



540 Madison Avenue- Macklowe acquired the leasehold interest in this 39 story, 280,000 SF office building located at 540 Madison Avenue for \$35 million in September 1996.

Macklowe immediately initiated a \$17 million full-scale renovation and infrastructure improvement program. Through the purchase of air rights from an adjacent property, Macklowe was able to expand the retail component in the base of the building and create a new building image and identity. The original lobby entrance was relocated from Madison Avenue to 55th Street to create 225 linear feet of continuous, uninterrupted retail frontage in one of the most populous and highest rent shopping districts in Manhattan.

The repositioning of 540 Madison Avenue resulted in a tremendous increase in the achieved office rents per square foot from \$35 at the time of Macklowe's acquisition in September 1996 to over \$150 as of 2008. In addition, the retail redevelopment created a multistory 30,000 square foot retail box that has subsequently leased for over \$3.5 million per annum.

As a result of Macklowe's efforts, the building's NOI has more than tripled from approximately \$4 million in 1996 to over \$15.0 million in 2008.

