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Related Beal acquires "The Block on Congress" from Fidelity Investments

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Related Beal completed the acquisition of "The Block on Congress" from Fidelity Investments by the Related Real Estate Recovery Fund. Related Beal will lead the repositioning and serve as property manager of The Block.

The Block on Congress, is a five-building portfolio that consists of 343,000 s/f of office and retail space and sits on more than one acre of land. The properties include: 82 Devonshire St./35 Congress St., 68 Devonshire St., 19 Congress St., 15 Congress St. and 54 Devonshire St.

"We are excited to be acquiring this special grouping of buildings in Boston's downtown," said Justin Metz, managing principal of Related Fund Management. "The iconic nature of the properties' location, their great bones and architecture, and favorable market trends, made this an ideal investment for the fund."

"Rarely do you have the opportunity to reposition and reinvent an entire city block, especially one in the heart of downtown Boston," said Stephen Faber, executive vice president of Related Beal. "As part of our plans for 82 Devonshire St. and 35 Congress St., we will extensively renovate and reposition these buildings, creating dynamic office space with 38,000 s/f of marquee, desirable retail space available for delivery in late 2015 or early 2016."

The Block is located at the top of Post Office Sq. reaching back towards the Washington/State St. retail corridor. This location provides commuter access and the ability to integrate a variety of uses into the property, activating a long dormant street level.

CBRE New England was appointed to facilitate the sale for Fidelity. The CBRE capital markets sales team was led by Chris Angelone, Andy Hoar, and Carlos Febres-Mazzei.

"With a great number of storefronts lining the streets around the entire block, Related Beal has an unprecedented opportunity to create an exciting and distinctive destination that will be unique in the city of Boston, not just downtown," said Jeremy Grossman of CBRE, who is spearheading the retail leasing efforts for Related Beal. "There is a compelling opportunity to bring traditional and non-traditional dining and retail opportunities to this very active part of the city."

"The Block on Congress is one of the premier locations in Boston's downtown that is rooted in rich history. Related Beal will be a great steward for this collection of properties and we look forward to the execution of a unique strategy to activate this block of the CBD," said Chris Angelone, an executive vice president/partner at CBRE.

"This was a complex execution with a multitude of potential business plans," said Febres-Mazzei, senior vice president of CBRE's debt & structured finance. "We were thrilled to play a key role in identifying some of the options and selecting a buyer with a creative approach to the real estate."

Related Beal is a fully-integrated real estate firm focused on development and investment

opportunities in Boston and the surrounding region. Related Beal leverages Related Companies' international real estate platform with expertise across all assets classes and The Beal Companies' storied local experience in life sciences, commercial and residential development, property management and investment. Related Beal has developed, and is undertaking the development, of some of the most recognized buildings in the area including The Clarendon and One Back Bay, Lovejoy Wharf and Converse's U.S. headquarters.

The Related Real Estate Recovery Fund closed in January 2012 after raising \$825 million in equity commitments - exceeding its \$750 million target. It was among the largest U.S. real estate vehicles raised in 2012. Fund investments include diverse properties across the real estate spectrum such as: 100 Arlington St. and Lovejoy Wharf in Boston; 111 West Wacker Dr. in Chicago; 511-541 West 25th St., 225 Rector Place and One Madison in New York City; and several portfolios of properties.

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