

Case Studies - Office Acquisitions
Fairfield 80 Office Center
Fairfield, New Jersey

Acquisition: Fairfield 80 Office Center, Fairfield, NJ
Price: \$13.3 million

In July 2007, Cofinance Inc. ("Cofinance") completed the purchase of the Aetna Building, more formally known as Fairfield 80 Office Center ("Fairfield 80") located just off Interstate 80 in Fairfield, New Jersey.

Cofinance, as a back-up bidder, was awarded the purchase contract over an institutional buyer after the seller's first buyer dropped the contract. The awarding of the deal was in large part a result of support provided by a relationship within the seller's organization.

Fairfield 80 is a Class A, four story office building totaling 108,500 SF. Cofinance, in joint venture with a private equity real estate fund, purchased the site with the intent of improving on Fairfield 80's occupancy of 71.3% with the investment of \$2.2 million and a focused marketing program. The in-place occupancy of Fairfield 80 included a lease with Aetna Life Insurance Company ("Aetna") expiring at the end of 2008. During tenant interviews Cofinance discovered that Aetna would renew early if they could surrender a portion of their space prior to the end of Aetna's lease.

While in contract, Cofinance commenced negotiating business terms for the renewal with Aetna that concluded shortly after closing. Also while in contract, Cofinance signed a new five (5) year lease with Konica for 15,000 SF.

Investment Highlights

- Located in Essex County and the Newark-Union Labor Market providing access to a strong economic base, diversified and highly educated workforce, and a substantial roadway infrastructure.
- Purchased for an average of \$123 PSF. Comparable sales of commercial office buildings range between \$147 and \$225 PSF.
- Secured a non-recourse first mortgage through an international insurance company for 74% of the total capital requirement with an additional commitment to fund 100% of future construction costs to reposition Fairfield 80.
- Leveraged IRR is projected to be 19.20% within a five (5) year period.

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"The office market fundamentals are trending upward in and around Essex County and because of the Property's flexible floor plates, on-site café and abundant parking ratio it is well positioned to reap substantial long-term rental growth"

- Jim Maurer
President, Cofinance Inc.



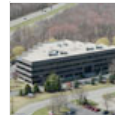
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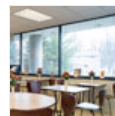
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