

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 16, 1996

Cali Realty Corporation

(Exact name of registrant as specified in its charter)

Maryland	1-13274	22-3305147
(state or other jurisdiction or incorporation)	(Commission File Number)	(IRS Employer Identification Number)

11 Commerce Drive, Cranford , New Jersey 07016

Registrant's telephone number, including area code (908) 272-8000

N/A

(Former name or former address, if changed since last report)

Item 5, Other Events

During the period January 1, 1996 to July 16, 1996, Cali Realty Corporation (the "Company") (i) prepaid a portion of its mortgage financing, (ii) sold an office building and (iii) acquired one office building and a two office building complex through two individual transactions with separate sellers. None of the above transactions constitute a "significant subsidiary," either individually or in the aggregate.

On March 12, 1996, the Company prepaid with cash made available from one of the Company's credit facilities, \$5,492,000 of the Mortgage Financing ("Partial Prepayment") and obtained a release of the mortgage liens on the office building to be sold. On account of prepayment penalties, loan origination fees, legal fees and other costs incurred in the retirement of the debt, an extraordinary loss of \$475,000, net of minority interest's share of the loss of \$86,000, was recorded in the Company's financial statements for the three months ended March 31, 1996.

On March 20, 1996, the Company sold its office building located at 15 Essex Road in Paramus, New Jersey ("Essex Road") and concurrently acquired a property (more fully described below.) The concurrent transactions qualified as a tax free exchange, as the Company used all of the approximately \$10,324,000 in proceeds from the sale of Essex Road to acquire the property. The Company's financial statements for the three months ended March 31, 1996 include a gain of \$5,658,000 relating to this transaction.

On March 20, 1996, the Company acquired an office building located at 103 Carnegie Center in Princeton, New Jersey ("Carnegie") concurrent with the sale of Essex Road, as described above. Additionally, on May 2, 1996, the Company acquired a two-building suburban office complex located in Media, Pennsylvania ("Rose Tree"). Both acquisitions are to be collectively referred to as the "Acquisitions". With the Acquisitions, the Company acquired a total of 355,200 square feet of office space for an aggregate purchase price of approximately \$38,493,000. The Company paid the aggregate purchase price in cash, of which \$28,169,000 was made available through one of the Company's revolving credit facilities (credit facility borrowings bear interest at the London Inter Bank Offered Rate, referred to as "LIBOR," plus 150 basis points) with the remainder made available from proceeds from the sale of an office building, as described above.

Further information regarding the individual properties acquired is attached on SCHEDULE A.

The Acquisitions were pursuant to individual agreements for the sale and purchase of each property between each selling entity and the Company. The factors considered by the Company in determining the price to be paid for the properties included their historical and expected cash flow, nature of the tenants and terms of leases in place, occupancy rates, opportunities for alternative and new tenancies, current operating costs and real estate taxes on the properties and anticipated changes therein under Company ownership, the physical condition and locations of the properties, the anticipated effect on the Company's financial results (including particularly funds from operations) and the ability to sustain and potentially increase its distributions to Company stockholders, and other factors. The Company took into consideration capitalization rates at which it believed other comparable office buildings had recently sold, but determined the price it was willing to pay primarily on the factors discussed above relating to the properties themselves and their fit with

the Company's operations. No separate independent appraisals were obtained in connection with the acquisition of the properties by the Company. The Company, after investigation of the properties, is not aware of any material factors, other than those enumerated above, that would cause the financial information reported not to be necessarily indicative of future operating results.

Item 7, Financial Statements, Pro Forma Financial Information and Exhibits

As of July 16, 1996 the Company has purchased seven office buildings and three portfolios of office buildings and office/flex space since its formation in 1994; one office building in 1994, three office buildings and three portfolios in 1995, and three office buildings in 1996.

Financial Statements

The statements of revenue and certain expenses included in this report encompass the following:

- o Audited statements of revenue and certain expenses for the office building and two office building complex acquired during the period January 1, 1996 to July 16, 1996. The audited financial statements are presented for the year ended December 31, 1995. Unaudited interim financial information is presented for the period from January 1, 1996 to the earlier of the date of acquisition or March 31, 1996.

Pro Forma Financial Information (unaudited)

Unaudited pro forma financial information for the Company is presented as follows:

- o Condensed consolidated balance sheet as of March 31, 1996.
- o Condensed consolidated statements of operations for the three months ended March 31, 1996 and the year ended December 31, 1995.
- o Estimated twelve-month Pro Forma statement of taxable net operating income and operating funds available.

SCHEDULE A

CALI REALTY CORPORATION

<TABLE>
<CAPTION>

OFFICE BUILDING	DATE OF ACQUISITION	TOTAL SQUARE FEET	PERCENT OCCUPIED AT DATE OF ACQUISITION	YEAR COMPLETED	INITIAL COST TO COMPANY (in thousands)
103 Carnegie Center Princeton, Mercer County, New Jersey	3/20/96	95,200	91.5%	1984	\$10,383
Rose Tree Corporate Center 1400 North Providence Rd., Media, Delaware County, Pennsylvania	5/2/96		97.0%		\$28,110
Building I		100,000		1986	
Building II		160,000		1990	
TOTAL		355,200			\$38,493

</TABLE>
<TABLE>
<CAPTION>

OFFICE BUILDING	PRINCIPAL TENANTS
103 Carnegie Center Princeton, Mercer County, New Jersey	Ronin Development (11.0%), Kurt Salmon (8.3%), Arthur Andersen & Co. (7.7%), Hanover Fairs (6.3%)
Rose Tree Corporate Center 1400 North Providence Rd., Media, Delaware County, Pennsylvania	Crozer Keystone (5.3%), Nationwide Mutual (4.3%), Erie Indemnity (4.2%), Nobel Education (4.1%)
Building I	
Building II	

</TABLE>
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Cali Realty Corporation has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

CALI REALTY CORPORATION

By: /s/Thomas A. Rizk

Thomas A. Rizk
President and Chief Executive Officer

July 16, 1996

By: /s/Barry Lefkowitz

Barry Lefkowitz
Vice President - Finance and
Chief Financial Officer

CALI REALTY CORPORATION
Index to Financial Statements

ACQUISITIONS

Report of Independent Accountants
Statements of Revenue and Certain Expenses for:
The year ended December 31, 1995 (audited)
The period January 1, 1996 through the earlier of the date of
acquisition or March 31, 1996 (unaudited)
Notes to Statements of Revenue and Certain Expenses

CALI REALTY CORPORATION

Pro Forma (unaudited):
Condensed Consolidated Balance Sheet as of March 31, 1996
Condensed Consolidated Statements of Operations for the Three
Months Ended March 31, 1996 and for the Year Ended
December 31, 1995
Estimated Twelve Month Pro Forma Statement of Taxable Net
Operating Income and Operating Funds Available

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of Cali Realty Corporation

We have audited the accompanying Statements of Revenue and Certain Expenses for the properties known as The Rose Tree Corporate Center I & II - Media, PA ("Rose Tree") and 103 Carnegie Center - Princeton, NJ ("Carnegie") (collectively referred to as the "Acquisitions") for the year ended December 31, 1995. The financial statements are the responsibility of the Acquisitions' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statements of revenue and certain expenses were prepared as described in Note 2, for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the Form 8-K of Cali Realty Corporation) and are not intended to be a complete presentation of Rose Tree's and Carnegie's revenues and expenses.

In our opinion the financial statements referred to above present fairly, in all material respects, the revenue and certain expenses for Rose Tree and Carnegie, on the basis described in Note 2, for the year ended December 31, 1995, in conformity with generally accepted accounting principles ("GAAP").

/s/ SCHONBRAUN SAFRIS STERNLIEB & CO., L.L.C.

SCHONBRAUN SAFRIS STERNLIEB & CO., L.L.C.
Certified Public Accountants

West Orange, New Jersey
May 2, 1996

CALI REALTY CORPORATION
Acquisitions
Statements of Revenue and Certain Expenses
For the Year Ended December 31, 1995

<TABLE>
<CAPTION>

	Rose Tree	Carnegie
<S> Revenue	<C>	<C>

Base rents	\$3,881,714	\$1,535,711
Escalations and recoveries from tenants	366,717	159,119
	-----	-----
	4,248,431	1,694,830
	-----	-----
Certain expenses		
Real estate taxes	454,797	247,569
Utilities	548,852	246,035
Operating services	450,875	206,596
General and administrative	140,760	45,713
	-----	-----
	1,595,284	745,913
	-----	-----
Revenue in excess of certain expenses	\$2,653,147	\$ 948,917
	=====	=====

</TABLE>

The accompanying notes are an integral part of these statements of revenue and certain expenses.

CALI REALTY CORPORATION
Acquisitions
Statements of Revenue and Certain Expenses
For the Period January 1, 1996 to the Earlier of
Date of Acquisition or March 31, 1996

(unaudited)

<TABLE>

<CAPTION>

	Rose Tree Period Ending March 31, 1996	Carnegie Period Ending March 19, 1996
	-----	-----
<S>	<C>	<C>
Revenue		
Base rents	\$ 994,913	\$ 344,219
Escalations and recoveries from tenants	93,370	31,514
	-----	-----
	1,088,283	375,733
	-----	-----
Certain expenses		
Real estate taxes	122,530	53,906
Utilities	133,418	56,346
Operating services	144,222	57,811
General and administrative	32,377	10,521
	-----	-----
	432,547	178,584
	-----	-----
Revenue in excess of certain expenses	\$ 655,736	\$ 197,149
	=====	=====

</TABLE>

The accompanying notes are an integral part of these statements of revenue and certain expenses.

CALI REALTY CORPORATION
Acquisitions
Notes to Statements of Revenue and Certain Expenses

1. ORGANIZATION AND OPERATIONS OF PROPERTIES

For the purpose of the accompanying statements of revenue and certain expenses, the Acquisitions are the office building and the two office building complex acquired by Cali Realty Corporation ("the Company") during the period from January 1, 1996 to May 2, 1996.

A summary of the Acquisitions are as follows:

<TABLE>

<CAPTION>

Acquisition -----	Location -----	Date Acquired by the Company -----
<S>	<C>	<C>
Carnegie	Princeton, New Jersey	March 20, 1996
Rose Tree	Media, Pennsylvania	May 2, 1996

</TABLE>

The unaudited statements of revenue and certain expenses for the 1996 periods presented include the operating results of each of the Acquisitions from January 1, 1996 to the earlier of the date of acquisition or March 31, 1996.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying statements of revenue and certain expenses have been prepared on the accrual basis of accounting.

The accompanying financial statements are not representative of the actual operations for the periods presented, as certain revenues and expenses, which may not be comparable to the revenues and expenses to be earned or incurred by the Company in the future operations of the Acquisitions have been excluded. Revenues excluded consist of interest and other revenues unrelated to the continuing operations of the Acquisitions. Excluded expenses consist of interest, depreciation of the building and improvements, and amortization of organization and other intangible costs and other expenses not directly related to the future operations of the Acquisitions. Included in escalations and recoveries from tenants for Rose Tree for the year ended December 31, 1995 is \$37,686 of a lease cancellation fee.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Revenue Recognition

Base rents are recognized on a straight-line basis over the term of the lease. Certain lease agreements contain provisions which provide for reimbursements by tenants of real estate taxes, insurance, utility and other operating costs, generally over established base year amounts, as defined in the tenant lease.

3. LEASES

Leases for the Acquisitions have various lease terms up to ten years with options to certain tenants for renewal. Minimum rental amounts for certain leases increase as set forth under the terms of each lease.

Future minimum rents to be received over the next five years and thereafter from tenants as of December 31, 1995 are as follows:

	Rose Tree	Carnegie
	-----	-----
<S>	<C>	<C>
1996	\$ 3,665,919	\$ 1,360,185
1997	3,243,896	1,080,479
1998	2,574,592	950,509
1999	2,194,742	640,659
2000	1,297,180	108,336
THEREAFTER	1,482,271	135,420
	-----	-----
	\$14,458,600	\$ 4,275,588
	=====	=====

</TABLE>

4. GENERAL AND ADMINISTRATIVE EXPENSES

The Acquisitions incurred management fees as follows:

<TABLE>

<CAPTION>

	For the Year Ended December 31, 1995	For the Period January 1, 1996 to the Earlier of Date of Acquisition or March 31, 1996 (unaudited)
	-----	-----
<S>	<C>	<C>
Carnegie (3.0 percent of Revenue)	\$ 44,106	\$ 10,475
Rose Tree (2.5 percent of Revenue)	\$104,773	\$ 28,361

</TABLE>

5. OPERATING EXPENSES

Carnegie is subject to association fees for its proportionate share of common area maintenance expenses consisting mainly of grounds and road maintenance of the corporate park in which it is located. Included in operating expenses are \$18,555 and \$4,027 of such fees for 1995 and for the period January 1, 1996 to March 19, 1996, respectively.

6. INTERIM STATEMENTS

The interim financial data for the periods from January 1, 1996 to the earlier of the date of acquisition or March 31, 1996 is unaudited; however, in the opinion of the Acquisitions' management, the interim data includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the interim periods. The results for the periods presented are not necessarily indicative of the results to

be expected for the entire fiscal year or any other period.

CALI REALTY CORPORATION
 Pro Forma Condensed Consolidated Balance Sheet (unaudited)
 As of March 31, 1996 (in thousands)

The following unaudited Pro Forma condensed consolidated balance sheet is presented as if the acquisition by the Company of Rose Tree had occurred on March 31, 1996. This unaudited Pro Forma condensed consolidated balance sheet should be read in conjunction with the Pro Forma condensed consolidated statement of operations of the Company and the historical financial statements and notes thereto of the Company included in the Company's Forms 10-K and 10-Q for the year ended December 31, 1995 and the quarter ended March 31, 1996, respectively.

The Pro Forma condensed consolidated balance sheet is unaudited and is not necessarily indicative of what the actual financial position of the Company would have been had the aforementioned acquisition actually occurred on March 31, 1996, nor does it purport to represent the future financial position of the Company.

<TABLE>
 <CAPTION>

Company	Company	Pro Forma Adjustments for	
Forma	Historical	Rose Tree(a)	Pro
	-----	-----	--

Assets			
<S>	<C>	<C>	
<C>			
Rental property, net	\$333,921	\$ 28,110	
\$362,031			
Cash and cash equivalents	1,494	--	
1,494			
Unbilled rents available	18,795	--	
18,795			
Restricted cash	4,453	--	
4,453			
Other assets	13,068	--	
13,068	-----	-----	-

Total assets	\$371,731	\$ 28,110	
\$399,841	=====	=====	
=====			
Liabilities and Stockholders' Equity			
Mortgages and loans payable	\$137,741	\$ 28,110	
\$165,851			
Dividends and distributions payable	7,608	--	
7,608			
Accounts payable and accrued expenses	3,509	--	
3,509			
Accrued interest payable	484	--	
484			
Rents received in advance and security deposits	4,775	--	
4,775	-----	-----	-

Total liabilities	154,117	28,110	
182,227	-----	-----	-

Minority interest of unitholders in Operating Partnership	27,683	--	
27,683	-----	-----	-

Stockholders' equity			
Common stock, \$.01 per value	152	--	
152			
Additional paid in capital	186,741	--	
186,741			
Retained earnings	3,038	--	
3,038	-----	-----	-

Total stockholders' equity	189,931	--	
189,931	-----	-----	-

Total liabilities and stockholders' equity	\$371,731	\$ 28,110	
\$399,841	=====	=====	
=====			

</TABLE>

(a) Represents the acquisition of Rose Tree on May 2, 1996 for \$28,110. The purchase price, paid in cash, was made available from the Company's revolving credit facility with Prudential Realty Funding Corporation.

Credit facility borrowings bear interest at London Inter Bank Offered Rate plus 150 basis points.

CALI REALTY CORPORATION
 Pro Forma Condensed Consolidated Statement of Operations (unaudited)
 For the Three Months Ended March 31, 1996
 And the Year Ended December 31, 1995

The unaudited Pro Forma condensed consolidated statement of operations for the three months ended March 31, 1996 is presented as if the Partial Prepayment by the Company, the disposition by the Company of Essex Road, and the purchase of the Acquisitions had occurred on January 1, 1996. The unaudited Pro Forma condensed consolidated statement of operations for the year ended December 31, 1995 is presented as if each of the following transactions had occurred on January 1, 1995: (i) the acquisition by the Company of the properties purchased during 1995 and the completion of its second common stock offering; (ii) the purchase by the Company on March 8, 1995 of 100,000 shares of its common stock for constructive retirement; (iii) the Partial Prepayment by the Company of the Mortgage Financing; (iv) the disposition by the Company of Essex Road, and (v) the purchase by the Company of the Acquisitions.

Such Pro Forma information is based upon the historical unaudited consolidated results of operations of the Company for the three months ended March 31, 1996 and the historical consolidated results of operations of the Company for the year ended December 31, 1995, after giving effect to the transactions described above. The Pro Forma condensed consolidated statements of operations should be read in conjunction with the Pro Forma condensed consolidated balance sheet of the Company and the historical financial statements and notes thereto of the Company included in the Company's Forms 10-K and 10-Q for the year ended December 31, 1995 and the quarter ended March 31, 1996, respectively.

The unaudited Pro Forma condensed consolidated statements of operations are not necessarily indicative of what the actual results of operations of the Company would have been assuming the transactions had been completed as set forth above, nor does it purport to represent the Company's results of operations for future periods.

CALI REALTY CORPORATION
 Pro Forma Condensed Consolidated Statement of Operations
 For the Three Months Ended March 31, 1996
 (in thousands, except per share amounts)

(unaudited)

Company	Company	Pro Forma	
Revenue	Historical	Adjustments (a)	Pro
Forma	-----	-----	
<S>	<C>	<C>	
<C>			
Base rents	\$16,012	\$ 1,112	
\$17,124			
Escalations and recoveries	3,081	87	
3,168			
Parking and other	404	--	
404			
Interest income	74	--	
74			

Total revenues	19,571	1,199	
20,770			

Expenses			
Real estate taxes	1,959	127	
2,086			
Utilities	1,882	133	
2,015			
Operating services	2,803	124	
2,927			
General and administrative	936	32	
968			
Depreciation and amortization	3,294	120	
3,414			
Interest expense	2,569	484	
3,053			

Total expenses	13,443	1,020	
14,463			

Income before gain on sale of rental			
property, minority interest and extraordinary item	6,128	179	
6,307			
Gain on sale of rental property	5,658	(5,658)	

Income before minority interest and extraordinary item	11,786	(5,479)	
6,307			
Minority interest	1,812	(842)	
970			
Income before extraordinary item	\$ 9,974	(\$4,637)	\$
5,337			
=====			
Weighted average common shares outstanding			
15,146			
=====			
Income before extraordinary item per common share			\$
.35			

</TABLE>

CALI REALTY CORPORATION
Notes to Pro Forma Condensed Consolidated Statement of Operations
For the Three Months Ended March 31, 1996
(in thousands)

(a) Reflects:

Revenues and expenses of the Acquisitions in 1996 for the period from January 1, 1996 through the earlier of the date of acquisition or March 31, 1996, as follows:

<TABLE>
<CAPTION>

Property	Date	Base Rents(1)	Escalations/ Recoveries	Real Estate Taxes	Utilities	Operating Services
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Carnegie	March 20, 1996	\$ 386	\$ 31	\$ 54	\$ 56	\$ 58
Rose Tree	May 2, 1996	989	93	123	133	144
		-----	-----	-----	-----	-----
		\$1,375	\$ 124	\$ 177	\$ 189	\$ 202
		-----	-----	-----	-----	-----

</TABLE>

CALI REALTY CORPORATION
Notes to Pro Forma Condensed Consolidated Statement of Operations
For the Three Months Ended March 31, 1996 (Continued)
(in thousands)

<TABLE>
<CAPTION>

Property	General and Administrative	Depreciation/ Amortization(2)	Interest(3)	Gain on Sale
<S>	<C>	<C>	<C>	<C>
Carnegie	\$ 11	\$ 49	--	--
Rose Tree	32	158	\$484	--
	-----	-----	-----	-----
	\$ 43	\$207	\$484	--
	-----	-----	-----	-----

</TABLE>

Revenues and expenses of the property disposed of in 1996 for the period from January 1, 1996 through March 20, 1996, as follows:

<TABLE>
<CAPTION>

Property	Date	Base Rents	Escalations/ Recoveries	Real Estate Taxes	Utilities	Operating Services
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Essex Road	March 20, 1996	(\$263)	(\$ 37)	(\$ 50)	(\$ 56)	(\$ 78)
		-----	-----	-----	-----	-----

</TABLE>

<TABLE>
<CAPTION>

Property	General and Administrative	Depreciation/ Amortization	Interest	Gain on Sale
<S>	<C>	<C>	<C>	<C>
Essex Road	(\$11)	(\$81)	(\$43)	(\$5,658)
	-----	-----	-----	-----

</TABLE>

Revenues and expenses related to the Partial Prepayment in 1996 for the period from January 1, 1996 through March 12, 1996, as follows:

<TABLE>
<CAPTION>

	Date	Base Rents	Escalations/ Recoveries	Estate Taxes	Utilities	Operating Services
	----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Partial Prepayment	March 12, 1996	--	--	--	--	--
		-----	-----	-----	-----	-----
Total Pro Forma adjustments		\$1,112	\$ 87	\$127	\$ 133	\$ 124
		=====	=====	=====	=====	=====

</TABLE>
<TABLE>
<CAPTION>

	General and Administrative	Depreciation/ Amortization	Interest(3)	Gain on Sale
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Partial Prepayment	---	(\$ 6)	43	---
	---	-----	-----	-----
Total Pro Forma adjustments	\$32	\$120	\$484	\$(5,658)
	===	=====	=====	=====

</TABLE>

- (1) Pro Forma base rents are presented on a straight line basis calculated from January 1, 1996 forward.
- (2) Depreciation is based on purchase price depreciated on the straight-line method over a 40 year life.
- (3) Interest is calculated at LIBOR plus 150 basis points. Had the interest rate been one-eighth of one percent different, interest would have changed by \$9 for Rose Tree and \$1 for the Partial Prepayment. Interest for the Partial Prepayment is recorded net of a reduction in interest of \$172, reflecting the effect of the Partial Prepayment not recorded in Essex Road above.

CALI REALTY CORPORATION
Pro Forma Condensed Consolidated Statement of Operations
For the Year Ended December 31, 1995
(in thousands, except per share amounts)

<TABLE>
<CAPTION>

Company	Company	Pro Forma Adjustments for 1995 Acquired		Pro Forma Adjustments for 1996 Reported	Pro
Forma	Historical	Properties (b)	Subtotal	Events (c)	---
	-----	-----	-----	-----	---
<S>	<C>	<C>	<C>	<C>	
REVENUE					
Base rents	\$50,808	\$12,961	\$63,769	\$ 4,067	
\$67,836					
Escalations and recoveries	9,504	2,684	12,188	304	
12,492					
Parking and other	1,702	--	1,702	--	
1,702					
Interest income	321	--	321	--	
321					
	-----	-----	-----	-----	
Total revenues	62,335	15,645	77,980	4,371	
82,351					
	-----	-----	-----	-----	
EXPENSES					
Real estate taxes	5,856	1,821	7,677	470	
8,147					
Utilities	6,330	939	7,269	580	
7,849					
Operating services	8,519	1,354	9,873	331	
10,204					
General and administrative	3,712	519	4,231	134	
4,365					
Depreciation and amortization	12,111	2,201	14,312	465	
14,777					
Interest expense	8,661	2,127	10,788	2,222	
13,010					
	-----	-----	-----	-----	
Total expenses	45,189	8,961	54,150	4,202	
58,352					
	-----	-----	-----	-----	
Income before minority interest	17,146	6,684	23,830	169	
23,999					
Minority interest	3,508	208	3,716	26	
3,742					
	-----	-----	-----	-----	
Net income	\$13,638	\$ 6,476	\$20,114	\$ 143	
\$20,257					

Weighted average common shares outstanding
15,105

Net income per common share
\$1.34

</TABLE>

CALI REALTY CORPORATION
Notes to Pro Forma Condensed Consolidated Statement of Operations
For the Year Ended December 31, 1995
(in thousands, except per share amounts)

(b) Reflects revenues and expenses of the properties acquired in 1995 for the period from January 1, 1995 through the date of acquisition, as follows:

Operating Property Services	Date	Base Rents (1)	Escalations/ Recoveries	Real Estate Taxes	Utilities
1717 Rt. 208 Fairlawn, NJ	March 3, 1995	\$ 564	\$ 61	\$ 48	\$ 62
400 Rella Blvd. Montebello, NY	April 11, 1995	874	68	121	132
5 Vaughn Dr. Princeton, NJ	July 21, 1995	1,031	100	126	93
New Jersey Resources	Nov. 8, 1995	6,004	954	802	506
Commercenter Totowa	Nov. 6, 1995	2,942	786	407	71
Horizon Center Business Park	Nov. 8, 1995	1,546	715	317	75
1,354		\$12,961	\$ 2,684	\$ 1,821	\$ 939

</TABLE>
<TABLE>
<CAPTION>

Property	General and Administrative	Depreciation/ Amortization (2)	Interest (3)
1717 Rt. 208 Fairlawn, NJ	\$ 25	\$ 81	\$ 259
400 Rella Blvd. Montebello, NY	29	85	359
5 Vaughn Dr. Princeton, NJ	40	137	476
New Jersey Resources	202	1,046	557
Commercenter Totowa	147	586	330
Horizon Center Business Park	76	266	146
	\$ 519	\$2,201	\$2,127

</TABLE>
(c) Reflects:
Revenues and expenses of the Acquisitions in 1996 for the period from January 1, 1995 through December 31, 1995, as follows:

Property	Date	Base Rents (1)	Escalations/ Recoveries	Real Estate Taxes	Utilities	Operating Services
Carnegie	March 20, 1996	\$1,538	\$ 159	\$ 248	\$ 246	\$ 207
Rose Tree	May 2, 1996	3,990	367	455	549	451
		\$5,528	\$ 526	\$ 703	\$ 795	\$ 658

</TABLE>
<TABLE>
<CAPTION>

Property	General and Administrative	Depreciation/ Amortization (2)	Interest (3)
Carnegie	\$ 46	\$ 195	--
Rose Tree	141	633	2,193

\$ 187 \$ 828 \$2,193

</TABLE>

Revenues and expenses of the property disposed of in 1996 for the period from January 1, 1995 through December 31, 1995, as follows:

<TABLE>

<CAPTION>

Property	Date	Base Rents	Escalations/ Recoveries	Real Estate Taxes	Utilities	Operating Services
Essex Road	March 20, 1996	(\$1,461)	(\$222)	(\$233)	(\$215)	(\$327)

</TABLE>

<TABLE>

<CAPTION>

Property	General and Administrative	Depreciation/ Amortization	Interest
Essex Road	(\$53)	(\$334)	(\$228)

</TABLE>

Revenues and expenses related to the Partial Prepayment in 1996 for the period from January 1, 1995 through December 31, 1995, as follows:

<TABLE>

	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Partial Prepayment (3)	March 12, 1996	--	--	--	--	--	--	(\$ 29)	\$ 257
Total Pro Forma adjustments		\$ 4,067	\$ 304	\$ 470	\$ 580	\$ 331	\$ 134	\$ 465	\$ 2,222

</TABLE>

- (1) Pro Forma base rents are presented on a straight line basis calculated from January 1, 1995 forward.
- (2) Depreciation is based on purchase price depreciated using the straight-line method over a 40 year life.
- (3) Interest is calculated at LIBOR plus 275 basis points through February 1, 1995, at LIBOR plus 200 basis points through November 1, 1995 and at LIBOR plus 150 points after such date. Had the interest rate been one-eighth of one percent different, interest would have changed by \$32 for the properties acquired in 1995, \$35 for the Acquisitions in 1996, and \$7 for the Partial Prepayment. Interest for the Partial Prepayment is recorded net of reduction in interest of \$172, reflecting the effect of the Partial Prepayment not recorded in Essex Road above.

CALI REALTY CORPORATION

Estimated Twelve Month Pro Forma Statement of Taxable Net Operating Income and Operating Funds Available

(unaudited)

The following unaudited statement is a Pro Forma estimate for a twelve month period of taxable income and funds available from operations of the Company. The Pro Forma statement is based on the Company's historical operating results for the twelve month period ended December 31, 1995 adjusted for historical operations of the properties acquired during 1995 and 1996 (as reported in this report) and certain items related to operations which can be factually supported. This statement does not purport to forecast actual operating results for any period in the future.

This statement should be read in conjunction with (i) the financial statements of the Company and (ii) the Pro Forma financial statement of the Company.

<TABLE>

<CAPTION>

	<C>
Estimate of Taxable Net Operating Income (in thousands):	
Cali Realty Corporation historical income before minority interest, year ended December 31, 1995, exclusive of depreciation and amortization (Note 1)	\$ 29,257
Properties acquired during 1995 - historical earnings from operations, as adjusted, exclusive of depreciation (Note 2)	8,885
Properties acquired during 1996 - historical earnings from operations, as adjusted, exclusive of depreciation (Note 2)	1,518
Property disposed of during 1996-historical earnings from operations as adjusted, exclusive of depreciation (Note 2)	(627)
Pro Forma adjustments relating to the Partial Prepayment (Note 3)	(228)
Net adjustment for tax basis rental revenue recognition (Note 4)	(1,121)
Estimated tax depreciation and amortization (Note 5)	
Properties owned at December 31, 1994	(6,746)
Properties acquired during 1995	(915)
Properties acquired during 1996	(859)
Pro Forma taxable income before allocation to minority interest and dividends deduction	29,164
Estimated allocation to minority interest (Note 6)	(5,037)
Estimated dividends deduction (Note 7)	(25,678)

	----- \$ (1,551) =====
Pro Forma taxable net operating income	\$ -- =====
Estimate of Operating Funds Available (in thousands):	
Pro Forma taxable operating income before allocation to minority interests and dividends deduction	\$ 29,164
Add Pro Forma depreciation and amortization	8,520

Estimated Pro Forma operating funds available (Note 8)	\$ 37,684 =====

</TABLE>

CALI REALTY CORPORATION
Estimated Twelve Month Pro Forma Statement of
Taxable Net Operating Income and Operating Funds Available

(unaudited)

Note 1 - The historical income before minority interest represents the Company's income before minority interest for the year ended December 31, 1995.

Note 2 - The historical earnings from operations represents the Pro Forma result of the properties acquired during 1995 and 1996, and the property disposed of in 1996 as referred to in the Pro Forma condensed consolidated statement of operations for the year ended December 31, 1995 and included elsewhere herein.

Note 3 - Represents the Pro Forma result for the Partial Prepayment as referred to in the Pro Forma condensed consolidated statement of operations for the year ended December 31, 1995 and included elsewhere herein.

Note 4 - Represents the net adjustment to (i) recognize prepaid rent and (ii) reverse the effect of rental revenue recognition on a straight line basis.

Note 5 - Tax depreciation for the Company is based upon the original cost or purchase price allocated to the buildings, depreciated on a straight-line method over a 39-year life.

Note 6 - Estimated allocation of taxable income to minority interests is based on a 15.08 percent minority interest in the operating partnership with a special allocation of depreciation on properties included in the Initial Public Offering.

Note 7 - Estimated dividends deduction is based on 15,104,725 shares outstanding at the dividend rate of \$1.70 per share. Shares outstanding, on a Pro Forma basis, are 15,104,725.

Note 8 - Operating funds available does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting parts of the Registration Statements on Forms S-3, dated September 1, 1995 and October 1, 1995, and Form S-8 dated August 1, 1995 of Cali Realty Corporation of our report dated May 2, 1996 relating to the Statement of Revenue and Certain Expenses of the Acquired Properties of Cali Realty Corporation.

/s/Schonbraun Safris Sternlieb & Co., L.L.C.

Schonbraun Safris Sternlieb & Co., L.L.C.
West Orange, New Jersey
July 16, 1996