



The Real Reporter

A COMPENDIUM OF COMMERCIAL PROPERTY & CAPITAL NEWS

FEBRUARY 18, 2016

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THE REAL REPORT

A New Angle



Christopher D. Sower



Jennifer Price



Maggie Collins

BOSTON — With roots dating back to the 19th century, **Colliers International's** Hub operation has engaged in nearly every commercial real estate endeavor imaginable, distinguishing the firm across two millennia in a plethora of specialties including its top-rated structured finance group, thriving property management division and leasing machine covering all of Boston's urban centers and Route 128 to the outer fringes of Interstate 495. Now, the company is pursuing a venue it has traditionally been less known for, that being multifamily sales and related residential listings which have become a major source of business for Capital Mar-

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Albany Road NH Buy Propels Firm Past \$500M-Milestone in RE Value

BY JOE CLEMENTS

EXETER, NH — In one of New Hampshire's largest CRE transactions of the decade, Albany Road Real Estate Partners has acquired a 509,000-sf business park at Interstate 95 here for a consideration of \$51.0 million in a just-completed off-market agreement, with financial backing from Citizens Bank to the tune of \$43.7 million.



continued on page 32 100 Domain Drive, Exeter NH

Boston Realty Advisors Hires Biette

BY JOE CLEMENTS

BOSTON — Continuing to attract experienced talent to its ever-expanding platform, Boston Realty Advisors has hired veteran Anthony W. Biette for the Capital Markets division that is active across a wide variety of product types including multifamily, industrial, office and retail assets.



Anthony W. Biette



Jason S. Weissman

BRA founder Jason Weissman praises the latest arrival for being "extremely established" in his craft with positions over the years for such top-rated brokerage firms as Colliers International, Grubb & Ellis and Newmark, having come over from the latter group which merged three years earlier with G&E.

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NAI/Hunneman Fills 220,000 SF for Hackman

BY JOE CLEMENTS



625 University Ave., Norwood MA

NORWOOD—It is BIG news by any measure, starting with over 220,000 sf leased at 625 University Ave. to close out 2015 in a spurt bringing the hulking 439,875-sf warehouse above 97 percent occupancy. But as exclusive leasing agent Catherine Minnerly explains to Real Reporter, the long-term commitments by two firms are

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Albany At \$530M

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The seller of 100 and 200 Domain Dr. is Altid Enterprises of Cambridge.

The pact by Albany Road is significant beyond the price tag or sheer size of the acquisition, its agreement helping the Boston-based company founded in summer 2012 by President Christopher J. Knisley to crest \$500 million in volume acquired during those years, and to exceed five million sf in holdings. The diverse platform which now extends to the southeastern US but remains focused on New England was launched in the Granite State via a shopping center purchase three years ago this past summer, an under water asset Albany Road recently divested for a sizeable return.

“We find the opportunity compelling,” Knisley says of the latest deal in pointing to a Who’s Who of tenants at the park ranging from Bauer Hockey and Garnett Hill to Liberty Mutual Insurance and footwear giant Timberland. Those four anchor tenants represent 96 percent of the asset’s annual revenue and their weighted average lease expiration runs into the next decade, May 2021. According to Knisley, “because of their excellent location, rich amenities and functional floor plates, 100 and 200 Domain Dr. are buildings that have historically been in high demand,” with tenants attracted by “an abundance of intellectual talent” clustered along the Maine/New Hampshire border, citing past occupants of the park including Apollo Computer, Hewlett-Packard and TYCO.

Timberland occupies all of 200 Domain Dr., its commitment expiring in 2020, with Knisley describing that scenario as upbeat in either retaining that top-flight company or repositioning the space in an improving market which is the tightest in southern New Hampshire. The companion building has longer-term leases among several denizens. The previous steward took “excellent” care of the properties, relays Knisley, with over \$10 million spent on comprehensive renovations to interiors and exteriors as well as the repair or outright replacement of key building systems.

“Altid Enterprises has been a pleasure to work with through this transaction,” Knisley stresses, calling the firm “extremely well-respected in New England real estate circles” whose principals “have done a fantastic job re-developing and re-tenanting 100 Domain



100 Domain Drive, Exeter NH

Drive” even in the face of a harsh economy regionally from 2008 to 2012. Altid principal “Ed Carye and I have had a long-standing relationship that dates back to the mid-1990s,” explains Knisley, prior to his launch of Albany Road was an institutionally trained investment specialist whose prior stops included Copley Real Estate Advisors and Berkeley Investments.

Thanks to that shared history with Altid, Knisley says “there was a high degree of certainty between us in terms of performing in the agreed-upon time frame while also maintaining strict confidentiality throughout the process.”

For Albany Road, the purchase checks off several boxes such as a favorable cost basis as a discount to replacement levels, consistent cash flow, and being acquired at a time when the firm was able to take advantage of a favorable credit market. “The current rent roll of the buildings speaks for itself,” Knisley observes, whereas his firm’s investors “will benefit from predictable revenue streams” and can expect a value-add element leasing up a small portion of office vacancy and converting 50,000 sf of warehouse to additional office product. That piece represents the major vacancy in the complex.

Developed in 1984 on a combined 60.8 acres, the two buildings are similarly sized, 100 Domain Dr. slightly larger at 263,000 versus 246,000 sf at 200 Domain Dr. The park has over 1,600 parking spaces on a site large enough it spills into abutting Stratham. Bauer Hockey is the largest of a half-dozen tenants at 100 Domain Dr., that firm leasing

75,400 sf through April 2023 versus 56,825 sf for Liberty Mutual (Feb. 2019) and 40,500 sf by Garnet Hill (Dec. 2022), those agreements like Timberland’s all triple-net terms.

Knisley expresses optimism that the 61,000 sf of existing vacancy can be filled to boost the bottom line, noting that the Seacoast has a vacancy rate of just 8.6 percent, the only submarket in the state in single digits and half the overall average rate of 17.4 percent for 12.9 million sf tracked by Cushman & Wakefield. The average gross rental rate is also stronger, running \$20.64 per sf versus the average of \$17.58 per sf.

The Citizens Bank financing consists of \$33.2 million at the closing and the remainder to be used for capital improvements, tenant fit out and leasing commission, so-called “good news” funding spurred via new leases. “Citizens really stepped up,” Knisley says of the bank’s winning proposal after being offered up to multiple debt sources, with Senior VP Phil Wadleigh structuring the intricate loan package which has a mix of fixed and floating rates plus elements such as interest only for a portion. “It met all our needs,” Knisley says.

Knisley also addressed the milestone achievements attained in the exchange on both gross asset value now at \$530 million and having crested the five-million-sf in holdings mark, over 10 percent of that inventory coming in the Exeter purchase. Albany Road now has 37 properties from New England to Georgia, North Carolina and Tennessee, with the firm opening an office last year in Nashville to focus on

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BRA Hires Biette

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“We are absolutely thrilled,” Weissman tells Real Reporter this week in calling Biette “a proven professional who is going to have an immediate positive impact on the company,” pointing to a 25-year career in which he has processed over \$3 billion in sales volume for clients. “That is a real advantage to have someone you don’t need to train,” he says. “This is a great hire for us . . . I couldn’t be happier.”



Peter Bean



Douglas Adamian



Janice Dumont

Biette is the latest in a small parade of seasoned professionals joining BRA this decade, with Janice Dumont coming in last year to run the residential division, Advisors Living, and Douglas Adamian hired shortly after that to enhance the suburban team that also features Senior Partner Jeremy Freid, SIOR, and Managing Director Adam Meixner. At least one landlord attributed Adamian’s arrival as the final piece in hiring BRA for a key suburban listing. As in the case of Biette, the Senior Managing Director also hails from Newmark, and BRA previously reeled in another professional from that firm, downtown expert Peter Bean.

“We are really growing in many directions,” says Weissman, pointing to the structured finance team featuring partner Nicholas M. Herz as another recent arrival to support the Capital Markets platform which the founding principal oversees. Besides Biette, who comes aboard as Managing Director, Associate Christopher J. Donato is also a member of that team.

According to Biette, his intention is to play to the strengths of BRA as a prolific middle-market brokerage, the same realm between \$2 million and \$25 million where he has cobbled together that \$3.0-billion plus of closings, largely focused on industrial and office product but with its share of multifamily deals, including one con-

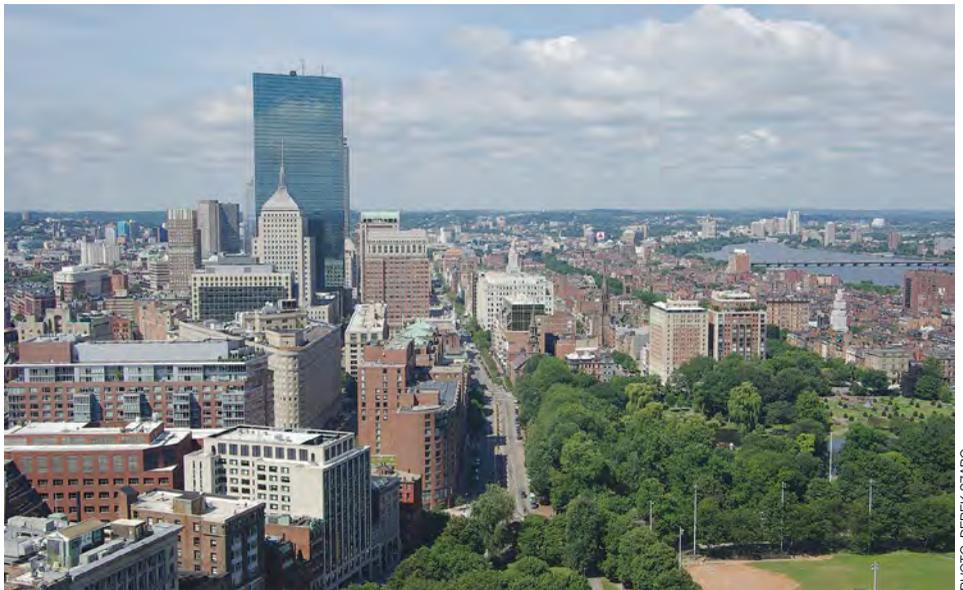


PHOTO: DEREK SZABO

cluding this week in Worcester involving 24 apartments near Holy Cross. Biette also served four years early in his career as a property manager for Dolben Cos., one of the region’s largest residential landlords.

“
I told my wife, ‘This is going
to be a great move.’
”

ANTHONY W. BIETTE
on joining Boston Realty Advisors

That background as a CPM will allow Biette to help process the unending roster of multifamily listings handled by BRA, although he defers to Weissman’s vast relationships in that field while employing his expertise to build up the industrial and office sales activity. Whatever the request, Biette says he is eager to chime in, lauding BRA for its talent, technology and unbridled enthusiasm. “It has been wonderful,” he says of the new position. “Everybody has so much energy and the collaborative approach and desire to scour the market for listings is just incredible and very refreshing . . . I told my wife, ‘This is going to be a great move.’”

After his stint with the Dolben Cos., the Bowdoin College and McGill University alum helped Meredith & Grew launch its Capital Markets capabilities while there from 1991 to 2005 before joining Grubb & Ellis, that firm taken on four years ago by Newmark. Among his major transactions on the Capital Markets beat was the \$113 million medical office sale of 15 Kneeland St. and 260

Tremont St. downtown, \$45 million fetched in trading 51 Sleeper St. in the then-unproven Seaport District and another \$32.5 million harvesting 250 apartments in Arlington. Biette was also the broker of 745 Boylston St. when investor Bernard Chiu bought the 110,000-sf office building in 2004 for \$32 million, a deal of particular note in that is where BRA is headquartered. ■

Albany Road

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that region. “We’ve got a great team in place and are confident in our ability to continue to find attractive, risk-adjusted opportunities in the markets and space in which we operate,” Knisley says. Other highlights of 2015 include adding six more professionals to the operation, the purchase of seven more assets stretching from Portland, ME, to Atlanta in a variety of product types; and averaging a net 12.8 percent cash distribution for a participant who had invested an equivalent amount in every opportunity since Albany Road’s inception.

In the case of the firm’s first investment, Amherst Crossing in Amherst, NH, the 130,000-sf retail property purchased at auction in Sept. 2012 for \$8 million yielded its investors net cash distributions of 15.3 percent and a net IRR of 28.2 percent from last summer’s trade, its value accreted by an asset management campaign that led to renewing and extending existing tenants, completing lease-up of a vacant out-building and cutting the tax assessment by 40 percent. ■