

802.2(d)
802.2(h)

July 10, 1996

Mr. Patrick Sharpe
Premerger Notification Office
Bureau of Competition, Rm 303
Federal Trade Commission
6th Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Hart-Scott-Rodino Exemption for Residential Property

Dear Mr. Sharpe:

This is to confirm our telephone conversation on July 2, 1996 concerning the exemption to the Hart-Scott-Rodino Premerger Notification requirements for residential property contained in 16 C.F.R. § 802.2(d).

You informed us that:

- (1) The new exemption for "residential property", 16 C.F.R. § 802.2(d), clearly covers sales of apartment buildings in which the Seller rents out apartment units to unrelated third parties.
- (2) Such property (or at least the apartment units and common areas used for residential purposes) is characterized as "residential property" for the purposes of said regulation.
- (3) To the extent that the property is used for purposes other than residential and such purposes are not covered by any other exemption (e.g., retail, industrial or warehousing), the portion of the property that is used for such other purposes must be separately valued to determine if the threshold requirements for Hart-Scott-Rodino Premerger Notification are met.

→ retail rental space and warehouses may be exempt under Section 802.2(h) except when it is an acquisition of a business on the property. ✓

[REDACTED]

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If our understanding is not correct, please either write us at the above address, fax us at [REDACTED] or call us at [REDACTED] to clarify the matter. Thank you very much for your kind attention.

Very truly yours,

[REDACTED]

cc: [REDACTED]

called [REDACTED] 7/15/96
noted exception
otherwise concurred
(PS)