



ThreeTen East 53rd Street – ThreeTen East 53rd Street, located at the southeast corner of East 53rd Street and Second Avenue, is the most recent example of Macklowe's expertise in residential development with a project completion of 2006. Macklowe commenced the assemblage of this site in 1997, through the strategic purchase and net leasing of six walk-up buildings and appurtenant development rights. Through a complex process, and innovative transactional structure, Macklowe was able to successfully convert its varied interests in the assemblage to full fee title, thereby resulting in its ability to develop a condominium project, as opposed to the rental property originally envisioned for the site. Through this opportunistic adaptation of the project, Macklowe was able to successfully capitalize on the rapidly increasing market for luxury condominiums in New York. The building also benefited from participation in the 10-year 421-a tax exemption program, and utilized air rights from several neighboring properties as well as off-site Inclusionary Zoning development rights in order to achieve its full developable potential.

The 88 residences at ThreeTen were comprised of three distinct types of homes; Tower Residences, with a continuous floor-to-ceiling window wall, open-plan Duplex Residences, with double height ceilings and windows, and two private Mansion Residences, each with 4,000 square feet of living area, all incorporated architectural designs which reflected the fulfillment of Macklowe's desire to bring a new level of sophisticated luxury living to New York City. Residents enjoy 24-hour doorman and concierge service, a private fully-equipped health club, and valet parking in an on-premise garage. Other amenities included private storage units and a highly advanced four-pipe fan-coil HVAC system which provides year-round heating and cooling with individual thermostat control in each room.

The ThreeTen project was enormously successful, as purchasers responded positively to the building's architecturally distinct design elements and thoughtful amenity packages. Over 90% of the units were in contract before the building was completed and the total sellout price for the condominiums was \$256 million, which represented an average per square foot price of \$1,553. This reflected an increase of 30% over Macklowe's original pro forma projections of \$1,200 per SF. With a total development cost of \$145 million, this level of sales resulted in a net profit of approximately \$100 million. In addition, Macklowe retained ownership of the condominium unit comprising the garage and the grade-level retail space, which were subsequently net leased at a revenue of \$1.3 million per annum.

**Three
Ten**
East Fifty Third Street

