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Synergy Investments sells 51 Melcher Street for \$52.75 million to Zurich North America

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Synergy Investments sold 51 Melcher St., a former Boston Wharf Co. industrial building in the Fort Point Channel neighborhood of the Seaport/Innovation District in South Boston, to a member company of Zurich North America, advised by New York City-based Zurich Alternative Asset Management, after spending two years renovating and repositioning the property. The Cushman & Wakefield capital markets team, led by president Robert Griffin, vice chairman Edward Maher and executive director Matt Pullen, oversaw the transaction on behalf of Synergy.

The 102,727 s/f brick and beam building sold for \$52.75 million, or \$513 per s/f. Synergy's partner in ownership and sale of the property is Independencia Asset Management LLC.

The building was empty when Synergy purchased it in 2012 for \$10.5 million, and, post-renovation over about two years, it is now fully leased. The tenants are three growing, innovative, new-economy companies: WeWork, Life is good, and NetSuite.

The classic architecture has been paired with and enhanced by 21st century architectural details and amenities.

"Our broker Cushman & Wakefield ran a superb marketing effort and oversaw a smooth transaction, and we want to thank Zurich and welcome this solid firm into the Boston market," said David Greaney, president of Synergy. "I also want to give a huge thanks to our entire development and leasing team for executing our business plan successfully on this promising property, leading to a great result for all parties."

The valued historic look adapted to the needs of modern high-tech businesses is an attractive approach in the changing Fort Point Channel district, part of the city's larger Innovation District, where new buildings are rising and new companies finding homes.

51 Melcher St. is close to public transit, the MBTA's bustling South Station and the Silver Line as well as bus lines, and parking is easily found at the nearby Necco St. Garage and surface lots.

Synergy spent millions of dollars repositioning the building in the market, including base building renovations, a new main entrance and lobby, HVAC systems, new and restored windows, and new roof, restrooms, plumbing, electrical service and elevators. Extensive improvements were made benefitting tenants.

Synergy's repositioning made the asset a prime candidate for Zurich's core and core-plus oriented direct acquisition strategy, which targets stabilized, income-producing assets in 13 major markets across the United States and is run by Sean Bannon, managing director and head of U.S. real estate. "Synergy did a very impressive job with this asset, and we are very pleased to be adding such a high quality, well-located property in such a strong market to our growing portfolio,"

Bannon said.

The 51 Melcher St. building was constructed in 1915 as part of the Boston Wharf Co. complex that

eventually numbered more than 100 buildings. A portfolio from that inventory, including 51 Melcher, was sold to Goldman Sachs/Archon in the early 2000s.

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