

# REAL ESTATE WEEKLY

AUGUST 02, 2017

## Fortress closes on \$200M deal for Palace Theater retail units

BY HOLLY DUTTON • AUGUST 1, 2017

<http://rew-online.com/2017/08/01/fortress-closes-on-200m-deal-for-palace-theater-retail-units/>



Fortress Investment Group has purchased two commercial condo units at the historic Palace Theater in Times Square for \$200 million.

The deals went into contract in August of 2015 but didn't close until last month.

The two condo units were purchased from The Nederland Organization, a group that operates historic theaters, in separate deals, with one selling for \$162.8 million, and the other for \$37.1 million.

A spokesperson for Fortress did not respond to a request for comment by press time.

In December of 2015, Maefield Development paid \$540 million to purchase the leasehold interest in 1568 Broadway, home to the 468-room DoubleTree Hotel and the Palace Theater.

The acquisition was the first step in a \$2 billion redevelopment of the property into “a premier cultural, entertainment, retail and hospitality experience in the #1 tourist destination in the world,” said Maefield at the time.

Part of the development will include raising the historic theater 29 feet in a multi-million dollar restoration, opening up 10,000 s/f of retail underneath that will include three spaces in the basement and one on the ground floor.

The redevelopment will also include a renovated luxury hotel, prime street-front retail and entertainment space, a massive high-resolution LED screen for advertisements, and of course the restoration and enhancement of the Palace Theatre.

Maefield Development is also a stakeholder in the 20 Times Square hotel and entertainment development.