



On \$100M Spending Spree, Mount Vernon Co. Snags South End Asset Listed by Boston Realty Advisors

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BOSTON—When selling 16-24 Union Park St., a coveted residential/retail building in the evolving South End, exclusive listing agent Boston Realty Advisors had Mount Vernon Co. at “Hello,” MVC Chairman Bruce A. Percelay recounts following his firm’s \$5.42 million purchase that has just closed with \$4.0 million in financing from Cambridge Trust Co. arranged by Cornerstone Realty Capital.

“They did pre-empt the bidding process,” BRA principal Jason S. Weissman acknowledges to therealreporter.com in relaying some 30 suitors were lined up early to do battle on 16-24 Union Park St. until MVC submitted an offer deemed unbeatable, among a series of investments made by the firm on a \$100 million urban spending spree that began last year, wrapping up January when more than \$12 million was spent the final week headlined by the Union Park Street purchase. “We are very excited about this transaction,” Percelay says, terming the area sandwiched between Tremont and Washington Streets “the Louisburg Square of the South End,” and explaining MVC’s strategy is to revamp the building’s 3,175 sf of ground-floor retail and convert the eight apartments above into luxury units. “It will be like nothing over there now,” the CRE veteran promises regarding the building that dates to 1899.

BRA had predicted a rapid response in listing the 7,950-sf building barely a month earlier, as detailed by Real Reporter in its Dec. 12th edition. The promotional campaign highlighted both the dearth of mixed-use retail/residential in the South End, and the changing landscape that has hundreds of millions of dollars in new construction underway such as that occurring at the nearby Ink Block project at 300 Harrison Ave. whose sponsors this week unveiled plans for a new luxury hotel at the 550,000-sf mixed use complex.

“With the combination of the asset’s position in the heart of the South End, and its close proximity to the plethora of new developments that are breaking ground, 16-24 Union Park St. is a prime mixed-use asset rarely found in the Boston market,” Weissman conveys of the listing that he worked on with principal Christopher D. Sower, BRA President Michael A. d’Hemecourt and Associates Jennifer R. Price and Jaime A. Russell. A retail expert, d’Hemecourt deems that piece especially prized due to extensive street frontage and window lines plus being in a 24/7 climate where people “populate the streets no matter what time of day or year” to frequent an eclectic mix of businesses, restaurants and retailers. The consumer demographic of more than 27,000 strong has a median age in the mid-30’s and average household income eclipsing \$88,000 annually.

“It is a really attractive neighborhood that gets better every day,” concurs Percelay, who has a solid handle on urban CRE options thanks to a hyperactive 2014 when MVC sold several Allston buildings it had developed and parlayed the capital into a series of purchases across the city, already buying a dozen investments cresting \$70 million and holding another \$30 million under agreement. Deals closed over the past week include 155 Salem St. and 10 Wiget St. in the North End, secured for \$3.5 million and \$3.1 million, respectively, and backed by East Boston Savings Bank funding of \$5.25 million.

The North End is one area of particular interest for his firm going forward, Percelay says. The pair of apartment buildings acquired there this week were bought from longtime holders in the Brogna family, a local clan that in late December sold a similar asset at 19 Stillman St. to MVC for \$4.4 million. Percelay praises the established nature of the North End that caters to young working professionals seeking a safe environment and a location where they can walk to work and for other endeavors minus an automobile. “We feel the North End has tremendous appeal geographically and for other reasons, but it does lack a lot of the quality interiors and strong management style that we are known for, and by creating a critical mass, we think there are good opportunities to pursue there,” Percelay outlines.

BRA’s client on 16-24 Union Park St. was Union Park LLC, an entity which paid \$4.61 million last August for the building. Officials of Union Park LLC include Robert Delhome, Robert Gatnik and Lou Schena. Cambridge Trust Co. funded that purchase as well, providing the group a \$3.45 million mortgage.

Meanwhile, on the other side of the Boston Common, BRA this past week rolled out 410 Boylston St. in the Back Bay, a retail condominium sporting what Weissman considers “a trophy location” where the boulevard begins one street removed from the genesis of Newbury Street that is home to some of New England’s highest rental rates. BRA has a full squad on that listing as well, including debt and equity expert Nicholas M. Herz, who is available to help bidders identify financing options for the 8,000-sf unit leased to multiple tenants but on a short-term basis. “That’s a good situation in an improving market,” Weissman observes of the pending expirations, pointing to a retail lineup in the area including Brooks Brothers, Cartier, Chanel, Giorgio Armani, Shreve, Crump & Low and Tiffany & Co. “It’s incredible,” Weissman says of the existing roster serving a population cresting 56,000 where the average annual household income exceeds \$120,000.