



# The Real Reporter

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## THE REAL REPORT

### Ground Game



University Office Park, Waltham MA

WALTHAM — It took a bit longer than normal, apparently owing to the presence of an intricate ground lease, but **Albany Road Real Estate Partners** has completed its purchase of **2 & 3 University Office Park**, that 296,850 sf of first-class office space with the added allure of a commuter rail stop connecting to Boston. The price tag of \$47.5 million equates to \$160 per sf reaped by exclusive listing agent **JLL's** client, a private trust affiliated with neighboring **Brandeis University**.



Christopher J. Knisley

According to marketing materials in circulation, investors chasing 2 & 3 University Office Park were enticed

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## Newmark MOB Deals Approach \$150M as Jumbo, Novaya Swap Braintree Site

BY JOE CLEMENTS

**B**RAINTREE — An \$11.5 million exchange of a 48,000-sf medical office building this week from Jumbo Capital to Novaya Real Estate Ventures represents “the tip of the iceberg” when it comes to listing agent Newmark’s current book of business in that asset class, according to Managing Director Michael R. Greeley, a member



see page 62 340 Wood Rd., Braintree MA

## CBRE, TCG Sales Team Union Up to Speed

BY JOE CLEMENTS



400 John Quincy Adams Rd., Taunton MA

**B**OSTON — Symmetry is a tricky word to spell and even more challenging to achieve, especially when mashing together rival brokerage shops operating in the same universe as CBRE Boston and Transwestern Consulting Group famous-

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## Middlesex Green Playing Market Right

BY JOE CLEMENTS

**C**ONCORD — With nine new tenants signed in a flurry here at Middlesex Green, there is plenty of work going on at the five-building office park AT 561 Virginia Rd., but play also gets top billing at the 300,000-sf complex owned by Paradigm Prop-

erties and whose exclusive leasing agent is Avison Young.

“The property takes convenience a step further,” AY principal Jack Kerrigan relays

in pointing to such elements as a basketball court, bike rentals, disc golf and bucolic community gardens on the premises

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John Caldwell



Jack Kerrigan



Tom Aitken

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by solid park fundamentals including an 89.1 percent occupancy rate whose 21 tenants have a weighted average lease term remaining of 5.2 years. In-place rent, while a healthy \$33.44 per sf, is still 11 percent below average in the Route 128 Central



Frank F. Petz

realm which JLL refers to as “a fortress market,” or typically immune to deep rental corrections. Anchor tenants **Net-Cracker Technology Corp. and Commonwealth Financial Services** account for 41 percent of the existing rent roll at the park, and their combined lease terms average 8.2 years.



Matthew Sherry

**JLL Managing Director Frank F. Petz** concurs there are investors who steer clear of ground lease arrangements, at times due to a mandate of covenants focused on risk aversion. That, he explains, opens the opportunity up to flexible capital such as Albany Road who can navigate such nuances if deemed worth the effort. “It is quality product,” Petz says of the underlying real estate where net operating income is set to grow by 38 percent over the next five years. A “wild card” is the public transportation and roadway aspects, he adds.



Thomas Ragno

“A lot of places call themselves transit-oriented, but this really is,” Petz says, so much so JLL declares it the most accessible park in suburban Boston. “It is very rare and just what investors are looking for today.” North Station is just five station stops away by rail, notes JLL, whereas for those traveling by automobile, the park is located along Route 128 at the juncture of the Massachusetts Turnpike. That means direct access—as in zero traffic lights—to other “W” towns such as Wayland, Wellesley and Weston.

Albany Road is a Boston-based investor founded in summer 2012 whose platform has expanded beyond New England to markets in the southern US, with other offices



University Office Park, Waltham MA

in Nashville and Dallas-Fort Worth. Founded by President Christopher J. Knisley, the company was last featured in Real Reporter this past November where it had surpassed \$800 million in transaction volume. Knisley was unavailable for comment regarding the purchase of the Waltham buildings, for which his firm borrowed \$36.5 million from Liberty Bank. Knisley said in that November article Albany Road hoped to invest a minimum of \$100 million annually going forward, about one-third of which would be targeted to New England CRE.



Brendan Cohn



Jason Fivek



Heather Brown

The JLL Capital Markets team orchestrating the exchange of University Office Park’s ground lease includes **Senior VP Matthew Sherry** and **Associate Thomas Ragno** while others on the assignment were **Managing Director Jason Fivek** and **Senior VP Brendan Cohn** providing leasing guidance. **Senior VP Heather Brown** offered debt and structured finance options. ■

## NAI/Hunneman

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In a press release, Minnerly commended the landlord for taking steps to enhance the asset that she says “offers great access and visibility” from Route One, and is also near Interstate 95. “The building, which is undergoing significant capital



Sean Hannigan

improvements . . . will provide Reiser with an ideal second location to complement their Canton” facility, Minnerly adds, with the upgrades including a refurbished facade and new windows plus pavement striping of the lot which totals 4.4 acres.

At 100 percent occupancy, 1245 Providence Hwy. is outperforming the Route 128 industrial submarket where the vacancy rate is 7.4 percent for 39.5 million sf of inventory, according to the just-released NAI/Hunneman Industrial Market survey for the opening quarter of 2018. It has held steady since a year ago when the rate was 7.8 percent. The submarket did post a minor gain in net positive absorption of 11,875 sf during Q1, while the asking rent is averaging \$7.12 per sf, an uptick from Q1 2017 when the average was \$6.90 per sf. Details of the Reiser lease were not provided. ■