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Fulcrum Harvests MOB for $7.4M; Newmark PCG Tabs Albany Road

June 12, 2023 — By Jim Clements

56 New Driftway, Scituate MA

SCITUATE — At Fulcrum Real Estate Partners , it is each owner's prerogative to change their mind, and that mallcable mantra has paid off a second straight time: after profitably trading a Weymouth industrial asset ahead of schedule this winter, FREP's 56 New Driftway medical office building mapped as a five-year hold when acquired in December 2017 has just sold to Albany Road Real Estate Partners , through Newmark's Private Capital Group , the $7.4 million price nearly double $3.82 million principals Robert C. Kirschner and Richard E. Putprush spent on the 25,000-sf asset, pushing the exit back to complete their repositioning plan.

"We determined it would improve the return for our investors . . . , which is the goal if we are going to change our strategy," Kirschner recounts of a methodical repositioning begun "on Day One" that were just the initial sales target 30 months to await two legacy tenants deciding whether to exercise renewals of their respective pacts.

Renew each did; in 2023, Healthcare South extended to 2038 leasing 4,300-sf, double that physicians practice group's prior suite one floor above where HCS had been for nearly two decades.

In February 2024, a Mass General Brigham affiliate renewed for 10 years, keeping occupancy at the 91 percent rate where it was when Albany Road closed on its all-cash transaction that in continuation of a MOB buying spree the Dedham-based firm is re-creating from a previous platform undertaken by President Christopher J. Kinsley.

Robert Kirschner

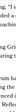
Richard Putprush

This time around, Vice President Tyler Savonen is overseeing the campaign. "The asset is part of a larger portfolio of one-off acquisitions in New England we are closing on over the next three months," Savonen explains to Real Reporter; this endeavor the most recent version of Albany Road's MOB background ranging from the "Interstate 95 Medical Office Portfolio" that reeled in a trio of buildings in 2017 until being harvested as part of a $160 million trade in autumn 2021, that blockbuster exchange an 18-building, 575,000-sf package sale to a Bain Co. JV as first detailed by Real Reporter in autumn 2021.

According to Savonen, 56 New Driftway was pursued for a variety of reasons. " We are extremely excited to add a medical asset of this caliber from a tenancy, lease duration, and location standpoint," he relays of the enduring property matching its 50th season this past year. Furthermore among those benefits are efforts of Fulcrum who was beginning its tenure there just as Albany Road was traversing 1-95 gathering its prior assemblage of similar product.

"We cannot speak highly enough of Fulcrum Real Estate Partners," Savonen states. "Rick and Rob did an exceptional job with the asset during their ownership and their efforts solidified the quality of the building and the long term relationships with the tenants there . . . They made the transaction an easy and efficient process from start to finish."

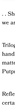
Christopher Kinsley

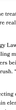

Tyler Savonen

Albany Road is so impressed by the asset's quality, 56 New Driftway will serve as "a centerpiece for the broader portfolio aggregation," Savonen says.

Echoing that sentiment is Newmark PCG principal Michael Greeley, himself well schooled in the MOB game as a member of the firm's Academic and Medical Practice Group along with Robert E. Griffin Jr., the US Co-Head of Capital Markets and co-founder with Greeley of the PCG which focuses on transactions up to $20 million.

The latter entity is familiar with 56 New Driftway as well, Newmark PCG having introduced the building to Fulcrum in the early days of that firm's operations that marked 10 years this past autumn.


Michael Greeley


Joseph Alvarado

Casey Valente

Retaining the brokerage shop for their property, Greeley is impressed by the client. "They did a really good job with it," he says while concurring the decision to see their program through the renewal period "paid off in a big way," with HCS and Mass General Brigham's strong-credit tenants further bolstering the value. "It made a big difference," says Greeley, adding, "It imagine their investors will be happy with the results." Metrics included a capitalization rate in the low 7 percent range and price per sf approaching $300 versus the $152 per sf spent eight years ago this December.

Joining Griffin and Greeley on the Newmark PCG advising the buyer and procuring the seller are Associate Directors Joseph Alvarado and Casey Valente.

Fulcrum had plaudits for all involved, praising Newmark for "an excellent job getting the word out" and deeming Albany Road as "efficient and knowledgeable" evidenced in the due diligence phase being "a phenomenal experience in every way." Reflecting on the completed transaction, Kirschner and Putprush cite a variety of factors contributing to the success, one intangible their "committed and loyal" tenant base which is partly a hallmark of medical tenants who tend to spend heavily in equipment and building a client base they do not want to disrupt with frequent moves. One key tenant extended their lease beyond the date they had originally committed to, creating value in that action, and has been so busy, they recently stopped taking new patients.

Sarah Rhatigan

The sellers also had praise for vendors such as Trilogy Law and Eastport Real Estate Services, who handled legal and property management duties at 56 New Driftway, respectively, the Wakefield team led by President Robert Bowen with accolades directed at staffer Debra Marasco. "We cannot say enough about how important Deb was to our success," observes Putprush. "Whenever we needed something or a tenant had an issue, Deb was always right there to handle it. . . . She treated the property and the tenants as if she was one of the owners, and we are really grateful for her dedication."

Trilogy Law and its founding partner Francis Mastroianni also played a key role handling multiple legal issues since acquisition, the point person on such matters being Attorney Sarah Rhatigan. "Sarah really came through for us," says Putprush. "She is a true professional in every way."

Reflecting on the completed tenure, Kirschner and Putprush say there are certain elements of a medical office property they focus on, with two preferable scenarios: one is an asset located near an established healthcare facility such as a hospital or rehabilitation center and the other is a "lose well" property such as 56 New Driftway that relies on a loyal local demographic rather than critical mass. An upscale community such as Scituate is one aspect they would seek out, and being at the genesis of the Greenbush MBTA commuter rail line was seen as another plus, especially when a developer opted to build an apartment complex barely 100 yards away from the Driftway building.

"It was a number of pieces" that passed the discerning criteria for transactions the co-founding principals rely upon buying deals they personally invest in, recounts Kirschner, boilerplate items such as the enduring building "has really good bones" and "great visibility" plus the well-heeled community in which it resides and the multi-specialty lineup of practitioners in place at the time of purchase, including both Healthcare South and the Mass General Brigham's group, the Brigham & Women's Physicians' Organization.

At 12,000 square feet, the two entities combined account for about 45 percent of the building's footprint which the Scituate assessor's database pats at 25,392 sf with a lot size of 1.74 acres. The property card puts current assessed value of building and land at $4.84 million, up from $4.70 million in its prior review and records just over $1 million of "alterations" to 56 New Driftway since June 2018.

56 New Driftway, Scituate MA

Unlike Weymouth, which Fulcrum harvested in February when approached by a portfolio buyer assembling like-minded warehouses, they were able to see the Scituate program to completion, providing a measure of satisfaction that a more intractable group might have had to follow the script, even if the ending were to prove less appealing. "We were really pleased to see it through," Kirschner concurs, the pair even savoring a new 4-by-22 foot Mass General Brigham sign erected just prior to turning the keys over to its new steward.

"The sign looks great," he says, its addition part of the lease negotiations with BWPO, but the sellers maintain all practices and the landlord should benefit. "It improves the image and visibility a ton."

Knisley is in agreement. "I'm impressed," he says of Fulcrum's tenure. Albany Road is not wasting any time getting its operations in place, one step being the hiring of Lincoln Property Co. to manage the three-story facility whose topography enables a ground-level entry way on the second story occupied by Healthcare South.

Boots are on the ground, but Savonen did not discuss personnel matters for that assignment. Albany Road expects to leverage the portfolio "with a regional lender" once the package is completed. The company does have a 2,100-sf suite on the upper level available. While not as easily accessed as the lower levels, the space does have a private deck and ocean views of Scituate Harbor as part of the package.

That task is no longer the concern of its long-time sponsor, with Fulcrum's principals also unencumbered tending to the Weymouth building after the unsolicited offer fetched $4.7 million versus the $2.8 million it cost them to buy the 27,250-sf flex warehouse in December 2021. But while their firm is not mandated to put money out through their syndicated model, they note their search for prospects within a two-hour drive of metro Boston generally priced between $2 million and $10 million.

MOB is obviously an area of interest, they relay, along with "select office" while stressing "we are focusing on industrial of all sorts" after faring well on multiple ventures in that realm. But while there may be a variety of avenues to pursue for the pair who collectively have over 60 years of CRE experience, they have developed a carefully crafted approach as standard practice. "In every case, we need to closely evaluate the situation and see if there is some reason to look beyond what others are anticipating value to be," Putprush says. "That is the key to be selective and then opportunistic when you find something that makes sense, and when we follow that formula, it has worked out well for our investors and for us."

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