

Boston buyer taps \$200M fund to snag more Nashville office space



Boston-based Albany Road Real Estate Partners paid \$51.3 million for Plaza at MetroCenter — a property of three office buildings, including this one at 200 Athens Way.



By Adam Sichko – Senior Reporter, Nashville Business Journal Nov 2, 2018, 7:12am CDT

A Boston-based real estate company has just spent a slice of its \$200 million fund to cement a deal in Nashville.

Albany Road Real Estate Partners paid \$51.3 million for the Plaza at MetroCenter, according to newly filed public records. The trio of 33-year-old office buildings contains more than 360,000 square feet of space. All but 8 percent is taken, according to real estate brokerage firm Cushman & Wakefield, which marketed the property for sale.

The buildings are less than three miles from the center of downtown, but notably different when comparing the cost to rent office space. Cushman & Wakefield's marketing touted MetroCenter rents for top-grade Class A space being \$9 per square foot to \$11 per square foot lower than the central business district, the Gulch or Midtown (especially when factoring in the cost of parking).

"The way rents are rising, we really like the idea of being five minutes from downtown, right off the highway, at a steep discount," said Scott Cloud, who is Albany Road's Southeast managing director.



Scott Cloud, Southeast managing director at Albany Road Real Estate Partners.

The purchase marked the first time Albany Road had tapped a \$200 million fund for a Nashville purchase. The firm began raising that fund one year ago. The fund consists of high-net-worth investors and family offices, which advise such investors.

Cloud said an initial round of renovations should be done in spring or summer of 2019. Albany Road bought the buildings from Dallas-based Tier Reit Inc. (NYSE: TIER), which had owned the buildings for a dozen years.

Albany Road made its Nashville debut four years ago, buying downtown's 20-story ServiceSource Tower. Albany Road sold that building in May.