

Legacy Returns in 18,600-SF Newton Buy



345 Boylston St., Newton MA

BY JOE CLEMENTS

NEWTON — Colleagues who may have put Legacy Real Estate principal Michael Price on the inactive roster can rest assured the Waltham investor continues to troll Greater Boston chasing value-add opportunities such as Legacy’s first acquisition since last August, the 18,600-sf 345 Boylston St. “I haven’t gone anywhere,” Price tells the Real Reporter this week after paying \$2.92 million to secure the unassuming structure backed by \$2.1 million from Eastern Bank. CBRE/New England was exclusive listing agent, advising seller Florence P. Pearl and procuring Legacy, much to the delight of its founder.



Michael L. Price

“It is a phenomenal location,” Price says of the four-story, rectangular building that will undergo an upgrade by the new ownership. Only 2,750 sf remains un-let, providing cash flow from a property its new owner deems Class C but with the mettle to meet Class B standards from a suburban tenant base that is suddenly seeing rents beginning to rise for the best product, that such as a large swath of medical office space being built out diagonally across Route 9 (Boylston Street) from Legacy’s new conquest. Price says the asset will not go toe-to-toe with well-known developer Bulfinch Cos., a Needham firm that is crafting the space out of the former Atrium Mall.



Nicholas Herz



Robert Kinlin

Across the highway, Price deems 345 Boylston St. “a nice Class B option for people who do want to be in that market but don’t want to pay (premium) rents.” The improvements are also intended to benefit existing tenants and

continued on page 25

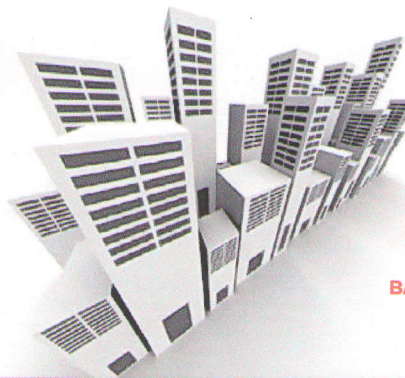
Commercial Mortgages

\$250,000 up to \$5 Million

- Paul Carey**
508.804.9573
- David Bromberg**
508.804.9675
- Leo Barrett**
508.804.9158
- Heather Storme**
508.804.9031

DCU provides borrowers with a wide range of innovative financing solutions. We offer competitive rates, outstanding service, and have a proven track record of helping clients.

dcu.org



DCU
BANKING – THE DCU WAY



Real estate is all about making the right moves. You have to know what’s in play today, and what will work tomorrow. The Greater Boston Real Estate Board offers **legal insights. Updates on property rights. Featured articles. Market projections. Blogs** on what’s in and what’s out. And more. GBREB can help you make your move.

Find out what’s in motion.
Visit www.gbreb.com.

**MOVE
AHEAD.**



GBREB
GREATER BOSTON
REAL ESTATE BOARD
Est. 1889

DEVELOPMENT | EMPOWERMENT | ADVANCEMENT

www.gbreb.com

Key members
powered by
GBREB

RHA
Rental
Housing
Association

BOMA
Building Owners
and Managers
Association

CBA
Commercial
Brokers
Association

GBAR
Greater Boston
Association of
REALTORS®

REFA
Real Estate
Finance
Association

Legacy Returns

continued from page 7

reward their loyalty, explains Price, who is inheriting a mix of occupants, including two dentists, a chiropractor and acupuncturist. About half of the space is leased to medical tenants. Legacy has shown a predilection for that constituency in its portfolio, a fiefdom that extends into Rhode Island but is concentrated in Massachusetts. Legacy's previous investment to 345 Boylston St. was 12 Resnick Rd. in Plymouth, a 27,000-sf flex/industrial asset bought for \$2.89 million last August with financing of \$2.0 million from Cambridge Savings Bank.

The Eastern Bank loan represents their inaugural business agreement, one which Price expressed great satisfaction. Loan officer Alex Schmidt was cited for being "quite competent and very accommodating" by the veteran investor. "They are terrific," he says. "I'd certainly love to do more business with them."

Accolades were also extended to the CBRE/NE Capital Markets crew for conducting an "incredibly smooth" negotiation that enabled Legacy to end its acquisition drought, one Price attributes to a dearth of viable opportunities, i.e. those bearing the right mix of location, physical characteristics and value needed to give



345 Boylston St., Newton MA

an underperforming property new life or raise its stature to a higher level as 345 Boylston St. is in line to pursue under the Legacy strategy. Aesthetic and physical changes are already in play despite just closing this week, reports Price, who further announced the hiring of Boston Realty Advisors as exclusive leasing agent for 345 Boylston St., an assignment being led by Jeremy Freid and Adam Meixner.

"They just have a great pulse on the market," he says of the BRA duo that focus on the Route 128 Central area including Newton and also running out to Wellesley and Watertown.

Legacy represents the first ownership change at 345 Boylston St. since Florence P. Pearl acquired it out of bankruptcy in May 1980, paying a mere \$104,000. The asset has heretofore been known as the

Boylston West

continued from page 1

Mutual Life Insurance Co. delivering developer Samuels & Associates a loan package totaling \$191.8 million. The monies were placed via Holliday Fenoglio Fowler's Boston office, confirms Director Greg LaBine, otherwise declining comment on the assignment that is among the most substantial placements in New England this year.

"It's a big one," another debt financing expert concurs of the disbursement that is cut into two pieces, one for \$52.2 million and the other for \$139.5 million. The financing supposedly has a construction-to-permanent element incorporated into the structure, offering a measure of confidence for the borrower—and its sponsor community. Prior to the 2008 recession, a project that had reached the point where

Boylston West is presently would have universally been expected to proceed, but that calm view disappeared in the disastrous halt of the Filene's Basement Building in Downtown Crossing when its teetering financing stack collapsed once the recession took hold.



Greg LaBine

It has taken nearly five years for the venture to regain its footing and prepare to re-launch under a new sponsor, in the interim having created a sense of blight for the neighborhood, a slide that has garnered national attention and harsh criticism for erstwhile owner Vornado.

Samuels & Associates certainly has proven its ability to follow through on a project, particularly in the Fenway where the Boston-based firm controls a series of

blocks on which other residential towers have already risen over the past decade or are in the active planning stages. Boylston West received particular media attention when it was announced Target would open an urban store there in the 165,000 sf of lower level retail that will also be included along with an office component, a mix that will provide Boylston West its own Live/Work/Play environment.

The arrangement from Northwestern also underscores confidence in Boston's multifamily arena, observers say, with construction funding still limited nationally but eagerly chasing Bay State deals, especially those in the urban core. Over the past year, HFF itself has arranged hundreds of millions in loans for various Hub multifamily high-rise projects, including the Kensington in Midtown and Seaport Square in South Boston on behalf of the Drew Co. ■