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) October 29, 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

Cali Realty Corporation (the "Company") intends to acquire through three individual transactions with separate, unrelated sellers a three-building office complex, two neighboring office buildings and one individual office building (the "Proposed Acquisitions").

The total aggregate initial acquisition cost of the Proposed Acquisitions is estimated to be approximately $90,600,000. The Company anticipates it will pay the aggregate initial acquisition cost in cash, which will be made available from proceeds of a public common stock offering of 10,000,000 shares (the "Proposed Offering").

The Company intends to acquire the following properties:

(1) The International Court at Airport Business Center ("Airport Center") is a three-building office complex compries of approximately 370,000 net rentable square feet located in Lester, Delaware County, Pennsylvania.

(2) 300 Tice Boulevard ("Whiteweld") is an approximately 230,000 net rentable square foot office building located in Woodcliff Lake, Bergen County, New Jersey.

(3) Five Sentry Parkway East & West ("5 Sentry") is a two-building office complex comprised of approximately 131,000 net rentable square feet located in Plymouth Meeting, Montgomery County, Pennsylvania.

Further information regarding the Proposed Acquisitions is attached on SCHEDULE A. Additional information regarding Airport Center is provided on SCHEDULE B.

The Proposed Acquisitions will be 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 include 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 takes into consideration capitalization rates at which it believes other comparable office buildings had recently sold, but determines the price it is 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 are to be 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.

Pursuant to the Company's Registration Statements on Form S-3 (File No.'s 33-96538 and 333- 09081), the Company intends to arrange for an underwritten public offering and sale of 10,000,000 shares of its common stock using several

different underwriters to underwrite such public offer and sale. The Company expects to receive approximately $251.5 million in net proceeds from the Proposed Offering, planning to use such funds for the Proposed Acquisitions as well as pay down outstanding borrowings on its revolving credit facilities.
If the Proposed Offering does not occur, the Company intends to fund any projected shortfall in funds available to acquire the Proposed Acquisition by accessing one of a number of lending sources with which the Company currently has relationships. Such lending may be secured by liens on one or more of the Company's currently unencumbered properties. While there can be no assurance that the Company will be able to obtain such additional financing, the Company is reasonably confident that it will be able to do so. If it were not successful, the Company would likely elect not to acquire one or more of the Proposed Acquistions.

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

As of October 29, 1996, the Company has purchased nine 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 five office buildings in 1996.

Financial Statements

The Statements of Revenue and Certain Expenses included in this report encompass the following for Airport Center, Whiteweld, and 5 Sentry, individually:

- Audited Statements of Revenue and Certain Expenses for the years ended December 31, 1995 and unaudited interim financial information for the six month period ended June 30, 1996.

Pro Forma Financial Information (unaudited)
Unaudited pro forma financial information for the Company is presented as follows:

- Condensed consolidated balance sheet as of June 30, 1996.

- Condensed consolidated statements of operations for the six month period ended June 30, 1996 and the year ended December 31, 1995.

- Estimated twelve-month Pro Forma statement of taxable net operating income and operating funds available.

<TABLE>
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SCHEDULE A

CALI REALTY CORPORATION

OFFICE BUILDING	NUMBER OF BUILDINGS	TOTAL SQUARE FEET	APPROXIMATE PERCENT OCCUPIED AS OF JUNE 30, 1996	YEAR COMPLETED	ESTIMATED INITIAL COST TO COMPANY (in thousands)
<S>	<C>	<C>	<C>	<C>	<C>
Airport Center Lester, Delaware County, Pennsylvania	Three	370,000	100%	Buildings: I: 1986 II: 1987 III: 1992	$43,000
Whiteweld 300 Tice Boulevard Woodcliff Lake, Bergen County, New Jersey	One	230,000	94%	1991	$35,200
5 Sentry Parkway East & West Plymouth Meeting, Montgomery County, Pennsylvania	Two	131,000	99%	1984	$12,400
TOTAL		731,000			$90,600

<CAPTION>

OFFICE BUILDING	PRINCIPAL TENANTS (based on percentage of property leased)
<S>	<C>
Airport Center Lester, Delaware County, Pennsylvania	PNC Bank (29%), SAP America, Inc. (28%), Mercy Health Plan (19%)
Whiteweld 300 Tice Boulevard Woodcliff Lake, Bergen County, New Jersey	Medco Containment Services, Inc. (20%), Xerox Corp. (14%), Chase Manhattan Mortgage Corp.(12%), Comdisco Inc. (11%)

5 Sentry Parkway East & West Plymouth Meeting, Montgomery County, Pennsylvania	Merck, Inc. (71%), Selas Fluid Proecessing Corp. (16%)

</TABLE>

SCHEDULE B

AIRPORT CENTER:

Airport Center is located in Lester, Delaware County, Pennsylvania, in a master-planned business park encompassing approximately 187 acres. The Airport Center consists of three low-rise office buildings containing approximately 370,000 net rentable square feet.

Airport Center is located in the southeastern quadrant of Delaware County, adjacent to Interstate 95, the major north-south highway artery for the Eastern United States. The property is located three miles north of the Philadelphia International Airport and readily accessible to the recently completed "Blue Route" (I-476), the state's major east-west toll road.

International Court I ("Building One"), is a three-story office structure containing approximately 95,149 net rentable square feet and was completed in 1986. International Court II ("Building Two"), is a four-story office structure containing approximately 207,618 net rentable square feet, and was completed in 1987. International Court III ("Building Three"), is a three-story office structure containing approximately 67,990 net rentable square feet, and was completed in 1992.

Building One is serviced by two Dover passenger elevators and one Dover passenger/service elevator. Building Two is serviced by four Dover passenger elevators and a freight elevator. Building Three is serviced by one Dover passenger elevator.

The buildings are all equipped with card-key access and a telephone for after-hours security.

Each building is fully sprinklered per NFPA requirements, with smoke detectors, two fire towers and exhaust fans. Additionally, the buildings are individually equipped with a back up generator. The buildings comply with ADA accessibility requirements. The following table sets forth certain information (on a per net rentable square foot basis unless otherwise indicated) about Airport Center. The information presented for years 1991 and 1992 are for Buildings One and Two only. Building Three was completed in 1992.
<TABLE>
<CAPTION>

SCHEDULE B (CONT.)

<S>	1991 <C>	1992 <C>	1993 <C>	1994 <C>	1995 <C>	Six Mos. Ended June 30, 1996 <C>
Number of leases signed during Period (1)	15	3	7	7	1	1
Rentable square footage leased during Period (1)	103,867	39,238	70,062	35,775	4,751	7,950
Base rent ($) (1) (2)	16.06	20.47	19.99	20.62	20.56	22.10
Tenant improvements ($) (3)	18.61	5.94	20.23	6.98	5.00	--
Leasing commissions ($) (4)	1.97	4.48	1.09	0.79	4.13	--
Effective rent ($) (5)	11.76	18.39	15.66	19.01	17.52	22.10
Expense stop ($) (6)	6.00	6.96	6.51	7.32	6.83	8.50
Effective equivalent triple net rent ($) (7)	5.67	11.43	9.15	11.69	10.69	13.60
Occupancy rate at end of period (%) (1)	100.0%	82.5%	93.6%	100.0%	98.8%	99.9%

</TABLE>

(1) Includes only office tenants.

(2) Equals aggregate base rent received over their respective terms from all lease transactions during the period, divided by the terms in months for such leases during the period, multiplied by 12, divided by the total net rentable square feet leased under all lease transactions during the period.

(3) Equals work letter costs net of estimated provision for profit and overhead. Actual tenant improvements may differ from estimated work letter costs.

(4) Equals an aggregate of leasing commissions payable to employees and third parties based on standard commission rates and excludes negotiated commission discounts obtained from time to time.

(5) Equals aggregate base rent received over their respective terms from all lease transactions during the period minus all tenant improvements, leasing commissions and other concessions from all lease transactions during the period, divided by the terms in months for such leases, multiplied by 12, divided by the total net rentable square feet leased under all lease transactions during the period.

(6) All leases in this property are gross leases (i.e. tenants pay their proportionate share of real estate taxes, operating costs and utility

costs in excess of their applicable stops.)

(7) Equals effective rent minus expense stop.

(8) Construction of Building Three was completed during 1992. One tenant occupying 4,194 square feet moved in during 1992, out of a total approximate net rentable square feet of 67,990 at Building Three.

The following table sets forth the average percentage leased and average annual rental per lease on a square foot basis for the past five years for the Airport Center. All of the leases at the Airport Business Center are gross leases (i.e tenants pay their proportionate share of real estate taxes, insurance and operating expenses, in excess of their applicable stops) except for certain retail space which comprise approximately 2,000 square feet.

<TABLE>
<CAPTION>

Period	Average Percentage Leased (%) (1)	Average Annual Rental Per Leased Square Foot (%) (2)
<S>	<C>	<C>
Six months ended June 30, 1996	99.4%	17.13
1995	99.4%	16.64
1994	96.8%	16.08
1993	88.1%	16.20
1992	91.3%	17.31
1991	86.0%	14.75

</TABLE>

(1) Average of beginning and end of year aggregate percentage leased.

(2) Total base rents for the year, determined in accordance with GAAP, divided by the average of beginning and end of year aggregate net rentable area leased.

AIRPORT CENTER - MAJOR TENANTS

Three tenants at the Airport Center occupied approximately 74.1 percent and 76.2 percent of the total net rentable square feet of the property as of December 31, 1995 and June 30, 1996, respectively, as follows:

PNC Bank, NA, a commercial bank, occupied approximately 107,300 net rentable square feet as of December 31, 1995 and June 30, 1996 (approximately 28.9 percent of the total net rentable square feet), pursuant to a lease that expires in February 2000. Total rental income, including escalation and recoveries, was approximately $2,274,300 and $1,147,600 in 1995 and the six months ended June 30, 1996 respectively.

SAP America, Inc., a computer software company, occupied approximately 96,000 and 104,000 net rentable square feet as of December 31, 1995 and June 30, 1996 (approximately 25.9 percent and 28.0 percent of the total net rentable square feet), respectively, pursuant to leases that expire in June 1998 and July 1999. Total rental income, including escalations and recoveries, was approximately $2,086,900 and $1,088,500 in 1995 and for the six months ended June 30, 1996 respectively.

Mercy Health Plan, a regional managed care organization, occupied approximately 71,700 net rentable square feet as of December 31,1995 and June 30,1996 (approximately 19.3 percent of the total net rentable square feet) pursuant to a lease which expires in January 1998. Total rental income, including escalations and recoveries, was approximately $1,488,000 and $748,100 in 1995 and for the six months ended June 30, 1996 respectively.

The following table sets out a schedule of the lease expirations for the Airport Center for 1997 through 2001, for leases in place as of June 30, 1996, assuming that none of the tenants exercise renewal options of termination rights:

<TABLE>
<CAPTION>

Year of Lease expiration	Number of Leases Expiring (1)	Net Rentable Area Subject to Expiring Leases Sq. Ft.	Percentage of Total Leased Sq. Ft. Represented by Expiring Leases (%)	Annual Base Rent Under Expiring Leases ($000) (2)	Average Annual Rent Per Rentable Square Foot Represented By Expiring Leases ($)(2)
<S>	<C>	<C>	<C>	<C>	<C>
1997	4	7,656	2.07%	$ 126	$16.46
1998	4	82,408	22.29	1,709	20.74
1999	6	139,991	37.87	2,488	17.77
2000	5	129,594	35.05	2,033	15.69
2001	2	10,044	2.72	114	11.35
Total Weighted Average	21	369,693	100.00%	$6,470	$17.50

</TABLE>

(1) Includes office tenants only.

(2) Determined based on aggregate base rent to be received over the term divided by the term in months multiplied by 12, including all leases dated on or before June 30, 1996.

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

October 29, 1996	By:	/s/ Thomas A. Rizk Thomas A. Rizk President and Chief Executive Officer
October 29, 1996	By:	/s/ Barry Lefkowitz Barry Lefkowitz Vice President - Finance and Chief Financial Officer

CALI REALTY CORPORATION
Index to Financial Statements

Report of Independent Auditors

To the Participants and Partners of
The International Court at Airport Business Center

We have audited the accompanying combined statement of revenue and certain expenses of the International Court at Airport Business Center (the "Airport Center") for the year ended December 31, 1995. This financial statement is the responsibility of the Airport Center's management. Our responsibility is to express an opinion on this statement of revenue and certain expenses 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 combined statement of revenue and certain expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined statement of revenue and certain expenses. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the combined statement of revenue and certain expenses. We believe that our audit provides a reasonable basis for our opinion.

The accompanying combined statement of revenue and certain expenses of the Airport Center was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in the Current Report on Form 8-K of Cali Realty Corporation as described in Note 1, and is not intended to be a complete presentation of the Airport Center's revenue and expenses.

In our opinion, the combined statement of revenue and certain expenses referred to above presents fairly, in all material respects, the revenue and certain expenses described in Note 1 of the Airport Center for the year ended December 31, 1995, in conformity with generally accepted accounting principles.

Ernst & Young LLP

Ernst & Young LLP

Philadelphia, Pennsylvania
October 16, 1996

<TABLE>
<CAPTION>

International Court at Airport Business Center

Combined Statements of Revenue and Certain Expenses

<S>	Year ended December 31, 1995 <C>	Six months ended June 30, 1996 (Unaudited) <C>
Revenue:		
Base rents	$7,044,319	$3,575,524
Escalations and recoveries from tenants	1,036,914	519,212
Other	27,848	16,454
	8,109,081	4,111,190
Certain expenses:		
Real estate taxes	741,136	395,886
Utilities	1,054,993	527,340
Operating services	1,151,793	615,435
General and administrative	408,172	190,495
	3,356,094	1,729,156
Revenue in excess of certain expenses	$4,752,987	$2,382,034

</TABLE>

See accompanying notes.

International Court at Airport Business Center

Notes to Combined Statements of Revenue and Certain Expenses

1. Organization and Summary of Significant Accounting Policies

Organization

The International Court at Airport Business Center (the "Airport Center") consists of three individual multi-tenant office buildings in the Airport Business Center located in Lester, Pennsylvania. The Airport Center expects to be acquired by Cali Realty Corporation, who will subsequently file a Current Report on Form 8-K with the Securities and Exchange Commission.

Basis of Presentation

The accompanying combined statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission.

The accounts of each of the properties comprising the Airport Center are combined in the statement of revenue and certain expenses. There are no inter-property accounts to be eliminated. The financial statement is not representative of the actual operations for the periods presented as certain expenses that may not be comparable to the expenses expected to be incurred in the proposed future operations of the Airport Center have been excluded. Expenses excluded consist of interest, amortization, professional fees, and other costs not directly related to the future operations of the Airport Center.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue Recognition

Base rents are recognized on a straight-line basis over the term of the lease.

Unaudited Interim Financial Statement

With respect to the unaudited interim financial statement, in the opinion of the management of the Airport Center, all adjustments and eliminations, consisting only of normal recurring adjustments, necessary to present fairly the combined statement of revenues and certain expenses of the Airport Center for the six months ended June 30, 1996, have been included. The results of operations for such interim period are not necessarily indicative of the results for the full year.

International Court at Airport Business Center

Notes to Combined Statements of Revenue and Certain Expenses (continued)

2. Properties

The three multi-tenant office properties comprising the Airport Center are as follows:

Property Name	Location
International Court I	Lester, PA
International Court II	Lester, PA
International Court III	Lester, PA

3. Related Party Transactions

The Airport Center is managed by The Henderson Group and are related by way of common ownership (the Henderson Family). The Airport Center has engaged in transactions with affiliates of the Henderson Group as follows:

<TABLE>
<CAPTION>

<S>	Year ended December 31, 1995 <C>	Six months ended June 30, 1996 (Unaudited) <C>
Base rents	$237,683	$118,842
Escalations and recoveries from tenants	34,125	17,338
Repair and maintenance expense (operating services)	205,698	99,988
Management fees (general and administrative)	244,186	130,942
Marketing fee expense (general and administrative)	44,256	22,128
Commissions expense (general and administrative)	14,051	--

</TABLE>

Management fees are charged based upon 3% of rents collected.

International Court at Airport Business Center

Notes to Combined Statements of Revenue and Certain Expenses (continued)

4. Leasing Activity

The Airport Center earns rental income under noncancelable operating leases. Generally, leases provide for minimum rent and require each tenant to pay its pro rata share of building operating expenses in excess of established amounts.

The following schedule of future minimum rental payments due under noncancelable operating leases as of December 31, 1995 does not include any amounts due upon exercise of renewal options under existing leases.

Year ending December 31:	
1996	$ 6,608,000
1997	6,005,000
1998	4,108,000
1999	2,258,000
2000	339,000
	$ 19,318,000

In 1995, three tenants contributed approximately 75% of base rents. PNC Bank, SAP America, and Mercy Health Plan contributed 28%, 26% and 21%, respectively.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders
Cali Realty Corporation
Cranford, New Jersey

We have audited the accompanying Statement of Revenue and Certain Expenses for the property known as Whiteweld Centre for the year ended December 31, 1995.

This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates make 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 statement of revenue and certain expenses was 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 is not intended to be a complete presentation of Whiteweld Centre's revenues and expenses.

In our opinion the financial statement referred to above presents fairly, in all material respects, the revenue and certain expenses for Whiteweld Centre, 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
October 17, 1996

<TABLE>
<CAPTION>

WHITEWELD CENTRE

STATEMENT OF REVENUE AND CERTAIN EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1995

<S>	<C>
Revenue	
Base rents	$3,492,867
Recoveries from tenants	359,163
	3,852,030
Certain Expenses	
Real estate taxes	468,000
Utilities	698,174
Operating services	524,183
General and administrative	147,453
	1,837,810
Revenue in excess of certain expenses	$2,014,220

</TABLE>

The accompanying notes are an integral part of this Statement of Revenue and Certain Expenses.

WHITEWELD CENTRE

NOTES TO STATEMENTS OF REVENUE AND CERTAIN EXPENSES

1. Organization and Operation of Property

For the purpose of the accompanying statements of revenue and certain expenses, Whiteweld Centre (the "Property") is an office building located in Woodcliff Lake, New Jersey expected to be acquired by Cali Realty Corporation (the "Company").

2. Summary of Significant Accounting Policies

a. 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 operation 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 Property have been excluded. Revenues excluded consist of interest unrelated to the continuing operations of the Property. Expenses excluded 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 Property.

b. Use of Estimates

The preparation of finnancial 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.

c. Revenue Recognition

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

3. LEASES

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

3. LEASES (Continued)

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

1996	$ 3,959,970
1997	4,097,187
1998	3,416,332
1999	3,032,853
2000	2,796,151
Thereafter	3,705,724
	$21,008,217

For the year ended December 31, 1995 and the six months ended June 30, 1996, five tenants contributed 82.5 percent and four tenants contributed 63.9 percent of base rents, respectively, as follows:

<TABLE>
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	Base Rent Contributed	
	Year Ended December 31, 1995	Six Months Ended June 30, 1996
		(unaudited)
<S>	<C>	<C>
Xerox Corp.	22.2%	19.7%
Medco Containment Services, Inc.	20.4	18.0
Chase Manhattan Mortgage Corp.	15.6	13.8
Comdisco Inc.	14.0	12.4
Kraft Foods	10.3	--
	82.5%	63.9%

</TABLE>

4. GENERAL AND ADMINISTRATIVE EXPENSES

During the periods covered by these statements, the Property was owner-managed and in lieu of management fees, incurred payroll and related costs, which are included in general and administrative expenses of $113,342 for the year ended December 31, 1995 and $65,654 for the six months ended June 30, 1996 (unaudited).

5. INTERIM STATEMENT

The interim financial data for the six months ended June 30, 1996 is unaudited; however, in the opinion of management, the interim data includes all adjustments, consisting only of normally recurring adjustments, necessary for a fair statement of the results for the interim period. The results for the period presented are not necessarily indicative of the results to be expected for the entire fiscal year or any other period.

<TABLE>
<CAPTION>

WHITEWELD CENTRE

STATEMENT OF REVENUE AND CERTAIN EXPENSES

SIX MONTHS ENDED JUNE 30, 1996
(UNAUDITED)

<S>	<C>
Revenue	
Base rents	$1,972,365
Recoveries from tenants	158,562

	2,130,927
Certain expenses	
Real estate taxes	228,375
Utilities	377,844
Operating services	297,541
General and administrative	96,008

	999,768

Revenue in excess of certain expenses	$1,131,159
	==========

</TABLE>

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
Cali Realty Corporation
Cranford, New Jersey

We have audited the accompanying Statement of Revenue and Certain Expenses for the property known as Five Sentry Parkway East and West for the year ended December 31, 1995. The financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement of revenue and certain expenses was 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 is not intended to be a complete presentation of Five Sentry Parkway East and West revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue and certain expenses for Five Sentry Parkway East and West, 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
October 15, 1996

<TABLE>
<CAPTION>

FIVE SENTRY PARKWAY EAST AND WEST

STATEMENT OF REVENUE AND CERTAIN EXPENSES

YEAR ENDED DECEMBER 31, 1995

<S>	<C>
Revenue	
Base rents	$1,957,167
Certain expenses	
Real estate taxes	173,196
Utilities	34,564
Operating services	357,031
General and administrative	100,531
	665,322
Revenue in excess of certain expenses	$1,291,845

</TABLE>

The accompanying notes are an integral part of this Statement of Revenue and Certain Expenses.

FIVE SENTRY PARKWAY EAST AND WEST

NOTES TO STATEMENT OF REVENUE AND CERTAIN EXPENSES

YEAR ENDED DECEMBER 31, 1995

1. ORGANIZATION AND OPERATION OF PROPERTY

For the purpose of the accompanying statements of revenues and certain expenses, Five Sentry Parkway East and West (the "Properties") are two office buildings located in Plymouth Meeting, Montgomery County, Pennsylvania in an office park known as Sentry Parkway which are expected to be acquired by Cali Realty Corporation, (the "Company").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation

The accompanying statement of revenue and certain expenses has been prepared on the accrual basis of accounting.

The accompanying financial statement is not representative of the actual operations for the period 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 Properties have been excluded. Revenues excluded consist of interest and other revenues unrelated to the continuing operations of the Properties. Expenses excluded consist of 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 Properties.

b. Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 these estimates.

c. Revenue Recognition

Base rents are recognized on a straight-line basis over the terms of the respective leases.

3. LEASES

Leases for the Properties have various remaining lease terms of up to 6 years with options to certain tenants for renewal. Minimum rental amounts for certain leases increase as set forth under the terms of each lease. Effective January 1, 1996, Merck & Co., a tenant with space at both buildings occupying 71 percent of the buildings in the aggregate, renegotiated its lease from a fixed escalation charge lease to a gross lease which provides for reimbursements of real estate taxes, insurance, utility and other operating costs, over a 1995 base year.

3. LEASES (Continued)

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

1996	$2,053,959
1997	2,054,709
1998	1,911,808
1999	1,692,182
2000	1,503,396
Thereafter	523,824
	$9,739,878

For the year ended December 31, 1995 and the six months ended June 30, 1996, two tenants contributed 88.7 percent and 89.0 percent of base rents, respectively.

Merck, Inc. contributed 73.5 percent of the base rents for the year ended December 31, 1995 and 73.7 percent of the base rents for the six months ended June 30, 1996, respectively.

Selas Fluid Processing Corp. contributed 15.2 percent of the base rents for the year ended December 31, 1995 and 15.3 percent of the base rents for the six months ended June 30, 1996, respectively.

4. GENERAL AND ADMINISTRATIVE EXPENSES

The Properties incurred management fees based on three and one-quarter percent of revenues received which totaled $67,082 for the year ended December 31, 1995 and $33,186 for the six months ended June 30, 1996 (unaudited).

5. INTERIM STATEMENTS

The interim financial data for the six months ended June 30, 1996 is unaudited; however, in the opinion of management, the interim data includes all adjustments, consisting only of normally recurring adjustments, necessary for a fair statement of the results for the interim period. The results for the period presented are not necessarily indicative of the results to be expected for the entire fiscal year or any other period.

<TABLE>
<CAPTION>

FIVE SENTRY PARKWAY EAST AND WEST

STATEMENT OF REVENUE AND CERTAIN EXPENSES

SIX MONTHS ENDED JUNE 30, 1996
(UNAUDITED)

<S>	<C>
Revenue	
Base rents	$977,878
Certain expenses	
Real estate taxes	87,162
Utilities	19,206
Operating services	202,009
General and administrative	46,524
	354,901

Revenue in excess of certain expenses	$622,977
	========

</TABLE>

The accompanying notes are an integral part of this Statement of Revenue and Certain Expenses.

CALI REALTY CORPORATION
Pro Forma Condensed Consolidated Balance Sheet (unaudited)
As of June 30, 1996 (in thousands)

The following unaudited pro forma condensed consolidated balance sheet is presented as if the acquisition by the Company of the Mount Airy Buildings on July 23, 1996, the intended purchase of Harborside and the Proposed Acquisitions, as well as the offering of 3,450,000 shares of common stock on August 13, 1996 and the Proposed Offering of 10,000,000 share of common stock, had occurred on June 30, 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 Form 10-K for the year ended December 31, 1995 and the Company's Form 10-Q for the six month period ended June 30, 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 transactions actually occurred on June 30, 1996, nor does it purport to represent the future financial position of the Company.

<TABLE>
<CAPTION>

ASSETS	Company Historical	Company Pro Forma Adjustments (a)	Pro Forma (unaudited)
<S>	<C>	<C>	<C>
Rental property, net	$364,965	$393,711	$758,676
Cash and cash equivalent	1,907	--	1,907
Unbilled rents receivable	18,930	--	18,930
Restricted cash	3,785	--	3,785
Other assets	12,679	--	12,679
Total assets	$402,266	$393,711	$795,977
	========	========	========
LIABILITIES AND STOCKHOLDER'S EQUITY			
Mortgages and loans payable	$169,147	$ 65,381	$234,528
Dividends and distributions payable	7,610	--	7,610
Accounts payable and accrued expenses	4,044	--	4,044
Rents received in advance and security deposits	4,214	--	4,214
Accrued interest payable	485	--	485
Total liabilities	$185,500	$ 65,381	$250,881
Minority interest of unitholders in Operating Partnership	27,545	--	27,545
Common stock, $.01 par value	152	135	287
Additional paid in capital	186,808	328,195	

			515,003
Retained earnings	2,261	--	2,261
Total stockholder's equity	189,221	328,330	517,551
Total liabilities and stockholder's equity	$402,266	$393,711	$795,977

</TABLE>

(a) Represents the acquisition of the Mount Airy Buildings on July 23, 1996 for $10,459, the proposed acquisition of Harborside estimated to cost $287,400, and estimated costs for the Proposed Acquisitions of $90,600. The acquisition cost for the Mount Airy Buildings, paid in cash, was made available from the Company's revolving credit facilities. The acquisition cost for Harborside is intended to be financed with a combination of assumed mortgage debt of $100,000, seller-provided mortgage debt of $50,000, and approximately $137,400 in cash made available through the Company's revolving credit facilities. Also represents the Pro Forma effect of the contingent obligation payments related to the development of vacant land parcels aggregating an estimated net present value of $5,252 of asset and corresponding liability. The estimated acquisition costs for the Proposed Acquisitions are intended to be made available from the net proceeds received with the Proposed Offering. In addition, adjustments reflect the offering of 3,450,000 shares of common stock by the Company on August 13, 1996 for net proceeds (after offering costs) of $76,830 and the expected estimated net proceeds from the Proposed Offering of $251,500. The net proceeds from the 1996 Offering and the Proposed Offering are reflected as being used to reduce its outstanding borrowings under the Company's revolving credit facilities, as well as fund the acquisition of the Proposed Acquisitions.

CALI REALTY CORPORATION
Pro Forma Condensed Consolidated Statement of Operations (unaudited)
For the Six Months Ended June 30, 1996
And the Year Ended December 31, 1995

The unaudited Pro Forma condensed consolidated statement of operations for the six months ended June 30, 1996 is presented as if each of the following had occurred on January 1, 1996: (i) the partial prepayment by the Company of its Mortgage Financing ("Partial Prepayment"), (ii) the disposition by the Company of its property at 15 Essex Road in Paramus, New Jersey ("Essex Road"), (iii) the acquisition by the Company of the properties purchased from January 1, 1996 through May 2, 1996, the Mount Airy Buildings on July 23, 1996 and the intended acquisition of Harborside, (iv) the net proceeds received by the Company as a result of the Offering on August 13, 1996, (v) the acquisition by the Company of the Proposed Acquisitions, and (vi) the net proceeds received by the Company as a result of the Proposed Offering. Items (i) through (iv) above are to be collectively referred to as the "Previously Reported Events," and items (v) and (vi) are to be collectively referred to as the "Proposed Events". 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 common stock offering on November 17, 1995, (ii) the purchase by the Company on March 8, 1995 of 100,000 shares of its common stock for constructive retirement, (iii) the Previously Reported Events, and (iv) the Proposed Events.

Such Pro Forma information is based upon the historical unaudited consolidated results of operations of the Company for the six months ended June 30, 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 for the year ended December 31, 1995 and the Company's Form 10-Q for the six month period ended June 30, 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.

<TABLE>
<CAPTION>

CALI REALTY CORPORATION
Pro Forma Condensed Consolidated Statement Of Operations
For The Six Months Ended June 30, 1996
(in thousands, except per share amounts)

(unaudited)

	Company	Pro Forma Adj. for Previously Reported	Pro Forma Adj. For Proposed

REVENUES	Company Historical	Events(a)	Sub-total	Events (b)	Pro Forma
Base rents	$ 33,276	$ 20,894	$ 54,170	$ 6,665	$ 60,835
Escalations and recoveries from tenants	6,232	4,308	10,540	678	11,218
Parking and other	923	243	1,166	16	1,182
Interest income	153	--	153	--	153
Total revenues	40,584	25,445	66,029	7,359	73,388
EXPENSES					
Real Estate Taxes	4,153	1,971	6,124	711	6,835
Utilities	3,755	683	4,438	924	5,362
Operating services	5,315	2,129	7,444	1,115	8,559
General and administrative	2,064	1,225	3,289	333	3,622
Depreciation and amortization	6,908	3,326	10,234	963	11,197
Interest expense	5,568	8,448	14,016	(5,524)	8,492
Total expense	27,763	17,782	45,545	(1,478)	44,067
Income before gain on sale of rental property, minority interest and extraordinary item	12,821	7,663	20,484	8,837	29,321
Gain on sale of property	5,658	(5,658)	--	--	--
Income before minority interest and extraordinary item	18,479	2,005	20,484	8,837	29,321
Minority interest	2,821	(206)	2,615	(66)	2,549
Income before extraordinary item	$ 15,658	$ 2,211	$ 17,869	$ 8,903	$ 26,772
Pro Forma weighted average common shares outstanding					28,625
Pro Forma income before extraordinary item per common share					$ 0.94

</TABLE>

CALI REALTY CORPORATION
Notes to Pro Forma Condensed Consolidated Statement of Operations
For the Six Months Ended June 30, 1996
(in thousands)

(a) Reflects:

Revenues and expenses of the properties acquired from January 1, 1996 through July 23, 1996 and the pending acquisition of Harborside, for the period January 1, 1996 through the earlier of June 30, 1996 or the date of acquisition, as follows:

<TABLE>
<CAPTION>

Property	Date	Base Rents(1)	Escalations/ Recoveries	Other Income	Real Estate Taxes	Utilities	Operating Services
Carnegie	March 20, 1996	$ 386	$ 31	--	$ 54	$ 56	$ 58
Rose Tree	May 2, 1996	1,312	115	--	165	180	179

Mount Airy Buildings	July 23, 1996	598	90	--	90	--	4
Harborside	Pending	18,861	4,109	243	1,712	503	1,966
		$21,157	$4,345	$243	$2,021	$739	$2,207

<CAPTION>

Property	General and Administrative	Depreciation	Interest(3)	Gain on sale of property
<S>	<C>	<C>	<C>	<C>
Carnegie	$ 11	$ 49	--	--
Rose Tree	43	215	650	--
Mount Airy Buildings	48	95	359	--
Harborside	1,134	3,054	10,074	--
	$1,236	$3,413	$11,083	--

</TABLE>
Revenues and expenses of the property disposed of in 1996 for the period January 1, 1996 through the disposition date, as follows:

<TABLE>
<CAPTION>

Property/Event	Date	Base Rents(1)	Escalations/ Recoveries	Other Income	Real Estate Taxes	Utilities	Operating Services
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Essex Road	March 20, 1996	($263)	($37)	--	($50)	($56)	($78)

<CAPTION>

Property/Event	General and Administrative	Depreciation(2)	Interest(3)	Gain on sale of property
<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 January 1, 1996 through March 12, 1996, as follows:
<TABLE>
<CAPTION>

Property/Event	Date	Base Rents(1)	Escalations/ Recoveries	Other Income	Real Estate Taxes	Utilities	Operating Services
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Partial Prepayment	March 12, 1996	--	--	--	--	--	--

<CAPTION>

Property/Event	General and Administrative	Depreciation(2)	Interest(3)	Gain on sale of property
<S>	<C>	<C>	<C>	<C>
Partial Prepayment	--	($6)	$43	--

</TABLE>
Reduction of expenses on account of the net proceeds from the Offering on August 13, 1996 for the six months ended June 30, 1996, as follows:
<TABLE>
<CAPTION>

	Date	Base Rents(1)	Escalations/ Recoveries	Other Income	Real Estate Taxes	Utilities	Operating Services
	<C>	<C>	<C>	<C>	<C>	<C>	<C>
The Offering	August 13, 1996	--	--	--	--	--	--
Total Pro Forma adjustment for Previously Reported Events		$20,894	$4,308	$243	$1,971	$683	$2,129

<CAPTION>

	General and Administrative	Depreciation(2)	Interest(3)	Gain on sale of property
	<C>	<C>	<C>	<C>
The Offering	--	--	($2,635)	--
Total Pro Forma adjustment for Previously Reported Events	$1,225	$3,326	$8,448	($5,658)

</TABLE>

CALI REALTY CORPORATION
Notes to Pro Forma Condensed Consolidated Statement of Operations
For the Six Months Ended June 30, 1996

(in thousands)

(b) Reflects:

Revenues and expenses of the Proposed Acquisitions for the six months ended June 30, 1996, as follows:

<TABLE>
<CAPTION>

Property	Base Rents(1)	Escalations/ Recoveries	Other Income	Real Estate Taxes	Utilities	Operating Services
Airport Center	$3,592	$519	$16	$396	$527	$ 615
Whiteweld	2,043	159	--	228	378	298
5 Sentry	1,030	--	--	87	19	202
	$6,665	$678	$16	$711	$924	$1,115

<CAPTION>

Property	General and Administrative	Depreciation(2)	Interest(3)
<S>	<C>	<C>	<C>
Airport Center	$190	$457	$1,476
Whiteweld	96	374	1,208
5 Sentry	47	132	426
	$333	$963	$3,110

</TABLE>

Reduction of expenses on account of the net proceeds from the Proposed Offering for the six months ended June 30, 1996, as follows:

<TABLE>
<CAPTION>

Event	Base Rents(1)	Escalations/ Recoveries	Other Income	Real Estate Taxes	Utilities	Operating Services
<S>	<C>	<C>	<C>	<C>	<C>	<C>
The Proposed Offering						
Total Pro Forma Adj. for Proposed Events	--	--	--	--	--	--
	$6,665	$678	$16	$711	$924	$1,115

<CAPTION>

Event	General and Administrative	Depreciation(2)	Interest(3)
<S>	<C>	<C>	<C>
The Proposed Offering			
Total Pro Forma Adj. for Proposed Events	--	--	$(8,634)
	$333	$963	$(5,524)

</TABLE>

(1) Pro Forma base rents are presented on a straight-line basis calculated from January 1, 1996 forward.

(2) Depreciation is based on the building-related portion of the purchase price and associated costs depreciated using the straight-line method over a 40-year life.

(3) Interest for floating rate debt is calculated using LIBOR plus 150 basis points for the existing credit lines, and LIBOR plus 125 basis points for the new facility to be used in the Harborside acquisition. Had the interest rate for floating rate debt been one-eighth of one percent different, interest would have changed by $12 for Rose Tree, $1 for the Partial Prepayment, $7 for the Mount Airy Building, $86 for Harborside, $48 for the Offering, and $214 for the Proposed Events. Interest for the Partial Prepayment is not recorded in the Essex Road disposition.

<TABLE>
<CAPTION>

CALI REALTY CORPORATION
Pro Forma Condensed Consolidated Statement Of Operations
For The Year Ended December 31, 1995
(in thousands, except per share amount)

(unaudited)

Pro Forma Pro Forma

REVENUES	Company Historical	Adjustments For 1995 Acquired Properties(a)	Sub-total	Adj. for 1996 Previously Reported Events (b)	Sub-total
<S>	<C>	<C>	<C>	<C>	<C>
Base rents	$ 50,808	$ 12,961	$ 63,769	$ 39,979	$103,748
Escalations and recoveries from tenants	9,504	2,684	12,188	9,856	22,044
Parking and other	1,702	--	1,702	182	1,884
Interest income	321	--	321	--	321
Total revenues	62,335	15,645	77,980	50,017	127,997
EXPENSES					
Real estate taxes	5,856	1,821	7,677	4,734	12,411
Utilities	6,330	939	7,269	1,689	8,958
Operating services	8,519	1,354	9,873	4,540	14,413
General and administrative	3,712	519	4,231	2,716	6,947
Depreciation and amortization	12,111	2,201	14,312	6,761	21,073
Interest expense	8,661	2,127	10,788	18,129	28,917
Total Expenses	45,189	8,961	54,150	38,569	92,719
Income before minority interest	17,146	6,684	23,830	11,448	35,278
Minority interest	3,508	208	3,716	896	4,612
Net income	$ 13,638	$ 6,476	$ 20,114	$ 10,552	$ 30,666

<CAPTION>

CALI REALTY CORPORATION

Pro Forma Condensed Consolidated Statement Of Operations

For The Year Ended December 31, 1995

(in thousands, except per share amount)

(unaudited)

(continued)

REVENUES	Pro Forma Adj. for 1996 Proposed Events(c)	Company Pro Forma
<S>	<C>	<C>
Base rents	$12,765	$116,513
Escalations and recoveries from tenants	1,396	23,440
Parking and other	28	1,912
Interest income	--	321
Total revenues	14,189	142,186
EXPENSES		
Real estate taxes	1,382	13,793
Utilities	1,788	10,746
Operating services	2,033	16,446
General and administrative	656	7,603
Depreciation and amortization	1,926	22,999
Interest expense	(12,555)	16,362
Total Expenses	(4,770)	87,949
Income before minority interest	18,959	54,237
Minority interest	217	4,829
Net income	$18,742	$49,408

	=======	=======
Pro Forma weighted average common shares outstanding		28,555
Pro Forma net income per common share		$1.73

</TABLE>

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

<TABLE>
<CAPTION>

Property	Date	Base Rents(1)	Escalations/ Recoveries	Real Estate Taxes	Utilities	Operating Services
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1717 Rt. 208 Fairlawn, NJ	March 3, 1995	$564	$61	$48	$62	$64
400 Rella Blvd Montebello, NY	April 11, 1995	874	68	121	132	100
5 Vaughn Dr. Princeton, NJ	July 21, 1995	1,031	100	126	93	127
New Jersey Resources	Nov 8, 1995	6,004	954	802	506	591
Commerce Center Totowa	Nov 6, 1995	2,942	786	407	71	295
Horizon Center Business Park	Nov 8, 1995	1,546	715	317	75	177
Total Pro Forma Adjustment for Acquired Properties		$12,961	$2,684	$1,821	$939	$1,354

<CAPTION>

Property	General and Administrative	Depreciation(2)	Interest(3)
<S>	<C>	<C>	<C>
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
Commerce Center Totowa	147	586	330
Horizon Center Business Park	76	266	146
Total Pro Forma Adjustment for Acquired Properties	$519	$2,201	$2,127

</TABLE>

(b) Reflects:

Revenues and expenses of the properties acquired from January 1, 1996 through July 23, 1996 and the proposed acquisition of Harborside for the period January 1, 1995 through December 31, 1995, as follows:

<TABLE>
<CAPTION>

Property	Date	Base Rents(1)	Escalations/ Recoveries	Other Income	Real Estate Taxes	Utilities
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Carnegie	March 20, 1996	$1,538	$159	--	$248	$246
Rosetree	May 2, 1996	3,990	367	--	455	549
Mount Airy Building	July 23, 1996	1,130	183	--	183	--
Haborside	October 24, 1996	34,782	9,369	182	4,081	1,109
		$41,440	$10,078	$182	$4,967	$1,904

<CAPTION>

Property	Operating Services	General and Administrative	Depreciation(2)	Interest(3)
<S>	<C>	<C>	<C>	<C>
Carnegie	$207	$46	$195	--
Rosetree	451	141	633	2,193
Mount Airy Building	6	52	189	816
Haborside	4,203	2,530	6,107	21,086
	$4,867	$2,769	$7,124	$24,095

</TABLE>

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

<TABLE>
<CAPTION>

Property	Date	Base Rents(1)	Escalations/ Recoveries	Other Income	Real Estate Taxes	Utilities
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Essex Road	March 20, 1996	($1,461)	($222)	--	($233)	($215)

<CAPTION>

Property	Operating Services	General and Administrative	Depreciation(2)	Interest(3)

<S>	<C>	<C>	<C>	<C>
Essex Road	($327)	($53)	($334)	($228)

</TABLE>

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

<TABLE>
<CAPTION>

	Date	Base Rents(1)	Escalations/ Recoveries	Other Income	Real Estate Taxes	Utilities
	<C>	<C>	<C>	<C>	<C>	<C>
Partial Prepayment	March 12, 1996	--	--	--	--	--

<CAPTION>

	Operating Services	General and Administrative	Depreciation(2)	Interest(3)
	<C>	<C>	<C>	<C>
Partial Prepayment	--	--	(29)	257

</TABLE>

Reduction of expenses on account of the net proceeds from the Offering on August 13, 1996 for the period Janaury 1, 1995 through December 31, 1995, as follows:

<TABLE>
<CAPTION>

	Date	Base Rents(1)	Escalations/ Recoveries	Other Income	Real Estate Taxes	Utilities
<S>	<C>	<C>	<C>	<C>	<C>	<C>
The Offering	August 13, 1996	--	--	--	--	--
Total Pro Forma Adj. for 1996 Previously Reported event		$39,979	$9,856	$182	$4,734	$1,689

<CAPTION>

	Operating Services	General and Administrative	Depreciation(2)	Interest(3)
<S>	<C>	<C>	<C>	<C>
The Offering	--	--	--	(5,995)
Total Pro Forma Adj. for 1996 Previously Reported event	$4,540	$2,716	$6,761	$18,129

</TABLE>

(c) Reflects:

Revenues and expenses of the Proposed Acquisitions for the period January 1, 1995 through December 31, 1995, as follows:

<TABLE>
<CAPTION>

Property	Base Rents(1)	Escalations/ Recoveries	Other Income	Real Estate Taxes	Utilities	Operating Services
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Airport Center	$ 7,085	$1,037	$ 28	$ 741	$1,055	$1,152
Whiteweld	3,625	359	--	468	698	524
5 Sentry	2,055	0	--	173	35	357
	$12,765	$1,396	$ 28	$1,382	$1,788	$2,033

<CAPTION>

Property	General and Administrative	Depreciation(2)	Interest(3)
<S>	<C>	<C>	<C>
Airport Center	$408	$ 914	$3,355
Whiteweld	147	748	2,747
5 Sentry	101	264	968
	$656	$1,926	$7,070

</TABLE>

Reduction of expenses on account of the net proceeds from the Proposed Offering for the period Janaury 1, 1995 through December 31, 1995, as follows:

<TABLE>
<CAPTION>

	Base Rents(1)	Escalations/ Recoveries	Other Income	Real Estate Taxes	Utilities	Operating Services
<S>	<C>	<C>	<C>	<C>	<C>	<C>
The Proposed Offering	--	--	--	--	--	--
Total Pro Forma Adj for 1996 Proposed Events	$12,765	$1,396	$28	$1,382	$1,788	$2,033

<CAPTION>

	General and Administrative	Depreciation(2)	Interest(3)
The Proposed Offering	--	--	$(19,625)
Total Pro Forma Adj for 1996 Proposed Events	$656	$1,926	$(12,555)

(1) Pro Forma base rents are presented on a straight-line basis calculated from January 1, 1995 forward.

(2) Depreciation is based on building-related portion of the purchase price and associated costs depreciated using the straight-line method over a 40-year life.

(3) Interest for floating rate debt is calculated using LIBOR plus 275 basis points through February 1, 1995, at LIBOR plus 200 basis points through November 1, 1995 and at LIBOR plus 150 basis points after such date (for the existing credit lines), and LIBOR plus 125 basis points (for the new credit facility to be used in the Haborside acquisition). Had the interest rate on floating rate debt been one-eighth of one percent different, interest would have changed by $32 for the properties acquired in 1995, $35 for Rose Tree, $4 for the Partial Prepayment, $13 for the Mount Airy Building, $172 for Harborside, $96 for the Offering, and $427 for the Proposed Events. 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 the Essex Road disposition.

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 statements of the Company.

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 January 1, 1996 through July 23, 1996, and including the pending acquisition of Harborside - historical earnings from operations, as adjusted, exclusive of depreciation (Note 2)	13,098
Proposed Acquisitions - historical earnings from operations, as adjusted, exclusive of depreciation (Note 2)	1,260
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)
Pro Forma adjustments relating to the Offering (Note 4)	5,995
Pro Forma adjustments relating to the Proposed Offering (Note 5)	19,625
Net adjustment for tax basis rental revenue recognition (Note 6)	(8,496)
Estimated tax depreciation and amortization (Note 7)	
Properties owned at December 31, 1994	(6,746)
Properties acquired during 1995	(3,494)
Properties acquired January 1, 1996 through July 23, 1996, and including the pending acquisition of Harborside	(7,335)
Proposed Acquisitons (Note 2)	(1,975)
Pro Forma taxable income before allocation to minority interest and dividends deduction	49,219
Estimated allocation to minority interest (Note 8)	(4,660)
Estimated dividends deduction (Note 9)	(48,543)
	$ (3,984)
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	$ 49,219
Add Pro Forma depreciation and amortization	19,550
Estimated Pro Forma operating funds available (Note 10)	$ 68,769

CALI REALTY CORPORATION
Estimated Twelve Month Pro Forma Statement of

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 Pro Forma results of the Offering as referred to in the Pro Forma condensed statement of operations for the year ended December 31, 1995 and included elsewhere herein.

Note 5 - Represents the Pro Forma results of the Proposed Offering as referred to in the Pro Forma condensed consolidated statement of operations for the year ended December 31, 1995 and included elsewhere herein.

Note 6 - Represents the net adjustment to (i) recognize prepaid rent and (ii) reverse the effect of rental revenue recognition on a straight line basis.

Note 7 - 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 8 - Estimated allocation of taxable income to minority interests is based on a 13.07 percent minority interest in the operating partnership with a special allocation of depreciation on properties included in the Initial Public Offering.

Note 9 - Estimated dividends deduction is based on 28,554,724 shares outstanding at the dividend rate of $1.70 per share. Shares outstanding, on a Pro Forma basis, are 28,554,725.

Note 10- 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 AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 33-96538) and related Prospectus of Cali Realty Corporation, as amended on October 6, 1995, the Registration Statement (Form S-3 No. 33-96542) and related Prospectus of Cali Realty Corporation, as amended on October 10, 1995, the Registration Statement (Form S-3 No. 333-09081) and related Prospectus of Cali Realty Corporation, as amended on August 9, 1996, the Registration Statement (Form S-3 No. 333-09875) and related Prospectus of Cali Realty Corporation dated August 9, 1996, and the Registration Statement (Form S-8 No. 33-91822) pertaining to the 1994 Employee and Director Stock Option Plans, as amended on September 29, 1996, of our report dated October 16, 1996, with respect to the combined statement of revenue and certain expenses of the International Court at Airport Business Center included in the Current Report on Form 8-K of Cali Realty Corporation dated October 29, 1996, filed with the Securities and Exchange Commission.

Ernst & Young LLP

Ernst & Young LLP

Philadelphia, Pennsylvania
October 29, 1996

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Cali Realty Corporation on Forms S-3 (File Nos. 333- 09875, 333-09081, 33-96542, and 33-96538) and Form S-8 (File No. 33-91822) of our reports dated October 17, 1996 and October 15,. 1996, on our audits of the Statements of Revenues and Certain Expenses for the Whiteweld Centre and Five Sentry Parkway East & West, respectively, which reports are included in this Report on Form 8-K.

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

West Orange, New Jersey
October 29, 1996