



CELEBRATING
55 YEARS

neresj

Marcone of Marcone Capital, Inc. arranges \$17 million financing at 31 Milk Street

May 08, 2014 - Financial Digest

Mike Marcone of Marcone Capital, Inc. has arranged \$17 million financing of a condominium interest in a office building located at 31 Milk St. The property is well located in downtown, two blocks from Post Office Sq. and close to the mixed use Downtown Crossing area. The property, originally built in 1922, is an eleven-story building and is divided into two separate condominium units. Under separate ownership, one condominium unit consists of only the first floor retail space that is 100% leased to the United States Post Office.

The second condominium unit incorporates the remaining building which consists of 94,222 s/f of office space. This condo unit has just been recently acquired by the borrower for \$24.25 million. The borrower was able to close on this transaction on an "all cash" basis.

The condominium unit was previously owned by ASB Real Estate Investments, a Washington D.C.-based real estate investment management firm. ASB acquired the unit in 2011 from a special servicer after a foreclosure on the property. At the time of their acquisition, the office space reportedly had a 36% vacancy rate.

ASB spent \$2.3 on renovating the property. The result of the renovations has been dramatic with the building having been transformed from a typical B quality office building to a high quality, signature building. Furthermore, the previous owner was able to increase occupancy to close to 90%. The rent roll is also now truly diversified with space leased to 27 different tenants with no individual tenant leasing greater than 9,000 s/f.

The property is managed by Aegean Capital, LLC, which is owned by Constantine Alexakos.

The non-recourse financing was provided by a CT based bank.

Marcone said, "We were able to secure very competitive financing in recognition of not only the quality of the asset but also the sponsor who owns and manages other very successful office buildings in Boston."

Marcone Capital, Inc. is a mortgage banking and real estate consulting firm based in Quincy, Massachusetts.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540