



CELEBRATING
55 YEARS

nerej

Jones Lang LaSalle brokers sale of 18 Tremont St. for \$49.5 million

November 19, 2007 - Spotlights

Jones Lang LaSalle has negotiated the sale of 18 Tremont St. on behalf of Meritage Properties to BPG Properties for \$49.5 million or \$261 per s/f. Jones Lang LaSalle's Boston investment sales team of Michael Smith, Cappy Daume, Scott Jamieson and Gail McDonough represented the seller and procured the buyer. In spite of a challenging debt market the sale closed due to the underlying attractiveness of the asset and BPG's commitment to invest in the Boston market.

18 Tremont St. is a 12-story building with 189,638 s/f of commercial office and retail space and 12,395 s/f of basement space. The property is strategically located near Government Center in Boston's Financial District which boasts a 6.4% vacancy rate. Since 1999 the asset has benefitted from nearly \$10 million in upgrades to include façade improvements, common area upgrades, new mechanical systems, new retail store fronts and renovated tenant spaces. During Meritage's hold it implemented a tenant focused management strategy that included adding a bike room, installing men's and women's locker rooms with showers and high level of responsiveness to its tenants and brokers. The building is currently 87% leased.

18 Tremont St. was the first purchase for Meritage Properties in the Boston market. It paid \$37.5 million for the building in the spring of 2005. Since then Meritage Properties has acquired four other Metro Boston assets and is in the process of closing on its 5th building.

Prior to founding Meritage Properties in 2003, Andy Nathan was a senior executive at Tishman Speyer Properties for 16 years. According to Jones Lang LaSalle's Cappy Daume: "When I first met Andy through Tom O'Brien, the former BRA director and Tishman executive, he was very gracious and eager to get into the Boston market. He was a quick study and had the foresight to focus on the Class B office market before the rents had truly started to accelerate. When he bought 18 Tremont St. from Westbrook Partners and Paradigm Properties the current rent for the building was hovering in the low to mid twenties range. The building's most current lease is achieving rents in the upper \$30s. Andy's instinct and analysis were spot on."

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540