



Macerich Acquires Santa Monica Place in Santa Monica, California

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SANTA MONICA, Calif., Nov. 2 /PRNewswire/ -- A subsidiary of The Macerich Company (NYSE: MAC) announced today that it acquired Santa Monica Place in Santa Monica, California from The Rouse Company (NYSE: RSE). Santa Monica Place is a 560,000 square foot regional mall located in Santa Monica, California. It is anchored by Macy's and Robinson-May and has a strong national and regional tenant line up, including Ann Taylor, BCBG, bebe, Brookstone, Eddie Bauer, Gap, Gap Kids, Gymboree, J. Colton, Kenneth Cole New York, Warner Brothers Studio Store, The White House and Williams Sonoma. In 1998, specialty store sales were approximately \$382 per square foot and the mall has an occupancy of 95%. The mall serves as an anchor to the rapidly growing retail district in Santa Monica, which includes the Third Street Promenade.

Arthur Coppola, President and CEO of Macerich, commented on the transaction, "Santa Monica Place is prominently situated in the heart of the Santa Monica retail district. This addition to our portfolio enhances our strong concentration in Southern California, particularly in west Los Angeles. Combined with Westside Pavilion in West Los Angeles and Villa Marina Marketplace in Marina Del Rey, Macerich has a cluster of dominant regional centers in this densely populated trade area. This trade area dominates a sub-market that contains approximately 750,000 people with average household incomes of \$84,000. There are substantial synergies that come with the ownership of all three of these properties and we expect to gain tremendous marketing, leasing and operating efficiencies from combining these properties. Macerich has a significant California portfolio and has its corporate headquarters four blocks away from Santa Monica Place. Conversely, it was the only mall Rouse owned in California. Macerich and Rouse agreed that a consolidation of ownership into one owner's portfolio would make sense for both companies."

The purchase price was approximately \$130 million and was funded by an \$80 million first mortgage placed concurrently with the acquisition and the balance of the proceeds were generated from a separately announced joint venture. The expected first year unleveraged return is 8.5%.

The Macerich Company is a fully integrated self-managed and self-administered real estate investment trust, which focuses on the acquisition and redevelopment of regional malls and community centers throughout the United States. The company is the sole general partner and owns a 78% ownership interest in The Macerich Partnership, L.P. Macerich now owns interests in 48 regional malls and five community centers totaling 41 million square feet, including 19 centers located in California totaling 13.4 million square feet. Additional information about The Macerich Company can be obtained on the company's web site at www.macerich.com.

Note: This release contains statements that constitute forward-looking statements. Stockholders are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to vary materially from those anticipated, expected or projected. Such factors include, among others, general industry economic and business conditions, which will, among other things, affect demand for retail space or retail goods, availability and creditworthiness of current and prospective tenants, lease rates, availability and cost of financing and operating expenses; adverse changes in the real estate markets including, among other things, competition with other companies, retail formats and technology, risks of real estate development and acquisitions; governmental actions and initiatives; and environmental and safety requirements. The reader is directed to the Company's various filings with the Securities and Exchange Commission for a discussion of such risks and uncertainties.

SOURCE The Macerich Company