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HFF arranges \$16.5 million loan for Weymouth Woods Medical

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The Boston office of Holliday Fenoglio Fowler, L.P. (HFF) has arranged a \$16.5 million first mortgage financing for Weymouth Woods Medical Center, a 68,621s/f medical office building.

Working on behalf of Campanelli Companies, HFF senior managing director Bob Herron and director Greg LaBine placed a long-term, fixed-rate loan with Allstate Investments, LLC.

"This transaction was challenging in that one of the tenants has the ability to request an expansion of the building during the term of their lease. Our client wanted long-term, fixed-rate financing but needed a mechanism to allow for this expansion that would not force them to pay off the debt and potentially incur a significant prepayment penalty," said LaBine. "Allstate worked with HFF to create a structure in which Allstate would allow the existing structure to become a separate condominium in the future, such that the expansion would become its own condominium and be released from Allstate's collateral. In that way, the new condominium could be financed separately by Allstate or a third party lender in the future."

Weymouth Woods Medical Center is located just off Rte. 3 at 51 Performance Dr., less than two miles from the South Shore Hospital and 12.5 miles south of Boston. Construction on the base building and first floor has been completed and the second and third floors are due for completion in early 2008. At that time the property will be fully occupied by tenants including Harvard Vanguard, SurgiSouth, LLC and South Shore Orthopedics, LLC.

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