

Visionary Legacy REV Trades Newton Industrial Site to Criterion for \$13.2M



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Residences on the Charles, 15 Riverdale Ave., Newton MA (RENDERING)

NEWTON—Legacy Real Estate Ventures founding principal Michael L. Price is the first to acknowledge the 53,000-sf flex/industrial building his firm has just divested after an eight-year stewardship did not entirely match the vision he had in spring 2012 spending \$4.5 million to secure 15 Riverdale Ave. via a sale/leaseback with then-owner and occupant C&K Components.

“This one far exceeded our expectations,” Price tells Real Reporter after harvesting the non-descript single-story plant for \$13.2 million to Criterion Development Partners, an adroit multifamily developer that will construct 204 apartments on the 3.5-acre site which is located along the Charles River a short trek from bustling Watertown Square. Criterion’s two-building project recently secured its comprehensive permit, triggering the swap from Legacy three years after CDP signed their joint agreement.

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“We achieved more units and a higher price-per-unit” than the most aggressive deciphering when Legacy analyzed the initial purchase unveiled in a [May 2012 Real Reporter](#), a deal backed by \$3.1 million from Cambridge Savings Bank. Legacy did outline in that original article a strategy which—save for scale—evolved exactly as anticipated. C&K generated steady cash flow throughout the 2010s under the sale/leaseback which carried triple-net terms requiring virtually no capital improvements by the landlord, and culminated the way Price had forecast as a redevelopment play.



Michael L. Price Price even nailed the ultimate replacement product, opining in buying 15 Riverdale Ave. that

multifamily was a prime candidate as its "highest and best use" thanks to the riverfront setting and being in an established residential neighborhood straddling the Newton/Watertown border. The venue is well-served by public transportation through a network of bus lines linking to Boston's Back Bay and Financial District, Harvard Square in Cambridge and on the western flank, downtown Waltham. Watertown Square itself is being dramatically transformed into a hub of life sciences construction and other growth bringing an expanded menu of LWP elements.

Although he accedes there was a bit of risk in C&K having limited credit history, Price explains the income-stream targets were easily realized as tabulated, and the lead tenant had exercised a five-year option prior to Legacy striking its deal with Criterion. After his firm negotiated a buyout of C&K's lease, the tenant ironically moved to 1601 Trapelo Rd. in Waltham, the same building where Criterion's regional office is based. There were other tenants occupying space in 15 Riverdale Ave. as well since 2012, including groups such as Staples and Boston Globe who inked short-term pacts while the apartment approval bid wended through Newton's planning pipeline.

Legacy's purchase was further validated by multiple suitors seeking to buy 15 Riverdale Ave. over the years although the initial exit plan held fast until Price directly recruited CDP, an effort that yielded a positive response when the Dallas-based group which has a project across the Charles River in Watertown recognized the Newton site's acumen as a multifamily venue.

Reflecting on the outcome, shout outs were extended by Price to 15 Riverdale Ave.'s lender which has funded other Legacy deals— Cambridge Savings "saw the same potential . . . and met our needs like they always do"— and the brokers orchestrating the C&K sales/leaseback arrangement, Cushman & Wakefield professionals Brian Doherty and Scott Gredler.

Price says he is further proud of the benefits provided Newton's Nonantum neighborhood and the host city, not only in bringing badly needed housing to the area—including a substantial affordability component covering 25 percent of the units— plus community space totaling 1,800 sf. CDP also committed to upgrade abutting Forte Park and will create a public courtyard and greenery replacing the parcel's paved landscape while simultaneously opening up the riverfront that had been sealed off for decades.



Fifteen Riverdale Ave., Newton MA

All told, Price ranks 15 Riverdale Ave. among his company's most gratifying deals, hardly faint praise given its reputation as a shrewd CRE investor consistently leaving on the plus side as exemplified last autumn trading a Boston office property at 46 Plympton St. for \$13.7 million. While he concurs that 28,600-sf building acquired in Feb. 2016 for \$6.5 million led to "a phenomenal" return, Price has an even stronger superlative for the Newton investment. "I call this deal monumental," he says after reaping three times the purchase price for the 52-year-old building. "It couldn't have gone any better," Price adds. "I feel very fortunate with the results and we are really happy for our investors."