

WALL STREET JOURNAL

December 14, 2011

PLOTS & PLOYS



Breaking News From WSJ.com's Developments Blog

Running on Empty

Suburban office space is cheap these days. But there is a catch: A

lot of it is empty.

Take the case of 56 Livingston Avenue, a 434,000 square-foot building on more than 50 acres in Roseland, N.J. A partnership of **Mountain Development Corp.** and **Square Mile Capital Management LLC** just bought it fully furnished for a mere \$18.1 million.

That is just over \$41 a square foot and down nearly 60% from when the building was sold for about \$44 million in 2001 to Organon BioSciences, a drug manufacturer that subsequently was absorbed by **Merck & Co.**

Merck recently vacated the building, and began marketing it for sale earlier this year.

The building is completely empty, and the suburban New Jersey market is still hurting. Still, Michael Seeve, president of Mountain Development, predicts he will have a major tenant by July 4. Given the quality of the building, "there is no risk whatsoever," he said. "It's like the seller wanted to make it as ready for the next guys as possible...The phones are still working on the desks."

—*Eliot Brown*