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Merchant Buy Gives Legacy Second Asset

By *Joe Clements*

SHARON, MA-A 30,000-sf flex building here is the latest conquest for Legacy Real Estate Ventures, the Waltham-based firm that launched an investment campaign earlier this year with a goal of making multiple property purchases throughout Greater Boston. The company paid \$2.31 million for 6 Merchant St., a single-story structure fully leased to a half-dozen tenants.

"It has a good, solid tenant roster," says Legacy President Michael Price, whose firm has now completed two acquisitions after earlier paying **\$7.3 million** for a 26,000-sf medical office building in Framingham, as reported by GlobeSt.com. Occupancy at 6 Merchant St. has traditionally stayed at full capacity, according to Price, explaining that the structure caters to tenants needing 4,000 sf or less, a popular size requirement for the area. The first lease rollover will not occur until 2010, says Price, who expects upside from rental accretion when space ultimately frees up at the 20-year-old structure.

Besides the stability and steady cash flow, Price says he was attracted to the property by its overall condition and strong location. "I like this type of product," adds Price, expressing a desire for similar flex/R&D opportunities, should they come available. But while Legacy is eager to make investments across a breadth of property types, the pipeline of product is "shallow" at present, relays Price, who does have two other buildings under agreement.

Many sellers are unwilling to acknowledge a shift in the lending arena, maintains Price, making deals that do come to market harder to finance. Price cites a lengthy track record and past relationships with lenders for getting the needed backing for the latest assets, as well as prudent bidding. "The deal has to make economic sense," he says. TD BankNorth financed the Framingham purchase, while Cambridge Savings Bank funded Legacy's Sharon acquisition. Owned by Merchants LLC, an entity formed by local investors Ralph Darling and James O'Neil, the building was marketed by Patrick Cavanagh and the capital markets group of CB Richard Ellis in its Boston office. In a related move, Price says that sister-company Eastport Real Estate is being retained as manager of 6 Merchant St.

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