



The Real Reporter

A COMPENDIUM OF COMMERCIAL PROPERTY & CAPITAL NEWS

APRIL 29, 2014

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THE REAL REPORT

Street Performers



Daisy Buchanan's, 240A Newbury St., Boston MA

BOSTON — The partnership of **Novaya Ventures** and **Urban Meritage** has plenty of reason to toast their latest acquisition, having spent seven years negotiating with the owners of **Daisy Buchanan's Restaurant** to purchase the eatery's longtime home at **240A Newbury St.** and the adjoining **41 Fairfield St.** Those missives began when principals including **Peter Carbone**, **Michael T. Jammen** and **Vincent Norton Jr.** were amassing a portfolio of two dozen properties in and around Newbury Street that were famously sold to **Jamestown** in 2012, giving that international CRE powerhouse a dominating presence in New England's premier shopping boulevard.

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NJ Firm Lands 130 Lizotte Dr. In \$11.7M Transwestern Trade

BY JOE CLEMENTS
 MARLBOROUGH — A New Jersey firm backed by private capital has nailed down its third MetroWest office building, scooping up 130 Lizotte Dr. from an affiliate of TA Associates Realty, the same group which Curo Enterprises made its inaugural foray into the region through last year in buying 120 Turnpike Rd. in Southborough for \$9.2 million.



continued on page 23 130 Lizotte Dr., Marlborough MA

Albany Road Cruises Into Nashville

BY JOE CLEMENTS
 BOSTON — As a Vanderbilt University alum, the city of Nashville struck a chord with Albany Road Real Estate Partners President Christopher J. Knisley long before his firm's just-completed \$33.7 million purchase of a 20-story office tower and opening of an office

there from which new hire Scott Cloud will target Southeast US opportunities. The history provides further logic for an expansion of Albany Road's platform beyond New England to begin in Nashville, Bay State native Knisley explains to TRR in predicting the deal he is "tremendously excited" about completing



Christopher J. Knisley Scott Cloud

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Pucker Relocating After \$13.2M Sale



171 Newbury St., Boston MA

BY JOE CLEMENTS
 BOSTON — The landmark Pucker Gallery is relocating within the Back Bay following a sale of its longtime home at 171 Newbury St. to Dutch capital at an eye-popping \$1,553 per sf, an all-cash \$13.2 million transaction negotiated by Boston Realty Advisors. The five-story, 8,525-sf building that has housed the multi-level gallery since 1967 and is now home to international retailer Clarks Shoes on the ground floor attracted a range of investors from around the corner and around the globe, relays BRA principal Michael d'Hemecourt in acknowledging the agreement that closed on Friday.

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Nashville

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ing will be more than a one-hit wonder, in part because he maintains Music City has expanded its own play list during the quarter-century since he attended school.

“Nashville has gone way beyond the music industry,” Knisley relays in pointing to a lineup of finance, healthcare, insurance, technology and transportation groups, plus an active convention and tourism trade in a metropolis ranked first by the Bureau of Labor Statistics in US job growth during 2012 and third in employment recovery since the recession, while CBRE Econometrics pegs it as fifth on the lowest market-wide vacancy rate. “It is becoming one of the premier business centers in the southeast,” opines Knisley, crediting its mid-range location and skilled workforce borne of a thriving educational base, plus a lower cost of doing business than the Northeast enhanced by “unique tax advantages and incentives” that have lured the likes of Asurion, HCA, Loews Hotels, Sony and UBS to the CBD where Albany Road made its eighth purchase since being founded in mid-2012. The 265,000-sf Class A property at Fourth & Church is 96 percent leased to a tenant roster anchored by San Francisco-based technology company ServiceSource that occupies 45 percent of the space through 2022, its rent topping out at \$20 per sf, whereas other leases hit \$22 per sf in the next 24 months from \$18 at present.



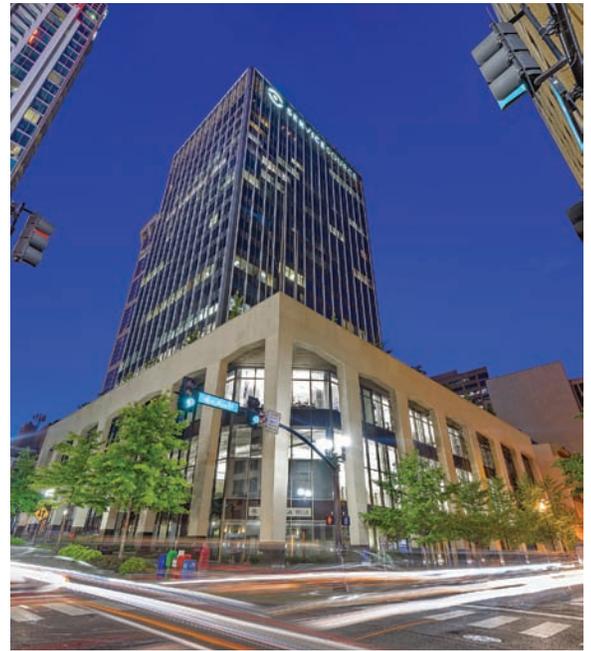
Sean Herlihy

Acquired for \$127 per sf, a 60 percent discount to replacement cost, “ensures that Fourth & Church will not have to compete with any new developments (on rental rates), when and if they were to be undertaken,” Knisley outlines of the investment whose pricing reflects a capitalization rate of 7.8 percent on an initial, unlevered yield metric, a number he deems “very attractive in today’s competitive marketplace for well-leased, urban office product in an established” urban center. By comparison, Boston, New York and San Francisco are seeing cap rates for similar assets at sub- 5.0 percent, he notes.

Those differences are part of the reason Albany Road has moved beyond its regional base, with Knisley acknowledging the popularity of Greater Boston among capital has mandated flexibility on geography and asset quality, although he stresses the firm is not abandoning its home base by any stretch, having also recently acquired five buildings in Connecticut from the Davis Cos. and now angling to pick up a pair of self storage properties in that state and Massachusetts where the group plans to amass a portfolio of \$50 million in that asset class.

“We still like New England a lot, and we think you can still find some very solid opportunities if you can flexible,” he says, pointing to last autumn’s \$35 million purchase of the 440,000-sf Springfield Plaza in western Massachusetts as one example. “We are out there every day looking at things.”

“A number of lenders expressed interest in this deal,” conveys Knisley on the Nashville financing, with Cantor delivering a winning package that featured the fixed rate of 4.93 percent for 10 years with four years of interest only payments, “providing a nice enhancement to cash flow . . . for a good stretch during the early years we own it,” he says. The loan that equates



Fourth & Church, Nashville, TN

One enabler of the ambitious platform is Cantor Commercial, which not only loaned \$28 million for the Nashville investment, but another \$9.25 million to buy 120,000 sf in four buildings from the Davis Cos. in Branford. Brookline Bank backed a fifth property swapped by the two investors at Branford Business Park, loaning \$1.25 million for the purchase of 24,000 sf plus an adjacent development site.

Cantor last year financed Albany Road’s Springfield Plaza investment and a two-building office park in Braintree bought from the Grossman Cos. for \$17.2 million last spring. In all of those instances and the 2014 closings, Goedecke & Co. arranged the Cantor CMBS funding on behalf of the investor, with Sean Herlihy handling those assignments that in 2013 contributed to a record season for that Boston-based mortgage banking firm.

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Jonathan G. Davis



Branford Business Center, Branford CT

Nashville

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to a 74 percent LTV was “very instrumental” in moving the agreement forward, Knisley says in praising Cantor and Goedecke for its influence.

The Branford deals were split due to being two different tax parcels, with \$14.1 million, or \$98 per sf, the total consideration. What value was included on the land site that could yield a building up to 40,000 sf was not dissected, but Knisley says the 10-year Brookline Bank debt “provides us with a great deal more flexibility in the event we want to construct the sixth building to accommodate a current tenant, or if we land a build-to-suit opportunity.”

Lauding the Davis Cos. as “a group of consummate real estate professionals” who “have done a terrific job with the property during their stewardship” and possess a strong working relationship with Branford Business Park’s existing tenant base, Albany Road has retained the team to provide third-party management services,” Knisley announces. Some 84 percent of the space has been occupied by a half-dozen tenants in the park for an average of 16 years, he reports, terming it “a strong testament to its long-term location and functionality viability.”

“We are very pleased with the acquisition as it hits our investors’ desired deal profile head-on,” he says of being secured at a favorable cost basis with attractive going-in yields and upside capacity via lease rollover to higher-end users including life sciences and technology firms who are helping to bolster the submarket.

As Albany Road plies New England for fresh deals to add to a portfolio that has



Photo: Derek Szabo

now acquired more than \$150 million in CRE and controls in excess of one million sf, the Southeast region will go beyond Nashville, with the hiring of Cloud from investment and development firm Carter in Atlanta making that market a fertile area, Knisley says in praising the new team leader there as one of the area’s most active industry professionals. “Scott will be an important piece of the puzzle as we move forward,” Knisley says of a professional with lifelong Southern US roots and an impressive track record in the CRE industry featuring 15 years of capital markets expertise. “With Nashville as our beachhead, we intend to pursue opportunities across the Southeast that have similar profiles to the investments we have been making in the Northeast,” says Knisley.

Cloud refers to Albany Road’s rapid

ascension in New England as a reason he believes the group has a “tremendous opportunity to create value” in his home turf. “I am extremely excited to join the Albany Road team,” he says. “They are an energetic, dynamic firm . . . and will work hard to build on the momentum they have (generated) in the Northeast.” Having held prior positions as an investment sales specialist focused on value-add deals for an affiliate of AREA Property Partners and Trimont Real Estate Advisors, Cloud has transacted 11 million sf of CRE with a value topping \$1.3 billion in his tenure, most recently at Carter where responsibilities included due diligence and financing of new development opportunities and investments. Cloud is a University of Alabama graduate who also has an MBA from the University of Florida’s Hough Graduate School of Business. ■

Residential Deals

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MTG: \$1,460,000 from **United Bank**
ADD: 408 Nicholas Dr., Lancaster
BWR: Daniel Richardson and Joyce Richardson

BUYER: Daniel T. Pond and Jennifer A. Pond
SELLER: Catamount Westland LLC, managed by Christopher P. Kaneb
PRICE/ADD: \$1,079,000; 43 Westland Ave., U-506, Boston
NOTES: New unit in high-rise condominium; unit size is 1,575 sf; two bedrooms and two baths; Declaration of Homestead

BUYER: Rajeev Aggarwal
SELLER: Daniel Hogan
PRICE/ADD: \$1,070,000; 4 Centre St., U-2, Cambridge
MTG: \$680,000 from **NE Moves Mortgage**
NOTES: Unit in low-rise condo; unit size is 1,525 sf; three bdrms. and two baths; unit last sold for \$765,000 in March 2006; Declaration of Homestead

MTG: \$1,068,000 from **Boston Private B&T Co.**
ADD: 55 Shaw Rd. & 76 Goodnough Rd., Brookline
BWR: Erika Rangel and Shawn J. Rangel

BUYER: Desilu Glazebrook & Jonathon Glazebrook
SELLER: Edgehill Realty LLC, managed by

Henry E. Davidson Jr.
PRICE/ADD: \$1,000,000; 60 Edgehill Rd., Arlington
MTG: \$800,000 from **Wells Fargo Bank**
NOTES: Single-family Colonial, constructed 2013; house size is 2,900 sf, lot size is 7,400 sf; four bedrooms and 4.5 baths; property last sold for \$11,250 in Sept. 1979; Declaration of Homestead

BUYER: Steven Paul Winkel
SELLER: Gary Wold
PRICE/ADD: \$1,000,000; 75 Franklin St., Provincetown
NOTES: Single-family, const. 2001; house size is 3,075 sf, lot size is 8,700 sf; three bedrooms and four baths; last sold for \$350,000 in June 2000