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Kennedy buys 185 Franklin St. for \$192m - a 22-story office/retail bldg.

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Seattle-based Kennedy Associates Real Estate Counsel LP, along with an undisclosed institutional partner, is laying out \$192 million to buy 185 Franklin St., from current owner Verizon Communications Inc.

The 22-story, 700,000 s/f building is fully leased by Verizon, which will move out in a sale-leaseback arrangement, eventually settling into only 100,000 s/f. CB Richard Ellis represented both the buyer and the seller in this transaction.

Kennedy is taking the telephone company's property and redeveloping the 60-year old building, addressing the common areas and facade. The redevelopment process will take close to three years, adding roughly 60,000 s/f of retail space to the first floor and repositioning it as a multi-tenant building. Kennedy owns the property up to one foot from the curb, explains Bob Ratliffe, executive vice president of portfolio management at Kennedy. This affords Kennedy a unique opportunity to have street level retail open up right into Post Office Sq. The repositioning of the property is estimated to run from \$50 million to \$100 million, according to Ratliffe.

The company will issue naming rights for the building to one of the new tenants, once Verizon vacates the majority of the building over the next three-year rebuilding process. The details of the financing are undisclosed. New England-based Commonwealth Ventures will manage the redevelopment process for Kennedy.

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