

Acquisitive 1997 Sees Super-Regional Mack-Cali Add to Suburban Philadelphia Portfolio

Spring 1998

When Mack-Cali Realty Corporation, formerly Cali Realty Corporation, entered the suburban Philadelphia market in May 1996 with its purchase of Rose Tree Corporate Center, the company saw the move as a natural extension of its 48-year presence in suburban New Jersey. Now, just two years later, its holdings in suburban Philadelphia have increased to 38 properties totaling 2.6 million square feet.

Cali Realty experienced a tremendous year of growth in 1997, acquiring Westchester, New York-based Robert Martin Company in January and merging with New Jersey-based Mack Company and Dallas-based Patriot American Office Group in December. The transactions positioned the company, renamed Mack-Cali, as the 'super-regional' REIT in the Northeast and one of the top real estate investment trusts in the country. Upon completion of pending transactions, Mack-Cali's portfolio will total over 25 million square feet of suburban class A office, office/flex and industrial/warehouse space, including over 20 million square feet in the Northeast.

Mack-Cali's strategy is simple and straightforward: enter promising markets, acquire the best-quality office assets and build on local management expertise to become a major player in that market. Mack-Cali seeks to leverage its management team's experience to execute relationship-driven transactions, increasing its strong presence through strategic acquisitions within its core markets. Key to the company's strategic objective is not only to acquire high-quality properties but also to gain the expertise of the management that operates them. This objective has created one of the most experienced and successful teams in the real estate industry.

The Key to Broker/Tenant Satisfaction

Property management is a Mack-Cali strong point. The company prides itself on providing responsive tenant services, including on-site building management and top-notch building maintenance - both of which helped earn Mack-Cali its current portfolio occupancy rate of 96 percent. The company's philosophy is to put the tenant first. Forging strong tenant relationships through personal attention is a top priority.

The quality of Mack-Cali's property management is recognized regularly with industry honors. The company will be the recipient of the 1998 Hall of Honor Award presented by the Westchester, New York, chapter of the Building Owners and Managers Association (BOMA). In 1997, two Mack-Cali buildings won BOMA's coveted TOBY Award (The Office Building of the Year) presented by the New Jersey and Westchester, New York, chapters. The year before, the company earned New Jersey NAIOP's (National Association Industrial and Office Properties) "Impact Award" for

Acquisitive 1997 Sees Super-Regional Mack-Cali Add to Suburban Philadelphia Portfolio

(Continued)

having the greatest impact in the states commercial real estate market.

The diversity of Mack-Cali's tenant base - which now numbers more than 2300 - enhances its long-term stability. The company's large tenants include some of the best-known companies in America: AT&T, Bankers Trust, IBM, Toys R Us, Allstate Insurance and Donaldson Lufkin & Jenrette Securities. The company's small and medium-sized tenants - the core of it's tenant base - represent a cross-section of businesses ranging from financial services to high technology'.

Mack-Cali's growing market dominance translates into more opportunities for acquisition and development as well as a greater capacity for meeting the changing needs of tenants. When tenants outgrow their space, for example, the company can offer a wide selection of product and geographic alternatives in the same market. Mack-Cali's growth is also beneficial to brokers who serve clients with regional and national operations. Brokers can turn to Mack-Cali for both geographic and product diversity, fulfilling their clients' class A office, office/flex and industrial/warehouse space needs in the Northeast, Southwest and West. Moreover, Mack-Cali, as a full-service real estate company, performs substantially all construction, leasing, management and tenant improvements on an "in-house" basis, maintaining control of projects and costs. As one of the nation's largest REITs, Mack-Cali has the financial resources, business relationships and technical expertise to participate in large-scale transactions whether they involve build-to-suit or property acquisition projects.

Development/Build-to-Suit Opportunities

Mack-Cali has extensive development expertise and a long history of development success, and is well prepared to build when market conditions warrant. Mack-Cali now owns or has options to acquire land in several key submarkets within its portfolio which are zoned and permitted for almost 10 million square feet of office, office/flex and industrial development.

Success of REIT Pleases Investors

The success of Mack-Cali, a self managed, fully-integrated real estate investment trust (REIT) trading on the New York Stock Exchange (ticker symbol CLI), has pleased its investors. The company has provided its investors with a total return (including dividends reinvested) of over 200% over the past three years, making it one of the best performers in the REIT sector. Year after year, Mack-Cali's expertise in both real estate and capital markets has translated into impressive returns for investors.

Acquisitive 1997 Sees Super-Regional Mack-Cali Add to Suburban Philadelphia Portfolio

(Continued)

Going Forward

As Mack-Cali continues its aggressive growth through acquisitions in suburban Philadelphia and throughout the Northeast, and continues internal growth through effective property management and improving rental market conditions, the company looks forward to maintaining its rewarding relationships with the brokerage community, tenants and shareholders.

Source: Black's Guide