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Baumstein of Cushman & Wakefield serves as leasing agent Rugby Realty acquires 579,000 s/f office tower, plans to invest \$20 million

NEWARK, NJ — Rugby Realty Co., Inc. announced it has acquired Three Gateway Center in Newark from Tahl Propp Equities. Financial terms were not disclosed.



Maurice Ades

The 579,000 s/f, 19 story office tower is part of the four-tower Gateway indoor complex that features such amenities as an in-building, 15,000 s/f full service café, a New York Sports Club fitness center, Hilton Hotel, Starbucks, daycare facility, conference centers, plus private executive and covered parking. It is nearby to the Prudential Center, the New Jersey Performing Arts Center, a new Dinosaur BBQ restaurant and a soon-to-be-built Whole Foods supermarket.

"This was a rare opportunity

to purchase an iconic building in Newark," said Maurice Ades, Rugby Realty's principal and managing director. "The tower also offers tenants New York City skyline views, signage at the top of the building, and the benefit of state tax incentives that can cut rent expenses in half."

Newark uniquely qualifies as an Urban Transit Hub Municipality in the Grow NJ assistance program, which provides grants and other incentives for job creation and retention. The building is adjoined via skyway to Newark Penn Station, which connects to neighboring New York Penn Station in 10 minutes, as well as towns across the state of New Jersey and cities along the eastern seaboard via Amtrak.

Rugby Realty will be investing \$20 million in the building, including the construction of a new lobby, café, elevators and common areas.

The top 10 floors are available, offering 360,000 s/f of

contiguous space, including a penthouse floor with a 20-foot-high ceiling. Main tenant Prudential is moving some of its operations to its new downtown Newark headquarters, and will continue to occupy approximately 40% of the building on a long-term lease. Cushman & Wakefield's Richard Baumstein is leasing agent for the property.

The purchase marks Rugby Realty's third office acquisition in New Jersey in 12 months and is part of an ongoing effort to grow its portfolio in the New York region. In July, it acquired 300 Lightning Way, a seven-story, 303,000 s/f class A office building in Secaucus. In January, it purchased City View Corporate Center, a 135,418 s/f class A office property in Lyndhurst. It also owns a 300,000 s/f distribution center in nearby Teterboro.

"I couldn't be happier with our decision to invest in northern New Jersey. I believe the

future is very bright there, and for Newark in particular," Ades said. "I have been working full-time in New Jersey for the last 12 months and have found it to be a high-level place to transact with a real estate community that is extremely professional."

Ades and his partners have been on a transaction spree over the last 36 months acquiring 33 buildings in New York, Connecticut, Georgia, Florida, Pennsylvania and New Jersey. At the same time, Rugby Realty has signed large leases with major corporations such as Amazon, United Health Care and Prudential Insurance Company of America.

"The real estate market right now is catering exactly to what we do well, which is providing us with opportunities to acquire high quality yet non-stabilized buildings. With the right investment to improve infrastructure, we can lease up very quickly." ■

Lombardi of Marcus & Millichap handles \$11.5 million Ocean County NJ shopping center sale

WHITING, NJ — Marcus & Millichap announced the sale of Whiting Town Center, an approximately 113,000 s/f grocery-anchored town center. The \$11.5 million sales price equates to \$101 psf. Whiting Town Center includes pad



Whiting Town Center

sites, in-line retail space and medical office tenants. The center is anchored by Sav-a-Lot, Wells Fargo and Dollar General.

Michael Lombardi, vice president investments, represented

the seller, a New York City-based owner. The acquisition completes a 1031 exchange for the buyer, a Staten Island-based owner.

"More than 30 percent of the center is leased to credit-rated

tenants and many of the other tenants have been established in this location for more than 10 years, including some medical office tenants with well-established practices," said Lombardi. ■