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128 Beverly Rentals Fetch \$35M+ Via JLL; Brookline Bank Funds Novaya, Taymil Buy



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Burnham Apartments, 375 Rantoul St., Beverly MA

BEVERLY — Fueled by their shared penchant for metropolitan Boston multifamily and \$25.4 million from new friend Brookline Bank, Novaya Real Estate



million proposal negotiated by exclusive agent JLL advising homegrown Beverly Commons who in the nascent 2010s developed two modern buildings on Rantoul Street—aka Route 1A—sandwiching vintage 50 Broadway, a brick midrise containing 45 studios and one-bedroom rentals.

“We are really excited to have gotten this done,” Novaya principal and multifamily captain Karl H. Trieschman tells Real Reporter regarding the 50/50 joint venture that does not sate his firm’s predilection for Class B fixer-uppers which can produce higher yields through sweat equity. “This one is not a heavy value-add,” Trieschman accedes, with improvements mostly limited to the 91-year-old 50 Broadway.

Nevertheless, they persisted, and Archstone Communities alum Trieschman stresses the assemblage is gladly welcomed amid favorable millennial shifts to the suburbs and “encouraging fundamentals” in South Essex County which JLL pegs at a mere 2.63 percent vacancy for 6,473 apartments tracked. “It’s a tight market,” says one observer who argues that may limit a tenant’s choices, especially if options are pricier, should The Beverly Portfolio rents move closer to the average rate of \$2,299 per month for a half-dozen first-class rivals in Salem and Beverly, among them two freshly minted buildings on Rantoul Street. The Novaya/Taymil units bought at 95 percent occupancy average \$1,833 per month.

While Trieschman and JLL declined to discuss specifics, the



accepting in downtown Boston or Cambridge. JLL Senior Director Adam Dunn says the outcome of \$275,000 per unit reflects “a highly competitive” atmosphere fomented by the opportunity.

“This is quality product in an attractive town where people really want to be,” Dunn says of the assignment handled with JLL Managing Director Christopher Phaneuf, Associate Scott DiSciullo and Analyst Madeline Joyce. Adds Dunn, “We are really happy our client was able to get what they deserved for their hard work, and the buyers did a great job understanding where they needed to be at to get this deal . . . I think it was a positive result for both sides.”



Karl H. Trieschman



Christopher Phaneuf



Adam Dunn

On
top
of



Scott DiSciullo

Taymil, a seasoned multifamily player led by Steven Astrove who has joined forces once before with Novaya, Trieschman has accolades for other enablers such as the JLL Capital Markets brokerage and their structured finance professionals who recruited the Brookline Bank funding, i.e. Senior Director Martha Nay and Director

Jacqueline Meagher. “JLL did a fabulous job helping us understand what we were looking at . . . and they performed



slightly less than 70 percent LTV including monies to make necessary upgrades to 50 Broadway.

Under the commercial real estate division led by Executive VP Robert Brown, Brookline Bank enlisted Senior VP/Team Leader Peter Lennon and Stephen Jussaume to cobble together the loan proposal, and all received superlatives for their execution. “Dealing with Brookline Bank was a great experience,” says Trieschman. “They have a keen understanding of that market and they are also familiar with the properties and were very supportive on what we wanted to accomplish” from a leveraging standpoint.

While Trieschman did not discuss its structure, Essex County Deeds show the loan and sales amounts are split between each property rather than lumped into one singular instrument. At 50 Broadway, which Beverly Crossing purchased in August 2018 for \$8.67 million, Novaya and Taymil spent \$9.67 million to acquire and Brookline Bank loaned \$6.89 million. The 31,250-sf building sits on less than a half acre and contains 22 studios averaging 439 sf and 23 one-bedroom units averaging 597 sf.



Martha Nay



Jacqueline Meagher

Known as The Enterprise, 79 Rantoul St. encompasses 68,775 sf and is located on a half-acre parcel the seller bought for \$1.02 million in February



purchased by Novaya/Taymil with the Brookline Bank loan amounting to \$10.7 million. The Enterprise has two-dozen one-bedroom units averaging 795 sf and 21 two bedrooms averaging 978 sf.

Another \$11.1 million brought 375 Rantoul St., branded the Burnham Apartments, in the latest sale. The loan proceeds tabulate to \$8.12 million. The Burnham was developed on a 33,575-sf parcel that last sold in January 2007 for \$1.6 million with the mid-rise multifamily structure of 38,450 sf completed in 2014 offering 25 one-bedroom units averaging 709 sf and 13 two-bedroom formats averaging 947 sf.

At close to 100 percent occupancy, the portfolio gives its new owners “a broad mix” of unit options for tenants and amenities including off-street parking totaling nearly one space per unit. That ratio helps accommodate suburban workers needing vehicles to commute with the buildings also offering quick access to Interstate 95/Route 128. Route 1A is a major arterial in its own right, extending from the New Hampshire border in Salisbury to the heart of downtown Boston just 15 miles south of The Beverly Portfolio.

Meanwhile, renters needing public transit have accessible bus lines and the commuter rail connecting directly to Boston’s North Station is a short trek from all three buildings. Stations along the way are in downtown Salem, Swampscott, Lynn and Chelsea. And while ridership has been off due to Covid, “the train is going to be an important factor going forward,” Trieschman insists. The station contributes to a solid 93 Walk Score, as does a diverse array of Main Street retail along

Route 1A and streets feeding off that corridor



“The retail there was challenged but not permanently damaged,” Trieschman reports of Beverly’s cluster while adding, “This is not a community that is going to stay down.” In fact, indications are that the district is poised for a return to normalcy, he adds, and could bounce back even stronger should a favorable attitude towards bedroom communities such as Beverly take hold after a noticeable shift away from urban living in response to the pandemic.



The Enterprise Apartments, 79 Rantoul St., Beverly MA

Trieschman says millennial trends were leaning towards an exit strategy among that generation as it matures into a stage where more room and less urban din

become desirable, a shift that has been repeated time and again regionally since the 1970s. “The pandemic really pushed that trend forward faster,” Trieschman says. “That is really good news in our case.”

The JV was further impressed by South Essex County’s multifamily data which JLL puts at 6,437 units whose current vacancy is below the five-year average of 3.47 percent while the average asking rent stands at a healthy \$2,082 per month. In the aforementioned analysis by JLL of nearby rivals to The Beverly Portfolio, two of the six are a 67-unit property at 101 Rantoul St. averaging \$2,446 per month and 480 Rantoul St.



With the latest effort tied up, Trieschman says Novaya's residential bent is being manifested in multiple ways, among them for-sale product such as several dozen townhomes in Winchester which are close to selling out, and his team is also evaluating land sites where multifamily or other residential is a possibility.

The firm has "certainly not" forgotten recent successes in the industrial and office arenas, founding principal Peter Carbone III tells Real Reporter, and opportunities there are being pursued even as Trieschman continues the hunt for value-add residential. "We have been turning over rocks looking for Class B" apartments, relays Carbone. "We are very anxious to find more."

JLL, meanwhile, has a number of multifamily listings it is keeping busy on, says Dunn, among them The Kendrick in Needham, a 390-unit luxury property featuring 22,000 sf of amenity space. Some 20 tours have already been conducted, Dunn says, with a call for offers on tap for this week. "We have a robust pipeline we are marketing right now with more on the way," he says, adding, "It looks like a busy summer coming up." ■



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