmont, provides coverage for NBCR terrorist acts above a specified trigger. Belmont's retention is reinsured by our other captive insurance company, Ticonderoga Insurance Company ("Ticonderoga"). If Belmont or Ticonderoga are required to pay a claim under our insurance policies, we would ultimately record the loss to the extent of required payments. However, there is no assurance that in the future we will be able to procure coverage at a reasonable cost. Further, if we experience losses that are uninsured or that exceed policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. Additionally, our debt instruments contain customary covenants requiring us to maintain insurance and we could default under our debt instruments if the cost and/or availability of certain types of insurance make it impractical or impossible to comply with such covenants relating to insurance. Belmont and Ticonderoga provide coverage solely on properties owned by the Company or its affiliates.

Furthermore, with respect to certain of our properties, including properties held by joint ventures or subject to triple net leases, insurance coverage is obtained by a third-party and we do not control the coverage. While we may have agreements with such third parties to maintain adequate coverage and we monitor these policies, such coverage ultimately may not be maintained or adequately cover our risk of loss.

Funds from Operations

FFO is a widely recognized non-GAAP financial measure of REIT performance. The Company computes FFO in accordance with standards established by NAREIT, which may not be comparable to FFO reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than the Company does. The revised White Paper on FFO approved by the Board of Governors of NAREIT in April 2002, and subsequently amended in December 2018, defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of properties , and real estate related impairment charges, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures.

The Company presents FFO because it considers it an important supplemental measure of the Company’s operating performance and believes that it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, particularly those that own and operate commercial office properties. The Company also uses FFO as one of several criteria to determine performance-based compensation for members of its senior management. FFO is intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization unique to real estate, gains and losses from property dispositions, and real estate related impairment charges, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, and interest costs, providing perspective not immediately apparent from net income. FFO does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income (determined in accordance with GAAP), as an indication of the Company’s financial performance or to cash flow from operating activities (determined in accordance with GAAP) as a measure of the Company’s liquidity, nor is it indicative of funds available to fund the Company’s cash needs, including our ability to make cash distributions.

FFO for the years ended December 31, 2020, 2019, and 2018 are as follows (in thousands):

	Year Ended December 31,		
	2020	**2019**	**2018**
Net income attributable to SL Green common stockholders	**$ 356,105**	$ 255,484	$ 232,312
Add:			
Depreciation and amortization	**313,668**	272,358	279,507
Joint venture depreciation and noncontrolling interest adjustments	**205,869**	192,426	187,147
Net income attributable to noncontrolling interests	**34,956**	10,142	12,210
Less:			
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	**2,961**	76,181	303,967
Depreciable real estate reserves and impairments	**(60,454)**	(7,047)	(227,543)
Gain (loss) on sale of real estate, net	**215,506**	(16,749)	(30,757)
Purchase price and other fair value adjustment	**187,522**	69,389	57,385
Depreciation on non-rental real estate assets	**2,338**	2,935	2,404
Funds from Operations attributable to SL Green common stockholders and unit holders	**$ 562,725**	$ 605,701	$ 605,720
Cash flows provided by operating activities	**$ 554,236**	$ 376,473	$ 441,537
Cash flows provided by investing activities	**$ 1,056,430**	$ 114,494	$ 681,662
Cash flows used in financing activities	**$ (1,479,301)**	$ (528,650)	$ (1,094,112)

Inflation

Substantially all of our office leases provide for separate real estate tax and operating expense escalations as well as operating expense recoveries based on increases in the Consumer Price Index or other measures such as porters' wage. In addition, many of the leases provide for fixed base rent increases. We believe that inflationary increases will be at least partially offset by the contractual rent increases and expense escalations described above.

Accounting Standards Updates

The Accounting Standards Updates are discussed in Note 2, "Significant Accounting Policies - Accounting Standards Updates" in the accompanying consolidated financial statements.

Forward-Looking Information

This report includes certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and are intended to be covered by the safe harbor provisions thereof. All statements, other than statements of historical facts, included in this report that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, including such matters as future capital expenditures, dividends and acquisitions (including the amount and nature thereof), development trends of the real estate industry and the New York metropolitan area markets, business strategies, expansion and growth of our operations and other similar matters, are forward-looking statements. These forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate.

Forward-looking statements are not guarantees of future performance and actual results or developments may differ materially, and we caution you not to place undue reliance on such statements. Forward-looking statements are generally identifiable by the use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," "project," "continue," or the negative of these words, or other similar words or terms.

Forward-looking statements contained in this report are subject to a number of risks and uncertainties that may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by forward-looking statements made by us. These risks and uncertainties include:

- the effect of general economic, business and financial conditions, and their effect on the New York City real estate market in particular;

- the effect of the on-going COVID-19 pandemic and the duration of the impact it will have on our business and the industry as a whole;
- dependence upon certain geographic markets;
- risks of real estate acquisitions, dispositions, development and redevelopment, including the cost of construction delays and cost overruns;
- risks relating to debt and preferred equity investments;
- availability and creditworthiness of prospective tenants and borrowers;
- bankruptcy or insolvency of a major tenant or a significant number of smaller tenants or borrowers;
- adverse changes in the real estate markets, including reduced demand for office space, increasing vacancy, and increasing availability of sublease space;
- availability of capital (debt and equity);
- unanticipated increases in financing and other costs, including a rise in interest rates;
- our ability to comply with financial covenants in our debt instruments;
- our ability to maintain our status as a REIT;
- risks of investing through joint venture structures, including the fulfillment by our partners of their financial obligations;
- the threat of terrorist attacks;
- our ability to obtain adequate insurance coverage at a reasonable cost and the potential for losses in excess of our insurance coverage, including as a result of environmental contamination; and
- legislative, regulatory and/or safety requirements adversely affecting REITs and the real estate business including costs of compliance with the Americans with Disabilities Act, the Fair Housing Act and other similar laws and regulations.

Other factors and risks to our business, many of which are beyond our control, are described in other sections of this report and in our other filings with the SEC. Except to the extent required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of future events, new information or otherwise.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Market Rate Risk" for additional information regarding our exposure to interest rate fluctuations.

The table below presents the principal cash flows based upon maturity dates of our debt obligations and debt and preferred equity investments and the weighted-average interest rates by expected maturity dates, including as-of-right extension options, as of December 31, 2020 (in thousands):

	Long-Term Debt				Debt and Preferred Equity Investments [(1)]	
	Fixed Rate	Average Interest Rate	Variable Rate	Average Interest Rate	Amount	Weighted Yield
2021	$ 360,700	3.62 %	$ 300,027	1.94 %	$ 216,162	6.05 %
2022	1,006,552	3.59 %	57,650	1.97 %	398,053	10.33 %
2023	806,599	3.95 %	1,170,000	1.93 %	245,092	1.74 %
2024	278,034	4.26 %	200,000	1.57 %	6,890	— %
2025	100,829	4.34 %	—	2.09 %	30,000	8.40 %
Thereafter	580,969	4.35 %	100,000	2.82 %	180,345	6.95 %
Total	$ 3,133,683	3.78 %	$ 1,827,677	1.93 %	$ 1,076,542	6.83 %
Fair Value	$ 3,237,075		$ 1,822,740			

(1) Our debt and preferred equity investments had an estimated fair value ranging between $1.0 billion and $1.1 billion at December 31, 2020.

The table below presents the principal cash flows based upon maturity dates of our share of our joint venture debt obligations and the weighted-average interest rates by expected maturity dates as of December 31, 2020 (in thousands):

	Long Term Debt			
	Fixed Rate	Average Interest Rate	Variable Rate	Average Interest Rate
2021	$ 11,415	4.15 %	$ 1,073,864	2.13 %
2022	492,801	4.11 %	48,146	2.19 %
2023	271,080	3.94 %	219,986	2.57 %
2024	16,994	3.88 %	600,016	2.85 %
2025	1,261,997	3.88 %	123,259	3.34 %
Thereafter	442,675	3.98 %	110,138	3.68 %
Total	$ 2,496,962	4.02 %	$ 2,175,409	2.43 %
Fair Value	$ 2,570,780		$ 2,164,526	

The table below lists our consolidated derivative instruments, which are hedging variable rate debt, and their related fair values as of December 31, 2020 (in thousands):

	Asset Hedged	Benchmark Rate	Notional Value	Strike Rate	Effective Date	Expiration Date	Fair Value
Interest Rate Cap	Mortgage	LIBOR	$ 85,000	4.000 %	March 2019	March 2021	$ —
Interest Rate Swap	Credit Facility	LIBOR	350,000	0.544 %	April 2020	August 2021	(771)
Interest Rate Swap	Mortgage	LIBOR	111,869	3.500 %	December 2020	November 2021	—
Interest Rate Cap	Mortgage	LIBOR	510,000	3.000 %	June 2020	December 2021	—
Interest Rate Swap	Mortgage	LIBOR	200,000	1.131 %	July 2016	July 2023	(5,004)
Interest Rate Swap	Credit Facility	LIBOR	100,000	1.161 %	July 2016	July 2023	(2,578)
Interest Rate Cap	Credit Facility	LIBOR	600,000	4.000 %	August 2020	September 2023	28
Interest Rate Swap	Credit Facility	LIBOR	150,000	2.696 %	January 2019	January 2024	(11,344)
Interest Rate Swap	Credit Facility	LIBOR	150,000	2.721 %	January 2019	January 2026	(17,714)
Interest Rate Swap	Credit Facility	LIBOR	200,000	2.740 %	January 2019	January 2026	(23,806)
Total Consolidated Hedges							$ (61,189)

In addition to these derivative instruments, some of our joint venture loan agreements require the joint venture to purchase interest rate caps on its debt. All such interest rate caps represented an asset of $1.1 million in the aggregate at December 31, 2020. We also swapped certain floating rate debt at some of our joint ventures. These swaps represented a liability of $11.4 million in the aggregate at December 31, 2020.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Financial Statements and Schedules

All other schedules are omitted because they are not required or the required information is shown in the financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of SL Green Realty Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of SL Green Realty Corp. (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 26, 2021 expressed an unqualified opinion thereon.

Adoption of ASU No. 2016-02

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for leases in 2019 due to the adoption of ASU No. 2016-02, *Leases (Topic 842)*, and the related amendments.

Adoption of ASU No. 2016-13

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for the measurement of credit losses on financial instruments in 2020 due to the adoption of ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and the related amendments.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

Joint Venture Consolidation Assessment

Description of the Matter	The Company accounted for certain investments in real estate joint ventures under the equity method of accounting and consolidated certain other investments in real estate joint ventures. At December 31, 2020, the Company's investments in unconsolidated joint ventures was $3.8 billion and noncontrolling interests in consolidated other partnerships was $26 million. As discussed in Note 2 to the consolidated financial statements, for each joint venture, the Company evaluated the rights provided to each party in the venture to assess the consolidation of the venture.
How We Addressed the Matter in Our Audit	Auditing management's joint venture consolidation analyses was complex and highly judgmental due to the subjectivity in assessing which activities most significantly impact a joint venture's economic performance based on the purpose and design of the entity over the duration of its expected life and assessing which party has rights to direct those activities. We tested the Company's controls over the assessment of joint venture consolidation. For example, we tested controls over management's review of the consolidation analyses for newly formed ventures as well as controls over management's identification of reconsideration events which could trigger modified consolidation conclusions for existing ventures. To test the Company's consolidation assessment for real estate joint ventures, our procedures included, among others, reviewing new and amended joint venture agreements and discussing with management the nature of the rights conveyed to the Company through the joint venture agreements as well as the business purpose of the joint venture transactions. We reviewed management's assessment of the activities that would most significantly impact the joint venture's economic performance and evaluated whether the joint venture agreements provided participating or protective rights to the Company. We also evaluated transactions with the joint ventures for events which would require a reconsideration of previous consolidation conclusions.

Impairment of Commercial Real Estate Properties (Retail)

Description of the Matter	At December 31, 2020, the Company's commercial real estate properties, at cost totaled approximately $5.4 billion. As described in Note 2 to the consolidated financial statements, real estate properties are periodically reviewed for impairment when circumstances indicate that the carrying value of a property may not be recoverable. For the year ended December 31, 2020, the Company recognized $60.5 million of depreciable real estate reserves and impairments. Auditing the Company's accounting for impairment of commercial real estate properties (retail) was especially challenging and involved a high degree of subjectivity as a result of the assumptions and estimates inherent in the determination of estimated future cash flows expected to result from the property's use and eventual disposition and the estimated fair value of the property. In particular, management's assumptions and estimates included estimated revenue and expense growth rates, discount rates and capitalization rates, which were sensitive to expectations about future operations, market or economic conditions, demand and competition.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's commercial real estate properties impairment process. This included testing of controls over management's review of the significant assumptions and data inputs utilized in the estimation of expected future cash flows and the determination of fair value. To test the Company's accounting for impairment of commercial real estate properties, we performed audit procedures that included, among others, evaluating the methodologies applied and testing the significant assumptions discussed above and the underlying data used by the Company in its impairment analyses. We held discussions with management about the current status of potential transactions and about management's judgments to understand the probability of future events that could affect the holding period and other cash flow assumptions for the properties. In certain cases, we involved our valuation specialists to assist in performing these procedures. We compared the significant assumptions used by management to historical data and observable market-specific data. We also assessed management's estimates and performed sensitivity analyses of significant assumptions to evaluate the changes in estimated future cash flows that would result from changes in the assumptions. In addition, we assessed information and events subsequent to the balance sheet date to corroborate certain of the key assumptions utilized by management.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1997.

New York, New York

February 26, 2021

SL Green Realty Corp.
Consolidated Balance Sheets
(in thousands, except per share data)

	December 31, 2020	December 31, 2019
Assets		
Commercial real estate properties, at cost:		
Land and land interests	$ 1,315,832	$ 1,751,544
Building and improvements	4,168,193	5,154,990
Building leasehold and improvements	1,448,134	1,433,793
Right of use asset - financing leases	55,711	47,445
Right of use asset - operating leases	367,209	396,795
	7,355,079	8,784,567
Less: accumulated depreciation	(1,956,077)	(2,060,560)
	5,399,002	6,724,007
Assets held for sale	—	391,664
Cash and cash equivalents	266,059	166,070
Restricted cash	106,736	75,360
Investments in marketable securities	28,570	29,887
Tenant and other receivables	44,507	43,968
Related party receivables	34,657	21,121
Deferred rents receivable	302,791	283,011
Debt and preferred equity investments, net of discounts and deferred origination fees of $11,232 and $14,562 and allowances of $13,213 and $1,750 in 2020 and 2019, respectively	1,076,542	1,580,306
Investments in unconsolidated joint ventures	3,823,322	2,912,842
Deferred costs, net	177,168	205,283
Other assets	448,213	332,801
Total assets [(1)]	$ 11,707,567	$ 12,766,320
Liabilities		
Mortgages and other loans payable, net	$ 1,979,972	$ 2,183,253
Revolving credit facility, net	105,262	234,013
Unsecured term loans, net	1,495,275	1,494,024
Unsecured notes, net	1,248,219	1,496,847
Accrued interest payable	14,825	22,148
Other liabilities	302,798	177,080
Accounts payable and accrued expenses	151,309	166,905
Deferred revenue	118,572	114,052
Lease liability - financing leases	152,521	44,448
Lease liability - operating leases	339,458	381,671
Dividend and distributions payable	149,294	79,282
Security deposits	53,836	62,252
Liabilities related to assets held for sale	—	—
Junior subordinated deferrable interest debentures held by trusts that issued trust preferred securities	100,000	100,000
Total liabilities [(1)]	6,211,341	6,555,975
Commitments and contingencies		
Noncontrolling interests in Operating Partnership	358,262	409,862
Preferred units	202,169	283,285

SL Green Realty Corp.
Consolidated Balance Sheets
(in thousands, except per share data)

	December 31, 2020	December 31, 2019
Equity		
SL Green stockholders' equity:		
Series I Preferred Stock, $0.01 par value, $25.00 liquidation preference, 9,200 issued and outstanding at both December 31, 2020 and 2019	**221,932**	221,932
Common stock, $0.01 par value, 160,000 shares authorized and 69,534 and 77,981 issued and outstanding at December 31, 2020 and 2019, respectively (including 1,026 and 1,026 shares held in treasury at December 31, 2020 and 2019, respectively)	**716**	803
Additional paid-in-capital	**3,862,949**	4,286,395
Treasury stock at cost	**(124,049)**	(124,049)
Accumulated other comprehensive loss	**(67,247)**	(28,485)
Retained earnings	**1,015,462**	1,084,719
Total SL Green stockholders' equity	**4,909,763**	5,441,315
Noncontrolling interests in other partnerships	**26,032**	75,883
Total equity	**4,935,795**	5,517,198
Total liabilities and equity	**$ 11,707,567**	$ 12,766,320

(1) The Company's consolidated balance sheets include assets and liabilities of consolidated variable interest entities ("VIEs"). See Note 2. The consolidated balance sheets include the following amounts related to our consolidated VIEs, excluding the Operating Partnership: $41.2 million and $205.2 million of land, $57.9 million and $481.9 million of building and improvements, $2.0 million and $2.0 million of building and leasehold improvements, $37.8 million and $61.7 million of right of use assets, $10.3 million and $17.6 million of accumulated depreciation, $289.5 million and $169.5 million of other assets included in other line items, $94.0 million and $457.1 million of real estate debt, net, $0.7 million and $1.2 million of accrued interest payable, $29.9 million and $57.7 million of lease liabilities, and $56.6 million and $43.7 million of other liabilities included in other line items as of December 31, 2020 and December 31, 2019, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Realty Corp.
Consolidated Statements of Operations
(in thousands, except per share data)

	Year Ended December 31,		
	2020	**2019**	**2018**
Revenues			
Rental revenue, net	**$ 804,423**	$ 983,557	$ 978,574
Investment income	**120,163**	195,590	201,492
Other income	**128,158**	59,848	47,326
Total revenues	**1,052,744**	1,238,995	1,227,392
Expenses			
Operating expenses, including $12,643 in 2020, $18,106 in 2019, $17,823 in 2018 of related party expenses	**183,200**	234,676	229,347
Real estate taxes	**176,315**	190,764	186,351
Operating lease rent	**29,043**	33,188	32,965
Interest expense, net of interest income	**116,679**	190,521	208,669
Amortization of deferred financing costs	**11,794**	11,653	12,408
Depreciation and amortization	**313,668**	272,358	279,507
Loan loss and other investment reserves, net of recoveries	**35,298**	—	6,839
Transaction related costs	**503**	729	1,099
Marketing, general and administrative	**91,826**	100,875	92,631
Total expenses	**958,326**	1,034,764	1,049,816
Equity in net (loss) income from unconsolidated joint ventures	**(25,195)**	(34,518)	7,311
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	**2,961**	76,181	303,967
Purchase price and other fair value adjustment	**187,522**	69,389	57,385
Gain (loss) on sale of real estate, net	**215,506**	(16,749)	(30,757)
Depreciable real estate reserves and impairments	**(60,454)**	(7,047)	(227,543)
Loss on early extinguishment of debt	**—**	—	(17,083)
Net income	**414,758**	291,487	270,856
Net income attributable to noncontrolling interests:			
Noncontrolling interests in the Operating Partnership	**(20,016)**	(13,301)	(12,216)
Noncontrolling interests in other partnerships	**(14,940)**	3,159	6
Preferred units distributions	**(8,747)**	(10,911)	(11,384)
Net income attributable to SL Green	**371,055**	270,434	247,262
Perpetual preferred stock dividends	**(14,950)**	(14,950)	(14,950)
Net income attributable to SL Green common stockholders	**$ 356,105**	$ 255,484	$ 232,312
Basic earnings per share:	**$ 4.88**	$ 3.20	$ 2.75
Diluted earnings per share:	**$ 4.87**	$ 3.19	$ 2.75
Basic weighted average common shares outstanding	**72,552**	79,415	84,090
Diluted weighted average common shares and common share equivalents outstanding	**77,243**	84,234	89,071

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Realty Corp.
Consolidated Statements of Comprehensive Income
(in thousands)

	Year Ended December 31,		
	2020	**2019**	**2018**
Net income	**$ 414,758**	$ 291,487	$ 270,856
Other comprehensive loss:			
Decrease in unrealized value of derivative instruments, including SL Green's share of joint venture derivative instruments	**(39,743)**	(47,118)	(3,622)
(Decrease) increase in unrealized value of marketable securities	**(1,318)**	1,249	60
Other comprehensive loss	**(41,061)**	(45,869)	(3,562)
Comprehensive income	**373,697**	245,618	267,294
Net income attributable to noncontrolling interests and preferred units distributions	**(43,703)**	(21,053)	(23,594)
Other comprehensive loss attributable to noncontrolling interests	**2,299**	2,276	66
Comprehensive income attributable to SL Green	**$ 332,293**	$ 226,841	$ 243,766

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Realty Corp.

Consolidated Statements of Equity
(in thousands, except per share data)

	SL Green Realty Corp. Stockholders								
		Common Stock							
	Series I Preferred Stock	Shares (1)	Par Value	Additional Paid-In-Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Noncontrolling Interests	Total
Balance at December 31, 2017	$ 221,932	90,172	$ 939	$ 4,968,338	$ (124,049)	$ 18,604	$ 1,139,329	$ 364,361	$ 6,589,454
Cumulative adjustment upon adoption of ASC 610-20							570,524		570,524
Balance at January 1, 2018	221,932	90,172	939	4,968,338	(124,049)	18,604	1,709,853	364,361	7,159,978
Net income (loss)							247,262	(6)	247,256
Other comprehensive loss						(3,496)			(3,496)
Preferred dividends							(14,950)		(14,950)
DRSPP proceeds		1		136					136
Conversion of units in the Operating Partnership to common stock		155	2	16,301					16,303
Reallocation of noncontrolling interest in the Operating Partnership							34,236		34,236
Deferred compensation plan and stock awards, net of forfeitures and tax withholdings		145	1	17,483					17,484
Repurchases of common stock		(9,469)	(98)	(522,482)			(415,215)		(937,795)
Proceeds from stock options exercised		307	3	28,909					28,912
Contributions to consolidated joint venture interests								5,459	5,459
Deconsolidation of partially owned entity								(315,116)	(315,116)
Distributions to noncontrolling interests								(8,364)	(8,364)
Cash distributions declared ($3.3834 per common share, none of which represented a return of capital for federal income tax purposes)							(282,188)		(282,188)
Balance at December 31, 2018	221,932	81,311	847	4,508,685	(124,049)	15,108	1,278,998	46,334	5,947,855
Net income (loss)							270,434	(3,159)	267,275
Acquisition of subsidiary interest from noncontrolling interest				(569)				(25,276)	(25,845)
Other comprehensive loss						(43,593)			(43,593)
Preferred dividends							(14,950)		(14,950)
DRSPP proceeds		4		334					334
Conversion of units in the Operating Partnership to common stock		5		471					471
Reallocation of noncontrolling interest in the Operating Partnership							(34,320)		(34,320)
Deferred compensation plan and stock awards, net of forfeitures and tax withholdings		102	2	25,761					25,763
Repurchases of common stock		(4,466)	(46)	(248,287)			(136,066)		(384,399)
Contributions to consolidated joint venture interests								58,462	58,462
Distributions to noncontrolling interests								(478)	(478)
Cash distributions declared ($3.5352 per common share, none of which represented a return of capital for federal income tax purposes)							(279,377)		(279,377)
Balance at December 31, 2019	221,932	76,956	803	4,286,395	(124,049)	(28,485)	1,084,719	75,883	5,517,198
Cumulative adjustment upon adoption of ASC 326							(39,184)		(39,184)
Balance at January 1, 2020	221,932	76,956	803	4,286,395	(124,049)	(28,485)	1,045,535	75,883	5,478,014
Net income							371,055	14,940	385,995
Acquisition of subsidiary interest from noncontrolling interest				(3,123)				1,587	(1,536)
Other comprehensive loss						(38,762)			(38,762)
Preferred dividends							(14,950)		(14,950)
DRSPP proceeds		17		1,006					1,006
Conversion of units in the Operating Partnership to common stock		98	1	8,743					8,744
Reallocation of noncontrolling interest in the Operating Partnership							32,598		32,598

SL Green Realty Corp.

Consolidated Statements of Equity
(in thousands, except per share data)

	SL Green Realty Corp. Stockholders								
		Common Stock							
	Series I Preferred Stock	Shares (1)	Par Value	Additional Paid-In-Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Noncontrolling Interests	Total
Deferred compensation plan and stock awards, net of forfeitures and tax withholdings		(34)	—	25,271					25,271
Repurchases of common stock		(8,529)	(88)	(455,343)			(76,831)		(532,262)
Contributions to consolidated joint venture interests								12,477	12,477
Distributions to noncontrolling interests								(78,855)	(78,855)
Cash distributions declared ($4.7908 per common share, none of which represented a return of capital for federal income tax purposes)							(341,945)		(341,945)
Balance at December 31, 2020	$ 221,932	68,508	$ 716	$ 3,862,949	$ (124,049)	$ (67,247)	$ 1,015,462	$ 26,032	$ 4,935,795

(1) On January 21, 2021, we completed a reverse stock split whereby every 1.02918 SL Green common share was combined into 1 SL Green common share. We have retroactively adjusted the outstanding share counts, share activity, cash distributions declared, and earnings per share, as if the reverse split occurred on December 31, 2017.

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Realty Corp.
Consolidated Statements of Cash Flows
(in thousands, except per share data)

	Year Ended December 31,		
	2020	**2019**	**2018**
Operating Activities			
Net income	$ **414,758**	$ 291,487	$ 270,856
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**325,462**	284,011	289,899
Equity in net loss (income) from unconsolidated joint ventures	**25,195**	34,518	(7,311)
Distributions of cumulative earnings from unconsolidated joint ventures	**679**	864	10,277
Equity in net gain on sale of interest in unconsolidated joint venture interest/real estate	**(2,961)**	(76,181)	(303,967)
Purchase price and other fair value adjustments	**(187,522)**	(69,389)	(57,385)
Depreciable real estate reserves and impairments	**60,454**	7,047	227,543
(Gain) loss on sale of real estate, net	**(215,506)**	16,749	30,757
Loan loss reserves and other investment reserves, net of recoveries	**35,298**	—	6,839
Loss on early extinguishment of debt	**—**	—	17,083
Deferred rents receivable	**(7,582)**	(13,941)	(18,216)
Non-cash lease expense	**11,984**	13,744	2,016
Other non-cash adjustments	**15,178**	271	2,932
Changes in operating assets and liabilities:			
Tenant and other receivables	**(17,074)**	(4,968)	6,968
Related party receivables	**1,451**	7,802	(1,044)
Deferred lease costs	**(20,900)**	(70,938)	(44,158)
Other assets	**(26,137)**	(18,630)	(8,310)
Accounts payable, accrued expenses, other liabilities and security deposits	**132,171**	(25,597)	4,410
Deferred revenue	**20,657**	10,824	12,348
Change in lease liability - operating leases	**(11,369)**	(11,200)	—
Net cash provided by operating activities	**554,236**	376,473	441,537
Investing Activities			
Acquisitions of real estate property	$ **(86,846)**	$ (262,591)	$ (60,486)
Additions to land, buildings and improvements	**(458,140)**	(252,986)	(254,460)
Acquisition deposits and deferred purchase price	**—**	(5,239)	—
Investments in unconsolidated joint ventures	**(70,315)**	(128,682)	(400,429)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	**124,572**	79,020	233,118
Net proceeds from disposition of real estate/joint venture interest	**1,112,382**	208,302	1,231,004
Other investments	**32,479**	(7,869)	(38,912)
Origination of debt and preferred equity investments	**(360,953)**	(607,844)	(731,216)
Repayments or redemption of debt and preferred equity investments	**763,251**	1,092,383	703,043
Net cash provided by investing activities	**1,056,430**	114,494	681,662

SL Green Realty Corp.
Consolidated Statements of Cash Flows
(in thousands, except per share data)

	Year Ended December 31,		
	2020	**2019**	**2018**
Financing Activities			
Proceeds from mortgages and other loans payable	**$ 1,181,892**	$ 752,984	$ 564,391
Repayments of mortgages and other loans payable	**(1,186,828)**	(230,076)	(868,842)
Proceeds from revolving credit facility and senior unsecured notes	**1,495,000**	1,310,000	3,120,000
Repayments of revolving credit facility and senior unsecured notes	**(1,875,000)**	(1,570,000)	(2,560,000)
Payment of debt extinguishment costs	**—**	—	(13,918)
Proceeds from stock options exercised and DRSPP issuance	**1,006**	334	29,048
Repurchase of common stock	**(528,483)**	(384,399)	(979,541)
Redemption of preferred stock	**(82,750)**	(18,142)	(1,208)
Redemption of OP units	**(27,342)**	(27,495)	(33,972)
Distributions to noncontrolling interests in other partnerships	**(85,468)**	(478)	(8,364)
Contributions from noncontrolling interests in other partnerships	**12,477**	10,239	5,459
Acquisition of subsidiary interest from noncontrolling interest	**(1,536)**	(25,845)	—
Distributions to noncontrolling interests in the Operating Partnership	**(12,652)**	(14,729)	(15,000)
Dividends paid on common and preferred stock	**(293,996)**	(306,386)	(313,230)
Other obligations related to loan participations	**—**	—	16
Tax withholdings related to restricted share awards	**(4,752)**	(3,495)	(3,842)
Deferred loan costs	**(70,036)**	(21,162)	(15,109)
Principal payments of on financing lease liabilities	**(833)**	—	—
Net cash used in financing activities	**(1,479,301)**	(528,650)	(1,094,112)
Net increase (decrease) in cash, cash equivalents, and restricted cash	**131,365**	(37,683)	29,087
Cash, cash equivalents, and restricted cash at beginning of year	**241,430**	279,113	250,026
Cash, cash equivalents, and restricted cash at end of period	**$ 372,795**	$ 241,430	$ 279,113
Supplemental cash flow disclosures:			
Interest paid	**$ 201,348**	$ 248,684	$ 259,776
Income taxes paid	**$ 2,296**	$ 1,489	$ 1,418
Supplemental Disclosure of Non-Cash Investing and Financing Activities:			
Conversion of units in the Operating Partnership	**$ 8,744**	$ 471	$ 16,303
Redemption of units in the Operating Partnership for a joint venture sale	**—**	—	10,445
Exchange of preferred equity investment for real estate or equity in joint venture	**119,497**	—	—
Exchange of debt investment for real estate or equity in joint venture	**122,796**	34,498	298,956
Issuance of preferred units relating to a real estate acquisition	**—**	1,000	—
Tenant improvements and capital expenditures payable	**1,665**	6,056	—
Fair value adjustment to noncontrolling interest in the Operating Partnership	**32,598**	34,320	34,236
Deconsolidation of a subsidiary	**854,437**	395	298,404
Deconsolidation of a subsidiary mortgage	**5,593**	—	—
Mortgages assumed in connection with sale of real estate	**250,000**	—	—
Seller financed purchases	**100,000**	—	—
Debt and preferred equity investments	**9,014**	—	—
Transfer of assets related to assets held for sale	**—**	391,664	—
Reversal of assets held for sale	**391,664**	—	—
Transfer of liabilities related to assets held for sale	**—**	—	—
Removal of fully depreciated commercial real estate properties	**66,169**	19,577	124,249

SL Green Realty Corp.
Consolidated Statements of Cash Flows
(in thousands, except per share data)

	Year Ended December 31,		
	2020	**2019**	**2018**
Contribution to consolidated joint venture by noncontrolling interest	**—**	48,223	—
Distributions to noncontrolling interests	**6,613**	—	—
Share repurchase payable	**3,779**	—	—
Recognition of sales-type leases and related lease liabilities	**119,725**	—	—
Recognition of right of use assets and related lease liabilities	**61,990**	389,120	—

In December 2020, the Company declared a regular monthly distribution per share of $0.3122 and a special distribution per share of $1.7462 that was paid primarily in stock. These distributions were paid in January 2021. In December 2019 and 2018, the Company declared quarterly distributions per share of $0.9108 and $0.8748, respectively. These distributions were paid in January 2020 and 2019, respectively. These distribution amounts have been retroactively adjusted to reflect the reverse stock split that was effectuated in January 2021.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows.

	Year Ended		
	2020	**2019**	**2018**
Cash and cash equivalents	**$ 266,059**	$ 166,070	$ 129,475
Restricted cash	**106,736**	75,360	149,638
Total cash, cash equivalents, and restricted cash	**$ 372,795**	$ 241,430	$ 279,113

The accompanying notes are an integral part of these consolidated financial statements.

Report of Independent Registered Public Accounting Firm

To the Partners of SL Green Operating Partnership, L.P.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of SL Green Operating Partnership, L.P. (the Operating Partnership) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income, capital and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Operating Partnership at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States)(PCAOB), the Operating Partnership's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 26, 2021 expressed an unqualified opinion thereon.

Adoption of ASU No. 2016-02

As discussed in Note 2 to the consolidated financial statements, the Operating Partnership changed its method of accounting for leases in 2019 due to the adoption of ASU No. 2016-02, *Leases (Topic 842)*, and the related amendments.

Adoption of ASU No. 2016-13

As discussed in Note 2 to the consolidated financial statements, the Operating Partnership changed its method of accounting for the measurement of credit losses on financial instruments in 2020 due to the adoption of ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and the related amendments.

Basis for Opinion

These financial statements are the responsibility of the Operating Partnership's management. Our responsibility is to express an opinion on the Operating Partnership's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Operating Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Joint Venture Consolidation Assessment

Description of the Matter	The Operating Partnership accounted for certain investments in real estate joint ventures under the equity method of accounting and consolidated certain other investments in real estate joint ventures. At December 31, 2020, the Operating Partnership's investments in unconsolidated joint ventures was $3.8 billion and noncontrolling interests in consolidated other partnerships was $26 million. As discussed in Note 2 to the consolidated financial statements, for each joint venture, the Operating Partnership evaluated the rights provided to each party in the venture to assess the consolidation of the venture.
How We Addressed the Matter in Our Audit	Auditing management's joint venture consolidation analyses was complex and highly judgmental due to the subjectivity in assessing which activities most significantly impact a joint venture's economic performance based on the purpose and design of the entity over the duration of its expected life and assessing which party has rights to direct those activities. We tested the Operating Partnership's controls over the assessment of joint venture consolidation. For example, we tested controls over management's review of the consolidation analyses for newly formed ventures as well as controls over management's identification of reconsideration events which could trigger modified consolidation conclusions for existing ventures. To test the Operating Partnership's consolidation assessment for real estate joint ventures, our procedures included, among others, reviewing new and amended joint venture agreements and discussing with management the nature of the rights conveyed to the Operating Partnership through the joint venture agreements as well as the business purpose of the joint venture transactions. We reviewed management's assessment of the activities that would most significantly impact the joint venture's economic performance and evaluated whether the joint venture agreements provided participating or protective rights to the Operating Partnership. We also evaluated transactions with the joint ventures for events which would require a reconsideration of previous consolidation conclusions.

Impairment of Commercial Real Estate Properties (Retail)

Description of the Matter	At December 31, 2020, the Operating Partnership's commercial real estate properties, at cost totaled approximately $5.4 billion. As described in Note 2 to the consolidated financial statements, real estate properties are periodically reviewed for impairment when circumstances indicate that the carrying value of a property may not be recoverable. For the year ended December 31, 2020, the Operating Partnership recognized $60.5 million of depreciable real estate reserves and impairments. Auditing the Operating Partnership's accounting for impairment of commercial real estate properties (retail) was especially challenging and involved a high degree of subjectivity as a result of the assumptions and estimates inherent in the determination of estimated future cash flows expected to result from the property's use and eventual disposition and the estimated fair value of the property. In particular, management's assumptions and estimates included estimated revenue and expense growth rates, discount rates and capitalization rates, which were sensitive to expectations about future operations, market or economic conditions, demand and competition.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Operating Partnership's commercial real estate properties impairment process. This included testing of controls over management's review of the significant assumptions and data inputs utilized in the estimation of expected future cash flows and the determination of fair value. To test the Operating Partnership's accounting for impairment of commercial real estate properties, we performed audit procedures that included, among others, evaluating the methodologies applied and testing the significant assumptions discussed above and the underlying data used by the Operating Partnership in its impairment analyses. We held discussions with management about the current status of potential transactions and about management's judgments to understand the probability of future events that could affect the holding period and other cash flow assumptions for the properties. In certain cases, we involved our valuation specialists to assist in performing these procedures. We compared the significant assumptions used by management to historical data and observable market-specific data. We also assessed management's estimates and performed sensitivity analyses of significant assumptions to evaluate the changes in estimated future cash flows that would result from changes in the assumptions. In addition, we assessed information and events subsequent to the balance sheet date to corroborate certain of the key assumptions utilized by management.

/s/ Ernst & Young LLP

We have served as the Operating Partnership's auditor since 2010.

New York, New York

February 26, 2021

SL Green Operating Partnership, L.P.
Consolidated Balance Sheets
(in thousands, except per unit data)

	December 31, 2020	December 31, 2019
Assets		
Commercial real estate properties, at cost:		
Land and land interests	$ 1,315,832	$ 1,751,544
Building and improvements	4,168,193	5,154,990
Building leasehold and improvements	1,448,134	1,433,793
Right of use asset - financing leases	55,711	47,445
Right of use asset - operating leases	367,209	396,795
	7,355,079	8,784,567
Less: accumulated depreciation	(1,956,077)	(2,060,560)
	5,399,002	6,724,007
Assets held for sale	—	391,664
Cash and cash equivalents	266,059	166,070
Restricted cash	106,736	75,360
Investments in marketable securities	28,570	29,887
Tenant and other receivables	44,507	43,968
Related party receivables	34,657	21,121
Deferred rents receivable	302,791	283,011
Debt and preferred equity investments, net of discounts and deferred origination fees of $11,232 and $14,562 and allowances of $13,213 and $1,750 in 2020 and 2019, respectively	1,076,542	1,580,306
Investments in unconsolidated joint ventures	3,823,322	2,912,842
Deferred costs, net	177,168	205,283
Other assets	448,213	332,801
Total assets (1)	$ 11,707,567	$ 12,766,320
Liabilities		
Mortgages and other loans payable, net	$ 1,979,972	$ 2,183,253
Revolving credit facility, net	105,262	234,013
Unsecured term loans, net	1,495,275	1,494,024
Unsecured notes, net	1,248,219	1,496,847
Accrued interest payable	14,825	22,148
Other liabilities	302,798	177,080
Accounts payable and accrued expenses	151,309	166,905
Deferred revenue	118,572	114,052
Lease liability - financing leases	152,521	44,448
Lease liability - operating leases	339,458	381,671
Dividend and distributions payable	149,294	79,282
Security deposits	53,836	62,252
Liabilities related to assets held for sale	—	—
Junior subordinated deferrable interest debentures held by trusts that issued trust preferred securities	100,000	100,000
Total liabilities (1)	6,211,341	6,555,975
Commitments and contingencies		
Limited partner interests in SLGOP (3,939 and 4,196 limited partner common units outstanding at December 31, 2020 and 2019, respectively)	358,262	409,862
Preferred units	202,169	283,285

SL Green Operating Partnership, L.P.
Consolidated Balance Sheets
(in thousands, except per unit data)

	December 31, 2020	December 31, 2019
Capital		
SLGOP partners' capital:		
Series I Preferred Units, $25.00 liquidation preference, 9,200 issued and outstanding at both December 31, 2020 and 2019	**221,932**	221,932
SL Green partners' capital (724 and 812 general partner common units, and 67,784 and 76,145 limited partner common units outstanding at December 31, 2020 and 2019, respectively)	**4,755,078**	5,247,868
Accumulated other comprehensive loss	**(67,247)**	(28,485)
Total SLGOP partners' capital	**4,909,763**	5,441,315
Noncontrolling interests in other partnerships	**26,032**	75,883
Total capital	**4,935,795**	5,517,198
Total liabilities and capital	**$ 11,707,567**	$ 12,766,320

(1) The Operating Partnership's consolidated balance sheets include assets and liabilities of consolidated variable interest entities ("VIEs"). See Note 2. The consolidated balance sheets include the following amounts related to our consolidated VIEs, excluding the Operating Partnership: $41.2 million and $205.2 million of land, $57.9 million and $481.9 million of building and improvements, $2.0 million and $2.0 million of building and leasehold improvements, $37.8 million and $61.7 million of right of use assets, $10.3 million and $17.6 million of accumulated depreciation, $289.5 million and $169.5 million of other assets included in other line items, $94.0 million and $457.1 million of real estate debt, net, $0.7 million and $1.2 million of accrued interest payable, $29.9 million and $57.7 million of lease liabilities, and $56.6 million and $43.7 million of other liabilities included in other line items as of December 31, 2020 and December 31, 2019, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Operating Partnership, L.P.
Consolidated Statements of Operations
(in thousands, except per unit data)

	Year Ended December 31,		
	2020	**2019**	**2018**
Revenues			
Rental revenue, net	**$ 804,423**	$ 983,557	$ 978,574
Investment income	**120,163**	195,590	201,492
Other income	**128,158**	59,848	47,326
Total revenues	**1,052,744**	1,238,995	1,227,392
Expenses			
Operating expenses, including $12,643 in 2020, $18,106 in 2019, $17,823 in 2018 of related party expenses	**183,200**	234,676	229,347
Real estate taxes	**176,315**	190,764	186,351
Operating lease rent	**29,043**	33,188	32,965
Interest expense, net of interest income	**116,679**	190,521	208,669
Amortization of deferred financing costs	**11,794**	11,653	12,408
Depreciation and amortization	**313,668**	272,358	279,507
Loan loss and other investment reserves, net of recoveries	**35,298**	—	6,839
Transaction related costs	**503**	729	1,099
Marketing, general and administrative	**91,826**	100,875	92,631
Total expenses	**958,326**	1,034,764	1,049,816
Equity in net (loss) income from unconsolidated joint ventures	**(25,195)**	(34,518)	7,311
Equity in net gain on sale of interest in unconsolidated joint venture/real estate	**2,961**	76,181	303,967
Purchase price and other fair value adjustment	**187,522**	69,389	57,385
Gain (loss) on sale of real estate, net	**215,506**	(16,749)	(30,757)
Depreciable real estate reserves and impairments	**(60,454)**	(7,047)	(227,543)
Loss on early extinguishment of debt	**—**	—	(17,083)
Net income	**414,758**	291,487	270,856
Net loss attributable to noncontrolling interests in other partnerships	**(14,940)**	3,159	6
Preferred unit distributions	**(8,747)**	(10,911)	(11,384)
Net income attributable to SLGOP	**391,071**	283,735	259,478
Perpetual preferred stock dividends	**(14,950)**	(14,950)	(14,950)
Net income attributable to SLGOP common unitholders	**$ 376,121**	$ 268,785	$ 244,528
Basic earnings per unit:	**$ 4.88**	$ 3.19	$ 2.75
Diluted earnings per unit:	**$ 4.87**	$ 3.19	$ 2.75
Basic weighted average common units outstanding	**76,647**	83,690	88,652
Diluted weighted average common units and common unit equivalents outstanding	**77,243**	84,234	89,071

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Operating Partnership, L.P.
Consolidated Statements of Comprehensive Income
(in thousands)

	Year Ended December 31,		
	2020	2019	2018
Net income	**$ 414,758**	$ 291,487	$ 270,856
Other comprehensive loss:			
(Decrease) increase in unrealized value of derivative instruments, including SLGOP's share of joint venture derivative instruments	**(39,743)**	(47,118)	(3,622)
(Decrease) increase in unrealized value of marketable securities	**(1,318)**	1,249	60
Other comprehensive loss	**(41,061)**	(45,869)	(3,562)
Comprehensive income	**373,697**	245,618	267,294
Net loss attributable to noncontrolling interests	**(14,940)**	3,159	6
Other comprehensive loss attributable to noncontrolling interests	**2,299**	2,276	66
Comprehensive income attributable to SLGOP	**$ 361,056**	$ 251,053	$ 267,366

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Operating Partnership, L.P.
Consolidated Statements of Capital
(in thousands, except per unit data)

	SL Green Operating Partnership Unitholders					
		Partners' Interest				
	Series I Preferred Units	Common Units (1)	Common Unitholders	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total
Balance at December 31, 2017	$ 221,932	90,172	$ 5,984,557	$ 18,604	$ 364,361	$ 6,589,454
Cumulative adjustment upon adoption of ASC 610-20			570,524			570,524
Balance at January 1, 2018	$ 221,932	90,172	$ 6,555,081	$ 18,604	$ 364,361	$ 7,159,978
Net income (loss)			247,262		(6)	247,256
Other comprehensive loss				(3,496)		(3,496)
Preferred dividends			(14,950)			(14,950)
DRSPP proceeds		1	136			136
Conversion of common units		155	16,303			16,303
Reallocation of noncontrolling interests in the operating partnership			34,236			34,236
Deferred compensation plan and stock awards, net of forfeitures and tax withholdings		145	17,484			17,484
Repurchases of common units		(9,469)	(937,795)			(937,795)
Proceeds from stock options exercised		307	$ 28,912			28,912
Contributions to consolidated joint venture interests					5,459	5,459
Deconsolidation of partially owned entity					(315,116)	(315,116)
Distributions to noncontrolling interests					(8,364)	(8,364)
Cash distributions declared ($3.3834 per common unit, none of which represented a return of capital for federal income tax purposes)			(282,188)			(282,188)
Balance at December 31, 2018	$ 221,932	81,311	$ 5,664,481	$ 15,108	$ 46,334	$ 5,947,855
Net income (loss)			270,434		(3,159)	267,275
Acquisition of subsidiary interest from noncontrolling interest			(569)		(25,276)	(25,845)
Other comprehensive loss				(43,593)		(43,593)
Preferred dividends			(14,950)			(14,950)
DRSPP proceeds		4	334			334
Conversion of common units		5	471			471
Reallocation of noncontrolling interest in the Operating Partnership			(34,320)			(34,320)
Deferred compensation plan and stock awards, net of forfeitures and tax withholdings		102	25,763			25,763
Repurchases of common units		(4,466)	(384,399)			(384,399)
Contributions to consolidated joint venture interests					58,462	58,462
Distributions to noncontrolling interests					(478)	(478)
Cash distributions declared ($3.5352 per common unit, none of which represented a return of capital for federal income tax purposes)			(279,377)			(279,377)
Balance at December 31, 2019	$ 221,932	76,956	$ 5,247,868	$ (28,485)	$ 75,883	$ 5,517,198
Cumulative adjustment upon adoption of ASC 326			(39,184)			(39,184)
Balance at January 1, 2020	$ 221,932	76,956	$ 5,208,684	$ (28,485)	$ 75,883	$ 5,478,014
Net income			371,055		14,940	385,995
Acquisition of subsidiary interest from noncontrolling interest			(3,123)		1,587	(1,536)
Other comprehensive loss				(38,762)		(38,762)
Preferred dividends			(14,950)			(14,950)
DRSPP proceeds		17	1,006			1,006
Conversion of common units		98	8,744			8,744
Reallocation of noncontrolling interest in the Operating Partnership			32,598			32,598
Deferred compensation plan and stock awards, net of forfeitures and tax withholdings		(34)	25,271			25,271
Repurchases of common units		(8,529)	(532,262)			(532,262)
Contributions to consolidated joint venture interests					12,477	12,477
Distributions to noncontrolling interests					(78,855)	(78,855)
Cash distributions declared ($4.7908 per common unit, none of which represented a return of capital for federal income tax purposes)			(341,945)			(341,945)
Balance at December 31, 2020	**$ 221,932**	**68,508**	**$ 4,755,078**	**$ (67,247)**	**$ 26,032**	**$ 4,935,795**

SL Green Operating Partnership, L.P.
Consolidated Statements of Capital
(in thousands, except per unit data)

(1) On January 21, 2021, we completed a reverse stock split whereby every 1.02918 SL Green Operating Partnership common unit was combined into 1 SL Green Operating Partnership common unit. We have retroactively adjusted the outstanding unit counts, unit activity, cash distributions declared, and earnings per units, as if the reverse split occurred on December 31, 2017.

SL Green Operating Partnership, L.P.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2020	2019	2018
Operating Activities			
Net income	**$ 414,758**	$ 291,487	$ 270,856
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**325,462**	284,011	289,899
Equity in net loss (income) from unconsolidated joint ventures	**25,195**	34,518	(7,311)
Distributions of cumulative earnings from unconsolidated joint ventures	**679**	864	10,277
Equity in net gain on sale of interest in unconsolidated joint venture interest/real estate	**(2,961)**	(76,181)	(303,967)
Purchase price and other fair value adjustments	**(187,522)**	(69,389)	(57,385)
Depreciable real estate reserves and impairments	**60,454**	7,047	227,543
(Gain) loss on sale of real estate, net	**(215,506)**	16,749	30,757
Loan loss reserves and other investment reserves, net of recoveries	**35,298**	—	6,839
Loss on early extinguishment of debt	**—**	—	17,083
Deferred rents receivable	**(7,582)**	(13,941)	(18,216)
Non-cash lease expense	**11,984**	13,744	2,016
Other non-cash adjustments	**15,178**	271	2,932
Changes in operating assets and liabilities:			
Tenant and other receivables	**(17,074)**	(4,968)	6,968
Related party receivables	**1,451**	7,802	(1,044)
Deferred lease costs	**(20,900)**	(70,938)	(44,158)
Other assets	**(26,137)**	(18,630)	(8,310)
Accounts payable, accrued expenses, other liabilities and security deposits	**132,171**	(25,597)	4,410
Deferred revenue	**20,657**	10,824	12,348
Change in lease liability - operating leases	**(11,369)**	(11,200)	—
Net cash provided by operating activities	**554,236**	376,473	441,537
Investing Activities			
Acquisitions of real estate property	**$ (86,846)**	$ (262,591)	$ (60,486)
Additions to land, buildings and improvements	**(458,140)**	(252,986)	(254,460)
Acquisition deposits and deferred purchase price	**—**	(5,239)	—
Investments in unconsolidated joint ventures	**(70,315)**	(128,682)	(400,429)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	**124,572**	79,020	233,118
Net proceeds from disposition of real estate/joint venture interest	**1,112,382**	208,302	1,231,004
Other investments	**32,479**	(7,869)	(38,912)
Origination of debt and preferred equity investments	**(360,953)**	(607,844)	(731,216)
Repayments or redemption of debt and preferred equity investments	**763,251**	1,092,383	703,043
Net cash provided by investing activities	**1,056,430**	114,494	681,662

SL Green Operating Partnership, L.P.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2020	2019	2018
Financing Activities			
Proceeds from mortgages and other loans payable	**$ 1,181,892**	$ 752,984	$ 564,391
Repayments of mortgages and other loans payable	**(1,186,828)**	(230,076)	(868,842)
Proceeds from revolving credit facility and senior unsecured notes	**1,495,000**	1,310,000	3,120,000
Repayments of revolving credit facility and senior unsecured notes	**(1,875,000)**	(1,570,000)	(2,560,000)
Payment of debt extinguishment costs	**—**	—	(13,918)
Proceeds from stock options exercised and DRSPP issuance	**1,006**	334	29,048
Repurchase of common units	**(528,483)**	(384,399)	(979,541)
Redemption of preferred units	**(82,750)**	(18,142)	(1,208)
Redemption of OP units	**(27,342)**	(27,495)	(33,972)
Distributions to noncontrolling interests in other partnerships	**(85,468)**	(478)	(8,364)
Contributions from noncontrolling interests in other partnerships	**12,477**	10,239	5,459
Acquisition of subsidiary interest from noncontrolling interest	**(1,536)**	(25,845)	—
Distributions paid on common and preferred units	**(306,648)**	(321,115)	(328,230)
Other obligations related to mortgage loan participations	**—**	—	16
Tax withholdings related to restricted share awards	**(4,752)**	(3,495)	(3,842)
Deferred loan costs	**(70,036)**	(21,162)	(15,109)
Principal payments of on financing lease liabilities	**(833)**	—	—
Net cash used in financing activities	**(1,479,301)**	(528,650)	(1,094,112)
Net increase (decrease) in cash, cash equivalents, and restricted cash	**131,365**	(37,683)	29,087
Cash, cash equivalents, and restricted cash at beginning of year	**241,430**	279,113	250,026
Cash, cash equivalents, and restricted cash at end of period	**$ 372,795**	$ 241,430	$ 279,113
Supplemental cash flow disclosures:			
Interest paid	**$ 201,348**	$ 248,684	$ 259,776
Income taxes paid	**$ 2,296**	$ 1,489	$ 1,418
Supplemental Disclosure of Non-Cash Investing and Financing Activities:			
Conversion of units in the Operating Partnership	**$ 8,744**	$ 471	$ 16,303
Redemption of units in the Operating Partnership for a joint venture sale	**—**	—	10,445
Exchange of preferred equity investment for real estate or equity in joint venture	**119,497**	—	—
Exchange of debt investment for real estate or equity in joint venture	**122,796**	34,498	298,956
Issuance of preferred units relating to a real estate acquisition	**—**	1,000	—
Tenant improvements and capital expenditures payable	**1,665**	6,056	—
Fair value adjustment to noncontrolling interest in the Operating Partnership	**32,598**	34,320	34,236
Deconsolidation of a subsidiary	**854,437**	395	298,404
Deconsolidation of a subsidiary mortgage	**5,593**	—	—
Mortgages assumed in connection with sale of real estate	**250,000**	—	—
Seller financed purchases	**100,000**	—	—
Debt and preferred equity investments	**9,014**	—	—
Transfer of assets related to assets held for sale	**—**	391,664	—
Reversal of assets held for sale	**391,664**	—	—
Transfer of liabilities related to assets held for sale	**—**	—	—
Removal of fully depreciated commercial real estate properties	**66,169**	19,577	124,249

SL Green Operating Partnership, L.P.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2020	**2019**	**2018**
Contribution to consolidated joint venture by noncontrolling interest	**—**	48,223	—
Distributions to noncontrolling interests	**6,613**	—	—
Share repurchase payable	**3,779**	—	—
Recognition of sales-type leases and related lease liabilities	**119,725**	—	—
Recognition of right of use assets and related lease liabilities	**61,990**	389,120	—

In December 2020, the Operating Partnership declared a regular monthly distribution per unit of $0.3122 and a special distribution per unit of $1.7462 that was paid primarily in units. These distributions were paid in January 2021. In December 2019 and 2018, the Operating Partnership declared quarterly distributions per unit of $0.9108 and $0.8748, respectively. These distributions were paid in January 2020 and 2019, respectively. These distribution amounts have been retroactively adjusted to reflect the reverse stock split that was effectuated in January 2021.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows.

	Year Ended		
	2020	**2019**	**2018**
Cash and cash equivalents	**$ 266,059**	$ 166,070	$ 129,475
Restricted cash	**106,736**	75,360	149,638
Total cash, cash equivalents, and restricted cash	**$ 372,795**	$ 241,430	$ 279,113

The accompanying notes are an integral part of these consolidated financial statements.

SL Green Realty Corp. and SL Green Operating Partnership, L.P.
Notes to Consolidated Financial Statements
December 31, 2020

1. Organization and Basis of Presentation

SL Green Realty Corp., which is referred to as the Company or SL Green, a Maryland corporation, and SL Green Operating Partnership, L.P., which is referred to as SLGOP or the Operating Partnership, a Delaware limited partnership, were formed in June 1997 for the purpose of combining the commercial real estate business of S.L. Green Properties, Inc. and its affiliated partnerships and entities. The Operating Partnership received a contribution of interest in the real estate properties, as well as 95% of the economic interest in the management, leasing and construction companies which are referred to as the Service Corporation. All of the management, leasing and construction services that are provided to the properties that are wholly-owned by us and that are provided to certain joint ventures are conducted through SL Green Management LLC which is 100% owned by the Operating Partnership. The Company has qualified, and expects to qualify in the current fiscal year, as a real estate investment trust, or REIT, under the Internal Revenue Code of 1986, as amended, or the Code, and operates as a self-administered, self-managed REIT. A REIT is a legal entity that holds real estate interests and, through payments of dividends to stockholders, is permitted to minimize the payment of Federal income taxes at the corporate level. Unless the context requires otherwise, all references to "we," "our" and "us" means the Company and all entities owned or controlled by the Company, including the Operating Partnership.

Substantially all of our assets are held by, and all of our operations are conducted through, the Operating Partnership. The Company is the sole managing general partner of the Operating Partnership. As of December 31, 2020, noncontrolling investors held, in the aggregate, a 5.44% limited partnership interest in the Operating Partnership, inclusive of retroactive adjustments to reflect the reverse stock split effectuated by SL Green in January 2021. We refer to these interests as the noncontrolling interests in the Operating Partnership. The Operating Partnership is considered a variable interest entity, or VIE, in which we are the primary beneficiary. See Note 11, "Noncontrolling Interests on the Company's Consolidated Financial Statements."

As of December 31, 2020, we owned the following interests in properties in the New York metropolitan area, primarily in midtown Manhattan. Our investments located outside of Manhattan are referred to as the Suburban properties:

		Consolidated		Unconsolidated		Total		
Location	**Property Type**	**Number of Properties**	**Approximate Square Feet (unaudited)**	**Number of Properties**	**Approximate Square Feet (unaudited)**	**Number of Properties**	**Approximate Square Feet (unaudited)**	**Weighted Average Occupancy(1) (unaudited)**
Commercial:								
Manhattan	Office	18	10,681,045	11	11,841,483	29	22,522,528	92.4 %
	Retail	4	44,189	9	301,996	13	346,185	94.2 %
	Development/Redevelopment (1)	8	1,095,418	3	2,927,782	11	4,023,200	N/A
		30	11,820,652	23	15,071,261	53	26,891,913	92.5 %
Suburban	Office	7	862,800	—	—	7	862,800	83.3 %
Total commercial properties		37	12,683,452	23	15,071,261	60	27,754,713	92.1 %
Residential:								
Manhattan	Residential	1	82,250	8	1,663,774	9	1,746,024	75.7 %
Total portfolio		38	12,765,702	31	16,735,035	69	29,500,737	91.2 %

(1) The weighted average occupancy for commercial properties represents the total occupied square footage divided by the total square footage at acquisition. The weighted average occupancy for residential properties represents the total occupied units divided by the total available units.

As of December 31, 2020, we also managed two office buildings owned by third parties encompassing approximately 2.1 million square feet (unaudited) and held debt and preferred equity investments with a book value of $1.1 billion, excluding $0.1 billion of debt and preferred equity investments and other financing receivables that are included in balance sheet line items other than the Debt and Preferred Equity Investments line item.

Partnership Agreement

In accordance with the partnership agreement of the Operating Partnership, or the Operating Partnership Agreement, we allocate all distributions and profits and losses in proportion to the percentage of ownership interests of the respective partners, subject to the priority distributions with respect to preferred units and special provisions that apply to LTIP Units. As the managing general partner of the Operating Partnership, we are required to take such reasonable efforts, as determined by us in our sole discretion, to cause the Operating Partnership to distribute sufficient amounts to enable the payment of sufficient dividends by us to minimize any Federal income or excise tax at the Company level. Under the Operating Partnership Agreement, each limited partner has the right to redeem units of limited partnership interests for cash, or if we so elect, shares of SL Green's common stock on a one-for-one basis.

Subsequent Events

On December 4, 2020 our Board of Directors declared an ordinary dividend and a special dividend (together, "the Total Dividend"). The Total Dividend was paid on January 15, 2021 to shareholders of record at the close of business on December 15, 2020 ("the Record Date"). Shareholders had the opportunity to elect to receive the Total Dividend in the form of all cash or all stock, subject to proration if either option was oversubscribed.

To mitigate the dilutive impact of the common stock issued in the special dividend, the board of directors also authorized a reverse stock split, which was effective after markets closed on January 20, 2021. On January 8, 2021, a committee of the Board of Directors calculated the ratio for the reverse stock split of our issued and outstanding shares of common stock as 1.02918-for-1. After the issuance of the dividend and the completion of the reverse stock split, the number of shares of our common stock outstanding was equivalent to the number of total shares outstanding on the Record Date (not including any issuances or repurchases that occurred following the Record Date, as well as any fractional shares that would have been issued but for which cash-in-lieu was paid). However, on a relative basis, some individual shareholders may have more shares of SLG’s common stock, and some individual shareholders may have fewer shares of our common stock, depending on their individual elections to receive cash or stock and as a result of the cash option being oversubscribed.

All share-related references and measurements including the number of shares outstanding, share prices, number of shares repurchased, earnings per share, dividends per share, and share-based compensation awards, have been retroactively adjusted to reflect the reverse stock split for all periods presented in this Annual Report on Form 10-K.

In January 2021, the Company closed on the sale of 712 Madison Avenue for a gross sales price of $43.0 million, pursuant to the exercise of a purchase option by the ground lessee of the property.

2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include our accounts and those of our subsidiaries, which are wholly-owned or controlled by us. Entities which we do not control through our voting interest and entities which are variable interest entities, but where we are not the primary beneficiary, are accounted for under the equity method. See Note 5, "Debt and Preferred Equity Investments" and Note 6, "Investments in Unconsolidated Joint Ventures." All significant intercompany balances and transactions have been eliminated.

We consolidate a VIE in which we are considered the primary beneficiary. The primary beneficiary is the entity that has (i) the power to direct the activities that most significantly impact the entity's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE.

A noncontrolling interest in a consolidated subsidiary is defined as the portion of the equity (net assets) in a subsidiary not attributable, directly or indirectly, to us. Noncontrolling interests are required to be presented as a separate component of equity in the consolidated balance sheet and the presentation of net income is modified to present earnings and other comprehensive income attributed to controlling and noncontrolling interests.

We assess the accounting treatment for each joint venture and debt and preferred equity investment. This assessment includes a review of each joint venture or limited liability company agreement to determine the rights provided to each party and whether those rights are protective or participating. For all VIEs, we review such agreements in order to determine which party has the power to direct the activities that most significantly impact the entity's economic performance. In situations where we and our partner approve, among other things, the annual budget, receive a detailed monthly reporting package, meet on a quarterly basis to review the results of the joint venture, review and approve the joint venture's tax return before filing, and approve all leases that cover more than a nominal amount of space relative to the total rentable space at each property, we do not consolidate the joint venture as we consider these to be substantive participation rights that result in shared power of the activities that most significantly impact the performance of the joint venture. Our joint venture agreements typically contain certain protective rights such as requiring partner approval to sell, finance or refinance the property and the payment of capital expenditures and operating expenditures outside of the approved budget or operating plan.

Investment in Commercial Real Estate Properties

Real estate properties are presented at cost less accumulated depreciation and amortization. Costs directly related to the development or redevelopment of properties are capitalized. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives.

We recognize the assets acquired, liabilities assumed (including contingencies) and any noncontrolling interests in an acquired entity at their respective fair values on the acquisition date. When we acquire our partner's equity interest in an existing unconsolidated joint venture and gain control over the investment, we record the consolidated investment at fair value. The difference between the book value of our equity investment on the purchase date and our share of the fair value of the investment's purchase price is recorded as a purchase price fair value adjustment in our consolidated statements of operations. See Note 3, "Property Acquisitions."

We allocate the purchase price of real estate to land and building (inclusive of tenant improvements) and, if determined to be material, intangibles, such as the value of above- and below-market leases and origination costs associated with the in-place leases. We depreciate the amount allocated to building (inclusive of tenant improvements) over their estimated useful lives, which generally range from 3 years to 40 years. We amortize the amount allocated to the above- and below-market leases over the remaining term of the associated lease, which generally range from 1 year to 14 years, and record it as either an increase (in the case of below-market leases) or a decrease (in the case of above-market leases) to rental income. We amortize the amount allocated to the values associated with in-place leases over the expected term of the associated lease, which generally ranges from 1 year to 14 years. If a tenant vacates its space prior to the contractual termination of the lease and no rental payments are being made on the lease, any unamortized balance of the related intangible will be written off. The tenant improvements and origination costs are amortized as an expense over the remaining life of the lease (or charged against earnings if the lease is terminated prior to its contractual expiration date). We assess fair value of the leases based on estimated cash flow projections that utilize appropriate discount rates and available market information. Estimates of future cash flows are based on a number of factors including the historical operating results, known trends, and market/economic conditions that may affect the property. To the extent acquired leases contain fixed rate renewal options that are below-market and determined to be material, we amortize such below-market lease value into rental income over the renewal period. As of December 31, 2020, the weighted average amortization period for above-market leases, below-market leases, and in-place lease costs is 6.3 years, 5.6 years, and 5.3 years, respectively.

The Company classifies those leases under which the Company is the lessee at lease commencement as finance or operating leases. Leases qualify as finance leases if the lease transfers ownership of the asset at the end of the lease term, the lease grants an option to purchase the asset that we are reasonably certain to exercise, the lease term is for a major part of the remaining economic life of the asset, or the present value of the lease payments exceeds substantially all of the fair value of the asset. Leases that do not qualify as finance leases are deemed to be operating leases. At lease commencement the Company records a lease liability which is measured as the present value of the lease payments and a right of use asset which is measured as the amount of the lease liability and any initial direct costs incurred. The Company applies a discount rate to determine the present value of the lease payments. If the rate implicit in the lease is known, the Company uses that rate. If the rate implicit in the lease is not known, the Company uses a discount rate reflective of the Company’s collateralized borrowing rate given the term of the lease. To determine the discount rate, the Company employs a third party specialist to develop an analysis based primarily on the observable borrowing rates of the Company, other REITs, and other corporate borrowers with long-term borrowings. On the consolidated statements of operations, operating leases are expensed through operating lease rent while financing leases are expensed through amortization and interest expense. On the consolidated balance sheet, financing leases include the amounts previously captioned "Properties under capital lease." When applicable, the Company combines the consideration for lease and non-lease components in the calculation of the value of the lease obligation and right-of-use asset.

We incur a variety of costs in the development and leasing of our properties. After the determination is made to capitalize a cost, it is allocated to the specific component of a project that is benefited. Determination of when a development project is substantially complete and capitalization must cease involves a degree of judgment. The costs of land and building under development include specifically identifiable costs. The capitalized costs include, but are not limited to, pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. We consider a construction project as substantially completed and held available for occupancy upon the completion of tenant improvements, but no later than one year after major construction activity ceases. We cease capitalization on the portions substantially completed and occupied or held available for occupancy, and capitalize only those costs associated with the portions under construction.

Properties other than Right of use assets - operating leases are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Category	Term
Building (fee ownership)	40 years
Building improvements	shorter of remaining life of the building or useful life
Building (leasehold interest)	lesser of 40 years or remaining term of the lease
Right of use assets - financing leases	lesser of 40 years or remaining lease term
Furniture and fixtures	4 to 7 years
Tenant improvements	shorter of remaining term of the lease or useful life

Right of use assets - operating leases are amortized over the remaining lease term. The amortization is made up of the principal amortization under the lease liability plus or minus the straight line adjustment of the operating lease rent under ASC 840.

Depreciation expense (including amortization of right of use assets - financing leases) totaled $277.5 million, $233.5 million, and $242.8 million for the years ended December 31, 2020, 2019 and 2018, respectively.

On a periodic basis, we assess whether there are any indications that the value of our real estate properties may be impaired or that their carrying value may not be recoverable. A property's value is considered impaired if management's estimate of the aggregate future cash flows (undiscounted) to be generated by the property is less than the carrying value of the property. To the extent impairment has occurred, the loss will be measured as the excess of the carrying amount of the property over the fair value of the property as calculated in accordance with ASC 820.

We also evaluate our real estate properties for impairment when a property has been classified as held for sale. Real estate assets held for sale are valued at the lower of their carrying value or fair value less costs to sell and depreciation expense is no longer recorded.

We recognized $5.9 million, $4.5 million, and $6.8 million of rental revenue for the years ended December 31, 2020, 2019, and 2018, respectively, for the amortization of aggregate below-market leases in excess of above-market leases, resulting from the allocation of the purchase price of the applicable properties.

The following summarizes our identified intangible assets (acquired above-market leases and in-place leases) and intangible liabilities (acquired below-market leases) as of December 31, 2020 and 2019 (in thousands):

	December 31,	
	2020	**2019**
Identified intangible assets (included in other assets):		
Gross amount	**$ 215,673**	$ 255,198
Accumulated amortization	**(190,523)**	(228,223)
Net [(1)]	**$ 25,150**	$ 26,975
Identified intangible liabilities (included in deferred revenue):		
Gross amount	**$ 241,409**	$ 282,048
Accumulated amortization	**(230,479)**	(249,514)
Net [(1)]	**$ 10,930**	$ 32,534

(1) As of December 31, 2020, no net intangible assets and no net intangible liabilities were reclassified to assets held for sale and liabilities related to assets held for sale. As of December 31, 2019, no net intangible assets and no net intangible liabilities were reclassified to assets held for sale and liabilities related to assets held for sale.

The estimated annual amortization of acquired above-market leases, net of acquired (below-market) leases (a component of rental revenue), for each of the five succeeding years is as follows (in thousands):

2021	(1,403)
2022	(119)
2023	91
2024	258
2025	781

The estimated annual amortization of all other identifiable assets (a component of depreciation and amortization expense) including tenant improvements for each of the five succeeding years is as follows (in thousands):

2021	4,899
2022	3,456
2023	2,841
2024	2,520
2025	1,427

Cash and Cash Equivalents

We consider all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Restricted Cash

Restricted cash primarily consists of security deposits held on behalf of our tenants, interest reserves, as well as capital improvement and real estate tax escrows required under certain loan agreements.

Fair Value Measurements

See Note 16, "Fair Value Measurements."

Investment in Marketable Securities

At acquisition, we designate a security as held-to-maturity, available-for-sale, or trading. As of December 31, 2020, we did not have any securities designated as held-to-maturity or trading. We account for our available-for-sale securities at fair value pursuant to Accounting Standards Codification, or ASC, 820-10, with the net unrealized gains or losses reported as a component of accumulated other comprehensive income or loss. The cost of marketable securities sold and the amount reclassified out of accumulated other comprehensive income into earnings is determined using the specific identification method. Credit losses are recognized in accordance with ASC 326.

At December 31, 2020 and 2019, we held the following marketable securities (in thousands):

	December 31,	
	2020	**2019**
Commercial mortgage-backed securities	**$ 28,570**	$ 29,887
Total marketable securities available-for-sale	**$ 28,570**	$ 29,887

The cost basis of the commercial mortgage-backed securities was $27.5 million at both December 31, 2020 and 2019. These securities mature at various times through 2035. All were in an unrealized gain position at December 31, 2020 except for 1 security, which had an unrealized loss of $0.7 million, had been in a continuous unrealized loss position for less than 12 months, and had a fair value of $7.0 million. All were in an unrealized gain position at December 31, 2019. We held no equity marketable securities at December 31, 2020 and 2019.

During the years ended December 31, 2020, 2019 and 2018, we did not dispose of any marketable securities.

Investments in Unconsolidated Joint Ventures

We account for our investments in unconsolidated joint ventures under the equity method of accounting in cases where we exercise significant influence over, but do not control, these entities and are not considered to be the primary beneficiary. We consolidate those joint ventures that we control or which are variable interest entities (each, a "VIE") and where we are considered to be the primary beneficiary. In all these joint ventures, the rights of the joint venture partner are both protective as well as participating. Unless we are determined to be the primary beneficiary in a VIE, these participating rights preclude us from consolidating these VIE entities. These investments are recorded initially at cost, as investments in unconsolidated joint ventures, and subsequently adjusted for equity in net income (loss) and cash contributions and distributions. Equity in net income (loss) from unconsolidated joint ventures is allocated based on our ownership or economic interest in each joint venture and includes adjustments related to basis differences in accounting for the investment. When a capital event (as defined in each joint venture agreement) such as a refinancing occurs, if return thresholds are met, future equity income will be allocated at our increased economic interest. We recognize incentive income from unconsolidated real estate joint ventures as income to the extent it is earned and not subject to a clawback feature. Distributions we receive from unconsolidated real estate joint ventures in excess of our basis in the investment are recorded as offsets to our investment balance if we remain liable for future obligations of the joint venture or may otherwise be committed to provide future additional financial support. We generally finance our joint ventures with non-recourse debt. In certain cases we may provide guarantees or master leases for tenant space, which terminate upon the satisfaction of specified circumstances or repayment of the underlying loans.

We assess our investments in unconsolidated joint ventures for recoverability, and if it is determined that a loss in value of the investment is other than temporary, we write down the investment to its fair value. We evaluate our equity investments for impairment based on each joint ventures' actual and projected cash flows. We do not believe that the values of any of our equity investments were impaired at December 31, 2020.

We may originate loans for real estate acquisition, development and construction ("ADC loans"), where we expect to receive some of the residual profit from such projects. When the risk and rewards of these arrangements are essentially the same as an investor or joint venture partner, we account for these arrangements as real estate investments under the equity method of accounting for investments. Otherwise, we account for these arrangements consistent with the accounting for our debt and preferred equity investments.

Deferred Lease Costs

Deferred lease costs consist of incremental fees and direct costs that would not have been incurred if the lease had not been obtained and are amortized on a straight-line basis over the related lease term. Certain of our employees provide leasing services to the wholly-owned properties. For the years ended December 31, 2020, 2019 and 2018, $5.4 million, $6.3 million, and $15.7 million of their compensation, respectively, was capitalized and is amortized over an estimated average lease term of eight years.

Deferred Financing Costs

Deferred financing costs represent commitment fees, legal, title and other third party costs associated with obtaining commitments for financing which result in a closing of such financing. These costs are amortized over the terms of the respective agreements. Unamortized deferred financing costs are expensed when the associated debt is refinanced or repaid before maturity. Costs incurred in seeking financing transactions, which do not close, are expensed in the period in which it is determined that the financing will not close. Deferred financing costs related to a recognized debt liability are presented in the consolidated balance sheet as a direct deduction from the carrying amount of that debt liability.

Lease Classification

Lease classification for leases under which the Company is the lessor is evaluated at lease commencement and leases not classified as sales-type leases or direct financing leases are classified as operating leases. Leases qualify as sales-type leases if the contract includes either transfer of ownership clauses, certain purchase options, a lease term representing a major part of the economic life of the asset, or the present value of the lease payments and residual guarantees provided by the lessee exceeds substantially all of the fair value of the asset. Additionally, leasing an asset so specialized that it is not deemed to have any value to the Company at the end of the lease term may also result in classification as a sales-type lease. Leases qualify as direct financing leases when the present value of the lease payments and residual value guarantees provided by the lessee and unrelated third parties exceeds substantially all of the fair value of the asset and collection of the payments is probable.

Revenue Recognition

Rental revenue for operating leases is recognized on a straight-line basis over the term of the lease. Rental revenue recognition commences when the leased space is available for its intended use by the lessee.

To determine whether the leased space is available for its intended use by the lessee, management evaluates whether we are or the tenant is the owner of tenant improvements for accounting purposes. When management concludes that we are the owner of tenant improvements, rental revenue recognition begins when the tenant takes possession of the finished space, which is when such tenant improvements are substantially complete. In certain instances, when management concludes that we are not the owner of tenant improvements, rental revenue recognition begins when the tenant takes possession of or controls the space.

When management concludes that we are the owner of tenant improvements for accounting purposes, we record amounts funded to construct the tenant improvements as a capital asset. For these tenant improvements, we record amounts reimbursed by tenants as a reduction of the capital asset. When management concludes that the tenant is the owner of tenant improvements for accounting purposes, we record our contribution towards those improvements as a lease incentive, which is included in deferred costs, net on our consolidated balance sheets and amortized as a reduction to rental revenue on a straight-line basis over the term of the lease.

The excess of rents recognized over amounts contractually due pursuant to the underlying leases are included in deferred rents receivable on the consolidated balance sheets.

In addition to base rent, our tenants also generally will pay variable rent which represents their pro rata share of increases in real estate taxes and certain operating expenses for the building over a base year. In some leases, in lieu of paying additional rent based upon increases in certain building operating expenses, the tenant will pay additional rent based upon increases in the wage rate paid to porters over the porters' wage rate in effect during a base year or increases in the consumer price index over the index value in effect during a base year. In addition, many of our leases contain fixed percentage increases over the base rent to cover escalations. Electricity is most often supplied by the landlord either on a sub-metered basis, or rent inclusion basis (i.e., a fixed fee is included in the rent for electricity, which amount may increase based upon increases in electricity rates or increases in electrical usage by the tenant). Base building services other than electricity (such as heat, air conditioning and freight elevator service during business hours, and base building cleaning) are typically provided at no additional cost, with the tenant paying additional rent only for services which exceed base building services or for services which are provided outside normal business hours. These escalations are based on actual expenses incurred in the prior calendar year. If the expenses in the current year are different from those in the prior year, then during the current year, the escalations will be adjusted to reflect the actual expenses for the current year.

Rental revenue is recognized if collectability is probable. If collectability of substantially all of the lease payments is assessed as not probable, any difference between the rental revenue recognized to date and the lease payments that have been collected is recognized as a current-period adjustment to rental revenue. A subsequent change in the assessment of collectability to probable may result in a current-period adjustment to rental revenue for any difference between the rental revenue that would have been recognized if collectability had always been assessed as probable and the rental revenue recognized to date.

We recognize lease concessions related to COVID-19, such as rent deferrals and abatements, in accordance with the Lease Modification Q&A issued by the FASB in April 2020, which provides entities with the option to elect to account for lease concessions as though the enforceable rights and obligations existed in the original lease. This election is only available when total cash flows resulting from the modified lease are substantially similar to the cash flows in the original lease. When total cash flows resulting from the modified lease are not substantially similar to the cash flows in the original lease, we account for the concession agreement as a new lease.

The Company provides its tenants with certain customary services for lease contracts such as common area maintenance and general security. We have elected to combine the non-lease components with the lease components of our operating lease agreements and account for them as a single lease component in accordance with ASC 842.

Prior to the adoption of ASC 842, we maintained allowances for estimated losses on tenant receivables and deferred rent receivables under our lease agreements. During the year ended December 31, 2018 we had $4.2 million of additions to these allowances charged against operations and $8.9 million of uncollectible accounts written off or recovered within the period. The combined ending balance of the allowances was $31.2 million as of December 31, 2018.

We record a gain or loss on sale of real estate assets when we no longer hold a controlling financial interest in the entity holding the real estate, a contract exists with a third party and that third party has control of the assets acquired.

Investment income on debt and preferred equity investments is accrued based on the contractual terms of the instruments and when it is deemed collectible. Some debt and preferred equity investments provide for accrual of interest at specified rates, which differ from current payment terms. Interest is recognized on such loans at the accrual rate subject to management's determination that accrued interest is collectible. If management cannot make this determination, interest income above the current pay rate is recognized only upon actual receipt.

Deferred origination fees, original issue discounts and loan origination costs, if any, are recognized as an adjustment to interest income over the terms of the related investments using the effective interest method. Fees received in connection with loan commitments are also deferred until the loan is funded and are then recognized over the term of the loan as an adjustment to yield. Discounts or premiums associated with the purchase of loans are amortized or accreted into interest income as a yield adjustment on the effective interest method based on expected cash flows through the expected maturity date of the related investment. If we purchase a debt or preferred equity investment at a discount, intend to hold it until maturity and expect to recover the full value of the investment, we accrete the discount into income as an adjustment to yield over the term of the investment. If we purchase a debt or preferred equity investment at a discount with the intention of foreclosing on the collateral, we do not accrete the discount. For debt investments acquired at a discount for credit quality, the difference between contractual cash flows and expected cash flows at acquisition is not accreted. Anticipated exit fees, the collection of which is expected, are also recognized over the term of the loan as an adjustment to yield.

We consider a debt and preferred equity investment to be past due when amounts contractually due have not been paid. Debt and preferred equity investments are placed on a non-accrual status at the earlier of the date at which payments become 90 days past due or when, in the opinion of management, a full recovery of interest income becomes doubtful. Interest income recognition is resumed on any debt or preferred equity investment that is on non-accrual status when such debt or preferred equity investment becomes contractually current and performance is demonstrated to be resumed.

We may syndicate a portion of the loans that we originate or sell the loans individually. When a transaction meets the criteria for sale accounting, we recognize gain or loss based on the difference between the sales price and the carrying value of the loan sold. Any related unamortized deferred origination fees, original issue discounts, loan origination costs, discounts or premiums at the time of sale are recognized as an adjustment to the gain or loss on sale, which is included in investment income on the consolidated statement of operations. Any fees received at the time of sale or syndication are recognized as part of investment income.

Asset management fees are recognized on a straight-line basis over the term of the asset management agreement.

Debt and Preferred Equity Investments

Debt and preferred equity investments are presented at the net amount expected to be collected in accordance with ASC 326. An allowance for loan losses is deducted from the amortized cost basis of the financial assets to present the net carrying value at the amount expected to be collected through the expected maturity date of such investments. The expense for loan loss and other investment reserves is the charge to earnings to adjust the allowance for loan losses to the appropriate level. Amounts are written off from the allowance when we de-recognize the related investment either as a result of a sale of the investment or acquisition of equity interests in the collateral.

The Company evaluates the amount expected to be collected based on current market and economic conditions, historical loss information, and reasonable and supportable forecasts. The Company's assumptions are derived from both internal data and external data which may include, among others, governmental economic projections for the New York City Metropolitan area, public data on recent transactions and filings for securitized debt instruments. This information is aggregated by asset class and adjusted for duration. Based on these inputs, loans are evaluated at the individual asset level. In certain instances, we may also use a probability-weighted model that considers the likelihood of multiple outcomes and the amount expected to be collected for each outcome.

The evaluation of the possible credit deterioration associated with the performance and/or value of the underlying collateral property as well as the financial and operating capability of the borrower/sponsor requires significant judgment, which include both asset level and market assumptions over the relevant time period.

In addition, quarterly, the Company assigns each loan a risk rating. Based on a 3-point scale, loans are rated “1” through “3,” from lower risk to higher risk, which ratings are defined as follows: 1 - Low Risk Assets - Low probability of loss, 2 - Watch List Assets - Higher potential for loss, 3 - High Risk Assets - Loss more likely than not. Loans with risk ratings of 2 or above are evaluated to determine whether the expected risk of loss is appropriately captured through the combination of our expectations of current conditions, historical loss information and supportable forecasts described above or whether risk characteristics specific to the loan warrant the use of a probability-weighted model.

Financing investments that are classified as held for sale are carried at the expected amount to be collected or fair market value using available market information obtained through consultation with dealers or other originators of such investments as well as discounted cash flow models based on Level 3 data pursuant to ASC 820-10. As circumstances change, management may conclude not to sell an investment designated as held for sale. In such situations, the investment will be reclassified at its expected amount to be collected.

Other financing receivables that are included in balance sheet line items other than the Debt and Preferred Equity Investments line are also measured at the net amount expected to the be collected.

Accrued interest receivable amounts related to these debt and preferred equity investment and other financing receivables are recorded at the net amount expected to be collected within Other assets in the consolidated balance sheets. Write offs of accrued interest receivables are recognized as an expense for loan loss and other investment reserves.

Rent Expense

Rent expense is recognized on a straight-line basis over the initial term of the lease. The excess of the rent expense recognized over the amounts contractually due pursuant to the underlying lease is included in the lease liability - operating leases on the consolidated balance sheets.

Underwriting Commissions and Costs

Underwriting commissions and costs incurred in connection with our stock offerings are reflected as a reduction of additional paid-in-capital.

Transaction Costs

Transaction costs for asset acquisitions are capitalized to the investment basis, which is then subject to a purchase price allocation based on relative fair value. Transaction costs for business combinations or costs incurred on potential transactions that are not consummated are expensed as incurred.

Income Taxes

SL Green is taxed as a REIT under Section 856(c) of the Code. As a REIT, SL Green generally is not subject to Federal income tax. To maintain its qualification as a REIT, SL Green must distribute at least 90% of its REIT taxable income to its stockholders and meet certain other requirements. If SL Green fails to qualify as a REIT in any taxable year, SL Green will be subject to Federal income tax on its taxable income at regular corporate rates. SL Green may also be subject to certain state, local and franchise taxes. Under certain circumstances, Federal income and excise taxes may be due on its undistributed taxable income.

The Operating Partnership is a partnership and, as a result, all income and losses of the partnership are allocated to the partners for inclusion in their respective income tax returns. The only provision for income taxes included in the consolidated statements of operations relates to the Operating Partnership's consolidated taxable REIT subsidiaries. The Operating Partnership may also be subject to certain state, local and franchise taxes.

We have elected, and may elect in the future, to treat certain of our corporate subsidiaries as taxable REIT subsidiaries, or TRSs. In general, TRSs may perform non-customary services for the tenants of the Company, hold assets that we cannot hold directly and generally may engage in any real estate or non-real estate related business. The TRSs generate income, resulting in Federal and state income tax liability for these entities.

During the years ended December 31, 2020, 2019 and 2018, we recorded Federal, state and local tax provisions of $1.2 million, $1.5 million, and $2.8 million, respectively. For the year ended December 31, 2020, the Company paid distributions on its common stock of $5.54 per share which represented $1.84 per share of ordinary income and $3.06 per share of capital gains. For the year ended December 31, 2019, the Company paid distributions on its common stock of $3.40 per share which represented $2.59 per share of ordinary income, and $0.81 per share of capital gains. For the year ended December 31, 2018, the Company paid distributions on its common stock of $3.25 per share which represented $1.46 per share of ordinary income and $1.79 per share of capital gains. In order to present information that is consistent with the tax forms issued with respect to these tax years, these per-share numbers have not been retroactively adjusted to reflect the reverse stock split that was effectuated in January 2021.

We follow a two-step approach for evaluating uncertain tax positions. Recognition (step one) occurs when an enterprise concludes that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement (step two) determines the amount of benefit that is more-likely-than-not to be realized upon settlement.

Derecognition of a tax position that was previously recognized would occur when a company subsequently determines that a tax position no longer meets the more-likely-than-not threshold of being sustained. The use of a valuation allowance as a substitute for derecognition of tax positions is prohibited.

Stock-Based Employee Compensation Plans

We have a stock-based employee compensation plan, described more fully in Note 14, "Share-based Compensation."

The Company's stock options are recorded at fair value at the time of issuance. Fair value of the stock options is determined using the Black-Scholes option pricing model. The Black-Scholes model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because our plan has characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the fair value estimate, in our opinion, the existing models do not necessarily provide a reliable single measure of the fair value of the employee stock options.

Compensation cost for stock options, if any, is recognized over the vesting period of the award. Our policy is to grant options with an exercise price equal to the quoted closing market price of the Company's common stock on either the grant date or the date immediately preceding the grant date. Awards of stock or restricted stock are expensed as compensation over the benefit period based on the fair value of the stock on the grant date.

For share-based awards with a performance or market measure, we recognize compensation cost over the requisite service period, using the accelerated attribution expense method. The requisite service period begins on the date the compensation committee of our board of directors authorizes the award, adopts any relevant performance measures and communicates the award to the employees. For programs with awards that vest based on the achievement of a performance condition or market condition, we determine whether it is probable that the performance condition will be met, and estimate compensation cost based on the fair value of the award at the applicable award date estimated using a binomial model or market quotes. For share-based awards for which there is no pre-established performance measure, we recognize compensation cost over the service vesting period, which represents the requisite service period, on a straight-line basis. In accordance with the provisions of our share-based incentive compensation plans, we accept the return of shares of the Company's common stock, at the current quoted market price, from certain key employees to satisfy minimum statutory tax-withholding requirements related to shares that vested during the period.

Awards can also be made in the form of a separate series of units of limited partnership interest in the Operating Partnership called long-term incentive plan units, or LTIP units. LTIP units, which can be granted either as free-standing awards or in tandem with other awards under our stock incentive plan, are valued by reference to the value of the Company's common stock at the time of grant, and are subject to such conditions and restrictions as the compensation committee of the Company's board of directors may determine, including continued employment or service, computation of financial metrics and/or achievement of pre-established performance goals and objectives.

Derivative Instruments

In the normal course of business, we use a variety of commonly used derivative instruments, such as interest rate swaps, caps, collars and floors, to manage, or hedge, interest rate risk. Effectiveness is essential for those derivatives that we intend to qualify for hedge accounting. Some derivative instruments are associated with an anticipated transaction. In those cases, hedge effectiveness criteria also require that it be probable that the underlying transaction occurs. Instruments that meet these hedging criteria are formally designated as hedges at the inception of the derivative contract.

To determine the fair values of derivative instruments, we use a variety of methods and assumptions that are based on market conditions and risks existing at each balance sheet date. For the majority of financial instruments including most derivatives, long-term investments and long-term debt, standard market conventions and techniques such as discounted cash flow analysis, option pricing models, replacement cost, and termination cost are used to determine fair value. All methods of assessing fair value result in a general approximation of value, and such value may never actually be realized.

In the normal course of business, we are exposed to the effect of interest rate changes and limit these risks by following established risk management policies and procedures including the use of derivatives. To address exposure to interest rates, derivatives are used primarily to fix the rate on debt based on floating-rate indices and manage the cost of borrowing obligations.

We use a variety of conventional derivative products. These derivatives typically include interest rate swaps, caps, collars and floors. We expressly prohibit the use of unconventional derivative instruments and using derivative instruments for trading or speculative purposes. Further, we have a policy of only entering into contracts with major financial institutions based upon their credit ratings and other factors.

We may employ swaps, forwards or purchased options to hedge qualifying forecasted transactions. Gains and losses related to these transactions are deferred and recognized in net income as interest expense in the same period or periods that the underlying transaction occurs, expires or is otherwise terminated.

Hedges that are reported at fair value and presented on the balance sheet could be characterized as cash flow hedges or fair value hedges. Interest rate caps and collars are examples of cash flow hedges. Cash flow hedges address the risk associated with future cash flows of interest payments. For all hedges held by us that meet the hedging objectives established by our corporate policy governing interest rate risk management, no net gains or losses were reported in earnings. The changes in fair value of derivative instruments designated as hedge instruments are reflected in accumulated other comprehensive income (loss). For derivative instruments not designated as hedging instruments, the gain or loss, resulting from the change in the estimated fair value of the derivative instruments, is recognized in current earnings during the period of change.

Earnings per Share of the Company

The Company presents both basic and diluted earnings per share ("EPS") using the two-class method, which is an earnings allocation formula that determines EPS for common stock and any participating securities according to dividends declared (whether paid or unpaid). Under the two-class method, basic EPS is computed by dividing the income available to common stockholders by the weighted-average number of common stock shares outstanding for the period. Basic EPS includes participating securities, consisting of unvested restricted stock that receive nonforfeitable dividends similar to shares of common stock. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock, where such exercise or conversion would result in a lower EPS amount. Diluted EPS also includes units of limited partnership interest. The dilutive effect of stock options is reflected in the weighted average diluted outstanding shares calculation by application of the treasury stock method. Earnings per share has been retroactively adjusted to reflect the reverse stock split effectuated in January 2021 for all periods presented in this Annual Report on Form 10-K.

Earnings per Unit of the Operating Partnership

The Operating Partnership presents both basic and diluted earnings per unit ("EPU") using the two-class method, which is an earnings allocation formula that determines EPU for common units and any participating securities according to dividends declared (whether paid or unpaid). Under the two-class method, basic EPU is computed by dividing the income available to common unitholders by the weighted-average number of common units outstanding for the period. Basic EPU includes participating securities, consisting of unvested restricted units that receive nonforfeitable dividends similar to shares of common units. Diluted EPU reflects the potential dilution that could occur if securities or other contracts to issue common units were exercised or converted into common units, where such exercise or conversion would result in a lower EPU amount. The dilutive effect of unit options is reflected in the weighted average diluted outstanding units calculation by application of the treasury stock method. Earnings per unit has been retroactively adjusted for all periods presented in this Annual Report on Form 10-K to reflect the reverse stock split effectuated in January 2021

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash investments, debt and preferred equity investments and accounts receivable. We place our cash investments with high quality financial institutions. The collateral securing our debt and preferred equity investments is located in New York City. See Note 5, "Debt and Preferred Equity Investments."

We perform initial and ongoing evaluations of the credit quality of our tenants and require most tenants to provide security deposits or letters of credit. Though these security deposits and letters of credit are insufficient to meet the total value of a tenant's lease obligation, they are a measure of good faith and a potential source of funds to offset the economic costs associated with lost revenue from the tenant and the costs associated with re-tenanting a space. The properties in our real estate portfolio are located in the New York metropolitan area. The tenants located in our buildings operate in various industries. Other than one tenant, Viacom CBS, Inc., who accounted for 5.6% of our share of annualized cash rent, no other tenant in our portfolio accounted for more than 5.0% of our share of annualized cash rent, including our share of joint venture annualized cash rent, at December 31, 2020.

For the years ended December 31, 2020, 2019, and 2018, the following properties contributed more than 5.0% of our annualized cash rent from office properties, including our share of annualized cash rent from joint venture office properties:

Property	2020	Property	2019	Property	2018
11 Madison Avenue	8.2%	1185 Avenue of the Americas	7.6%	11 Madison Avenue	7.4%
420 Lexington Ave (Graybar)	7.5%	11 Madison Avenue	7.4%	1185 Avenue of the Americas	6.7%
1185 Avenue of the Americas	6.9%	420 Lexington Avenue	6.6%	420 Lexington Avenue	6.5%
1515 Broadway	6.6%	1515 Broadway	6.1%	1515 Broadway	6.0%
220 East 42nd Street	5.9%	One Madison Avenue	6.0%	One Madison Avenue	5.8%
280 Park Avenue	5.4%	220 East 42nd Street	5.5%		

As of December 31, 2020, 64.1% of our work force is covered by six collective bargaining agreement. None of these agreements expire before December 31, 2021. See Note 19, "Benefits Plans."

Reclassification

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

Accounting Standards Updates

In August 2020, the FASB issued Accounting Standard Update, or "ASU", No. 2020-06 Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40). ASU 2020-06 simplifies the accounting for convertible instruments by reducing the number of accounting models for convertible debt instruments and convertible preferred stock, removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception and also simplifies the diluted earnings per share calculation in certain areas. ASU 2020-06 is effective for reporting periods beginning after December 15, 2021, with early adoption permitted. We are currently evaluating the impact of the adoption of ASU 2020-06 on our consolidated financial statements, but do not believe the adoption of this standard will have a material impact on our consolidated financial statements.

In April 2020, the FASB staff issued a question and answer document (the “Lease Modification Q&A”) on the application of lease accounting guidance to lease concessions provided as a result of the COVID-19 pandemic. Under existing lease guidance, the entity would have to determine, on a lease by lease basis, if a lease concession was the result of a new arrangement reached with the tenant, which would be accounted for under the lease modification framework, or if a lease concession was under the enforceable rights and obligations that existed in the original lease, which would be accounted for outside the lease modification framework. The Lease Modification Q&A provides entities with the option to elect to account for lease concessions as though the enforceable rights and obligations existed in the original lease. This election is only available when total cash flows resulting from the modified lease are substantially similar to the cash flows in the original lease. The Lease Modification Q&A did not have a material impact on the Company’s consolidated financial statements as of and for the year ended December 31, 2020, however, its future impact to the Company is dependent upon the extent of lease concessions granted to tenants as a result of the COVID-19 pandemic in future periods and the elections made by the Company at the time of entering into such concessions.

In March 2020, the FASB issued ASU No. 2020-04 Reference Rate Reform (Topic 848) Facilitation of the Effects of Reference Rate Reform on Financial Reporting and then in January 2021, the FASB issued ASU No 2021-01. The amendments provide practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance is optional and is effective between March 12, 2020 and December 31, 2022. The guidance may be elected over time as reference rate reform activities occur. During the first quarter of 2020, the Company has elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with past presentation. The Company continues to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur.

In January 2020, the FASB issued ASU No. 2020-01, Investments - Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) Clarifying the Interactions between Topic 321, Topic 323, and Topic 815. The amendment most relevant to the Company is how to apply the fair value measurement alternative in Topic 321 when an investor must apply the fair value to an investment under the equity method in Topic 323. The amendment clarifies that an entity should consider observable transactions when considering the fair value of an investment. The guidance is effective for the Company for fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company adopted this guidance on January 1, 2020 and it did not have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-15, Intangibles - Goodwill and Other- Internal-Use Software (Topic 350-40), Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract. The amendments provide guidance on accounting for fees paid when the arrangement includes a software license and align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing costs to develop or obtain internal-use software. The Company adopted this guidance on January 1, 2020 and it did not have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, Fair Value Measurement (Topic 820), Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement. This amendment removed, modified and added the disclosure requirements under Topic 820. The changes are effective for the Company for fiscal years beginning after December 15, 2019. Early adoption is permitted for the removed or modified disclosures with adoption of the additional disclosures upon the effective date. The Company adopted this guidance on January 1, 2020 and it did not have a material impact on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments; in November 2018 issued ASU No. 2018-19, Codification Improvements to Topic 326, Financial Instruments - Credit Losses, in April, May and November 2019, issued ASU No. 2019-04, 2019-05 and 2019-11, which provide codification improvements and targeted transition relief; and in 2020 issued ASU 2020-02 Financial Instruments-Credit Losses (Topic 326) and Leases (Topic 842), which updates SEC guidance in those Topics. The guidance changes how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The guidance replaces the current 'incurred loss' model with an 'expected loss' approach. The Company's DPE portfolio and financing lease assets are subject to this guidance. ASU No. 2018-19 excludes operating lease receivables from the scope of this guidance. The Company adopted this guidance on January 1, 2020 and recorded a $39.2 million cumulative adjustment to retained earnings upon adoption.

3. Property Acquisitions

2020 Acquisitions

The following table summarizes the properties acquired during the year ended December 31, 2020:

Property	Acquisition Date	Property Type	Approximate Square Feet	Gross Asset Valuation (in millions)
762 Madison Avenue (1)	January 2020	Fee Interest	6,109	$ 29.3
707 Eleventh Avenue	January 2020	Fee Interest	159,720	90.0
15 Beekman (2)	January 2020	Leasehold Interest	98,412	—
590 Fifth Avenue (3)	October 2020	Fee Interest	103,300	107.2

(1) The Company acquired from our joint venture partner the remaining 10% interest in this property that the Company did not already own.
(2) In January 2020, the Company entered into a 99-year ground lease of 126 Nassau Street and subsequently renamed the property 15 Beekman. In August 2020, we entered into a partnership with a real estate fund managed by Meritz Alternative Investment as part of the capitalization of this development project. See note 6, "Investment in Unconsolidated Joint Ventures."
(3) The property previously served as collateral for a debt and preferred equity investment and was acquired through a negotiated transaction with the sponsor.

2019 Acquisitions

The following table summarizes the properties acquired during the year ended December 31, 2019:

Property	Acquisition Date	Property Type	Approximate Square Feet	Gross Asset Valuation (in millions)
106 Spring Street (1)	April 2019	Fee Interest	5,928	$ 80.2
410 Tenth Avenue (2)	May 2019	Fee Interest	638,000	440.0
110 Greene Street (3)	May 2019	Fee Interest	223,600	256.5

(1) In April 2019, the Company accepted an assignment of the equity interests in the property in lieu of repayment of the Company's debt investment and marked the assets received and liabilities assumed to fair value.

(2) In May 2019, the Company closed on the acquisition of a majority and controlling 70.87% interest in 460 West 34th Street and subsequently renamed the property 410 Tenth Avenue. The Company had previously made a loan to the entity that was accounted for as an Acquisition, Development, and Construction ("ADC") arrangement. Upon consolidating the entity in which it acquired the controlling equity interest, the Company and the Partnership removed the ADC arrangement and recorded the assets and liabilities of the entity at fair value, which resulted in the recognition of a fair value adjustment of $67.6 million, which was reflected in the Company's consolidated statement of operations within purchase price and other fair value adjustments, and $18.3 million of net intangible lease liabilities.

(3) In May 2019, the Company acquired from our joint venture partner the remaining 10% interest in this property that the Company did not already own.

2018 Acquisitions

The following table summarizes the properties acquired during the year ended December 31, 2018:

Property	Acquisition Date	Property Type	Approximate Square Feet	Acquisition Price (in millions)
2 Herald Square (1)	May 2018	Leasehold Interest	369,000	$ 266.0
1231 Third Avenue (2)(3)	July 2018	Fee Interest	39,000	55.4
Upper East Side Residential (3)(4)	August 2018	Fee Interest	0.2 acres	30.2
133 Greene Street (2)	October 2018	Fee Interest	6,425	31.0
712 Madison Avenue (2)	December 2018	Fee Interest	6,600	58.0

(1) In May 2018, the Company was the successful bidder at the foreclosure of the asset. We recorded the assets acquired and liabilities assumed at fair value. This resulted in the recognition of a fair value adjustment of $8.1 million, which is reflected in the Company's consolidated statement of operations within purchase price and other fair value adjustments. See Note 16, "Fair Value Measurements." The Company subsequently sold a 49% interest in the property in November 2018. See Note 4, "Properties Held for Sale and Dispositions." and Note 6, "Investments in Unconsolidated Joint Ventures."

(2) The Company accepted an assignment of the equity interests in the property in lieu of repayment of the Company's debt investment, and recorded the assets received and liabilities assumed at fair value.

(3) This property was subsequently sold in October 2018. See Note 4, "Properties Held for Sale and Dispositions."

(4) In August 2018, the Company acquired the fee interest in three additional land parcels at the Upper East Side Residential Assemblage.

4. Properties Held for Sale and Property Dispositions

Properties Held for Sale

As of December 31, 2020, no properties were classified as held for sale.

Property Dispositions

The following table summarizes the properties sold during the years ended December 31, 2020, 2019, and 2018:

Property	Disposition Date	Property Type	Unaudited Approximate Usable Square Feet	Sales Price [1] (in millions)	Gain (Loss) on Sale [2] (in millions)
30 East 40th Street	December 2020	Leasehold Interest	69,446	$ 5.2	$ (1.6)
1055 Washington Boulevard	December 2020	Leasehold Interest	182,000	23.8	(11.5)
Williamsburg Terrace	December 2020	Fee Interest	52,000	32.0	11.8
410 Tenth Avenue	December 2020	Fee Interest	638,000	952.5	56.4
400 East 58th Street	September 2020	Fee Interest	140,000	62.0	8.3
609 Fifth Avenue - Retail Condominium	May 2020	Fee Interest	21,437	168.0	63.3
315 West 33rd Street - The Olivia	March 2020	Fee Interest	492,987	446.5	71.8
Suburban Properties [3]	December 2019	Fee Interest	1,107,000	229.2	1.8
1640 Flatbush Avenue	December 2019	Fee Interest	1,000	16.2	5.5
562 Fifth Avenue	December 2019	Fee Interest	42,635	52.4	(26.6)
1010 Washington Boulevard [4]	November 2019	Fee Interest	143,400	23.1	(7.1)
115 Spring Street [5]	August 2019	Fee Interest	5,218	66.6	3.6
2 Herald Square [6]	November 2018	Office/Retail	369,000	265.0	—
400 Summit Lake Drive	November 2018	Land	39.5 acres	3.0	(36.2)
Upper East Side Assemblage [7][8]	October 2018	Development	70,142	143.8	(6.3)
1-6 International Drive	July 2018	Office	540,000	55.0	(2.6)
635 Madison Avenue	June 2018	Retail	176,530	153.0	(14.1)
115-117 Stevens Avenue	May 2018	Office	178,000	12.0	(0.7)
600 Lexington Avenue	January 2018	Office	303,515	305.0	23.8

(1) Sales price represents the gross sales price for a property or the gross asset valuation for interests in a property.
(2) The gain on sale is net of $10.5 million, $2.0 million, and $1.3 million of employee compensation accrued in connection with the realization of these investment gains in the years ended December 31, 2020, 2019, and 2018, respectively. Additionally, amounts do not include adjustments for expenses recorded in subsequent periods.
(3) Suburban Properties consists of 360 Hamilton Avenue, 100 Summit Lake Drive, 200 Summit Lake Drive, and 500 Summit Lake Drive.
(4) The Company recorded a $7.1 million charge in 2019 that is included in depreciable real estate reserves and impairments in the consolidated statement of operations.
(5) The Company sold a 49% interest, which resulted in the deconsolidation of our remaining 51% interest. We recorded our investment at fair value which resulted in the recognition of a fair value adjustment of $3.8 million, which is reflected in the Company's consolidated statements of operations within purchase price and other fair value adjustments. See Note 6, "Investments in Unconsolidated Joint Ventures."
(6) In November 2018, the Company sold a 49% interest in 2 Herald Square to an Israeli institutional investor. See Note 6, "Investments in Unconsolidated Joint Ventures."
(7) Upper East Side Assemblage consists of 260 East 72nd Street, 31,076 square feet of development rights, 252-254 East 72nd Street, 257 East 71st Street, 259 East 71st Street, and 1231 Third Avenue.
(8) The Company recorded a $5.8 million charge in 2018 that is included in depreciable real estate reserves and impairments in the consolidated statement of operations.

5. Debt and Preferred Equity Investments

Below is a summary of the activity in our debt and preferred equity investments for the twelve months ended December 31, 2020 and 2019 (in thousands):

	December 31, 2020	December 31, 2019
Balance at beginning of year (1)	$ 1,580,306	$ 2,099,393
Debt investment originations/accretion (2)	389,300	652,866
Preferred equity investment originations/accretion (2)	167,042	14,736
Redemptions/sales/syndications/equity ownership/amortization (3)	(1,048,643)	(1,190,689)
Net change in loan loss reserves	(11,463)	4,000
Balance at end of period (1)	$ 1,076,542	$ 1,580,306

(1) Net of unamortized fees, discounts, and premiums.
(2) Accretion includes amortization of fees and discounts and paid-in-kind investment income.
(3) Certain participations in debt investments that were sold or syndicated, but did not meet the conditions for sale accounting, are included in other assets and other liabilities on the consolidated balance sheets.

Below is a summary of our debt and preferred equity investments as of December 31, 2020 (dollars in thousands):

	Floating Rate			Fixed Rate					
Type	Carrying Value	Face Value	Interest Rate	Carrying Value	Face Value	Interest Rate	Total Carrying Value	Senior Financing	Maturity(1)
Senior Mortgage Debt	$ 62,751	$ 63,425	L + 2.00 - 3.50%	$ 1,249	$ 1,250	3.50%	$ 64,000	$ —	2021 - 2022
Junior Mortgage Debt	7,200	12,000	L + 7.25 - 7.25%	32,888	33,000	6.00%	40,088	127,000	2021
Mezzanine Debt	275,926	280,119	L + 4.95 - 14.07%	436,742	448,938	2.90 - 14.30%	712,668	4,459,287	2021 - 2029
Preferred Equity	—	—	—	259,786	262,254	6.50 - 11.00%	259,786	1,962,750	2022 - 2027
Balance at end of period	$ 345,877	$ 355,544		$ 730,665	$ 745,442		$ 1,076,542	$ 6,549,037	

(1) Excludes available extension options to the extent they have not been exercised as of the date of this filing.

The following table is a rollforward of our total allowance for loan losses for the years ended December 31, 2020, 2019 and 2018 (in thousands):

	December 31,		
	2020	2019	2018
Balance at beginning of year	$ 1,750	$ 5,750	$ —
Cumulative adjustment upon adoption of ASC 326	27,803	—	—
Current period provision for loan loss	20,693	—	6,839
Write-offs charged against the allowance (1)	(37,033)	(4,000)	(1,089)
Balance at end of period (2)	$ 13,213	$ 1,750	$ 5,750

(1) Includes $19.0 million of charges recorded against investments that were sold during the year ended December 31, 2020. These charges are included in loan loss and other investment reserves, net of recoveries, in our consolidated statements of operations.
(2) As of December 31, 2020, we had recorded an allowance for loan loss on all financing receivables on non-accrual except for one financing receivable with a carrying value of $225.2 million.

At December 31, 2020, all debt and preferred equity investments were performing in accordance with their respective terms, with the exception of one investment with a carrying value, net of reserves, of $6.8 million, as discussed in subnote 6 of the Debt Investments table below. At December 31, 2019, all debt and preferred equity investments were performing in accordance with their respective terms.

The following table sets forth the net book value of our debt and preferred equity investment portfolio by risk rating as of December 31, 2020 and 2019 ($ in thousands):

Risk Rating	December 31, 2020	December 31, 2019
1 - Low Risk Assets - Low probability of loss	**$ 695,035**	$ 1,180,831
2 - Watch List Assets - Higher potential for loss	**365,167**	399,475
3 - High Risk Assets - Loss more likely than not	**16,340**	—
	$ 1,076,542	$ 1,580,306

The following table sets forth the net book value of our debt and preferred equity investment portfolio by year of origination and risk rating as of December 31, 2020 ($ in thousands):

	As of December 31, 2020				
Risk Rating	2020(1)	2019(1)	2018(1)	Prior(1)	Total
1 - Low Risk Assets - Low probability of loss	$ 346,320	$ 55,318	$ 209,941	$ 83,456	**$ 695,035**
2 - Watch List Assets - Higher potential for loss	—	239,215	56,244	69,708	**365,167**
3 - High Risk Assets - Loss more likely than not	—	—	—	16,340	**16,340**
	$ 346,320	$ 294,533	$ 266,185	$ 169,504	**$ 1,076,542**

(1) Year in which the investment was originated or acquired by us or in which a material modification occurred.

We have determined that we have one portfolio segment of financing receivables at December 31, 2020 and 2019 comprising commercial real estate which is primarily recorded in debt and preferred equity investments.

Included in other assets is an additional amount of financing receivables totaling $66.2 million and $131.1 million at December 31, 2020 and 2019, respectively, for which the Company recorded adjustments upon adoption of ASC 326 of $11.4 million and provisions for loan losses of $14.6 million for the twelve months ended December 31, 2020. All of these loans have a risk rating of 2 and were performing in accordance with their respective terms with the exception of one financing receivable, which was put on nonaccrual in August 2018, that has a risk rating of 3 and a carrying value at December 31, 2020 of $2.5 million.

Debt Investments

As of December 31, 2020 and 2019, we held the following debt investments with an aggregate weighted average current yield of 5.80%, at December 31, 2020 (dollars in thousands):

Loan Type	December 31, 2020 Future Funding Obligations	December 31, 2020 Senior Financing	December 31, 2020 Carrying Value (1)	December 31, 2019 Carrying Value (1)	Maturity Date (2)
Fixed Rate Investments:					
Junior Mortgage (3b)(4)	$ 10,000	$ 67,000	$ 32,888	$ —	January 2021
Mezzanine Loan	—	15,000	3,500	3,500	September 2021
Mortgage/Mezzanine Loan	—	63,750	56,244	55,573	October 2021
Mezzanine Loan	—	280,000	41,057	38,734	August 2022
Mezzanine Loan (5)	—	353,772	225,204	215,737	June 2023
Mezzanine Loan (3a)(6)	—	105,000	13,366	12,950	June 2024
Mezzanine Loan	—	95,000	30,000	30,000	January 2025
Mezzanine Loan	—	1,712,750	55,250	55,250	June 2027
Mezzanine Loan	—	85,000	20,000	20,000	December 2029
Mezzanine Loan	—	—	—	24,952	
Mezzanine Loan	—	—	—	30,000	
Mezzanine Loan	—	—	—	12,714	
Total fixed rate	$ 10,000	$ 2,777,272	$ 477,509	$ 499,410	
Floating Rate Investments:					
Mezzanine Loan	$ —	$ 275,000	$ 49,956	$ 49,809	April 2021
Junior Mortgage Participation/Mezzanine Loan	—	60,000	15,733	15,698	July 2021
Mezzanine Loan	7,031	172,809	35,318	41,395	July 2021
Mezzanine Loan	—	61,744	29,106	15,743	July 2021
Mezzanine Loan (3c)	—	1,115,000	127,915	222,775	March 2022
Mortgage and Mezzanine Loan	7,085	—	60,532	—	May 2022
Mortgage and Mezzanine Loan	44,000	—	14,011	13,918	December 2022
Mezzanine Loan	53,845	64,462	19,889	69,839	May 2023
Mortgage and Mezzanine Loan	—	—	—	35,386	
Junior Mortgage (7)	—	—	—	20,000	
Mortgage Loan	—	—	—	19,971	
Mortgage Loan	—	—	—	106,473	
Mezzanine Loan	—	—	—	51,387	
Mortgage/Mezzanine Loan	—	—	—	96,570	
Mortgage/Mezzanine Loan	—	—	—	82,696	
Total floating rate	$ 111,961	$ 1,749,015	$ 352,460	$ 841,660	
Allowance for loan loss	$ —	$ —	$ (13,213)	$ —	
Total	$ 121,961	$ 4,526,287	$ 816,756	$ 1,341,070	

(1) Carrying value is net of discounts, premiums, original issue discounts and deferred origination fees.
(2) Represents contractual maturity, excluding any unexercised extension options.
(3) Carrying value is net of the following amounts that were sold or syndicated, which are included in other assets and other liabilities on the consolidated balance sheets as a result of the transfers not meeting the conditions for sale accounting: (a) $12.0 million, (b) $66.6 million and (c) $0.4 million
(4) In January 2021, this loan was extended six months to July 2021.
(5) This loan was put on non-accrual in July 2020 and remains on non-accrual at December 31, 2020. No investment income has been recognized subsequent to it being put on non-accrual.
(6) This loan went into default and was put on non-accrual in June 2020 and remains on non-accrual at December 31, 2020. No investment income has been recognized subsequent to it being put on non-accrual. The Company is in discussions with the borrower.

(7) In October 2020, the Company accepted a purchase in lieu of repayment and marked the assets received and liabilities assumed to fair value.

Preferred Equity Investments

As of December 31, 2020 and 2019, we held the following preferred equity investments with an aggregate weighted average current yield of 9.96% at December 31, 2020 (dollars in thousands):

Type	December 31, 2020 Future Funding Obligations	December 31, 2020 Senior Financing	December 31, 2020 Carrying Value (1)	December 31, 2019 Carrying Value (1)	Mandatory Redemption (2)
Preferred Equity	$ —	$ 1,712,750	$ 154,691	$ 98,065	June 2022
Preferred Equity	—	250,000	105,095	—	February 2027
Preferred Equity (3)		—	—	141,171	
Total Preferred Equity	$ —	$ 1,962,750	$ 259,786	$ 239,236	
Allowance for loan loss	$ —	$ —	$ —	$ (1,750)	
Total	$ —	$ 1,962,750	$ 259,786	$ 240,986	

(1) Carrying value is net of deferred origination fees.
(2) Represents contractual maturity, excluding any unexercised extension options.
(3) In June 2020, we, along with the common member in 885 Third Avenue, amended the partnership documents related to the investment to provide us with more rights over the management of the underlying property. This resulted in the investment being accounted for using the equity method. See Note 6, "Investments in Unconsolidated Joint Ventures."

6. Investments in Unconsolidated Joint Ventures

We have investments in several real estate joint ventures with various partners. As of December 31, 2020, the book value of these investments was $3.8 billion, net of investments with negative book values totaling $89.6 million for which we have an implicit commitment to fund future capital needs.

As of December 31, 2020, 800 Third Avenue, 21 East 66th Street, 605 West 42nd Street, and certain properties within the Stonehenge Portfolio are VIEs in which we are not the primary beneficiary. As of December 31, 2019, 800 Third Avenue, 21 East 66th Street, 605 West 42nd Street, 333 East 22nd Street, and certain properties within the Stonehenge Portfolio were VIEs in which we are not the primary beneficiary. Our net equity investment in these VIEs was $134.0 million as of December 31, 2020 and $145.9 million as of December 31, 2019. Our maximum loss is limited to the amount of our equity investment in these VIEs. See the "Principles of Consolidation" section of Note 2, "Significant Accounting Policies". All other investments below are voting interest entities. As we do not control the joint ventures listed below, we account for them under the equity method of accounting.

The table below provides general information on each of our joint ventures as of December 31, 2020:

Property	Partner	Ownership Interest (1)	Economic Interest (1)	Unaudited Approximate Square Feet
100 Park Avenue	Prudential Real Estate Investors	49.90%	49.90%	834,000
717 Fifth Avenue	Wharton Properties/Private Investor	10.92%	10.92%	119,500
800 Third Avenue	Private Investors	60.52%	60.52%	526,000
919 Third Avenue	New York State Teacher's Retirement System	51.00%	51.00%	1,454,000
11 West 34th Street	Private Investor/Wharton Properties	30.00%	30.00%	17,150
280 Park Avenue	Vornado Realty Trust	50.00%	50.00%	1,219,158
1552-1560 Broadway (2)	Wharton Properties	50.00%	50.00%	57,718
10 East 53rd Street	Canadian Pension Plan Investment Board	55.00%	55.00%	354,300
21 East 66th Street (3)	Private Investors	32.28%	32.28%	13,069
650 Fifth Avenue (4)	Wharton Properties	50.00%	50.00%	69,214
121 Greene Street	Wharton Properties	50.00%	50.00%	7,131
55 West 46th Street (5)	Prudential Real Estate Investors	25.00%	25.00%	347,000
Stonehenge Portfolio	Various	Various	Various	1,439,016
605 West 42nd Street	The Moinian Group	20.00%	20.00%	927,358
11 Madison Avenue	PGIM Real Estate	60.00%	60.00%	2,314,000
400 East 57th Street (6)	BlackRock, Inc and Stonehenge Partners	51.00%	41.00%	290,482
One Vanderbilt	National Pension Service of Korea/Hines Interest LP	71.01%	71.01%	1,657,198
Worldwide Plaza	RXR Realty / New York REIT / Private Investor	24.35%	24.35%	2,048,725
1515 Broadway	Allianz Real Estate of America	56.87%	56.87%	1,750,000
2 Herald Square	Israeli Institutional Investor	51.00%	51.00%	369,000
115 Spring Street	Private Investor	51.00%	51.00%	5,218
885 Third Avenue (7)	Private Investor	(6)	100.00%	625,300
15 Beekman (8)	A fund managed by Meritz Alternative Investment Management	20.00%	20.00%	221,884
85 Fifth Avenue	Wells Fargo	36.30%	36.30%	12,946
One Madison Avenue (9)	National Pension Service of Korea/Hines Interest LP	50.50%	50.50%	1,048,700

(1) Ownership interest and economic interest represent the Company's interests in the joint venture as of December 31, 2020. Changes in ownership or economic interests within the current year are disclosed in the notes below.

(2) The acquisition price represents only the purchase of the 1552 Broadway interest which comprised approximately 13,045 square feet. The joint venture also owns a long-term leasehold interest in the retail space and certain other spaces at 1560 Broadway, which is adjacent to 1552 Broadway.

(3) We hold a 32.28% interest in three retail units and one residential unit at the property and a 16.14% interest in three residential units at the property.

(4) The joint venture owns a long-term leasehold interest in the retail space at 650 Fifth Avenue.

(5) In February 2021, along with our joint venture partner, we entered into contract to sell the property. This transaction is expected to close in the first quarter of 2021. If the transaction closes in accordance with the terms of the contract, we expect to recognize a loss on sale of approximately $17.8 million.

(6) In October 2016, we sold a 49% interest in this property. Our interest in the property was sold within a consolidated joint venture owned 90% by the Company and 10% by Stonehenge. The transaction resulted in the deconsolidation of the venture's remaining 51% interest in the property. Our joint venture with Stonehenge remains consolidated resulting in the combined 51% interest being shown within investments in unconsolidated joint ventures on our balance sheet.

(7) We hold 100% of the preferred equity interest in the property and believe there is no value to the common equity.

(8) In August 2020, the Company formed a joint venture, which then entered into a long-term sublease with the Company for the building at 126 Nassau Street. As a result of this transaction, we recognized a gain of $17.7 million, which is included in Gain on sale of real estate, net, in our consolidated statements of operations. This gain was calculated in accordance with ASC 842, as the Company identified the lease and non-lease components included in the sublease agreement and allocated the consideration in the agreement to each lease and non-lease component based on each components' standalone selling price, which was estimated utilizing a combination of the adjusted market assessment and residual approaches as provided for in ASC 606. In the fourth quarter of 2020, the project was renamed 15 Beekman and this name has subsequently been used in all public statements and marketing materials.

(9) In 2020, the Company admitted partners to the One Madison Avenue development project, which resulted in the Company no longer retaining a controlling interest in the entity, as defined in ASC 810, and the deconsolidation of our remaining 50.5% interest. We recorded our investment at fair value, which resulted in the recognition of a fair value adjustment of $187.5 million. The fair value of our investment was determined by the terms of the joint venture agreement governing the capitalization of the project. The partners have committed aggregate equity to the project totaling no less than $492.2 million and their ownership interest in the joint venture is based on their capital contributions, up to an aggregate maximum of 49.5%. At December 31, 2020, the total of the two partners' ownership interests based on equity contributed was 9.6%.

Disposition of Joint Venture Interests or Properties

The following table summarizes the investments in unconsolidated joint ventures sold during the years ended December 31, 2020, 2019, and 2018:

Property	Ownership Interest Sold	Disposition Date	Gross Asset Valuation (in thousands) [(1)]	Gain (Loss) on Sale (in thousands) [(2)]
333 East 22nd Street	33.33%	December 2020	$ 1,640	$ 2,968
21 East 66th Street [(3)]	1 residential unit	December 2019	2,900	279
521 Fifth Avenue	50.50%	May 2019	381,000	57,874
131-137 Spring Street	20.00%	January 2019	216,000	17,660
Stonehenge Portfolio (partial)	Various	Various - 2019	468,800	(2,408)
3 Columbus Circle	48.90%	November 2018	851,000	160,368
Mezzanine Loan [(4)]	33.33%	August 2018	15,000	N/A
724 Fifth Avenue	49.90%	July 2018	365,000	64,587
Jericho Plaza	11.67%	June 2018	117,400	147
1745 Broadway	56.87%	May 2018	633,000	52,038
175-225 Third Street Brooklyn, New York	95.00%	April 2018	115,000	19,483
1515 Broadway [(5)]	13.00%	February 2018	1,950,000	—
Stonehenge Portfolio (partial)	Various	Various - 2018	331,100	(6,063)

(1) Represents implied gross valuation for the joint venture or sales price of the property.
(2) Represents the Company's share of the gain or (loss). The gain on sale is net of $0.0 million, $4.0 million, and $11.7 million of employee compensation accrued in connection with the realization of these investment gains in the years ended December 31, 2020, 2019, and 2018, respectively. Additionally, gain (loss) amounts do not include adjustments for expenses recorded in subsequent periods.
(3) We, together with our joint venture partner, closed on the sale of one residential unit at the property.
(4) Our investment in a joint venture that owned a mezzanine loan secured by a commercial property in midtown Manhattan was repaid after the joint venture received repayment of the underlying loan.
(5) Our investment in 1515 Broadway was marked to fair value on January 1, 2018 upon adoption of ASC 610-20.

Joint Venture Mortgages and Other Loans Payable

We generally finance our joint ventures with non-recourse debt. In certain cases we may provide guarantees or master leases for tenant space, which terminate upon the satisfaction of specified circumstances or repayment of the underlying loans. The mortgage notes and other loans payable collateralized by the respective joint venture properties and assignment of leases at December 31, 2020 and 2019, respectively, are as follows (dollars in thousands):

Property	Economic Interest (1)	Initial Maturity Date	Final Maturity Date (2)	Interest Rate (3)	December 31, 2020	December 31, 2019
Fixed Rate Debt:						
885 Third Avenue (4)	100.00 %	April 2021	April 2021	3.35%	**$ 272,000**	$ —
717 Fifth Avenue (mortgage)	10.92 %	July 2022	July 2022	4.45%	**300,000**	300,000
717 Fifth Avenue (mezzanine)	10.92 %	July 2022	July 2022	5.50%	**355,328**	355,328
650 Fifth Avenue (mortgage)	50.00 %	October 2022	October 2022	4.46%	**210,000**	210,000
650 Fifth Avenue (mezzanine)	50.00 %	October 2022	October 2022	5.45%	**65,000**	65,000
21 East 66th Street	32.28 %	April 2023	April 2028	3.60%	**12,000**	12,000
919 Third Avenue	51.00 %	June 2023	June 2023	5.12%	**500,000**	500,000
1515 Broadway	56.87 %	March 2025	March 2025	3.93%	**820,607**	838,546
11 Madison Avenue	60.00 %	September 2025	September 2025	3.84%	**1,400,000**	1,400,000
800 Third Avenue	60.52 %	February 2026	February 2026	3.37%	**177,000**	177,000
400 East 57th Street	41.00 %	November 2026	November 2026	3.00%	**97,024**	97,735
Worldwide Plaza	24.35 %	November 2027	November 2027	3.98%	**1,200,000**	1,200,000
Stonehenge Portfolio (5)	Various	Various	Various	3.50%	**195,899**	196,112
Total fixed rate debt					**$ 5,604,858**	$ 5,351,721
Floating Rate Debt:						
121 Greene Street	50.00 %	(6)	(6)	L+ 1.50%	**$ 15,000**	$ 15,000
280 Park Avenue	50.00 %	September 2021	September 2024	L+ 1.73%	**1,200,000**	1,200,000
One Vanderbilt (7)	71.01 %	September 2021	September 2023	L+ 2.50%	**1,210,329**	732,928
1552 Broadway	50.00 %	October 2021	October 2022	L+ 2.65%	**195,000**	195,000
2 Herald Square	51.00 %	November 2021	November 2023	L+ 1.45%	**214,500**	190,000
11 West 34th Street	30.00 %	January 2022	January 2023	L+ 1.45%	**23,000**	23,000
55 West 46th Street (8)	25.00 %	August 2022	August 2024	L+ 1.25%	**192,524**	192,524
115 Spring Street	51.00 %	September 2023	September 2023	L+ 3.40%	**65,550**	65,550
100 Park Avenue	49.90 %	December 2023	December 2025	L+ 2.25%	**360,000**	356,972
15 Beekman (9)	20.00 %	January 2024	July 2025	L+ 1.50%	**11,212**	—
10 East 53rd Street	55.00 %	February 2025	February 2025	L+ 1.35%	**220,000**	170,000
One Madison Avenue (10)	50.50 %	November 2025	November 2026	L+ 3.35%	**—**	—
605 West 42nd Street	20.00 %	August 2027	August 2027	L+ 1.44%	**550,000**	550,000
21 East 66th Street	32.28 %	June 2033	June 2033	T+ 2.75%	**677**	712
Total floating rate debt					**$ 4,257,792**	$ 3,691,686
Total joint venture mortgages and other loans payable					**$ 9,862,650**	$ 9,043,407
Deferred financing costs, net					**(113,446)**	(91,538)
Total joint venture mortgages and other loans payable, net					**$ 9,749,204**	$ 8,951,869

(1) Economic interest represents the Company's interests in the joint venture as of December 31, 2020. Changes in ownership or economic interests, if any, within the current year are disclosed in the notes to the investment in unconsolidated joint ventures table above.
(2) Reflects exercise of all available options. The ability to exercise extension options may be subject to certain tests based on the operating performance of the property.
(3) Interest rates as of December 31, 2020, taking into account interest rate hedges in effect during the period. Floating rate debt is presented with the stated spread over the 30-day LIBOR ("L") or 1-year Treasury ("T").
(4) The Company holds 100% of the preferred equity interest in the property and believes that there is no value to the common equity.
(5) Comprised of three mortgages totaling $132.4 million that mature in April 2028 and two mortgages totaling $63.5 million that mature in July 2029.
(6) This loan matured in November 2020. The Company is in discussions with the lender on resolution.

(7) This loan is a $1.75 billion construction facility with reductions in interest cost based on meeting conditions, the first of which has been satisfied, and has an initial term of three years with two one year extension options. Advances under the loan are subject to costs incurred. In conjunction with the loan, we provided partial guarantees for interest and principal payments, the amounts of which are based on certain construction milestones and operating metrics.

(8) This loan has a committed amount of $198.0 million, of which $5.5 million was unfunded as of December 31, 2020. In February 2021, along with our joint venture partner, we entered into contract to sell the property. This transaction is expected to close in the first quarter of 2021.

(9) This loan is a $125.0 million construction facility. Advances under the loan are subject to costs incurred.

(10) The loan is a $1.25 billion construction facility with an initial term of five years with one one year extension option. Advances under the loan are subject to costs incurred. As of December 31, 2020 no draws have been made under this facility. In conjunction with the loan, we provided partial guarantees for interest and principal payments, the amounts of which are based on certain construction milestones and operating metrics.

We are entitled to receive fees for providing management, leasing, construction supervision and asset management services to certain of our joint ventures. We earned $15.8 million, $13.0 million and $14.2 million from these services, net of our ownership share of the joint ventures, for the years ended December 31, 2020, 2019, and 2018, respectively. In addition, we have the ability to earn incentive fees based on the ultimate financial performance of certain of the joint venture properties.

The combined balance sheets for the unconsolidated joint ventures, at December 31, 2020 and 2019, are as follows (in thousands):

	December 31, 2020	December 31, 2019
***Assets* [(1)]**		
Commercial real estate property, net	**$ 16,143,880**	$ 14,349,628
Cash and restricted cash	**357,076**	336,189
Tenant and other receivables, related party receivables, and deferred rents receivable	**403,883**	371,065
Other assets	**2,001,612**	2,039,429
Total assets	**$ 18,906,451**	$ 17,096,311
***Liabilities and equity* [(1)]**		
Mortgages and other loans payable, net	**$ 9,749,204**	$ 8,951,869
Deferred revenue/gain	**1,341,571**	1,501,616
Lease liabilities	**1,002,563**	897,380
Other liabilities	**464,107**	308,304
Equity	**6,349,006**	5,437,142
Total liabilities and equity	**$ 18,906,451**	$ 17,096,311
Company's investments in unconsolidated joint ventures	**$ 3,823,322**	$ 2,912,842

(1) The combined assets, liabilities and equity for the unconsolidated joint ventures reflects the effect of step ups in basis on the retained non-controlling interests in deconsolidated investments as a result of the adoption of ASC 610-20 in January 2018. In addition, at December 31, 2020, $170.6 million of net unamortized basis differences between the amount at which our investments are carried and our share of equity in net assets of the underlying property will be amortized through equity in net income (loss) from unconsolidated joint ventures over the remaining life of the underlying items having given rise to the differences.

The combined statements of operations for the unconsolidated joint ventures, from acquisition date through the years ended December 31, 2020, 2019, and 2018 are as follows (unaudited, in thousands):

	Year Ended December 31,		
	2020	**2019**	**2018**
Total revenues	**$ 1,133,217**	$ 1,163,534	$ 1,244,804
Operating expenses	**180,201**	202,881	219,440
Real estate taxes	**220,633**	212,355	226,961
Operating lease rent	**24,134**	24,816	18,697
Interest expense, net of interest income	**325,500**	372,408	363,055
Amortization of deferred financing costs	**20,427**	19,336	21,634
Transaction related costs	**—**	—	—
Depreciation and amortization	**407,834**	407,697	421,458
Total expenses	**$ 1,178,729**	$ 1,239,493	$ 1,271,245
Loss on early extinguishment of debt	**(194)**	(1,031)	—
Net loss before gain on sale [(1)]	**$ (45,706)**	$ (76,990)	$ (26,441)
Company's equity in net loss income from unconsolidated joint ventures [(1)]	**$ (25,195)**	$ (34,518)	$ 7,311

(1) The combined statements of operations and the Company's equity in net (loss) income for the unconsolidated joint ventures reflects the effect of step ups in basis on the retained non-controlling interests in deconsolidated investments as a result of the adoption of ASC 610-20 in January 2018.

7. Deferred Costs

Deferred costs at December 31, 2020 and 2019 consisted of the following (in thousands):

	December 31,	
	2020	**2019**
Deferred leasing costs	**$ 447,002**	$ 466,136
Less: accumulated amortization	**(269,834)**	(260,853)
Deferred costs, net	**$ 177,168**	$ 205,283

8. Mortgages and Other Loans Payable

The mortgages and other loans payable collateralized by the respective properties and assignment of leases or debt investments at December 31, 2020 and 2019, respectively, were as follows (dollars in thousands):

Property	Initial Maturity Date	Final Maturity Date (1)	Interest Rate (2)	December 31, 2020	December 31, 2019
Fixed Rate Debt:					
100 Church Street	July 2022	July 2022	4.68%	**$ 204,875**	$ 209,296
420 Lexington Avenue	October 2024	October 2040	3.99%	**294,035**	299,165
Landmark Square	January 2027	January 2027	4.90%	**100,000**	100,000
485 Lexington Avenue	February 2027	February 2027	4.25%	**450,000**	450,000
1080 Amsterdam (3)	February 2027	February 2027	3.59%	**34,773**	35,123
400 East 58th Street				**—**	39,094
762 Madison Avenue (4)				**—**	771
315 West 33rd Street (5)					250,000
Total fixed rate debt				**$ 1,083,683**	$ 1,383,449
Floating Rate Debt:					
133 Greene Street	(6)	(6)	L+ 2.00%	**$ 15,523**	$ 15,523
106 Spring Street	(7)	(7)	L+ 2.50%	**38,025**	38,025
FHLB Facility (8)	January 2021	January 2021	L+ 0.28%	**10,000**	—
FHLB Facility (8)	January 2021	January 2021	L+ 0.23%	**15,000**	—
FHLB Facility (8)	January 2021	January 2021	L+ 0.18%	**35,000**	—
609 Fifth Avenue	March 2021	March 2024	L+ 2.40%	**57,651**	53,773
185 Broadway (9)	November 2021	November 2023	L+ 2.85%	**158,478**	120,110
712 Madison Avenue	December 2021	December 2022	L+ 1.85%	**28,000**	28,000
220 East 42nd Street	June 2023	June 2025	L+ 2.75%	**510,000**	—
719 Seventh Avenue	September 2023	September 2023	L+ 1.20%	**50,000**	50,000
2017 Master Repurchase Agreement (10)				**—**	152,684
FHLB Facility				**—**	10,000
FHLB Facility				**—**	15,000
FHLB Facility				**—**	14,500
410 Tenth Avenue				**—**	330,819
Total floating rate debt				**$ 917,677**	$ 828,434
Total mortgages and other loans payable				**$ 2,001,360**	$ 2,211,883
Deferred financing costs, net of amortization				**(21,388)**	(28,630)
Total mortgages and other loans payable, net				**$ 1,979,972**	$ 2,183,253

(1) Reflects exercise of all available options. The ability to exercise extension options may be subject to certain tests based on the operating performance of the property.
(2) Interest rate as of December 31, 2020, taking into account interest rate hedges in effect during the period. Floating rate debt is presented with the stated spread over the 30-day LIBOR, unless otherwise specified.
(3) The loan is comprised of a $33.9 million mortgage loan and $0.9 million mezzanine loan with a fixed interest rate of 350 basis points and 700 basis points, respectively, for the first five years and is prepayable without penalty at the end of the fifth year.
(4) In January 2020, the Company closed on the acquisition of the remaining 10% interest in this property from our joint venture partner. As part of this transaction, the loan was repaid.
(5) In March 2020, the loan was assumed by the buyer in connection with the sale of the property.
(6) In February 2021, this debt was extinguished after the lender was the winning bidder in a foreclosure auction for the property.
(7) This loan matured in January 2021. The Company is in discussions with the lender on resolution.
(8) In January 2021, these loans were extended one month from their respective maturity dates to February 2021 without penalty. The interest rate for the extension period was a fixed rate of 39 basis points. In February 2021, all advances were repaid.
(9) This loan is a $225.0 million construction facility, with reductions in interest cost based on meeting certain conditions, and has an initial three year term with two one year extension options. Advances under the loan are subject to incurred costs and funded equity requirements.

(10) In June 2020, we exercised a one year extension option which extended the maturity date to June 2021. At December 31, 2020, there was no outstanding balance on the $400.0 million facility.

At December 31, 2020 and 2019, the gross book value of the properties and debt and preferred equity investments collateralizing the mortgages and other loans payable was approximately $2.5 billion and $3.3 billion, respectively.

Federal Home Loan Bank of New York ("FHLB") Facility

As of December 31, 2020, the Company’s wholly-owned subsidiary, Ticonderoga Insurance Company, or Ticonderoga, a Vermont licensed captive insurance company, was a member of the Federal Home Loan Bank of New York, or FHLBNY. As a member, Ticonderoga was able to borrow funds from the FHLBNY in the form of secured advances that bore interest at a floating rate. In February 2021, Ticonderoga's membership in FHLB New York was terminated and all advances were repaid. As of December 31, 2020, Ticonderoga had a total of $60.0 million in outstanding secured advances with an average spread of 21 basis points over 30-day LIBOR.

Master Repurchase Agreement

The Company entered into a Master Repurchase Agreement, or MRA, known as the 2017 MRA, which provides us with the ability to sell certain mortgage investments with a simultaneous agreement to repurchase the same at a certain date or on demand. We seek to mitigate risks associated with our repurchase agreement by managing the credit quality of our assets, early repayments, interest rate volatility, liquidity, and market value. The margin call provisions under our repurchase facility permit valuation adjustments based on capital markets activity, and are not limited to collateral-specific credit marks. To monitor credit risk associated with our debt investments, our asset management team regularly reviews our investment portfolio and is in contact with our borrowers in order to monitor the collateral and enforce our rights as necessary. The risk associated with potential margin calls is further mitigated by our ability to collateralize the facility with additional assets from our portfolio of debt investments, our ability to satisfy margin calls with cash or cash equivalents and our access to additional liquidity. As of December 31, 2020, there have been no margin calls on the 2017 MRA.

In April 2018, we increased the maximum facility capacity from $300.0 million to $400.0 million. The facility bears interest on a floating rate basis at a spread to 30-day LIBOR based on the pledged collateral and advance rate and is scheduled to mature in June 2021, with a one-year extension option. At December 31, 2020, the facility had no outstanding balance.

9. Corporate Indebtedness

2017 Credit Facility

In November 2017, we entered into an amendment to the credit facility, referred to as the 2017 credit facility, that was originally entered into by the Company in November 2012, or the 2012 credit facility. As of December 31, 2020, the 2017 credit facility consisted of a $1.5 billion revolving credit facility, a $1.3 billion term loan (or "Term Loan A"), and a $200.0 million term loan (or "Term Loan B") with maturity dates of March 31, 2022, March 31, 2023, and November 21, 2024, respectively. The revolving credit facility has two 6-month as-of-right extension options to March 31, 2023. We also have an option, subject to customary conditions, to increase the capacity of the credit facility to $4.5 billion at any time prior to the maturity dates for the revolving credit facility and term loans without the consent of existing lenders, by obtaining additional commitments from our existing lenders and other financial institutions.

As of December 31, 2020, the 2017 credit facility bore interest at a spread over 30-day LIBOR ranging from (i) 82.5 basis points to 155 basis points for loans under the revolving credit facility, (ii) 90 basis points to 175 basis points for loans under Term Loan A, and (iii) 85 basis points to 165 basis points for loans under Term Loan B, in each case based on the credit rating assigned to the senior unsecured long term indebtedness of the Company. In instances where there are either only two ratings available or where there are more than two and the difference between them is one rating category, the applicable rating shall be the highest rating. In instances where there are more than two ratings and the difference between the highest and the lowest is two or more rating categories, then the applicable rating used is the average of the highest two, rounded down if the average is not a recognized category.

At December 31, 2020, the applicable spread was 100 basis points for the revolving credit facility, 110 basis points for Term Loan A, and 100 basis points for Term Loan B. We are required to pay quarterly in arrears a 12.5 to 30 basis point facility fee on the total commitments under the revolving credit facility based on the credit rating assigned to the senior unsecured long term indebtedness of the Company. As of December 31, 2020, the facility fee was 20 basis points.

As of December 31, 2020, we had $26.0 million of outstanding letters of credit, $110.0 million drawn under the revolving credit facility and $1.5 billion outstanding under the term loan facilities, with total undrawn capacity of $1.4 billion under the

2017 credit facility. At December 31, 2020 and December 31, 2019, the revolving credit facility had a carrying value of $105.3 million and $234.0 million, respectively, net of deferred financing costs. At December 31, 2020 and December 31, 2019, the term loan facilities had a carrying value of $1.5 billion and $1.5 billion, respectively, net of deferred financing costs.

The Company and the Operating Partnership are borrowers jointly and severally obligated under the 2017 credit facility.

The 2017 credit facility includes certain restrictions and covenants (see Restrictive Covenants below).

Senior Unsecured Notes

The following table sets forth our senior unsecured notes and other related disclosures as of December 31, 2020 and 2019, respectively, by scheduled maturity date (dollars in thousands):

Issuance	December 31, 2020 Unpaid Principal Balance	December 31, 2020 Accreted Balance	December 31, 2019 Accreted Balance	Interest Rate [1]	Initial Term (in Years)	Maturity Date
August 7, 2018 [2][3]	**$ 350,000**	**$ 350,000**	$ 350,000	1.52 %	3	August 2021
October 5, 2017 [2]	**500,000**	**499,803**	499,695	3.25 %	5	October 2022
November 15, 2012 [4]	**300,000**	**302,086**	303,142	4.50 %	10	December 2022
December 17, 2015 [5]	**100,000**	**100,000**	100,000	4.27 %	10	December 2025
March 16, 2010 [6]	**—**	**—**	250,000			
	$ 1,250,000	**$ 1,251,889**	$ 1,502,837			
Deferred financing costs, net		**(3,670)**	(5,990)			
	$ 1,250,000	**$ 1,248,219**	$ 1,496,847			

(1) Interest rate as of December 31, 2020, taking into account interest rate hedges in effect during the period.
(2) Issued by the Operating Partnership with the Company as the guarantor.
(3) The notes are subject to redemption at the Company's option, in whole but not in part, at a redemption price equal to 100% of the principal amount of the notes, plus unpaid accrued interest thereon to the redemption date. In April 2020, the Company entered into $350.0 million of fixed rate interest swaps at a rate of 0.54375% through August 2021.
(4) In October 2017, the Company and the Operating Partnership as co-obligors issued an additional $100.0 million of 4.50% senior unsecured notes due December 2022. The notes were priced at 105.334% of par.
(5) Issued by the Company and the Operating Partnership as co-obligors.
(6) In March 2020, the notes were repaid.

Restrictive Covenants

The terms of the 2017 credit facility and certain of our senior unsecured notes include certain restrictions and covenants which may limit, among other things, our ability to pay dividends, make certain types of investments, incur additional indebtedness, incur liens and enter into negative pledge agreements and dispose of assets, and which require compliance with financial ratios relating to the maximum ratio of total indebtedness to total asset value, a minimum ratio of EBITDA to fixed charges, a maximum ratio of secured indebtedness to total asset value and a maximum ratio of unsecured indebtedness to unencumbered asset value. The dividend restriction referred to above provides that, we will not during any time when a default is continuing, make distributions with respect to common stock or other equity interests, except to enable the Company to continue to qualify as a REIT for Federal income tax purposes. As of December 31, 2020 and 2019, we were in compliance with all such covenants.

Junior Subordinated Deferrable Interest Debentures

In June 2005, the Company and the Operating Partnership issued $100.0 million in unsecured trust preferred securities through a newly formed trust, SL Green Capital Trust I, or the Trust, which is a wholly-owned subsidiary of the Operating Partnership. The securities mature in 2035 and bear interest at a floating rate of 125 basis points over the three-month LIBOR. Interest payments may be deferred for a period of up to eight consecutive quarters if the Operating Partnership exercises its right to defer such payments. The Trust preferred securities are redeemable at the option of the Operating Partnership, in whole or in part, with no prepayment premium. We do not consolidate the Trust even though it is a variable interest entity as we are not the primary beneficiary. Because the Trust is not consolidated, we have recorded the debt on our consolidated balance sheets and the related payments are classified as interest expense.

Principal Maturities

Combined aggregate principal maturities of mortgages and other loans payable, the 2017 credit facility, trust preferred securities, senior unsecured notes and our share of joint venture debt as of December 31, 2020, including as-of-right extension options, were as follows (in thousands):

	Scheduled Amortization	Principal	Revolving Credit Facility	Unsecured Term Loans	Trust Preferred Securities	Senior Unsecured Notes	Total	Joint Venture Debt
2021	$ 10,700	$ 300,027	$ —	$ —	$ —	$ 350,000	$ 660,727	$ 1,085,279
2022	8,767	255,435	—	—	—	800,000	1,064,202	540,947
2023	6,599	560,000	110,000	1,300,000	—	—	1,976,599	491,066
2024	5,285	272,749	—	200,000	—	—	478,034	617,010
2025	829	—	—	—	—	100,000	100,829	1,385,256
Thereafter	930	580,039	—	—	100,000	—	680,969	552,813
	$ 33,110	$ 1,968,250	$ 110,000	$ 1,500,000	$ 100,000	$ 1,250,000	$ 4,961,360	$ 4,672,371

Consolidated interest expense, excluding capitalized interest, was comprised of the following (in thousands):

	Year Ended December 31,		
	2020	**2019**	**2018**
Interest expense before capitalized interest	**$ 185,934**	$ 246,848	$ 236,719
Interest on financing leases	**8,091**	3,243	8,069
Interest capitalized	**(75,167)**	(55,446)	(34,162)
Interest income	**(2,179)**	(4,124)	(1,957)
Interest expense, net	**$ 116,679**	$ 190,521	$ 208,669

10. Related Party Transactions

Cleaning/ Security/ Messenger and Restoration Services

Alliance Building Services, or Alliance, and its affiliates are partially owned by Gary Green, a son of Stephen L. Green, who serves as a member and as the chairman emeritus of our board of directors, and provide services to certain properties owned by us. Alliance's affiliates include First Quality Maintenance, L.P., or First Quality, Classic Security LLC, Bright Star Couriers LLC and Onyx Restoration Works, and provide cleaning, extermination, security, messenger, and restoration services, respectively. In addition, First Quality has the non-exclusive opportunity to provide cleaning and related services to individual tenants at our properties on a basis separately negotiated with any tenant seeking such additional services. The Service Corporation has entered into an arrangement with Alliance whereby it will receive a profit participation above a certain threshold for services provided by Alliance to certain tenants at certain buildings above the base services specified in their lease agreements.

Income earned from the profit participation, which is included in other income on the consolidated statements of operations, was $1.4 million, $3.9 million and $3.9 million for the years ended December 31, 2020, 2019 and 2018, respectively.

We also recorded expenses, inclusive of capitalized expenses, of $13.3 million, $18.8 million and $18.8 million for the years ended December 31, 2020, 2019 and 2018, respectively, for these services (excluding services provided directly to tenants).

Management Fees

S.L. Green Management Corp., a consolidated entity, receives property management fees from an entity in which Stephen L. Green owns an interest. We received management fees from this entity of $0.6 million, $0.6 million and $0.6 million for the years ended December 31, 2020, 2019, and 2018 respectively.

One Vanderbilt Investment

In December 2016, we entered into agreements with entities owned and controlled by our Chairman and CEO, Marc Holliday, and our President, Andrew Mathias, pursuant to which they agreed to make an investment in our One Vanderbilt project at the appraised fair market value for the interests acquired. This investment entitles these entities to receive approximately 1.50% - 1.80% and 1.00% - 1.20%, respectively, of any profits realized by the Company from its One Vanderbilt project in excess of the Company's capital contributions. The entities have no right to any return of capital. Accordingly, subject to previously disclosed repurchase rights, these interests will have no value and will not entitle these entities to any amounts (other than limited distributions to cover tax liabilities incurred) unless and until the Company has received distributions from the One Vanderbilt project in excess of the Company's aggregate investment in the project. In the event that the Company does not realize a profit on its investment in the project (or would not realize a profit based on the value at the time the interests are repurchased), the entities owned and controlled by Messrs. Holliday and Mathias will lose the entire amount of their investment. The entities owned and controlled by Messrs. Holliday and Mathias paid $1.4 million and $1.0 million, respectively, which equal the fair market value of the interests acquired as of the date the investment agreements were entered into as determined by an independent third party appraisal that we obtained.

Messrs. Holliday and Mathias cannot monetize their interests until after stabilization of the property (50% within three years after stabilization and 100% three years or more after stabilization). In addition, the agreement calls for us to repurchase these interests in the event of a sale of One Vanderbilt or a transactional change of control of the Company. We also have the right to repurchase these interests on the seven-year anniversary of the stabilization of the project or upon the occurrence of certain separation events prior to the stabilization of the project relating to each of Messrs. Holliday's and Mathias's continued service with us. The price paid upon monetization of the interests will equal the liquidation value of the interests at the time, with the value of One Vanderbilt being based on its sale price, if applicable, or fair market value as determined by an independent third party appraiser.

Other

We are entitled to receive fees for providing management, leasing, construction supervision, and asset management services to certain of our joint ventures as further described in Note 6, "Investments in Unconsolidated Joint Ventures." Amounts due from joint ventures and related parties at December 31, 2020 and 2019 consisted of the following (in thousands):

	December 31, 2020	December 31, 2019
Due from joint ventures	**$ 27,006**	$ 9,352
Other	**7,651**	11,769
Related party receivables	**$ 34,657**	$ 21,121

11. Noncontrolling Interests on the Company's Consolidated Financial Statements

Noncontrolling interests represent the common and preferred units of limited partnership interest in the Operating Partnership not held by the Company as well as third party equity interests in our other consolidated subsidiaries. Noncontrolling interests in the Operating Partnership are shown in the mezzanine equity while the noncontrolling interests in our other consolidated subsidiaries are shown in the equity section of the Company's consolidated financial statements.

Common Units of Limited Partnership Interest in the Operating Partnership

As of December 31, 2020 and 2019, the noncontrolling interest unit holders owned 5.44%, or 3,938,823 units, and 5.17%, or 4,195,875 units, of the Operating Partnership, respectively, inclusive of retroactive adjustments to reflect the reverse stock split effectuated by SL Green in January 2021. As of December 31, 2020, 3,938,823 shares of our common stock were reserved for issuance upon the redemption of units of limited partnership interest of the Operating Partnership.

Noncontrolling interests in the Operating Partnership is recorded at the greater of its cost basis or fair market value based on the closing stock price of our common stock at the end of the reporting period.

Below is a summary of the activity relating to the noncontrolling interests in the Operating Partnership as of December 31, 2020 and 2019 (in thousands):

	December 31,	
	2020	**2019**
Balance at beginning of period	**$ 409,862**	$ 387,805
Distributions	**(12,652)**	(14,729)
Issuance of common units	**12,018**	19,403
Redemption and conversion of common units	**(36,085)**	(27,962)
Net income	**20,016**	13,301
Accumulated other comprehensive loss allocation	**(2,299)**	(2,276)
Fair value adjustment	**(32,598)**	34,320
Balance at end of period	**$ 358,262**	$ 409,862

Preferred Units of Limited Partnership Interest in the Operating Partnership

Below is a summary of the preferred units of limited partnership interest in the Operating Partnership as of December 31, 2020:

Issuance	Stated Distribution Rate	Number of Units Authorized	Number of Units Issued	Number of Units Outstanding	Dividends Per Unit(1)	Liquidation Preference Per Unit(2)	Conversion Price Per Unit(3)	Date of Issuance
Series A (4)	3.50 %	109,161	109,161	109,161	$ 35.0000	$ 1,000.00	—	August 2015
Series F	7.00 %	60	60	60	$ 70.0000	$ 1,000.00	$ 29.12	January 2007
Series G (4)	4.50 %	1,902,000	1,902,000	863,972	$ 1.1250	$ 25.00	$ 88.50	January 2012
Series K	3.50 %	700,000	563,954	341,677	$ 0.8750	$ 25.00	$ 134.67	August 2014
Series L	4.00 %	500,000	378,634	372,634	$ 1.0000	$ 25.00	—	August 2014
Series M	3.75 %	1,600,000	1,600,000	96,357	$ 0.9375	$ 25.00	—	February 2015
Series P	4.00 %	200,000	200,000	200,000	$ 1.0000	$ 25.00	—	July 2015
Series Q	3.50 %	268,000	268,000	268,000	$ 0.8750	$ 25.00	$ 148.95	July 2015
Series R	3.50 %	400,000	400,000	400,000	$ 0.8750	$ 25.00	$ 154.89	August 2015
Series S	4.00 %	1,077,280	1,077,280	1,077,280	$ 1.0000	$ 25.00	—	August 2015
Series V	3.50 %	40,000	40,000	40,000	$ 0.8750	$ 25.00	—	May 2019
Series W (6)	(6)	1	1	1	(6)	(6)	(6)	January 2020

(1) Dividends are cumulative, subject to certain provisions.
(2) Units are redeemable at any time at par for cash at the option of the unitholder unless otherwise specified.
(3) If applicable, units are convertible into a number of common units of limited partnership interest in the Operating Partnership equal to (i) the liquidation preference plus accumulated and unpaid distributions on the conversion date divided by (ii) the amount shown in the table.
(4) Issued through a consolidated subsidiary. The units are convertible on a one-for-one basis, into the Series B Preferred Units of limited partnership interest, or the Subsidiary Series B Preferred Units. The Subsidiary Series B Preferred Units can be converted at any time, at the option of the unitholder, into a number of common stock equal to 6.71348 shares of common stock for each Subsidiary Series B Preferred Unit. As of December 31, 2020, no Subsidiary Series B Preferred Units have been issued.
(5) Common units of limited partnership interest in the Operating Partnership issued in a conversion may be redeemed in exchange for our common stock on a 1-to-1 basis. The Series G Preferred Units also provide the holder with the right to require the Operating Partnership to repurchase the Series G Preferred Units for cash before January 31, 2022.
(6) The Series W preferred unit was issued in January 2020 in exchange for the then-outstanding Series O preferred unit. The holder of the Series W preferred unit is entitled to quarterly dividends in an amount calculated as (i) 1,350 multiplied by (ii) the current distribution per common unit of limited partnership in SL Green Operating Partnership. The holder has the right to require the Operating Partnership to repurchase the Series W unit for cash, or convert the Series W unit for Class B units, in each case at a price that is determined based on the closing price of the Company's common stock at the time such right is exercised. The unit's liquidation preference is the fair market value of the unit plus accrued distributions at the time of a liquidation event.

Below is a summary of the activity relating to the preferred units in the Operating Partnership as of December 31, 2020 and 2019 (in thousands):

	December 31,	
	2020	**2019**
Balance at beginning of period	**$ 283,285**	$ 300,427
Issuance of preferred units	**—**	1,000
Redemption of preferred units	**(82,750)**	(18,142)
Accrued dividends on preferred units	**1,634**	—
Balance at end of period	**$ 202,169**	$ 283,285

12. Stockholders' Equity of the Company

Common Stock

Our authorized capital stock consists of 260,000,000 shares, $0.01 par value per share, consisting of 160,000,000 shares of common stock, $0.01 par value per share, 75,000,000 shares of excess stock, at $0.01 par value per share, and 25,000,000 shares of preferred stock, par value $0.01 per share. As of December 31, 2020, 68,508,127 shares of common stock and no shares of excess stock were issued and outstanding.

On December 4, 2020 our Board of Directors declared an ordinary dividend and a special dividend (together, "the Total Dividend"). The Total Dividend was paid on January 15, 2021 to shareholders of record at the close of business on December 15, 2020 ("the Record Date"). Shareholders had the opportunity to elect to receive the Total Dividend in the form of all cash or all stock, subject to proration if either option was oversubscribed.

To mitigate the dilutive impact of the common stock issued in the special dividend, the board of directors also authorized a reverse stock split, which was effective after markets closed on January 20, 2021. On January 8, 2021, a committee of the Board of Directors calculated the ratio for the reverse stock split of our issued and outstanding shares of common stock as 1.02918-for-1. After the issuance of the dividend and the completion of the reverse stock split, the number of shares of our common stock outstanding was equivalent to the number of total shares outstanding on the Record Date (not including any issuances or repurchases that occurred following the Record Date, as well as any fractional shares that would have been issued but for which cash-in-lieu was paid). However, on a relative basis, some individual shareholders may have more shares of SLG's common stock, and some individual shareholders may have fewer shares of our common stock, depending on their individual elections to receive cash or stock and as a result of the cash option being oversubscribed.

All share-related references and measurements including the number of shares outstanding, share prices, number of shares repurchased, earnings per share, dividends per share, and share-based compensation awards, have been retroactively adjusted to reflect the reverse stock split for all periods presented in this Annual Report on Form 10-K.

Share Repurchase Program

In August 2016, our Board of Directors approved a share repurchase program under which we can buy up to $1.0 billion of shares of our common stock. The Board of Directors has since authorized five separate $500.0 million increases to the size of the share repurchase program in the fourth quarter of 2017, second quarter of 2018, fourth quarter of 2018, fourth quarter of 2019, and fourth quarter of 2020 bringing the total program size to $3.5 billion.

At December 31, 2020, repurchases executed under the program were as follows:

Period	Shares repurchased	Average price paid per share	Cumulative number of shares repurchased as part of the repurchase plan or programs
Year ended 2017	8,105,881	$104.61	8,105,881
Year ended 2018	9,468,617	$99.03	17,574,498
Year ended 2019	4,465,857	$86.06	22,040,355
Year ended 2020 (1)	8,538,995	$62.39	30,579,350

(1) Includes 63,374 shares of common stock repurchased by the Company in December 2020 that were settled in January 2021.

Perpetual Preferred Stock

We have 9,200,000 shares of our 6.50% Series I Cumulative Redeemable Preferred Stock, or the Series I Preferred Stock, outstanding with a mandatory liquidation preference of $25.00 per share. The Series I Preferred stockholders receive annual dividends of $1.625 per share paid on a quarterly basis and dividends are cumulative, subject to certain provisions. We are entitled to redeem the Series I Preferred Stock at any time, in whole or from time to time in part, at par for cash. In August 2012, we received $221.9 million in net proceeds from the issuance of the Series I Preferred Stock, which were recorded net of underwriters' discount and issuance costs, and contributed the net proceeds to the Operating Partnership in exchange for 9,200,000 units of 6.50% Series I Cumulative Redeemable Preferred Units of limited partnership interest, or the Series I Preferred Units.

Dividend Reinvestment and Stock Purchase Plan ("DRSPP")

In February 2018, the Company filed a registration statement with the SEC for our dividend reinvestment and stock purchase plan, or DRSPP, which automatically became effective upon filing. The Company registered 3,500,000 shares of our common stock under the DRSPP. The DRSPP commenced on September 24, 2001.

The following table summarizes SL Green common stock issued, and proceeds received from dividend reinvestments and/or stock purchases under the DRSPP for the years ended December 31, 2020, 2019, and 2018, respectively (dollars in thousands):

	Year Ended December 31,		
	2020	**2019**	**2018**
Shares of common stock issued	**16,676**	3,757	1,359
Dividend reinvestments/stock purchases under the DRSPP	**$ 1,006**	$ 334	$ 136

Earnings per Share

We use the two-class method of computing earnings per share (“EPS”), which is an earnings allocation formula that determines EPS for common stock and any participating securities according to dividends declared (whether paid or unpaid). Under the two-class method, basic EPS is computed by dividing the income available to common stockholders by the weighted-average number of common stock shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from share equivalent activity.

SL Green's earnings per share for the years ended December 31, 2020, 2019, and 2018 are computed as follows (in thousands):

	Year Ended December 31,		
Numerator	**2020**	**2019**	**2018**
Basic Earnings:			
Income attributable to SL Green common stockholders	**$ 356,105**	$ 255,484	$ 232,312
Less: distributed earnings allocated to participating securities	**(1,687)**	$ (1,702)	$ (1,042)
Less: undistributed earnings allocated to participating securities	**(83)**	—	—
Net income attributable to SL Green common stockholders (numerator for basic earnings per share)	**$ 354,335**	$ 253,782	$ 231,270
Add back: Dilutive effect of earnings allocated to participating securities	**1,770**	1,702	1,042
Add back: Effect of dilutive securities (redemption of units to common shares)	**20,016**	13,301	12,216
Income attributable to SL Green common stockholders (numerator for diluted earnings per share)	**$ 376,121**	$ 268,785	$ 244,528

	Year Ended December 31,		
Denominator	**2020**	**2019**	**2018**
Basic Shares:			
Weighted average common stock outstanding	**72,552**	79,415	84,090
Effect of Dilutive Securities:			
Operating Partnership units redeemable for common shares	**4,096**	4,275	4,562
Stock-based compensation plans	**440**	544	419
Contingently issuable shares from special dividend declared December 4, 2020	**155**	—	—
Diluted weighted average common stock outstanding	**77,243**	84,234	89,071

SL Green has excluded 1,728,136, 1,217,153 and 1,106,363 common stock equivalents from the diluted shares outstanding for the years ended December 31, 2020, 2019, and 2018 respectively, as they were anti-dilutive.

13. Partners' Capital of the Operating Partnership

The Company is the sole managing general partner of the Operating Partnership and at December 31, 2020 owned 68,508,127 general and limited partnership interests in the Operating Partnership and 9,200,000 Series I Preferred Units. Partnership interests in the Operating Partnership are denominated as “common units of limited partnership interest” (also referred to as “OP Units”) or “preferred units of limited partnership interest” (also referred to as “Preferred Units”). All references to OP Units and Preferred Units outstanding exclude such units held by the Company. A holder of an OP Unit may present such OP Unit to the Operating Partnership for redemption at any time (subject to restrictions agreed upon at the issuance of OP Units to particular holders that may restrict such right for a period of time, generally one year from issuance). Upon presentation of an OP Unit for redemption, the Operating Partnership must redeem such OP Unit in exchange for the cash equal to the then value of a share of common stock of the Company, except that the Company may, at its election, in lieu of cash redemption, acquire such OP Unit for one share of common stock. Because the number of shares of common stock outstanding at all times equals the number of OP Units that the Company owns, one share of common stock is generally the economic equivalent of one OP Unit, and the quarterly distribution that may be paid to the holder of an OP Unit equals the quarterly dividend that may be paid to the holder of a share of common stock. Each series of Preferred Units makes a distribution that is set in accordance with an amendment to the partnership agreement of the Operating Partnership. Preferred Units may also be convertible into OP Units at the election of the holder thereof or the Company, subject to the terms of such Preferred Units.

Net income (loss) allocated to the preferred unitholders and common unitholders reflects their pro rata share of net income (loss) and distributions.

All unit-related references and measurements including the number of units outstanding and earnings per unit have been retroactively adjusted to reflect the reverse stock split effectuated by SL Green’s board of directors in January 2021 for all periods presented in this Annual Report on Form 10-K.

Limited Partner Units

As of December 31, 2020, limited partners other than SL Green owned 3,938,823 common units of the Operating Partnership.

Preferred Units

Preferred units not owned by SL Green are further described in Note 11, “Noncontrolling Interests on the Company’s Consolidated Financial Statements - Preferred Units of Limited Partnership Interest in the Operating Partnership.”

Earnings per Unit

The Operating Partnership's earnings per unit for the years ended December 31, 2020, 2019, and 2018 respectively are computed as follows (in thousands):

	Year Ended December 31,		
Numerator	**2020**	**2019**	**2018**
Basic Earnings:			
Income attributable to SLGOP common unitholders	**$ 376,121**	$ 268,785	$ 244,528
Less: distributed earnings allocated to participating securities	**(1,687)**	$ (1,702)	$ (1,042)
Less: undistributed earnings allocated to participating securities	**(83)**	—	—
Net Income attributable to SLGOP common unitholders (numerator for basic earnings per unit)	**$ 374,351**	$ 267,083	$ 243,486
Add back: Dilutive effect of earnings allocated to participating securities	**1,770**	1,702	1,042
Income attributable to SLGOP common unitholders	**$ 376,121**	$ 268,785	$ 244,528

	Year Ended December 31,		
Denominator	**2020**	**2019**	**2018**
Basic units:			
Weighted average common units outstanding	**76,647**	83,690	88,652
Effect of Dilutive Securities:			
Stock-based compensation plans	**441**	544	419
Contingently issuable units from special dividend declared December 4, 2020	**155**	—	—
Diluted weighted average common units outstanding	**77,243**	84,234	89,071

The Operating Partnership has excluded 1,728,136, 1,217,153, and 1,106,363 common unit equivalents from the diluted units outstanding for the years ended December 31, 2020, 2019, and 2018 respectively, as they were anti-dilutive.

14. Share-based Compensation

We have stock-based employee and director compensation plans. Our employees are compensated through the Operating Partnership. Under each plan, whenever the Company issues common or preferred stock, the Operating Partnership issues an equivalent number of units of limited partnership interest of a corresponding class to the Company.

The Fourth Amended and Restated 2005 Stock Option and Incentive Plan, or the 2005 Plan, was approved by the Company's board of directors in April 2016 and its stockholders in June 2016 at the Company's annual meeting of stockholders. The 2005 Plan authorizes the issuance of stock options, stock appreciation rights, unrestricted and restricted stock, phantom shares, dividend equivalent rights, cash-based awards and other equity-based awards. Subject to adjustments upon certain corporate transactions or events, awards with respect to up to a maximum of 27,030,000 fungible units may be granted under the 2005 Plan. Currently, different types of awards count against the limit on the number of fungible units differently, with (1) full-value awards (i.e., those that deliver the full value of the award upon vesting, such as restricted stock) counting as 3.74 Fungible Units per share subject to such awards, (2) stock options, stock appreciation rights and other awards that do not deliver full value and expire five years from the date of grant counting as 0.73 fungible units per share subject to such awards, and (3) all other awards (e.g., 10-year stock options) counting as 1.0 fungible units per share subject to such awards. Awards granted under the 2005 Plan prior to the approval of the fourth amendment and restatement in June 2016 continue to count against the fungible unit limit based on the ratios that were in effect at the time such awards were granted, which may be different than the current ratios. As a result, depending on the types of awards issued, the 2005 Plan may result in the issuance of more or less than 27,030,000 shares. If a stock option or other award granted under the 2005 Plan expires or terminates, the common stock subject to any portion of the award that expires or terminates without having been exercised or paid, as the case may be, will again become available for the issuance of additional awards. Shares of our common stock distributed under the 2005 Plan may be treasury shares or authorized but unissued shares. Currently, unless the 2005 Plan has been previously terminated by the Company's board of directors, new awards may be granted under the 2005 Plan until June 2, 2026, which is the tenth anniversary of the date that the 2005 Plan was most recently approved by the Company's stockholders. As of December 31, 2020, 3.1 million fungible units were available for issuance under the 2005 Plan after reserving for shares underlying outstanding restricted stock units, phantom stock units granted pursuant to our Non-Employee Directors' Deferral Program and LTIP Units.

Stock Options and Class O LTIP Units

Options are granted with an exercise price at the fair market value of the Company's common stock on the date of grant and, subject to employment, generally expire five years or ten years from the date of grant, are not transferable other than on death, and generally vest in one year to five years commencing one year from the date of grant. We have also granted Class O LTIP Units, which are a class of LTIP Units in the Operating Partnership structured to provide economics similar to those of stock options. Class O LTIP Units, once vested, may be converted, at the election of the holder, into a number of common units of the Operating Partnership per Class O LTIP Unit determined by the increase in value of a share of the Company’s common stock at the time of conversion over a participation threshold, which equals the fair market value of a share of the Company’s common stock at the time of grant. Class O LTIP Units are entitled to distributions, subject to vesting, equal per unit to 10% of the per unit distributions paid with respect to the common units of the Operating Partnership.

The fair value of each stock option or LTIP Unit granted is estimated on the date of grant using the Black-Scholes option pricing model based on historical information with the following weighted average assumptions for grants during the year ended December 31, 2018. There were no grants during the years ended December 31, 2019 and 2020.

	2020	**2019**	**2018**
Dividend yield	**N/A**	N/A	2.85 %
Expected life	**N/A**	N/A	3.5 years
Risk-free interest rate	**N/A**	N/A	2.48 %
Expected stock price volatility	**N/A**	N/A	22.00 %

A summary of the status of the Company's stock options as of December 31, 2020, 2019, and 2018 and changes during the years ended December 31, 2020, 2019, and 2018 are as follows:

	2020		2019		2018	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Balance at beginning of year	**$ 1,007,665**	**$ 105.35**	$ 1,104,780	$ 106.56	$ 1,504,809	$ 104.44
Granted	**—**	**—**	—	—	5,830	100.77
Exercised	**—**	**—**	—	—	(307,334)	92.85
Lapsed or canceled	**(222,670)**	**114.97**	(97,115)	119.19	(98,525)	116.52
Balance at end of year	**$ 784,995**	**$ 102.62**	$ 1,007,665	$ 105.35	$ 1,104,780	$ 106.56
Options exercisable at end of year	**784,022**	**$ 102.62**	888,988	$ 104.66	760,834	$ 104.24
Weighted average fair value of options granted during the year	**$ —**		$ —		$ 84,068	

The remaining weighted average contractual life of the options outstanding was 2.2 years and the remaining weighted average contractual life of the options exercisable was 2.2 years.

During the years ended December 31, 2020, 2019, and 2018, we recognized compensation expense for these options of $0.0 million, $2.5 million, and $5.4 million, respectively. As of December 31, 2020, there was no unrecognized compensation cost related to unvested stock options.

Restricted Shares

Shares are granted to certain employees, including our executives, and vesting will occur annually upon the completion of a service period or our meeting established financial performance criteria. Annual vesting occurs at rates ranging from 15% to 35% once performance criteria are reached.

A summary of the Company's restricted stock as of December 31, 2020, 2019, and 2018 and charges during the years ended December 31, 2020, 2019, and 2018 are as follows:

	2020	2019	2018
Balance at beginning of year	**3,465,347**	3,354,142	3,204,703
Granted	**8,959**	122,768	158,281
Canceled	**(34,632)**	(11,563)	(8,842)
Balance at end of year	**3,439,674**	3,465,347	3,354,142
Vested during the year	**128,891**	110,048	89,502
Compensation expense recorded	**$ 10,895,459**	$ 12,892,249	$ 12,757,704
Total fair value of restricted stock granted during the year	**$ 734,315**	$ 11,131,181	$ 13,440,503

The fair value of restricted stock that vested during the years ended December 31, 2020, 2019, and 2018 was $12.5 million, $12.1 million and $9.8 million, respectively. As of December 31, 2020, there was $7.9 million of total unrecognized compensation cost related to restricted stock, which is expected to be recognized over a weighted average period of 1.4 years.

For the years ended December 31, 2020, 2019, and 2018, $2.2 million, $2.1 million, and $6.3 million, respectively, was capitalized to assets associated with compensation expense related to our long-term compensation plans, restricted stock and stock options.

We granted LTIP Units, which include bonus, time-based and performance based awards, with a fair value of $37.0 million and $58.3 million during the years ended December 31, 2020 and 2019, respectively. The grant date fair value of the LTIP Unit awards was calculated in accordance with ASC 718. A third party consultant determined the fair value of the LTIP Units to have a discount from our common stock price. The discount was calculated by considering the inherent uncertainty that the LTIP Units will reach parity with other common partnership units and the illiquidity due to transfer restrictions. As of

December 31, 2020, there was $36.0 million of total unrecognized compensation expense related to the time-based and performance based LTIP Unit awards, which is expected to be recognized over a weighted average period of 1.8 years.

During the years ended December 31, 2020, 2019, and 2018, we recorded compensation expense related to bonus, time-based and performance based LTIP Unit awards of $29.4 million, $22.2 million, and $24.4 million, respectively.

Deferred Compensation Plan for Directors

Under our Non-Employee Director's Deferral Program, which commenced July 2004, the Company's non-employee directors may elect to defer up to 100% of their annual retainer fee, chairman fees, meeting fees and annual stock grant. Unless otherwise elected by a participant, fees deferred under the program shall be credited in the form of phantom stock units. The program provides that a director's phantom stock units generally will be settled in an equal number of shares of common stock upon the earlier of (i) the January 1 coincident with or the next following such director's termination of service from the Board of Directors or (ii) a change in control by us, as defined by the program. Phantom stock units are credited to each non-employee director quarterly using the closing price of our common stock on the first business day of the respective quarter. Each participating non-employee director is also credited with dividend equivalents or phantom stock units based on the dividend rate for each quarter, which are either paid in cash currently or credited to the director’s account as additional phantom stock units.

During the year ended December 31, 2020, 20,753 phantom stock units and 8,417 shares of common stock were issued to our board of directors. We recorded compensation expense of $2.3 million during the year ended December 31, 2020 related to the Deferred Compensation Plan. As of December 31, 2020, there were 140,775 phantom stock units outstanding pursuant to our Non-Employee Director's Deferral Program.

Employee Stock Purchase Plan

In 2007, the Company's board of directors adopted the 2008 Employee Stock Purchase Plan, or ESPP, to encourage our employees to make our business more successful by providing equity-based incentives to eligible employees. The ESPP is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code, and has been adopted by the board to enable our eligible employees to purchase the Company's shares of common stock through payroll deductions. The ESPP became effective on January 1, 2008 with a maximum of 500,000 shares of the common stock available for issuance, subject to adjustment upon a merger, reorganization, stock split or other similar corporate change. The Company filed a registration statement on Form S-8 with the SEC with respect to the ESPP. The common stock is offered for purchase through a series of successive offering periods. Each offering period will be three months in duration and will begin on the first day of each calendar quarter, with the first offering period having commenced on January 1, 2008. The ESPP provides for eligible employees to purchase the common stock at a purchase price equal to 85% of the lesser of (1) the market value of the common stock on the first day of the offering period or (2) the market value of the common stock on the last day of the offering period. The ESPP was approved by our stockholders at our 2008 annual meeting of stockholders. As of December 31, 2020, 156,780 shares of our common stock had been issued under the ESPP.

15. Accumulated Other Comprehensive (Loss) Income

The following tables set forth the changes in accumulated other comprehensive (loss) income by component as of December 31, 2020, 2019 and 2018 (in thousands):

	Net unrealized (loss) gain on derivative instruments (1)	SL Green's share of joint venture net unrealized (loss) gain on derivative instruments (2)	Net unrealized gain on marketable securities	Total
Balance at December 31, 2017	$ 12,542	$ 5,020	$ 1,042	$ 18,604
Other comprehensive (loss) income before reclassifications	(2,252)	(103)	51	(2,304)
Amounts reclassified from accumulated other comprehensive income	(574)	(618)	—	(1,192)
Balance at December 31, 2018	9,716	4,299	1,093	15,108
Other comprehensive (loss) income before reclassifications	(32,723)	(11,956)	1,184	(43,495)
Amounts reclassified from accumulated other comprehensive loss	227	(325)	—	(98)
Balance at December 31, 2019	(22,780)	(7,982)	2,277	(28,485)
Other comprehensive loss before reclassifications	(48,532)	(7,573)	(1,256)	(57,361)
Amounts reclassified from accumulated other comprehensive loss	13,897	4,702	—	18,599
Balance at December 31, 2020	$ (57,415)	$ (10,853)	$ 1,021	$ (67,247)

(1) Amount reclassified from accumulated other comprehensive (loss) income is included in interest expense in the respective consolidated statements of operations. As of December 31, 2020 and 2019, the deferred net (gains) losses from these terminated hedges, which is included in accumulated other comprehensive loss relating to net unrealized gain (loss) on derivative instrument, was $(0.5) million and $(0.7) million, respectively.

(2) Amount reclassified from accumulated other comprehensive (loss) income is included in equity in net (loss) income from unconsolidated joint ventures in the respective consolidated statements of operations.

16. Fair Value Measurements

We are required to disclose fair value information with regard to our financial instruments, whether or not recognized in the consolidated balance sheets, for which it is practical to estimate fair value. The FASB guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. We measure and/or disclose the estimated fair value of financial assets and liabilities based on a hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participant assumptions. This hierarchy consists of three broad levels: Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date; Level 2 - inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3 - unobservable inputs for the asset or liability that are used when little or no market data is available. We follow this hierarchy for our assets and liabilities measured at fair value on a recurring and nonrecurring basis. In instances in which the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level of input that is significant to the fair value measurement in its entirety. Our assessment of the significance of the particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The following tables set forth the assets and liabilities that we measure at fair value on a recurring and non-recurring basis by their levels in the fair value hierarchy at December 31, 2020 and 2019 (in thousands):

	December 31, 2020			
	Total	Level 1	Level 2	Level 3
Assets:				
Marketable securities	$ 28,570	$ —	$ 28,570	$ —
Interest rate cap and swap agreements (included in other assets)	$ 28	$ —	$ 28	$ —
Liabilities:				
Interest rate cap and swap agreements (included in other liabilities)	$ 61,217	$ —	$ 61,217	$ —

	December 31, 2019			
	Total	Level 1	Level 2	Level 3
Assets:				
Marketable securities	$ 29,887	$ —	$ 29,887	$ —
Interest rate cap and swap agreements (included in other assets)	$ 4,419	$ —	$ 4,419	$ —
Liabilities:				
Interest rate cap and swap agreements (included in other liabilities)	$ 29,110	$ —	$ 29,110	$ —

We evaluate real estate investments and debt and preferred equity investments, including intangibles, for potential impairment primarily utilizing cash flow projections that apply, among other things, estimated revenue and expense growth rates, discount rates and capitalization rates, as well as sales comparison approach, which utilizes comparable sales, listings and sales contracts. All of which are classified as Level 3 inputs.

In December 2020, the Company determined there were indicators of impairment in two of its retail assets, 106 Spring Street and 133 Greene Street. The Company tested the recoverability of the assets and, as a result of the carrying amount of the assets being deemed not recoverable, recorded impairments of $39.7 million and $14.1 million, respectively. These charges are included in depreciable real estate reserves and impairments in the consolidated statements of operations. The fair value of the assets were determined primarily using cash flow projections that apply, among other things, estimated revenue and expense growth rates, discount rates and capitalization rates, as well as sales comparison approach, which utilizes comparable sales, listings and sales contracts. All of which are classified as Level 3 inputs.

In 2020, the Company admitted partners to the One Madison Avenue development project, which resulted in the Company no longer retaining a controlling interest in the entity, as defined in ASC 810, and the deconsolidation of our remaining 50.5% interest. We recorded our investment at fair value, which resulted in the recognition of a fair value adjustment of $187.5 million. The fair value of our investment was determined by the terms of the joint venture agreement governing the capitalization of the project.

In December 2018, the Company determined that it was more likely than not that its Suburban properties would be sold or otherwise disposed of significantly before the end of their previously estimated useful life. The Company tested the recoverability of the assets and, as a result of the carrying amount of the assets not being deemed recoverable and exceeding their fair value as measured on a asset by asset basis, recorded a $221.9 million impairment loss. These charges are included in depreciable real estate reserves and impairments in the consolidated statement of operations. The fair value of the assets were determined primarily utilizing cash flow projections that apply, among other things, estimated revenue and expense growth rates, discount rates and capitalization rates, as well as sales comparison approach, which utilizes comparable sales, listings and sales contracts. All of which are classified as Level 3 inputs.

In May 2018, the Company was the successful bidder at the foreclosure of 2 Herald Square, at which time the Company's $250.5 million outstanding principal balance and $7.7 million accrued interest balance were credited to our equity investment in the property. We recorded the assets acquired and liabilities assumed at fair value. This resulted in the recognition of a fair value adjustment of $8.1 million, which is reflected on the Company's consolidated statements of operations within purchase price and other fair value adjustments. This fair value was determined by utilizing our successful bid at the foreclosure of the asset, the agreement to sell a partial interest in the property, and cash flow projections that apply, among other things, estimated revenue and expense growth rates, discount rates and capitalization rates, as well as a sales comparison approach, which utilizes comparable sales, listings and sales contracts, all of which are classified as Level 3 inputs.

In January 2018, the partnership agreement for our investment in 919 Third Avenue was modified resulting in the Company no longer having a controlling interest in this investment. As a result the investment was deconsolidated as of January 1, 2018. The Company recorded its non-controlling interest at fair value resulting in a $49.3 million fair value adjustment in the consolidated statements of operations. This fair value was determined using a third party valuation which primarily utilized cash flow projections that apply, among other things, estimated revenue and expense growth rates, discount rates and capitalization rates, as well as sales comparison approach, which utilizes comparable sales, listings and sales contracts. All of which are classified as Level 3 inputs.

Marketable securities classified as Level 1 are derived from quoted prices in active markets. The valuation technique used to measure the fair value of marketable securities classified as Level 2 were valued based on quoted market prices or model driven valuations using the significant inputs derived from or corroborated by observable market data. We do not intend to sell these securities and it is not more likely than not that we will be required to sell the investments before recovery of their amortized cost bases.

The fair value of derivative instruments is based on current market data received from financial sources that trade such instruments and are based on prevailing market data and derived from third party proprietary models based on well-recognized financial principles and reasonable estimates about relevant future market conditions, which are classified as Level 2 inputs.

The financial assets and liabilities that are not measured at fair value on our consolidated balance sheets include cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued expenses, debt and preferred equity investments, mortgages and other loans payable and other secured and unsecured debt. The carrying amount of cash and cash equivalents, restricted cash, accounts receivable, and accounts payable and accrued expenses reported in our consolidated balance sheets approximates fair value due to the short term nature of these instruments. The fair value of debt and preferred equity investments, which is classified as Level 3, is estimated by discounting the future cash flows using current interest rates at which similar loans with the same maturities would be made to borrowers with similar credit ratings. The fair value of borrowings, which is classified as Level 3, is estimated by discounting the contractual cash flows of each debt instrument to their present value using adjusted market interest rates, which is provided by a third-party specialist.

The following table provides the carrying value and fair value of these financial instruments as of December 31, 2020 and December 31, 2019 (in thousands):

	December 31, 2020		**December 31, 2019**	
	Carrying Value [(1)]	**Fair Value**	**Carrying Value** [(1)]	**Fair Value**
Debt and preferred equity investments	**$ 1,076,542**	[(2)]	$ 1,580,306	[(2)]
Fixed rate debt	**$ 3,135,572**	**$ 3,237,075**	$ 3,536,286	$ 3,642,770
Variable rate debt	**1,827,677**	**1,822,740**	2,018,434	2,018,714
	$ 4,963,249	**$ 5,059,815**	$ 5,554,720	$ 5,661,484

(1) Amounts exclude net deferred financing costs.
(2) At December 31, 2020, debt and preferred equity investments had an estimated fair value ranging between $1.0 billion and $1.1 billion. At December 31, 2019, debt and preferred equity investments had an estimated fair value ranging between $1.6 billion and $1.7 billion.

Disclosure about fair value of financial instruments was based on pertinent information available to us as of December 31, 2020 and 2019. Such amounts have not been comprehensively revalued for purposes of these financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

17. Financial Instruments: Derivatives and Hedging

In the normal course of business, we use a variety of commonly used derivative instruments, such as interest rate swaps, caps, collar and floors, to manage, or hedge interest rate risk. We hedge our exposure to variability in future cash flows for forecasted transactions in addition to anticipated future interest payments on existing debt. We recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges are adjusted to fair value through earnings. If a derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset against the change in fair value of the hedge asset, liability, or firm commitment through earnings, or recognized in other comprehensive income (loss) until the hedged item is recognized in earnings. Reported net income and equity may increase or decrease prospectively, depending on future levels of interest rates and other variables affecting the fair values of derivative instruments and hedged items, but will have no effect on cash flows. Currently, all of our designated derivative instruments are effective hedging instruments.

The following table summarizes the notional value at inception and fair value of our consolidated derivative financial instruments at December 31, 2020 based on Level 2 information. The notional value is an indication of the extent of our involvement in these instruments at that time, but does not represent exposure to credit, interest rate or market risks (dollars in thousands).

	Notional Value	Strike Rate	Effective Date	Expiration Date	Balance Sheet Location	Fair Value
Interest Rate Cap	$ 85,000	4.000 %	March 2019	March 2021	Other Assets	$ —
Interest Rate Swap	350,000	0.544 %	April 2020	August 2021	Other Liabilities	(771)
Interest Rate Swap	111,869	3.500 %	December 2020	November 2021	Other Assets	—
Interest Rate Cap	510,000	3.000 %	June 2020	December 2021	Other Assets	—
Interest Rate Swap	200,000	1.131 %	July 2016	July 2023	Other Liabilities	(5,004)
Interest Rate Swap	100,000	1.161 %	July 2016	July 2023	Other Liabilities	(2,578)
Interest Rate Cap	600,000	4.000 %	August 2020	September 2023	Other Assets	28
Interest Rate Swap	150,000	2.696 %	January 2019	January 2024	Other Liabilities	(11,344)
Interest Rate Swap	150,000	2.721 %	January 2019	January 2026	Other Liabilities	(17,714)
Interest Rate Swap	200,000	2.740 %	January 2019	January 2026	Other Liabilities	(23,806)
						$ (61,189)

During the years ended December 31, 2020, 2019, and 2018, we recorded a $0.1 million loss, a $0.1 million loss, and a $0.2 million loss, respectively, on the changes in the fair value, which is included in interest expense in the consolidated statements of operations.

The Company has agreements with each of its derivative counterparties that contain a provision where if the Company defaults on certain of its indebtedness, then the Company could also be declared in default on its derivative obligations. As of December 31, 2020, the fair value of derivatives in a net liability position, including accrued interest but excluding any adjustment for nonperformance risk related to these agreements, was $62.5 million. As of December 31, 2020, the Company has not posted any collateral related to these agreements and was not in breach of any agreement provisions. If the Company had breached any of these provisions, it could have been required to settle its obligations under the agreements at their aggregate termination value of $63.6 million at December 31, 2020.

Gains and losses on terminated hedges are included in accumulated other comprehensive income (loss), and are recognized into earnings over the term of the related mortgage obligation. Over time, the realized and unrealized gains and losses held in accumulated other comprehensive loss will be reclassified into earnings as an adjustment to interest expense in the same periods in which the hedged interest payments affect earnings. We estimate that $17.0 million of the current balance held in accumulated other comprehensive loss will be reclassified into interest expense and $6.2 million of the portion related to our share of joint venture accumulated other comprehensive loss will be reclassified into equity in net (loss) income from unconsolidated joint ventures within the next 12 months.

The following table presents the effect of our derivative financial instruments and our share of our joint ventures' derivative financial instruments that are designated and qualify as hedging instruments on the consolidated statements of operations for the years ended December 31, 2020, 2019, and 2018, respectively (in thousands):

Derivative	Amount of Loss Recognized in Other Comprehensive Loss — Year Ended December 31, 2020	2019	2018	Location of (Loss) Gain Reclassified from Accumulated Other Comprehensive Loss into Income	Amount of (Loss) Gain Reclassified from Accumulated Other Comprehensive Loss into Income — Year Ended December 31, 2020	2019	2018
Interest Rate Swaps/Caps	$ (51,244)	$ (33,907)	$ (2,284)	Interest expense	$ (14,569)	$ (261)	$ 1,168
Share of unconsolidated joint ventures' derivative instruments	(7,977)	(10,322)	(1,788)	Equity in net (loss) income from unconsolidated joint ventures	(4,911)	256	1,097
	$ (59,221)	$ (44,229)	$ (4,072)		$ (19,480)	$ (5)	$ 2,265

18. Lease Income

The Operating Partnership is the lessor and the sublessor to tenants under operating and sales-type leases. The minimum rental amounts due under the leases are generally subject to scheduled fixed increases or adjustments. The leases generally also require that the tenants reimburse us for increases in certain operating costs and real estate taxes above their base year costs.

Future minimum rents to be received over the next five years and thereafter for operating leases in effect at December 31, 2020 are as follows (in thousands):

2021	**$ 631,775**
2022	**598,226**
2023	**546,803**
2024	**511,087**
2025	**465,398**
Thereafter	**2,658,793**
	5,412,082

The components of lease income from operating leases during the years ended December 31, 2020 and 2019 were as follows (in thousands):

	Twelve Months Ended December 31, 2020	2019
Fixed lease payments	**$ 702,482**	$ 858,587
Variable lease payments	**96,040**	120,496
Total lease payments	**$ 798,522**	$ 979,083
Amortization of acquired above and below-market leases	**5,901**	4,474
Total rental revenue	**$ 804,423**	$ 983,557

The table below summarizes our investment in sales-type leases as of December 31, 2020:

Property	Year of Current Expiration	Year of Final Expiration (1)
712 Madison Avenue (2)	2021	2021
110 East 42nd Street Garage (3)	2069	2069
15 Beekman (4)	2089	2089

(1) Reflects exercise of all available renewal options.
(2) In January 2021, the Company closed on the sale of 712 Madison Avenue for a gross sales price of $43.0 million, pursuant to the exercise of a purchase option by the ground lessee of the property.
(3) In December 2020, the Company entered into a lease with its One Vanderbilt joint venture for use of the garage at 110 East 42nd Street.

(4) In August 2020, the Company formed a joint venture, which then entered into a long-term sublease with the Company for the building at 15 Beekman. See Note 6, "Investments in Unconsolidated Joint Ventures."

Future minimum lease payments to be received over the next five years and thereafter for our sales-type leases with initial terms in excess of one year as of December 31, 2020 are as follows (in thousands):

	Sales-type leases
2021	$ 46,326
2022	3,375
2023	3,424
2024	3,474
2025	3,525
Thereafter	223,199
Total minimum lease payments	$ 283,323
Amount representing interest	(133,924)
Investment in sales-type leases [1]	$ 149,399

(1) This amount is included in other assets in our consolidated balance sheets.

The components of lease income from sales-type leases during the years ended December 31, 2020 and 2019 were as follows (in thousands):

	Twelve Months Ended December 31,	
	2020	**2019**
Loss recognized at commencement, net [1]	**$ (6,237)**	$ —
Interest income [2]	**$ 1,817**	$ —

(1) These amounts are included in gain on sale of real estate, net and depreciable real estate reserves and impairments in our consolidated statements of operations.
(2) These amounts are included in other income in our consolidated statements of operations.

19. Benefit Plans

The building employees are covered by multi-employer defined benefit pension plans and post-retirement health and welfare plans. We participate in the Building Service 32BJ, or Union, Pension Plan and Health Plan. The Pension Plan is a multi-employer, non-contributory defined benefit pension plan that was established under the terms of collective bargaining agreements between the Service Employees International Union, Local 32BJ, the Realty Advisory Board on Labor Relations, Inc. and certain other employees. This Pension Plan is administered by a joint board of trustees consisting of union trustees and employer trustees and operates under employer identification number 13-1879376. The Pension Plan year runs from July 1 to June 30. Employers contribute to the Pension Plan at a fixed rate on behalf of each covered employee. Separate actuarial information regarding such pension plans is not made available to the contributing employers by the union administrators or trustees, since the plans do not maintain separate records for each reporting unit. However, on September 28, 2018, September 28, 2019, and September 27, 2020, the actuary certified that for the plan years beginning July 1, 2018, July 1, 2019, and July 1, 2020, the Pension Plan was in critical status under the Pension Protection Act of 2006. The Pension Plan trustees adopted a rehabilitation plan consistent with this requirement. No surcharges have been paid to the Pension Plan as of December 31, 2020. For the Pension Plan years ended June 30, 2020, 2019, and 2018, the plan received contributions from employers totaling $291.3 million, $290.1 million, and $272.3 million. Our contributions to the Pension Plan represent less than 5.0% of total contributions to the plan.

The Health Plan was established under the terms of collective bargaining agreements between the Union, the Realty Advisory Board on Labor Relations, Inc. and certain other employers. The Health Plan provides health and other benefits to eligible participants employed in the building service industry who are covered under collective bargaining agreements, or other written agreements, with the Union. The Health Plan is administered by a Board of Trustees with equal representation by the employers and the Union and operates under employer identification number 13-2928869. The Health Plan receives contributions in accordance with collective bargaining agreements or participation agreements. Generally, these agreements provide that the employers contribute to the Health Plan at a fixed rate on behalf of each covered employee. For the Health Plan years ended, June 30, 2020, 2019, and 2018, the plan received contributions from employers totaling $1.6 billion, $1.5 billion and $1.4 billion, respectively. Our contributions to the Health Plan represent less than 5.0% of total contributions to the plan.

Contributions we made to the multi-employer plans for the years ended December 31, 2020, 2019 and 2018 are included in the table below (in thousands):

Benefit Plan	2020	2019	2018
Pension Plan	**$ 2,480**	$ 3,103	$ 3,017
Health Plan	**7,688**	9,949	9,310
Other plans	**929**	1,108	1,106
Total plan contributions	**$ 11,097**	$ 14,160	$ 13,433

401(K) Plan

In August 1997, we implemented a 401(K) Savings/Retirement Plan, or the 401(K) Plan, to cover eligible employees of ours, and any designated affiliate. The 401(K) Plan permits eligible employees to defer up to 15% of their annual compensation, subject to certain limitations imposed by the Code. The employees' elective deferrals are immediately vested and non-forfeitable upon contribution to the 401(K) Plan. During 2003, we amended our 401(K) Plan to provide for discretionary matching contributions only. For 2020, 2019 and 2018, a matching contribution equal to 100% of the first 4% of annual compensation was made. For the years ended December 31, 2020, December 31, 2019, and December 31, 2018 we made matching contributions of $1.7 million, $1.6 million, and $1.1 million, respectively.

20. Commitments and Contingencies

Legal Proceedings

As of December 31, 2020, the Company and the Operating Partnership were not involved in any material litigation nor, to management's knowledge, was any material litigation threatened against us or our portfolio which if adversely determined could have a material adverse impact on us.

Environmental Matters

Our management believes that the properties are in compliance in all material respects with applicable Federal, state and local ordinances and regulations regarding environmental issues. Management is not aware of any environmental liability that it believes would have a materially adverse impact on our financial position, results of operations or cash flows. Management is unaware of any instances in which it would incur significant environmental cost if any of our properties were sold.

Employment Agreements

We have entered into employment agreements with certain executives, which expire between December 2021 and December 2022. The minimum cash-based compensation, including base salary and guaranteed bonus payments, associated with these employment agreements total $3.4 million for 2021.

Insurance

We maintain “all-risk” property and rental value coverage (including coverage regarding the perils of flood, earthquake and terrorism, excluding nuclear, biological, chemical, and radiological terrorism ("NBCR"), within three property insurance programs and liability insurance. Separate property and liability coverage may be purchased on a stand-alone basis for certain assets, such as the development of One Vanderbilt. Additionally, one of our captive insurance companies, Belmont Insurance Company, or Belmont, provides coverage for NBCR terrorist acts above a specified trigger. Belmont's retention is reinsured by our other captive insurance company, Ticonderoga Insurance Company ("Ticonderoga"). If Belmont or Ticonderoga are required to pay a claim under our insurance policies, we would ultimately record the loss to the extent of required payments. However, there is no assurance that in the future we will be able to procure coverage at a reasonable cost. Further, if we experience losses that are uninsured or that exceed policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. Additionally, our debt instruments contain customary covenants requiring us to maintain insurance and we could default under our debt instruments if the cost and/or availability of certain types of insurance make it impractical or impossible to comply with such covenants relating to insurance. Belmont and Ticonderoga provide coverage solely on properties owned by the Company or its affiliates.

Furthermore, with respect to certain of our properties, including properties held by joint ventures or subject to triple net leases, insurance coverage is obtained by a third-party and we do not control the coverage. While we may have agreements with such third parties to maintain adequate coverage and we monitor these policies, such coverage ultimately may not be maintained or adequately cover our risk of loss.

Belmont had loss reserves of $2.9 million and $3.3 million as of December 31, 2020 and 2019, respectively. Ticonderoga had no loss reserves as of December 31, 2020.

Ground Lease Arrangements

We are a tenant under ground leases for certain properties. These leases have expirations from 2022 to 2119, or 2043 to 2119 as fully extended. Certain leases offer extension options which we assess against relevant economic factors to determine whether we are reasonably certain of exercising or not exercising the option. Lease payments associated with renewal periods that we are reasonably certain will be exercised, if any, are included in the measurement of the corresponding lease liability and right of use asset.

Certain of our ground leases are subject to rent resets, generally based on a percentage of the then fair market value, a fixed amount, or a percentage of the preceding rent at specified future dates. Rent resets will be recognized in the periods in which they are incurred.

The table below summarizes our current ground lease arrangements as of December 31, 2020:

SL Green Realty Corp. and SL Green Operating Partnership, L.P.
Notes to Consolidated Financial Statements (cont.)
December 31, 2020

Property [(1)]	Year of Current Expiration	Year of Final Expiration [(2)]
1185 Avenue of the Americas	2043	2043
625 Madison Avenue	2022	2054
420 Lexington Avenue	2050	2080
711 Third Avenue [(3)]	2033	2083
461 Fifth Avenue [(4)]	2027	2084
1080 Amsterdam Avenue [(5)]	2111	2111
15 Beekman [(4)(6)]	2119	2119

(1) All leases are classified as operating leases unless otherwise specified.
(2) Reflects exercise of all available renewal options.
(3) The Company owns 50% of the fee interest.
(4) The Company has an option to purchase the ground lease for a fixed price on a specific date. The lease is classified as a financing lease.
(5) A portion of the lease is classified as a financing lease.
(6) In August 2020, the Company entered into a long-term sublease with an unconsolidated joint venture as part of the capitalization of the 15 Beekman development project. See Note 6, "Investments in Unconsolidated Joint Ventures."

The following is a schedule of future minimum lease payments as evaluated in accordance with ASC 842 for our financing leases and operating leases with initial terms in excess of one year as of December 31, 2020 (in thousands):

	Financing leases	Operating leases [(1)]
2021	$ 32,527	$ 28,534
2022	3,523	26,228
2023	3,570	23,921
2024	3,641	23,939
2025	3,810	24,026
Thereafter	260,550	504,360
Total minimum lease payments	$ 307,621	$ 631,008
Amount representing interest	(155,100)	
Amount discounted using incremental borrowing rate		(291,550)
Lease liabilities	$ 152,521	$ 339,458

(1) As of December 31, 2020, the total future minimum payments to be received under non-cancelable subleases is $1.7 billion.

The following table provides lease cost information for the Company's operating leases for the twelve months ended December 31, 2020 and 2019 (in thousands):

	Twelve Months Ended December 31,	
Operating Lease Costs	**2020**	**2019**
Operating lease costs before capitalized operating lease costs	**$ 32,169**	$ 33,235
Operating lease costs capitalized	**(3,127)**	(47)
Operating lease costs, net [1]	**$ 29,043**	$ 33,188

(1) This amount is included in operating lease rent in our consolidated statements of operations.

The following table provides lease cost information for the Company's financing leases for the twelve months ended December 31, 2020 and 2019 (in thousands):

	Twelve Months Ended December 31,	
Financing Lease Costs	**2020**	**2019**
Interest on financing leases before capitalized interest	**$ 8,091**	$ 3,243
Interest on financing leases capitalized	**(2,378)**	—
Interest on financing leases, net [1]	**5,713**	3,243
Amortization of right-of-use assets [2]	**1,200**	1,219
Financing lease costs, net	**$ 6,913**	$ 4,462

(1) These amounts are included in interest expense, net of interest income in our consolidated statements of operations.
(2) These amounts are included in depreciation and amortization in our consolidated statements of operations.

As of December 31, 2020, the weighted-average discount rate used to calculate the lease liabilities was 4.71%. As of December 31, 2020, the weighted-average remaining lease term was 27 years, inclusive of purchase options expected to be exercised.

21. Segment Information

The Company has two reportable segments, real estate and debt and preferred equity investments. We evaluate real estate performance and allocate resources based on earnings contributions.

The primary sources of revenue are generated from tenant rents and escalations and reimbursement revenue. Real estate property operating expenses consist primarily of security, maintenance, utility costs, insurance, real estate taxes and ground rent expense (at certain applicable properties). See Note 5, "Debt and Preferred Equity Investments," for additional details on our debt and preferred equity investments.

Selected consolidated results of operations for the years ended December 31, 2020, 2019, and 2018, and selected asset information as of December 31, 2020 and 2019, regarding our operating segments are as follows (in thousands):

	Real Estate Segment	Debt and Preferred Equity Segment	Total Company
Total revenues			
Years ended:			
December 31, 2020	$ 932,581	$ 120,163	$ 1,052,744
December 31, 2019	1,043,405	195,590	1,238,995
December 31, 2018	1,025,900	201,492	1,227,392
Net Income			
Years ended:			
December 31, 2020	$ 354,353	$ 60,405	$ 414,758
December 31, 2019	158,972	132,515	291,487
December 31, 2018	129,253	141,603	270,856
Total assets			
As of:			
December 31, 2020	$ 10,579,899	$ 1,127,668	$ 11,707,567
December 31, 2019	11,063,155	1,703,165	12,766,320

Interest costs for the debt and preferred equity segment include actual costs incurred for borrowings on the 2017 MRA and the FHLB Facility. Interest is imputed on the investments that do not collateralize the 2017 MRA and the FHLB Facility using our weighted average corporate borrowing cost. We also allocate loan loss reserves, net of recoveries, and transaction related costs to the debt and preferred equity segment. We do not allocate marketing, general and administrative expenses to the debt and preferred equity segment because the use of personnel and resources is dependent on transaction volume between the two segments and varies period over period. In addition, we base performance on the individual segments prior to allocating marketing, general and administrative expenses. For the years ended, December 31, 2020, 2019, and 2018 marketing, general and administrative expenses totaled $91.8 million, $100.9 million, and $92.6 million respectively. All other expenses, except interest, relate entirely to the real estate assets.

There were no transactions between the above two segments.

Table of Contents

SL Green Realty Corp. and SL Green Operating Partnership, L.P.
Schedule III - Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands)

Column A	Column B	Column C Initial Cost		Column D Cost Capitalized Subsequent To Acquisition (1)		Column E Gross Amount at Which Carried at Close of Period			Column F	Column G	Column H	Column I
Description (2)	Encumbrances	Land	Building & Improvements	Land	Building & Improvements	Land	Building & Improvements (3)	Total	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation is Computed
420 Lexington Ave	$ 294,035	$ —	$ 333,499	$ —	$ 201,776	$ —	$ 535,275	$ 535,275	$ 166,886	1927	3/1998	Various
711 Third Avenue	—	19,844	115,769	—	69,098	19,844	184,867	204,711	61,237	1955	5/1998	Various
555 W. 57th Street	—	18,846	140,946	—	1,600	18,846	142,546	161,392	81,420	1971	1/1999	Various
220 East 42nd Street	510,000	51,008	203,727	—	183,461	51,008	387,188	438,196	137,153	1929	2/2003	Various
461 Fifth Avenue	—	—	88,276	—	35,988	—	124,264	124,264	36,758	1988	10/2003	Various
750 Third Avenue	—	51,093	251,523	—	(2,288)	51,093	249,235	300,328	109,824	1958	7/2004	Various
625 Madison Avenue	—	—	291,319	—	37,997	—	329,316	329,316	139,403	1956	10/2004	Various
485 Lexington Avenue	450,000	78,282	452,631	—	(22,346)	78,282	430,285	508,567	173,769	1956	12/2004	Various
609 Fifth Avenue (4)	57,651	16,869	107,185	—	53,002	16,869	160,187	177,056	19,881	1925	6/2006	Various
810 Seventh Avenue	—	114,077	550,819	—	3,390	114,077	554,209	668,286	205,774	1970	1/2007	Various
1185 Avenue of the Americas	—	—	791,106	—	123,470	—	914,576	914,576	320,735	1969	1/2007	Various
1350 Avenue of the Americas	—	90,941	431,517	—	(2,431)	90,941	429,086	520,027	155,186	1966	1/2007	Various
1-6 Landmark Square (5)	100,000	27,852	161,343	(6,939)	(40,256)	20,913	121,087	142,000	32,099	1973-1984	1/2007	Various
7 Landmark Square (5)	—	1,721	8,417	(1,338)	(6,240)	383	2,177	2,560	426	2007	1/2007	Various
100 Church Street	204,875	34,994	183,932	—	11,391	34,994	195,323	230,317	65,763	1959	1/2010	Various
125 Park Avenue	—	120,900	270,598	—	12,499	120,900	283,097	403,997	99,736	1923	10/2010	Various
110 East 42nd Street (6)	—	36,196	78,353	(2,334)	1,068	33,862	79,421	113,283	24,330	1921	5/2011	Various
304 Park Avenue	—	54,489	90,643	—	1,484	54,489	92,127	146,616	23,428	1930	6/2012	Various
635 Sixth Avenue	—	24,343	88,261	—	95	24,343	88,356	112,699	17,412	1902	9/2012	Various
641 Sixth Avenue	—	45,976	77,076	—	355	45,976	77,431	123,407	21,231	1902	9/2012	Various
1080 Amsterdam (7)	34,773	—	47,948	—	10,327	—	58,275	58,275	7,937	1932	10/2012	Various
760 Madison Avenue (8)	—	284,286	8,314	6,153	29,133	290,439	37,447	327,886	5,392	1996/2012	7/2014	Various
719 Seventh Avenue (9)	50,000	41,180	46,232	—	(4,750)	41,180	41,482	82,662	2,323	1927	7/2014	Various
110 Greene Street	—	45,120	228,393	—	3,034	45,120	231,427	276,547	36,767	1910	7/2015	Various
185 Broadway (10)	158,478	45,540	27,865	—	111,462	45,540	139,327	184,867	419	1921	8/2015	Various
133 Greene Street (11)	15,523	3,446	27,542	(1,563)	(12,377)	1,883	15,165	17,048	1,526	1900	10/2018	Various
712 Madison Avenue (12)	28,000	7,207	47,397	(7,207)	(47,397)	—	—	—	—	1900/1980	12/2018	Various
106 Spring Street	38,025	14,173	66,052	(6,979)	(32,335)	7,194	33,717	40,911	2,911	1900	4/2019	Various
707 Eleventh Avenue	—	66,237	20,874	—	10,442	66,237	31,316	97,553	—	1901	1/2020	Various
590 Fifth Avenue	—	39,685	51,380	—	3,193	39,685	54,573	94,258	657	1987	10/2020	Various
Other (13)	—	1,734	16,224	—	241	1,734	16,465	18,199	5,694			
Total	$ 1,941,360	$ 1,336,041	$ 5,305,161	$ (20,207)	$ 734,086	$ 1,315,832	$ 6,039,247	$ 7,355,079	$ 1,956,077			

(1) Includes depreciable real estate reserves and impairments recorded subsequent to acquisition.
(2) All properties located in New York, New York unless otherwise noted.
(3) Includes right of use lease assets.
(4) In 2020, we sold the retail condominium at this property. The amounts presented here relate to the office condominium, which we retained.
(5) Property located in Connecticut.
(6) In December 2020, the Company entered into a lease with its One Vanderbilt joint venture for use of the garage at 110 East 42nd Street. This lease is accounted for as a sales-type lease.
(7) We own a 92.5% interest in this property.
(8) Includes amounts attributable to the property at 762 Madison Avenue, which is part of this development project.
(9) We own a 75.0% interest in this property.
(10) Properties at 5-7 Dey Street, 183 Broadway, and 185 Broadway were demolished in preparation of the development site for the 185 Broadway project.
(11) In February 2021, this debt was extinguished after the lender was the winning bidder in a foreclosure auction for the property.
(12) In 2020, the lease to the ground lessee of the property was reclassified as a sales-type lease. In January 2021, the Company closed on the sale of the property pursuant to the exercise of a purchase option by the ground lessee.
(13) Other includes tenant improvements of eEmerge, capitalized interest and corporate improvements.

SL Green Realty Corp. and SL Green Operating Partnership, L.P.
Schedule III - Real Estate and Accumulated Depreciation
December 31, 2020
(in thousands)

The changes in real estate for the years ended December 31, 2020, 2019 and 2018 are as follows (in thousands):

	2020	2019	2018
Balance at beginning of year	**$ 8,784,567**	$ 8,513,935	$ 10,206,122
Property acquisitions	**178,635**	—	52,939
Improvements	**481,327**	251,674	267,726
Retirements/disposals/deconsolidation	**(2,089,450)**	18,958	(2,012,852)
Balance at end of year	**$ 7,355,079**	$ 8,784,567	$ 8,513,935

The aggregate cost of land, buildings and improvements, before depreciation, for Federal income tax purposes at December 31, 2020 was $9.7 billion (unaudited).

The changes in accumulated depreciation, exclusive of amounts relating to equipment, autos, and furniture and fixtures, for the years ended December 31, 2020, 2019 and 2018 are as follows (in thousands):

	2020	2019	2018
Balance at beginning of year	**$ 2,060,560**	$ 2,099,137	$ 2,300,116
Depreciation for year	**270,843**	222,867	245,033
Retirements/disposals/deconsolidation	**(375,326)**	(261,444)	(446,012)
Balance at end of year	**$ 1,956,077**	$ 2,060,560	$ 2,099,137

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

SL GREEN REALTY CORP.

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based closely on the definition of "disclosure controls and procedures" in Rule 13a-15(e) of the Exchange Act. Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in our periodic reports. Also, the Company has investments in certain unconsolidated entities. As the Company does not control these entities, its disclosure controls and procedures with respect to such entities are necessarily substantially more limited than those the Company maintains with respect to its consolidated subsidiaries.

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation as of the end of the period covered by this report, the Company's Chief Executive Officer and Chief Financial Officer concluded that its disclosure controls and procedures were effective to give reasonable assurances to the timely collection, evaluation and disclosure of information relating to the Company that would potentially be subject to disclosure under the Exchange Act and the rules and regulations promulgated thereunder.

Management's Report on Internal Control over Financial Reporting

The Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2020 based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (COSO). Based on that evaluation, the Company concluded that its internal control over financial reporting was effective as of December 31, 2020.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2020 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control over Financial Reporting

There have been no significant changes in the Company's internal control over financial reporting during the year ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

SL GREEN OPERATING PARTNERSHIP, L.P.

Evaluation of Disclosure Controls and Procedures

The Operating Partnership maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Operating Partnership's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to the Operating Partnership's management, including the Chief Executive Officer and Chief Financial Officer of the Operating Partnership's general partner, as appropriate, to allow timely decisions regarding required disclosure based closely on the definition of “disclosure controls and procedures” in Rule 13a-15(e) of the Exchange Act. Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Operating Partnership to disclose material information otherwise required to be set forth in the Operating Partnership's periodic reports. Also, the Operating Partnership has investments in certain unconsolidated entities. As the Operating Partnership does not control these entities, the Operating Partnership's disclosure controls and procedures with respect to such entities are necessarily substantially more limited than those it maintains with respect to its consolidated subsidiaries.

As of the end of the period covered by this report, the Operating Partnership carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer of the Operating Partnership's general partner, of the effectiveness of the design and operation of the Operating Partnership's disclosure controls and procedures. Based upon that evaluation as of the end of the period covered by this report, the Chief Executive Officer and Chief Financial Officer of the Operating Partnership's general partner concluded that the Operating Partnership's disclosure controls and procedures were effective to give reasonable assurances to the timely collection, evaluation and disclosure of information relating to the Operating Partnership that would potentially be subject to disclosure under the Exchange Act and the rules and regulations promulgated thereunder.

Management’s Report on Internal Control over Financial Reporting

The Operating Partnership is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15 (f) and 15d-15 (f). Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer of the Operating Partnership's general partner, the Operating Partnership conducted an evaluation of the effectiveness of its internal control over financial reporting as of December 31, 2020 based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (COSO). Based on that evaluation, the Operating Partnership concluded that its internal control over financial reporting was effective as of December 31, 2020.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

The effectiveness of the Operating Partnership's internal control over financial reporting as of December 31, 2020 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control over Financial Reporting

There have been no significant changes in the Operating Partnership's internal control over financial reporting during the year ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of SL Green Realty Corp.

Opinion on Internal Control Over Financial Reporting

We have audited SL Green Realty Corp.'s internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, SL Green Realty Corp. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States)(PCAOB), the 2020 consolidated financial statements of the Company and our report dated February 26, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New York, New York

February 26, 2021

Report of Independent Registered Public Accounting Firm

To the Partners of SL Green Operating Partnership, L.P.

Opinion on Internal Control Over Financial Reporting

We have audited SL Green Operating Partnership L.P.'s internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, SL Green Operating Partnership, L.P. (the Operating Partnership) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2020 consolidated financial statements of the Operating Partnership and our report dated February 26, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Operating Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Operating Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Operating Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New York, New York

February 26, 2021

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 will be set forth in our Definitive Proxy Statement for our 2021 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A under the Securities and Exchange Act of 1934, as amended, on or prior to April 30, 2021, or the 2021 Proxy Statement, and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 will be set forth in the 2021 Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 will be set forth in the 2021 Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 will be set forth under in the 2021 Proxy Statement and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information regarding principal accounting fees and services and the audit committee's pre-approval policies and procedures required by this Item 14 will be set forth in the 2021 Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENTS AND SCHEDULES

(a)(1) Consolidated Financial Statements

Schedules other than those listed are omitted as they are not applicable or the required or equivalent information has been included in the financial statements or notes thereto.

(a)(3) In reviewing the agreements included as exhibits to this Annual Report on Form 10-K, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about us or the other parties to the agreements. The agreements contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about us may be found elsewhere in this Annual Report on Form 10-K and our other public filings, which are available without charge through the SEC's website at *http://www.sec.gov*.

INDEX TO EXHIBITS

3.1 Articles of Restatement, incorporated by reference to the Company's Form 10-Q, dated July 11, 2014, filed with the SEC on August 11, 2014.

3.2 Articles of Amendment to the Company's Articles of Restatement, incorporated by reference to the Company's Form 8-K, dated July 18, 2017, filed with the SEC on July 18, 2017.

3.3 Articles of Amendment to the Company's Articles of Restatement, incorporated by reference to Exhibit 3.1 to the Company's Form 8-K, dated January 20, 2021, filed with the SEC on January 20, 2021.

3.4 Articles of Amendment to the Company's Articles of Restatement, incorporated by reference to Exhibit 3.2 to the Company's Form 8-K, dated January 20, 2021, filed with the SEC on January 20, 2021.

3.5 Fifth Amended and Restated Bylaws of the Company, incorporated by reference to the Company's Form 8-K, dated December 21, 2018, filed with the SEC on December 28, 2018.

3.6 First Amendment to Fifth Amended and Restated Bylaws of the Company, effective as of May 11, 2020, incorporated by reference to the Company's Form 8-K, dated May 11, 2020, filed with the SEC on May 13, 2020.

3.7 Articles Supplementary Electing that SL Green Realty Corp. be Subject to Maryland General Corporations Law Section 3-804(c), incorporated by reference to the Company's Form 8-K, dated September 16, 2009, filed with the SEC on September 16, 2009.

3.8 Articles Supplementary reclassifying 4,600,000 shares of 8.0% Series A Convertible Cumulative Preferred Stock, 1,300,000 shares of Series B Junior Participating Preferred Stock and 4,000,000 shares of 7.875% Series D Cumulative Redeemable Preferred Stock into authorized preferred stock without further designation, incorporated by reference to the Company's Form 8-K, dated August 9, 2012, filed with the SEC on August 10, 2012.

3.9 Articles Supplementary classifying and designating 9,200,000 shares of the Company's 6.50% Series I Cumulative Redeemable Preferred Stock, liquidation preference $25.00 per share, par value $0.01 per share, incorporated by reference to the Company's Form 8-K, dated August 9, 2012, filed with the SEC on August 10, 2012.

3.10 First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, incorporated by reference to the Company's Form 8-K, dated October 23, 2002, filed with the SEC on October 23, 2002.

3.11 First Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated May 14, 1998, incorporated by reference to the Company's Form 8-K, dated October 23, 2002, filed with the SEC on October 23, 2002.

3.12 Second Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed with the SEC on July 31, 2002.

3.13 Third Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated December 12, 2003, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2003, filed with the SEC on March 15, 2004.

3.14 Amended and Restated Fourth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of July 15, 2004, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, filed with the SEC on March 15, 2005.

3.15 Fifth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of March 15, 2006, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2005, filed with the SEC on March 16, 2006.

3.16 Sixth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of June 30, 2006, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006, filed with the SEC on August 10, 2006.

3.17 Seventh Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of January 25, 2007, incorporated by reference to the Company's Form 8-K, dated January 24, 2007, filed with the SEC on January 30, 2007.

3.18 Eighth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of January 20, 2010, incorporated by reference to the Company's Form 8-K, dated January 20, 2010, filed with the SEC on January 20, 2010.

3.19 Ninth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of November 30, 2011, incorporated by reference to the Company's Form 8-K, dated December 5, 2011, filed with the SEC on December 5, 2011.

3.20 Tenth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of January 31, 2012, incorporated by reference to the Company's Form 8-K, dated January 31, 2012, filed with the SEC on February 2, 2012.

3.21 Eleventh Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated March 6, 2012, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed with the SEC on May 10, 2012.

3.22 Twelfth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of August 10, 2012, incorporated by reference to the Company's Form 8-K, dated August 10, 2012, filed with the SEC on August 10, 2012.

3.23 Thirteenth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of April 2, 2014, incorporated by reference to the Company's Form 8-K, dated April 4, 2014, filed with the SEC on April 4, 2014.

3.24 Fourteenth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of July 1, 2014, incorporated by reference to the Company's Form 8-K, dated July 2, 2014, filed with the SEC on July 2, 2014.

3.25 Fifteenth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of July 1, 2014, incorporated by reference to the Company's Form 8-K, dated July 2, 2014, filed with the SEC on July 2, 2014.

3.26 Sixteenth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as February 12, 2015, incorporated by reference to the Company's Form 8-K, dated February 12, 2015, filed with the SEC on February 13, 2015.

3.27 Seventeenth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of June 19, 2015, incorporated by reference to the Company's Form 8-K, dated June 22, 2015, filed with the SEC on June 22, 2015.

3.28 Nineteenth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of July 22, 2015, incorporated by reference to the Company's Form 8-K, dated July 24, 2015, filed with the SEC on July 24, 2015.

3.29 Twentieth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of July 22, 2015, incorporated by reference to the Company's Form 8-K, dated July 24, 2015, filed with the SEC on July 24, 2015.

3.30 Twenty-First Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of August 20, 2015, incorporated by reference to the Company's Form 8-K, dated as of August 21, 2015, filed with the SEC on August 21, 2015.

3.31 Twenty-Second Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of August 20, 2015, incorporated by reference to the Company's Form 8-K, dated as of August 21, 2015, filed with the SEC on August 21, 2015.

3.32 Twenty-Third Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of March 28, 2016, incorporated by reference to the Company's Form 8-K, dated as of April 1, 2016, filed with the SEC on April 1, 2016.

3.33 Twenty-Fourth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of March 28, 2016, incorporated by reference to the Company's Form 8-K, dated as of April 1, 2016, filed with the SEC on April 1, 2016.

3.34 Twenty-Fifth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of June 17, 2016, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, filed with the SEC on November 9, 2016.

3.35 Twenty-Sixth Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of May 1, 2019, incorporated by reference to the Company's Form 8-K, dated as of May 3, 2019, filed with the SEC on May 3, 2019.

3.36 Twenty-Seventh Amendment to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of January 8, 2020, incorporated by reference to the Company's Form 8-K, dated as of January 14, 2020, filed with the SEC on January 14, 2020.

4.1 Specimen Common Stock Certificate, incorporated by reference to the Company's Registration Statement on Form S-11 (No. 333-29329), declared effective by the SEC on August 14, 1997.

4.2 Form of stock certificate evidencing the 6.50% Series I Cumulative Redeemable Preferred Stock of the Company, liquidation preference $25.00 per share, par value $0.01 per share, incorporated by reference to the Company's Form 8-K, dated August 9, 2012, filed with the SEC on August 10, 2012.

4.3 Indenture, dated as of August 5, 2011, among the Company, the Operating Partnership and ROP, as Co-Obligors, and The Bank of New York Mellon, as Trustee, incorporated by reference to the Company's Form 8-K, dated August 5, 2011, filed with the SEC on August 5, 2011.

4.4 Second Supplemental Indenture, dated as of November 15, 2012, among the Company, the Operating Partnership and ROP, as Co-Obligors, and The Bank of New York Mellon, as Trustee, incorporated by reference to the Company's Form 8-K, dated November 9, 2012, filed with the SEC on November 15, 2012.

4.5 Form of 4.50% Senior Note due 2022 of the Company, the Operating Partnership and ROP, as Co-Obligors,incorporated by reference to the Company's Form 8-K, dated November 9, 2012, filed with the SEC on November 15, 2012.

4.6 Third Supplemental Indenture, dated as of December 28, 2018, among SL Green Realty Corp., SL Green Operating Partnership, L.P. and The Bank of New York Mellon, as Trustee, to the Indenture, dated as of August 5, 2011, among SL Green Realty Corp., SL Green Operating Partnership, L.P., Reckson Operating Partnership, L.P. and The Bank of New York Mellon, as Trustee, incorporated by reference to the Company's Form 8-K, dated December 28, 2018, filed with the SEC on January 2, 2019.

4.7 Junior Subordinated Indenture, dated as of June 30, 2005, between the Operating Partnership and JPMorgan Chase Bank, National Association, as Trustee, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005, filed with the SEC on August 9, 2005.

4.8 Indenture, dated as of October 5, 2017, among the Company, the Operating Partnership, ROP and Wells Fargo Securities, LLC and J.P. Morgan Securities LLC, as representatives of the several underwriters, incorporated by reference to the Company’s Form 8-K, dated October 5, 2017, filed with the SEC on October 5, 2017.

4.9 First Supplemental Indenture, dated as of October 5, 2017, among the Operating Partnership, as Issuer, the Company and ROP, as Guarantors, and The Bank of New York Mellon, as Trustee, incorporated by reference to the Company’s Form 8-K, dated October 5, 2017, filed with the SEC on October 5, 2017.

4.10 Form of 3.250% Senior Note due 2022 of the Operating Partnership, incorporated by reference to the Company’s Form 8-K, dated October 5, 2017, filed with the SEC on October 5, 2017.

4.11 Second Supplemental Indenture, dated as of August 7, 2018, among SL Green Realty Corp., SL Green Operating Partnership, L.P. and Reckson Operating Partnership, L.P. and The Bank of New York Mellon, as Trustee, to the Indenture, dated as of October 5, 2017, between SL Green Operating Partnership, L.P. and The Bank of New York Mellon, as Trustee, incorporated by reference to the Company's Form 8-K, dated August 7, 2018, filed with the SEC on August 7, 2018.

4.12 Form of Floating Rate Note (included in the Second Supplemental Indenture incorporated by reference as Exhibit 4.15 of this Form 10-K).

4.13 Description of the registrant's securities registered pursuant to section 12 of the Securities and Exchange Act of 1934, filed herewith

10.1 Amended and Restated Agreement of Limited Partnership of ROP, dated December 6, 1995, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 23, 2018.

10.2 Supplement to the Amended and Restated Agreement of Limited Partnership of ROP relating to the succession as a general partner of Wyoming Acquisition GP LLC, incorporated by reference to ROP's Annual Report on Form 10-K for the year ended December 31, 2007, filed with the SEC on March 31, 2008.

10.3 Form of Articles of Incorporation and Bylaws of SL Green Management Corp., incorporated by reference to the Company's Registration Statement on Form S-11 (No. 333-29329), declared effective by the SEC on August 14, 1997.

10.4 Form of Registration Rights Agreement between the Company and the persons named therein, incorporated by reference to the Company's Registration Statement on Form S-11 (No. 333-29329), declared effective by the SEC on August 14, 1997.

10.5 Amended and Restated Trust Agreement among the Operating Partnership, as depositor, JPMorgan Chase Bank, National Association, as property trustee, Chase Bank USA, National Association, as Delaware trustee, and the administrative trustees named therein, dated June 30, 2005, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005, filed with the SEC on August 9, 2005.

10.6 SL Green Realty Corp. Fourth Amended and Restated 2005 Stock Option and Incentive Plan, incorporated by reference to Appendix A to the Company's definitive Proxy Statement on Schedule 14A filed on April 22, 2016

10.7 Amended and Restated Non-Employee Directors' Deferral Program, dated December 13, 2017, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 23, 2018.

10.8 Amended and Restated Employment and Non-competition Agreement, dated December 24, 2010, between Stephen L. Green and the Company, incorporated by reference to the Company's Form 8-K, dated December 23, 2010, filed with the SEC on December 29, 2010.

10.9 Deferred Compensation Agreement, dated December 18, 2009, between the Company and Stephen L. Green, incorporated by reference to the Company's Form 8-K, dated December 18, 2009, filed with the SEC on December 24, 2009.

10.10 Deferred Compensation Agreement, dated December 24, 2010, between the Company and Stephen L. Green, incorporated by reference to the Company's Form 8-K, dated December 23, 2010, filed with the SEC on December 29, 2010.

10.11 Deferred Compensation Agreement (2013), dated as of September 12, 2013, by and between the Company and Marc Holliday, incorporated by reference to the Company's Form 8-K, dated September 12, 2013, filed with the SEC on September 13, 2013.

10.12 Deferred Compensation Agreement, dated as of February 10, 2016, by and between SL Green Realty Corp. and Marc Holliday, incorporated by reference to the Company's Form 8-K, dated February 10, 2016, filed with the SEC on February 12, 2016.

10.13 Deferred Compensation Agreement (2014), dated as of November 8, 2013, between the Company and Andrew Mathias, incorporated by reference to the Company's Form 8-K, dated November 8, 2013, filed with the SEC on November 8, 2013.

10.14 Amended and Restated Employment and Noncompetition Agreement, dated as of February 4, 2021, by and between the Company and Matthew DiLiberto, incorporated by reference to the Company's Form 8-K, dated February 4, 2021, filed with the SEC on February 5, 2021.

10.15 Amended and Restated Employment and Noncompetition Agreement, dated as of April 30, 2018, by and between SL Green Realty Corp. and Marc Holliday, incorporated by reference to the Company's Form 8-K, dated April 27, 2018, filed with the SEC on May 3, 2018.

10.16 Letter Agreement, dated as of April 30, 2018, by and between SL Green Realty Corp. and Marc Holliday, incorporated by reference to the Company's Form 8-K, dated April 27, 2018, filed with the SEC on May 3, 2018.

10.17 Amended and Restated Employment and Noncompetition Agreement, dated as of December 21, 2018, by and between SL Green Realty Corp. and Andrew Mathias, incorporated by reference to the Company's Form 8-K, dated December 21, 2018, filed with the SEC on December 28, 2018.

10.18 Amended and Restated Employment and Noncompetition Agreement, dated as of December 21, 2018, by and between SL Green Realty Corp. and Andrew Levine, incorporated by reference to the Company's Form 8-K, dated December 21, 2018, filed with the SEC on December 28, 2018.

10.19 Chairman Emeritus Agreement, dated as of December 21, 2018, by and between SL Green Realty Corp. and Stephen L. Green, incorporated by reference to the Company's Form 8-K, dated December 21, 2018, filed with the SEC on December 28, 2018.

10.20 Second Amended and Restated Credit Agreement, dated as of November 21, 2017, by and among SL Green Realty Corp. and SL Green Operating Partnership, L.P., as Borrowers, each of the Lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, Wells Fargo Securities, LLC, JPMorgan Chase Bank, N.A., Deutsche Bank Securities Inc. and U.S. Bank National Association, as joint lead arrangers and joint bookrunners for the Revolving Credit Facility and Term Loan A Facility, Merrill Lynch, Pierce, Fenner & Smith Incorporated and BMO Capital Markets Corp., as joint lead arrangers for the Revolving Credit Facility and Term Loan A Facility, JPMorgan Chase Bank, N.A., as syndication agent for the Revolving Credit Facility and Term Loan A Facility, Deutsche Bank Securities, Inc., U.S. Bank National Association, Bank of America, N.A., and Bank of Montreal, as documentation agents for the Revolving Credit Facility and Term Loan A Facility, Wells Fargo Securities, LLC and U.S. Bank National Association, as joint lead arrangers and joint bookrunners for the Term Loan B Facility, U.S. Bank National Association, as syndication agent for the Term Loan B Facility, and the other lenders and agents a party thereto, incorporated by reference to the Company's Form 8-K, dated November 27, 2017, filed with the SEC on November 27, 2017.

21.1 Subsidiaries of SL Green Realty Corp., filed herewith.

21.2 Subsidiaries of SL Green Operating Partnership L.P., filed herewith.

23.1 Consent of Ernst & Young LLP for SL Green Realty Corp., filed herewith.

23.2 Consent of Ernst & Young LLP for SL Green Operating Partnership, L.P., filed herewith.

24.1 Power of Attorney for SL Green Realty Corp., included on the signature page of this Form 10-K.

24.2 Power of Attorney for SL Green Operating Partnership, L.P., included on the signature page of this Form 10-K.

31.1 Certification by the Chief Executive Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

31.2 Certification by the Chief Financial Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

31.3 Certification by the Chief Executive Officer of the Company, the sole general partner of the Operating Partnership pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

31.4 Certification by the Chief Financial Officer of the Company, the sole general partner of the Operating Partnership pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.1 Certification by the Chief Executive Officer pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.2 Certification by the Chief Financial Officer pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.3	Certification by the Chief Executive Officer of the Company, the sole general partner of the Operating Partnership pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.4	Certification by the Chief Financial Officer of the Company, the sole general partner of the Operating Partnership pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.
101	The following financial statements from SL Green Realty Corp. and SL Green Operating Partnership L.P.'s Annual Report on Form 10-K for the year ended December 31, 2020, formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Equity, (v) Consolidated Statements of Capital, (vi) Consolidated Statements of Cash Flows, and (vii) Notes to Consolidated Financial Statements, detail tagged and filed herewith.
104	Cover Page Interactive Data File (formatted in Inline XBRL in Exhibit 101)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SL GREEN REALTY CORP.

By: /s/ Matthew J. DiLiberto

Matthew J. DiLiberto
Chief Financial Officer

Dated: February 26, 2021

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned officers and directors of SL Green Realty Corp. hereby severally constitute Marc Holliday and Matthew J. DiLiberto, and each of them singly, our true and lawful attorneys and with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Annual Report on Form 10-K filed herewith and any and all amendments to said Annual Report on Form 10-K, and generally to do all such things in our names and in our capacities as officers and directors to enable SL Green Realty Corp. to comply with the provisions of the Securities Exchange Act of 1934, as amended, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to said Annual Report on Form 10-K and any and all amendments thereto.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signatures	Title	Date
/s/ Marc Holliday Marc Holliday	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	February 26, 2021
/s/ Andrew W. Mathias Andrew W. Mathias	President and Director	February 26, 2021
/s/ Matthew J. DiLiberto Matthew J. DiLiberto	Chief Financial Officer (Principal Financial and Accounting Officer)	February 26, 2021
/s/ Stephen L. Green Stephen L. Green	Director	February 26, 2021
/s/ John H. Alschuler Jr. John H. Alschuler, Jr.	Director	February 26, 2021
/s/ Edwin T. Burton, III Edwin T. Burton, III	Director	February 26, 2021
/s/ John S. Levy John S. Levy	Director	February 26, 2021
/s/ Craig M. Hatkoff Craig M. Hatkoff	Director	February 26, 2021
/s/ Betsy S. Atkins Betsy S. Atkins	Director	February 26, 2021
/s/ Lauren B. Dillard Lauren B. Dillard	Director	February 26, 2021

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SL GREEN OPERATING PARTNERSHIP, L.P.

By: SL Green Realty Corp.

By: /s/ Matthew J. DiLiberto

Matthew J. DiLiberto
Chief Financial Officer

Dated: February 26, 2021

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned officers and directors of SL Green Realty Corp., the sole general partner of SL Green Operating Partnership, L.P., hereby severally constitute Marc Holliday and Matthew J. DiLiberto, and each of them singly, our true and lawful attorneys and with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Annual Report on Form 10-K filed herewith and any and all amendments to said Annual Report on Form 10-K, and generally to do all such things in our names and in our capacities as officers and directors to enable SL Green Operating Partnership, L.P. to comply with the provisions of the Securities Exchange Act of 1934, as amended, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to said Annual Report on Form 10-K and any and all amendments thereto.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signatures	Title	Date
/s/ Marc Holliday Marc Holliday	Chairman of the Board of Directors and Chief Executive Officer of SL Green, the sole general partner of the Operating Partnership (Principal Executive Officer)	February 26, 2021
/s/ Andrew W. Mathias Andrew W. Mathias	President and Director of SL Green, the sole general partner of the Operating Partnership	February 26, 2021
/s/ Matthew J. DiLiberto Matthew J. DiLiberto	Chief Financial Officer of SL Green, the sole general partner of the Operating Partnership (Principal Financial and Accounting Officer)	February 26, 2021
/s/ Stephen L. Green Stephen L. Green	Director of SL Green, the sole general partner of the Operating Partnership	February 26, 2021
/s/ John H. Alschuler, Jr. John H. Alschuler, Jr.	Director of SL Green, the sole general partner of the Operating Partnership	February 26, 2021
/s/ Edwin T. Burton, III Edwin T. Burton, III	Director of SL Green, the sole general partner of the Operating Partnership	February 26, 2021
/s/ John S. Levy John S. Levy	Director of SL Green, the sole general partner of the Operating Partnership	February 26, 2021
/s/ Craig M. Hatkoff Craig M. Hatkoff	Director of SL Green, the sole general partner of the Operating Partnership	February 26, 2021
/s/ Betsy S. Atkins Betsy S. Atkins	Director of SL Green, the sole general partner of the Operating Partnership	February 26, 2021
/s/ Lauren B. Dillard Lauren B. Dillard	Director of SL Green, the sole general partner of the Operating Partnership	February 26, 2021