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How Three Local Real Estate Companies Compete Successfully Against Giants

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Major national and international real estate players and investors have dominated the Boston real estate market for the last several years. With rising costs for land, labor and materials and fierce competition for tenants, the question arises as how local real estate players survive. Three successful companies provide answers to that question: The Grossman Companies, Intrum and Chapelbridge Park Associates. In my opinion, these companies find opportunities that others might miss, execute quickly and have savvy, experienced team members who adjust to changing circumstances.

The Grossman Companies, with roots as a salvage company that became a large distributor of lumber and grew into a real estate company, saw an opportunity to buy a dilapidated building on property known as “Trac 75” in Allston close to the New Balance headquarters. As Paul Dawson, the director of asset management, noted, Grossman used modular construction to ensure quality control and provide “tighter construction for greater energy efficiency, greater stability and sound mitigation” than “traditional methods of construction.”

However, as became apparent during a NAOIP presentation on Trac 75 by Jake Grossman and Dawson, what truly distinguished the 80-unit apartment project was the company’s ability to adjust the design to deal with the sight lines for a pre-existing billboard and still retain a roof deck with striking views, to create a staging area for the modular sections when they arrived and to deal with the bankruptcy of the company initially engaged to do the modular construction and find another company that would meet the quality and time requirements for the project. The project ended up being a huge success, selling for \$42.5 million.



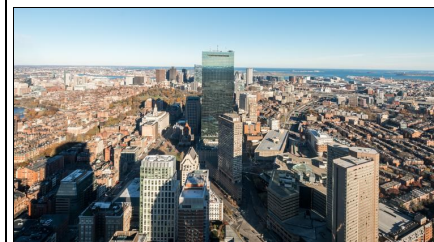
Intrum, a company owning more than 20 buildings, focuses on a hospitality approach to ownership and management, whether picking up and installing artwork from a CEO’s residence as the finishing touch to a tenant’s new headquarters or assisting a new tenant with yield-up obligations to its existing landlord or coordinating a tenant reservation at Capital Grille. When CyberArk Software had a tight schedule to leave its existing space and move to its build-to-suit headquarters of 32,000 square feet at 60 Wells Avenue, Newton, Intrum expedited the complex construction on a 120-day schedule. At 180 Wells Avenue, Intrum transformed an occupied Class C building with no amenities to be a Class A building meeting Well Building Standards, with a new glazed window system and with amenities akin to a much larger corporate campus. The amenities now include outdoor fire pits with communal seating and a half-court basketball court and an interior common recharge area with games, seating and conference facilities.

Chapelbridge Park has been under the same forward-thinking, family leadership for more than 50 years. The company spent millions to remodel and upgrade the park comprised of eight buildings and 250,000 square feet. The park now has a first-class amenity platform that includes a fitness area with lockers and showers, bike storage, a café serviced by Fooda which offers a daily variety of local restaurant offerings, and state-of-the-art meeting space with Wi-Fi throughout the park. The park has a diverse portfolio that includes research and development, biotech and office tenants.

In addition, Chapelbridge was ahead of

its time by providing small incubator space for start-ups on short-term leases, with several of those tenants now having grown through the years and occupying larger space in the park. One of those companies was Siamab, a biopharmaceutical company. Jeff Behrens, Siamab’s CEO, recently created LabShares Newton, the first Newton biotechnology and life science incubator, with its headquarters in the park.

These real estate companies exemplify what Bill Taylor, co-founder of Fast Company magazine, noted in his book *Simply Brilliant*, which describes how great organizations do ordinary things in extraordinary ways. Each of these companies has loyal team members and a tenant-centered focus. These companies are able to adapt quickly to changing times but keep in mind the fundamentals that have made them successful over time.



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Eric Allon is a real estate and business law partner at Bernkopf Goodman LLP with experience and knowledge related to commercial real estate disruptors, commercial leasing, the acquisition, management and sale of properties, financing transactions, commercial loan workouts, and the hospitality industry.