nerej
1963 CELEBRATING 55 YEARS

JLL arranges $295m sale and $157.95m financing for portfolio - sold by Winstanley Enterprises and Surrey Equities

April 30, 2021 - Retail

Boston, MA JLL Capital Markets has closed the $295 million sale of–and arranged $157.95 million in acquisition financing for–a portfolio of 11 single-tenant retail buildings net leased on a long-term basis to Stop & Shop throughout Conn., Mass. and R.I.

JLL marketed the portfolio on behalf of the seller, Winstanley Enterprises and Surrey Equities. The Inland Real Estate Group of Companies, Inc. acquired the assets. Additionally, working on behalf of the new owner, JLL secured two separate 10-year, fixed-rate loans with a life company and with a CMBS lender.

The pandemic, internet and recession-resistant retail properties are net leased to Stop & Shop, a division of Ahold Delhaize USA, Inc., the third-largest supermarket operator in the U.S.

The 748,141 s/f portfolio of essential retail properties includes:

• 19 Howley St., Peabody, Mass.;

• 905 Massachusetts Ave., Arlington, Mass.;

• 35 Bedford St., Lexington, Mass.;

• 55 Long Pond Dr., South Yarmouth, Mass.;

• 469 Pleasant St., Attleboro, Mass.;

• 595 Smithfield Rd., North Smithfield, R.I.;

• 446 Putnam Turnpike, Greenville, R.I.

• 333 W. River St., Providence, R.I.

• 1391 Main St., Willimantic, Conn.;

•195 West St., Cromwell, Conn.; and

• 15 Franklin St., Seymour, Conn.

Matthew Tice, senior vice president of Inland Real Estate Acquisitions, LLC, facilitated the acquisition on behalf of The Inland Real Estate Group of Companies, Inc.

The JLL Capital Markets investment sales advisory team representing the seller was led by managing director Nat Heald and senior managing director Jose Cruz along with senior managing director Chris Angelone and with support from managing director Matthew Sherry.

The JLL Capital Markets debt placement team representing the new owner included senior managing directors Lauren O'Neil and Elliott Throne.

"This portfolio's established and necessity-based footprint, combined with 20-year leases at all 11 properties in strong market locations, is an ideal example of the opportunities we seek to acquire as we move further into 2021," Tice said.

"The demand and ultimate pricing we saw for this portfolio represents a new pricing paradigm within the single-tenant net-lease space," Heald said. "Since the value of these types of assets appreciated throughout the pandemic, we anticipate investors will continue to aggressively pursue these defensive positions within the retail sector and that demand will far outstrip supply for the foreseeable future."

"Entering 2021, lenders were hungry to put out capital, particularly in lower-risk assets, like credit, long-term, net-leased retail," O'Neil added. "The two lenders offered the best combination of economic terms and ability to close on a tight timeline. The strength of the Inland acquisition team and process, coupled with the real estate, garnered some of the most attractive terms available."

According to JLL Research's recently released U.S. Grocery Tracker 2021 report, grocery-anchored retail centers continue to be investors' preferred retail property type. Single-tenant grocery assets, like the ones represented in this portfolio, along with grocery-anchored retail under 100,000 square feet, will be one of the most sought-after asset classes during the recovery. JLL anticipates there will be significant cap rate compression over the next 12 to 18 months.