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O'Brien and Gatti of Greater Boston Commercial Properties, Inc. broker \$2.85 million building sale

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Medway, MA Bret O'Brien and Ben Gatti of Greater Boston Commercial Properties, Inc. (GBCP) completed the second sale in four months of the 28,862 s/f industrial building at 4 Marc Rd. The O'Brien-Gatti team represented the seller, 4 Marc Road, LLC, who had just acquired the site for their marijuana cultivation center, and subsequently flipped it for \$2.85 million. The buyer, investor David Costa, will benefit from a long-term lease with the marijuana cultivation affiliate of the seller, Neo Solutions, that includes a complete renovation of the property at the tenant's expense. This single tenant net leased property provides the buyer a cap rate of 10% in year one, with annual rental escalations of 2%. The high cap rate is based on the use and the difficulty in obtaining financing for this type of use, as well as the fact that the tenant had neither finalized its permits or commenced the renovations projects at the time of sale. The tenant secured financing with BayCoast Bank, which is one of two lenders who had expressed interest in financing this investment.

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