

A low-angle photograph of the 2 Gateway Center building, a tall, modern skyscraper with a dark facade and many windows. The building is set against a blue sky with some clouds. The number '2' is prominently displayed in the top left corner, and the words 'GATEWAY CENTER' are written in large, white, sans-serif letters across the middle of the building's facade.

2 GATEWAY CENTER

ADDRESS

2 Gateway Center,
Newark, NJ

SUBMARKET

CBD, Newark, NJ

SQUARE FEET

780,000 SF

DATE ACQUIRED

Winter 2006

MAJOR TENANTS

Prudential,
State of New Jersey,
Port Authority

PROPERTY OVERVIEW

2 Gateway Center is a 780,000 SF Class A office building in the heart of Newark's central business district. One of the finest quality and best located assets in Newark's CBD, the building boasts world class amenities, excellent views and is attached to Newark's Penn Station via an enclosed pedestrian walkway. Furthermore, the building is a 17 minute train ride from New York's Penn Station and has convenient access to Newark Airport, the crossroads of I-78, I-24, I-287 and the New Jersey Turnpike.

INVESTMENT STRATEGY

C&K recognized the opportunity to acquire a trophy, Class A office building located in a rapidly appreciating submarket at a significant discount to replacement cost. The building was purchased during a period when expanding rents were driving large credit tenants to seek high quality office space outside of Manhattan. At the time of acquisition, with one full floor vacant and a second partial floor vacancy pending, C&K saw 2 Gateway as a viable alternative for Manhattan-based companies to relocate their back-office facilities to a trophy, Class A building at a 50% discount to New York City rents. C&K implemented its vision by relocating Standard Charter Bank's back office operation to the vacant space at 2 Gateway. C&K also added value through high quality asset management, tackling the building's operating cost structure, reducing energy costs by 35% and earning an "Energy Star" designation through a combination of simple improvements in operating procedures and high return capital investments. The property is now 100% leased, enjoying stable cash flow and a strong return on investment.