
**UNITED STATES
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: **February 20, 2019**
(Date of earliest event reported)

MACK-CALI REALTY CORPORATION

(Exact name of Registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation)

1-13274
(Commission File No.)

22-3305147
(I.R.S. Employer
Identification No.)

Harborside 3, 210 Hudson St., Ste. 400, Jersey City, New Jersey 07311
(Address of Principal Executive Offices) (Zip Code)

(732) 590-1010
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On February 20, 2019, Mack-Cali Realty Corporation (the “Company”) issued a press release announcing its financial results for the fourth quarter and full year 2018. A copy of the press release is attached hereto as Exhibit 99.2.

Item 7.01 Regulation FD Disclosure

For the quarter ended December 31, 2018, the Company hereby makes available supplemental data regarding its operations, as well as its multifamily real estate platform. The Company is attaching such supplemental data as Exhibit 99.1 to this Current Report on Form 8-K.

In connection with the foregoing, the Company hereby furnishes the following documents:

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Exhibit Title</u>
99.1	Fourth Quarter 2018 Supplemental Operating and Financial Data.
99.2	Fourth Quarter 2018 earnings press release of Mack-Cali Realty Corporation dated February 20, 2019.

The information included in this Current Report on Form 8-K (including the exhibits hereto) is being furnished under Item 2.02, “Results of Operations and Financial Condition,” Item 7.01, “Regulation FD Disclosure” and Item 9.01 “Financial Statements and Exhibits” of Form 8-K. As such, the information (including the exhibits) herein shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. This Current Report (including the exhibits hereto) will not be deemed an admission as to the materiality of any information required to be disclosed solely to satisfy the requirements of Regulation FD.

EXHIBIT INDEX

Exhibit Number

Exhibit Title

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99.2	Fourth Quarter 2018 earnings press release of Mack-Cali Realty Corporation dated February 20, 2019.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MACK-CALI REALTY CORPORATION

Date: February 20, 2019

By: /s/ MICHAEL J. DEMARCO
Michael J. DeMarco
Chief Executive Officer

Date: February 20, 2019

By: /s/ DAVID J. SMETANA
David J. Smetana
Chief Financial Officer



**Mack-Cali Realty Corporation
Supplemental Operating and Financial Data**



4Q 2018



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This Supplemental Operating and Financial Data should be read in connection with the company's fourth quarter 2018 earnings press release (included as Exhibit 99.2 of the company's Current Report on Form 8-K, filed on February 20, 2019) as certain disclosures, definitions and reconciliations in such announcement have not been included in this Supplemental Operating and Financial Data.



Building 9 at Port Imperial- Weehawken, NJ
(In-Construction)



25 Christopher Columbus - Jersey City, NJ
(1Q 2019 Start)



Harborside Plaza 8/9 - Jersey City, NJ
(Future)

Company Highlights



Company Overview

Corporate Profile

Mack-Cali (CLI) is a fully integrated REIT with a dual asset platform comprised of core office and growing residential holdings. We are geographically focused on the high barrier-to-entry Hudson River waterfront targeting cash flow growth through all economic cycles.

Company Objectives

Mack-Cali's office portfolio strives to achieve the highest possible rents in select markets with a continuous focus on improving the quality of our portfolio.

Mack-Cali's residential portfolio, via our Roseland Residential platform, is a market-leading residential developer and owner of Class A properties. We expect continued growth and cash flow contribution from our Roseland holdings as our development pipeline of active construction projects and planned starts is put into service.



Residence Inn at Port Imperial – Weehawken, NJ
Opened December 2018

Key Statistics

Company

	4Q 2018	3Q 2018
Market Capitalization	\$5.1 billion	\$5.3 billion
Net Asset Value (Midpoint)	\$3.6 billion	\$3.7 billion
Core FFO	\$45.3 million	\$43.3 million
Core FFO Per Diluted Share	\$0.45	\$0.43
AFFO	\$21.6 million	\$29.8 million

Office Portfolio

Square Feet of Office Space	14.8 million	15.2 million
Consolidated In-Service Properties	116	122
% Leased Office (Excl. Non-Core)	83.2%	84.2%
% Commenced Occupancy (Excl. Non-Core)	80.4%	81.3%
GAAP Rental Rate Roll-Up (Excl. Non-Core)	15.1%	30.9%
Cash Rental Rate Roll-Up (Excl. Non-Core)	2.9%	9.9%
Average In-Place Rent Per Square Foot	\$31.24	\$30.54

Residential Portfolio

Operating Units (Incl. Operating Lease-Ups)	7,038	6,615
% Leased (Excl. Lease-Up)	95.9%	96.4%
Average Rent Per Unit (Excl. Lease-Up)	\$2,673	\$2,659
In-Construction Units/Keys	2,321	1,794

Company Achievements

4Q 2018 Performance Highlights

- Achieved Core FFO of \$45.3 million, or \$0.45 per share
- Produced AFFO of \$21.6 million
- Office: Leased 358,642 square feet of office space; finished 4Q 2018 at 83.2% leased (excluding non-core)
- Residential: The operating portfolio, excluding lease-up properties, finished 4Q at 95.9% leased
- Commenced construction on 233 Canoe Brook, a 200-unit community directly adjacent to the Short Hills Mall and the second success from the Company's suburban office repurposing efforts
- Subsequent to year-end, commenced construction on 25 Christopher Columbus, a 750-unit premier residential tower in downtown Jersey City

4Q 2018 Lease-Ups/Stabilizations

- In December 2018, the Residence Inn at Port Imperial commenced operations. The hotel, a 164-key limited service Marriott in Weehawken, NJ, is the first phase of a 372-key, dual-flag development, with the Marriott Envue projected to open in June 2019.
- In 4Q 2018, continued strong leasing activity at its other 2018 deliveries. By year-end 2018, the company stabilized four of five 2018 deliveries (847 units) and achieved an average stabilized yield of 6.5%. As of February 18, the projects are leased as follows:
 - RiverHouse 11 at Port Imperial, a 295-unit community in Weehawken, NJ: 97.6% leased – **STABLE**
 - Portside 5/6 at East Pier, a 296-unit continuation of our East Boston master-planned community: 95.9% leased – **STABLE**
 - Signature Place, a 197-unit development in Morris Plains, NJ: 97.0% leased – **STABLE**
 - Metropolitan Lofts, a 59-unit development in Morristown, NJ: 100.0% leased – **STABLE**
 - 145 Front at City Square: Phase I: 83.1% leased, Phase II: 30.5% leased (combined Phase I & II 365 units 64.7% leased)

Transaction Activity

- On December 31, 2018, the Company executed the first phase of its Flex Portfolio disposition, selling the Elmsford Portfolio for \$70M. The remaining 4 portfolios are under negotiation, soon to go to contract and expected to close in the first half of 2019
- In 4Q 2018, the Company secured favorable permanent financings on RiverHouse 11, with proceeds of \$100 million at an effective rate of 4.52%, and on Portside 5/6, with proceeds of \$97 million at an effective rate of 4.56%
- Subsequent to year-end, the Company closed on the acquisition of Prudential's 50% ownership interest in M2, a 311-unit community in Jersey City, at a gross asset valuation of \$195M. The acquisition, funded by Rockpoint capital and proceeds from the refinancing, follows the 3Q 2018 partnership acquisition of the sister Marbella property
- Subsequent to year-end, the Company entered into contract to acquire Soho Lofts, a 377-unit community in Jersey City, for \$263.5M. The acquisition, to be funded by 1031 proceeds, represents the Company's continued strategy of concentrating investment in our core market: the NJ Waterfront
- Subsequent to year-end, the Company acquired 99 Wood Ave S, a 272,000 SF class A office building in Metropark for \$61.5M.
- Subsequent to year-end, the Company executed the disposition of Park Square, a 159-unit community in Rahway, NJ for \$34.9M



Monaco, Jersey City, NJ



150 JFK Pkwy, Short Hills, NJ

Key Financial Metrics

\$ in thousands, except per share amounts and ratios

	4Q 2018	3Q 2018	2Q 2018	1Q 2018	4Q 2017
Core FFO per Diluted Share ⁽¹⁾	0.45	0.43	0.45	0.50	0.50
Net Income per Diluted Share	0.45	(0.05)	(0.05)	0.45	(0.01)
Market Value of Equity ⁽²⁾	\$2,300,227	\$2,445,549	\$2,322,868	\$1,893,848	\$2,396,851
→ Common Equity (Includes OP Units)	1,969,768	2,137,674	2,039,203	1,676,855	2,163,610
→ Preferred Equity (Rockpoint)	278,135	255,551	231,341	164,669	159,884
→ OP Equity (Preferred OPs)	52,324	52,324	52,324	52,324	52,324
→ Book Value of JV Minority Interest	42,150	43,243	20,959	21,003	21,033
Total Debt, Net	2,792,651	2,807,718	2,646,436	2,615,211	2,809,568
Total Market Capitalization	5,135,027	5,296,510	4,990,263	4,530,061	5,206,419
Shares and Units:					
Common Shares Outstanding	90,320,306	90,307,280	90,286,268	90,136,278	89,914,113
Common Units Outstanding	10,229,349	10,241,849	10,266,143	10,269,204	10,438,855
Combined Shares and Units	100,549,656	100,549,129	100,552,411	100,405,482	100,352,968
Weighted Average - Diluted ⁽²⁾	100,844,973	100,711,806	100,597,697	100,603,901	100,467,893
Common Share Price (\$'s):					
At the End of the Period	\$19.59	\$21.26	\$20.28	\$16.71	\$21.56
High During Period	22.26	21.92	20.86	21.98	24.04
Low During Period	19.02	18.92	16.23	15.86	21.18
Dividends Declared per Share	0.20	0.20	0.20	0.20	0.20
Debt Ratios:					
Net Debt to Adjusted EBITDA	9.3x ^(a)	10.0x	9.7x	8.8x ⁽¹⁾	9.3x
→ Net Debt to Adjusted EBITDA - Less CIP Debt	8.7x	8.9x	8.6x	7.9x	8.6x
→ Net Debt to Adjusted EBITDA - Office Portfolio	7.8x	8.3x	8.1x	7.5x	8.0x
→ Net Debt to Adjusted EBITDA - Residential Portfolio	13.7x	15.8x	16.7x	14.1x	17.6x
→ Net Debt to Adjusted EBITDA - Residential Portfolio Less CIP Debt	11.4x	10.9x	10.9x	9.8x	12.7x
Interest Coverage Ratio	3.1x	3.3x	3.5x	3.7x	3.3x
Fixed Charge Coverage Ratio	2.2x	2.2x	2.3x	2.5x	2.4x
Total Debt/ Total Market Capitalization	54.4%	53.0%	53.0%	57.7%	56.7%
Total Debt/ Total Book Capitalization	55.2%	55.6%	54.5%	54.3%	54.0%
Total Debt/ Total Undepriciated Assets	45.3%	45.8%	44.6%	44.5%	46.5%
Secured Debt/ Total Undepriciated Assets	23.2%	22.3%	20.6%	20.1%	23.5%

Notes:

(a) Net debt to EBITDA benefited by 0.4x due to tax expense adjustments and flex sale timing. See supporting "Key Metrics" notes on page 45.

Net Asset Value (Unaudited)

\$ In millions
(except per share amounts)

	Rentable SF/ Apt Units	NAV Calculation ⁽²⁾							Net Value Range ⁽³⁾		
		FY 2018 Cash NOI ⁽¹⁾	Cap Rate	Gross Asset Value	Gross Per SF / Unit ⁽¹⁾⁽⁴⁾	Property Debt	Third Party Interests	Discounting ⁽⁵⁾	Net Asset Value	High	Low
		(A)		(B)	(C)	(D)	(A-B-C-D)				
Office Portfolio	MSE										
Hudson Waterfront (Jersey City, Hoboken)	4,884	\$85.3	4.8%	\$1,780	\$364	(\$250)	\$0	\$0	\$1,530	\$1,737	\$1,362
Class A Suburban (Metropark, Short Hills)	1,951	40.7	6.9%	592	303	(125)	0	0	467	513	427
Suburban	4,136	54.8	8.8%	619	150	0	0	0	619	656	586
Flex Parks ⁽⁴⁾	3,139	32.8	6.7%	488	155	0	0	0	488	527	454
Subtotal ⁽¹⁾⁽⁸⁾	14,111	\$213.5		\$3,479	\$247	(\$375)	\$0	\$0	\$3,104	\$3,433	\$2,829
Non-Core ⁽⁸⁾	0.709			55		0	0	0	55	55	55
Hotel and Other JV Interests ⁽⁷⁾				194		(126)	(37)	0	31	31	31
Harborside Plaza 4				90		0	0	0	90	90	90
Wegman's & Retail ⁽¹⁾⁽⁹⁾				52		0	0	0	52	52	52
Land ⁽⁹⁾				39		0	0	0	39	39	39
Repositioning Properties ⁽¹⁰⁾				56		0	0	0	56	56	56
1031 Balances & Other Receivables (at cost)				42		0	0	0	42	42	42
Office - Asset Value	14,819			\$4,014		(\$501)	(\$37)	\$0	\$3,476	\$3,805	\$3,201
Less: Office Unsecured Debt									(1,367)	(1,367)	(1,367)
Less: Office Preferred Equity/LP Interests									(53)	(53)	(53)
Total Office NAV	14,819								\$2,056	\$2,385	\$1,781
Residential Portfolio	Units										
Operating Properties - Wholly Owned	3,704	\$72.8	4.8%	\$1,507	\$407	(\$823)	\$0	(\$9)	\$675	\$764	\$546
Operating Properties - JVs ⁽¹¹⁾	3,334	79.6	4.7%	1,699	510	(862)	(429)	(4)	404	447	317
In-Construction Properties ⁽¹²⁾	1,571	46.6	5.2%	890	567	(424)	(94)	(112)	260	285	228
Land ⁽⁸⁾	8,686			471	54	0	(104)	0	367	385	349
Fee Income Business, Tax Credit, & Excess Cash				48		0	0	0	48	48	48
Residential - Asset Value ⁽¹⁴⁾	17,295			\$4,615		(\$2,109)	(\$627)	(\$125)	\$1,754	\$1,929	\$1,488
Less: Rockpoint Interest									(278)	(292)	(264)
Plus: Additional Residential Holdings	750			106	141	0	0	0	106	111	101
Total Residential NAV	18,045			\$4,721		(\$2,109)	(\$627)	(\$125)	\$1,582	\$1,749	\$1,324
Total Mack-Cali NAV									\$3,638	\$4,134	\$3,105
Approximate NAV / Share (100.8MM shares) ⁽¹³⁾									\$36.09	\$41.01	\$30.81

Notes:

See footnotes and "Information About Net Asset Value (NAV)" on pages 9 and 10.

Net Asset Value – Residential Breakdown (Unaudited)

\$ in millions

Top NAV (net equity) Contributors

<u>Operating Properties</u>		
Urby Harborside	\$185	12%
Monaco	168	11%
Alterra at Overlook Ridge	98	6%
Portside 7 & 5/6 at East Pier	95	6%
The Chase at Overlook Ridge	75	5%
Subtotal	\$621	40%

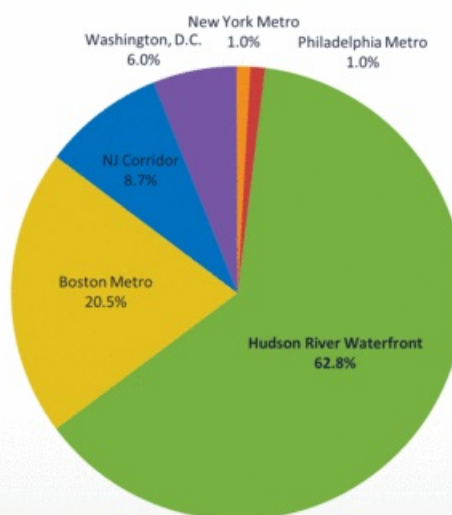
<u>Current/Future Development Properties</u>		
Plaza 8/9 (land)	\$113	7%
Marriott Hotels at Port Imperial	84	5%
Urby Future Phases	83	5%
Building 9 at Port Imperial	72	5%
25 Christopher Columbus	61	4%
Subtotal	\$413	26%

Top Contributing Assets **\$1,034** **66%**

Gross Portfolio Value

Stabilized Gross Asset Value	\$4,721
Less: Discount for CIP	(125)
Discounted Gross Asset Value	\$4,596
Less: Existing Debt	(2,109)
Less: 3rd Party Interests	(627)
Less: Rockpoint Share	(278)
MCRC Share of Residential NAV	\$1,582

NAV by Market



See footnotes and "Information About Net Asset Value (NAV)" on pages 9 and 10.

Notes: Net Asset Value (Unaudited)

- 1) Reflects FY 2018 Cash NOI for office assets; projected 12-month NOI for stabilized residential assets and the projected stabilized NOI for residential assets in-construction and lease-up. See Information About Net Operating Income on page 48.
- 2) NAV is generally arrived at by calculating the estimated gross asset values for each of the Company's real estate properties, investments and other significant assets and interests, and then deducting from such amounts the corresponding net debt and third parties' interests in the assets. Gross asset values for stabilized operating multi-family real estate properties are calculated using the direct capitalization method by dividing projected net operating income for the next one year period by an estimated market capitalization rate for each property. Gross asset values for operating office properties are presented by dividing projected net operating income for the next one year period by an estimated year one imputed capitalization rate for each property. See Footnote 4 for a more detailed description of the methodology used by management to estimate gross asset values for its operating office properties. Management projects net operating income that it expects to receive for future periods from a combination of in-place lease contracts, prospective renewals of expiring leases and prospective lease-up of vacant space. Market capitalization rates are estimated for each property based on its asset class and geographic location and are based on information from recent property sale transactions as well as from publicly available information regarding unrelated third party property transactions.
- 3) The value range is determined by adding or subtracting 0.50% to the year 1 cap rate for office properties and 0.25% to the year 1 cap rate for residential properties. Property cash flows have been reduced by credit loss reserves, leasing and base building capital expenditures, including Harborside renovations. The Waterfront valuation includes \$80 million in capital for the Harborside renovations. Additionally, the analysis includes approximately \$88 million in base building capital during the first three years of the five year discounted cash flow. The capital is allocated to physical building improvements and is estimated \$40 million at the Waterfront, \$28 million in the Class A Suburban, and \$20 million in the Suburban portfolio's, respectively. Furthermore, the analysis includes \$10 million in leasing capital budgeted in each of the Waterfront, Class A Suburban and Suburban portfolios. This is in addition to the tenant improvements, leasing commissions and capital reserves budgeted.
- 4) NOI is adjusted to exclude approximately \$3 million of favorable real estate tax results realized in the fourth quarter of 2018.

	Rentable Area (MSF)	FY 2018 Cash NOI	Year 1 Cap Rate	In-Place Rent PSF	Market Rent PSF	Stabilized Occupancy Rate	Stabilized Cap Rate	Unlevered IRR	Value	\$ PSF
Office										
Hudson Waterfront	4.884	\$85.25	4.79%	\$38.90	\$46.63	92.00%	6.00%	7.00%	\$1,780	\$364
Class A Suburban	1.951	40.72	6.88%	37.54	40.72	92.50%	7.00%	8.00%	592	303
Suburban	4.136	54.75	8.84%	28.13	30.62	88.00%	8.00%	9.00%	619	150
Flex Parks ⁽¹⁾	<u>3.139</u>	<u>32.78</u>	6.72%	<u>19.51</u>	<u>19.67</u>	94.00%	7.00%	8.00%	<u>488</u>	<u>155</u>
Subtotal	14.11	\$213.50		\$31.24	\$35.12				\$3,479	\$247

The year one cap rate, applied to the Projected 2018 Cash NOI, is derived from the present value of periodic cash flows over five years and a terminal value based on stabilized income and a market cap rate, all discounted at an unlevered internal rate of return. See Information About Net Operating Income on page 48.

The Company calculates estimated gross asset values for each of its operating office assets by taking the sum of (i) the present value of periodic cash flows over five years and (ii) a terminal value based on estimated stabilized income and a market capitalization rate at stabilization, all discounted at an unlevered internal rate of return. This value, divided by the projected net operating income for a one year period yields the year one imputed capitalization rate. Management projects the periodic cash flows over five years and the stabilized income from a combination of in-place lease contracts, prospective renewals of expiring leases and prospective lease-up of vacant space. Factors considered by management in projecting releasing and lease-up of vacant space and estimating the applicable market rental rates include: identification of leases currently being negotiated by management; historical annual leasing volumes for such property types; and comparable leases that have been executed for properties within the Company's portfolio and for competitor buildings in similar locations.

- 6) Valuations for non-core assets, which are those assets being considered for sale or disposal, or in the active marketing process, are generally based on recent contract prices for similar properties in the process of being sold, letters of intent and ongoing negotiations for properties.
- 7) Includes the Company's ownership interests in the Hyatt Regency Jersey City and three office joint venture properties.
- 8) Wegman's \$31 million asset value calculated using \$1.56 million projected 2018 cash NOI capped at 5%. 24 Hour Fitness \$21 million asset value calculated using \$1.06 million projected cash NOI capped at 5%. See Information About Net Operating Income on page 48.

Notes: Net Asset Value (Unaudited)

- 9) The value of land is based on a combination of recent or pending transactions for land parcels within our relevant markets and unrelated third parties, and sometimes may utilize land appraisals for certain markets, if available for other purposes, such as for transaction financing. Further, we consider what a land parcel's value would need to be when combined with all other development costs to yield what we believe to be an appropriate target rate of return for a development project. The per apartment unit or per square foot office space values are derived by dividing the aggregate land value by the number of potential apartment units or square feet of office space the land can accommodate. The number of potential units or square feet of office space a land parcel can accommodate is most commonly governed by either in-place governmental approvals or density regulations set forth by existing zoning guidelines.
- 10) Valuations for properties planned for or undergoing a repositioning or repurposing utilize a projected stabilized net operating income for the asset upon completion of the repositioning/repurposing activities. After applying an estimated capitalization rate to a projected stabilized net operating income, the capitalized value is next discounted back based on the projected number of periods to re-stabilize the asset. The discount rate applied is determined based on a risk assessment of the repositioning/repurposing activities and comparable target returns in the marketplace, and further validated by outside market sources, when available for that market. Additionally, adjustments are made to the estimated value by deducting any estimated future costs necessary to complete the planned activities, as well as adding back the discounted projected interim operating cash flows expected to be generated by the property until re-stabilization has been achieved.
- 11) Joint venture investments are generally valued by: applying a capitalization rate to projected NOI for the joint venture's asset (which is similar to the process for valuing those assets wholly owned by the Company, as described above and previously), and deducting any joint venture level debt and any value allocable to joint venture partners' interests. Includes Roseland's last residential subordinate interest (Metropolitan at 40 Park) and commercial subordinate interests.
- 12) The valuation approach for assets in-construction or lease-up are similar to that applied to assets undergoing repositioning/repurposing, as described above. After applying an estimated capitalization rate, currently ranging from 4.5% to 5.25%, to a projected stabilized net operating income, estimated to total approximately \$46.6 million upon completion of the construction or lease-up activities, the Company deducts any estimated future costs totaling \$565.9 million required to complete construction of the asset to arrive at an estimated value attributable to the asset. The Company then discounts the capitalized value back based on the projected number of periods to reach stabilization. The discount rate applied, currently ranging from 7% to 9.75%, is determined based on a risk assessment of the development activities and comparable target returns in the marketplace. The Company then adds back the discounted projected interim cash flows expected to be generated during the projected lease-up period to reach stabilization.
- 13) Represents the discount to stabilized value applied to assets that have not yet achieved their respective Projected Stabilized NOI due to construction, lease-up or renovation. See Information About Net Operating Income on page 48.
- 14) The residential valuation analysis totals to a Roseland NAV of \$1,754,000,000 and additional Mack-Cali residential holdings of \$106,000,000 or an aggregate \$1,860,000,000, with the company's share of this NAV of \$1,582,000,000 ("MCR Share"). This latter amount represents the company's share of Roseland NAV, net of the \$278,000,000 attributable to Rockpoint's noncontrolling interest.
- 15) The decrease in the approximate NAV per share of \$0.33 from September 30, 2018 to December 31, 2018 is due primarily to reprojected income at select operating and in-construction properties, including the Hyatt Regency Jersey City, Marriott Hotels at Port Imperial and Wegman's.

Information About Net Asset Value (NAV)

Overall, NAV is arrived at by calculating the estimated gross asset values for each of their real estate properties, investments and other significant assets and interests, and then deducting from such amounts the corresponding net debt and third parties' interests in the assets. Gross asset values for the operating real estate properties are calculated using the direct capitalization method by dividing projected net operating income for a one year period by an estimated current capitalization rate for each property. For each operating property, management projects net operating income that it expects to receive for future periods from a combination of in-place lease contracts, prospective renewals of expiring leases and prospective lease-up of vacant space. Factors considered by management in projecting releasing and lease-up of vacant space and estimating the applicable market rental rates include: identification of leases currently being negotiated by management; historical annual leasing volumes for such property types; and comparable leases that have been executed for properties within the Registrants' portfolio and for competitor buildings in similar locations. A capitalization rate is estimated for each property based on its asset class and geographic location. Estimates of capitalization rates are based on information from recent property sale transactions as well as from publicly available information regarding unrelated third party property transactions.

The use of NAV as a measure of value is subject to certain inherent limitations. The assessment of the estimated NAV of a particular property is subjective in that it involves estimates and assumptions and can be calculated using various acceptable methods. The Company's methods of determining NAV may differ from the methods used by other companies. Accordingly, the Company's estimated NAV may not be comparable to measures used by other companies. As with any valuation methodology, the methodologies utilized by the Company in estimating NAV are based upon a number of estimates, assumptions, judgments or opinions that may or may not prove to be correct. Capitalization rates obtained from publicly available sources also are critical to the NAV calculation and are subject to the sources selected and variability of market conditions at the time. Investors in the Company are cautioned that NAV does not represent (i) the amount at which the Company's securities would trade at a national securities exchange, (ii) the amount that a security holder would obtain if he or she tried to sell his or her securities, (iii) the amount that a security holder would receive if the Company liquidated its assets and distributed the proceeds after paying all of their expenses and liabilities or (iv) the book value of the Company's real estate, which is generally based on the amortized cost of the property, subject to certain adjustments.

Balance Sheet

\$ in thousands
(unaudited)

	4Q 2018			4Q 2017
	Office/Corp.	Roseland	Total	
ASSETS				
Rental property				
Land and leasehold interests	\$269,766	\$205,665	\$475,431	\$414,502
Buildings and improvements	2,422,186	1,229,751	3,651,937	3,419,151
Tenant improvements	333,774	1,254	335,028	330,686
Furniture, fixtures and equipment	5,018	45,635	50,653	30,247
Land and improvements held for development	180,478	285,451	465,929	483,432
Development and construction in progress	79,228	247,811	327,039	535,971
	3,290,450	2,015,567	5,306,017	5,102,844
Less – accumulated depreciation and a mortization	(1,016,470)	(81,398)	(1,097,868)	(1,087,083)
	2,273,980	1,934,169	4,208,149	4,015,761
Rental property held for sale, net	74,892	33,956	108,848	171,578
Net Investment in Rental Property ⁽¹⁾	2,348,872	1,968,125	4,316,997	4,187,339
Cash and cash equivalents	15,709	13,924	29,633	28,180
Restricted cash	11,805	8,116	19,921	39,792
Investments in unconsolidated joint ventures	13,979	218,771	232,750	252,626
Unbilled rents receivable, net	97,981	2,756	100,737	100,842
Deferred charges, goodwill and other assets, net ⁽²⁾	307,844	47,390	355,234	342,320
Accounts receivable, net of allowance for doubtful accounts of \$1,108 and \$1,138	3,957	1,415	5,372	6,786
Total Assets	\$2,800,147	2,260,497	\$5,060,644	\$4,957,885
LIABILITIES & EQUITY				
Senior unsecured notes, net	\$570,314	-	\$570,314	\$569,145
Unsecured revolving credit facility and term loans	790,939	-	790,939	822,288
Mortgages, loans payable and other obligations, net	371,992	1,059,406	1,431,398	1,393,211
Note Payable to Affiliate	-	-	-	24,924
Dividends and distributions payable	21,877	-	21,877	21,158
Accounts payable, accrued expenses and other liabilities ⁽²⁾	119,782	48,333	168,115	192,716
Rents received in advance and security deposits	35,263	5,981	41,244	43,993
Accrued interest payable	6,449	2,668	9,117	9,519
Total Liabilities	1,916,616	1,116,388	3,033,004	3,076,954
Commitments and contingencies	-	-	-	-
Redeemable noncontrolling interests	52,324	278,135	330,459	212,208
Total Stockholders'/Members Equity	660,731	825,927	1,486,658	1,476,295
Noncontrolling interests in subsidiaries:				
Operating Partnership	168,373	-	168,373	171,395
Consolidated joint ventures	2,103	40,047	42,150	21,033
Total Noncontrolling Interests in Subsidiaries	170,476	40,047	210,523	192,428
Total Equity	553,072	1,144,109	1,697,181	1,668,723
Total Liabilities and Equity	\$2,800,147	2,260,497	\$5,060,644	\$4,957,885

Notes: See supporting "Balance Sheet" notes on page 45 for more information.

Income Statement – Quarterly Comparison

\$ in thousands, except per share amounts
(unaudited)

	4Q 2018			3Q 2018	2Q 2018	1Q 2018	4Q 2017
	Office/ Corp.	Roseland	Total				
REVENUES							
Base rents	\$86,725	\$25,772	\$112,497	\$107,239	\$103,584	\$112,902	\$118,419
Escalation and recoveries from tenants	7,305	1,068	8,373	12,656	10,301	12,791	11,312
Real estate services	207	3,720	3,927	4,432	4,074	4,661	5,149
Parking income	2,800	2,734	5,534	5,499	5,757	5,327	5,223
Other income	1,675	930	2,605	2,288	2,873	3,286	3,426
Total revenues	\$98,712	\$34,224	\$132,936	\$132,114	\$126,589	\$138,967	\$143,529
EXPENSES							
Real estate taxes	\$8,765	\$3,783	\$12,548	\$15,680	\$17,966	\$18,361	\$17,755
Utilities	7,511	1,494	9,005	9,990	7,555	12,504	9,347
Operating services	21,115	5,847	26,962	27,107	22,939	25,618	26,884
Real estate service expenses	129	4,094	4,223	4,400	4,360	4,936	5,018
General and administrative	9,330	3,498	12,828	11,620	13,455	16,085	13,726
Depreciation and amortization	34,322	12,002	46,324	45,813	41,413	41,297	47,401
Land Impairments	-	24,566	24,566	-	-	-	-
Total expenses	\$81,172	\$55,284	\$136,456	\$114,610	\$107,688	\$118,801	\$120,131
Operating Income	\$17,540	(\$21,060)	(\$3,520)	\$17,504	\$18,901	\$20,166	\$23,398
OTHER (EXPENSE) INCOME							
Interest expense	(\$16,686)	(\$6,900)	(\$23,586)	(\$21,094)	(\$18,999)	(\$20,075)	(\$22,490)
Interest and other investment income (loss)	767	2	769	851	641	1,128	1,408
Equity in earnings (loss) of unconsolidated joint ventures	837	(1,797)	(960)	(687)	(52)	1,572	(1,199)
Gain on change of control of interests	-	-	-	14,217	-	-	-
Realized gains (losses) and unrealized losses on disposition	49,342	-	49,342	(9,102)	1,010	58,186	4,476
Gain on sale of land/other	30,839	100	30,939	-	-	-	-
Gain on sale of investment in unconsolidated joint venture	-	-	-	-	-	-	-
Gain (loss) from early extinguishment of debt, net	-	(461)	(461)	-	-	(10,289)	(182)
Total other income (expense)	\$65,099	(\$9,056)	\$56,043	(\$15,815)	(\$17,400)	\$30,522	(\$17,987)
Net income	\$82,639	(\$30,116)	\$52,523	\$1,689	\$1,501	\$50,688	\$5,411
Noncontrolling interest in consolidated joint ventures	\$0	\$640	\$640	\$451	\$95	\$30	\$153
Noncontrolling interest in Operating Partnership	(4,953)	-	(4,953)	167	142	(4,883)	(299)
Redeemable noncontrolling interest	(455)	(3,951)	(4,406)	(3,785)	(2,989)	(2,799)	(2,683)
Net income available to common shareholders	\$77,231	(\$33,427)	\$43,804	(\$1,478)	(\$1,251)	\$43,036	\$2,582
Basic earnings per common share:							
Net income available to common shareholders			\$0.45	(\$0.05)	(\$0.05)	\$0.45	(\$0.01)
Diluted earnings per common share:							
Net income available to common shareholders			\$0.45	(\$0.05)	(\$0.05)	\$0.45	(\$0.01)
Basic weighted average shares outstanding			90,488	90,468	90,330	90,263	90,029
Diluted weighted average shares outstanding			100,845	100,712	100,598	100,604	100,468

FFO, Core FFO & AFFO – Quarterly Comparison

\$ in thousands, except per share amounts and ratios
(unaudited)

	4Q 2018	3Q 2018	2Q 2018	1Q 2018	4Q 2017
Net income (loss) available to common shareholders	\$43,804	(\$1,478)	(\$1,251)	\$43,036	\$2,582
Add (deduct): Noncontrolling interest in Operating Partnership	4,953	(167)	(142)	4,883	299
Real estate-related depreciation and amortization on continuing operations ⁽¹⁾	49,578	49,433	45,781	45,602	51,619
Gain on change of control of interests	-	(14,217)	-	-	-
Realized gains and unrealized losses on disposition of rental property, net	(49,342)	9,102	(1,010)	(58,186)	(4,476)
Funds from operations ⁽²⁾⁽³⁾	\$48,993	\$42,673	\$43,378	\$35,335	\$50,024
Add/Deduct:					
Loss from extinguishment of debt, net	\$461	-	-	\$10,289	\$182
Dead deal costs	893	-	-	-	-
Land impairments	24,566	-	-	-	-
Gain on disposition of developable land	(30,939)	-	-	-	-
Severance/separation costs on management restructuring	450	640	1,795	5,052	-
New payroll tax consulting costs	903	-	-	-	-
Core FFO	\$45,327	\$43,313	\$45,173	\$50,676	\$50,206
Add (Deduct) Non-Cash Items:					
Straight-line rent adjustments ⁽³⁾	(\$4,204)	(\$1,901)	\$249	(\$2,742)	(\$3,685)
Amortization of market lease intangibles, net ⁽⁴⁾	(1,054)	(892)	(1,313)	(2,130)	(2,234)
Amortization of lease inducements	166	214	258	294	444
Amortization of stock compensation	2,064	1,897	783	2,657	2,303
Non real estate depreciation and amortization	557	535	536	511	511
Amortization of debt discount/premium and mark-to-market, net	(237)	(238)	(237)	(237)	(201)
Amortization of deferred financing costs	1,486	1,302	1,145	1,096	1,150
Deduct:					
Non-incremental revenue generating capital expenditures:					
Building improvements	(2,639)	(2,208)	(723)	(1,666)	(2,842)
Tenant improvements and leasing commissions ⁽⁵⁾	(11,429)	(4,467)	(17,939)	(4,468)	(4,791)
Tenant improvements and leasing commissions on space vacant for more than one year	(8,433)	(7,782)	(6,851)	(7,695)	(7,761)
Adjusted FFO ⁽²⁾	\$21,604	\$29,773	\$21,081	\$36,296	\$38,100
Core FFO (calculated above)	\$45,327	\$43,313	\$45,173	\$50,676	\$50,206
Deduct:					
Equity in earnings (loss) of unconsolidated joint ventures, net	\$960	\$687	\$52	(\$1,572)	\$1,199
Equity in earnings share of depreciation and amortization	(3,810)	(4,155)	(4,903)	(4,815)	(4,729)
Add-back:					
Interest expense	23,585	21,093	18,999	20,075	22,490
Recurring JV distributions ⁽⁶⁾	3,292	4,908	4,585	6,690	2,862
Income (loss) in non-controlling interest in consolidated joint ventures	(640)	(451)	(95)	(30)	(153)
Redeemable noncontrolling interest	4,406	3,785	2,989	2,799	2,683
Income tax expense	343	215	144	-	-
Adjusted EBITDA	\$73,463	\$69,395	\$66,944	\$73,823	\$74,558
Net debt at period end ⁽⁷⁾	\$2,743,096	\$2,776,776	\$2,616,772	\$2,589,903	\$2,781,388
Net debt to Adjusted EBITDA	9.3x ⁽⁸⁾	10.0x	9.7x	8.8x ⁽⁹⁾	9.3x
Diluted weighted average shares/units outstanding ⁽¹⁰⁾	100,845	100,712	100,598	100,604	100,468
Funds from operations per share-diluted	\$0.49	\$0.42	\$0.43	\$0.35	\$0.50
Core Funds from Operations per share/unit-diluted	\$0.45	\$0.43	\$0.45	\$0.50	\$0.50
Dividends declared per common share	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20

Notes:

(a) Net debt to EBITDA benefited by 0.4x due to tax expense adjustments and flex sale timing.
See footnotes and "Information About FFO, Core FFO, & AFFO" on page 17.

EBITDAre – Quarterly Comparison

\$ in thousands
(unaudited)

	4Q 2018	3Q 2018	2Q 2018	1Q 2018	4Q 2017
Net Income available to common shareholders	\$43,804	(\$1,478)	(\$1,251)	\$43,036	\$2,582
Add:					
Noncontrolling interest in Operating Partnership	4,953	(167)	(142)	4,883	299
Noncontrolling interest in consolidated joint ventures (a)	(640)	(451)	(95)	(30)	(153)
Redeemable noncontrolling interest	4,406	3,785	2,989	2,799	2,683
Interest expense	23,586	21,094	18,999	20,075	22,490
Income tax expense	343	267	144	30	-
Depreciation and amortization	46,324	45,813	41,413	41,297	47,401
Deduct:					
Realized (gains) losses and unrealized losses on disposition of rental property, net	(49,342)	9,102	(1,010)	(58,186)	(4,476)
(Gain)/loss on sale of investment in unconsolidated joint ventures	-	-	-	-	-
(Gain)/loss on change of control of interest	-	(14,217)	-	-	-
Equity in (earnings) loss of unconsolidated joint ventures	960	687	52	(1,572)	1,199
Add:					
Company's share of property NOI's in unconsolidated joint ventures ⁽¹⁾	9,028	8,802	10,193	11,059	9,962
EBITDAre	\$83,422	\$73,737	\$71,292	\$63,391	\$81,987
Add:					
Loss from extinguishment of debt, net	461	-	-	10,289	-
Severance/Separation costs on management restructuring	450	640	1,795	5,052	-
Dead deal costs	893	-	-	-	-
Land Impairments	24,566	-	-	-	-
Gain on disposition of developable land	(30,939)	-	-	-	-
New payroll tax consulting costs	903	-	-	-	-
Adjusted EBITDAre	\$79,756	\$73,877	\$73,087	\$78,732	\$81,987
Noncontrolling interests in consolidated joint ventures (a):					
Marbella	(590)	(363)	-	-	-
Port Imperial Garage South	(5)	(60)	(60)	(84)	(69)
Port Imperial Retail South	(4)	(5)	(12)	(11)	(12)
Other consolidated joint ventures	(41)	(23)	(23)	65	(72)
Net losses in noncontrolling interests	(\$640)	(\$451)	(\$95)	(\$30)	(\$153)
Add:					
Depreciation in noncontrolling interest in consolidated JV's	955	659	84	83	84
Funds from operations - noncontrolling interest in consolidated JV's	\$315	\$208	(\$11)	\$53	(\$69)
Add:					
Interest expense in noncontrolling interest in consolidated JV's	484	367	132	133	132
Net operating income before debt service in consolidated JV's	\$799	\$575	\$121	\$186	\$63

Notes:

(1) See unconsolidated joint venture NOI details on page 22 for 4Q 2018. See Information About EBITDAre on page 17.

Income Statement – Year-over-Year Comparison

\$ in thousands

	FY 2018	FY 2017
REVENUES		
Base rents	\$436,222	\$501,334
Escalation and recoveries from tenants	44,121	58,767
Real estate services	17,094	23,129
Parking income	22,117	20,270
Other income	11,052	12,700
Total revenues	\$530,606	\$616,200
EXPENSES		
Real estate taxes	\$64,555	\$81,364
Utilities	39,054	42,598
Operating services	102,626	107,379
Real estate service expenses	17,919	23,394
General and administrative	53,988	50,949
Depreciation and amortization	174,847	205,169
Land impairments	24,566	-
Total expenses	\$477,555	\$510,853
Operating Income	\$53,051	\$105,347
OTHER (EXPENSE) INCOME		
Interest expense	(\$83,754)	(\$93,388)
Interest and other investment income (loss)	3,389	2,766
Equity in earnings (loss) of unconsolidated joint ventures	(127)	(6,081)
Gain on change of control of interests	14,217	-
Realized gains (losses) and unrealized losses on disposition	99,436	2,364
Gain on disposition of developable land	30,939	-
Gain on sale of investment in unconsolidated joint venture	-	23,131
Gain (loss) from early extinguishment of debt, net	(10,750)	(421)
Total other income (expense)	\$53,350	(\$71,629)
Net income	\$106,401	\$33,718
Noncontrolling interest in consolidated joint ventures	\$1,216	\$1,018
Noncontrolling interest in Operating Partnership	(9,527)	(2,711)
Redeemable noncontrolling interest	(13,979)	(8,840)
Net income available to common shareholders	\$84,111	\$23,185
Basic earnings per common share:		
Net income available to common shareholders	\$0.80	\$0.06
Diluted earnings per common share:		
Net income available to common shareholders	\$0.80	\$0.06
Basic weighted average shares outstanding	90,388	90,005
Diluted weighted average shares outstanding	100,724	100,703

FFO, Core FFO & AFFO – Year-over-Year Comparison

\$ in thousands
except per share amounts and ratios
(unaudited)

	FY 2018	FY 2017
Net income available to common shareholders	\$84,111	\$23,185
Add (deduct): Noncontrolling interest in Operating Partnership	9,527	2,711
Real estate-related depreciation and amortization on continuing operations ⁽¹⁾	190,394	223,763
Gain on change of control of interests	(14,217)	-
Gain on sale of investment in unconsolidated joint venture	-	(23,131)
Realized gains and unrealized losses on disposition of rental property, net	(99,436)	(2,364)
Funds from operations ⁽²⁾⁽³⁾	\$170,379	\$224,164
Add/Deduct:		
Loss from extinguishment of debt, net	\$10,750	\$421
Dead deal costs	893	-
Land impairments	24,566	-
Gain on disposition of developable land	(30,939)	-
Severance/separation costs on management restructuring	7,937	-
New payroll tax consulting costs	903	-
Core FFO	\$184,489	\$224,585
Add (Deduct) Non-Cash Items:		
Straight-line rent adjustments ⁽¹⁾	(\$8,598)	(\$16,298)
Amortization of market lease intangibles, net ⁽⁴⁾	(5,389)	(8,252)
Amortization of lease inducements	932	1,703
Amortization of stock compensation	7,401	7,929
Non real estate depreciation and amortization	2,139	1,742
Amortization of debt discount/(premium) and mark-to-market, net	(949)	(287)
Amortization of deferred financing costs	5,029	4,612
Deduct:		
Non-incremental revenue generating capital expenditures:		
Building improvements	(7,236)	(12,778)
Tenant improvements and leasing commissions ⁽⁵⁾	(38,303)	(22,016)
Tenant improvements and leasing commissions on space vacant for more than one year	(30,761)	(21,544)
Adjusted FFO ⁽²⁾	\$108,754	\$159,396
Core FFO (calculated above)	\$184,489	\$224,585
Deduct:		
Equity in earnings (loss) of unconsolidated joint ventures, net	\$127	\$6,081
Equity in earnings share of depreciation and amortization	(17,683)	(20,336)
Add-back:		
Interest expense	83,752	93,388
Recurring JV distributions ⁽⁶⁾	19,475	12,640
Income (loss) in non-controlling interest in consolidated joint ventures	(1,216)	(1,018)
Redeemable noncontrolling interest	13,979	8,840
Income tax expense	702	-
Adjusted EBITDA	\$283,625	\$324,180
Net debt at period end ⁽⁷⁾	\$2,743,096	\$2,781,388
Net debt to Adjusted EBITDA	9.7x ⁽⁸⁾	8.6x
Diluted weighted average shares/units outstanding ⁽⁹⁾	100,724	100,703
Funds from operations per share-diluted	\$1.69	\$2.23
Core Funds from Operations per share/unit-diluted	\$1.83	\$2.23
Dividends declared per common share	\$0.80	\$0.75

Notes:

(a) Net debt to EBITDA benefited by 0.1x due to tax expense adjustments and flex sale timing.
See footnotes and "Information About FFO, Core FFO, & AFFO" on page 17.

FFO, Core FFO & AFFO (Notes)

Notes

- (1) Includes the Company's share from unconsolidated joint ventures, and adjustments for noncontrolling interest, of \$3,810 and \$4,729 for the three months ended December 31, 2018 and 2017, respectively, and \$17,683 and \$20,336 for the year ended December 31, 2018 and 2017, respectively. Excludes non-real estate-related depreciation and amortization of \$557 and \$511 for the three months ended December 31, 2018 and 2017, respectively, and \$2,139 and \$1,742 for the year ended December 31, 2018 and 2017, respectively.
- (2) Funds from operations is calculated in accordance with the definition of FFO of the National Association of Real Estate Investment Trusts (NAREIT). See "Information About FFO, Core FFO and AFFO" below.
- (3) Includes free rent of \$4,428 and \$7,527 for the three months ended December 31, 2018 and 2017, respectively, and \$16,545 and \$29,401 for the year ended December 31, 2018 and 2017, respectively. Also includes the Company's share from unconsolidated joint ventures of (\$165) and \$267 for the three months ended December 31, 2018 and 2017, respectively, and (\$955) and \$1,235 for the year ended December 31, 2018 and 2017, respectively.
- (4) Includes the Company's share from unconsolidated joint ventures of \$0 and \$80 for the three months ended December 31, 2018 and 2017, respectively, and \$107 and \$336 for the year ended December 31, 2018 and 2017, respectively.
- (5) Excludes expenditures for tenant spaces in properties that have not been owned by the Company for at least a year.
- (6) 1Q 2018 and YTD 2018 includes \$2.6 million of the Company's share of its first annual sale of an economic tax credit certificate associated with the Urby Harborside joint venture from the State of New Jersey to a third party.
- (7) Net Debt calculated by taking the sum of senior unsecured notes, unsecured revolving credit facility, and mortgages, loans payable and other obligations, and deducting cash and cash equivalents, all at period end.
- (8) Calculated based on weighted average common shares outstanding, assuming redemption of Operating Partnership common units into common shares (10,176 and 10,439 shares for the three months ended December 31, 2018 and 2017, respectively, and 10,204 and 10,405 shares for the year ended December 31, 2018 and 2017, respectively).
- (9) Equals Net Debt at period end divided by Adjusted EBITDA (for quarter periods, Adjusted EBITDA annualized multiplying quarter amounts by 4). Without annualizing the proceeds from the Urby Harborside tax credit, the 1Q 2018 net debt to EBITDA ratio is 9.0x.
- (10) Net income available to common shareholders in 2018 included \$24.6 million of land impairment charges and \$30.9 million from a gain on sale of developable land, which are included in the calculation to arrive at funds from operations as such gains and charges relate to non-depreciable assets.

Information About FFO, Core FFO and AFFO

Funds from operations ("FFO") is defined as net income (loss) before noncontrolling interests of unitholders, computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains or losses from depreciable rental property transactions (including both acquisitions and dispositions), and impairments related to depreciable rental property, plus real estate-related depreciation and amortization. The Company believes that FFO per share is helpful to investors as one of several measures of the performance of an equity REIT. The Company further believes that as FFO per share excludes the effect of depreciation, gains (or losses) from property transactions and impairments related to depreciable rental property (all of which are based on historical costs which may be of limited relevance in evaluating current performance), FFO per share can facilitate comparison of operating performance between equity REITs.

FFO per share should not be considered as an alternative to net income available to common shareholders per share as an indication of the Company's performance or to cash flows as a measure of liquidity. FFO per share presented herein is not necessarily comparable to FFO per share presented by other real estate companies due to the fact that not all real estate companies use the same definition. However, the Company's FFO per share is comparable to the FFO per share of real estate companies that use the current definition of the National Association of Real Estate Investment Trusts ("NAREIT"). A reconciliation of net income per share to FFO per share is included in the financial tables above.

Core FFO is defined as FFO, as adjusted for items that may distort the comparative measurement of the Company's performance over time. Adjusted FFO ("AFFO") is defined as Core FFO less (i) recurring tenant improvements, leasing commissions and capital expenditures, (ii) straight-line rents and amortization of acquired below-market leases, net, and (iii) other non-cash income, plus (iv) other non-cash charges. Core FFO and AFFO are both non-GAAP financial measures that are not intended to represent cash flow and are not indicative of cash flows provided by operating activities as determined in accordance with GAAP. Core FFO and AFFO are presented solely as supplemental disclosures that the Company's management believes provides useful information regarding the Company's operating performance and its ability to fund its dividends. There are not generally accepted definitions established for Core FFO or AFFO. Therefore, the Company's measures of Core FFO and AFFO may not be comparable to the Core FFO and AFFO reported by other REITs. A reconciliation of net income to Core FFO and AFFO are included in the financial tables above.

Information About EBITDAre

EBITDAre is a non-GAAP financial measure. The Company computes EBITDAre in accordance with standards established by the National Association of Real Estate Investment Trusts, or NAREIT, which may not be comparable to EBITDAre reported by other REITs that do not compute EBITDAre in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than the Company does. The White Paper on EBITDAre approved by the Board of Governors of NAREIT in September 2017 defines EBITDAre as net income (loss) (computed in accordance with Generally Accepted Accounting Principles, or GAAP), plus interest expense, plus income tax expense, plus depreciation and amortization, plus (minus) losses and gains on the disposition of depreciated property, plus impairment write-downs of depreciated property and investments in unconsolidated joint ventures, plus adjustments to reflect the entity's share of EBITDAre of unconsolidated joint ventures. The Company presents EBITDAre, because the Company believes that EBITDAre, along with cash flow from operating activities, investing activities and financing activities, provides investors with an additional indicator of the Company's ability to incur and service debt. EBITDAre should not be considered as an alternative to net income (determined in accordance with GAAP), as an indication of the Company's financial performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP), or as a measure of the Company's liquidity.

Same Store Performance

\$ in thousands

Office Same Store

	For the Three Months Ended				For the Year Ended			
	4Q 2018	4Q 2017	Change	% Change	4Q 2018	4Q 2017	Change	% Change
Total Property Revenues (GAAP)	\$96,782	\$103,458	(\$6,676)	(6.5%)	\$355,569	\$383,656	(\$28,087)	(7.3%)
Real Estate Taxes	\$8,394	\$12,736	(\$4,342)	(34.1%)	\$45,346	\$50,719	(\$5,373)	(10.6%)
Utilities	7,152	6,883	269	3.9%	28,679	27,547	1,132	4.1%
Operating Services	<u>19,374</u>	<u>19,072</u>	<u>302</u>	<u>1.6%</u>	<u>66,938</u>	<u>65,945</u>	<u>993</u>	<u>1.5%</u>
Total Property Expenses	\$34,920	\$38,691	(\$3,771)	(9.7%)	\$140,963	\$144,211	(\$3,248)	(2.3%)
Same Store GAAP NOI^(a)	\$61,862	\$64,767	(\$2,905)	(4.5%)	\$214,606	\$239,445	(\$24,839)	(10.4%)
Less: straight-lining of rents adj. and FAS 141	<u>\$4,395</u>	<u>\$6,044</u>	<u>(\$1,649)</u>	<u>(27.3%)</u>	<u>\$11,531</u>	<u>\$20,619</u>	<u>(\$9,088)</u>	<u>(44.1%)</u>
Same Store Cash NOI^(b)	\$57,467	\$58,723	(\$1,256)	(2.1%)	\$203,075	\$218,826	(\$15,751)	(7.2%)
Total Properties	102	102	-	-	96	96	-	-
Total Square Footage	14,674,683	14,674,683	-	-	13,600,637	13,600,637	-	-
% Leased	81.9%	86.0%	-	(4.8%)	81.4%	85.9%	-	(5.2%)

Residential Same Store⁽¹⁾

	For the Three Months Ended				For the Year Ended			
	4Q 2018	4Q 2017	Change	% Change	4Q 2018	4Q 2017	Change	% Change
Total Property Revenues	\$18,499	\$18,386	\$113	0.6%	\$73,667	\$73,631	\$36	0.0%
Real Estate Taxes	\$2,231	\$2,050	\$181	8.8%	\$9,159	\$9,062	\$97	1.1%
Operating Expenses	<u>4,636</u>	<u>4,480</u>	<u>156</u>	<u>3.5%</u>	<u>18,463</u>	<u>18,720</u>	<u>243</u>	<u>1.3%</u>
Total Property Expenses	6,867	6,530	337	5.2%	27,622	27,282	340	1.2%
Same Store GAAP NOI^(a)	\$11,632	\$11,856	(\$224)	(1.9%)	\$46,045	\$46,349	(\$304)	(0.7%)
Total Units	3,162	3,162	-	-	3,162	3,162	-	-
% Leased	94.9%	96.0%	-	(1.1%)	94.9%	96.0%	-	(1.1%)

Notes:

- (a) The aggregate sum of: property-level revenue, straight-line and ASC 805 adjustments over the given time period; less: operating expense, real estate taxes and utilities over the same period for the same store portfolio.
- (b) Aggregate property-level revenue over the given period; less: operating expense, real estate taxes and utilities over the same period for the same store portfolio.
- (1) Values represent the Company's pro rata ownership of operating portfolio.

Debt Summary & Maturity Schedule

\$ in thousands

Debt Breakdown

	Balance	% of Total	Weighted Average Interest Rate ⁽¹⁾	Weighted Average Maturity in Years
Fixed Rate Debt				
Fixed Rate Unsecured Debt and Other Obligations ⁽¹⁾	\$1,250,000	44.53%	3.70%	2.04
Fixed Rate Secured Debt	<u>1,243,219</u>	<u>44.28%</u>	<u>3.82%</u>	<u>6.70</u>
Subtotal: Fixed Rate Debt	\$2,493,219	88.81%	3.76%	4.37
Variable Rate Debt				
Variable Rate Secured Debt	\$197,177	7.02%	5.59%	0.68
Variable Rate Unsecured Debt ⁽²⁾	<u>117,000</u>	<u>4.17%</u>	<u>3.74%</u>	<u>2.07</u>
Subtotal: Variable Rate Debt	\$314,177	11.19%	4.90%	1.19
Totals/Weighted Average	\$2,807,396	100.00%	3.89% ⁽³⁾	4.01
Adjustment for Unamortized Debt Discount	(2,838)			
Unamortized Deferred Financing Costs	<u>(11,907)</u>			
Total Consolidated Debt, net ⁽⁴⁾	\$2,792,651			
Unconsolidated Secured Debt				
CLI Share	\$378,416	46.10%	4.13%	6.70
Partners' Share	<u>442,374</u>	<u>53.90%</u>	<u>4.13%</u>	<u>6.70</u>
Total Unconsolidated Secured Debt	\$820,790	100.00%	4.13%	6.70

Maturity Schedule

Period	Principal Maturities	Scheduled Amortization	Total Future Repayments	Weighted Average Interest Rate ⁽¹⁾
2019	546,711 ⁽¹⁾	532	547,243	4.11%
2020	325,000 ⁽¹⁾	2,903	327,903	3.46%
2021	285,800	3,227	289,027	3.42%
2022	300,000	3,284	303,284	4.60%
2023	333,998	3,412	337,410	3.53%
Thereafter	<u>991,929</u>	<u>7,230</u>	<u>999,159</u>	<u>3.94%</u>
Subtotal	\$2,783,438	\$20,588	2,804,026	3.89%
Adjustment for unamortized debt discount/premium	-	(2,838)	(2,838)	
Unamortized mark-to-market	-	3,370	3,370	
Unamortized deferred financing costs	-	<u>(11,907)</u>	<u>(11,907)</u>	
Totals/Weighted Average	\$2,783,438	\$9,213	\$2,792,651	3.89% ⁽⁴⁾

Notes:

See supporting "Debt Summary & Maturity Schedule" notes on page 45.

Debt Profile

\$ in thousands

	Lender	Effective Interest Rate ⁽¹⁾	December 31, 2018	December 31, 2017	Date of Maturity
OFFICE PORTFOLIO					
<u>Secured Debt</u>					
23 Main Street	Berkadia CMBS	5.59%	-	27,090	
Harborside 5	Northwestern Mutual Life	6.84%	-	209,257	
One River Center	Guardian Life Ins. Co.	7.31%	-	40,485	
101 Hudson	Wells Fargo CMBS	3.20%	250,000	250,000	10/11/26
Short Hills Portfolio	Wells Fargo CMBS	4.15%	124,500	124,500	04/01/27
Principal balance outstanding			374,500	651,332	
Unamortized deferred financing costs			(2,509)	(2,941)	
Total Secured Debt - Office Portfolio			\$371,991	\$648,391	
<u>Senior Unsecured Notes</u> ⁽²⁾⁽³⁾					
4.500%, Senior Unsecured Notes	public debt	4.61%	300,000	300,000	04/18/22
3.150%, Senior Unsecured Notes	public debt	3.52%	275,000	275,000	05/15/23
Principal balance outstanding			575,000	575,000	
Adjustment for unamortized debt discount			(2,838)	(3,505)	
Unamortized deferred financing costs			(1,848)	(2,350)	
Total Senior Unsecured Notes, net:			\$570,314	\$569,145	
<u>Unsecured Term Loans:</u>					
2016 Unsecured Term Loan	7 Lenders	3.28%	\$350,000	\$350,000	01/07/19 ⁽⁴⁾
2017 Unsecured Term Loan	13 Lenders	3.46%	325,000	325,000	01/25/20 ⁽⁴⁾
Revolving Credit Facilities	13 Lenders	LIBOR+1.30%	117,000	150,000	01/25/21
Unamortized deferred financing costs			(1,061)	(2,712)	
Total Revolving Credit Facilities & Unsecured Term Loans:			\$790,939	\$822,288	
Total Debt - Office Portfolio			\$1,733,244	\$2,039,824	
RESIDENTIAL PORTFOLIO					
<u>Secured Construction Loans</u>					
Marriott Hotels at Port Imperial (F.K.A. Port Imperial 4/5 Hotel)	Fifth Third Bank & Santander	LIBOR+4.50%	\$73,350	\$43,674	10/06/19
Signature Place (F.K.A. 250 Johnson)	M&T Bank	LIBOR+2.35%	41,769	32,491	05/20/19
Portside 5/6	Citizens Bank	LIBOR+2.50%	-	45,778	09/29/19
RiverHouse 11 at Port Imperial (F.K.A. Port Imperial South 11)	JPMorgan Chase	LIBOR+2.35%	-	46,113	11/24/19
145 Front at City Square (F.K.A. Worcester)	Citizens Bank	LIBOR+2.50%	56,892	37,821	12/10/19
Total Secured Construction Debt			\$172,011	\$205,877	
<u>Secured Permanent Loans</u>					
Park Square	Wells Fargo Bank N.A.	LIBOR+1.87%	\$25,167	\$26,567	04/10/19
Monaco	Northwestern Mutual Life	3.15%	168,370	169,987	02/01/21
Port Imperial South 4/5 Retail	American General Life & A/G PC	4.56%	4,000	4,000	12/01/21
Portside 7	CBRE Capital Markets/FreddieMac	3.57%	58,998	58,998	08/01/23
Alterra I & II	Capital One/FreddieMac	3.85%	100,000	100,000	02/01/24
The Chase at Overlook Ridge	New York Community Bank	3.74%	135,750	135,750	01/01/25
Portside 5/6	New York Life Insurance Co.	4.56%	97,000	-	03/10/26
Marbella	New York Life Insurance Co.	4.17%	131,000	-	08/10/26
Quarry Place at Tuckahoe (F.K.A 150 Main Street)	Natixis Real Estate Capital LLC	4.48%	41,000	41,000	08/05/27
RiverHouse 11 at Port Imperial (F.K.A. Port Imperial South 11)	Northwestern Mutual Life	4.52%	100,000	-	01/10/29
Port Imperial South 4/5 Garage	American General Life & A/G PC	4.85%	32,600	32,600	12/01/29
Principal balance outstanding			893,885	568,902	
Unamortized deferred financing costs			(6,489)	(5,035)	
Total Secured Permanent Debt			\$887,396	\$563,867	
Total Debt - Residential Portfolio			\$1,059,407	\$769,744	
Total Debt:			\$2,792,651	\$2,809,568	

Notes:

See supporting "Debt Profile" notes on page 45.

2019/2020 Debt Maturities

\$ in thousands

	Type	Balance at 4Q 2018	Maximum Loan Balance	Date of Maturity	Extension Option/ Prepayment	LTV ⁽¹⁾
Secured Debt						
<i>Consolidated Debt</i>						
<u>Residential</u>						
Park Square ⁽²⁾	Permanent Loan	\$25,167	-	N/A	-	72.11%
Signature Place	Construction Loan	41,769	42,000	5/20/2019	One 1-year option	60.71%
Marriott Hotels at Port Imperial	Construction Loan	73,350	94,000	10/6/2019	Two 1-year options	50.61%
145 Front at City Square	Construction Loan	<u>56,892</u>	58,000	12/10/2019	Two 1-year options	<u>50.05%</u>
Total Consolidated Residential		\$197,178				55.33%
Total Consolidated Secured		\$197,178				55.33%
<i>Unconsolidated Debt</i>						
<u>Residential</u>						
Shops at 40 Park	Permanent Loan	\$6,067	-	9/12/2019	-	40.75%
M2 ⁽³⁾	Construction Loan	74,690	-	N/A	Exercised fourth of four 3-month extension options	38.30%
Crystal House	Permanent Loan	162,838	-	4/1/2020	-	53.75%
Metropolitan at 40 Park	Permanent Loan	<u>36,015</u>	-	9/1/2020	One 5-year option	<u>55.12%</u>
Total Unconsolidated Residential		\$279,610				49.52%
Total Unconsolidated Secured		\$279,610				49.52%
Total Secured Debt		\$476,788				51.92%
<u>Unsecured Debt</u>						
2016 Unsecured Term Loan ⁽⁴⁾		<u>\$350,000</u>	-	1/7/2020	One 1-year options	-
Total Unsecured		\$350,000				-

Notes:

See supporting "2019/2020 Debt Maturities" notes on page 45.

Unconsolidated Joint Ventures

\$ in thousands

Property	Units/SF	Leased Occupancy	CLI's Nominal Ownership ^(a)	4Q 2018 GAAP NOI ^(b)	Total Debt	GAAP NOI After Debt Service ^(c)	CLI Share of GAAP NOI ^(d)	CLI Share of Debt	CLI GAAP NOI After Debt Service ^(d)	CLI 4Q 2018 FFO
Operating Properties										
Residential										
M2 ⁽²⁾	311	94.2%	24.3%	\$2,107	\$74,690	\$1,228	\$511	\$18,127	\$298	\$300
Metropolitan & Shops at 40 Park ⁽¹⁾	130	97.7%	25.0%	880	42,082	532	140	6,687	85	3
Metropolitan Lofts ⁽¹⁾	59	96.6%	50.0%	345	13,145	191	108	6,573	96	58
RiverTrace at Port Imperial	316	95.3%	22.5%	1,744	82,000	1,086	392	18,450	244	241
Crystal House	825	96.7%	25.0%	2,783	162,838	1,493	696	40,710	373	357
Riverpark at Harrison	141	95.7%	45.0%	419	29,819	143	189	13,419	64	60
Station House	378	92.3%	50.0%	1,548	98,504	361	774	49,252	181	162
Urby Harborside	762	98.2%	85.0%	3,613	191,732	1,122	3,071	162,972	954	720
Subtotal - Residential	2,922	96.1%	45.0%	\$13,439	\$694,810	\$6,156	\$5,881	\$316,190	\$2,295	\$1,901
Office										
Red Bank Corporate Plaza	92,878	65.5%	50.0%	312	14,000	148	156	7,000	74	77
12 Vreeland	139,750	100.0%	50.0%	440	7,904	383	220	3,952	192	188
Offices at Crystal Lake	106,345	93.2%	31.3%	258	4,076	209	80	1,274	65	65
Subtotal - Office	338,973	88.4%	44.1%	\$1,010	\$25,980	\$740	\$456	\$12,226	\$331	\$330
Retail/Hotel										
Riverwalk Retail	30,745	58.0%	20.0%	137	-	137	27	-	27	1
Hyatt Regency Jersey City	351	88.8%	50.0%	4,117	100,000	3,200	2,059	50,000	1,600	1,578
Subtotal - Retail/Hotel		87.8%	49.0%	\$4,254	\$100,000	\$3,337	\$2,086	\$50,000	\$1,627	\$1,579
Total Operating			45.9%	\$18,703	\$820,790	\$10,233	\$8,423	\$378,416	\$4,253	\$3,810
Other Unconsolidated JVs				\$1,209	-	\$1,209	\$605	-	\$605	(\$4)
Total Unconsolidated JVs ⁽¹⁾				\$19,912	\$820,790	\$11,442	\$9,028	\$378,416	\$4,858	\$3,806

Notes:

- (a) The sum of property-level revenue, straight-line and ASC 805 adjustments; less: operating expense, real estate taxes and utilities.
- (b) Property-level revenue; less: operating expense, real estate taxes and utilities, property-level G&A expense and property-level interest expense.
- (c) GAAP NOI at Company's ownership interest in the joint venture property.
- (d) NOI After Debt Service at Company's ownership interest in the joint venture property, calculated as Company's share of GAAP NOI after deducting Company's share of the unconsolidated joint ventures' interest expense. The Company's share of the interest expense is \$4,367,000 for 4Q 2018.

See supporting "Unconsolidated Joint Ventures" notes on page 45 and Information About Net Operating Income (NOI) on page 48.

Transaction Activity

\$ in thousands (incl. per unit values) except per SF

Office Portfolio

	Location	Transaction Date	Number of Buildings	SF	Occupancy %	Transaction Value ⁽¹⁾	Price Per SF	Weighted Average Cap Rate ⁽²⁾
1Q 2018 Dispositions								
35 Waterview	Parsippany, NJ	02/15/18	1	172,498	87.1%	\$28,150	\$163	
Horizon Portfolio	Hamilton, NJ	03/05/18	6	239,262	75.1%	18,500	77	
700 Horizon - AAA	Hamilton, NJ	03/22/18	1	120,000	100.0%	34,750	290	
Wall Portfolio	Wall, NJ	03/23/18	8	397,423	85.6%	46,312	117	
20 Waterview	Parsippany, NJ	03/28/18	1	225,550	41.3%	12,900	57	
75 Livingston	Roseland, NJ	03/28/18	1	94,221	65.8%	8,250	88	
Westchester Financial Center ⁽⁴⁾	White Plains, NY	03/30/18	<u>2</u>	<u>489,000</u>	<u>56.3%</u>	<u>83,000</u>	<u>170</u>	
1Q 2018 Dispositions			20	1,737,954	70.2%	\$231,862	\$133	6.64%
2Q 2018 Dispositions								
-	-	-	-	-	-	-	-	-
3Q 2018 Dispositions								
600 Horizon Drive	Hamilton, NJ	08/02/18	1	95,000	100.0%	\$15,750	\$166	
1 & 3 Barker	White Plains, NY	09/06/18	<u>2</u>	<u>133,300</u>	<u>71.2%</u>	<u>15,920</u>	<u>119</u>	
3Q 2018 Dispositions			3	228,300	83.2%	\$31,670	\$139	7.78%
4Q 2018 Dispositions								
One Lake Street	Upper Saddle River, NJ	12/31/18	-	-	-	46,397	-	
Elmsford Distribution Center	Elmsford, NY	12/31/18	<u>6</u>	<u>387,400</u>	<u>98.3%</u>	<u>70,250</u>	<u>181</u>	
4Q 2018 Dispositions			6	387,400	98.3%	\$116,647	\$301	4.50% ⁽³⁾

Residential Portfolio

	Location	Transaction Date	Number of Buildings	Units	Occupancy %	Gross Asset Value ⁽¹⁾	Price Per Unit	Weighted Average Cap Rate ⁽²⁾
3Q 2018 Acquisitions								
Marbella (50% Interest)	Jersey City, NJ	08/02/18	1	412	95.4%	\$218,500 ⁽²⁾	\$530	
3Q 2018 Acquisitions			1	412	95.4%	\$218,500	\$530	4.62%
4Q 2018 Acquisitions								
Metropolitan, Shops & Lofts ⁽⁴⁾	Morristown, NJ	12/11/18	<u>3</u>	<u>189</u>	<u>97.4%</u>	<u>\$97,362</u> ⁽²⁾	<u>\$515</u>	
4Q 2018 Acquisitions			3	189	97.4%	\$97,362	\$515	5.51%
4Q 2018 Dispositions								
120 Passaic Street	Rochelle Park, NJ	11/15/18	-	-	-	\$2,843	-	
4Q 2018 Dispositions			-	-	-	\$2,843	-	-

Notes:

(1) Represents 100% of asset value.

(2) The Company purchased its partner's 50% interest at Marbella for \$37.4 million net of refinancing proceeds. The Company purchased its partner's 12.5% interest in Metropolitan and Shops at 40 Park, as well as its partner's 25% interest in Metropolitan Lofts for a combined \$2.6 million.

See supporting "Transaction Activity" notes on page 45.

Guidance Rollforward

	Low	High
2018 Core FFO Per Diluted Share	\$1.83	\$1.83
<i>Same-Store Unlevered Consolidated Operating NOI:</i>		
Waterfront	(\$0.11)	(\$0.09)
Core Suburban Office	0.00	0.00
Residential	<u>0.01</u>	<u>0.01</u>
Subtotal	(\$0.10)	(\$0.08)
<i>Investment Activity Unlevered Operating NOI:</i>		
2018 Office Dispositions	(\$0.05)	(\$0.05)
2018 Multifamily Acquisitions	0.06	0.06
Development Stabilizations	0.22	0.23
2019 Office Dispositions	(0.01)	(0.01)
2018/2019 Flex Dispositions	(0.26)	(0.26)
2019 Office Acquisitions	0.04	0.04
2019 Multifamily Dispositions	(0.02)	(0.02)
2019 Multifamily Acquisitions	<u>0.15</u>	<u>0.16</u>
Subtotal	\$0.13	\$0.15
<i>Corporate/Other</i>		
Joint Venture Earnings	\$0.01	\$0.01
General & Administrative	(0.02)	(0.01)
Interest Expense	(0.17)	(0.16)
Rockpoint Distributions	(0.05)	(0.05)
Other Office	<u>(0.03)</u>	<u>0.01</u>
Subtotal	(\$0.26)	(\$0.20)
2019 Initial Guidance Range (Pre-Topic 842)	\$1.60	\$1.70

Guidance Assumptions

\$ in millions (incl. per unit values)
except per SF

	Low	High
Office Occupancy (% year-end leased)	79%	83%
Office Same Store GAAP NOI Growth	(7%)	(3%)
Office Same Store Cash NOI Growth	(14%)	(10%)
Multifamily Same Store GAAP NOI Growth	1%	3%
Straight-Line Rent Adjustment & FAS 141 Mark-to-Market Rent Adjustment	\$17	\$27
Dispositions (Excluding Flex)	\$155	\$180
Flex Dispositions	\$480	\$480
Acquisitions (1031 & Partner Buyouts)	\$415	\$415
Base Building Capital Expenditures	\$8	\$13
Leasing Capital Expenditures	\$66	\$109
General & Administrative Expense	\$46	\$51
Interest Expense	\$95	\$105
Topic 842	\$2.5	\$3.5

Office Portfolio



Property Listing

Waterfront					
Building	Location	Total SF	Leased SF	% Leased	Avg. Base Rent + Escalations ⁽¹⁾
101 Hudson	Jersey City, NJ	1,246,283	957,105	76.8%	\$36.98
Harborside 1	Jersey City, NJ	399,578	194,066	48.6%	48.28
Harborside 2 & 3	Jersey City, NJ	1,487,222	1,234,101	83.0%	38.55
Harborside 4a	Jersey City, NJ	207,670	198,494	95.6%	36.56
Harborside 5	Jersey City, NJ	977,225	556,979	57.0%	39.67
111 River Street	Hoboken, NJ	566,215	436,535	77.1%	40.00
Total Waterfront		4,884,193	3,577,280	73.2%	\$38.90

Suburban					
Building	Location	Total SF	Leased SF	% Leased	Avg. Base Rent + Escalations ⁽¹⁾
1 Giralda Farms	Madison, NJ	154,417	149,745	97.0%	\$40.35
7 Giralda Farms	Madison, NJ	236,674	142,136	60.1%	35.96
4 Gatehall Drive	Parsippany, NJ	248,480	179,717	72.3%	27.30
9 Campus Drive	Parsippany, NJ	156,495	141,913	90.7%	22.36
325 Columbia Turnpike	Florham Park, NJ	168,144	168,144	100.0%	26.72
200 Schultz Drive	Red Bank, NJ	102,018	73,113	71.7%	27.34
201 Littleton Road	Morris Plains, NJ	88,369	33,120	37.5%	20.42
3600 Route 66	Neptune, NJ	180,000	180,000	100.0%	25.16
4 Campus Drive	Parsippany, NJ	147,475	122,343	83.0%	24.87
6 Campus Drive	Parsippany, NJ	148,291	125,560	84.7%	26.70
1 Sylvan Way	Parsippany, NJ	150,557	122,938	81.7%	33.57
3 Sylvan Way	Parsippany, NJ	147,241	82,036	55.7%	30.66
5 Sylvan Way	Parsippany, NJ	151,383	142,588	94.2%	29.68
7 Sylvan Way	Parsippany, NJ	145,983	103,289	70.8%	29.80
7 Campus Drive	Parsippany, NJ	154,395	134,026	86.8%	27.13
2 Hilton Court	Parsippany, NJ	181,592	181,592	100.0%	41.62
8 Campus Drive	Parsippany, NJ	215,265	155,566	72.3%	31.23
2 Dryden Way	Parsippany, NJ	6,216	6,216	100.0%	17.84
100 Overlook Center	Princeton, NJ	149,600	142,704	95.4%	30.82
5 Vaughn Drive	Princeton, NJ	98,500	43,310	44.0%	30.18
1 River Center 1	Middletown, NJ	122,594	119,622	97.6%	27.96
1 River Center 2	Middletown, NJ	120,360	120,360	100.0%	26.82
1 River Center 3	Middletown, NJ	194,518	73,361	37.7%	28.25
23 Main Street ⁽¹⁾	Holmdel, NJ	350,000	350,000	100.0%	17.78
5 Wood Hollow Road	Parsippany, NJ	317,040	317,040	100.0%	25.98
Total Suburban		4,135,607	3,410,439	82.5%	\$28.13
Total Core Office Portfolio		10,970,891	8,825,682	80.4%	\$34.46
Flex Park Portfolio		3,139,212	2,912,883	92.8%	\$19.51
Total Core Portfolio ⁽¹⁾		14,110,103	11,738,565	83.2%	\$30.75

Class A Suburban					
Building	Location	Total SF	Leased SF	% Leased	Avg. Base Rent + Escalations ⁽¹⁾
1 Bridge Plaza	Fort Lee, NJ	200,000	153,660	76.8%	\$29.21
2115 Linwood Ave ⁽²⁾	Fort Lee, NJ	68,000	58,562	86.1%	25.20
101 Wood Avenue S	Iselin, NJ	262,841	262,841	100.0%	32.99
581 Main Street	Woodbridge, NJ	200,000	198,065	99.0%	33.13
333 Thornall Street	Edison, NJ	196,128	196,128	100.0%	35.40
343 Thornall Street	Edison, NJ	195,709	186,966	95.5%	34.53
150 JFK Parkway	Short Hills, NJ	247,476	208,306	84.2%	36.37
51 JFK Parkway	Short Hills, NJ	260,741	256,324	98.3%	53.27
101 JFK Parkway	Short Hills, NJ	197,196	194,111	98.4%	40.67
103 JFK Parkway	Short Hills, NJ	123,000	123,000	100.0%	42.63
Total Class A Suburban		1,951,091	1,837,963	94.2%	\$37.54

Notes:
See supporting "Property Listing" notes on page 46.

2019 Expirations by Building

Asking rents on vacant space are on average 3.5% higher than expiring rents

Waterfront						
Building	Location	Total SF	2019 Expirations			Current
			SF	% Total	In-Place Rent	Asking Rent
101 Hudson	Jersey City, NJ	1,246,283	12,705	1.0%	\$40.00	\$47.00
Harborside 1	Jersey City, NJ	399,578	166,386	41.6%	50.67	47.00
Harborside 2 & 3	Jersey City, NJ	1,487,222	49,798	3.3%	45.21	43.00
Harborside 4a	Jersey City, NJ	207,670	-	0.0%	-	44.00
Harborside 5	Jersey City, NJ	977,225	40,046	4.1%	41.36	49.00
111 River Street	Hoboken, NJ	566,215	-	0.0%	-	52.00
Total Waterfront		4,884,193	268,935	5.5%	\$47.77	\$46.63
Waterfront Vacancies		1,306,913	26.8%			

Suburban						
Building	Location	Total SF	2019 Expirations			Current
			SF	% Total	In-Place Rent	Asking Rent
1 Giralda Farms	Madison, NJ	154,417	-	0.0%	-	\$37.00
7 Giralda Farms	Madison, NJ	236,674	-	0.0%	-	37.00
4 Gatehall Drive	Parsippany, NJ	248,480	48,059	19.3%	26.43	30.00
9 Campus Drive	Parsippany, NJ	156,495	11,661	7.5%	25.90	27.50
325 Columbia Turnpike	Florham Park, NJ	168,144	5,405	3.2%	26.58	30.00
200 Schultz Drive	Red Bank, NJ	102,018	1,898	1.9%	28.81	30.00
201 Littleton Road	Morris Plains, NJ	88,369	-	0.0%	-	20.00
3600 Route 66	Neptune, NJ	180,000	-	0.0%	-	27.50
4 Campus Drive	Parsippany, NJ	147,475	6,937	4.7%	25.93	27.50
6 Campus Drive	Parsippany, NJ	148,291	28,986	19.5%	29.00	27.50
1 Sylvan Way	Parsippany, NJ	150,557	-	0.0%	-	33.00
3 Sylvan Way	Parsippany, NJ	147,241	-	0.0%	-	33.00
5 Sylvan Way	Parsippany, NJ	151,383	9,286	6.1%	28.59	33.00
7 Sylvan Way	Parsippany, NJ	145,983	-	0.0%	-	33.00
7 Campus Drive	Parsippany, NJ	154,395	62,814	40.7%	28.08	27.50
2 Hilton Court	Parsippany, NJ	181,592	-	0.0%	-	32.00
8 Campus Drive	Parsippany, NJ	215,265	13,589	6.3%	30.85	33.00
2 Dryden Way	Parsippany, NJ	6,216	-	0.0%	-	16.50
100 Overlook Center	Princeton, NJ	149,600	2,195	1.5%	35.00	32.00
5 Vaughn Drive	Princeton, NJ	98,500	3,025	3.1%	30.01	30.00
1 River Center 1	Red Bank, NJ	122,594	1,267	1.0%	30.02	30.00
1 River Center 2	Red Bank, NJ	120,360	3,696	3.1%	27.69	30.00
1 River Center 3 & 4	Red Bank, NJ	194,518	29,540	15.2%	28.69	30.00
23 Main Street	Holmdel, NJ	350,000	-	0.0%	-	18.50
5 Wood Hollow Road	Parsippany, NJ	317,040	117,118	36.9%	27.12	28.00
Total Suburban		4,135,607	345,476	8.4%	\$27.71	\$29.57
Suburban Vacancies		725,168	17.5%			

Class A Suburban						
Building	Location	Total SF	2019 Expirations			Current
			SF	% Total	In-Place Rent	Asking Rent
1 Bridge Plaza	Fort Lee, NJ	200,000	10,719	5.4%	\$28.07	\$32.00
2115 Linwood Ave ⁽¹⁾	Fort Lee, NJ	68,000	19,367	28.5%	26.51	26.50
101 Wood Avenue S	Iselin, NJ	262,841	6,644	2.5%	33.67	37.00
581 Main Street	Woodbridge, NJ	200,000	30,294	15.1%	27.41	32.00
333 Thornall Street	Edison, NJ	196,128	48,944	25.0%	34.28	37.00
343 Thornall Street	Edison, NJ	195,709	8,336	4.3%	26.30	37.00
150 JFK Parkway	Short Hills, NJ	247,476	-	0.0%	-	48.00
51 JFK Parkway	Short Hills, NJ	260,741	1,591	0.6%	56.33	55.00
101 JFK Parkway	Short Hills, NJ	197,196	2,634	1.3%	39.25	45.00
103 JFK Parkway	Short Hills, NJ	123,000	-	0.0%	-	45.00
Total Class A Suburban		1,951,091	128,529	6.6%	\$30.80	\$40.72
Class A Vacancies		113,128	5.8%			

Expiring SF by Quarter					
	1Q 2019	2Q 2019	3Q 2019	4Q 2019	Remaining 2019
Waterfront	40,799	20,649	71,321	136,166	268,935
Class A Suburban	19,905	37,311	11,268	60,045	128,529
Suburban	36,960	191,987	78,543	37,986	345,476
Flex Parks	78,762	57,427	140,576	90,521	367,286
Total Core Portfolio	176,426	307,374	301,708	324,718	1,110,226

Notes:

(1) Subsequent to year-end, the company executed the disposition of 2115 Linwood Avenue for \$16 million.

Total Core Office Portfolio	10,970,891	742,940	6.8%	\$35.50	\$37.68
Total Core Office Vacancies	2,145,209	19.6%			
Flex Park Portfolio	3,139,212	367,286	11.7%	\$20.78	\$19.67
Flex Park Vacancies	226,329	7.2%			
Total Core Portfolio	14,110,103	1,110,226	7.9%	\$30.63	\$31.72
Total Core Vacancies	2,371,538	16.8%			

Leasing Activity

Percentage Leased Summary

	Pct. Leased 9/30/2018	Impact of Acquisition/Disposition	Impact of Leasing Activity	Pct. Leased 12/31/2018 ⁽¹⁾	Sq. Ft. Leased Commercial	Sq. Ft. Leased Service	Sq. Ft. Unleased
Waterfront	73.2%	0.0%	0.0%	73.2%	3,440,756	136,524	1,306,913
Class A Suburban	94.8%	0.0%	(0.6%)	94.2%	1,830,857	7,106	113,128
Suburban	84.3%	0.0%	(1.8%)	82.5%	3,256,526	153,913	725,168
Flex Parks	93.3%	(11.0%)	(0.5%)	92.8%	2,883,345	29,538	226,329
Subtotals	84.2%	(2.7%)	(1.0%)	83.2%	11,411,484	327,081	2,371,538
Non-Core	52.7%	0.0%	(1.5%)	51.2%	339,266	23,389	346,131
TOTALS	82.7%	(2.5%)	(1.0%)	81.7%	11,750,750	350,470	2,717,669

Summary of Leasing Transaction Activity

For the three months ended December 31, 2018

	Number of Transactions	Total Sq. Ft.	Sq. Ft. New Leases	Sq. Ft. Renewed and Other Retained	Average Sq. Ft.	Weighted Avg. Term (Yrs)	Wtd. Avg. Base Rent (\$) ⁽²⁾	Wtd. Avg. Costs Sq. Ft. Per Year (\$)
Waterfront	6	43,913	31,853	12,060	7,319	6.1	\$48.97	\$5.63
Class A Suburban	6	58,450	16,542	41,908	9,742	4.2	32.89	4.63
Suburban	11	162,628	41,869	120,759	14,784	5.3	33.25	3.43
Flex Parks	11	93,633	50,961	42,672	8,512	6.0	23.29	0.90
Subtotals	34	358,624	141,225	217,399	10,548	5.4	\$32.52	\$2.99
Non-Core	—	—	—	—	—	—	—	—
TOTALS	34	358,624	141,225	217,399	10,548	5.4	\$32.52	\$2.99

Notes:

- (1) Percentage leased values reflect both Plymouth Rock Management Co.'s recently executed lease at 581 Main Street as well as its lease at 1 River Center 3, of which 29,540 sf is expiring 2/10/19. Suburban percentage leased excluding the 29,540 sf leased to Plymouth Rock would be 81.8%.
- (2) Inclusive of escalations.

Leasing Rollforwards

For the three months ended December 31, 2018

	Pct. Leased 09/30/18	Inventory 09/30/18	Sq. Ft. Leased 09/30/18	Inventory Acquired/ Disposed	Leased Sq. Ft. Acquired/ Disposed	Expiring/ Adj. Sq. Ft.	Incoming Sq. Ft.	Net Leasing Activity	Inventory 12/31/18	Sq. Ft. Leased 12/31/18	Pct. Leased 12/31/18
Waterfront	73.2%	4,884,193	3,576,772	-	-	(43,405)	43,913	508	4,884,193	3,577,280	73.2%
Class A Suburban	94.8%	1,951,091	1,849,435	-	-	(69,922)	58,450	(11,472)	1,951,091	1,837,963	94.2%
Suburban	84.3%	4,135,607	3,486,218	-	-	(238,407)	162,628	(75,779)	4,135,607	3,410,439	82.5%
Flex Parks	93.3%	3,526,612	3,288,702	(387,400)	(371,455)	(97,997)	93,633	(4,364)	3,139,212	2,912,883	92.8%
Subtotals	84.2%	14,497,503	12,201,127	(387,400)	(371,455)	(449,731)	358,624	(91,107)	14,110,103	11,738,565	83.2%
Non-Core	52.7%	708,786	373,209	-	-	(10,554)	-	(10,554)	708,786	362,655	51.2%
TOTALS	82.7%	15,206,289	12,574,336	(387,400)	(371,455)	(460,285)	358,624	(101,661)	14,818,889	12,101,220	81.7%

For the year ended December 31, 2018

	Pct. Leased 12/31/17	Inventory 12/31/17	Sq. Ft. Leased 12/31/17	Inventory Acquired/ Disposed	Leased Sq. Ft. Acquired/ Disposed	Expiring/ Adj. Sq. Ft.	Incoming Sq. Ft.	Net Leasing Activity	Inventory 12/31/18	Sq. Ft. Leased 12/31/18	Pct. Leased 12/31/18
Waterfront	86.2%	4,884,193	4,211,020	-	-	(1,117,709)	483,969	(633,740)	4,884,193	3,577,280	73.2%
Class A Suburban	90.1%	1,951,091	1,758,094	-	-	(315,902)	395,771	79,869	1,951,091	1,837,963	94.2%
Suburban	84.8%	4,323,366	3,665,423	(187,759)	(193,799)	(448,647)	387,462	(61,185)	4,135,607	3,410,439	82.5%
Flex Parks	91.5%	3,491,612	3,195,006	(352,400)	(336,455)	(502,401)	556,733	54,332	3,139,212	2,912,883	92.8%
Subtotals	87.6%	14,650,262	12,829,543	(540,159)	(530,254)	(2,384,659)	1,823,935	(560,724)	14,110,103	11,738,565	83.2%
Non-Core	73.7%	2,460,040	1,812,836	(1,751,254)	(1,306,470)	(231,462)	87,751	(143,711)	708,786	362,655	51.2%
TOTALS	85.6%	17,110,302	14,642,379	(2,291,413)	(1,836,724)	(2,616,121)	1,911,686	(704,435)	14,818,889	12,101,220	81.7%

Top 15 Tenants

	Number of Properties	Annualized Base Rental Revenue (\$) ⁽¹⁾	Percentage of Company Annualized Base Rental Revenue (%) ⁽²⁾	Square Feet Leased	Percentage Total Company Leased Sq. Ft. (%) ⁽²⁾	Year of Lease Expiration
MUFG Bank LTD.	1	11,465,968	3.4%	282,606	2.4%	(3)
Merrill Lynch Pierce Fenner	3	10,974,626	3.2%	430,926	3.7%	(4)
John Wiley & Sons Inc.	1	10,888,238	3.2%	290,353	2.5%	2033
Dun & Bradstreet Corporation	2	7,464,280	2.2%	192,280	1.6%	2023
Montefiore Medical Center	7	7,327,505	2.2%	296,572	2.5%	(5)
Daiichi Sankyo Inc.	1	6,773,878	2.0%	171,900	1.5%	2022
TD Ameritrade Services Co.	1	6,762,294	2.0%	193,873	1.6%	2020
DB Services New Jersey Inc.	1	6,453,195	1.9%	125,916	1.1%	2019
E-Trade Financial Corporation	1	5,290,600	1.6%	132,265	1.1%	2030
KPMG LLP	2	5,181,897	1.5%	120,947	1.0%	(6)
Plymouth Rock Management Co.	2	5,141,920	1.5%	159,326	1.4%	(7)
Vonage America Inc.	1	4,732,000	1.4%	350,000	3.0%	2023
HQ Global Workplaces LLC	7	4,566,054	1.3%	152,441	1.3%	(8)
Investors Bank	2	4,392,845	1.3%	139,296	1.2%	(9)
Pfizer Inc.	1	4,306,008	1.3%	113,316	1.0%	2024
Totals		101,721,308	30.0%	3,152,017	26.9%	

Notes:

See supporting "Top 15 Tenants" notes on page 46.

Lease Expirations

Year of Expiration/Market	Number of Leases Expiring ⁽¹⁾	Net Rentable Area Subject to Expiring Leases (Sq. Ft.) ⁽²⁾	Percentage of Total Leased Square Feet Represented by Expiring Leases (%)	Annualized Base Rental Revenue Under Expiring Leases (\$) ⁽³⁾⁽⁴⁾	Average Annualized Base Rent Per Net Rentable Square Foot Represented by Expiring Leases (\$)	Percentage of Annual Base Rent Under Expiring Leases (%)
2019						
Waterfront	13	268,935	2.3	11,798,970	43.87	3.5
Class A Suburban	23	128,529	1.1	3,794,072	29.52	1.1
Suburban	28	345,476	3.0	9,161,031	26.52	2.7
Flex Parks	45	367,286	3.1	7,099,995	19.33	2.1
Subtotal	109	1,110,226	9.5	31,854,068	28.69	9.4
Non-Core	7	62,959	0.5	1,679,631	26.68	0.5
TOTAL – 2019	116	1,173,185	10.0	33,533,699	28.58	9.9
2020						
Waterfront	6	45,014	0.4	1,681,476	37.35	0.5
Class A Suburban	25	226,832	1.9	7,893,410	34.80	2.3
Suburban	26	164,276	1.4	4,076,809	24.82	1.2
Flex Parks	41	236,043	2.0	4,785,183	20.27	1.4
Subtotal	98	672,165	5.7	18,436,878	27.43	5.4
Non-Core	8	29,818	0.3	732,173	24.55	0.2
TOTAL – 2020	106	701,983	6.0	19,169,051	27.31	5.6
2021						
Waterfront	16	365,649	3.1	13,215,654	36.14	3.9
Class A Suburban	16	125,149	1.0	5,453,590	43.58	1.6
Suburban	23	197,244	1.7	5,654,449	28.67	1.7
Flex Parks	38	282,728	2.4	4,765,482	16.86	1.4
Subtotal	93	970,770	8.2	29,089,175	29.97	8.6
Non-Core	7	80,040	0.7	1,989,245	24.85	0.6
TOTAL – 2021	100	1,050,810	8.9	31,078,420	29.58	9.2
2022						
Waterfront	11	94,713	0.8	3,277,910	34.61	1.0
Class A Suburban	13	154,380	1.3	4,887,821	31.66	1.4
Suburban	30	314,129	2.7	8,795,352	28.00	2.6
Flex Parks	44	371,602	3.2	6,693,265	18.01	2.0
Subtotal	98	934,824	8.0	23,654,348	25.30	7.0
Non-Core	7	50,897	0.4	1,310,146	25.74	0.4
TOTAL – 2022	105	985,721	8.4	24,964,494	25.33	7.4
2023						
Waterfront	11	338,909	2.9	12,286,552	36.25	3.6
Class A Suburban	15	267,773	2.3	9,988,955	37.30	2.9
Suburban	33	850,045	7.2	20,644,601	24.29	6.1
Flex Parks	36	404,909	3.4	7,449,180	18.40	2.2
Subtotal	95	1,861,636	15.8	50,369,288	27.06	14.8
Non-Core	0	0	0.0	0	0.00	0.0
TOTAL – 2023	95	1,861,636	15.8	50,369,288	27.06	14.8

Notes:
See supporting "Expirations" notes on page 46.

Lease Expirations (Cont.)

<u>Year of Expiration/Market</u>	Number of Leases Expiring ⁽¹⁾	Net Rentable Area Subject to Expiring Leases (Sq. Ft.) ⁽²⁾	Percentage of Total Leased Square Feet Represented by Expiring Leases (%)	Annualized Base Rental Revenue Under Expiring Leases (\$) ⁽³⁾⁽⁴⁾	Average Annualized Base Rent Per Net Rentable Square Foot Represented by Expiring Leases (\$)	Percentage of Annual Base Rent Under Expiring Leases (%)
2024						
Waterfront	11	228,183	2.0	8,723,922	38.23	2.6
Class A Suburban	15	261,417	2.2	10,831,557	41.43	3.2
Suburban	29	427,013	3.6	11,338,954	26.55	3.3
Flex Parks	31	443,107	3.8	8,431,532	19.03	2.5
Subtotal	86	1,359,720	11.6	39,325,965	28.92	11.6
Non-Core	0	0	0.0	0	0.00	0.0
TOTAL – 2024	86	1,359,720	11.6	39,325,965	28.92	11.6

2025 AND THEREAFTER						
Waterfront	50	2,099,353	17.9	72,936,701	34.74	21.3
Class A Suburban	29	666,777	5.6	22,548,318	33.82	6.7
Suburban	46	958,343	8.2	27,393,340	28.58	7.9
Flex Parks	45	777,670	6.6	15,516,137	19.95	4.8
Subtotal	170	4,502,143	38.3	138,394,496	30.74	40.7
Non-Core	4	115,552	1.0	2,899,122	25.09	0.8
TOTAL – 2025 AND THEREAFTER	174	4,617,695	39.3	141,293,618	30.60	41.5

Expirations by Type

<u>Year of Expiration/Market</u>	Number of Leases Expiring ⁽¹⁾	Net Rentable Area Subject to Expiring Leases (Sq. Ft.) ⁽²⁾	Percentage of Total Leased Square Feet Represented by Expiring Leases (%)	Annualized Base Rental Revenue Under Expiring Leases (\$) ⁽³⁾⁽⁴⁾	Average Annualized Base Rent Per Net Rentable Square Foot Represented by Expiring Leases (\$)	Percentage of Annual Base Rent Under Expiring Leases (%)
TOTALS BY TYPE						
Waterfront	118	3,440,756	29.4	123,921,185	36.02	36.4
Class A Suburban	136	1,830,857	15.4	65,397,723	35.72	19.2
Suburban	215	3,256,526	27.8	87,064,536	26.74	25.5
Flex Parks	280	2,883,345	24.5	54,740,774	18.99	16.4
Subtotal	749	11,411,484	97.1	331,124,218	29.02	97.5
Non-Core	33	339,266	2.9	8,610,317	25.38	2.5
Totals/Weighted Average	782	11,750,750	100.0	339,734,535	\$28.91	100.0

Notes:
See supporting "Expirations" notes on page 46.

Roseland Residential Portfolio



Roseland Highlights

Roseland (RRT) manages a dynamic portfolio of operating and under construction assets, with an enviable land pipeline primarily in high barrier to entry, transit oriented locations. We are a premier owner and developer of residential real estate on the New Jersey waterfront with direct access to Hudson Yards and Brookfield Place

- Platform Poised for Sustained Growth:

- 4Q 2018 NAV was approximately \$1.86B, comprised of \$278M of Rockpoint equity and \$1.58B of MC equity (\$15.69/MC share)
- In December 2018, the Residence Inn at Port Imperial, a 164-key limited service Marriott hotel in Weehawken, NJ, commenced operations. The hotel is the first phase of a 372-key, dual-flag development, with its sister property, the Marriott Envue, projected to open in June 2019.
- Commenced construction on 233 Canoe Brook, a 200-unit community directly adjacent to the Short Hills Mall and the second success from the Company's suburban office repurposing efforts
- Subsequent to year-end, commenced construction on 25 Christopher Columbus, a 750-unit premier residential tower in downtown Jersey City
- Lease-Up Communities 2018: achieved stabilization at RiverHouse 11 (295 units), Signature Place (197 units) Metropolitan Lofts (59 units) and Portside 5/6 at East Pier (296 units), as well as continued momentum at 145 Front Phase I & II (237 units & 128 units respectively)
 - As of February 18, our lease-up portfolio—solely from 2018 deliveries of 1,212 units—was 87.3% leased
- As of December 31, 2018, Rockpoint had an additional \$45M capital commitment to Roseland
- Subsequent to year-end, the Company closed on the acquisition of Prudential's 50% ownership interest in M2, a 311-unit community in Jersey City, at a gross asset valuation of \$195M. The acquisition, funded by Rockpoint capital and proceeds from the refinancing, follows the 3Q 2018 partnership acquisition of the sister Marbella property
- Subsequent to year-end, the Company entered into contract to acquire Soho Lofts, a 377-unit community in Jersey City, for \$263.5M. The acquisition, to be funded by 1031 proceeds, represents our continued strategy of concentrating investment in our core market: the NJ Waterfront
- Subsequent to year-end, the Company executed the disposition of Park Square, a 159-unit community in Rahway, NJ for \$34.9M
- Pipeline of 9,890 units of strategically located land holdings includes 6,284 units along the NJ Waterfront—nearly all with zoning in place
- We forecast continued growth in residential NOI after debt service from completion of our 2,321 unit/key in-construction portfolio coupled with stabilization of our lease-up portfolio

	4Q 2018	YE 2019	YE 2020
Operating & Construction Apts. (projected)	8,609	9,051	10,480
Future Development Apts.	9,890	9,666	8,237
% Growth in Operating & Construction Units	-	5.1%	15.8%

Development Activity and Cash Flow Growth

\$ in millions
(unaudited)

	RRT Nominal Ownership	% Leased As of: As of 2/18/19	Actual/Projected Initial Leasing	Units	Projected Yield	Projected Stabilized NOI	Projected Share of Stabilized NOI After Debt Service
2017 Deliveries							
Urby Harborside	85.0%	96.9%	1Q2017	762	6.72%	\$18.5	\$9.9
Chase II at Overlook Ridge	100.0%	95.3%	4Q2016	292	6.52%	5.2	2.7
Quarry Place at Tuckahoe	<u>100.0%</u>	<u>97.2%</u>	4Q2016	<u>108</u>	<u>6.61%</u>	<u>2.8</u>	<u>1.1</u>
Total 2017 Lease-Ups	90.2%	96.5%		1,162	6.66%	\$26.5	\$13.7
2018 Deliveries							
Signature Place at Morris Plains	100.0%	97.0%	1Q2018	197	6.68%	\$3.3	\$1.4
Lofts at 40 Park	50.0%	100.0%	1Q2018	59	6.72%	1.2	0.3
145 Front Street at City Square - Phase I	100.0%	83.1%	1Q2018	237	6.21%	3.8	2.1
145 Front Street at City Square - Phase II	100.0%	30.5%	2Q2018	128	6.21%	2.1	1.1
Portside 5/6	100.0%	95.9%	2Q2018	296	6.40%	7.6	3.2
RiverHouse 11 at Port Imperial	<u>100.0%</u>	<u>97.6%</u>	3Q2018	<u>295</u>	<u>6.60%</u>	<u>8.0</u>	<u>3.5</u>
Total 2018 Deliveries	97.6%	87.3%		1,212	6.45%	\$26.0	\$11.6
2019 Deliveries							
Marriott Hotels at Port Imperial ⁽¹⁾	<u>90.0%</u>		2Q2019	<u>372</u>	<u>8.81%</u>	<u>\$14.0</u>	<u>\$8.0</u>
Total 2Q 2019 Deliveries	90.0%			372	8.81%	\$14.0	\$8.0
2020 Deliveries							
Port Imperial - Building 9	100.0%		4Q2020	313	6.32%	\$9.0	\$4.9
Chase III	100.0%		4Q2020	326	6.05%	6.0	3.3
PI North - Riverwalk C	40.0%		4Q2020	360	6.07%	11.2	2.4
233 Canoe Brook Road - Apartments	<u>100.0%</u>		4Q2020	<u>200</u>	<u>5.94%</u>	<u>5.9</u>	<u>3.0</u>
Total 4Q 2020 Deliveries	82.0%			1,199	6.11%	\$32.1	\$13.6
2022 Deliveries							
25 Christopher Columbus	<u>100.0%</u>		1Q2022	<u>750</u>	<u>6.05%</u>	<u>\$27.9</u>	<u>\$14.4</u>
Total 1Q 2022 Deliveries	100.0%			750	6.05%	\$27.9	\$14.4
Total In-Construction	89.1%			2,321	6.52% ⁽²⁾	\$74.0	\$36.0
Total	91.5%			4,695	6.54%	\$127	\$61.3

Notes:

(1) The Residence Inn (164 keys) opened in 4Q 2018. The Marriott Envue (208 keys) is projected to open in June 2019

(2) Projected stabilized yield on in-construction portfolio without the Marriott Hotels at Port Imperial is 6.08 percent. NOI amounts are projected only. See Information About Net Operating Income (NOI) on page 48.

Roseland Balance Sheet

\$ in thousands
(unaudited)

	4Q 2018	4Q 2017
ASSETS		
Rental Property		
Land and leasehold interests	\$205,665	\$133,487
Buildings and improvements	1,231,005	782,556
Furniture, Fixtures and Equipment	45,635	26,193
Land and improvements held for development	285,451	272,622
Development and construction in progress	247,811	478,812
Total Gross Rental Property	2,015,567	1,693,670
Less: Accumulated Depreciation	(81,398)	(55,087)
Net Investment in Rental Property	1,934,169	1,638,583
Assets Held for Sale, Net	33,956	2,634
Total Property Investments	1,968,125	1,641,217
Cash and cash equivalents	13,924	6,108
Restricted Cash	8,116	6,053
Investments in unconsolidated JVs	218,771	237,321
Unbilled rents receivable, net	2,756	1,248
Deferred Charges & Other Assets	47,390	42,974
Accounts receivable, net of allowance	1,415	2,787
Total Assets	\$2,260,497	\$1,937,708
LIABILITIES & EQUITY		
Mortgages, loans payable & other obligations	\$1,059,406	\$769,743
Note Payable to Affiliate	-	24,924
Accounts pay, accrued exp and other liabilities	48,333	79,034
Rents rec'd in advance & security deposits	5,981	3,870
Accrued interest payable	2,668	1,481
Total Liabilities	1,116,388	879,052
Redeemable Noncontrolling Interest - Rockpoint	278,135	159,884
Noncontrolling Interests in Consolidated Joint Ventures	40,047	19,069
Mack-Call Capital	825,927	879,703
Total Liabilities & Equity	\$2,260,497	\$1,937,708

Roseland Income Statement

\$ in thousands
(unaudited)

	4Q 2018	3Q 2018	2Q 2018	1Q 2018	4Q 2017
REVENUES					
Base rents	\$25,772	\$21,735	\$17,132	\$16,319	\$16,424
Escalation and recoveries from tenants	1,068	1,194	695	572	510
Real estate services	3,720	4,310	3,970	4,427	4,663
Parking income	2,734	3,052	2,306	1,915	2,112
Other income	930	650	677	627	571
Total revenues	\$34,224	\$30,941	\$24,780	\$23,860	\$24,280
EXPENSES					
Real estate taxes	\$3,783	\$3,917	\$3,239	\$3,074	\$2,868
Utilities	1,494	1,497	1,142	1,074	871
Operating services	5,847	6,650	4,467	4,185	3,530
Real estate service expenses	4,094	4,317	4,292	4,860	4,806
General and administrative	3,498	2,891	3,054	2,904	3,472
Depreciation and amortization	12,002	10,370	7,281	6,756	8,713
Total expenses	\$30,718	\$29,642	\$23,475	\$22,853	\$24,260
Operating Income	\$3,506	\$1,299	\$1,305	\$1,007	\$0
OTHER (EXPENSE) INCOME					
Interest expense	(\$6,900)	(\$4,489)	(\$2,668)	(\$1,895)	(\$1,982)
Interest and other investment income (loss)	2	1	3	412	(29)
Equity in earnings (loss) of unconsolidated joint ventures	(1,797)	(1,401)	(961)	1,712	(1,390)
Land Impairments	(24,566)	-	-	-	-
Gain on change of control of interests	-	14,217	-	-	-
Realized gains (losses) and unrealized losses on disposition	100	(6,330)	-	-	-
Gain on sale of investment in unconsolidated joint venture	-	-	-	-	-
Gain (loss) from early extinguishment of debt, net	(461)	-	-	-	(182)
Total other income (expense)	(\$33,622)	\$1,998	(\$3,626)	\$229	(\$3,583)
Net income (loss)	(\$30,116)	\$3,297	(\$2,321)	\$1,236	(\$3,563)
Noncontrolling interest in consolidated joint ventures	\$640	\$451	\$95	\$118	\$104
Redeemable noncontrolling interest	(3,951)	(3,330)	(2,534)	(2,344)	(2,227)
Net income (loss) available to common shareholders	(\$33,427)	\$418	(\$4,760)	(\$990)	(\$5,686)

Jersey City Residential Calculator

Jersey City is a compelling financial alternative to Manhattan, providing significant income advantages after taxes and rent.

1 Bedroom Household

	\$150,000 Household				\$200,000 Household				\$250,000 Household				
	New York City Resident	Jersey City Resident	Delta		New York City Resident	Jersey City Resident	Delta		New York City Resident	Jersey City Resident	Delta		
Annual Household Income	\$150,000	\$150,000	-	-	\$200,000	\$200,000	-	-	\$250,000	\$250,000	-	-	
Less: Income Tax ⁽¹⁾													
Federal	20.2% (\$30,290)	20.2% (\$30,290)	-	-	22.8% (\$45,690)	22.8% (\$45,690)	-	-	25.3% (\$63,190)	25.3% (\$63,190)	-	-	
FICA	6.7% (10,111)	6.7% (10,111)	-	-	5.4% (10,836)	5.4% (10,836)	-	-	4.33% (10,836)	4.3% (10,836)	-	-	
State	6.3% (9,478)	5.0% (7,429)	(2,049)	21.6%	6.4% (12,803)	5.3% (10,614)	(2,189)	17.1%	6.48% (16,200)	5.5% (13,799)	(2,401)	14.8%	
Local	3.6% (5,354)	0.0%	0	(5,354)	100.0%	3.6% (7,178)	0.0%	0	(7,178)	100.0%	3,600	(9,002)	100.0%
Subtotal: Income Tax	36.8% (\$55,232)	31.9% (\$47,829)	(\$7,403)	13.4%	38.3% (\$76,506)	33.6% (\$67,139)	(\$9,367)	12.2%	39.7% (\$99,227)	35.1% (\$87,824)	(\$11,403)	11.5%	
Less: Rent Class A Apartment 1 Bedroom 750 SF	\$80 PSF (60,000)	\$50 PSF (37,500)	(\$22,500)	37.5%	\$80 PSF (60,000)	\$50 PSF (37,500)	(\$22,500)	37.5%	\$80 PSF (60,000)	\$50 PSF (37,500)	(\$22,500)	37.5%	
Disposable Income	23.2% \$34,768	43.1% \$64,671	\$29,903	86.0%	31.7% \$63,494	47.7% \$95,361	\$31,867	50.2%	36.3% \$90,773	49.9% \$124,676	\$33,903	37.3%	

2 Bedroom Household

	\$150,000 Household				\$200,000 Household				\$250,000 Household				
	New York City Resident	Jersey City Resident	Delta		New York City Resident	Jersey City Resident	Delta		New York City Resident	Jersey City Resident	Delta		
Annual Household Income	\$150,000	\$150,000	-	-	\$200,000	\$200,000	-	-	\$250,000	\$250,000	-	-	
Less: Income Tax ⁽¹⁾													
Federal	20.2% (\$30,290)	20.2% (\$30,290)	-	-	22.8% (\$45,690)	22.8% (\$45,690)	-	-	25.3% (\$63,190)	25.3% (\$63,190)	-	-	
FICA	6.7% (10,111)	6.7% (10,111)	-	-	5.4% (10,836)	5.4% (10,836)	-	-	4.33% (10,836)	4.3% (10,836)	-	-	
State	6.3% (9,478)	5.0% (7,429)	(2,049)	21.6%	6.4% (12,803)	5.3% (10,614)	(2,189)	17.1%	6.48% (16,200)	5.5% (13,799)	(2,401)	14.8%	
Local	3.6% (5,354)	0.0%	0	(5,354)	100.0%	3.6% (7,178)	0.0%	0	(7,178)	100.0%	3,600	(9,002)	100.0%
Subtotal: Income Tax	36.8% (\$55,232)	31.9% (\$47,829)	(\$7,403)	13.4%	38.3% (\$76,506)	33.6% (\$67,139)	(\$9,367)	12.2%	39.7% (\$99,227)	35.1% (\$87,824)	(\$11,403)	11.5%	
Less: Rent Class A Apartment 2 Bedroom 1,050 SF	\$75 PSF (78,750)	\$45 PSF (47,250)	(\$31,500)	40.0%	\$75 PSF (78,750)	\$45 PSF (47,250)	(\$31,500)	40.0%	\$75 PSF (78,750)	\$45 PSF (47,250)	(\$31,500)	40.0%	
Disposable Income	10.7% \$16,018	36.6% \$54,921	\$38,903	242.9%	22.4% \$44,744	42.8% \$85,611	\$40,867	91.3%	28.8% \$72,023	46.0% \$114,926	\$42,903	59.6%	

Notes:

(1) Reflects 2018 tax rates for single filers.

Operating & Lease-Up Communities

\$ in thousands, except per home

- 4Q 2018 Percentage Leased (Stabilized): 95.9%
- 4Q 2018 Avg. Revenue Per Home (Stabilized): \$2,673

Operating Communities	Location	Ownership	Apartments	Rentable SF	Avg. Size	Year Complete	Operating Highlights										
							Percentage Leased	Percentage Leased	Average Revenue Per Home	Average Revenue Per Home	NOI*	NOI*	NOI*	Debt Balance			
							4Q 2018	3Q 2018	4Q 2018	3Q 2018	4Q 2018	3Q 2018	FY 2018				
Consolidated																	
Alterra at Overlook Ridge	Revere, MA	100.00%	722	663,139	918	2008	95.6%	96.5%	\$2,042	\$1,993	\$2,563	\$2,243	\$9,659	\$100,000			
The Chase at Overlook Ridge	Malden, MA	100.00%	664	598,161	901	2014	97.1%	97.6%	2,154	2,134	2,657	2,259	9,758	135,750			
Park Square ⁽¹⁾	Rahway, NJ	100.00%	159	184,957	1,163	2009	95.6%	97.5%	2,134	2,123	480	348	2,118	25,167			
Riverwatch	New Brunswick, NJ	100.00%	200	147,852	739	1997	96.0%	98.0%	1,854	1,808	635	592	2,036	-			
Monaco	Jersey City, NJ	100.00%	523	475,742	910	2011	93.9%	96.6%	3,518	3,598	3,550	3,782	14,375	165,000			
Portside at East Pier - 7	East Boston, MA	100.00%	175	156,091	892	2015	97.2%	95.6%	2,729	2,757	1,096	992	4,098	58,998			
Quarry Place at Tuckahoe	Eastchester, NY	100.00%	108	105,509	977	2016	95.4%	96.3%	3,440	3,375	523	482	2,021	41,000			
Marbella ⁽²⁾	Jersey City, NJ	74.27%	412	369,515	897	2003	94.2%	95.4%	3,167	3,211	2,470	2,555	10,006	131,000			
RiverHouse 11 ⁽¹⁾	Weehawken, NJ	100.00%	295	250,591	849	2018	92.6%	89.2%	3,070	NA	1,052	-	1,052	100,000			
Consolidated		96.75%	3,258	2,951,557	906		95.7%	96.0%	\$2,613	\$2,335	\$15,031	\$13,253	\$55,128	\$756,915			
Unconsolidated Joint Ventures ⁽¹⁾																	
RiverTrace at Port Imperial	West New York, NJ	22.50%	316	295,767	936	2014	95.3%	96.8%	\$3,154	\$3,217	\$1,744	\$1,750	\$7,102	\$82,000			
M2 ⁽¹⁾	Jersey City, NJ	24.27%	311	273,132	878	2016	94.2%	95.5%	3,559	3,539	2,107	2,167	8,449	74,690			
RiverPark at Harrison	Harrison, NJ	45.00%	141	125,498	890	2014	95.7%	96.5%	2,265	2,229	419	494	1,678	29,819			
Urby Harborside ⁽¹⁾	Jersey City, NJ	85.00%	762	474,476	623	2017	98.2%	97.9%	2,938	2,911	3,613	3,561	17,856	191,732			
Station House	Washington, DC	50.00%	378	290,348	768	2015	92.3%	91.0%	2,664	2,729	1,548	1,799	7,258	98,504			
Crystal House	Arlington, VA	25.00%	825	738,786	895	1962	96.7%	96.8%	2,120	2,139	2,783	3,048	11,738	162,838			
Metropolitan at 40 Park ⁽¹⁾	Morristown, NJ	25.00%	130	124,237	956	2010	97.7%	94.6%	3,211	3,371	665	688	2,914	36,015			
Metropolitan Lofts	Morristown, NJ	50.00%	59	54,683	922	2018	96.6%	84.7%	2,924	3,363	345	146	410	13,145			
Joint Ventures		45.00%	2,922	2,376,927	813		96.1%	95.8%	\$2,740	\$2,766	\$13,224	\$13,653	\$57,405	\$688,743			
Total Residential - Stabilized		72.28%	6,180	5,328,484	862		95.9%	95.9%	\$2,673	\$2,539	\$28,255	\$26,906	\$112,533	\$1,445,658			
Lease-up Communities																	
Consolidated																	
Portside at East Pier - 5/6	East Boston, MA	100.00%	296	235,078	794	2018	91.6%	64.2%	\$3,764	\$2,640	\$944	\$332	\$1,208	\$97,000			
Signature Place at Morris Plains	Morris Plains, NJ	100.00%	197	203,716	1,034	2018	94.9%	78.2%	2,351	3,303	325	42	185	41,769			
145 Front at City Square - Phase I ⁽¹⁾	Worcester, MA	100.00%	237	192,995	814	2018	74.7%	62.0%	1,719	1,690	285	(239)	(304)	56,892			
146 Front at City Square - Phase II	Worcester, MA	100.00%	128	112,661	880	2018	18.8%	13.3%									
Consolidated		100.00%	858	744,450	868		76.8%	59.2%	\$2,570	\$2,388	\$1,554	\$135	\$1,089	\$195,661			
Total Residential - Operating Communities ⁽¹⁾		75.66%	7,038	6,072,934	863		93.6%	91.5%	\$2,661	\$2,520	\$29,809	\$27,041	\$113,622	\$1,641,319			

Notes:

See Information About Net Operating Income on page 48.
See supporting "Operating & Lease-Up Communities" notes on page 46.

(2) Marbella FY 2018 NOI composed of \$5,801 UJV NOI from January 1, 2018 to August 2, 2018 (\$2,569 1Q 2018, \$2,412 2Q 2018, \$820 3Q 2018) and \$4,205 of consolidated NOI from August 2, 2018 to December 31, 2018 (\$1,735 3Q 2018, \$2,470 4Q 2018).

Operating Communities - Commercial

\$ in thousands

						Operating Highlights					
Operating Commercial	Location	Ownership	Spaces	Rentable SF	Year Complete	Percentage Leased	Percentage Leased	NOI*	NOI*	NOI*	Debt
						4Q 2018	3Q 2018	4Q 2018	3Q 2018	FY 2018	Balance
Consolidated											
Port Imperial Garage South	Weehawken, NJ	70.00%	800	320,426	2013	NA	NA	\$551	\$407	\$1,686	\$32,600
Port Imperial Retail South	Weehawken, NJ	70.00%		18,071	2013	88.2%	81.6%	132	99	386	4,000
Port Imperial Garage North	Weehawken, NJ	100.00%	786	304,617	2015	NA	NA	281	202	939	-
Port Imperial Retail North	Weehawken, NJ	100.00%		8,400	2015	100.0%	100.0%	45	70	256	-
Consolidated		84.41%		651,514		91.9%	87.4%	\$1,009	\$778	\$3,267	\$36,600
Subordinate Interests											
Shops at 40 Park	Morristown, NJ	12.50%		50,973	2010	69.0%	69.0%	\$215	\$254	\$927	\$6,067
Riverwalk at Port Imperial	West New York, NJ	20.00%		30,745	2008	58.0%	58.0%	137	142	534	-
Subordinate Interests		15.32%		81,718		64.9%	64.9%	\$352	\$396	\$1,461	\$6,067
Total Commercial		76.71%		733,232		88.9%	84.9%	\$1,361	\$1,174	\$4,728	\$42,667

Summary of Consolidated RRT NOI by Type (unaudited):

	4Q 2018	3Q 2018	FY 2018
Total Consolidated Residential - Operating Communities - from p. 40	\$15,031	\$13,253	\$55,128
Total Consolidated Residential - Lease-Up Communities - from p. 40	1,554	135	1,089
Total Consolidated Commercial - (from table above)	1,009	778	3,267
Adjustments for Asset Consolidations ⁽¹⁾	-	(820)	(5,801)
Total NOI from Consolidated Properties (excl unconsol. JVs/subordinated interests):	\$17,594	\$13,346	\$53,683
NOI (loss) from services, land/development/repurposing & other assets	349	(359)	(1,055)
TOTAL NOI for RRT (see Information About Net Operating Income on p. 48)*:	\$17,943	\$12,987	\$52,628

Notes:

See Information About Net Operating Income on page 48.

(1) Marbella FY 2018 NOI composed of \$5,801 UJV NOI from January 1, 2018 to August 2, 2018 (\$2,569 1Q 2018, \$2,412 2Q 2018, \$820 3Q 2018) and \$4,205 of consolidated NOI from August 2, 2018 to December 31, 2018 (\$1,735 3Q 2018, \$2,470 4Q 2018).

In-Construction Communities

\$ in thousands

- RRT's share of projected stabilized NOI after debt service will approximate **\$36.0 million** (approximates to FFO)

Community	Location	Ownership	Apartment Homes/Keys	Project Capitalization - Total				Capital as of 4Q 2018			Development Schedule			Projected Stabilized NOI	Projected Stabilized Yield
				Costs	Debt ⁽¹⁾	MCRC Capital	Third Party Capital	Dev Costs ⁽²⁾	Debt Balance	MCRC Capital	Start	Initial Occupancy	Project Stabilization		
Consolidated															
Marriott Hotels at Port Imperial	Weehawken, NJ	90.00%	372	\$159,346	\$94,000	\$61,786	\$3,560	\$135,989	\$73,350	\$59,079	3Q2015	4Q2018	3Q2020	14,038	8.81%
Building 9 at Port Imperial	Weehawken, NJ	100.00%	313	142,920	92,000	50,920	-	33,327	-	33,327	3Q2018	4Q2020	4Q2021	9,028	6.32%
Chase III at Overlook Ridge	Malden, MA	100.00%	326	99,882	62,000	37,882	-	19,685	-	19,685	3Q2018	4Q2020	4Q2021	6,043	6.05%
233 Canoe Brook - Apartments ⁽³⁾	Short Hills, NJ	100.00%	200	99,547	64,000	35,547	-	17,172	-	17,172	4Q2018	4Q2020	4Q2021	5,910	5.94%
25 Christopher Columbus ⁽³⁾	Jersey City, NJ	100.00%	750	461,709	300,000	161,709	-	61,063	-	61,063	1Q2019	1Q2022	3Q2023	27,918	6.05%
Consolidated		98.10%	1,961	\$963,404	\$612,000	\$347,844	\$3,560	\$267,236	\$73,350	\$190,326				\$62,937	6.60%
Joint Ventures															
PI North - Riverwalk C	West New York, NJ	40.00%	360	191,770	112,000	35,070	44,700	68,263	-	27,305	4Q2017	4Q2020	1Q2022	11,650	6.07%
Joint Ventures		40.00%	360	\$191,770	\$112,000	\$35,070	\$44,700	\$68,263	-	\$27,305				\$11,650	6.07%
Total In-Construction Communities		89.09%	2,321	\$1,155,174	\$724,000	\$382,914	\$48,260	\$335,499	\$73,350	\$217,631				\$74,587	6.52%
								2019 MCRC Remaining Capital	\$246,309	\$136,469	\$106,098				
								2020 MCRC Remaining Capital	318,035	258,850	59,185				
								Thereafter MCRC Remaining Capital	255,331	255,331	-				
								Total Remaining Capital	\$819,675	\$650,650	\$165,283				

Notes:
 NOI amounts are projected only. See Information About Net Operating Income (NOI) on page 48.
 See supporting "In-Construction Communities" notes on page 46.

Future Start Communities

- As of December 31, 2018, the Company has a future development portfolio of **9,890** residential units
- All priority starts (**1,653** units) are located on the New Jersey Waterfront

<u>2019/2020 Priority Starts</u>	<u>Location</u>	<u>Apartments</u>	<u>Current Ownership</u>	<u>Target Start</u>
PI South - Park Parcel	Weehawken, NJ	224	100.00%	2019
Plaza 8	Jersey City, NJ	679	100.00%	2020
Urby Harborside II	Jersey City, NJ	<u>750</u>	<u>85.00%</u>	2020
2018/2019 Total Priority Starts		1,653	93.19%	
<u>2019/2020 Possible Starts</u>	<u>Location</u>	<u>Apartments</u>	<u>Current Ownership</u>	<u>Target Start</u>
Portside 1-4	East Boston, MA	300	100.00%	
233 Canoe Brook Road - Hotel	Short Hills, NJ	<u>240</u>	<u>100.00%</u>	
2019/2020 Total Possible Starts		540	100.00%	

<u>Future Developments</u>	<u>Location</u>	<u>Apartment</u>	<u>Future Developments</u>	<u>Location</u>	<u>Apartment</u>
1 Water Street	White Plains, NY	300	PI South - Building 16	Weehawken, NJ	131
6 Becker Farm	Roseland, NJ	299	PI South - Office 1/3 ⁽¹⁾	Weehawken, NJ	-
1633 Littleton (repurposing)	Parsippany, NJ	345	Urby Harborside III	Jersey City, NJ	750
65 Livingston	Roseland, NJ	<u>140</u>	Plaza 9	Jersey City, NJ	1,060
Subtotal - Northeast Corridor		1,084	Liberty Landing Phase I	Jersey City, NJ	265
Overlook IIIA	Malden, MA	215	Liberty Landing - Future Phases	Jersey City, NJ	585
Overlook IV/V	Malden, MA	<u>299</u>	PI South - Building 2	Weehawken, NJ	200
Subtotal - Boston Metro		514	PI North - Riverbend 6	West New York, NJ	471
Crystal House - III	Arlington, VA	252	PI North - Building I	West New York, NJ	224
Crystal House - Future	Arlington, VA	<u>300</u>	PI North - Building J	West New York, NJ	<u>141</u>
Subtotal - Washington, DC		552	Subtotal - Hudson River Waterfront		3,827
51 Washington Street	Conshohocken, PA	310	Acquisition Options ⁽²⁾		
150 Monument Road	Bala Cynwyd, PA	<u>206</u>	Freehold	Freehold, NJ	400
Subtotal - Philadelphia		516	107 Morgan	Jersey City, NJ	<u>804</u>
			Subtotal - Acquisition Options		1,204
			2019/2020 Priority Starts		1,653
			2019/2020 Possible Starts		540
			Total Future Start Communities		9,890

Notes:
See supporting "Future Start Communities" notes on page 46.

Residential Equity Requirements

\$ in thousands

As summarized in the table below, Mack-Cali is planning on and expects to have excess capital source availability to achieve the following development objectives:

- i. Complete Roseland's in-construction portfolio of 2,321 units/keys
- ii. Complete Roseland's funding requirement for 2019/2020 Priority Starts comprising 1,653 units

		Units	Total Cost Remaining	Construction Debt	Capital Requirement	
USE: In Construction Portfolio (Remaining Capital)						
	Comment					
In Construction Portfolio	Represents remaining requirements for the in construction portfolio summarized on Page 42	2,321	\$819,675	\$650,650	\$169,025	
Less: Existing JV Partner Commitments	Represents third party capital commitments (Riverwalk C)				(3,742)	
Roseland Capital Requirement - Remaining					\$165,283	(A)
USE: Priority Starts						
Priority Starts	Represents three priority 2019 and 2020 starts in our core geographies	1,653	\$893,540	\$580,801	\$312,739	
Less: Land Equity/Fundings to Date	Represents the Company's existing land equity in Probable Starts (\$59,785/unit)				(98,825)	
Less: Existing JV Partner Commitments	Represents third party capital commitments (Urby Harborside II)				(28,875)	
Roseland Capital Obligation					\$185,039	(B)
Total Roseland Capital Uses		3,974			\$350,322	(A+B)
SOURCE: Capital Availability						
	Comment					
Rockpoint Capital	Represents the balance on Rockpoint's \$300M commitment				\$45,000	
Refinancings	Represents excess refinancing proceeds upon takeout financing on construction portfolio				100,000	
Dispositions	Represents select dispositions for redeployment of capital into Roseland's core geographies				160,000	
New Project-level Joint Ventures	Represents 50/50 joint venture on select Priority Start				125,000	
Total Roseland Capital Sources					\$430,000	
Excess Capital Source Potential ⁽¹⁾					\$79,678	

Notes:

(1) Represents capital sources prior to reinvestment of Roseland cash flow generation and 1031 proceeds.

Appendix

\$ in thousands

Key Financial Metrics - (Page 6)

- (1) Funds from operations ("FFO") is calculated in accordance with the definition of the National Association of Real Estate Investment Trusts (NAREIT). See p.17 "Information About FFO, Core FFO & AFFO".
- (2) Includes any outstanding preferred units presented on a converted basis into common units, non-controlling interests in consolidated joint ventures and redeemable non-controlling interests.
- (3) Without annualizing the proceeds from the Urby Harborside tax credit, the net debt to EBITDA ratio was 9.0x.

Balance Sheet - (Page 11)

- (1) Includes land held for future development of \$180,479 for Office/Corp. and \$285,451 for Roseland as of 4Q 2018.
- (2) Includes mark-to-market lease intangible net assets of \$92,805 and mark-to-market lease intangible net liabilities of \$42,166 as of 4Q 2018.

Debt Summary & Maturity Schedule - (Page 19)

- (1) 2016 term loan, maturing on January 7, 2019, has three year term with two 1-year extension options available. The Company executed its first extension option on January 7, 2019. 2017 term loan, maturing on January 25, 2020, has three year term with two 1-year extension options available.
- (2) The actual weighted average LIBOR rate for the Company's outstanding variable rate debt was 2.45 percent as of December 31, 2018, plus the applicable spread.
- (3) Excludes amortized deferred financing costs primarily pertaining to the Company's unsecured revolving credit facility which amounted to \$830 thousand for the three months ended December 31, 2018.
- (4) Minority interest share of consolidated debt is approximately \$32.8 million

Debt Profile - (Page 20)

- (1) Effective rate of debt, including deferred financing costs, comprised of the cost of terminated treasury lock agreements (if any), debt initiation costs, mark-to-market adjustment of acquired debt and other transaction costs, as applicable.
- (2) Senior unsecured debt is rated BB+/Ba1/BB+ by S&P, Moody's and Fitch respectively.
- (3) Cost of terminated treasury lock agreements (if any), offering and other transaction costs and the discount/premium on the notes, as applicable.
- (4) Subsequent to year-end, executed first of two 1-year extension options on 2016 term loan, now maturing on January 7, 2020. The Company has an additional 1-year extension option available. 2017 term loan, maturing on January 25, 2020, has three year term with two 1-year extension options available.

2019/2020 Debt Maturities - (Page 21)

- (1) Construction loan LTVs are calculated using the respective maximum loan balance.
- (2) Subsequent to year-end, the Company executed the disposition of Park Square
- (3) Subsequent to year-end, the Company executed the partnership acquisition of M2, financed in part by a \$117 million mortgage.
- (4) Subsequent to year-end, executed first of two 1-year extension options.

Unconsolidated Joint Ventures - (Page 22)

- (1) Amounts represent the Company's share based on ownership percentage.
- (2) Subsequent to year-end, the Company acquired Prudential's 50% ownership interest in M2, consolidating the asset on the Company's balance sheet.
- (3) On December 11, 2018, the Company acquired its partner's interest in Metropolitan, Shops at 40 Park and Metropolitan Lofts, increasing its ownership from 12.5% to 25% in Metropolitan and Shops at 40 Park and from 25% to 50% ownership in Metropolitan Lofts.
- (4) Unconsolidated Joint Venture reconciliation is as follows:

	<u>4Q 2018</u>
Equity in Earnings of Unconsolidated Joint Ventures	\$960
Unconsolidated Joint Venture Funds from Operations	<u>3,806</u>
Joint Venture Share of Add-Back of Real Estate-Related Depreciation	4,766
Minority Interest in Consolidated Joint Venture Share of Depreciation	<u>(956)</u>
EBITDA Depreciation Add-Back	<u>\$3,810</u>

Transaction Activity - (Page 23)

- (1) Acquisitions list gross costs; dispositions list gross sales proceeds.
- (2) The Company purchased its partner's 50% interest at Marbella for \$37.4 million net of refinancing proceeds. The Company purchased its partner's 12.5% interest in Metropolitan and Shops at 40 Park, as well as its partner's 25% interest in Metropolitan Lofts for a combined \$2.6 million.
- (3) Weighted average cap rate calculated using forward 12-month NOI at period of sale.
- (4) Price Per SF calculation includes 1-11 Martine, a 82,000 SF condo space that did not generate income since its acquisition in 2Q 2016.
- (5) Weighted average cap rate excludes One Lake Street.
- (6) Partnership acquisition at Metropolitan (130 units, 12.5% interest acquisition), Shops at 40 Park (50,973 SF retail, 12.5% interest acquisition) and Metropolitan Lofts (59 units, 25% interest acquisition).

Appendix - Continued

Property Listing - (Page 27)

- (1) Includes annualized base rental revenue plus escalations for square footage leased to commercial and retail tenants only. Excludes leases for amenity, parking and month-to-month tenants. Annualized base rental revenue plus escalations is based on actual December 2018 billings times 12. For leases whose rent commences after January 1, 2019 annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (2) Subsequent to year-end, the company executed the disposition of 2115 Linwood Avenue for \$16 million.
- (3) Average base rents + escalations reflect rental values on a triple net basis.
- (4) Excludes non-core holdings targeted for sale at 708,786 SF; excludes consolidated repositionings taken offline totaling 465,860 SF. Total consolidated office portfolio of 15,284,749 SF.

Top 15 Tenants - (Page 31)

- (1) Annualized base rental revenue is based on actual December 2018 billings times 12. For leases whose rent commences after January 1, 2019, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (2) Represents the percentage of space leased and annual base rental revenue to commercial tenants only.
- (3) 45,256 square feet expire in 2019; 237,350 square feet expire in 2029.
- (4) 9,356 square feet expire in 2019; 33,363 square feet expire in 2021; 388,207 square feet expire in 2027.
- (5) 650 square feet expire in 2019; 295,922 square feet expire in 2032.
- (6) 66,606 square feet expire in 2024; 54,341 square feet expire in 2026.
- (7) 29,540 square feet expire in 2019; 129,786 square feet expire in 2031.
- (8) 17,855 square feet expire in 2021; 38,930 square feet expire in 2023; 59,853 square feet expire in 2024; 20,395 square feet expire in 2026; 15,408 square feet expire in 2027.
- (9) 82,936 square feet expire in 2026; 56,360 square feet expire in 2030.

Expirations - (Pages 32-33)

- (1) Includes office, office/flex, industrial/warehouse & standalone retail property tenants only. Excludes leases for amenity, retail, parking & month-to-month tenants. Some tenants have multiple leases.
- (2) Reconciliation to Company's total net rentable square footage is as follows:

Square footage leased to commercial tenants	Square Feet
	11,750,750
Square footage used for corporate offices, management offices, building use, retail tenants, food services, other ancillary service tenants and occupancy adjustments	350,470
Square footage unleased	<u>2,717,669</u>
Total net rentable square footage (excluding ground leases)	14,818,889

- (3) Annualized base rental revenue is based on actual December 2018 billings times 12. For leases whose rent commences after January 1, 2019 annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (4) Includes leases in effect as of the period end date, some of which have commencement dates in the future, and leases expiring December 31, 2018 aggregating 10,108 square feet and representing annualized base rent of \$375,809 for which no new leases were signed.

Operating & Lease-up Communities - (Page 40)

- (1) 1Q 2018 NOI affected favorably by one-time tax settlement of \$405 thousand. Excluding the settlement, 1Q 2018 NOI would have been \$429 thousand.
- (2) Marbella FY 2018 NOI composed of \$5,801 UJV NOI from January 1, 2018 to August 2, 2018 (\$2,569 1Q 2018, \$2,412 2Q 2018, \$820 3Q 2018) and \$4,205 of consolidated NOI from August 2, 2018 to December 31, 2018 (\$1,735 3Q 2018, \$2,470 4Q 2018).
- (3) RiverHouse 11 3Q 2018 NOI of \$195,000 was accounted for in NOI (loss) from services, land/development/repurposing & other assets.
- (4) Unconsolidated joint venture income represented at 100% venture NOI. See Information on Net Operating Income (NOI) on page 46.
- (5) Subsequent to year-end on January 31, 2019, the Company acquired Prudential's 50% partnership interest in M2, increasing the Company's legal ownership in the property from 24.265% to 74.265%.
- (6) Excludes proceeds from the \$2.6 million dollar tax credit in 1Q 2018.
- (7) As of December 31, 2018 Priority Capital included Metropolitan at \$20,914,422 (Prudential).
- (8) For 145 Front at City Square Phases I & II, average revenue per home calculations, NOI and debt balance shown as consolidated.
- (9) Excludes approximately 83,083 SF of ground floor retail.

In-Construction Communities - (Page 42)

- (1) Represents maximum loan proceeds.
- (2) Represents development costs funded with debt or capital as of December 31, 2018.
- (3) Sitework commenced 4Q 2018, though official commencement 1Q 2019. The maximum loan balance presented is the anticipated debt and as no formal agreement has been signed, which may be subject to change.
- (4) Projected stabilized yield without the Marriott Hotels at Port Imperial is 6.08 percent.

Future Start Communities - (Page 43)

- (1) Currently approved for approximately 290,000 square feet of office space.
- (2) Freehold: Roseland has signed an acquisition agreement, subject to certain conditions. 107 Morgan: Mack-Cali has a note encumbering the property.

Global Definitions

Average Revenue Per Home: Calculated as total apartment revenue for the quarter ended September 30, divided by the average percent occupied for the quarter ended September 30, 2018, divided by the number of apartments and divided by three.

Consolidated Operating Communities: Wholly owned communities and communities whereby the Company has a controlling interest.

Class A Suburban: Long-term hold office properties in targeted submarkets; formerly defined as Urban Core.

Flex Parks: Primarily office/flex properties, including any office buildings located within the respective park.

Future Development: Represents land inventory currently owned or controlled by the Company.

Identified Repurposing Communities: Communities not currently owned by RRT, which have been identified for transfer from Mack-Cali to RRT for residential repurposing.

In-Construction Communities: Communities that are under construction and have not yet commenced initial leasing activities.

Lease-Up Communities: Communities that have commenced initial operations but have not yet achieved Project Stabilization.

MCRC Capital: Represents cash equity that the Company has contributed or has a future obligation to contribute to a project.

Net Asset Value (NAV): The metric represents the net projected value of the Company's interest after accounting for all priority debt and equity payments. The metric includes capital invested by the Company.

Non-Core: Properties designated for eventual sale/disposition or repositioning/redevelopment.

Operating Communities: Communities that have achieved Project Stabilization.

Predevelopment Communities: Communities where the Company has commenced predevelopment activities that have a near-term projected project start.

Project Completion: As evidenced by a certificate of completion by a certified architect or issuance of a final or temporary certificate of occupancy.

Project Stabilization: Lease-Up communities that have achieved over 95 Percentage Leased for six consecutive weeks.

Projected Stabilized Yield: Represents Projected Stabilized Residential NOI divided by Total Costs. See following page for "Projected Stabilized Residential NOI" definition.

Repurposing Communities: Commercial holdings of the Company which have been targeted for rezoning from their existing office to new multi-family use and have a likelihood of achieving desired rezoning and project approvals.

Subordinated Joint Ventures: Joint Venture communities where the Company's ownership distributions are subordinate to payment of priority capital preferred returns.

Suburban: Long-term hold office properties (excluding Class A Suburban and Waterfront locations); formerly defined as Suburban Core

Third Party Capital: Capital invested by third parties and not Mack-Cali.

Total Costs: Represents full project budget, including land and developer fees, and interest expense through Project Completion.

Waterfront: Office assets located on NJ Hudson River waterfront.

Information About Net Operating Income (NOI)

\$ in thousands
(unaudited)

Reconciliation of Net Income to Net Operating Income (NOI)

	4Q 2018			3Q 2018			FY 2018		
	Office/Corp	Roseland	Total	Office/Corp	Roseland	Total	Office/Corp	Roseland	Total
Net Income	\$82,639	(\$30,116)	\$52,523	(\$1,608)	\$3,297	\$1,689	\$134,305	(\$27,904)	\$106,401
Deduct:									
Real estate services income	(207)	(3,720)	(3,927)	(122)	(4,310)	(4,432)	(667)	(16,427)	(17,094)
Interest and other investment loss (income)	(767)	(2)	(769)	(850)	(1)	(851)	(2,971)	(13)	(2,984)
Equity in (earnings) loss of unconsolidated joint ventures	(837)	1,797	960	(714)	1,401	687	(2,320)	2,447	127
Gain on change of control of interests	-	-	-	-	(14,217)	(14,217)	-	(14,217)	(14,217)
Realized (gains) losses and unrealized losses on disposition	(49,342)	-	(49,342)	2,772	6,330	9,102	(105,766)	6,330	(99,436)
(Gain) on sale of investment in unconsolidated joint ventures	(30,839)	(100)	(30,939)	-	-	-	(30,839)	(100)	(30,939)
(Gain) loss from early extinguishment of debt, net	-	461	461	-	-	-	10,289	461	10,750
Add:									
Real estate services expenses	129	4,094	4,223	83	4,317	4,400	356	17,563	17,919
General and administrative ⁽¹⁾	9,330	2,061	11,391	8,729	1,311	10,040	41,641	7,561	49,202
Depreciation and amortization	34,322	12,002	46,324	35,443	10,370	45,813	138,438	36,409	174,847
Interest expense	16,686	6,900	23,586	16,605	4,489	21,094	67,802	15,952	83,754
Land Impairments	-	24,566	24,566	-	-	-	-	24,566	24,566
Net Operating Income (NOI)	\$61,114	\$17,943	\$79,057	\$60,338	\$12,987	\$73,325	\$250,268	\$52,628	\$302,896

Definition of: Net Operating Income (NOI)

NOI represents total revenues less total operating expenses, as reconciled to net income above. The Company considers NOI to be a meaningful non-GAAP financial measure for making decisions and assessing unlevered performance of its property types and markets, as it relates to total return on assets, as opposed to levered return on equity. As properties are considered for sale and acquisition based on NOI estimates and projections, the Company utilizes this measure to make investment decisions, as well as compare the performance of its assets to those of its peers. NOI should not be considered a substitute for net income, and the Company's use of NOI may not be comparable to similarly titled measures used by other companies. The Company calculates NOI before any allocations to noncontrolling interests, as those interests do not effect the overall performance of the individuals assets being measured and assessed.

Notes:

(1) Adjustment reflects non-real estate overhead general and administrative expense.

Company Information, Executive Officers & Analysts

Company Information

Corporate Headquarters

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Harborside 3, 210 Hudson St., Ste. 400
Jersey City, New Jersey 07311
(732) 590-1010

Stock Exchange Listing

New York Stock Exchange

Trading Symbol

Common Shares: CLI

Contact Information

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Executive Officers

Michael J. DeMarco

Chief Executive Officer

Marshall Tycher

Chairman, Roseland Residential Trust

David Smetana

Chief Financial Officer

Gary Wagner

General Counsel and Secretary

Ricardo Cardoso

EVP and Chief Investment Officer

Nicholas Hilton

Executive Vice President, Leasing

Equity Research Coverage

Bank of America Merrill Lynch

James C. Feldman

Citigroup

Michael Bilerman

Green Street Advisors

Danny Ismail

SunTrust Robinson Humphrey, Inc.

Michael R. Lewis

Barclays Capital

Ross L. Smotrich

Deutsche Bank North America

Derek Johnson

JP Morgan

Anthony Paolone

BTIG, LLC

Thomas Gatherwood

Evercore ISI

Steve Sakwa

Stifel Nicolaus & Company, Inc.

John Guinee

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

The Company considers portions of this information, including the documents incorporated by reference, to be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of such act. Such forward-looking statements relate to, without limitation, our future economic performance, plans and objectives for future operations and projections of revenue and other financial items. Forward-looking statements can be identified by the use of words such as "may," "will," "plan," "potential," "projected," "should," "expect," "anticipate," "estimate," "target," "continue" or comparable terminology. Forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which we cannot predict with accuracy and some of which we might not even anticipate. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, the Company can give no assurance that such expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Among the factors about which the Company has made assumptions are:

- risks and uncertainties affecting the general economic climate and conditions, which in turn may have a negative effect on the fundamentals of the Company's business and the financial condition of the Company's tenants and residents;
- the value of the Company's real estate assets, which may limit the Company's ability to dispose of assets at attractive prices or obtain or maintain debt financing secured by our properties or on an unsecured basis;
- the extent of any tenant bankruptcies or of any early lease terminations;
- The Company's ability to lease or re-lease space at current or anticipated rents;
- changes in the supply of and demand for the Company's properties;
- changes in interest rate levels and volatility in the securities markets;
- The Company's ability to complete construction and development activities on time and within budget, including without limitation obtaining regulatory permits and the availability and cost of materials, labor and equipment;
- forward-looking financial and operational information, including information relating to future development projects, potential acquisitions or dispositions, leasing activities, capitalization rates and projected revenue and income;
- changes in operating costs;
- The Company's ability to obtain adequate insurance, including coverage for terrorist acts;
- The Company's credit worthiness and the availability of financing on attractive terms or at all, which may adversely impact our ability to pursue acquisition and development opportunities and refinance existing debt and the Company's future interest expense;
- changes in governmental regulation, tax rates and similar matters; and
- other risks associated with the development and acquisition of properties, including risks that the development may not be completed on schedule, that the tenants or residents will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated.

For further information on factors which could impact us and the statements contained herein, see Item 1A: Risk Factors in MCRC's Annual Report on Form 10-K for the Year ended December 31, 2018. We assume no obligation to update and supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

This Supplemental Operating and Financial Data is not an offer to sell or solicitation to buy any securities of the Mack-Cali Realty Corporation ("MCRC"). Any offers to sell or solicitations of the MCRC shall be made by means of a prospectus. The information in this Supplemental Package must be read in conjunction with, and is modified in its entirety by, the Annual Report on Form 10-K (the "10-K") filed by the MCRC for the same period with the Securities and Exchange Commission (the "SEC") and all of the MCRC's other public filings with the SEC (the "Public Filings"). In particular, the financial information contained herein is subject to and qualified by reference to the financial statements contained in the 10-K, the footnotes thereto and the limitations set forth therein. Investors may not rely on the Supplemental Package without reference to the 10-K and the Public Filings. Any investors' receipt of, or access to, the information contained herein is subject to this qualification.

MACK - CALI REALTY CORPORATION

For Immediate Release

MACK-CALI REALTY CORPORATION
REPORTS FOURTH QUARTER AND FULL YEAR 2018 RESULTS

Jersey City, New Jersey — February 20, 2019 — Mack-Cali Realty Corporation (NYSE: CLI) today reported its results for the fourth quarter and full year 2018.

FOURTH QUARTER 2018 HIGHLIGHTS

- Reported net income of \$0.45 per diluted share for the quarter;
- Achieved Core Funds from Operations per diluted share of \$0.45 for the quarter and \$1.83 for full year 2018. The Company reaffirms its 2019 Core FFO guidance of \$1.57 - \$1.67 per share (post Topic 842);
- Leased 358,624 sq. ft. of office space (43,913 sq. ft. on the Waterfront), growing Core portfolio office rental rates by 2.9% on a cash basis and 15.1% on a GAAP basis. For 2018, leased 1,911,686 sq. ft. of office space (483,969 sq. ft. on the Waterfront), growing Core portfolio office rental rates by 7.3% on a cash basis and 22.5% on a GAAP basis;
- Leases signed in the fourth quarter 2018 in our Core Office portfolio (excluding Flex) had cash starting rents of \$34.69 per square foot. For the full year 2018, leases signed in our Core Office portfolio (excluding Flex) had cash starting rents of \$37.43 per square foot;
- Core office portfolio was 83.2% leased, with the Class A Suburban Portfolio was 94.2%, Flex was 92.8%, Suburban 82.5% and Waterfront 73.2% leased at December 31, 2018;
- Roseland's multifamily stabilized portfolio was 95.9% leased at year end;
- Roseland's 2018 deliveries totaling 1,212 units were 87.3% leased as of February 18, 2019 (82.9% leased at year-end 2018). 2018 residential deliveries achieved a weighted average 6.5% stabilized yield on total development costs;
- Commenced operations of The Residence Inn at Port Imperial in December 2018. The hotel, a 164-key limited service Marriott in Weehawken, NJ, is the first phase of a 372-key, dual-flag development, with its sister property, a full-service Marriott Autograph Collection, projected to open in June 2019; and
- Declared \$0.20 per share quarterly common stock dividend.

"In 2018, we achieved the substantial completion of our non-core asset sales. Over the last three-plus years, we have restructured and repositioned the Company to pursue a 'Waterfront Strategy', which we outlined in detail at our recent Investor Day. We have a substantial and dominant market share in both our office and multifamily portfolios on the waterfront and other premier markets and believe that our actions will result in substantial value creation for our stakeholders. Looking forward, our priorities are concentrated on leasing, the optimization of our cash flow mix and repositioning the balance sheet. We are excited about our prospects and are working persistently to unlock additional value," commented Michael J. DeMarco, Chief Executive Officer.

FINANCIAL HIGHLIGHTS

* All per share amounts presented below are on a diluted basis.

Net income available to common shareholders for the quarter ended December 31, 2018 amounted to \$43.8 million, or \$0.45 per share, as compared to \$2.6 million, or \$(0.01) per share, for the quarter ended December 31, 2017. For the year ended December 31, 2018, net income to common shareholders equaled \$84.1 million, or \$0.80 per share, as compared to \$23.2 million, or \$0.06 per share, for the same period last year.

Funds from operations (FFO) for the quarter ended December 31, 2018 amounted to \$49.0 million, or \$0.49 per share, as compared to \$50.0 million, or \$0.50 per share, for the quarter ended December 31, 2017. For the year ended December 31, 2018, FFO equaled \$170.4 million, or \$1.69 per share, as compared to \$224.2 million, or \$2.23 per share, for the same period last year.

For the fourth quarter 2018, Core FFO was \$0.45 per share, as compared to \$0.50 for the same period last year. For the full year 2018, Core FFO was \$1.83 per share versus \$2.23 for the same period last year.

OPERATING HIGHLIGHTS

Office

Mack-Cali's consolidated Core office properties were 83.2 percent leased at December 31, 2018, as compared to 84.2 percent leased at September 30, 2018. Excluding Flex, Mack-Cali's consolidated Core office properties were 80.4 percent leased at December 31, 2018, as compared to 81.2 percent leased at September 30, 2018.

Fourth quarter 2018 same-store GAAP revenues for the office portfolio declined by 6.5 percent while same-store GAAP NOI fell by 4.5 percent from the same period in 2017. Fourth quarter 2018 same store cash revenues for the office portfolio declined by 5.2 percent while same store cash NOI fell by 2.1 percent from 2017. Same store cash revenues and same store cash NOI exclude straight-line rent and FAS 141 adjustments. Fourth quarter 2018 office same store real estate tax expense was down 34 percent from 2017, primarily due to favorable tax savings in Jersey City and other key locations.

For the quarter ended December 31, 2018, the Company executed 34 leases at its consolidated in-service commercial portfolio, totaling 358,624 square feet. Of these totals, 14 leases for 141,225 square feet (39.4 percent) were for new leases and 20 leases for 217,399 square feet (60.6 percent) were lease renewals and other tenant retention transactions.

Rental rate roll-up for the Core portfolio for fourth quarter 2018 transactions was 2.9 percent on a cash basis and 15.1 percent on a GAAP basis. Rental rate roll-up in the fourth quarter 2018 for new transactions was 2.1 percent on a cash basis and 10.2 percent on a GAAP basis; and for renewals and other tenant retention transactions was 3.2 percent on a cash basis and 17.1 percent on a GAAP basis.

Multifamily

Roseland's stabilized operating portfolio was 95.9 percent leased at December 31, 2018. Same-store revenues increased by 0.6 percent while same-store net operating income decreased by 1.9 percent for the fourth quarter. With the 2018 delivery of 1,212 units coupled with its construction portfolio of over 2,321 units and keys, we envision continued growth in the Company's residential portfolio and cash flow contribution. Roseland's 2018 deliveries were 87.3 percent leased as of February 18, 2019.

TRANSACTION ACTIVITY

For the fourth quarter 2018, the Company completed \$119 million of non-core asset sales. For the full year 2018, the Company completed \$385 million of non-core asset sales at an average cap rate of 6.3 percent, excluding land. Key dispositions included:

- **Elmsford Flex Portfolio (Elmsford, NY):** On December 31, 2018, the Company executed the first phase of its NY/CT flex portfolio sale for \$70.3 million at a 4.5 percent cap rate.
- **Building Sale:** On November 15, 2018, the Company sold the vacant 120 Passaic Street in Rochelle Park, NJ for \$2.9 million.
- **Land Sale:** On December 31, 2018, the Company sold a land parcel in Upper Saddle River, NJ for an aggregate \$46.9 million.

Subsequent to year end, the Company executed on the following dispositions:

- **Park Square (Rahway, NJ):** On January 16, 2019, the Company completed the disposition of Park Square at a price of \$34.9 million, representing a 5 percent cap rate.
- **Other Non-Core Office Dispositions:** The Company sold 2115 Linwood in Fort Lee, NJ for \$16 million and 721 Route 202/206 in Bridgewater, NJ for \$6 million.

In addition to the sale of the Elmsford Flex portfolio, the Company is in negotiations to dispose of its remaining 56-building flex portfolio, comprised of 3.1 million square feet for approximately \$487.5 million. It is anticipated that this sale will close in the first half of 2019. Additional non-core properties under contract for sale total \$83 million in expected proceeds.

As previously communicated, a portion of the disposition proceeds have been and will be used to fund approximately \$402 million of acquisitions that either have closed or are under contract, including:

- **Soho Lofts (Jersey City, NJ):** Subsequent to year end, the Company entered into a contract to acquire Soho Lofts, a newly delivered and stabilized 377-unit apartment community in Jersey City's Soho West neighborhood near the Hoboken border, for approximately \$263.5 million based on a 4.6 percent cap rate.
- **Consolidation of Ownership in M2 (Jersey City, NJ):** Subsequent to year end, the Company closed on its partnership acquisition of M2, a 311-unit operating residential tower in the heart of the Jersey City waterfront. Based on a gross asset valuation of \$195 million (representing a 4.6 percent cap rate), the Company acquired Prudential's 50 percent membership interest and preferred capital account for approximately \$77.5 million. The Company's ownership in the community increased to 74.3 percent from 24.3 percent, and the Company assumed the sole preferred capital position in the asset.
- **99 Wood Avenue South (Metropark, NJ):** Subsequent to year end, the Company closed on 99 Wood Avenue South, a 272,000 square foot Class A office property, for \$61.5 million based on a 7.2 percent cap rate. The property is located adjacent to the Company's 101 Wood Avenue South property in Metropark, where the Company has a dominant presence. The addition of 99 Wood increases the Company's class A share in this strategic suburban market to approximately 32.7 percent.

The Company executed the following residential development starts and financings, including:

- **25 Christopher Columbus (Jersey City, NJ):** Subsequent to year end, the Company commenced construction on 25 Christopher Columbus, a 750-unit premier residential tower.
- **233 Canoe Brook (Short Hills, NJ):** The Company commenced construction on 233 Canoe Brook, a 200-unit community directly adjacent to the Short Hills Mall and the second start from the Company's suburban office repurposing strategy.
- **RiverHouse 11 at Port Imperial (Weehawken, NJ):** The Company secured a permanent loan on the property with proceeds of \$100 million at an effective rate of 4.52 percent.
- **Portside 5/6 (East Boston, MA):** The Company secured a permanent loan on the property with proceeds of \$97 million at an effective rate of 4.56 percent.

BALANCE SHEET/CAPITAL MARKETS

As of December 31, 2018, the Company had a debt-to-undepreciated assets ratio of 45.3 percent compared to 45.8 percent at September 30, 2018 and 46.5 percent at December 31, 2017. Net debt to adjusted EBITDA for the quarter ended December 31, 2018 was 9.3x compared to 10.0x for the quarter ended September 30, 2018. The Company's interest coverage ratio was 3.1x for the quarter ended December 31, 2018, compared to 3.3x for the quarter ended December 31, 2017.

DIVIDEND

In December 2018, the Company's Board of Directors declared a quarterly cash dividend of \$0.20 per common share (indicating an annual rate of \$0.80 per common share) for the fourth quarter 2018, which was paid on January 11, 2019 to shareholders of record as of January 3, 2019. The Company's Core FFO dividend payout ratio for the quarter was 44.5 percent.

GUIDANCE/OUTLOOK

The Company reaffirms its projected net income and Core FFO per diluted share guidance for full year 2019 is as follows:

	Full Year 2019 Range		
Net income (loss) available to common shareholders	\$ (0.48)	-	\$ (0.38)
<u>Add (deduct):</u>			
Real estate-related depreciation and amortization on continuing operations		2.08	
Core FFO	\$ 1.60	-	\$ 1.70
Topic 842 Leasing Expense		(0.03)	
Core FFO less Topic 842 Leasing Expense	\$ 1.57	-	\$ 1.67

2019 Guidance Assumptions

	(\$ in millions)		
	Revised		
	Low		High
Office Occupancy (year-end % leased)		79%	83%
Office Same Store GAAP NOI Growth		(7)%	(3)%
Office Same Store Cash NOI Growth		(14)%	(10)%
Multifamily Same Store NOI Growth		1%	3%
Straight-Line Rent Adjustment & FAS 141 Mark-to-Market Rent Adjustment	\$ 17	\$	27
Dispositions (Excluding Flex)	\$ 155	\$	180
Flex Dispositions	\$ 480	\$	480
Acquisitions (1031 & Partner Buyouts)	\$ 415	\$	415
Base Building Capex	\$ 8	\$	13
Leasing Capex	\$ 66	\$	109
G&A (Net of Severance Costs)	\$ 46	\$	51
Interest Expense	\$ 95	\$	105
Topic 842	\$ 2.5	\$	3.5

This guidance reflects management's view of current market conditions and certain assumptions with regard to rental rates, occupancy levels and other assumptions/projections. Actual results could differ from these estimates.

CONFERENCE CALL/SUPPLEMENTAL INFORMATION

An earnings conference call with management is scheduled for February 21, 2019 at 8:00 a.m. Eastern Time, which will be broadcast live via the Internet at: <https://edge.media-server.com/m6/p/3nryt58c>

The live conference call is also accessible by calling (323) 794-2597 and requesting the Mack-Cali conference call.

The conference call will be rebroadcast on Mack-Cali's website at <http://investors.mack-cali.com/corporate-profile> beginning at 12:00 p.m. Eastern Time on February 21, 2019.

A replay of the call will also be accessible February 21, 2019 through February 28, 2019 by calling (719) 457-0820 and using the pass code, 6007562.

Copies of Mack-Cali's Form 10-K and Supplemental Operating and Financial Data are available on Mack-Cali's website, as follows:

2018 Form 10-K:

<http://investors.mack-cali.com/sec-filings>

Fourth Quarter 2018 Supplemental Operating and Financial Data:

<http://investors.mack-cali.com/quarterly-supplementals>

In addition, these items are available upon request from:
Mack-Cali Investor Relations Department - Deidre Crockett
Harborside 3, 210 Hudson St., Ste. 400, Jersey City, New Jersey 07311
(732) 590-1025

INFORMATION ABOUT FFO

Funds from operations (“FFO”) is defined as net income (loss) before noncontrolling interest in Operating Partnership, computed in accordance with generally accepted accounting principles (“GAAP”), excluding gains or losses from depreciable rental property transactions (including both acquisitions and dispositions), and impairments related to depreciable rental property, plus real estate-related depreciation and amortization. The Company believes that FFO per share is helpful to investors as one of several measures of the performance of an equity REIT. The Company further believes that as FFO per share excludes the effect of depreciation, gains (or losses) from property transactions and impairments related to depreciable rental property (all of which are based on historical costs which may be of limited relevance in evaluating current performance), FFO per share can facilitate comparison of operating performance between equity REITs.

FFO per share should not be considered as an alternative to net income available to common shareholders per share as an indication of the Company’s performance or to cash flows as a measure of liquidity. FFO per share presented herein is not necessarily comparable to FFO per share presented by other real estate companies due to the fact that not all real estate companies use the same definition. However, the Company’s FFO per share is comparable to the FFO per share of real estate companies that use the current definition of the National Association of Real Estate Investment Trusts (“NAREIT”). A reconciliation of net income per share to FFO per share is included in the financial tables accompanying this press release.

Core FFO is defined as FFO, as adjusted for certain items to facilitate comparative measurement of the Company’s performance over time. Core FFO is presented solely as supplemental disclosure that the Company’s management believes provides useful information to investors and analysts of its results, after adjusting for certain items to facilitate comparability of its performance from period to period. Core FFO is a non-GAAP financial measure that is not intended to represent cash flow and is not indicative of cash flows provided by operating activities as determined in accordance with GAAP. As there is not a generally accepted definition established for Core FFO, the Company’s measures of Core FFO may not be comparable to the Core FFO reported by other REITs. A reconciliation of net income per share to Core FFO in dollars and per share is included in the financial tables accompanying this press release.

ABOUT THE COMPANY

One of the country’s leading real estate investment trusts (REITs), Mack-Cali Realty Corporation is an owner, manager and developer of premier office and multifamily properties in select waterfront and transit-oriented markets throughout the Northeast. Mack-Cali is headquartered in Jersey City, New Jersey, and is the visionary behind the city’s flourishing waterfront, where the company is leading development, improvement and place-making initiatives for Harborside, a master-planned destination comprised of class A office, luxury apartments, diverse retail and restaurants, and public spaces.

A fully-integrated and self-managed company, Mack-Cali has provided world-class management, leasing, and development services throughout New Jersey and the surrounding region for two decades. By regularly investing in its properties and innovative lifestyle amenity packages, Mack-Cali creates environments that empower tenants and residents to reimagine the way they work and live.

For more information on Mack-Cali Realty Corporation and its properties, visit www.mack-cali.com.

The information in this press release must be read in conjunction with, and is modified in its entirety by, the Annual Report on Form 10-K (the “10-K”) filed by the Company for the same period with the Securities and Exchange Commission (the “SEC”) and all of the Company’s other public filings with the SEC (the “Public Filings”). In particular, the financial information contained herein is subject to and qualified by reference to the financial statements contained in the 10-K, the footnotes thereto and the limitations set forth therein. Investors may not rely on the press release without reference to the 10-K and the Public Filings.

We consider portions of this report, including the documents incorporated by reference, to be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of such act. Such forward-looking statements relate to, without limitation, our future economic performance, plans and objectives

for future operations and projections of revenue and other financial items. Forward-looking statements can be identified by the use of words such as “may,” “will,” “plan,” “potential,” “projected,” “should,” “expect,” “anticipate,” “estimate,” “target,” “continue” or comparable terminology. Forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which we cannot predict with accuracy and some of which we might not even anticipate. Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, we can give no assurance that such expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

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Mack-Cali Realty Corporation
Consolidated Statements of Operations
(In thousands, except per share amounts) (unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
REVENUES				
Base rents	\$ 112,497	\$ 118,419	\$ 436,222	\$ 501,334
Escalations and recoveries from tenants	8,373	11,312	44,121	58,767
Real estate services	3,927	5,149	17,094	23,129
Parking income	5,534	5,223	22,117	20,270
Other income	2,605	3,426	11,052	12,700
Total revenues	<u>132,936</u>	<u>143,529</u>	<u>530,606</u>	<u>616,200</u>
EXPENSES				
Real estate taxes	12,548	17,755	64,555	81,364
Utilities	9,005	9,347	39,054	42,598
Operating services	26,962	26,884	102,626	107,379
Real estate services expenses	4,223	5,018	17,919	23,394
General and administrative	12,828	13,726	53,988	50,949
Depreciation and amortization	46,324	47,401	174,847	205,169
Land Impairments	24,566	—	24,566	—
Total expenses	<u>136,456</u>	<u>120,131</u>	<u>477,555</u>	<u>510,853</u>
Operating income (loss)	(3,520)	23,398	53,051	105,347
OTHER (EXPENSE) INCOME				
Interest expense	(23,586)	(22,490)	(83,754)	(93,388)
Interest and other investment income (loss)	769	1,408	3,389	2,766
Equity in earnings (loss) of unconsolidated joint ventures	(960)	(1,199)	(127)	(6,081)
Gain on change of control of interests	—	—	14,217	—
Realized gains (losses) and unrealized losses on disposition of rental property, net	49,342	4,476	99,436	2,364
Gain on disposition of developable land	30,939	—	30,939	—
Gain on sale of investment in unconsolidated joint venture	—	—	—	23,131
Loss from extinguishment of debt, net	(461)	(182)	(10,750)	(421)
Total other income (expense)	<u>56,043</u>	<u>(17,987)</u>	<u>53,350</u>	<u>(71,629)</u>
Net income	52,523	5,411	106,401	33,718
Noncontrolling interest in consolidated joint ventures	640	153	1,216	1,018
Noncontrolling interest in Operating Partnership	(4,953)	(299)	(9,527)	(2,711)
Redeemable noncontrolling interest	(4,406)	(2,683)	(13,979)	(8,840)
Net income (loss) available to common shareholders	<u>\$ 43,804</u>	<u>\$ 2,582</u>	<u>\$ 84,111</u>	<u>\$ 23,185</u>
Basic earnings per common share:				
Net income (loss) available to common shareholders	<u>\$ 0.45</u>	<u>\$ (0.01)</u>	<u>\$ 0.80</u>	<u>\$ 0.06</u>
Diluted earnings per common share:				
Net income (loss) available to common shareholders	<u>\$ 0.45</u>	<u>\$ (0.01)</u>	<u>\$ 0.80</u>	<u>\$ 0.06</u>
Basic weighted average shares outstanding	<u>90,488</u>	<u>90,029</u>	<u>90,388</u>	<u>90,005</u>
Diluted weighted average shares outstanding	<u>100,845</u>	<u>100,468</u>	<u>100,724</u>	<u>100,703</u>

Mack-Cali Realty Corporation
Statements of Funds from Operations
(in thousands, except per share/unit amounts) (unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net income available to common shareholders	\$ 43,804	\$ 2,582	\$ 84,111	\$ 23,185
Add (deduct): Noncontrolling interest in Operating Partnership	4,953	299	9,527	2,711
Real estate-related depreciation and amortization on continuing operations (a)	49,578	51,619	190,394	223,763
Gain on change of control of interests	—	—	(14,217)	—
Realized (gains)/losses and unrealized losses on disposition of rental property, net	(49,342)	(4,476)	(99,436)	(2,364)
Gain on sale of investment in unconsolidated joint venture	—	—	—	(23,131)
Funds from operations (b) (g)	\$ 48,993	\$ 50,024	\$ 170,379	\$ 224,164
Add/(Deduct):				
Dead deal costs	893	—	893	—
Loss from extinguishment of debt, net	461	182	10,750	421
Severance/separation costs on management restructuring	450	—	7,937	—
Land impairments	24,566	—	24,566	—
Gain on disposition of developable land	(30,939)	—	(30,939)	—
New payroll tax consulting costs	903	—	903	—
Core FFO	\$ 45,327	\$ 50,206	\$ 184,489	\$ 224,585
Diluted weighted average shares/units outstanding (c)	100,845	100,468	100,724	100,703
Funds from operations per share/unit-diluted	\$ 0.49	\$ 0.50	\$ 1.69	\$ 2.23
Core funds from operations per share/unit diluted	\$ 0.45	\$ 0.50	\$ 1.83	\$ 2.23
Dividends declared per common share	\$ 0.20	\$ 0.20	\$ 0.80	\$ 0.75
Dividend payout ratio:				
Core Funds from operations-diluted	44.49%	40.02%	43.68%	33.63%
Supplemental Information:				
Non-incremental revenue generating capital expenditures:				
Building improvements	\$ 2,639	\$ 2,842	\$ 7,236	\$ 12,778
Tenant improvements & leasing commissions (d)	\$ 11,429	\$ 4,791	\$ 38,303	\$ 22,016
Tenant improvements & leasing commissions on space vacant for more than a year	\$ 8,433	\$ 2,761	\$ 30,761	\$ 21,544
Straight-line rent adjustments (e)	\$ 4,204	\$ 3,685	\$ 8,598	\$ 16,298
Amortization of (above)/below market lease intangibles, net (f)	\$ 1,054	\$ 2,234	\$ 5,389	\$ 8,252
Amortization of stock compensation	\$ 2,064	\$ 2,303	\$ 7,401	\$ 7,929
Amortization of lease inducements	\$ 166	\$ 444	\$ 932	\$ 1,703
Non real estate depreciation and amortization	\$ 557	\$ 511	\$ 2,139	\$ 1,742
Amortization of deferred financing costs	\$ 1,486	\$ 1,150	\$ 5,029	\$ 4,612

- (a) Includes the Company's share from unconsolidated joint ventures of \$3,810 and \$4,729 for the three months ended December 31, 2018 and 2017, respectively, and \$17,683 and \$20,336 for the years ended December 31, 2018 and 2017, respectively. Excludes non-real estate-related depreciation and amortization of \$557 and \$511 for the three months ended December 31, 2018 and 2017, respectively, and \$2,139 and \$1,742 for the years ended December 31, 2018 and 2017, respectively.
- (b) Funds from operations is calculated in accordance with the definition of FFO of the National Association of Real Estate Investment Trusts (NAREIT). See "Information About FFO" in this release.
- (c) Calculated based on weighted average common shares outstanding, assuming redemption of Operating Partnership common units into common shares (10,176 and 10,439 shares for the three months ended December 31, 2018 and 2017, respectively, and 10,204 and 10,405 for the years ended December 31, 2018 and 2017, respectively), plus dilutive Common Stock Equivalents (i.e. stock options).
- (d) Excludes expenditures for tenant spaces that have not been owned for at least a year.
- (e) Includes free rent of \$4,428 and \$7,527 for the three months ended December 31, 2018 and 2017, respectively, and \$16,545 and \$29,401 for the years ended December 31, 2018 and 2017, respectively. Also, includes the Company's share from unconsolidated joint ventures of \$(165) and \$267 for the three months ended December 31, 2018 and 2017, respectively, and \$(955) and \$1,235 for the years ended December 31, 2018 and 2017, respectively.
- (f) Includes the Company's share from unconsolidated joint ventures of \$0 and \$80 for the three months ended December 31, 2018 and 2017, respectively, and \$107 and \$336 for the years ended December 31, 2018 and 2017, respectively.
- (g) Net income available to common shareholders in 2018 included \$24.6 million of land impairment charges and \$30.9 million from a gain on sale of developable land, which are included in the calculation to arrive at funds from operations as such gains and charges relate to non-depreciable assets.

Mack-Cali Realty Corporation
Statements of Funds from Operations (FFO) and Core FFO per Diluted Share
(amounts are per diluted share, except share counts in thousands) (unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net income (loss) available to common shareholders	\$ 0.45	\$ (0.01)	\$ 0.80	\$ 0.06
Add (deduct): Real estate-related depreciation and amortization on continuing operations (a)	0.49	0.51	1.89	2.22
Redemption value adjustment to redeemable noncontrolling interests	0.03	0.03	0.13	0.20
Gain on change of control of interests	—	—	(0.14)	—
Realized (gains) losses and unrealized losses on disposition of rental property, net	(0.49)	(0.04)	(0.99)	(0.02)
Gain on sale of investment in unconsolidated joint venture	—	—	—	(0.23)
Noncontrolling interest/rounding adjustment	0.01	0.01	—	—
Funds from operations (b)	\$ 0.49	\$ 0.50	\$ 1.69	\$ 2.23
<u>Add/(Deduct):</u>				
Dead deal costs	0.01	—	0.01	—
Loss from extinguishment of debt, net	—	—	0.11	—
Severance/separation costs on management restructuring	—	—	0.08	—
Land impairments	0.24	—	0.24	—
Gain on disposition of developable land	(0.31)	—	(0.31)	—
New payroll tax consulting costs	0.01	—	0.01	—
Noncontrolling interest/rounding adjustment	0.01	—	—	—
Core FFO	\$ 0.45	\$ 0.50	\$ 1.83	\$ 2.23
Diluted weighted average shares/units outstanding (c)	100,845	100,468	100,724	100,703

(a) Includes the Company's share from unconsolidated joint ventures of \$0.05 and \$0.05 for the three months ended December 31, 2018 and 2017, respectively, and \$0.19 and \$0.21 for the years ended December 31, 2018 and 2017, respectively.

(b) Funds from operations is calculated in accordance with the definition of FFO of the National Association of Real Estate Investment Trusts (NAREIT). See "Information About FFO" in this release.

(c) Calculated based on weighted average common shares outstanding, assuming redemption of Operating Partnership common units into common shares (10,176 and 10,439 shares for the three months ended December 31, 2018 and 2017, respectively, and 10,204 and 10,405 for the years ended December 31, 2018 and 2017, respectively), plus dilutive Common Stock Equivalents (i.e. stock options).

Mack-Cali Realty Corporation
Consolidated Balance Sheets
(in thousands, except per share amounts) (unaudited)

	December 31, 2018	December 31, 2017
Assets		
Rental property		
Land and leasehold interests	\$ 807,236	\$ 786,789
Buildings and improvements	4,109,797	3,955,122
Tenant improvements	335,266	330,686
Furniture, fixtures and equipment	53,718	30,247
	<u>5,306,017</u>	<u>5,102,844</u>
Less — accumulated depreciation and amortization	(1,097,868)	(1,087,083)
	<u>4,208,149</u>	<u>4,015,761</u>
Rental property held for sale, net	108,848	171,578
Net investment in rental property	<u>4,316,997</u>	<u>4,187,339</u>
Cash and cash equivalents	29,633	28,180
Restricted cash	19,921	39,792
Investments in unconsolidated joint ventures	232,750	252,626
Unbilled rents receivable, net	100,737	100,842
Deferred charges, goodwill and other assets, net	355,234	342,320
Accounts receivable, net of allowance for doubtful accounts of \$1,108 and \$1,138	<u>5,372</u>	<u>6,786</u>
Total assets	<u>\$ 5,060,644</u>	<u>\$ 4,957,885</u>
Liabilities and Equity		
Senior unsecured notes, net	\$ 570,314	\$ 569,145
Unsecured revolving credit facility and term loans	790,939	822,288
Mortgages, loans payable and other obligations, net	1,431,398	1,418,135
Dividends and distributions payable	21,877	21,158
Accounts payable, accrued expenses and other liabilities	168,115	192,716
Rents received in advance and security deposits	41,244	43,993
Accrued interest payable	9,117	9,519
Total liabilities	<u>3,033,004</u>	<u>3,076,954</u>
Commitments and contingencies		
Redeemable noncontrolling interests	330,459	212,208
Equity:		
Mack-Cali Realty Corporation stockholders' equity:		
Common stock, \$0.01 par value, 190,000,000 shares authorized, 90,320,306 and 89,914,113 shares outstanding	903	899
Additional paid-in capital	2,561,503	2,565,136
Dividends in excess of net earnings	(1,084,518)	(1,096,429)
Accumulated other comprehensive income (loss)	8,770	6,689
Total Mack-Cali Realty Corporation stockholders' equity	<u>1,486,658</u>	<u>1,476,295</u>
Noncontrolling interests in subsidiaries:		
Operating Partnership	168,373	171,395
Consolidated joint ventures	42,150	21,033
Total noncontrolling interests in subsidiaries	<u>210,523</u>	<u>192,428</u>
Total equity	<u>1,697,181</u>	<u>1,668,723</u>
Total liabilities and equity	<u>\$ 5,060,644</u>	<u>\$ 4,957,885</u>