

A Great Leap Forward in 2012

BY JOE CLEMENTS

BOSTON — An extra day in February might seem more a cruel joke than a bonus for most New Englanders, but commercial real estate practitioners treasured every spare moment of 2012 to juggle an unending stream of trade that flowed from the get-go until midnight struck 366 days hence. The landmark \$615 million sale of 100 Federal St. in downtown Boston serves as a glaring exception, but mega-deals were hard to find, yet capital was dispensed liberally—and for riskier assets—by investors seeking alternatives to volatile stocks and anemic treasury returns who found plenty of reason to feel the resilient regional economy will continue to salve CRE’s post-recession lull.

“It’s all good,” proclaims Robert E. Griffin Jr., New England area President for Cushman & Wakefield, the region’s leading brokerage firm for CRE sales in 2012 after negotiating the 100 Federal



ROBERT E. GRIFFIN JR.



EDWARD C. MAHER JR.



MATTHEW E. PULLEN

St. purchase by Boston Properties and dozens of assets in the industrial, office and retail arenas, from increasingly coveted land tracts to fully net-leased structures that safety minded investors have been particularly smitten with since the recession hit in 2008. “All of the asset classes have recovered, and there’s good reason to believe that for the next two years, they are going to continue to behave in a positive manner,” says Griffin. “This is for real.”

C&W seemed to have multiple entries in just about every CRE category and profile as the Capital Markets Group finalized 62 transactions totaling \$2.3 billion. Office towers in Boston, Providence and Worcester contributed to the lofty sum along



ONE MERCHANT PLACE, WORCESTER MA

with a plethora of suburban buildings and retail in every setting imaginable. The healthcare unit led by Frank Nelson peddled a portfolio of medical office buildings for \$100 million, or \$269 per sf—“a remarkable deal,” says Griffin—and C&W delivered another \$90 million to Colony continued on page 56

Independent Firms Have Banner Year

BY JOE CLEMENTS

BOSTON — This place knows a thing or two about independence, and so it is perhaps no great surprise that the region’s commercial real estate industry is chock full of small- and medium-sized brokerage houses that have managed to remain busy even as an army of national companies have arrived over the past quarter-century, a legion that continues to expand across the land, its latest arrivals including Canadian-based Avison Young and Cassidy Turley.



MICHAEL D'HEMECOURT



JASON WEISSMAN

In 2012, multi-million dollar sales were processed in droves by such locally controlled firms as Greater

Boston Commercial Properties, Parsons Commercial Group and New Dover Associates in the MetroWest, O’Brien Commercial Properties in Marlborough, the Stubblebine Co. of Lexington and Wayland-based R.W. Holmes. Kelleher & Sadowsky come to mind in Worcester and Springfield has King & Newton among several. Burgess Properties is a stalwart north of Boston, as is Northway Real Estate in Haverhill and Danvers-based Nordlund Associates. Founded by Christopher Everest in 2002, the latter firm completed a smorgasbord of sales from Acton to Peabody over the past 12



18-28 JFK ST., CAMBRIDGE MA

months, most recently a 24,000-sf office building at 33 Nagog Park harvested by National Development to an investor for \$1.05 million. continued on page 62



241 BOSTON POST RD., MARLBOROUGH MA



20 SPEEN ST., FRAMINGHAM MA

BANNER YEAR

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Nordlund did nine deals for a total consideration of \$12.5 million in 2012, the largest \$2.2 million in early December when 206 South Main Street LLC bought a property bearing that address in Middleton from Nordlund's client, J.E.S. II Realty Trust, whose family ownership in the single-story industrial property dated to 1971. The 45,000-sf building is located on 2.4 acres along Route 114 (South Main Street) just north of Interstate 95.

Nordlund had a jam-packed fourth quarter, completing two separate industrial building trades representing both sides in each case on October 1st when 55 Mitchel Rd. (9,600 sf) in Ipswich yielded \$700,000 and Wakefield's 247 Water St. (11,625 sf) brought \$1.1 million. Both deals involved user/buyers. That pace kept up for Nordlund to the very last day of 2012 when a 9,000-sf industrial property at 241 Newbury St. (Route One) in Danvers delivered \$1.25 million for Nordlund's client, the Meg Cos. of New Hampshire. ReMax represented the buyer of the 9,000-sf auto dealership sandwiched between Routes 62 and 114. In November, Nordlund sold a 32,000-sf Peabody office building at 84 Newbury St. (Route One south) for \$2.02 million on behalf of Sawyer Realty Holdings to Philopater LLC, managed by Emad S. Younan. Nordlund—and the public—know the building well, with Everest having negotiated its prior sale for \$1.2

million in April 2011 to Needham-based Sawyer and was then named leasing agent. The three-story, 31,000-sf structure is the former home of East West Mortgage; it was foreclosed on in April 2009 by Wainwright Bank.



DAVID CURLEY



PAUL MULROY



ERIC O'BRIEN

further insight on those assignments. "It does give us a unique blend of local knowledge and the institutional underwriting experience of (part-

ner) **Chris Sower and Mike d'Hemecourt** . . . that really allows us to look at a building and (determine) what is the right approach in a given market," offers Freid. Notable listings of 2012 included a 10,000-sf Newton office building ultimately won by a user at a price of \$283 per sf, a level Freid says is rarely achieved for such product in that area. The team also helped a Newton client acquire a key land parcel in between two existing buildings, and sold 395 Worcester St. (Route 9) in Natick, a 6,200-sf retail building occupied by a Mitchell Gold + Bob Williams Signature Store through 2015. Freid and Meixner were joined by d'Hemecourt on pitching that building which yielded \$1.42 million the final week of the year. The firm tendered \$70 million in the fourth quarter alone, and had four deals above \$1 million wrap in December, headlined by the \$31.6 million closing of 18-28 JFK St. in Harvard Square, known to denizens of the famous district as the longtime home of Pizzeria Uno, as well as other retailers and apartments.

Some independent real estate companies span generations, whereas one young upstart is **Boston Realty Advisors**, a firm just completing its 10th year that had a remarkable 2012, with its \$150 million of sales well above the \$100 million leader **Jason S. Weissman**

had been targeting and involving a host of prized listings in Boston and Cambridge. Weissman credits the hiring of new talent such as retail expert **Michael d'Hemecourt** to complement existing staff including suburban brokers **Jeremy Freid and Adam Meixner**. That pair tendered several trades in the Route 128 Central region last year, and worked with d'Hemecourt to provide

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"We had contributions from everybody," Weissman says as BRA's second decade commences. "The whole team was pleased with 2012," continues its founder. "We took on a lot of significant properties and worked on many product types in a lot of different markets, and that (reflects) the wide range of expertise we can offer to our clients." The multifamily division run by Weissman and Sower did a series of significant transactions (see multifamily investments sec-
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205 FLANDERS RD., WESTBOROUGH MA



10 CALIFORNIA AVE., FRAMINGHAM MA



604 MAIN ST., SHREWSBURY MA

BANNER YEAR

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tion), including 52 Westland Ave. in Boston's Fenway, a 43-unit apartment building that brought in \$12.8 million after a marketing program that generated more than 100 prospects



VICTOR GALVANI

before 52 Westland Enterprises LLC took the prize. "The process was very competitive," said Sower, crediting the tight rental market and a location between the Back Bay and Longwood Medical Area.



JOHN R. PARSONS JR.

New Dover Associates President Scott R. Hughes might strive to treat his customers equally, but having a favorite in 2012 could be difficult to resist after Genesis Management engaged the Framingham-based firm to identify investment prospects in Greater Boston. Hughes eagerly—and successfully—obliged, helping Boston-based Genesis buy two well-located office buildings along the Massachusetts Turnpike in Framingham last summer, securing 32,000 sf for \$6.8 million,



21 STRATHMORE RD., NATICK MA

and in November found the Boston-based firm another shiny asset at 21 Strathmore Rd. in Natick for a total value of \$9.8 million. Hughes is now assisting his grateful client on leasing up available space in the two original properties, 10 and 20 Speen St., with the 15,500-sf Natick building fully occupied on a triple-net basis by a laboratory tenant that did engage Genesis to provide third-party management. Chief Investment Officer Robert B. King explains his firm was interested in buying for its own

account to parlay its third-party property management expertise as a value-add element of an investment strategy. In an interview regarding the Natick acquisition, King said his firm continues to look for opportunities, but counts 2012 as an encouraging launch. "Scott did an excellent job for us," King says, "and hopefully we can build on what we've done already."

Even in paying nearly \$200 per sf, King terms 21 Strathmore Rd. "a pure income play continued on page 64

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BANNER YEAR

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for us," while Hughes praises former owner Maric Inc. for having the foresight to expand the building and sign Parcels Laboratories to a long-term commitment that made it an investment-grade asset. The location is superior as well, Hughes says, with Strathmore Road part of the Natick Business Park and near the Natick Mall.



ARTHUR P. AMADEI



CHARLES DETWILLER



GARRY HOLMES

In addition to New Dover Associates, Framingham is home to another spirited independent firm, Parsons Commercial Group, which took on several intriguing assignments last year, including Galvani as advisor to the seller of 10 Speen St., which traded for \$3.7 million versus \$3.1 million for 20 Speen St., with David Ross of Cresa Partners working for the seller there, that being the American Cancer Society.

In an even bigger summertime sale, Galvani assisted Paragon Communications in its \$8 million acquisition of 41 Main St. in Bolton, a 300,000-sf flex/office property set on a 72-acre campus where the buyer intends to relocate operations from its Ashland headquarters. Tim O'Callaghan of Binswanger was agent for the seller of the property whose features include



395 WORCESTER RD., NATICK MA

30-foot clear heights, three levels of office space and 10 loading docks with levelers. Paragon is a market leader in remanufactured electronics and a range of services and supplies for the technology sector.

Founder John R. Parsons, meanwhile, has been seeking out multifamily properties for his own account. After a quick turnaround of two Boston assets, Parsons spent \$19.2 million to acquire an apartment community in Columbia, South Carolina, the state capital. "It's a good market," relays Parsons in explaining that city and others like Charleston and Myrtle Beach are on the upswing.

Greater Boston Commercial Properties professionals were all over the MetroWest, with Benjamin Gatti advising Sandra & Anthony Antico Real Estate in their purchase of an 80,000-sf industrial building on six acres in Marlborough and an adjacent 12-acre site for a total consideration of \$2.9 million. The seller, Marlborough Elms LLC, was advised by David Curley of O'Brien Commercial Properties Inc. As part of the agreement, Curley's client is leasing back 21,000 sf for his used furniture company, while the buyer will use 10,000 sf for a sprinkler company, A.J. Antico Irrigation Systems. Two other tenants fill another 30,000 sf.

Speaking of O'Brien Commercial, other invest-

ment sales were completed in 2012 including the December trade of 124 South St. in Bedford, a 6,000-sf industrial building bought by Scherrer & Chen Property LLC. The firm's 2012 Broker of the Year, Paul Mulroy, advised seller South Road Trust, while colleague Joel Aho was agent for the buyer. Among the 20 leasing and sales deals Mulroy did to earn the top designation, he harvested 1000 Main St. in Acton and 160 Ayer Rd. in Littleton. President Eric O'Brien orchestrated the trade of a 5,000-sf building at 63 Great Rd. in Maynard between buyer Haley & Ward and Lexvest Partners. Curley represented the seller of 241 Boston Post Rd. in Marlborough, a stylish 24,700-sf building that was half-leased at the time of its \$3.5 million swap in July. Lincoln Property Co. advised the buyer, Cadd Edge Inc.

Bret O'Brien of Greater Boston Commercial Properties advised the seller in disposition of an 8,875-sf industrial building on 1.9 acres at 18 Alpha Rd. in Chelmsford. Buyer Craven Real Estate Development LLC was represented by Joe Ready of Ready Real Estate. O'Brien also participated in the purchase of a 135,000-sf industrial building at 47 Sumner St. in Milford by Planet Aid, a firm which assists in fundraising through clothing box donations and other efforts. Craig Johnston and John Eysenbach of R.W. Holmes were agents for the seller, Creative Development, which reaped \$1.25 million in the agreement that will enable Planet Aid to relocate from a smaller facility in Holliston. The building sits on a 7.6-acre site.

The Milford deal was among a baker's dozen of transactions above \$1 million brokered by R.W. Holmes professionals in 2012, the largest a \$15



84 NEWBURY ST., PEABODY MA

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BANNER YEAR

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million consideration for a 50,000-sf build-to-suit at 3 Forge Park in Franklin on behalf of Hamilton Storage Technologies, with Eysenbach as their broker. Next was the acquisition of 10 California Ave. in Framingham by Genzyme Corp., an \$8.1 million agreement involving Chris Tosti of CBRE/NE advising Genzyme and R.W. Holmes President Garry Holmes as exclusive listing agent for the seller, Columbia Electric Corp. The 62,675 sf property that sits on 4.7 acres is presently occupied by both Genzyme and Staples.

Two properties—605 Main St. in Shrewsbury and 205 Flanders Rd. in Westborough—sold for the same price of \$4.5 million. The Shrewsbury asset is an 18,575-sf medical office building bought by DSN Realty Trust, with R.W. Holmes Senior VP Craig Johnston negotiating for the buyer and Eysenbach on behalf of the seller, RPI Shrewsbury Main Realty LLC. The buyer was completing the back end of a 1031 exchange, having retained Johnston and Eysenbach to harvest 205 Flanders Rd., a 76,125-sf manufacturing building on 5.6 acres that was bought by 205 Flanders Road LLC.

R.W. Holmes also oversaw the \$1.6 million sale of 203 Flanders Rd. in Westborough and nearby 145 Flanders Rd. for \$1.45 million. A trio



47 SUMNER ST., MILFORD MA

of Natick assets were processed by the firm, with a former US Postal Service unit at 177 Pine St. in Natick yielding \$2.57 million in its mid-December sale by the USPS, represented by CBRE/NE. Eysenbach delivered the buyers, Care Everywhere and Zynomedical. Elsewhere in town, 56-58 North Ave. fetched \$1.5 million and a 27,000-sf building at 5-7 Michigan Dr. reaped \$1.2 million. R.W. Holmes Senior VPs Arthur P. Amadei and Charles Detwiller handled both sides of the latter sale to Michigan Drive LLC by Hosokawa Micron International.

Bill Sullivan was agent in the \$1.3 million exchange of 108 Forest Ave. in Hudson for \$1.3

million. The two-story, 30,000-sf flex office building was acquired by Facilis Technology Inc. from Re-Act Realty LLC, which also retained Sullivan to divest 1 Bonazzoli Ave., an adjacent 26,000-sf building that went for \$1.5 million.

In other R.W. Holmes deals, 80 Union Ave. in Sudbury yielded \$1.7 million, while separately Johnston and Garry Holmes were the brokers for seller Bonazzoli Realty Trust in their \$1.37 million sale of 135 Maple St. in Marlborough to Gremer Realty Trust. R.W. Holmes also procured the buyer of the 18,125-sf retail building that sits on 1.3 acres. It is being renovated as a local hardware store. ♦

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