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Chestnut Hill Realty acquires two apartment communities for \$84.5 million

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Chestnut Hill Realty (CHR) has purchased two apartment communities with a combined 581 units for \$84.5 million.

CHR acquired Grandview Terrace and Grandview Village, and will rebrand and reintroduce them to the market as Water View Apartments at Framingham.

People's United Bank provided \$37 million in financing, while CHR also assumed an existing \$27 million Fannie Mae loan as part of the acquisition.

Water View Terrace is situated on 4.25 acres overlooking the Foss Reservoir. It consists of two six-story apartment buildings containing 300 units, including a mix of studio, one- and two-bedroom units with an average size of 944 square feet.

Water View Village, situated on an 8.46-acre parcel also overlooking the Foss Reservoir, consists of four six-story buildings with brick exteriors. Also featuring a mix of studio, one- and two-bedroom units, the 281 apartments at The Village have an average size of 878 square feet. An adjacent parcel contains a single-story, 7,490-square-foot plaza with six retail suites.

The two apartment communities are located within a half-mile of each other on Rte. 9/Worcester Rd. and were constructed between 1968 and 1973. Both properties are close to the Mass. Tpke., I-495 and an MBTA commuter rail station.

"The professionals at People's United were terrific to work with and were an indispensable part of the acquisition process," said Peter Poras, president of CHR's investment division. "People's United continues to be a great business partner to Chestnut Hill Realty."

"The location of the properties is a major positive," said Steve Gladstone, CHR's director of acquisitions. "In addition to the accessibility to major roads, the area offers strong demographics, a large and growing job market, and an abundance of local entertainment, shopping, and restaurant amenities. The Metro West is one of the area's strongest submarkets. With high barriers to entry in Framingham and the surrounding communities, we are anticipating significant apartment demand in this area for the foreseeable future."

As with all of its properties, CHR will take a hands-on approach to managing and adding value to Water View Apartments at Framingham and providing timely and attentive customer service to its residents. CHR will commence an extensive capital improvement campaign and anticipates spending several million dollars to improve curb appeal and infrastructure.

"This is the type of property we do really well with," said Bobby Zuker, chief operating officer at CHR. "It's right in CHR's wheelhouse. There was a lot of deferred maintenance and so there is plenty of opportunity to put money back into the properties, create value and improve quality of life for residents."

The main theme of the capital improvement program is to make the rebranded Water View

Apartments at Framingham look and feel like a vibrant residential community. Both properties will receive facelifts to enhance the entrances, signage, common areas, hallways, landscaping, and amenities, along with other site improvements.

"While institutional buyers are focusing on downtown Boston acquisitions, CHR sees tremendous value and opportunity in Framingham, which is part of the strong Metrowest office market and appeared on Money magazine's list of America's Best Places to Live in 2012," said Ed Zuker, founder and chief executive officer of CHR. "We are delighted to be expanding our portfolio into this marketplace, and look forward to making Water View one of our signature properties."

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