



The Real Reporter

A COMPENDIUM OF COMMERCIAL PROPERTY & CAPITAL NEWS

FEBRUARY 7, 2020

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THE REAL REPORT

Growing Aims

BOSTON—The elevator cabs at **100 High St.** could get a bit more crowded thanks to tenant **Marcus & Millichap** aiming to bolster its regional capabilities as the nationally based brokerage powerhouse did this autumn naming retail veteran **James M. Koury** to handle Northeast US shopping center listings for subsidiary **Institutional Property Advisors** involving sales from \$20 million to infinity.

Koury Completes \$42.1M Milford Sale

SEE PAGE 10



John Horowitz



James M. Koury

Koury's hire, as first unveiled by **Real Reporter**, "is a good start to what we intend to do going forward," explains **MM First VP John Horowitz**, manager for the Boston and Brooklyn, NY, combined offices which could add as many as 20 new brokers

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Novaya Pays Lone Star Funds \$31.5M for 1 Robbins Rd. Via CBRE Exclusive

BY JOE CLEMENTS

WESTFORD — Barely four months after being listed for sale through CBRE, a "mission critical" building here off Interstate 495 has been acquired by Novaya Real Estate Ventures from Lone Star Funds, according to Middlesex North Registry of Deeds. The 298,000-sf building changed hands this week for \$31.5 million.

"That is a healthy price on Interstate 495," one source familiar with the fast-track process relays of an asset said to have attracted a wide berth of interest

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One Robbins Rd., Westford MA

Peabody Deal Highlights ViceRoy Launch

BY JOE CLEMENTS

PEABODY — They did not have them at 'Hello,' but following a fast-paced, labor intensive process orchestrated by exclusive broker Horvath & Tremblay, principal Carl A. Valeri deems ViceRoy Capital Management's late-summer purchase of downtown Peabody CRE at a consideration

of \$17.2 million as "a really good buy" for the nascent firm celebrating its first year in business with a series of impressive occurrences and two acquisitions totaling \$20 million headlined by the Peabody investment.

"There were a lot of unwieldy parts to go through, and everything about that deal

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Carl A. Valeri



Sandra M. Capo

Colliers Machine Keeps On Keeping On

BY JOE CLEMENTS

BOSTON — The Hub real estate services mainstay that now goes by Colliers International has overcome many challenges since predecessor Meredith & Grew was launched in 1875, and the firm's determination to remain a Tier One Capital Markets player following departure of its lead team in late 2018 has taken two

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Hynes Convention Center, Boylston Street, Boston MA

ViceRoy Ventures

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was tricky, but the brokers did an excellent job helping us understand what was there and time and time again they were able to prove that their analysis and data was accurate,” Valeri outlines to Real Reporter. “We are very happy with it,” says Valeri, noting that the agreement which was backed by KeyBank and Brookline Bank loans totaling \$13.2 million was able to close within 90 days despite the morass of matters navigated by VCM.

Founded by Hamilton Co. veterans Valeri—its former President—and Sandra Capo, VCM started in November 2018 after Hamilton’s legendary owner, Harold Brown, turned the reins over to son Jameson Brown. With a legacy dating back to the 1950s, Harold Brown’s retirement and passing last spring received widespread media coverage given the Brookline native’s longevity and work ethic that lasted into his 80s amassing a vast portfolio in metropolitan Boston.

Valeri was an integral part of Hamilton’s rebound after Boston’s harsh real estate crash in the early 1990s rocked the company, the Bank of Boston alum coming aboard in 1996 when Brown broadened Hamilton’s platform to take on major investments such as the Dexter Park Apartments bought for \$129.5 million in 2009, while construction of mixed-use and multifamily assets on company owned land in Boston became a key focus in recent years.

By Valeri’s count, he completed 74 deals while at Hamilton Co. and financings cresting \$1 billion, giving the Arlington native an even greater grasp of metropolitan Boston’s CRE landscape. Capo, like Valeri raised in a real estate-related family whose company she later spent 15 years at, joined Hamilton in 2017 to handle a range of day-to-day responsibilities covering a portfolio of 500-plus assets, “and Sandra received high marks for achieving above average revenue increases and keeping vacancies at less than 1 percent,” according to one account. The founding principals of ViceRoy Capital Partners have over 50 years of collective experience in metropolitan Boston CRE circles.

After an opening purchase of a Framingham building for \$2.7 million, ViceRoy found themselves revisiting the Peabody



2 Main St., Peabody MA

portfolio Valeri had dismissed earlier when listed through another brokerage shop and recalls being “very skeptical” when Horvath & Tremblay’s multifamily sales team led by Dennis Kelleher and John Pentore with Senior Associate Stephen



Dennis Kelleher



John Pentore



Stephen Girolamo

and came through with a great buyer in ViceRoy,” Farrell says in concurring the disparity in age and use of each property made the process “challenging” during the initial effort to harvest a portfolio Northfield had acquired barely five years earlier,

the Haverhill-based company a hands-on operation whose other principals are James A. Gebo and Norman Lee.

“We thought we would own them for 20, 25 years, but we all know that area pretty well and when we looked at it, we felt this would probably be the best time to put it on the market,” recounts Farrell.

When the initial pitch received a flat response, Northfield selected Horvath & Tremblay, who brought their Lynnfield brokerage team that focuses on multifamily and multipurpose properties with a residential component to the initiative and prepared an intricate document to decipher 11 buildings at 2, 55, 61, 65 and 77 Main St.; 2, 3, 3.5, 4 and 6 Littles Ln. and 28 Lowell St., an assemblage which feature 131 residential units plus 15 retail spaces serving the North Shore community of 53,000 people.

Along with the retail components, VCM took control of 36 single room occupancy apartments, plus 46 studios, 31 one-bedroom and 21 two-bedroom apartments in buildings dating between 1860 and 1914, with sizes from 2,700 sf to 15,525 sf.

The listing had such a large piece of downtown, Horvath & Tremblay’s marketing effort got the notice of Peabody officials, including Mayor Edward Betten-court, whose contributions helped bolster ViceRoy’s desire to buy into the community, according to Valeri. Hometown pride is evident, with lifelong Peabody resident Girolamo saying he is “extremely excited to have ViceRoy Capital play such a major part in the city.”

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ViceRoy Ventures

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"The unique unit breakdown presents a near-stabilized residential component with an opportunity for retail revitalization," observes Girolamo in praising the Mayor for having "made it his mission to restore downtown Peabody as a desirable location for shops and restaurants." From his view, "ViceRoy plans to use their experience to work closely with the city to help (the Mayor's vision) come to fruition."

Pentore had accolades for all involved, stating that "both the seller and buyer were great to work with, which helped



Robert Brown



Peabody Mayor
Edward Bettencourt

everyone achieve a successful sale. The work that Norm, Shawn and James did to the properties since they acquired them in 2015 and the attention to detail they operated the properties with set themselves up for a seamless transition.

"Additionally, it takes a tremendous amount of experience and real estate savvy to acquire something of this size and hit the ground running," Pentore continues, "and that is what Carl and Sandra brought to the table . . . It was great working with both parties and we are excited about the prospect of working with both in future endeavors."

Valeri concurs with the brokers in citing the Mayor's commitment to the downtown as helping encourage ViceRoy to navigate through the sea of documents and series of titles to each property plus unusual requirements such as flood plain analysis due to the city's frustrating legacy of flooding, a problem addressed with an enhanced control system installed but one that nonetheless requires an understanding of the situation which ViceRoy sought to get a grasp of should trouble return.

Valeri also gave a thumbs up to Northfield for making investments in the properties such as new roofs and other investments to justify the asking price. From his perspective, "if there had been a weak link, the deal never would have hap-

pened." Acquired at a capitalization rate of 7.8 percent, VCM is in the midst of a capital improvements program to upgrade HVAC and electrical systems, plus is modernizing common areas and lobbies with such materials as new carpeting.

Reflecting upon its inaugural campaign, Valeri points to the opening of its office at the TradeCenter in Woburn after launch-



VCM Peabody Portfolio, Peabody MA

“
We were very lucky to have
met Dennis Kelleher and
John Pentore — their team
did a fantastic job and
came through with a great
buyer in ViceRoy.
”

SHAWN FARRELL,
Northfield Properties

ing the company "at the kitchen table" among the milestones, as well as ramping up its roster of investors from zero to over 50, sufficient enough for VCM to provide "the Ferrari of investor portals" which enable capital providers to monitor the platform for which ViceRoy also provides regular updates such as information on its activities in 2019 where 82 acquisition opportunities were "gleaned over," with 19 offers made on those of which nine ad-

vanced to the second round. ViceRoy was wrangling with a suburban retail deal in 2019 that carried over into the New Year, a venture he could not discuss in detail, but while the firm's mantra is "Quick to assess, Quick to Act and Quick to Close," as proved the case in Peabody Valeri stresses the better trait is in making sure an investment will deliver as promise and be mindful against overspending.

"Sandra and I are being very careful with our own money and our investors' money," Valeri says. "We are not going to buy things just for the sake of growth or for fees; it is a much more patient approach," says Valeri. "We have put countless miles on our vehicles and met many new brokers, owners and (investors) along the way . . . but we are not afraid to (pass) on a deal if we are not certain it makes sense today and in the future."

ViceRoy could some day grow to be upwards of \$300 million, and has the capacity to seamlessly purchase an asset in the \$25 million to \$30 million level with a "sweet spot" of \$5 million to \$15 million. The partners have a strong history in multifamily and mixed-use assets, and Valeri says Class B multifamily is considered an area of interest in providing both income-accretion and an opportunity to invest in a market where rents are not expected to slide even in the face of new inventory coming to market.

Flexibility in financing is another el-
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Hunneman Team

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North Capital Partners spent \$17.8 million to secure, an acquisition backed by \$18.6 million in Brookline Bank financing.

The sale of Harrison Arms at 447 Boston Post Rd. was followed up with Hunneman's separate listing of a Westford medical office building which delivered \$2.26 million for another long-time owner, M.O.B. LLC, a group which had held the asset for over 20 years, having paid a mere \$285,000 buying 506 Groton Rd. in April 1999, the same year the 13,250-sf structure came on line.

Christie and McGee advised M.O.B. LLC principals Howard J. Hall and Christopher Lorain while Rhonda M. Stone of Touchstone Partners was the agent representing buyer Saffron LLC, an entity managed by Surinder Bhardwaj who borrowed



Rhonda M. Stone

\$1.7 million from MutualOne Bank and \$105,000 from James M. Kenney to finance his purchase. "We had quite a bit of activity on that," Christie relays to Real Reporter, the interest fomented by a proven location and increasing demand among investors for healthcare and net-leased CRE.

"Medical office is getting good attention," Christie reports, adding that the productive stretch for his team belies a continued dearth of CRE in Greater Boston to meet increased demand among investors. "We'd always like more," Christie says of additional assignments even in acknowledging the hefty book of business transcending two seasons for his team which is part of the Hunneman Capital Markets division comprised of several seasoned sales professionals such as David N. Ross, Robert Tito Sr., Henry Lieber and Gina Barroso.

Although there were a number of product types handled along the line, multi-family has represented a substantial piece of the action for Christie and McGee this year, with other notable outcomes including a \$7 million exchange of 93 units at Lakewood Terrace and Joslin House in Webster; 16 apartments at 10 Lothian Rd. in Brighton which Brookline-based investor Anwar Faisal scooped up for \$5.6 million and the Central Street Apartments in Stoughton that yielded \$8.3 million.

The latter agreement involved a familiar



Harrison Arms Apartments, 447 Boston Post Rd., Marlborough MA

face—True North Capital Partners. The Concord-based firm led by founding principals Jeff Bruce and Mathew Glauninger spent \$8.3 million on that 48-unit assemblage at 544-562 Central St. and 458-466 Lincoln St. Hingham Institution for Savings was the lender in that acquisition, providing True North an \$8.0 million mortgage to back the purchase from Hunneman client Red Cloud LLC, the steward of Central Street Apartments since paying \$4.84 million nine years ago next week for the garden-style property.

The Marlborough assignment involved a generational property developed and owned by the McCarthy family, with Richard H. McCarthy purchasing the 3.8-acre site in 1968 on which the low-rise project involving multiple buildings was constructed and operated successfully for decades. "We were able to align the sellers with a buyer who had a clear plan to update the units and add value to the property," Christie explains in crediting the client for having kept the complex well-maintained across four decades.

"I think they will do well with it," Christie says of True North and the Marlborough property that has now been rebranded as Wayside Apartments. The buyer has an extensive track record of refurbishing older apartment projects via a capital improvements and management platform which emerged after the 2008 recession and has revitalized assets throughout Massachusetts this decade.

For investors left on the sidelines for other Hunneman exclusives this past year, Christie and McGee are now shopping another property that has not been available for decades in 452 Park Dr. near Boston's

famed Longwood Medical Area. The eight-unit rental property features a fully leased opportunity that throws off over \$400,000 in gross income and can be had for an asking price of \$7 million. Besides the LMA which employs tens of thousands of skilled workers, 452 Park Dr. is also close to several major colleges and universities, the Museum of Fine Arts and a diverse amalgam of entertainment, restaurants and shopping amenities. ■

ViceRoy Ventures

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ement of VCM which has established an \$8 million line of credit through Brookline Bank. The buyer and brokers gave that institution credit for helping facilitate the Peabody debt package that includes agency financing through KeyBank of \$12 million plus \$1.2 million from Brookline Bank which covers the SRO units, a product type the agency loan was unable to fund.

"I can't say enough about Brookline Bank and how hard they worked to understand the offering and their knowledge of Peabody and the work they did to recognize what parts an agency lender would be interested in and what they should focus on," says Valeri, who credits loan officer Robert Brown with structuring the package. The \$8 million line of credit "assures us that we will be in the hunt" on opportunities all the way up to \$50 million, adds Valeri, whose current footprint is focused on eastern Massachusetts, Rhode Island and southern New Hampshire. ■