



The Real Reporter

A COMPENDIUM OF COMMERCIAL PROPERTY & CAPITAL NEWS

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THE REAL REPORT

Federal Express



William Gause



Eric Sheffels

ANDOVER — After yielding record results harvesting abutting 800 Federal St. this past autumn, **Leggat McCall Properties** and **Long Wharf Real Estate Partners** are hustling **600 Federal St.** to the sales dais, again retaining **HFF** as exclusive agent after that Capital Markets operation orchestrated the \$56 million exchange next door, the partnership having acquired both underwater properties in June 2010 for \$8.7 million, or just \$33 per sf. That compares to the \$238 per sf spent by **W.P. Carey** for **800 Federal St.**, its allure besides a complete renovation by the hands-on landlords a 15-year lease to **Schneider Electric**, a top-credit firm which relocated 900 employees there last year to help revive the surroundings in tandem with 600 continued on page 28

Industrial Revolution Brings Out \$100M in Deals Listed by C&W

BY JOE CLEMENTS

EAST BOSTON — A three-building, 285,700-sf portfolio perched here outside Logan International Airport is among a flurry of industrial assets being offered exclusively by Cushman & Wakefield's Capital Markets Group in the early throes of 2015, with listings spread from Boston's North Shore to suburban south industrial



continued on page 26 440 and 480 McClellan Hwy., East Boston MA

Bierbrier Closes on \$41.5M Retail Purchase

BY JOE CLEMENTS



South Shore Place, Braintree MA

BRAINTREE — There are those who see Bierbrier Development's \$41.5 million acquisition of South Shore Place this past week as a transformational conquest for the Lexington based retail investment firm. Count among them namesake founder Len Bierbrier, who confirms

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Cross River Center Inks 36,000-SF Lease

BY JOE CLEMENTS

LOWELL — Barely a year after buying the expansive 1001 Pawtucket Blvd. for \$15.5 million, Farley White Interests has reeled in a tenant to lease 36,000 sf of the available space, the property's inaugural signing since being acquired and rebranded as Cross River Center. Presently in Wilmington, Metrigratics will



continued on page 30 Cross River Center, Lowell MA



South Shore Place, Braintree MA

Bierbrier Purchase

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the 100-percent leased, 45,000-sf retail center is his largest and priciest holding assembled over four decades in an eastern Massachusetts portfolio spread from Brockton to Haverhill, and is also reflective of plans to step up the firm's acquisition and development efforts in metropolitan Boston.

"This is a very important to our company for a couple of reasons," Bierbrier tells



Len Bierbrier

Real Reporter after outlasting a determined lineup of bidders assembled by exclusive listing agent HFF. "It broadens our scope geographically and increases the complexity and size of the investments we can

do . . . and it is also a fantastic piece of real estate that we are excited and proud to own."

HFF ran the marketing campaign for Harvard University backed Baynorth Capital and for Carpenter & Co., the well-known Cambridge developer which carved the retail plaza out of surplus land acquired in its purchase of the erstwhile Braintree Sheraton that has now been converted to a Hyatt Hotel, an asset HFF is separately trading for the client through its hospitality division. Industry sources maintain the retail portion resulted in upwards of 10 final bidders, among them a Who's Who of institutional funds and well-known local players. Declining to identify those adversaries, Bierbrier says he recognized the opportunity would be a hot prospect and challenging to win the day, but did the up front due diligence to gauge accurate value and pre-arrange financing

to show an ability to close on the listing handled by HFF Senior Managing Director Coleman Benedict, Director Benjamin Sayles and Analyst Patrick McAneny.

"It was very intense the whole way through but we never gave up and in the end we came out on top," Bierbrier says, surmising that, "We just saw more value in the property than (the other suitors) did." Although some were said to be in the neighborhood on pricing, Bierbrier explains he believes some national firms might have discounted the asset slightly because most of the tenants are food-related, a use that sometimes will not carry as much weight on a valuation basis. That was little concern to the veteran investor, Bierbrier says, because he determined the barriers to entry and other factors should foment demand from other user types should the restaurant prospects falter.

"We believe in the real estate and we believe in the market, and I think that made enough of a difference." That confidence was bolstered in being able to attract \$29.6 million in financing from banking giant Wells Fargo in advance and from several unsolicited calls from top retailers informing Bierbrier they want in on the roster should an opening arise. "Braintree is substantially under-built in terms of open-air centers, and there is no land available (for new entrants)," he says. "That puts us in a very strong position to provide them the opportunities they are looking for, and having these non-food retailers contacting us really validates what we felt all along."

Real Reporter first unveiled that Bierbrier Development had put South Shore Place under agreement last month. In that prior article, neither HFF nor Bierbrier were able to comment due to

confidentiality agreements, but sources accurately pegged pricing above \$920 per sf, an eye-popping figure that Bierbrier remains unabashed about committing. "It is a fortress asset—there is just no competition around there," he says. "We know it is going to be a magnet for anyone who wants to be there." Also, he says, sharing a signalized intersection and entrance with Simon Property Group's South Shore Mall that houses the likes of Banana Republic, Best Buy, Clarks, Nordstrom, Sears and Talbot "is extremely powerful," he relays, both for consumers and those non-food tenants waiting in the wings.

Bierbrier Development handles duties for its properties internally, with Christine Cannon on board for leasing and marketing of the centers. Those include a Stop & Shop in Brockton and the firm's prototype Village Street Shops in Arlington and now Newton. The South Shore Place endeavor was a complicated arrangement beyond the stiff competition, Bierbrier says, with Carpenter & Co. and Baynorth Capital structuring that and the hotel in a condominium arrangement, plus Bierbrier is doing a reverse exchange that further increases the technical aspects. Those elements further indicate Bierbrier Development's increased capacity as the firm pursues more opportunities in leading urban centers going forward, with mixed-use and straight retail on the wish list.

Financing from Wells Fargo Bank was provided through Brian Corcoran of Ackman-Ziff. Bierbrier also cites HFF for running an efficient process involving one of the largest retail transactions to be completed regionally in the past 12 months. Tenants in South Shore Place include AT&T, Galleria of Jewelry, Legal Seafoods, Starbucks and TGI Fridays. ■