



# The Real Reporter

A COMPENDIUM OF COMMERCIAL PROPERTY & CAPITAL NEWS

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## THE REAL REPORT

### Rotary Club



Burlington Woods Office Park, Burlington MA



Marci Griffith Loeber John A. Mannix

**BURLINGTON** — Since 1979, Route 128 traffic has moved (crawled?) past **Burlington Woods Office Park**, its constancy these days matched only by a stream of owners endlessly swapping the landmark 257,000-sf business center which is for the millisecond held by **Colony Realty Partners**, a time span rough-

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## Albany Road Scope Tops 1MSF, \$100M in \$35M Retail Deal Brokered by CBRE



Springfield Plaza, Springfield MA

**BY JOE CLEMENTS**  
**S**PRINGFIELD — Barely 15 months after launching an ambitious investment campaign across New England, Albany Road Real Estate Partners will crest \$100 million in asset value this coming week upon paying \$35 million for Springfield Plaza, an enduring retail center at which the Hub-based firm will spend another \$5 million  
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## JLL Racks Up 605,000 SF in Devens Deals

**BY JOE CLEMENTS**  
**D**EVENS — It might not be quite a revolution, but industrial real estate has been booming all season in central Massachusetts, the latest salvo coming in a 184,000-sf lease at 235 Barnum Rd. by Quiet Logistics. The long-term commitment marks an expansion by QL at the 4,400-acre Devens Industrial Park, with the high-flying distribution firm already occupying 275,000 sf at 66 Saratoga St.

Timothy Brodigan and Greg Klemmer of Colliers International have advised QL at 66 Saratoga St., and represented the firm  
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15 Independence Dr., Devens MA

## Lincoln, CBRE Pace 2013 TOBY Awards

**BY MIKE HOBAN**  
**B**OSTON — Lincoln Property Company emerged the big winner at BOMA Boston's TOBY & Industry Awards Thursday night at the Westin Copley Place Boston Hotel. Honored the industry's top buildings and the professionals who manage them, LPC took home the hardware in five of the 13 building categories,

including the trophy for their own local office at 53 State St. in the One Million Plus SF building class.

Besides principal Mark Tassinari being named top executive of 2013, CBRE New England secured three awards, while Jones Lang LaSalle tallied a pair of victories. Managers from Colliers International, Federal Reserve Bank of  
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Mark Tassinari



Maria Farias

## Albany Road

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upgrading. Listed through CBRE/New England, the 440,000-sf buy will also put Albany Road's portfolio above one million sf. "Those are exciting hurdles for us to have cleared in our relatively short history," President Christopher J. Knisley conveys in acknowledging the imminent deal being backed by \$26 million from JPMorgan via Goedecke & Co.



Beyond the major milestones set amidst an increasingly frothy sales market—especially for multifamily or grocery anchored retail—Knisley says the purchase gives Albany's yield-driven backers a value-added opportunity at a proven property where some 25 percent of the space has been renewed or filled by new arrivals in 2013, including McDonald's (3,500 sf) and Planet Fitness (20,000 sf). Since its 1950's genesis as Whelan's Supermarket, a grocery element has helped the unassuming complex survive several economic crashes, observes Knisley, adding he is further steeled by having the eight largest tenants (occupying 65 percent of the space) averaging 23 years in tenancy there, a loyal lineup that includes Kmart, Stop & Shop and TJ Maxx.



Bill Moylan

Facing mechanical, roof and parking lot issues and need to freshen up canopies and grounds, Knisley was struck by the plaza's loyal tenant base and store sales exceeding company norms (see graph) given the measured economic gains outside metropolitan hotspots such as Boston. "It was nice to see that much space committed when the property clearly will require a shot in the arm if it is going to remain competitive and viable," says Knisley, whose 30-year investment career is ingrained in retail, helping the Koffler Group reinvent the Woburn Mall, today a popular Market Basket-anchored center replete with leading junior anchors. The two are different animals, stresses Knisley, but



Springfield Plaza, Springfield MA

he agrees the goal remains the same, to bring rents closer to regional levels.

Demographics are also seen as solid at Springfield Plaza given the 60,000 residents in a two-mile radius and activity from three major medical centers that bring a flood of consumers into the area daily. The center is 90 percent occupied.

As Albany Road has done in other instances, the basis is being reduced by nearly \$2 million thanks to restructuring five telecommunications towers on an office building included in the package. In buying the asset at a price that still leaves room to make the necessary upgrades—a figure just 50 to 60 percent of replacement cost—Albany Road is "maintaining very attractive cash-on-cash yields for our investors," Knisley says, and relaying that company principals "were extremely pleased by our investors' response to the opportunity, as it was a large transaction and we were fully subscribed in a very short period of time."

Knisley also credits CBRE/New England for conducting a smooth bidding process, one that resulted in several suitors competing with Albany Road right up until the end. Christopher Angelone and Bill Moylan handled the assignment, conveys Knisley, and credits Goedecke & Co. principal Sean Herlihy for securing the JPMorgan funding. Having built a reputation with market professionals over the past 25 years is one reason Knisley gives for hitting the \$100 million and one million sf bars so quickly, among other influences. "Part of it is that we see a tremen-

dous amount of opportunities because we are broad geographically and in product type," with a mix of office, self-storage and retail spread across four states. "If all we were doing was suburban office buildings inside Route 128, it might be a different story, but we're pleased with how we've been able to create a platform that lets us take advantage of a good opportunity when they comes along no matter what or where it might be . . . That has really worked to our advantage in getting us where we are today." ■

## 200 Portland St.

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Once considered an off-price alternative to the nearby Financial District, Avison Young pegs North Station as second only to the emerging Seaport District in current momentum, with the office vacancy down an impressive 5.8 percent year-to-date to a razor-thin 6.9 percent. The Seaport, by comparison, had a 9.1-percent drop YTD, almost unheard of in such a quick period. Some observers maintain the dwindling inventory there is aiding other submarkets, although North Station's superior transit options are considered a particular strength.

Whatever the catalyst, the 193,000-sf of leasing activity thus far in 2013 is the highest total for North Station through three quarters since 2010. That has enabled asking rents there to rise 2.1 percent YTD to \$31.14 per sf, while Class A rents at North Station are pacing even quicker, jumping 4.3 percent to \$39.63 per sf. ■