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Cushman & Wakefield completes sale of Bay State Affordable Portfolio - \$108 million

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Cushman & Wakefield (C&W) completed the sale of The Bay State Affordable Portfolio, a ten property 931-unit affordable apartment portfolio located throughout greater Boston area. C&W's Capital Markets Group including Simon Butler, Biria St. John, Michael Byrne and Christopher Sower exclusively represented the seller, Equity Residential, and procured the buyer, Rhode Island Homes. The sale price was \$108 million.

The properties included in the transaction are as follows:

- *Cedar Glen: 2 Elderberry Lane, Reading, 114 units;
- *Chestnut Glen: 585 Chestnut St., Abington, 130 units;
- *Glen Grove: 50 Grove St., Wellesley, 125 units;
- *Gosnold Grove: 364 E Falmouth Hwy., East Falmouth, 33 units;
- *Heritage Green: 40 Heritage Green Dr., Fiskdale, 130 units;
- *Longfellow Glen 655 Boston Post Rd., Sudbury, 120 units;
- *Nehoiden Glen: 1035 Central Ave., Needham, 61 units;
- *Noonan Glen: 75 Hemingway St., Winchester, 18 units
- *Norton Glen: 4 Norton Glen Ter., Norton, 150 units; and
- *Old Mill Glen: 400 Dawn Rd., Maynard, 50 units.

The Bay State Affordable Portfolio represented a strategic entry into the Mass. multi-family market for Rhode Island Homes, an affiliate of Providence based Providence Realty Investment. The portfolio encompasses ten affordable apartment communities totaling 931 units in some of the state's most desirable cities and towns. With property locations in Wellesley, Needham, Sudbury, Reading, Winchester and Norton, to name a few, the Bay State Affordable Portfolio offered Rhode Island Homes, quality assets in unparalleled locations that are underserved by affordable housing. The portfolio consists of a good mix of traditional garden style (61%), mid-rise elevator (21%) and townhouse style (18%) properties.

The majority of the portfolio is concentrated within a one-hour drive of each other, allowing for efficient management and operation of the portfolio. A further analysis of the property locations reveals additional operating efficiencies as many communities are located in close proximity to one another, allowing for portfolio-level staffing, etc. The communities have been well maintained and all of the properties enjoy an extremely stable tenant base with very low turnover (100% affordable and 62% elderly-affordable).

Rhode Island Homes purchased the portfolio using 4% Low Income Housing Tax Credits and tax exempt bond financing. All of the properties are subject to project based Section 8 HAP contracts. As part of this transaction all of the properties will be preserved as affordable properties serving low

and moderate income families and elderly residents for at least 60 years. There were no other government resources or subsidies used to close the transaction.

"Equity Residential is a long term investor in Greater Boston, with a portfolio of more than 6,500 apartment units in the area. And while the assets that we are selling no longer fit in our long term plans, one of our goals when we brought this portfolio to market in 2009 was to find a buyer that would keep the affordability requirements in place. We are very pleased to have found that buyer in Rhode Island Homes," said Alec Brackenridge, Equity Residential's Boston-based senior vice president of investments.

Rhode Island Homes, LLC, a subsidiary of Providence Realty Investment, LLC, is purchasing the 10 apartment communities currently owned by Equity Residential. Providence Realty Investment is a privately held, full service real estate company based in Providence, R.I., that specializes in the acquisition and development of affordable housing.

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