



The Real Reporter

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THE REAL REPORT

Intelligence Choice



Brendan Carroll



Mary Kelly

BOSTON — It is said that ‘Knowledge is Power,’ and that is one reason market research has become an integral component in the menu offered commercial real estate clients at major commercial real estate firms, those such as **Colliers International** where the Boston office has just enhanced its capabilities in the hiring of **Brendan Carroll**. Most recently at **Avison Young**, the 18-year industry veteran established himself as one of the sector’s most prolific information providers during a decade at **Richards Barry Joyce & Partners** where he led the firm today known as **Transwestern RBJ** in its research production efforts.

Characterizing Colliers as “the continued on page 9

Albany Road RE Seen Paying \$27M To Secure 400,000 SF+ from Colony

BY JOE CLEMENTS

BILLERICA — A pair of warehouse buildings here at 14 and 16 Progress Rd. are among a portfolio of five Colony Realty Partners assets totaling more than 400,000 sf being scooped up by Albany Road Real Estate Partners, sources are claiming in the wake of a spirited bidding

continued on page 36 14 Progress Rd., Billerica MA



Novaya Aims for Peabody After \$24.5M Buy

BY JOE CLEMENTS

PEABODY — Fresh off this past week’s purchase of a three-building industrial complex in Wilmington, Novaya Real Estate Ventures reportedly has another northern suburban asset in its sights, that being One First Ave. in Peabody which is being marketed for sale by Cushman & Wakefield on behalf of Paradigm Properties. The 135,275-sf

continued on page 37 One First Ave., Peabody MA



KS, Oaktree Fill 145,000 SF at Brickstone

BY JOE CLEMENTS

ANDOVER — A rapidly rising tide is part of the reason, but there are many other elements at play in a surge of 145,000 sf leased at Brickstone Square here thus far in 2015—and another 50,000 sf in commitments looming—exclusive agent Kerry Olson Hawkins of the CBRE/NE northern team tells Real Reporter

this week in praising new owners KS Partners and Oaktree Capital Management as the primary momentum drivers since their \$59.5 million purchase last autumn of 1.0 million sf at 100-400 Brickstone Sq.

“They have been a delight to work with and are very capable and serious about doing deals,” Olson Hawkins continued on page 38



Kambiz Shahbazi



Kerry Olson Hawkins

Albany Road RE

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exercise. The package being listed through Colliers International is expected to reap upwards of \$27 million in line with estimates provided this March when its availability was first unveiled by Real Reporter.

“They were neck-to-neck right to the end,” one CRE veteran says of the portfolio that is also in Auburn, Hopkinton and Tewksbury. Calls to Albany Road founder



Scott Dragos



Douglas Jacoby



Anthony Hayes



Timothy Mulhall

were not returned by press deadline, and Colliers Capital Markets chief Douglas V. Jacoby declined to acknowledge that group’s emergence as winning suitor despite multiple claims such is the case. Jacoby would only confirm that “we had a ton of people chasing it” and says the interest was mainly for the entire portfolio versus individual pieces, a result he had predicted in the earlier Real Reporter article when the marketing campaign was initially launched.

Although the group also harvested a prime office building in downtown Boston for \$270 million, Colliers International has taken on numerous industrial assignments over the past two years, with a pipeline in excess of 1.2 million sf including the Colony holdings on the dais for 2015. Two in the mix have already changed hands, with a 50,000-sf building in Stoughton trading in April for \$2.7 million, and this past week, 326 Ballardvale St. in Wilmington was taken over by Novaya Real Estate Ventures in a \$24.5 million deal with Colliers client Deutsche Asset & Wealth Management (see related story, page one). The rapid-fire nature of those transactions and deep response to the Colony listing suggests widespread demand for industrial invento-



65 Sunnyslope Ave., Tewksbury MA

ry, according to Jacoby, whose team handling the surge includes Scott Dragos, Anthony Hayes and Timothy Mulhall.

Jacoby points to a combination of factors driving the demand. Improving fundamentals are one factor along with the relatively lower cost of entry and upkeep compared to higher-end product such as office, multifamily or retail. Tenant improvement costs are minimal, he notes, as are property management expenses. Many investors have embraced the limited supply in New England, especially product close to Route 128, as another lure. “There just isn’t a lot of nice industrial out there,” Jacoby observes.

The Colony portfolio was pitched less on glamour and more on function, with 19 Technology Dr. in Auburn praised by Colliers for flexibility enjoyed by tenants of the 42-year-old, 51-200-sf structure that can be seen from the Massachusetts Turnpike and offers clear heights to 28 feet. A newer entry is 82 South St. in Hopkinton, constructed in the early 1990s as the new home of Barry Controls, a company located in Boston for several decades prior to filling that two-building property situated on 21 acres near Exit 21 of Interstate 495. It is “very well-designed,” Jacoby says in pointing to efficient column spacing, clear heights to 23 feet and a dozen loading docks as elements favored by the tenant and prospective buyers of the Colony portfolio.

Another single-tenant holding is 65 Sunnyslope Ave. in Tewksbury where the entire 152,000 sf is occupied by Eastern Bag & Paper Co. It has five loading docks



326 Ballardvale St., Wilmington MA

and a drive-in door plus features column spacing of 40-by-30 feet and 40-by-50 feet. The Billerica buildings were constructed in the late 1980s on adjoining parcels totaling 12.8 acres, with 14 Progress Rd. a 58,000-sf structure and 16 Progress Rd. at 69,500 sf. Each house multiple tenants and were constructed to efficiently handle divergent



Christopher J. Knisley

requirements, as seen in the 15 loading docks available at 14 Progress Rd. and 16 at its companion property.

Sources tracking the Colony listing agree with promotional materials that lauded its cash-flowing nature and loyal tenant base as catalysts for the activity and suggest that was key for Albany Road’s willingness to pursue the deal aggressively, having reportedly made a late charge on the package.

Founded four years ago, the group has assembled a widespread portfolio now extending into the southeastern US but

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Novaya Ventures

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manufacturing building is located in Centennial Park, one of suburban Boston's largest business centers.

"That is the case," one source tells Real Reporter of a building that dates to 1960 and has been owned by Paradigm since paying \$7.78 million in May 2007. That CRE professional maintains Novaya has the building tied up after winning a spirited competition and anticipates a closing in the coming weeks. "It's very far along," the source relays.



James M. Alden



Peter Carbone III



Scott R. Tully



Jeffrey R. Theobald

Boston-based Paradigm has a long history of investing in the industrial arena throughout the Northeast and out to the Midwest, a product class that regionally has only recently come into favor among investors after being disrupted during the 2008 recession. Conditions are much healthier today following a rapid rebound, and One First Ave. supposedly received substantial interest from both local players and those on the national stage who consider Greater Boston's booming economy and limited inventory of institutional grade industrial to be a healthy combination, especially that situated around Route 128.

Novaya is a bit later to the industrial scene than Paradigm, but has moved aggressively to beef up its holdings, also securing a Midwest property in the early 2014 purchase of 301,475 sf in Cincinnati. Nearer its home base in downtown Boston, Novaya in April paid \$14.4 million for 57 Littlefield St. in Avon to Lincoln Property Co., spending \$35.28 per sf for the assemblage of 407,000 sf warehouse.

Novaya then turned to the northern stripe, picking up the stabilized 326



One First Ave., Peabody MA

Ballardvale St. last week in a \$24.5 million deal brokered by Colliers International. The firm is now seemingly about to add to that momentum in the Peabody purchase.

Novaya officials did not respond by press deadline to inquiries regarding 326 Ballardvale St., a park developed at various times in recent years and acquired by seller Deutsche Asset & Wealth Management in Nov. 2005 (see story, page one top). Novaya principal Peter Carbone III in the spring called its Avon investment "an opportunity to leverage the tightening market and overall demand from cost-conscious tenants seeking functional locations." Transwestern RBJ was broker on that deal, its capital markets contingent including Christopher Skeffington, Roy Sandeman and Joseph Olin.

Novaya has partnered with Urban Meritage to capture a large share of Boston retail and is also active on the office front. It also this year bought a



Robert E. Griffin Jr.



Edward C. Maher Jr.



Matthew E. Pullen

development site where the firm intends to construct multifamily. Principals are James M. Alden, Peter Carbone III, Scott R. Tully and Jeffrey R. Theobald.

The C&W Capital Markets team is enjoying another productive campaign after last year completing over \$7.0 billion in commercial equity sales, leading the competition. The group led by President Robert E. Griffin Jr., Vice-Chairman Edward C. Maher Jr. and Executive Director Matthew E. Pullen has already completed several marquee tower sales in downtown Boston such as 52 Oliver St., which just brought \$79.0 million, and 75-101 Federal St., an 818,000-sf assemblage of first-class office space that delivered \$326 million for client Pearlmark. ■

Albany Road RE

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still concentrated in New England, with assets in every state save for Vermont. Office, retail and self-storage have been the main targets to date, investments detailed in various Real Reporter articles in recent years, most recently this May when Albany Road paid \$35.3 million for 195,000 sf of first-class office space in Portland, ME.

On the 326 Ballardvale St. sale, Jacoby referred questions to Novaya, whose principals were unavailable as of press dead-

line. The 293,000-sf complex was owned by Deutsche predecessor RREEF since obtaining it in a large portfolio sale in Nov. 2005. A major draw is having National Grid filling all 106,000 sf one building at which the energy supplier recently extended for another 10 years.

Fully leased when sold, 326 Ballardvale St. is just nine miles from Route 128 and was touted for being institutionally managed and maintained plus having functional high-bay warehouse space on 26.3 acres that also extend into parts of Andover and Tewksbury. ■