Green Street

Real Estate Alert

THE WEEKLY UPDATE ON THE INSTITUTIONAL MARKETPLACE

OCTOBER 7, 2020

THE GRAPEVINE

JLL executive **Maggie Coleman** has parted ways with the firm. Details on the split were unavailable. For the past three years, Coleman was a senior managing director and head of international capital for the Americas, leading a team focused on foreign investors buying in the U.S. Coleman was based at the brokerage's Chicago headquarters and had been with JLL since 2006.

Longtime **MHP Real Estate Services** pro **Joseph Giannola** left last week to run the

See GRAPEVINE on Back Page

Tech Fuels Revival of Seattle Office Market

Riding a technology boom that has **Amazon** and other firms leasing up big blocks of space, the Seattle area has experienced the sharpest rebound in listings of any U.S. office market.

Some 14 large office properties are on the block, worth an estimated $2.2 billion combined. And a half-dozen deals totaling $1.3 billion have closed or gone under contract since August, according to **Real Estate Alert's** Deal Database.

At a time when the coronavirus crisis has hampered investment sales in office markets across the nation, the Seattle area, and especially its Eastside suburbs, is a clear standout. Market pros point to strong leasing activity by technology companies as a key driver.

"Everyone is looking for . . . data points and market fundamentals" that reflect conditions since the pandemic began, said **Kevin Shannon, Newmark's** co-head of U.S. capital markets. "The data points are far clearer and the fundamentals healthier

See SEATTLE on Page 16

Recap Eyed for Boston Life-Science Complex

A joint venture is looking to sell a stake in a massive life-science property in Boston valued at $1.3 billion.

The two-building complex encompasses 1.5 million square feet of office, laboratory and retail space near Fenway Park. A 951,000-sf building at 401 Park Drive is almost fully occupied. An adjacent 510,000-sf building at 201 Brookline Avenue is under construction. Plans call for a third building with 300,000 sf of life-science space.

The developer, a partnership between **Samuels & Associates** of Boston and **J.P. Morgan Asset Management,** is flexible on the size of the stake to be sold. They have tapped **Newmark** to line up a single equity partner.

Life-science properties have been a bright spot amid the economic downturn triggered by the coronavirus crisis. While many offices have closed due to the pandemic, raising questions about future occupancy, labs have continued to operate and tenant demand for space is on the rise.

That, in turn, is fueling demand from investors, prompting a slew of new listings

See RECAP on Page 18

Developer Shops Stake in DC Office Trophy

Carr Properties is looking to sell an interest in a trophy Washington office complex worth around $1 billion — the largest offering in that market since the pandemic-induced downturn.

On the block is a 49% stake in Midtown Center, an 869,000-square-foot, fully leased complex that houses **Fannie Mae's** headquarters. Carr has tapped **JLL** to line up a buyer for the noncontrolling position, valued at roughly $490 million. At that $1,150/sf valuation, the initial annual yield would be 4.5%.

The pandemic-induced economic downturn has pushed investors to favor core assets — namely, newer-vintage offices that are well occupied on long-term leases. Midtown Center lines up with those preferences and clears another hurdle: the difficulty of obtaining financing with favorable terms for a large deal. The property backs an assumable $525 million loan originated last year. The interest-only

See TROPHY on Page 10

Oakland Office Tower Hits the Block

University of California Regents is marketing a downtown-Oakland office building expected to fetch about $310 million — among the highest-ever valuations in that market.

The offering consists of 566,000 square feet at 1111 Broadway. Bids are expected to hit about $550/sf. **Eastdil Secured** has the listing.

The 24-story building is 89% occupied, with a weighted average remaining lease term of 4.6 years. One-third of the property is leased by either investment-grade tenants or large law firms.

University of California Regents, which manages the pension and endowment assets for the university system, acquired the property in 2014, paying $215 million, or $380/sf, according to published reports. It has since pumped $33.6 million into upgrades. The building, initially developed in 1990, has a LEED gold designation.

The marketing campaign is emphasizing the property's location atop the 12th Street BART rail station, where some 75 restaurants and shops are within four blocks. With 14,000 residential units planned or under development in Oakland, the seller is touting the area's "live-work-play" atmosphere.

Oakland's Central Business District has 12.3 million sf of office space that is 91.6% leased, according to marketing materials. The average asking rent is $62.52/sf.

If the building at 1111 Broadway trades at the estimated value, it would likely rank as the second-largest office sale in the city's history.

In a deal expected to close this month, San Francisco-based **TMG Partners** has agreed to buy the 1 million-sf Lakeside complex in Oakland's Uptown neighborhood. When the property went under contract before the pandemic, the negotiated price was nearly $475 million, or $475/sf. Even if the final price is adjusted downward, it should easily set a record for an East Bay office trade on a total-dollar basis. Eastdil is advising the seller, a partnership between Boston-based **Rockpoint Group** and **Swig Co.** of San Francisco.

PG&E has signed a 35-year lease at Lakeside and will begin relocating from its current headquarters in San Francisco in 2022. The utility company eventually plans to occupy all of the Oakland complex, and has an option to buy the property at a future date. The marketing campaign for 1111 Broadway touts PG&E's relocation as an example of big tenants migrating from San Francisco to Oakland.

The previous high-water mark for an Oakland office property was set in 2018, when TMG teamed up with New York-based **KKR** to pay **Westcore Properties** of San Diego $260 million, or $499/sf, for the 521,000-sf Clorox Building, at 1221 Broadway. **Newmark** brokered that sale.

For the larger Oakland/East Bay market, the current record price for an office trade was set by the 2006 sale of the Watergate Office Towers in Emeryville, Calif. A partnership between **Calpers** and Houston-based **Hines** paid $394 million, or $336/sf, to buy the 1.2 million-sf complex from **Equity Office Properties** of Chicago. Eastdil was the broker.

Before the pandemic, office tenants priced out of the San Francisco and Silicon Valley markets were flocking to Oakland and other East Bay cities in search of cheaper space — a trend that put upward pressure on rents. Average asking rents in downtown Oakland jumped 19% last year, compared with a national growth rate of 1.3%, according to Newmark.

Meanwhile, investment sales in the East Bay office market surged 62% last year to a record $3 billion, according to **Real Estate Alert's** Deal Database. That was enough to catapult the market into the top 10 nationally for the first time, ahead of Houston, Northern Virginia and Atlanta.

However, sales collapsed in the first half amid the coronavirus outbreak. Only a single Oakland office property changed hands, for $29.9 million, according to the Deal Database, which tracks trades of $25 million or more. While the office-sales market has been slow to recover nationally, market pros view the new listing and pending trade as encouraging signs for the East Bay.

Green Street, the parent of Real Estate Alert, wrote in a recent report that "Oakland's office market appears poised to benefit from limited supply growth and spillover demand from nearby San Francisco in the coming years, especially as the work-from-home trend accelerates." ❖

Deal Struck for Chicago Luxury Tower

Iconiq Capital has agreed to buy a downtown Chicago apartment tower for about $190 million in what would be the largest multi-family trade in the city this year.

The San Francisco wealth manager is acquiring the 479-unit Essex on the Park, completed last year at 808 South Michigan Avenue. The trade, at a valuation of roughly $397,000/unit, is expected to close this month.

JLL marketed the 56-story luxury building for the developer, a joint venture between local firm **Oxford Capital** and London-based **Quadrum Global.**

The occupancy rate is said to be about 80%. Some of the units are managed by **Sonder,** a San Francisco company that rents them to travelers.

The 620-foot skyscraper, wrapped in green-tinted glass, offers views of Grant Park and Lake Michigan. Its studio and one- to three-bedroom apartments range from 500 square feet to 1,410 sf. All have floor-to-ceiling windows and open floor plans. Rents start at $1,750 for a studio and $2,200 for a one-bedroom unit, according to the property's website.

There are also four duplex penthouses on the top two floors, each with a terrace set into the building's "green" roof. Those have four bedrooms and measure 2,100-2,390 sf. Rents start at $9,000.

Amenities include a four-story "winter garden" with an indoor pool overlooking Grant Park, as well as a patio with grilling stations, a fitness center, a cocktail lounge and a conference room. ❖

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Listings

Lexington on the Green
Atlanta, GA

Undisclosed

216 units

Villa Bugambilias
Tucson, AZ

$32,500,000

360 units

Cortland Spring Plaza
Houston, TX

Undisclosed

304 units

Closings

The Walnut Portfolio
Dallas, TX

$56,800,000

568 units

Palisades at Manassas Park
Manassas Park, VA

Undisclosed

304 units

Villas de Azul
Phoenix, AZ

$33,000,000

301 units

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Mass. Portfolio Has Lab Potential

KS Partners is shopping a three-building portfolio in Boston's close-in suburbs that is ripe for a conversion play.

The offering encompasses two buildings in Watertown, Mass., and one in Newton, Mass., with a total of 124,000 square feet of office, research-and-development and newly converted laboratory space. The pitch is that a buyer could convert the rest of the space for lab use as short-term leases expire.

Bids are expected to come in around $60 million, or $484/sf, which would produce an initial annual yield in the vicinity of 6%. KS, a Woburn, Mass.-based developer and investment firm, has given the listing to **JLL.**

The three buildings are fully occupied, with a weighted average remaining lease term of just under four years. The smallest, an 11,000-sf building at 165 Dexter Avenue in Watertown, has been converted to all lab space and is fully leased to filtration-technology company **Via Separations** until 2028.

The other properties can be converted to labs as leases roll over. A 32,000-sf building at 85 School Street in Watertown is fully leased to 3D-printer maker **Markforged** until January 2024. The two-story brick building, which dates to 1946, was renovated as creative offices three years ago.

The largest building, with 80,000 sf of office/R&D space, is at 59-85 Chapel Street in Newton. Tenants include **BevNET.com** (14,000 sf until 2028), **Barrett Technology** (10,000 sf until 2022) and **Autism Spectrum Therapies** (7,000 sf until 2024).

Life-science space is in hot demand even as the pandemic has shut down traditional offices and raised uncertainty about occupancy rates going forward. With lab space in Boston and Cambridge, Mass., nearly fully occupied, life-science companies have been pushing into suburbs such as Watertown and Newton, driving up occupancy and rents. Leases for labs in those markets are being signed at about $75/sf on a triple-net basis.

Watertown and Newton, each less than 10 miles from Boston, are densely developed suburbs with growing concentrations of life-science space. ❖

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Developer Lists Industrial Portfolio

Beacon Partners is shopping a fully leased industrial portfolio in Charlotte that is expected to fetch about $190 million.

The listing encompasses eight warehouses totaling 1.9 million square feet at Metrolina Park, an industrial complex inside the Interstate 485 beltway. At the estimated value of $100/sf, a buyer's initial annual yield would be 4.7% — an indication of the strong demand for industrial properties amid the coronavirus crisis.

JLL has the listing for Beacon, a local developer that completed two-thirds of the space in the past three years. The warehouses are expected to trade as a package and set a record for the biggest-ever industrial deal in Charlotte. The current record was established in 2005, when **Capital Partners** paid **Highwoods Realty** $120 million, or $80/sf, for a 1.5 million-sf property at 4944 Parkway Plaza Boulevard in Charlotte.

The offered properties have 15 tenants with a weighted average remaining lease term of 7.3 years. The average in-place rent is 10.3% below the market average, and the pitch is the portfolio offers long-term potential to raise rents upon rollover. Major tenants include **Bonded Logistics** (890,000 sf), **Veritiv** (298,000 sf), **1-800 Contacts** (114,000 sf) and **Emerson Process Management** (46,000 sf).

Metrolina Park is along Interstate 77, about 3 miles from both the Interstate 485 and Interstate 85 interchanges and 7 miles from downtown Charlotte. The offered buildings range from 26,000 sf to 496,000 sf. The properties, with a mix of single- and multi-tenant layouts, have 30- to 32-foot ceilings and truck courts as deep as 240 feet.

Beacon developed Metrolina Park on a speculative basis between 2002 and 2018. The largest warehouse in the complex, totaling 644,000 sf, is still in its lease-up phase and not part of the listing.

The marketing campaign is touting the growth of the Charlotte market. The area had 2.6 million residents in 2019, and the population is projected to increase 4% by 2023.

The buildings are at 7224-7600 Statesville Road, 4901-5321 Gibbon Road and 7110 Expo Drive. ❖

Affordable-Rental Fund Exceeds Goal

Affordable-housing investor **Jonathan Rose Cos.** has held a final close on $525 million of equity for its largest fund.

The New York shop wrapped up the capital campaign last week for Rose Affordable Housing Preservation Fund 5. The operator set out in January 2019 to raise $500 million, but said it exceeded its goal in part because investors were turning their attention to the pandemic's impact on lower-income tenants.

The shop, which held an initial close on $71.5 million in August 2019, raised more than $285 million of the additional equity in just the past six months.

The vehicle is positioned as an "impact fund," focused on providing affordable housing, connecting tenants with social services and reducing properties' environmental effects. "Every one of our investors underwrote our environmental and social track records as deeply as they did our financial track record," said firm president **Jonathan F.P. Rose.**

Fund 5 is targeting a 9-12% return, although the manager has told investors its fund series historically has produced a return of 15%. It invests nationwide and, with leverage, could have $2 billion of buying power.

The firm's previous largest fund, the $232.9 million Rose Housing Preservation Fund 4, held its final close in 2017 and is nearly fully invested. Fund 5 already has made four investments, deploying $52 million of equity.

Limited partners in the vehicle include **Ford Foundation** and **Sorenson Impact Foundation,** along with healthcare systems, universities, pension funds, family offices and wealthy individuals.

The marketing pitch highlights the need for affordable housing that is environmentally conscious, as well for providing social services to lower-income residents. To that end, Rose looks to add community centers, computer-equipped classrooms and other amenities that connect tenants to services.

Jonathan Rose was founded in 1989 and launched its first fund in 2005. The vehicles are run by its Rose Smart Growth Investment Adviser affiliate. The fund series and associated vehicles combined have raised $967.3 million of equity.

The firm owns and manages some 15,000 units of affordable housing, making it one of the largest players in that field. ❖

East Bay Office/R&D Building Shown

LBA Realty is pitching a medical-office and research-and-development property as an opportunity for value-added investors to tap into growing demand for life-science space in San Francisco's East Bay area.

The four-story building, Foundry31, consists of 403,000 square feet in Berkeley, Calif. Bids are expected to come in at about $460/sf, or $185 million. **Eastdil Secured** has the listing.

The property is 73% leased, with no tenant rollover until 2025. **University of California San Francisco** occupies 30% of the space under a lease with 14 years remaining.

The pitch is the existing rent roll will provide a secure income stream as a new owner converts some of the existing space to laboratories, which command higher rents. A buyer could immediately convert 96,000 sf to lab space, according to marketing materials. By 2027, another 118,000 sf will be available for conversion.

The listing includes 3.4 acres of developable land that could accommodate construction of additional lab space. That new space could command triple-net rents of $66/sf from life-science tenants.

Foundry31 was developed in 1958. LBA, a fund shop based in Irvine, Calif., has pumped $84 million into renovations in the past eight years. Upgrades include a lobby renovation, a new roof and improvements to the building systems. The property has 681 parking spaces.

The marketing campaign is touting Foundry31's location within the Emeryville/Berkeley area, a hub for life-science and biotechnology companies. There is virtually no available space for life-science tenants in the area, and asking rents have been growing, reaching north of $65/sf on a triple-net basis.

Foundry31 is on 7.5 acres at 3100 San Pablo Avenue. It is along the Emeryville Greenway, a bicycle and pedestrian path that runs from Oakland to Berkeley.

The San Francisco Bay region is the No. 2 life-science market in the nation, after Boston, according to **CBRE** research. Its universities have long made it a magnet for the industry.

Office buildings in the region increasingly are being converted to lab space to accommodate the rapidly expanding life-science industry, given limited land suited for new development. Demand has grown even stronger for life-science space in the wake of the coronavirus pandemic. ❖

Need to see property sales that were completed recently? Log in to GreenStreet.com and click on "Deal Database."

Strong Pricing Seen for Tampa Offices

Starwood Capital has listed a Class-A office complex in Tampa's Westshore market that's expected to fetch roughly $160 million.

The 551,000-square-foot Urban Centre One & Two is 90% leased, and investors are being told there is opportunity to boost rents as leases expire. **JLL** is marketing the property.

A sale at the estimated pricing of $290/sf would rank among the market's largest office trades, according to **Real Estate Alert's** Deal Database.

The occupancy rate is just below the 91% average for Class-A buildings in the Westshore business district, which contains the market's largest concentration of offices at 12 million sf. Tenants include financial and technology firms. Some 60% of the building's space is occupied by national credit-rated companies, including **Booz Allen, MassMutual** and **Morgan Stanley**.

The weighted average remaining lease term is about four years, allowing a buyer to gradually raise rents as leases expire.

The property consists of twin nine-story buildings, at 4830 and 4890 West Kennedy Boulevard. They flank a separately owned hotel, the 325-room Westshore Grand, which isn't part of the offering. The hotel and office buildings share a common lobby.

The property is just west of Tampa's Central Business District. The buildings were completed in phases in 1984 and 1987, and recently underwent $3.5 million in renovations. They have trophy-level finishes and amenities, including a rooftop dining club, restaurants, a coffee bar, conference facilities, a fitness center and a parking garage.

Starwood, of Miami Beach, has owned the complex for just over two years, acquiring it for $143.1 million from **TIAA**.

The record price for a Tampa office trade was set in 2015, when **MetLife** sold the 787,000-sf Bank of America Plaza to **Oaktree Capital** of Los Angeles for $193.5 million, or $246/sf. The estimated valuation for Urban Centre would also put it among the market's top five on a per-foot basis. ❖

Pa. Offices With Long Leases Pitched

Equus Capital is marketing four fully leased office buildings it recently redeveloped at a mixed-use complex in southeastern Pennsylvania.

The offering consists of 473,000 square feet at the Knitting Mills, a master-planned development in Wyomissing. Three tenants occupy the buildings on long-term leases. The recent vintage and stable rent roll are likely to appeal to investors looking for relative safety amid the pandemic-induced downturn.

The properties have a combined valuation of $140 million. A sale at that $296/sf price would produce a 5.75% initial annual yield. The preference is to sell the buildings as a portfolio, but Equus will consider offers to purchase them separately. **CBRE** has the listing.

Equus, a fund operator based in Newtown Square, Pa., acquired what was then a roughly 1 million-sf shopping center in 2016. The VF Outlet Center was housed in former mill buildings dating to the early 1900s. Equus launched a redevelopment of the 34-acre site that included renovating some existing buildings and constructing others, creating a mix of office, retail and residential space.

The listed buildings have a weighted average remaining lease term of 16.3 years — unusually long for a multi-tenanted property. The triple-net leases include annual rent bumps of 1.5% to 2.5%.

The largest tenant, **Tower Health,** occupies two buildings totaling 264,000 sf on separate leases with a weighted average remaining term of 15 years. Tower, the region's largest healthcare provider, carries a "BBB+" credit rating from **S&P.** It is separately developing a medical school on another parcel at Knitting Mills, in a partnership with **Drexel University.**

UGI Energy Services occupies all of a 146,000-sf building under a lease that has 19 years to run. **Teleflex** fully occupies the fourth building, with 63,000 sf of office and research and development space. Its lease has 14 years of remaining term.

The Knitting Mills complex has multiple shops and restaurants, including a brewery and some outlet stores. Several newly developed multi-family properties border the property.

Wyomissing borders the larger city of Reading, in Berks County, roughly halfway between Philadelphia and Harrisburg. ❖

JLL, Dealpath Launch Listings Initiative

JLL has partnered with deal-management software provider **Dealpath** to streamline access to some of its investment-sales listings.

Dealpath clients who use the JLL Investor Center, the brokerage's online deal portal, will have real-time access to listings, along with transaction documents and other information, said Dealpath co-founder and chief executive **Mike Sroka**. That will replace "outmoded methods like deal flyers, disjointed email campaigns and manual transfer of information," he added.

"Right now, there is so much work being done by the sell side to manually create a formatted PDF document and emailing it out into the ether and being unsure if it's being seen . . . or if it's even relevant," Sroka said. "This is a gap we can bridge with purpose-built software solutions."

Investment managers can then "make faster, more informed business decisions using market demographic data, sales comps, lease comps and . . . other analytics," according to an announcement to be released Wednesday.

Rockpoint Group of Boston is the initiative's first announced participant, though Dealpath has hundreds of clients, including **AEW Capital, Blackstone, Oxford Properties** and **Starwood Property**.

"Using technology to build efficiencies around information sharing has been a focus of ours for a number of years," said Rockpoint chief financial officer **Spencer Raymond**. The program "should enable Rockpoint to collect, analyze and share deal information more efficiently in the future."

For JLL, the idea is "to get the right properties in front of the right clients with greater accuracy and speed," said **Jay Koster**, the firm's president of investor services.

JLL's venture fund, JLL Spark, invested in Dealpath in 2018. **Eric Wittman**, JLL Spark's chief growth officer, said allowing Dealpath clients to access data from JLL's Investor Center directly from internal deal pipelines eliminates scrolling through emails and other time-consuming activities.

"We're going to continue to transform ourselves to be more technology-driven," he said. "That's important because our clients are going through that transformation themselves, as is the entire industry."

"We're not saying the old way is going away," Wittman added. "We're saying by choice and evolution, people will see how much better this process is and naturally migrate themselves."

Dealpath was founded in 2014 by Sroka, **Andy Lee** and **Kenter Wu,** and bills itself as having "supported $6 trillion in transactions." The firm's investors include **Blackstone**. ❖

Phila.-Area Rentals Ripe for Upgrades

A suburban Philadelphia apartment property is being pitched as a value-added play.

The 390-unit complex, at 675 East Street Road in Warminster, Pa., is expected to fetch $84 million, or $215,000/unit. **CBRE** is representing the owner, **Priderock Capital** of West Palm Beach, Fla.

Built between 1969 and 1971, The Glen at Bucks comprises 272 garden-style apartments and 118 two-story townhomes on nearly 35 acres. Average rent is $1,433, or $1.32 per square foot.

Investors are being told that the occupancy rate — currently 98% — has averaged 95% the past three years.

Roofs were replaced in 2016, and Priderock has installed new furnaces and air conditioners. But only 10% of the units have seen upgrades in recent years, leaving room for a buyer to improve the rest and achieve rent premiums of $250-$350, depending on finish and floorplan.

About 65% of the units have two or three bedrooms. Units average 1,086 sf, and the marketing campaign is highlighting their large size and other features — such as private entrances, terraces and patios — as attractive to tenants during the pandemic.

The property also is touted as the area's only complex with three-bedroom, townhome-style units, which represent 30% of the mix.

Priderock purchased the property in 2017 for $63.8 million, or $164,000/unit, from Chicago-based **LivCor,** a **Blackstone** portfolio company. A buyer would have to assume a 15-year **Fannie Mae** mortgage with a coupon of 4.13%. The loan, which matures in 2032, is interest-only until 2026. ❖

Austin Apartments Up for Grabs

Griffis Residential is shopping an Austin apartment complex valued at about $77 million.

The 384-unit Griffis North Austin is at 12100 Metric Boulevard in Northwest Austin's high-tech corridor. The estimated value works out to $201,000/unit. **JLL** is representing Griffis, of Greenwood Village, Colo.

Griffis North Austin is 95% occupied. The property, built in 1997, consists of 19 garden-style buildings on 21 acres.

The units have 1-3 bedrooms and average 893 square feet. Rents start at $1,029.

Griffis has renovated 244 of the units, or 64%, by adding stainless-steel appliances, quartz counters, wood-style floors, Nest thermostats and washer/dryers, leading to average rent increases of $230. The pitch is that a buyer could raise rents on the remaining units by renovating them.

The property is just to the northeast of the Domain, a massive mixed-use complex known as Austin's second downtown due its mix of restaurants, retailers, offices and entertainment venues. In the same area, the **Austin FC** professional soccer team is scheduled to begin play in a new 20,000-seat stadium in 2021.

Despite slight decreases in average rents and occupancy levels amid the coronavirus crisis, JLL is telling investors that the outlook for Austin multi-family properties remains strong because longer-term trends toward population and employment growth are likely to continue. The average occupancy level in the city is slightly more than 91%, in line with figures from the past two years, despite deliveries of 17,000 new units during that time, according to marketing materials. ❖

Las Vegas Apartment Complex Listed

A developer is offering an apartment complex in Las Vegas valued at up to $110 million.

The property, at 7350 West Centennial Parkway, has an occupancy rate of 97%. With 372 units, the estimated value works out to $296,000/unit. **Newmark** is representing the owner, **Blue Marble Development** of Las Vegas.

Known as the Vue at Centennial, the gated complex was built in two phases in 2016 and 2018, and has nine three-story buildings on 16 acres.

The apartments, which average 1,075 square feet, have 1-3 bedrooms and feature quartz counters, stainless-steel appliances, wood-style flooring and oversized balconies. Rents start at around $1,280 for a one-bedroom unit. Amenities include two resort-style pools with spas, two recreation centers, two clubhouses, dog parks and garages.

The complex is in Centennial Hills, a master-planned community in the northwest corner of Las Vegas, about 18 miles north of the Strip. According to marketing materials, no new apartments are to be delivered there until the end of 2021. ❖

Trophy ... From Page 1

mortgage expires in 2029.

Midtown Center is at 1100 15th Street NW in the East End submarket. It's among a cluster of buildings that, due to their proximity to the White House, tend to lease up faster and at higher rents than others in their submarkets.

Carr acquired the site, formerly home to the **Washington Post,** in 2014 as the newspaper was scouting new offices. The Washington firm then launched a massive redevelopment, replacing the cluster of older buildings with a larger complex while courting Fannie Mae as a tenant.

The project was completed in 2018. Fannie Mae occupies 87% of the space on a lease that runs until 2033. Overall, the weighted average remaining lease term tops 13 years. In-place rents are about 13% below average asking rates for newly constructed space in downtown Washington.

The complex has two glass-clad towers of 11 and 12 stories, connected by three pedestrian bridges that extend 100 feet above an outdoor landscaped courtyard. A 45,000-sf retail plaza containing coffee shops and restaurants is slated to be fully open next year.

It also has 659 parking spaces, electric-car charging stations, a 1,300-sf bike room, a penthouse conference center and a rooftop terrace. The fitness center includes a yoga room and Peloton bikes. The complex is designated LEED gold. ❖

Value-Added Offices Marketed in DC

An office building in Washington's East End that will be left vacant next year when its sole tenant leaves is being pitched as a value-added play.

The 363,000-square-foot building is expected to fetch bids around $110 million, or $303/sf. The building is currently occupied by the **U.S. Justice Department,** which plans to relocate. Its lease expires next summer. **Cushman & Wakefield** is marketing the property for a partnership between **NSP Ventures** of Japan and local firm **J Street Cos.**

The offering will test investor appetite for riskier deals amid the pandemic-induced economic downturn. Potential strategies for the property include leaving the Class-B space as is and recruiting new tenants, repositioning it as Class-A space to achieve higher rents, or converting the space to another use, such as residential.

The 11-story building has 31,000-sf floor plates, two lobby entrances and an underground garage with 167 spaces. It is one of just five buildings in Washington that will have a block of more than 300,000 sf available for rent, according to marketing materials.

The property is at 555 Fourth Street NW. It's part of Judiciary Square, a neighborhood known for its concentration of federal and municipal courthouses and offices occupied by government agencies and Georgetown University Law Center.

It is at the corner of F Street, a block from a Metro stop. Union Station is four blocks east, and Capital One Arena is several blocks to the west.

The occupancy rate for Washington offices has been creeping down slightly over the past year as new supply has been introduced, reaching 86% at the end of the second quarter, according to Cushman's latest market report. Leasing activity from April through June, after the pandemic took hold, was relegated largely to renewals and extensions. Asking rents remained flat at $56.62/sf. ❖

Developers List New Orlando Rentals

A new luxury apartment complex is on the block in Orlando.

The 300-unit ECCO on Orange, about 2 miles south of downtown Orlando, is expected to attract bids in the vicinity of $90 million, or roughly $300,000/unit. The property is in its lease-up phase and is 62% occupied. Partners **LeCesse Development** and **Roger B. Kennedy Construction,** both of Altamonte Springs, Fla., have given the listing to **Cushman & Wakefield.**

The five-story property was completed in January. Its studios and one- to three-bedroom units average 917 square feet. Average rent is $1,746, or $1.91/sf. Amenities include a seven-story garage, a rooftop pool, a fitness center and electric-car-charging stations.

A Publix Supermarket and a Walmart Neighborhood Market are north of the complex, and a Freshfields Farm, a local high-end grocer, is a half-mile away.

Marketing materials highlight the property's affluent demographics, with an average household income of $123,175 through lease-up.

Orlando Health's flagship hospital and medical campus is 1 mile north of the apartment community. According to marketing materials, Orlando Health plans to build a 350,000-sf, $295 million orthopedic hospital that will add 500 jobs when it opens in 2023.

The property is at 3219 South Orange Avenue, close to Interstate 4 and U.S. Route 441. Orlando International Airport is 10 miles southeast. ❖

Waterfront Rentals Floated in NJ

Morgan Properties is marketing a bayfront apartment complex along the New Jersey shore.

The 226-unit Mariners Cove, at 372 Kettle Creek Road in Toms River, is expected to attract bids of $60 million, or $265,000/unit. **CBRE** is representing Morgan, of King of Prussia, Pa.

The townhome-style property is 96% occupied. Marketing materials highlight its low-density design as a plus, pointing to a trend in which renters have responded to the coronavirus pandemic by moving to less-crowded areas.

Every unit at Mariners Cove, built in 1972, has two bedrooms, one-and-a-half bathrooms and its own entrance. The apartments, averaging 950 square feet, all have first-floor patios, second-floor terraces and washer/dryers. The average rent is $1,754.

In addition to year-round residents, the property attracts summer vacationers who pay 50% more on short-term leases due to its location across Barnegat Bay from several beach communities.

CBRE is telling investors that with little to no land available for development in the area, especially on the waterfront, the property could not be replicated. Morgan spent $11.7 million in 2013 on extensive renovations that included new kitchens, bathrooms, floors and windows.

The complex is 7 miles from the Garden State Parkway, 70 miles south of Manhattan and 55 miles east of Philadelphia. ❖

Correction

A Sept. 30 article, "Value-Added Rentals Listed in Tampa," incorrectly identified the owner of two garden-style apartment complexes in Tampa that are on the market. They are owned by **Sentinel Real Estate** of New York, not Stockton, Calif.-based **A.G. Spanos,** which developed the properties and sold them to Sentinel. ❖

TRANSACTIONS

Large Single-Property Transactions in the Third Quarter

Office

Price Per SF	Price ($Mil.)	SF (000)	Property	Buyer	Seller
$1,152	$115.2	100	Stanford Research Park, Palo Alto, Calif.	Alexandria Real Estate Equities	Stanford University
1,007	140.0	139	123 Townsend Street, San Francisco	CBRE Global Investors	Manchester Capital
920	367.6	400	1209 124th Av., 1550 121st, Bellevue, Wash.	Facebook	REI
848	435.0	513	1375 Broadway, New York	Savanna	Westbrook Partners
641	330.0	515	Reservoir Woods East, Waltham, Mass.	Alexandria Real Estate Equities	Davis Cos., Marcus Partners
627	163.0	260	Brickell City Centre 2&3, Miami	Northwood Investors	Swire
609	350.0	575	522 Fifth Avenue (Office Condo), New York	RFR Holding	Morgan Stanley Real Estate
537	355.0	661	Five Point Gateway Campus, Irvine, Calif.	PRP	Five Point Holdings
438	120.0	274	CoBank Center, Greenwood Village, Colo.	Aramco	Samsung SRA Asset Mgt.
418	138.0	330	Durham.ID, Durham, N.C.	Longfellow Real Estate	Bain Capital
417	120.0	288	Symantec Campus, Culver City, Calif.	Northwood Investors	NortonLifeLock
364	80.0	220	DiVosta Towers, Palm Beach Gardens, Fla.	Gatsby Enterprises, Master Mind	DiVosta Investments
331	127.5	385	Waterfront at Harbor Bay, Alameda, Calif.	Stockbridge	Hillwood, srmErnst Partners

Industrial

Price Per SF	Price ($Mil.)	SF (000)	Property	Buyer	Seller
$446	$96.4	216	1000 San Mateo Avenue, San Bruno, Calif.	Amazon	(Unidentified)
349	75.0	215	27-11 49th Avenue, Long Island City, N.Y.	Traub Capital	MANA Products
257	107.1	417	3510-3550 Bassett Street, Santa Clara, Calif.	Hines Global Income	DRA Advisors
124	88.5	715	Tropical Distribution Center 2, Las Vegas	DWS Group, RREEF Property	VanTrust Real Estate
107	246.7	2,300	9222 W. Jefferson Blvd., Grand Prairie, Tex.	Ocean West Capital, Vereit	NorthPoint Development
106	126.6	1,200	Gwinnett Commons, Norcross, Ga.	CIP Real Estate	Quilvest Capital, Westmount Realty
75	98.0	1,300	Interchange 55 Logistics Pk., Romeoville, Ill.	Prologis	Macquarie Real Estate
75	75.5	1,010	Wayfair Distribution, Jacksonville, Fla.	Stockbridge Capital	Hillwood

Multi-Family

Price Per Apt.	Price ($Mil.)	Units	Property	Buyer	Seller
$696	$320.0	460	Kiara, Seattle	Oxford Properties	Holland Partner, Sekisui House
426	118.0	277	Press at Midtown Quarter, Sacramento	Oakmont Properties	DeBartolo Dev., SKK Dev.
419	107.8	257	Pike 3400, Arlington, Va.	Caruthers Properties	Penrose Group
350	105.0	300	Broadstone Lowry, Denver	Connor Group	Alliance Residential
338	157.0	464	Waypointe, Norwalk, Conn.	Invictus Real Estate	Belpointe, Carmel Partners
326	89.6	275	Hamilton on the Bay, Miami	Aimco	Arison family
311	144.8	465	Parkhouse, Thornton, Colo.	IRET	Starlight Investments
283	82.0	290	Solis Decatur, Decatur, Ga.	Starwood Real Estate Income	Terwilliger Pappas
260	80.3	309	Park Station, Charlotte	Cortland Partners	NRP Group
255	87.2	342	Broadstone Durham, Durham, N.C.	Cortland Partners	Alliance Residential
244	129.0	529	Residences at the Triangle, Austin	Castle Lanterra Properties	Dinerstein Cos.
236	78.0	330	One Hampton Lake, Bluffton, S.C.	Passco Cos.	Southeastern Cos.
234	90.0	385	Liv North Valley, Phoenix	Praedium Group	Investment Property, Rockefeller Group
232	80.2	345	Solis Patterson, Durham, N.C.	Duck Pond Realty	Terwilliger Pappas
200	81.5	408	Potomac Vista, Woodbridge, Va.	Jair Lynch Real Estate, Nuveen	FCP

Hotel

Price Per Room	Price ($Mil.)	Rooms	Property	Buyer	Seller
$496,656	$148.5	299	Residence Inn Pentagon City, Arlington, Va.	Amazon, JBG Smith	Blackstone
371,290	115.1	310	Embassy Suites Midtown Manhattan	Magna Hospitality	Ashford Hospitality
128,617	80.0	622	Renaissance Harborplace Hotel, Baltimore	(Unidentified)	Sunstone Hotel Investors

NY Firm Eyes Hotel-to-Housing Play

Atlas Real Estate is planning to spend $500 million over the next two years buying hotels and converting them to workforce housing units.

The New York firm has hired **Noah Weiss** as director of acquisitions, charged with building out a platform that seeks to merge two pandemic-related strategies: investing in distressed hotels while meeting a growing need for affordable housing.

The thinking is that workers who typically would bunk up with roommates are now looking for their own apartments, where they can better socially distance. At the same time, the coronavirus crisis has crushed hotel performance, leaving many properties struggling with plunging occupancy rates and not enough revenue to cover expenses — leading to distressed buying opportunities.

The firm is targeting 150- to 300-room hotels near major employment centers with units large enough to be converted into studio and one-bedroom apartments with a kitchen or kitchenette. The properties will include updated amenities and finishes. Atlas believes the short-term need for such a product type will grow into long-term demand. "We are trying to provide safe and high-quality rent-attainable housing solutions closer to where people work," Weiss said.

The sweet spot is properties in the $15 million to $30 million range, preferably those unencumbered by brand and management agreements, or with contracts that aren't too costly to unwind.

Older hotels, typically well-located along highways and near employment centers, are a natural fit. The firm is focusing first on hotels in markets where it has a presence, including Florida, Tennessee, Texas and Virginia. "These are areas where we have existing deal infrastructure . . . and where we believe we have an advantage," Weiss said.

To fund its new strategy, Atlas will tap into its existing network of investors that includes wealthy individuals, family offices, institutional buyers and fund operators. Deals will be structured as one-off joint ventures or, for partners with a larger appetite, as programmatic ventures.

Atlas is making additional hires and developing conversion strategies, addressing legal, development and design issues that position it to move quickly as opportunities arise.

Weiss last year launched his own firm to pursue distressed hotel plays. Previously he spent nearly five years at **Angelo, Gordon & Co.** of New York as a director of acquisitions, focused on net-leased properties. He left last year to join **Domio,** a startup specializing in "apartment hotels." He was a managing director and vice president of real estate investments at that firm, also of New York.

Atlas, founded in 2009 by **Arvind Chary** and **Alex Foster,** has built out a portfolio of multi-family properties — including student housing — as well as office and retail properties. ❖

CBRE: Little Movement in Cap Rates

Capitalization rates for stabilized office, multi-family and industrial properties remain relatively steady despite the massive drop-off in investment sales, according to **CBRE.**

Initial annual yields for Class-A properties in the top 30 U.S. markets dipped slightly for warehouses and suburban apartment complexes, while ticking up for urban multi-family and office buildings in central business districts and the suburbs.

Falling cap rates would typically indicate rising property values, but CBRE attributed the current compression more to assets being underwritten with lower net operating incomes.

CBRE typically produces a semi-annual report on cap rates, based on trades it brokers nationwide. But with the decline in sales volume this year, its most recent report is more of a snapshot of deals closed this summer. The survey was sent to clients last week and will be published widely this week.

Because of volatility in the lodging sector, the report doesn't include cap rate data on the few hotel trades that have taken place. In the retail sector, the survey tracked only grocery-anchored properties.

Richard Barkham, CBRE's global chief economist and head of Americas research, attributed the relative stability of property valuations in the office, industrial and apartment sectors to several factors.

First, the lack of sales volume means there is no baseline for how much of a discount sellers are willing to accept. Second, bond yields continue to be at record or near-record lows, making the yields on real estate attractive. That is keeping real estate valuations steady, despite worries about the coronavirus pandemic's long-term impact on properties.

"If you look at the spread between average real estate cap rates and bond rates . . . it has widened," Barkham said. "And it seems to have widened enough to maintain values."

He added that unlike during the Great Recession, debt markets remain open, giving property owners the chance to refinance assets. Plus, even with the long bull market lifting property valuations over the past half-decade, lenders never approached the higher leverage levels of the last cycle — meaning fewer owners are forced to sell at a discount to cover their debt payments.

A survey of 400 CBRE professionals done in conjunction with the cap rate survey found that while 60% of buyers are looking for discounts from pre-pandemic prices, only 9% of sellers are willing to offer them.

"There is very little owner distress right now," Barkham said. "People do not have a need to sell off."

From the second half of 2019 to summer 2020, cap rates on office properties in central business districts rose 5 bp, to 5.96%, while yields in suburban markets were up 8 bp, to 6.85%. Apartments in urban markets saw cap rates tick up 3 bp, to 4.50%.

Suburban multi-family yields edged down 5 bp, to 4.72%. Yields also fell for industrial properties, by 7 bp to 4.62%. ❖

Seattle ... From Page 1

in Seattle . . . than the other gateway coastal markets, and that is why dealflow is going to continue."

The Eastside — which includes Bellevue, Wash., an affluent suburb with its own downtown, and Redmond, Wash., where **Microsoft** is based — has been particularly active. It accounts for half of the 20 recent listings and deals.

"The Eastside of Seattle has been a bright spot during the pandemic," said **Christopher Peatross,** chief executive of **Swift Real Estate** of San Francisco, which has been active both selling and buying in the Seattle area. "Without question, it is the strongest office market in the country, evidenced by multiple new job announcements and real estate commitments by **Facebook,** Amazon and Microsoft, among others."

The Seattle area was home to the first known coronavirus outbreak in the U.S., and the fallout hit the local sales market hard. After a record year in 2019, the region's office trades plummeted 88% in the first half, to just $493.4 million, the steepest drop of any major market.

But as lockdowns were eased and the national economy began to thaw, analysts began to identify Seattle as a market strongly positioned for recovery — largely due to its high concentration of technology companies whose businesses have expanded in the crisis.

"Locally, the Puget Sound region may have weathered the eye of the storm after becoming a Covid-19 epicenter in February," Newmark wrote in a midyear report. "Expansion plans for the region's major tech firms remain on track, which bodes well for future employment growth."

One of the first big tests of Seattle's resiliency came in June, when **Skanska USA** dispatched **Eastdil Secured** to shop the leasehold interest in Qualtrics Tower, a downtown skyscraper. Last month, **Hana Financial** of South Korea agreed to buy it for about $710 million, or just over $1,000/sf — slightly exceeding market expectations. The newly built property's stability — fully leased with a heavy technology presence — was a major draw.

The sale by the U.S. arm of Sweden-based Skanska would be one of the biggest office deals in the nation since the pandemic hit. The per-foot price approaches the Seattle market's $1,070/sf record for big office trades, set last year when the 388,000-sf Arbor Blocks sold for $415 million. That was the first Seattle-area office property worth at least $50 million to top $1,000/sf. Now, in addition to the Qualtrics Tower deal, there are three listings expected to cross that threshold.

In another major deal, Facebook purchased a recently completed 400,000-sf building in Bellevue from **REI.** The retailer also sold an undeveloped two-acre piece of the site to a partnership between Seattle developer **Wright Runstad** and San Francisco fund shop **Shorenstein Properties.** The transactions totaled $390 million, and the **Wall Street Journal** reported that the building's price was $367.6 million, or $920/sf. REI had planned to use the property as its headquarters, but put it up for grabs as it pivoted to a work-from-home model.

The Skanska and Facebook deals help boost local pros' confidence that despite the uncertainty wrought by the coronavirus, much of the office product on the block in the Seattle area will find buyers. Many of the offerings involve single-tenant properties with long-term leases to companies with investment-grade credit ratings — exactly the product most in favor with investors at a time of uncertainty. Of the seven largest listings, five are fully leased by Amazon (two properties), Facebook (two) or Microsoft (one), and another is 90% occupied by Microsoft.

The Seattle-area office market is 92.9% leased according to **Green Street,** the parent of Real Estate Alert. The company said in a Sept. 4 report that with giants such as Amazon, **Apple,** Facebook and **Google** expanding in the area, and smaller firms following them, "above average rent growth and low vacancy levels will likely continue."

One key differentiator between downtown and the Eastside: Seattle enacted a payroll tax that took effect this year, targeting high-earning employees at businesses with at least $7 million in annual payroll. **Mark Jacobs,** a managing director at **Oaktree Capital** of Los Angeles, said that created a headwind for the downtown submarkets. He added that, like other major downtowns such as those in New York, San Francisco and Los Angeles, it had "oversupply going into Covid, and now faces weakening demand with a bunch of sublease space coming on the market."

Seattle, Jacobs said, is "a tale of two markets. Everything on the Eastside will likely clear at attractive pricing, because the supply-demand fundamentals are so strong, and rents should continue to increase. Downtown, fundamentals are weaker, and the only real trades you are probably going to see are big long-term, credit-leased office buildings."

But some other investors are more bullish about downtown Seattle. Last week, local developer **Urban Visions** and **Mitsui Fudosan America** announced a joint venture to develop a skyscraper there. They plan to complete the 812,000-sf tower in 2024.

Newmark is marketing three more Seattle-area development sites worth a combined $400 million that will further test investor confidence and appetite for risk. One of them is downtown ($200 million), one in Bellevue ($175 million) and a third in Redmond ($30 million). ❖

NEW DEALS

Suburban-LA Rental Complex

An unidentified family office has purchased a newly built luxury apartment property in Riverside, Calif., for $76 million, or $352,000/unit, in an off-market transaction. **Cushman & Wakefield** represented the developer, a joint venture between **Van Daele Development** of Riverside and Los Angeles-based **Ares Management.** The deal closed last month. The 216-unit complex, called the Trails at Canyon Crest, was completed last year and is about 90% occupied. The one- to three-bedroom apartments average 989 square feet and have patios or balconies. The average rent is $2,217, or $2.24/sf. The property, at 5377 Quail Run Road, has 13 buildings on 30 acres. It is adjacent to Sycamore Canyon Wilderness Park, with 25 miles of hiking trails, and a half-mile from Canyon Crest Towne Center, with numerous shops and restaurants. ❖

Seattle-Area Office Properties

On the Market

Property	Seller	Hit Market	SF (000)	Estimated Value ($Mil.)	Estimated Value (Per SF)	Broker
1918 Eighth Avenue	J.P. Morgan Asset Mgmnt.	August	669	$640	$957	Newmark
Block 16, Bellevue	J.P. Morgan partnership	August	343	360	1,050	Eastdil Secured
Block 24, Bellevue	J.P. Morgan partnership	August	199	210	1,055	Eastdil Secured
Millennium Corp. Park, Redmond	TPG	August	539	210	389	Eastdil Secured
Advanta Edge Campus, Bellevue	Shidler Group	September	601	185	308	Newmark
200 Occidental Avenue South	Urban Visions	September	183	165	899	JLL
Amazon@Atlas	Goldman Sachs, Unico	September	170	130	765	Eastdil Secured
Securities Building	Clise Properties	August	149	65	438	Newmark
Redstone Corp. Ctr. 1, Lynwood	Westport Capital	October	209	62	297	Newmark
Highlands Campus Tech, Bothell	Equus Capital	October	202	52	258	Newmark
Terry Thomas Building	Local partnership	September	45	50	1,111	CBRE
9805 Willows Road., Redmond	Graymark, Blue Vista	September	81	39	482	JLL
Studio 7500, Redmond	PMF Group	August	35	30	860	CBRE
921 Terry Avenue	Bloodworks Northwest	September	96	30	312	JLL

Recent Deals

Property	Buyer	Closed	SF (000)	Sales Price ($Mil.)	Sales Price (Per SF)	Broker
Qualtrics Tower	Hana Alt. Asset Mgmnt.	(Pending)	703	$710	$1,010	Eastdil Secured
REI Headquarters, Bellevue	Facebook	September	400	367.6	920	(None)
Columbia West Building, Bellevue	Swift Real Estate	(Pending)	135	72	535	Newmark
Overlake 520, Bellevue	Lincoln Prop./Innovatus Cap.	August	146	62	425	Newmark
First & Eagle	CalSTRS/Beacon Capital	September	71	51	714	Eastdil Secured
Harold Poll Building	(Unidentified)	(Pending)	62	34	540	Newmark

Recap ... From Page 1

for stabilized and value-added properties. The trend is particularly evident in Boston, which has the nation's largest concentration of life-science space.

The Samuels-J.P. Morgan team acquired the Fenway site in 2011 for $530.5 million from **Abbey Group** of Boston. The original building, with a mix of office and retail space, was then known as Landmark Center.

The joint venture initially planned to update the existing building and add a residential component, but shifted gears as increasing demand for lab space left existing properties in Boston and neighboring Cambridge almost fully occupied, driving up rents. The property is on the edge of the Longwood Medical Area.

Landmark Center, renamed 401 Park, lost a major office tenant starting in 2014, allowing the partnership to convert a big chunk of the space for laboratory and R&D use. The 1928-vintage building, which once housed a **Sears** distribution center, is listed on the National Register of Historic Places.

It is now 96% occupied, with **Boston Children's Hospital** and **Harvard Medical School** among the tenants. Additional office space could be converted to labs as leases expire. There's also 300,000 sf of ground-level retail space occupied by REI, Bed Bath & Beyond, a brewery and a Time Out food hall. Based on the estimated blended valuation, the building would produce an initial annual yield of just over 4%.

The 14-story building at 201 Brookline Avenue is slated for completion in 2022. It will include ground-floor retail space topped by a mix of office and lab space. It is 18% pre-leased, with agreements signed by **Third Rock Ventures** and **Tango Therapeutics.** Stabilized at 95% occupancy, the building would produce an initial annual yield topping 6%.

A new equity partner would participate in the development of the third building. The property also encompasses a 1.1-acre park used for art exhibits, summer concerts and ice skating in winter. It is a few blocks from Fenway Park, home to the **Boston Red Sox** baseball team. ❖

ON THE MARKET

Multi-Family

Property	Size	Estimated Value	Owner	Broker	Color
Union Place, 10 Independence Way, Franklin, Mass.	300 units 96% occupied	$80 million $267,000/unit	Jones Street Investment, Boston	Walker & Dunlop	Garden-style complex built in 2005. Pitched as value-added play. One- and two-bedroom units average 907 sf. Most would benefit from renovations. Surrounding area is home to large employers including Thermo Fisher Scientific and Dell EMC.

Industrial

Property	Size	Estimated Value	Owner	Broker	Color
DFW Logistics Portfolio, Texas	169,000 sf 100% leased	$35 million $207/sf Yield: 5%	MoxieBridge, Dallas	JLL	Three industrial properties, with seven buildings, at 2202 Manana Drive, Dallas; 1830 & 1840 High Prairie Road, Grand Prairie; 5309 Superior Parkway, Fort Worth. Rents increased 77% in the past 18 months amid limited supply, and are still 13% below market.

Retail

Property	Size	Estimated Value	Owner	Broker	Color
Heath Town Center, 55 Laurence Drive, Heath, Texas	78,000 sf 98% leased	$30 million $385/sf Yield: 5.75%	Malouf Interests, Dallas	JLL	Grocer Tom Thumb, owned by Albertson's, occupies 71% of the shopping center under a triple-net lease with 19 years remaining and 5% rent bumps every five years. Heath has 10,000 residents with average household income of $189,000.

THE GRAPEVINE

... From Page 1

family office of the late billionaire **Leon Charney**. Giannola started Monday as chief operating officer of **L.H. Charney Associates** of New York. For nearly four years, he was chief investment officer and head of asset management for MHP, a New York shop formerly known as **Murray Hill Properties** and now majority-owned by **Banyan Street Capital** of Miami. Giannola joined Murray Hill in 2008. Before that, he had investment-banking stints at **J.P. Morgan** and **Goldman Sachs**.

Veteran multi-family pros **Robert Jue** and **Jerome Nichols** last month left **CBRE Global Investors** to open a minority-owned real estate private equity shop. **Standard Real Estate Investments,** of San Gabriel, Calif., invests in multi-family, industrial and life-science properties on behalf of plan sponsors, foundations, endowments and family offices. Jue spent 14 years with CBRE Global in Los Angeles, leaving as a managing director. Before that, he was an appraiser at brokerage CBRE for nearly three years. Nichols was with CBRE Global for six years, leaving as a senior director. Previously, he worked as an assistant project manager at **Bozzuto Group** in Washington.

Natalie Atun Greenberg joined **MJW Investments** last month as chief operating officer, based at its Santa Monica, Calif., headquarters. Led by founder and president **Mark Weinstein**, MJW invests in urban-renewal projects, with a focus on apartment and student housing. Previously, Greenberg was a senior vice president at **Entrada Partners** of Los Angeles. She also had stints at **Rexford Industrial, Colony Capital, Wells Fargo** and **Lowe Enterprises**.

Helen Gotman last month became chief operating/financial officer of **Hirschfeld Properties,** a development, management and acquisition firm focused on multi-family properties. For the past five years, she led New York consulting firm **LG Advisors**, working with clients in multi-family and office development, construction and investment. Gotman also spent nine years as a senior executive and head of operations and asset management at **GFI Management Services**, an arm of **GFI Capital Resources**. New York-based Hirschfield is led by **Jeffrey Hirschfeld**. Executive search firm **Rhodes Associates** arranged the placement.

Stephen Novacki has moved to **Eastwind Development**, where he manages the acquisition and development of projects as a vice president at the Palm Beach Gardens, Fla., firm. Novacki started last month after spending nearly nine years at **Picerne Real Estate** of Altamonte Springs, Fla., where he also was a vice president of acquisitions and development.

Retail investor **AmCap** wants to hire an acquisitions analyst or associate to work at its headquarters in Stamford, Conn. The title will be based on the recruit's experience. Candidates should have 2-6 years underwriting deals, preferably retail properties. Duties include sourcing deals, market research and financial modeling. Email managing director of acquisitions **Aaron Wu** at aw@amcap.com.

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