



The Real Reporter

A COMPENDIUM OF COMMERCIAL PROPERTY & CAPITAL NEWS

JULY 29, 2016

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THE REAL REPORT

Lasting Impression



353 Newbury St., Boston MA



Michael d'Hemecourt



Whitney Gallivan

BOSTON — In terms of CRE sales, the last block of Newbury Street is not the least block on the famed retail stretch running from Arlington Street to Massachusetts Avenue, and now yet another closely held building at the end cap of that strip is being offered up for sale amid expectations from market experts that pricing could crest \$1,000 per sf. The exclusive listing for **Boston Realty Advi-**
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Sale of 733 Concord Ave. Among \$120M in JLL Cambridge Listings

BY JOE CLEMENTS
CAMBRIDGE—This city is becoming a popular venue for the JLL Capital Markets team, having in 2015 orchestrated the record \$291 million land sale of NorthPoint to DivcoWest and this spring selling Hanover Cos.' new apartment community in the emerging Alewife District for another chart-topping trade of \$215



continued on page 40 Blackstone Science Square, Cambridge MA

Newmark Completes \$42.1M Hub Trade



70 Franklin St., Boston MA

BY JOE CLEMENTS
BOSTON — German investors have long had a penchant for investing in downtown Boston real estate, and that trend continues in a big way this year, the latest example coming from Deka Immobilien's \$42.1 million purchase of 70 Franklin St., an 85,975-sf mixed-use building whose seller GLL Real Estate Partners is also a Rhineland-originated
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Horvath & Tremblay Yield \$28M+

BY JOE CLEMENTS
BOSTON — The searing days of mid-summer have nothing on net-leased real estate sales, and one of New England's most prolific brokerage firms specializing in that arena is having its own heat wave of sorts. Horvath & Tremblay has completed a quintet of assignments eclipsing \$28 million total, most of that reaped in the \$13.5 million sale
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Walgreens, 465 Cambridge St., Allston MA

JLL Cambridge Deals

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million. Now, the firm led by Managing Directors Christopher Angelone and Frank F. Petz has a trio of prime assets that estimates say could collectively approach \$120 million. About \$30 million of that has already been doled out in the form of a sale consummated this week at 733 Concord Ave. in Alewife where Morgan Stanley bought a majority stake of the asset from King Street Properties, the laboratory-centric investor that has been tearing up the west Cambridge and suburban markets this decade under the leadership of founder Thomas Ragno and principal Stephen Lynch.

Petz declined comment on the status of that transaction, citing confidentiality agreements, beyond confirming his team's role in the marketing that did culminate in two deeds registered on Monday, the larger of \$27,689,173.59 and the second for \$1,457,324.93, no explanation as to why they were split.



Christopher Angelone



Frank F. Petz

The entity PPF Off King 733 Concord Owner LLC acquired the asset from King 733 Concord LLC and indicated a 95 percent purchase of the asset, with King Street apparently retaining a minority stake.

The headliner of the three listings by JLL would be Blackstone Science Square in the eclectic CambridgePort neighborhood near the Charles River and Massachusetts Institute of

Technology. Client Brickman Associates paid \$31.5 million to acquire the assemblage in September 2014 as previously detailed in Real Reporter. Its location and quality of tenants is expected to be major lures, Petz says in acknowledging the exclusive assignment whose team members include Managing Director Jessica Hughes, Senior VPs Robert Borden and Matthew Sherry plus Analyst Tom Ragno.

"We do have that in the market," Petz says of Blackstone Science Square, his firm quite familiar with the asset which they had listed when Brickman came along. The asset joins two 139 Main St. and 733 Concord St. that have been in



733 Concord Ave., Cambridge MA

circulation since the spring, although Petz declined to discuss strategy or pricing targets that market watchers indicate could yield somewhere in the \$60 million sphere for the CambridgePort asset and another \$30 million or so for 139 Main St. Petz did say while reporting 733 Concord St. received "substantial" interest when it hit the block, and he adds that reaction is following suit for the newest arrival.

According to Petz, "the Cambridge address has become very important and recognized" to CRE investors from near and far, and he says the institutional set he anticipates will chase Blackstone Science Square and 139 Main St. has learned to love laboratory product as the asset class has become more mature and understandable. "They now recognize the sustainability of life sciences (real estate) as an investment—it has become much more acceptable as an asset class and I don't think that is going to change . . . especially in Cambridge," Petz outlined.

JLL pegs the vacancy rate for laboratory space in Cambridge at a razor-thin 1.1 percent, an environment helping to drive asking rents above \$70 per sf. Blackstone Science Square is at 92 percent occupancy in 19-23 Blackstone St. and 237 Putnam Ave. with an assemblage of first-class facilities comprised of "institutional quality laboratory (space) and a collaborative brick-and-beam" constitution, JLL relays in marketing materials. Molecular diag-

nostics company Good Start Genetics has its headquarters at the complex which is shared by a blend of life sciences and technology firms.

Good Start is in place until 2022 after a recent lease extension that gives on-going cash flow while JLL is also promoting in-place rents that are 21 percent below current rents. "The leasing history is very strong," reports Petz, further estimating market demand is outpacing supply by a three-to-one ratio.

Other professionals familiar with Cambridge agree Blackstone Science Square is seen as an enticing opportunity that meets institutional mettle and maintain 139 Main St. would have a chance for even greater action given the lower cost of entry meets the formats of more investors. "Cambridge is white hot right now, and there is just no lab space at all," says one industry veteran who puts the Blackstone Science Square battle in the range of \$785 per sf, or a hair under \$60 million.

The 139 Main St. offering is supremely located at the foot of the Longfellow Bridge, the five-story building adjacent to the 101 Main St. office tower and at the gateway to Kendall Square. "It is an incredible location," declares Petz whose firm is representing the American Red Cross, owner/occupant of the 38,000-sf brick-faced building. If achieved, that would equate to almost \$790 per sf even though—or per-



Jessica Hughes



Robert Borden



Matthew Sherry



Tom Ragno

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