

NorthBridge Adds 436,000 SF to Portfolio as TCG Arranges \$22M to Finance Deals

CLINTON — The latest stop on the NorthBridge CRE Advisors investment journey is here in central Massachusetts where the firm which just merged with Hall Investment Holdings (see story, page one) has secured a hulking industrial building totaling 345,000 sf in Clinton. The fully occupied facility at 100 Adams Rd. fetched \$20.4 million in the purchase from a partnership including Hackman Capital Partners.



Christopher Skeffington



Andrew Stone



Philip K. Burgess

NorthBridge's buy follows up on the separate \$12.4 million purchase in the final days of October of 23 Sycamore Ave. in Medford, an inner suburban building totaling 91,000 sf whose sole broker was Philip K. Burgess of Burgess Properties. The former home of Crystal Cold Storage, it has a different profile in being an inner suburban property and also being totally vacant. It has freezer space with 40-foot clear heights and 15,000 sf of

individual pallet positions. Burgess is presently serving as exclusive leasing agent trying to identify a full-building occupant for the structure.

The Capital Markets team at Transwestern Consulting Group arranged a total of \$22.8 million to buy the assets. TCG partner Chris Skeffington and Vice President Andrew Stone handled the assignments which resulted in a \$13.9 million, non-recourse loan from Middlesex Savings Bank for 100 Adams Rd. and \$8.9 million from HarborOne Bank on the Medford property. It is also non-recourse and described as "long-term," with both loans provided for acquisition and lease-up costs.

"The Greater Boston industrial market continues to draw significant investor interest, driven by a e-commerce and 'last-mile' logistic trends, as well as the strong regional



23 Sycamore Ave., Medford MA

economy," Stone says in a press release regarding the financings, adding, "NorthBridge recognizes this market dynamic and capitalized on the opportunity with the acquisition of two institutional quality assets."

The larger facility is among the more modern of its ilk regionally, having come on line in 2000 on a 20-acre site in the improving Interstate 495 West industrial market. Five tenants are in the building which has clear

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heights to 30 feet, 53 loading docks and one drive-in door. Similar high-bay warehouse in that submarket is at 9.1 percent vacancy, according to TCG research.

TCG indicates conditions are even more landlord-friendly in the Inner Suburbs where all 625,000 sf of warehouse space save for 23 Sycamore Ave. was completely spoken for at the end of Q3. "The property represents one of the area's top 'last-mile' facilities and a rare opportunity to lease an urban industrial warehouse/cold storage building in the thriving Boston industrial market," Stone notes.

Burgess explains he was advising the seller on another deal and told if he could find a taker for the right price at 23 Sycamore Ave., his client would divest. Burgess says he immediately thought of NorthBridge and their

quick analysis forged an agreement acceptable to both sides. As to why their were his inaugural stop, the veteran inner suburban broker cites positive dealings with the principals on prior pact.

"They are decisive and knowledgeable, they do what they say they will, and they don't look to retrade in the middle of (negotiations)," Burgess observes, adding, "I felt very comfortable going to them first, and it worked out as we thought, getting the price our seller needed . . . and I also think it is a very strong (investment) for the buyers."

Not only is industrial close-in to population centers so limited it is leading to record occupancies and rents, the hottest realm, perhaps ironically, is for cold-storage and freezer warehouse inside Route 128. "It is at zero percent vacancy," Burgess reports regarding such product in his coverage area that includes communities on Boston's northern tier, from Chelsea and East Boston to Everett, Malden and up to Lynn. What supply is in the area is mostly user-owned, according to Burgess, and that is leading to tours immediately for the fallow product where multiple tours are scheduled in the coming days. "We are getting a ton of interest, and I don't think it is going to be slowing anytime soon," he says, the preference appearing to be for cooler versus freezer space. Were they so inclined, a tenant could take it minus any cooling aspect, with another strong suit being its dominant interior heights.

"You don't see 40-foot clear industrial around here, let alone freezer space," he says, with prospects mostly regional, including a few from the South Shore. ■