

One Brigham may prove a valuable benchmark

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When **Rob Griffin** and his team at **Cushman & Wakefield** scored a big victory by getting about \$97 million on behalf of **New Boston Fund** for the One Brigham Circle complex in February, there was a lot of cheering by folks who also are big competitors of Griffin's operation.

For one thing, the price works out to the high \$400s per square foot. That's higher than many observers expected.

But more important, something actually sold.

Since the capital markets crashed in late 2008, the commercial real estate sector has suffered mightily. No money meant no deals.

In recent months, however, money has become available. Pension funds, for example, have been hovering with plenty to invest. And groups like One Brigham buyer **AEW Capital Management**, a unit of **Natixis Capital Management**, have been on the hunt.

But prospective buyers have been hobbled by a lack of "comps," or comparable sales. With no benchmarks, it's hard to figure out what a building is worth. And with transactions in the tens of millions of dollars at stake, who wants to guess, only to later appear to have overpaid?

After a dreadful year for the industry, the sale of One Brigham capped one of the hottest bidding wars in Boston.

"(Comps) are hugely important," **Lisa Campoli**, an executive vice president and head of investment sales at **Colliers Meredith & Grew**, said.

The sheer number of prospective buyers who examined the property lends to the validity of the pricing, Campoli said. "It's a high quality benchmark."

Among the parcel's neighbors is **Brigham and Women's Hospital**, which along with **Massachusetts General Hospital** constitutes the core of **Partners HealthCare System Inc.** Partners already holds a long-term lease on 120,000 square feet at One Brigham Circle.

One Brigham Circle — whose sale price would have seemed unthinkable a few months earlier — benefited from long-term leases with **Partners HealthCare System Inc.** and **Stop & Shop Cos.**

The thinking in some commercial real estate quarters goes that if one building sold, others will follow. And it doesn't hurt that the building fetched what by all indications is a high price — about 10 percent more than New Boston had been asking just three months earlier.

One broker said the effect of the sale will be that other owners are weighing putting their own properties on the market after holding off amid depressing prices.

In another very recent transaction, a Georgia REIT bought a Littleton campus occupied by **International Business Machines**.

The sales also highlighted what a number of real estate players say is an important trend — a bifurcation in the market between great properties and everything else.

Great properties like One Brigham, the insiders say, will sell.

Everything else? Wait a while.



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One Brigham's \$97 million price tag would have seemed unthinkable not too long ago.

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