



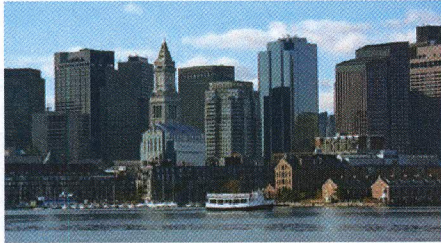
Your Source for Commercial Real Estate News

The Real Reporter

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THE REAL REPORT

Building Excitement



400 RiverPark, North Reading MA

NORTH READING — The summer doldrums may be settling in again for commercial real estate, as is often the case once June hits, but one would not know it from the beehive of activity happening here off Interstate 93 at **RiverPark**. Owned jointly by **DivcoWest** and **Taurus Investments**, the two-building, 385,000-sf complex is on the verge of landing a pair of major commitments, with market watchers insisting each deal is down to short strokes and could be wrapped up by the time everyone clears out for the Cape next weekend.

“Looking good,” relays one broker tracking talks between the landlord and **Kiva Systems** for more than

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C&W Tabbed to Pitch Prized Urban Apartment Portfolio

BY JOE CLEMENTS



Brattle Drive, Arlington MA

ARLINGTON — In an opportunity expected to grab the attention of deal-starved multifamily investors able to spend upwards of \$50 million, a scattered portfolio of 316 urban infill apartments is being put up for sale, brokers selected to market the package have confirmed to The Real Reporter. Owned by a local partnership, the 20-building Brattle Realty fiefdom stretches on a linear route from Massachusetts

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\$12.3M Sale Yields Aura of Appreciation

BY JOE CLEMENTS

WESTWOOD — It appears trophy office and retail properties are not the only CRE investments prized these days, as witnessed by the spirited competition for a non-descript flex building here off Route 128 that culminated this week in its \$12.3 million purchase by Fairlane Properties. The 117,000-sf structure at 80 Wilson Way is fully leased until 2018 to semiconductor equipment maker



80 Wilson Way, Westwood MA

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Unum Asset Trade Could Hit \$25M

BY JOE CLEMENTS

WORCESTER — Colliers Meredith & Grew had all hands on deck helping Unum Group negotiate a landmark 200,000-sf lease just finalized at the ambitious \$563 million CitySquare mixed-use complex in central Worcester, and now CMG's Capital Markets team is gearing up to trade the employee benefit firm's cross-town campus from which 700 employees will depart in two years. Industry estimates suggest a \$25 million target for

the two-building complex at 18 Chestnut St. better known to Worcester natives as the longtime home of Paul Revere Insurance Co.

“We are,” CMG investment sales chief and EVP Lisa M. Campoli confirms this week of taking on the listing that will be formally rolled out in early July after the summer holiday. Being peddled sans asking price, the asset could present a temporary sale/lease-back opportunity, Campoli



Ronald K. Perry

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Eastdil

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KLA-Tencorp, bringing prospects out of the woodwork when put on the block this winter by New Boston Fund for a listing handled by Eastdil Secured's Capital Markets Group.

"We had a lot of interest," acknowledges Eastdil's Peter Joseph, who led the marketing effort with colleague Sarah Lagosh, both investment sales specialists in the firm's Boston office. While Joseph declined to discuss details, sources say there were between eight and 10 actual bids generated on a property NBF secured in July 2003 for \$10.5 million. In assessing the successful result, Joseph says that "Fairlane was focused on acquiring the building, and New Boston Fund was very happy with the outcome."



Michael Grill

Besides pricing, Fairlane President Michael S. Grill says he believes a relationship with NBF from a North Station building of theirs he purchased several years ago gave them the comfort he would perform as promised. Grill says he was indeed attracted by the cash-flowing element that continues even though the tenant is occupying barely one-third of the space, and says he was not alone—"eager" capital sources flocked to the deal, some participants in past Fairlane ventures and others on board for the first time. Collectively, they contributed to a \$5.0 million equity placement for Fairlane Westwood LLC.

Equally ebullient was the lending community, says Grill, including a swath of local institutions who jostled to take part in a venture ultimately backed by Brookline Bank and a \$7.6 million mortgage. "I haven't had this much (lender) interest for a property in a long time," says Grill. Similar to NBF, Brookline Bank officials already knew the veteran investor from another property, he relays, in their case a commercial condominium in Cambridge where he owns several units. The 10-year note on 80 Wilson Way was arranged by Brookline Bank SVP and loan



Photo: Derek Szabo

officer Wes Blair and supervised by Charles H. Peck, who oversees its commercial real estate lending arm.

Grill surmises that the positive reaction to 80 Wilson Way across all fronts is a combination of the net-leased status, but also a prime location right off Route 128 and near Route One that makes flexibility possible down the road. Having largely been supplanted by the proverbial higher-and-better uses during the past quarter century, older flex and industrial space in that area has a vacancy rate of barely 10 percent, estimates Grill, who notes a massive mixed-use project on University Avenue in Westwood has eliminated much of the competition in recent years.

For the time being, Grill says the heaviest lifting required at 80 Wilson Way will be "collecting the rent" and ensuring its tenant continues living up to lease covenants to keep the building up physically. But Fairlane will also assist KLA-Tencorp should alternatives such as a sublessee be desired, he says, and the buyer relays he did take the future of the property into consideration when outbidding the competition.

In that regard, location was a critical element of the building's strengths, says Grill, expressing frustration over efforts to uncover similarly positioned opportunities. That made the closing this week on 80 Wilson Way gratifying, he says,

although Fairlane's thirst for new deals has not been entirely slaked. "Healthy cash flow" is one requirement, Grill says, adding he is hopeful owners will increasingly offer their buildings for sale at more rational pricing as the year progresses. "We are still looking," he stresses.

Grill also credits Eastdil for conducting "an efficient" and expeditious bidding and sales platform. The trade did appear to be one of the better outcomes for NBF, which has been divesting substantial pieces of its US portfolio in the past year to offset losses in certain funds and markets, including troubled Florida. The Westwood building had briefly been marketed in the last boom cycle for a figure rumored at \$15 million, but the crash thwarted deals in that range and observers spoken to say the sale to Fairlane was likely seen as a plus for the firm. "That's good pricing," says one broker familiar with 80 Wilson Way. ■

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FEEDBACK TO: EDITOR@THEREALREPORTER.COM