

deal of the MONTH

Johnson & Johnson Leases 112,000 SF

By Eric Peterson

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MONTGOMERY TWP., NJ — Johnson & Johnson, the New Brunswick-based pharmaceutical giant, has leased 112,000 sf of office space at 23 Orchard Rd., a three-story, 238,000-sf class A building in this township's Skillman section. The location is just north of Princeton. According to company officials, they opted for the site because it's close to other J&J facilities in the region, and the space will be used to expand the company's consumer products division.

Both J&J and owner JER/Herring Orchard LLC, a joint venture of JER Partners of McLean, VA and the Princeton-based Herring Management Inc., were represented by brokers from Colliers Houston & Co. Terms were not released; the remaining availability of about 100,000 sf, divisible to 6,000 sf, is currently listed with an asking price of \$23.75 per sf.

"Johnson & Johnson has leased approximately half the space at 23 Orchard," confirms Alex Gilbert, managing director of US Funds Investment Management for JER Partners. "This reflects the inherent strength and growth in the local market, the location of the asset and the job Herring Management has done with the property renovations."

Those renovations, at a cost of approximately \$3 million, involved turning the asset into a multi-tenant building after JER/Herring bought it from CA Inc., formerly Computer Associates, in early 2006. Computer Associates had put the building on the market for sale



23 Orchard Rd.

or lease in early 2004 as part of a restructuring, but continued to occupy major portions of it for a time. The building had been built for the company in 1983.

The \$3-million makeover was completed just more than a year ago, and 23 Orchard Rd. was officially put on the market for lease. At the time, CA still had a small presence on a leased basis.

"We have been able to create class A quality space," says Jamie Herring, owner of Herring Management. "With rental rates in the low \$20s, it is a superior environment for employees and a terrific location in which to do business."

The building sits on a 70-acre site with a number of recreational amenities. The building itself includes a teleconferencing facility, health club and restaurant.



HERRING PROPERTIES