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Goldman, Citi Loan Mack-Cali \$125M For New Jersey Buys

By **Andrew McIntyre**

Law360, Minneapolis (March 31, 2017, 4:21 PM EDT) -- Mack-Cali Realty Corp. has scored \$124.5 million in financing from Citi and Goldman Sachs & Co. for its recent purchase of several properties in Short Hills, New Jersey, according to an announcement on Thursday from real estate investment trust Mack-Cali's broker Holliday Fenoglio Fowler LP.

The financing is for 51, 101 and 103 JFK Parkway, and the loan is for 10 years at a fixed rate of interest.

Mack-Cali recently bought those properties as part of a six-property portfolio purchase from RXR Realty.

"This acquisition signifies Mack-Cali's substantially expanded presence in the affluent Short Hills submarket — positioning us as the owner of nearly all of the Class A office space, as well as some of the most premier assets in the Madison submarket," Michael J. DeMarco, Mack-Cali's president, said in a statement on Thursday.

"This transaction exemplifies our strategy of owning only the best assets in strong markets that offer tenants state-of-the-art office spaces with a suite of first-class amenities," DeMarco added.

The properties are fully leased, and major tenants include Wells Fargo, Merrill Lynch, Dun & Bradstreet, KPMG and Investors Bank. The properties are located along the Route 24 corridor, and were built between 1981 and 1998.

Mack-Cali had brokerage services from HFF's Jon Mikula.

"We were excited to help Mack-Cali with its acquisition of the Short Hills assets, which are some of the premier Class A office buildings in the state," Mikula said in a statement on Thursday.

A representative for Goldman told Law360 the firm didn't "really [have] much to comment on" regarding the deal, and Citi couldn't be immediately reached for comment on Friday.

Mack-Cali has been active over the past year, both on the buy and sell side.

In April of 2016, the REIT picked up a pair of office buildings in New Jersey as part of a string of acquisitions worth a total of **\$414 million**.

And a month earlier, the firm sold its stake in 125 Broad St. in Manhattan for **\$202 million** to Sullivan & Cromwell LLP and disposed of a Washington, D.C., property at 1201 Connecticut Ave. NW for \$93 million.

And the firm's residential arm Roseland Residential Trust a year ago did buyouts at various properties in New Jersey and Massachusetts for a combined \$85.4 million.

Mack-Cali shares were up a fraction of a percent on Friday. Shares are off 7 percent thus far this year but have risen 17 percent over the past 12 months.

Shares in Goldman fell a fraction of a percent on Friday, while Citi shares were also off a fraction of a percent.

Shares in HFF Inc. were up a fraction of a percent on Friday. Shares are down 4 percent year-to-date but have risen 6 percent over the past 12 months.

The borrower is represented by Lydia Stefanowicz of Greenbaum Rowe Smith & Davis LLP.

The lenders are represented by David Freedman of Alston & Bird LLP.

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