



The Real Reporter

A COMPENDIUM OF COMMERCIAL PROPERTY & CAPITAL NEWS

MAY 27, 2011

THIS WEEK'S ISSUE

| | |
|----------------------------|----|
| High Energy | 2 |
| Digital World | 3 |
| Double Play | 6 |
| Picknelly University | 16 |
| Rockett Men | 17 |



THE REAL REPORT

Garden Pruning



Kingston Gardens, South Kingston RI

SOUTH KINGSTON, RI — The prolific juggernaut that is Cushman & Wakefield's multifamily sales team has wrapped up another transaction just in time for **Memorial Day**, as **Kingston Gardens** yields \$9.83 million for **HallKeen Management Inc.**, a Massachusetts-based real estate investor active in a variety of product types throughout New England. The nine-building, 132-unit Ocean State complex was constructed in two phases, the most recent occurring in 1987 when 42 apartments were added to the initial 90 units that came on line in the 1967-1968 time frame.

"We had a good amount of interest," **C&W Executive Director Simon J. Butler** tells **The Real**

continued on page 20

Synergy Setting its Sights on 205,000-SF No. Quincy Asset

BY JOE CLEMENTS

QUINCY — It appears Synergy Investment & Development may be doubling down in North Quincy, with industry sources claiming the Boston firm has emerged as the winning suitor for HarborSouth, a prominent, 205,000-sf office building owned by Griffith Properties. As the Real Reporter unveiled earlier this month, Synergy

continued on page 18



HarborSouth, North Quincy MA

Jumbo Capital's Buying Spree is On

BY JOE CLEMENTS

NORWELL — When it comes to commercial real estate, Jumbo Capital is gearing up the firm's buying platform in a big way, founder Jay O. Hirsh tells the Real Reporter this week.

"The timing couldn't be better to be in the market," the seasoned investor says in explaining a \$7.9 million South Shore acquisition consummated last Friday is merely the tip of the acquisition iceberg for his Hingham-based

continued on page 19



600 Longwater Dr., Norwell MA

NAIOP Event ID's New Tenant Trends

BY MIKE HOBAN

WALTHAM — The times they are a' changin.'

And although commercial real estate was certainly the last thing on 1960's icon (now septuagenarian) Bob Dylan's mind when he penned that legendary song, it could easily have been the theme for this week's NAIOP Massachusetts

program held Wednesday morning at the Waltham Westin Hotel, an event entitled, "Corporate Trends and Bold Moves: Where are Tenants Going and Why?"

Keynote speaker Martha O'Mara, PhD, co-founder of Corporate Portfolio Analytics, entertainingly articulated to a room full of CRE professionals how sustainability, urban migra-

continued on page 15



Martha O'Mara



Marc Margulies

NAIOP Event

continued from page 1

tion, alternative workplaces and the so-called Millennial Generation are affecting real estate decisions in Greater Boston and beyond. “The main point for today was that the new generation is looking for very different things,” O’Mara later told the Real Reporter. “They’re very different from the Baby Boomer generation, and you need to think about that when you are designing the workplace.”

One of the things that “Millennials” are especially concerned about is sustainability, said O’Mara, an area she maintains the real estate industry is beginning to recognize, albeit slowly. “Commercial real estate is really the laggard in sustainability,” said O’Mara, whose firm advises users of corporate real estate. “We looked at a large group of clients, and 80 percent of their portfolio is not even Energy Star rated.”

Marc Margulies, founder of Boston-based Margulies Peruzzi Architects, spoke to the creation and design process of the new workplace. “Who wants to sit in a cubicle with high walls?” he asked the audience rhetorically. A former facilities designer at Fidelity Investments, one of New England’s leading occupiers of space, Margulies stressed that the “how many offices and how many square feet” model is no longer relevant, because employee demographics, work styles and cultures need to be considered before designing office or research space.

According to Margulies, there are four primary components to creating an “alternative” workspace: the reception area (what message is it sending?); benching (where you work for some portion of your day, or where others can find you); collaborative environment (where employees meet and share ideas); and common amenities (where employees eat, work out, and interact socially).

Moderated by Richards Barry Joyce and Partners President Robert B. Richards Jr., the panel also included insights from



175-185 Wyman St., Waltham MA

corporate tenant users provided by Janet Nicholas, director of strategic initiatives for French-based software company Dassault Systèmes North America; and Gregory Lewis, associate director of facilities planning at Shire Human Genetic Therapies. Dassault is consolidating its disparate Massachusetts operations in Waltham this autumn.



Robert B. Richards Jr.

Owned by Hobbs Brook Management, the 335,000-sf, two-building complex at 175-185 Wyman St. was designed by Margulies Peruzzi Architects (core and shell) and Elkus/Manfredi (interior). The spacious campus overlooking Route 128 features plenty of natural sunlight, a cavalcade of employee amenities, and had enough sustainability mettle to earn a coveted LEED Gold certification. “We have Millennial, we have Gen-X, and we have Baby Boomers, and the issue was finding a space that appeals to all,” said Nicholas. The Dassault commitment—winner of the 2010 Suburban Real Estate Lease of the Year from the Commercial Brokers Association—reflects how forward-thinking developers can win over a prized tenant, with the company eschewing less expensive alternatives for a new millennium environment they argue will enable

them to lure top technology talent.

Shire’s Lewis, whose company spent \$200 million to secure the 435,000-sf former Raytheon headquarters on Route 2 in Lexington in 2009, said his company was “looking for a collegial feel to our campus.” Reflecting that “collegial feel,” one of the issues planners had to consider was food, said Lewis. “If you’re in East Cambridge, there’s (a myriad of food choices) within three minutes walking distance,” he noted, “but in Lexington, there’s a five- to 10-minute drive to get anywhere.” Lewis added that it was the researchers, not the office types that drove the design of the campus.

After the program, Richards was effusive in his praise of the NAIOP-organized panel. “Martha O’Mara’s presentation was insightful and different in her discussion of the changing workforce — the Millennials — and that’s the emerging workforce,” he said.

Having helped Shire acquire the Lexington campus from developer Patriot Partners, RBJ’s team concurs with the panelist’s insights, added Richards. “In our position, we’re adjusting,” he said, maintaining other industry professionals would be well-advised to recognize the evolving landscape. “One of the key drivers of our market is intellectual capital, and keeping the brightest minds that are coming out of college, and having them want to stay (is critical to survival),” he said. “We need to be as hip as San Francisco and as happening as New York City to not be losing the brain trust to other markets.” ■