

# Novaya Rings Drum Hill Bell in \$12.9M Trade to Legacy Via Biette Listing Fueled by Woodman's



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55 Technology Drive, Lowell MA

LOWELL—Much of America's CRE universe has been brought to its knees by the malefic Coronavirus, but at least one transaction has withstood the tumult, a \$12.9 million trade where two homegrown operations have exchanged a plucky R&D building seller Novaya Real Estate Ventures secured eight years ago as part of the two-building Drum Hill Technology Center near the confluence of Interstate 495 and Route 3.

Legacy Real Estate Ventures financed its 89,000-sf purchase of 55 Technology Dr. from Novaya backed by an \$8.7 million Woodman's of The World loan arranged through NorthMarq Capital. Peak Real Estate Partners, led by founding principal Anthony Biette, advised Novaya harvesting a building the client bought in Jan. 2012 for \$5.25 million, the same figure spent on 10 Technology Dr. next door.

“It has been a nice investment for us,” Novaya Real Estate Ventures principal Peter Carbone III Esq. tells Real Reporter of the two-asset property that was also Novaya’s inaugural purchase. Ten Technology Dr. was divested in March 2017 for \$5.69 million whereas Novaya held onto 55 Technology Dr. longer than the norm for an operation which celebrates 10 years in business in 2021. The catalyst came when denizen C.R. Bard left half the space fallow when a merger fomented its departure, providing an incentive to upgrade the building amid an improving Interstate 495 North flex market.



Michael Price



Peter Carbone III Esq.



Jennifer Price

Founding principals James Alden, Jeffrey Theobald and Scott Tully along with Carbone have parlayed Novaya’s Lowell investment into a platform eclipsing nine million square feet stretching from Massachusetts to Pennsylvania boasting a market value cresting \$1

billion. A few investors cashed out on 55 Technology Dr. three years ago last week when another Boston-based group, Hawk Properties, agreed to replace those initial backers, with the deal then amounting to \$7.55 million.

The boost in value evidenced through Legacy’s purchase is attributed to the landlord leasing all the improved space to a half-dozen tenants: Borrego Solar, Contract Logix, the Commonwealth of Massachusetts, Diagnosys and Lowell General Hospital. “We liked what we saw there,” Legacy founding principal Michael L. Price relays in praising Novaya’s hands-on strategy that delivered “a well-located property with a very stable mix of tenants.” Like Novaya a specialist in value-add endeavors, Price says the thought of having a stabilized, cash-flowing entry in the mix was appealing.

“Given the quality of tenancy and level of maintenance performed by Novaya, we expect this to be a solid investment for years to come,” states Price, joined in negotiating the acquisition with Acquisitions and Asset Manager Jen Price a property that gives Legacy a lineup of 17 flex, medical and office buildings focused on Massachusetts but also in the Providence and Philadelphia markets. Legacy, which already owns a Lowell warehouse, was also encouraged by I-495 North’s recent gains. “We like the fundamentals,” Michael Price says.

After a boiler-plate process that began last summer, the agreement did have to weather “exceptional times and challenges” to cross the finish line before Q1 ended, Michael Price recounts, with the unprecedented changes over the final two weeks so dramatic he accedes being “skeptical” at one point that the obstacles could be overcome. Carbone and he cite a combination of their mutual faith in each other through “a longstanding relationship” from decades of operating in the metropolitan Boston CRE sector, coupled with a resolve among all parties to see the transaction through to a closing.

“Everyone was on board with the deal, and that made all the difference when everything changed so dramatically,” Michael Price says, including Woodman’s of the World. “Our lender’s willingness to work with us through this was critical,” he relays in also offering shoutouts to NorthMarq Capital Managing Director Ed Riekstins and Investment Analyst Daniel Karp. Carbone lauded Jen Price and Michael Price “for their hard work and commitment to completing this purchase” while adding that, “this property has performed well for us over the past several years, and we expect similar results” for its new stewards.

Carbone was also “impressed” by the dogged efforts of Novaya’s legal counsel from Riemer & Braunstein’s Burlington office. That element was handled by Senior Partner Mark T. Vaughan and Partner Raymond C. Estes, plus Carbone credited all who navigated an evolving electronics deeds process. For their part, “nearly everything” was handled on-line to a level not available in the past, says Jen Price, adding, “it worked well,” a notion shared by Carbone, although both Michael Price and he agreed there may be some aspects of the investment sales exercise going forward that could be slowed by the pandemic, technical issues such as getting appraisals and renovation permits.

At the same time, both Carbone and Michael Price said they remain upbeat about CRE’s ability to bounce back once the crisis fades, with record low interest rates among the potential drivers along with Boston’s robust economy at the start of 2020 that led to a flurry of Q1 closings early on. Now, likely not so much over the near term, a prospect which made each acknowledge a satisfaction at steering 55 Technology Dr. to the successful conclusion.

“We are very encouraged that real estate deals are getting done during what has quickly become a very challenging environment,” Carbone observes, while Michael Price says he had a goal of letting all involved enjoy a measure of victory. “We wanted to do something positive for our investors and our (staff) and be able to have something to engage our management people with,” he says. “We were determined to get it done and we did, even though it was touch-and-go for a while . . . We are very excited and really proud of everyone who made it happen.” The management duties will be handled by Legacy affiliate Eastport Real Estate Services, a Wakefield-based operation led by President Robert M. Bowen. ■