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Mack-Cali Makes Substantial Progress In Transforming Its Portfolio

JERSEY CITY, N.J., Feb. 14, 2017 /PRNewswire/ -- Mack-Cali Realty Corporation (NYSE: CLI) today announced its 2016 and year-to-date 2017 capital markets results. The Company disposed of 36 non-strategic and underperforming commercial office assets totaling approximately five million square feet, and a 220-unit multi-family community, realizing gross proceeds of approximately \$745 million, exceeding our guidance, with a weighted average cap rate of approximately 5.5 percent. In the same time period, Mack-Cali redeployed more than \$500 million in capital to acquire properties that fit the Company's strategic plan for growth.



For the fourth quarter 2016 and year-to-date 2017 office dispositions totaled \$280 million. The Company completed the strategic exit out of the DC Metro area with the seven-building portfolio sale in Greenbelt, Maryland, as well as the exit out of multiple Central New Jersey office sub-markets including Freehold, Roseland, and Cranford. Additionally, included in the \$280 million, the Company sold subordinated/ minority interests in numerous office assets held with Keystone Property Group throughout the Tri-State area.

The Company continues to build on the 2016 momentum of dispositions and is trimming the next layer of assets that the Company now deems to be non-core. It is currently exploring the potential of up to \$450 million of additional property sales which it anticipates could close by mid to late 2017. These dispositions include exiting out of the Moorestown flex portfolio in Southern New Jersey comprised of 26 buildings totaling approximately 1.3 million square feet and nine buildings in Northern New Jersey's Bergen County submarket totaling 2.2 million square feet.

The Company's acquisitions to date have been primarily focused on transit-based locations including Metropark and the waterfront markets encompassing Jersey City, Hoboken, and Weehawken/West New York. The yield on these acquisitions will be accretive to earnings net of dispositions with the ability to further increase earnings with the roll up of rents and lease-up of vacant space in our value-add acquisitions.

In the first quarter of 2017, the Company closed on the acquisition of a three-building portfolio comprised of 280,000 square feet in Red Bank, New Jersey for approximately \$27 million. The portfolio is adjacent to the Company's existing holdings of 477,000 square feet now totaling over one million square feet in the Monmouth County market. The Company also entered into an agreement to purchase a prominent portfolio including three buildings totaling 575,000 square feet in the high-demand, affluent market of Short Hills, New Jersey and three buildings totaling 525,000 square feet in the prestigious Giralda Farms campus in Madison, New Jersey. With the expected completion of this acquisition, Mack-Cali will own virtually 100 percent of the class A office market in Short Hills, where the rents are the highest in the state. The Giralda Farms properties present a value-add opportunity to reposition high-quality assets to meet the demands of today's significant corporate users. The Morris County office market has been the number one choice for corporate users establishing new state-of-the-art headquarters facilities and the Campus has attracted large, multi-national pharmaceutical and other Fortune 500 companies.

"As a result of refining our office portfolio, consistent with our earnings and debt range, we continue to increase our profit margins by creating operating efficiencies with reduced expenses, higher rents, and increased occupancy," said Michael J. DeMarco, Mack-Cali President. "This positions us to better focus on our high-growth markets and reposition these assets by introducing robust amenity programs that will drive demand and produce higher rents. We believe we are well on our way to owning a totally class A portfolio."

Regarding the multi-family side of the business, the Company continues to streamline and build on its platform along the Waterfront, starting with the purchase of the remaining 50 percent joint venture interest a development site on the Jersey City Waterfront known as Plaza 8/9 for \$57.1 million funded with a combination of \$14.2 million cash and the issuance of Preferred Operating Units. With the ability to accommodate up to 1.2 million square feet of residential or office, this is the most valuable and prestigious development site in Jersey City. Additionally, an agreement has been reached to purchase its partners' 85 percent joint venture interest in Monaco, a 523-unit multi-family, high-rise community in Jersey City. This purchase will be completed with the assumption of existing debt, cash, and the issuance of Preferred Operating Units. Furthermore, the Company is finalizing terms to sell its minority interest in the Estuary located in Weehawken, New Jersey.

"The net result of these activities increases our development potential and stable cash flow from our multi-family platform," said Michael J. DeMarco, "We also continue to simplify our NAV and balance sheet by reducing our minority and subordinated joint venture interests which have decreased from eleven positions to two."

About Mack-Cali Realty Corporation

Mack-Cali Realty Corporation is a fully integrated, self-administered, self-managed real estate investment trust (REIT) providing management, leasing, development, and other tenant-related services for its two-platform operations of waterfront and transit-based office and luxury multi-family assets. Mack-Cali provides its tenants and residents with the most innovative communities that empower them to re-imagine the way they work and live.

Additional information on Mack-Cali Realty Corporation and the commercial real estate properties and multi-family residential communities available for lease can be found on the Company's website at www.mack-cali.com.

Statements made in this press release may be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by the use of words such as "may," "will," "plan," "potential," "projected," "should," "expect," "anticipate," "estimate," "target," "continue," or comparable terminology. Such forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate, and involve factors that may cause actual results to differ materially from those projected or suggested. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised to consider the factors listed above together with the additional factors under the heading "Disclosure Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Annual Reports on Form 10-K, as may be supplemented or amended by the Company's Quarterly Reports on Form 10-Q, which are incorporated herein by reference. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

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