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Hertz Investment Group acquires Chestnut Place for \$14 million

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Hertz Investment Group (HIG) has completed the acquisition of Chestnut Place, a 218,625 s/f office building located in the Central Business District of the city. Hertz acquired Chestnut Place for \$14 million. The transaction includes two buildings - One Chestnut Place and Two Chestnut Place. Chestnut Place represents the first property in New England for HIG, which focuses on class A office space in small to medium size markets.

One Chestnut Place was originally constructed in 1990 and is one of just four class A office properties in downtown and one of two in the Central Business District. The building totals 183,781 s/f of office space and is 98% leased, with major tenants including the headquarters of Fallon Community Health, UBS Financial Services and Sullivan Group insurance. In 2010 and 2011, One Chestnut Place was the recipient of the Outstanding Building of the Year Award from the Building Owners and Management Association.

Two Chestnut Place was originally constructed in the 1800s before undergoing two additions in the mid-1900s. Completely renovated in the 1980s, Two Chestnut Place totals 38,844 s/f of class B office space.

The two buildings are connected by two levels of underground parking and an outdoor plaza.

"This investment fits our strategy of acquiring best-in-class assets in small- to medium-size markets," said Jim Ingram, executive VP and CIO of HIG.

"Hertz Investment Group wanted to enter the New England market if we could secure the right property, and Chestnut Place fits that bill," said Judah Hertz, chairman of HIG. "Chestnut Place joins recent Hertz Investment Group acquisitions nationally such as South Pointe Business Park - the former WorldCom headquarters - in Jackson, Mississippi; the 750,000 s/f Energy Centre building in New Orleans; and the 700,000 s/f Bank of America Tower building in Jacksonville, Fla.

The Hertz Investment Group specializes in the acquisition, marketing and management of exceptional real estate properties with a special emphasis on downtown revitalization. The company, which is privately held, currently owns and manages more than 45 major urban properties, representing in excess of 15.2 million s/f of office space in the central business districts of 16 U.S. cities across 12 states. Since its founding by Judah Hertz in 1977, the Hertz Investment Group has successfully acquired and managed a diverse collection of more than 100 premier properties throughout the United States, including prominent high-rise office buildings, international market centers for fashion and jewelry, historically significant landmark properties, luxury hotels, high-profile theaters and society clubs, large retail centers and multi-family residential properties.