



CELEBRATING
55 YEARS

nerej

Marcone of Marcone Capital, Inc. arranges \$12 million financing for KS Partners

January 12, 2012 - Front Section

Mike Marcone of Marcone Capital, Inc. has arranged the \$12 million financing of two interconnected office buildings comprising 92,160 s/f located at 85 Devonshire and 262 Washington St. The property consists of retail space on the first floor with office space on the upper floors.

The property is located in Downtown Crossing area of the city, near the Old State House and Faneuil Hall. The Downtown Crossing area, considered the city's historic shopping district, benefits from 230,000 pedestrians passing through the district every day. At peak times as many as 6,000 people walk through this area daily. Downtown Crossing is home to many office buildings as well as national retail stores, boutique shops, hotels, theatres, and numerous restaurants.

The area is serviced by all major transportation systems including a subway station located within one block of the property. Although there is no on site parking there is metered parking in the area in addition to two parking garages including Washington St. Parking Garage located across the street from the property as well as the Post Office Sq. Garage located within one block.

The properties were originally built between 1903 and 1909, renovations were done in 1998. In addition, the current owner has made numerous improvements during their ownership including renovating the lobby and common areas. The property is currently leased to a well diversified group of twenty-four tenants. The current owner has been very successful in leasing space in the building despite the economic downturn. In 2011, the current owner has executed leases with eight new tenants. The owner is currently negotiating with several existing tenants to expand within the building which could increase the occupancy to close to 90%. The retail space at the property is leased to Subway, The Vitamin Shoppe, Urban Kitchen, and Professional Staffing Group, which is the largest regional staffing firm servicing New England.

The property is managed by KS Partners, LLC, which is owned by Kambiz Shahbazi. KS Partners is a holding company that owns and operates over 2.2 million s/f of commercial property in northeastern United States. Shahbazi's ownership of 85 Devonshire originally dates back to 2007.

The financing, which was provided by Rockville Bank, was for a term of five years at a fixed interest rate of 4.25%.

Marcone said, "I have represented Rockville Bank for many years and have always found them to be an excellent lender, especially for higher quality assets. They provided a very aggressive, non-recourse loan in recognition of the quality of the improvements as well as their comfort in the expertise of the sponsor."