

Macklowe Properties was founded in the mid-1960's by Harry Macklowe. For the past 40 years, the company has been an active and profitable developer, acquirer, redeveloper, owner, and manager of a diverse array of real estate investments. The company has successfully achieved a full level of vertical integration, combining design, planning, construction, management, accounting, and executive-level ownership and operation to provide for absolute responsibility and control over its assets. These investments, which have covered virtually every sector of the property market, have included the development, acquisition, and repositioning of office and apartment buildings, land assemblages, and conversion of industrial and loft properties. In the aggregate, these developments have totaled over 10 million square feet and have taken place in nearly every commercial and residential submarket of Manhattan.

The company's diverse capabilities and proven success in closing transactions and completing projects has made it a favored counterpart in transactions with financial institutions, tenants, brokers, and other property owners in the Manhattan real estate community. These longstanding relationships have yielded access to acquisition and development opportunities before they are widely marketed, resulting in lower acquisition and start-up costs than those which would likely be incurred under a competitive bidding process. The ultimate objective and mission of Macklowe Properties has always been the creation of secure and highly profitable real estate investments that will sustain and grow through all business cycles. Moreover, our diversified portfolio approach has enabled us to take advantage of multiple and synergistic investment opportunities and build a diversified income stream to provide a stable foundation for growth through market cycles.

The company's investments have generally had one or more of the following common themes:

Identifying and capitalizing on opportunities in Manhattan submarkets ahead of other real estate developers;

Completing complicated site assemblages for new development through the utilization of our in-depth knowledge of New York City's complex and often byzantine regulatory and zoning processes;

Identifying, redeveloping and repositioning under-performing or mismanaged assets through capital improvements, architectural enhancements, re-tenanting, and improved, proactive "hands-on" management;

Creating value by changing a property's use, increasing its building size, and improving public spaces and infrastructure, allowing us to significantly increase occupancy and rental rates;

Creating and maintaining strong relationships with tenants and brokers which have enabled us to maintain high occupancy and retention rates, even in static or waning periods of a real estate cycle;

Forging long-term and mutually advantageous relationships with a variety of institutional debt and equity sources, including investment banks, insurance companies, saving banks pension funds, and private equity;

Designing and constructing architecturally distinct and prominent buildings with highly innovative design standards and operating mechanics;

We believe that the key disciplines in developing a successful and profitable Manhattan project are comprised of: (i) concept and design, (ii) site assemblage, (iii) public process management, (iv) financing expertise, (v) construction management, (vi) marketing and leasing, and (vii) “hands-on” property/asset management. The company has developed substantial in-house expertise, assembling a team of seasoned professionals in each of these disciplines, many of whom have been with company for 10-20 years.

In particular, we find site assemblage to be an essential part of our development activity, as it has enabled us to acquire land and obsolete buildings at the lowest possible cost. Since land cost is generally one of the largest components of total project capitalization, our prescient assemblage decisions have resulted in the immediate creation of value, even prior to the commencement of construction.

For our projects, site assemblage has typically involved either (i) the purchase of adjoining parcels of real estate with the intention of constructing a larger and more profitable structure, or (ii) the acquisition of a functionally obsolete, mismanaged, or under-performing building with the objective of its redevelopment and repositioning as a modern and more competitive property of a higher asset class. These activities are particularly complex in Manhattan due to fragmented and complicated ownership structures, the existence of onerous local and state land use regulations, and the tax sensibility of owners who often have low or negative tax bases in their properties.

In addition, we rely on our ability and proven track record to work closely with community boards, city planning commissions, and other municipal regulatory agencies to rezone or secure variances for our development sites. The actions of these agencies can dramatically affect property values, land uses and assessments. In addition to this site-specific governmental interaction, we constantly monitor pending policy changes and maintain constructive relationships and discussions with a variety of City and State agencies. This allows us to provide meaningful input and participate in decision shaping processes. As such, a strong working knowledge of these intricacies has enabled the company to make well-informed judgements concerning both our ongoing and future development and acquisition activities.

Our construction management expertise is another vital element of our development activities. This includes properly budgeting and bidding-out trade and material costs and managing the construction process to control the timing, expenses, design, and quality of the project. Our in-house construction staff has been directly responsible for the “ground-up” development of approximately 4.5 million square feet off Manhattan office and apartment buildings, as well as over 3,000 residential and hotel units.