



Mount Vernon Co. Buys Hub Hotel for \$17.2M; BRA Brokers Deal on One-time YWCA Dorm

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BOSTON—The Mount Vernon Co., among metropolitan Boston’s most active CRE investors and best known for creating a mixed-use oasis in Allston, has bought a hotel and multifamily building at 40 Berkeley St. in a revamped YWCA dormitory adjacent to the John Hancock Tower. The off-market acquisition from former Boston Redevelopment Authority Director Mark Maloney and Boston Financial Services alum Georgia Murray yielded \$17.2 million in a deal negotiated by Boston Realty Advisors. East Boston Savings Bank backed the investment with a \$15.1 million mortgage.

Mount Vernon Co. Chair Bruce A. Percelay acknowledges the transaction, and says he hopes to “do something special” with the 204-room hotel at 40 Berkeley St. on the South End side of the Hancock Tower. The question even he has at this juncture is what exactly that contribution will be to the building and landscape, however. Percelay explains he was more motivated by a favorable basis, solid cash-flow, prime location and structure and being in a South End neighborhood where “exciting things are happening.” When presented an opportunity to acquire the 80,000-sf asset, Percelay says he surmised there was flexibility to make it work.

“I can’t give specifics because I am not sure yet what we intend to do there,” he explains, adding a cornerstone of his prior endeavors has been to engage the community and see what needs and wants the property can accommodate. “We liked the possibilities with it,” Percelay recounts. “This is an evolving neighborhood with a lot of good things going on, and we felt we would be able to do something special with it . . . It is just a question of speaking with the people who live

there and getting their ideas and thoughts.”

Perceland does say the hotel operates as an off-priced alternative to the \$400 room nights being rung up on the other side of the Hancock at the lush Fairmont Copley Plaza, and with hospitality experience from inns owned on Nantucket and Seacoast New Hampshire, Perceland notes he is familiar with that complicated industry. A series of off-priced options in New York City monikered “pod hotels” have a similar clientele, he outlines, even in stressing “no plans” are in place on any aspect of the Back Bay investment. “We first need to meet with the neighborhood,” he says, “It starts there . . . but we do feel good about where that might lead.”

Perceland was approached by the Boston Realty Advisors multifamily team on behalf of the sellers, a husband and wife duo well known in Boston business and political circles who have been involved in the asset for several years under their Maloney Properties. Registry of Deeds records show a \$8.5 million transfer from the YWCA in Dec. 2010. Perceland says he also acquired the residential component of 40 Berkeley St.

Boston Realty Advisors founder Jason S. Weissman and partner Christopher D. Sower orchestrated the deal involving one of the submarket’s most enduring buildings, one that certainly has shown its versatility to this day in having both a hotel and separate residential piece.

The Mount Vernon Co. has been on a buying spree throughout metropolitan Boston since 2008’s recession, taking advantage of the down economy to acquire and develop a stalled apartment project on Griggs Road in Allston that has transformed the once-gritty industrial strip into an eight-building enclave known as “the Green District.” Besides being uber-sustainable, the 500 units being constructed there are a price alternative to downtown rents, says Perceland, whose latest conquest was getting Starbucks to lease into the former Joshua Tree Restaurant building fronting Commonwealth Avenue, behind which the Green District has blossomed. The rental community appears to be responding; with construction still underway, the Green District’s final building is 33 percent pre-leased already, Perceland reports. “Even we were surprised by that,” he says, with the pace ahead of the prior buildings either renovated or newly constructed.

As to the YWCA investment, Perceland offers one factoid—the asset he acquired for \$250 per sf is around the corner from one condominium project fetching \$1,200 per sf. “That made us feel pretty comfortable,” he says.