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# Carlyle Divests Winter Street Lab Stake in \$240M Trade to Morgan Stanley Via JLL



September 25, 2018 — By Joe Clements

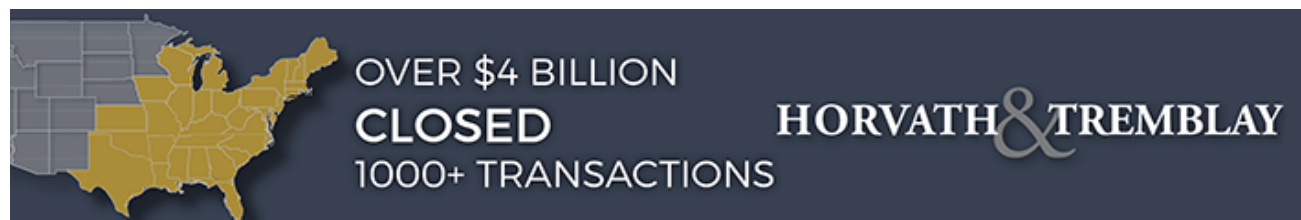


830 Winter Street Waltham MA

**ALTHAM**—Two laboratory buildings at 828 and 830 Winter St. have been

**W**acquired for \$240 million by Morgan Stanley Real Estate Advisors from Carlyle Group, the latter entity partners with King Street Properties since paying \$104.2 million in July 2015 for the assets. KSP has retained an undisclosed stake in the holdings.

When Carlyle/KSP bought into the deal, 828 Winter St. was an undeveloped project to be built adjacent to 830 Winter St., that 185,000-sf structure on 16 acres off Route 128 in existence since 2001. It is 100 percent leased to several well-known life sciences companies. The newer facility which encompasses 145,000 sf and came on line this year creates the largest multi-tenanted life sciences cluster outside of Cambridge, according to its sponsors.



Home to credit tenants GlaxoSmithKline, Histogenics and Immunogen, 830 Winter St. remains a top-rated laboratory option even as it approaches 20 years in operation, and its freshly minted companion incorporates modern concepts and efficient floor plates in a three-story constitution featuring state-of-the-art mechanical systems and high levels of electrical capacity.

Its acumen as a life sciences building is accentuated with a range of popular amenities found in first-class office properties, including a fitness center with showers and locker rooms, conference room and two cafe options. There is also a central courtyard and outdoor areas to enhance the campus feel.

JLL Capital Markets reportedly negotiated the trade between Carlyle and Morgan Stanley. Calls to Capital Markets leader Frank Petz were not returned by press deadline.



Thomas Ragno



Steven Lynch



Frank Petz

Having just celebrated its 15th year in 2017, KSP was a pioneer in the current wave of suburban life sciences development as an answer to thin vacancies and rising rents in

Kendall Square where more than half of Greater Boston's existing inventory is still located. KSP has, however, expanded the footprint out to Hartwell Avenue in Lexington and later west Cambridge where a surplus Genetics Institute building once occupied by Pfizer was retrofitted and quickly leased up, that endeavor itself a forerunner to the submarket's awakening as a viable Kendall Square option.

Key personnel at KSP are founding principal Thomas Ragno and CRE veteran Stephen Lynch, the pair serving as co-managers.

Based in Washington, DC, Carlyle Group has its own lengthy track record of investment in Boston CRE, the firm typically core-focused lining up in the case of 828 and 830 Winter St. with a KSP investment vehicle also targeting stabilized and high-end assets to complement its value-add platform. Morgan Stanley also has a rich history of investing in the region—in fact, that firm was the investor which paid KSP \$165.5 million in Dec. 2015 that bought the revamped Genetics Institute structure at 200 CambridgePark Dr., a 222,000-sf property which the sellers had secured in June 2014 for a mere \$39.7 million.

News

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