



The Real Reporter

A COMPENDIUM OF COMMERCIAL PROPERTY & CAPITAL NEWS

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THE REAL REPORT

Online Course



Rowes Wharf, Boston MA

BOSTON — During 40 years in existence, **The Boston Harbor Association** has been a champion of its namesake waterway and architect of the 46-mile



Vivien Li

Harborwalk ensuring public access to the ocean's edge from Boston to Quincy. In preparing for its upcoming auction this Monday at **Rowes Wharf**, TBHA has launched its fundraiser not on land or by sea but rather via the Information Superhighway, with a series of silent auction items avail-

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Albany Nabs Braintree Park for \$17.2M; JLL Advises Sellers Dinosaur, Grossman

BY JOE CLEMENTS

BRAINTREE — The Olde Towne Team will be back in Boston on Monday, but another local contingent beat them to the punch with its own homecoming of sorts, as Albany Road Real Estate Partners closed this week on Braintree Executive Park, a two-building, 125,000-sf office property secured for \$17.2 million from Dinosaur Capital and the Grossman Cos. in a deal negotiated by Jones



continued on page 20 Braintree Executive Park, Braintree MA

Retail Sales Landscape Branching Out

BY JOE CLEMENTS

EAST LONGMEADOW — The revitalized retail investment market is finally offering hope to property owners beyond metropolitan Boston, and that energy has brought yet another grocery anchored center to the shopping block. Heritage Park Plaza, a multi-tenanted 117,000-sf property situated along Route 83, is being pitched through Cushman & Wakefield.



continued on page 23 Shoppes at Page Pointe, Stoughton MA

Brookline Bank Ships Cargo \$18M Loan

BY JOE CLEMENTS

BOSTON — Some along McClellan Highway may fantasize at what a Suffolk Downs casino would do to the commercial real estate landscape, but for the time being, air cargo shippers, auto rental outfits and fuel terminals seem a safe bet to continue lining the gritty highway otherwise known as Route 1A. One

case in point is at 440-480 McClellan Highway, a modern office and warehouse complex that lists Federal Express on its tenant roster. After briefly being on the market for sale in 2012, owner Cargo Ventures has opted to hold onto the asset, instead securing an \$18 million refinancing from Brookline Bank.



Robert E. Brown



Jay M. Wagner

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Albany Road

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Lang LaSalle's Capital Market Group. JLL also arranged a \$10.6 million acquisition loan from JPMorgan on behalf of the buyers, a Hub-based operation launched last July that had previously secured assets in Connecticut, New Hampshire and Rhode Island.

"We are really pleased to have acquired such a quality park and to put our first Massachusetts asset on the books," President Christopher J. Knisley conveys to the Real Reporter after the closing. Thanks to a dedicated capital improvements and



Christopher J. Knisley

lease-up program conducted by Grossman, Albany Road is taking on a stabilized development again topping 90 percent occupancy despite plunging into the 60 percent range after the 2008 recession hit.



Mark Tryder

Knisley maintains the slump was more a product of unfortunate happenstance for Braintree Executive Park when one tenant outgrew its space and another decided to move nearer to Boston.

Constructed in 1988 and 1989, Grossman had traditionally been able to keep occupancy above 90 percent and moved quickly to rectify the fallow space. "We know we are getting solid, quality buildings because we're buying them from the Grossman family," Knisley states, adding Albany Road's predecessor "should be commended for their recent repositioning of the park and the success they've had in leasing up the buildings over the past year." Albany Road has even engaged Grossman to continue managing the property.

Principal David Grossman was equally complementary to Albany Road, praising Knisley for his firm emerging as such a force so quickly and being able to evaluate an opportunity. "Chris has a lot of experience and a great understanding of the market," he says. As to Braintree Executive Park, "we were able to see eye-to-eye very quickly on the property" and forged an agreement that led to its successful conclusion. "We're very excited



Braintree Executive Park, Braintree MA

about the way things turned out, and we think it will be in good hands with Albany Road," says Grossman.

The path to this week's consummation began nearly two years ago when Grossman was able to buy an overbearing loan on Braintree Executive Park, changing the capital stack enough to win leases in a highly competitive submarket. JLL played a role in that situation as well, with the leasing effort led by South market experts Thomas Kent and Sean Lynch. "Tom and Sean did a fabulous job for us," recounts Grossman, while an estimated \$2 million was spent refurbishing the property to support their efforts.



David Grossman

JLL Capital Markets chief Frank Petz handled the exclusive sales listing on an assignment he teamed with Robert Borden to oversee. Petz concurs that the upgrades helped attract multiple parties, but Albany Road was deemed the best choice based not just on pricing, but also a comfort level in the investor. "Albany Road was able to show there was very very limited exposure to them not being able to follow through," Petz says. "That did make (the buyers) more comfortable in picking them."

On tracking down the financing for Albany Road, Senior VP Jonathan Schneider of JLL's Debt and Equity group also found plenty of interest. The JPMorgan CMBS loan has a 10-year term with 30 year amortization and interest only provision for the first two years. The all-in rate equates to 4.09 percent.

The per-sf price of \$137 in the sale appeared to have satisfied both parties,

but Albany Road then dropped its effective basis even lower by separately negotiating a buyout of five rooftop antenna leases at Braintree Executive Park. The \$2.45 million earned from that—and a provision for a majority of the revenue in future leases struck by American Tower—puts the per-sf price at \$14.7 million, or just \$117 per sf for Class A product. That,



Rob Borden

says Knisley "is a psf price that we are really pleased with" especially since Albany Road was not keen on handling that element as part of its purchase.



Frank Petz

Besides the revitalized physical plant and tenant leasing that has put Braintree Executive Park at 92 percent occupancy, Knisley says he believes the buildings benefit from an accessible location. South Shore employees and executives are spared the horrors of the Braintree split, getting off just before the juncture of Route 3 and Interstate 93, and being across the street from the Red Line subway makes for a solid transit-oriented element.



Jonathan Schneider

"Having the MBTA there is very important," says Knisley, maintaining at least two tenants in the park had that as a deciding factor in taking space.

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able to cast offers on in advance.

“It really gives us a much broader audience,” **TBHA President Vivien Li** tells the **Real Report** this week amidst her yearly bustle created by the event that provides some 40 percent of the group’s budget. Given the crush of new waterfront development and ardor for the Seaport District where Li has been running the group for 22 years, strains on the largely volunteer organization are growing, especially in an era of sequestering. “It’s really critical, and we are grateful for all the generous support we get,” Li says of the auction. Rolling out its on-line platform partially in 2012 contributed to a record \$200,000-plus raised, and she reports traffic to **TBHA.org** has been brisk all week from bidders weighing in on the treasure trove of donated goods, services and tickets to major sporting venues and entertainment—plus a few unique excursions—that they have until midnight Sunday on which to proffer an offer. A full roster is available at the aforementioned site.

Barring the cyber route, those attending TBHA’s actual event on Monday evening beginning at 5:30 pm will have a chance to win the same silent items that will be on display throughout the **Wharf Room**, with that having been the traditional route. The final leg—another staple of the event—is a live auction which can generate considerable drama and features a normally engaging gaveler to keep the



Photo: Derek Szabo

bidding vibrant.

“People are really excited about the hybrid (approach),” says Li, conveying that the reason so many prized items come available is to support the organization, and contributors want their donations to yield the highest amount possible. But while it may be in with the new on some horizons, Li stresses that TBHA relies heavily on its old lines of funding for the event, praising special relationships with Rowes Wharf and caterer **Legal Seafoods**. The function room overlooking Boston Harbor and Legal’s extensive repast are gratis, underscoring strong ties to the sea for both entities, notes Li, with Rowes Wharf the first harbor development

constructed under stricter Chapter 91 regulations. “It is the best of the revitalized (projects) on Boston’s waterfront,” she says, opining that, “it really still is,” and recalling how the development’s popularity set the tone for future ventures that are increasingly prevalent in the downtown and across Northern Avenue to the Seaport District.

Beyond its financial value, Li says the annual event ensures an opportunity for those involved in the organization and waterfront matters to gather and socialize in a festive atmosphere. “It is a very special night,” particularly this year’s significant anniversary. A bonus there—TBHA will be serving cake to celebrate. ■

Albany Road

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office asset in Albany Road’s quiver, with the other located in Warwick, RI. The group’s first purchase was a retail plaza in New Hampshire last August, followed by a portfolio of four self-storage facilities in Connecticut. While he would not discuss specifics, Knisley says the company does have targets in sight for new purchases as the company approaches its first anniversary in July. To support the burgeoning operation, Albany Road recently brought in Mark Tryder after a seven-year stint with prolific investors Colony Realty Partners. Citing Tryder’s 10-year career and training as an accountant and CPA who will work on portfolio analysis and

other intricate financial modeling, Knisley says “It’s great to have Mark on board. I think his skills are going to be a great addition to helping us achieve our growth expectations,” which in the near term hopes to have capital placed in the \$100 million range by the first year anniversary.

One entity Albany Road might well encounter in its search for fresh deals is the Grossman Cos. themselves, with the firm’s \$16.9 million purchase of a Connecticut office building earlier this week exemplifying the Quincy firm’s own manifest destiny. The firm has previously dabbled in the Nutmeg State, and is also active in Rhode



Tom Kent



Sean Lynch

Island. David Grossman says the firm is seeking out value-add opportunities in the \$3 million to \$20 million range. In the Connecticut purchase, Grossman and its partner were able to take out an investor hamstrung by a steep acquisition price double the \$16.9 million spent for Lee Farms Corporate Park by the new ownership. “We love to partner with other firms,” says Grossman, who has an ongoing relationship with Dinosaur Capital that included investment in a retail unit at The Marketplace in Braintree in addition to Braintree Executive Park. “We continue to look at opportunity with them,” says Grossman. ■