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by Joe Clements

DEDHAM — Fulcrum Real Estate Partners has landed its first Massachusetts investment and second overall in the \$2.2 million purchase of 60 Stergis Way, a 20,000-sf industrial building located where Routes 1 and 128 converge in a rapidly transitioning submarket. The changes afoot are part of the reason veteran CRE professionals Robert C. Kirschner and Richard E. Putprush latched onto the 44-year-old structure that was being sold via Savills-Studley broker Steve Woodworth on behalf of its longtime owners who had just harvested their landscaping business, Boston Irrigation Supply Co. (BISCO), to John Deere Landscapes.

According to Woodworth, BISCO principals Paul C. Kenyan and John P. Ramey no longer wanted the real estate and opted to cash out on that as well, retaining Savills Studley to formulate a plan that included proactively leasing the space to JDL for a three-year term with a pair of three-year options. Needham-based Fulcrum was ultimately approached with the notion that the group was independent enough to consider 60 Stergis Way minus a longer lease, a concession Putprush says others had shied away from even though Kirschner and he deemed the existing lease was lucrative enough that “we weren’t going to get hurt” even if the tenant did depart after its inaugural term.

“There is some embedded upside in the property that may not happen, but it is a great property in the bricks and mortar and in the improving location, and we felt good about that,” says Kirschner, the hidden value the result of a rezoning of 22 acres including the one at 60 Stergis Way, a change that opens up the area to higher-and-better uses, including retail. Should John Deere drive into the sunset sooner versus later, Putprush says the repositioning would seem to have perfect timing as the community continues to evolve and rents progress upwards.

Even so, he stresses, “the deal doesn’t require any of the complex gymnastics to be a good investment—it stands very well on its own merits.” Fulcrum even found a lender willing to share their outlook in Shem Creek Capital, a Hub-based debt provider that “was really great to work with,” according to Kirschner. “They are real estate oriented and were very flexible and able to understand what we were trying to accomplish,” says Kirschner. The retail concept is hardly

pie-in-the-sky, with other business parks previously dedicated to industrial and flex/office inviting all sorts of new product types. Stergis Way is also close to the Legacy Place lifestyle center that has been a key part of the Dedham resurgence. But with or without John Deere or a new function, Putprush expresses confidence the asset will continue to deliver needed income over time even should industrial continue to be its chief use. One thing which makes that especially lucrative is having outdoor storage, a provision many cities and towns are outlawing for industrial properties.

“We feel very good at where we are from a risk perspective, especially with the outdoor storage,” he says. “It is a real need, but a lot of companies can’t find a property that has it anymore.”

Founded last October, Fulcrum a few months prior to Stergis Way cemented its first deal, another complicated one in Coventry RI involving 33,500 sf and a 3.7-acre land site at 60 and 70 Center of New England Blvd. That asset was acquired from Cole REIT and required the full faculties of both Kirschner and Putprush to slog through a delicately planned strategy to quickly fill a departing tenant’s space, a program that was accomplished in a final flurry of steps that needed to be addressed.

Fulcrum, whose “sweet spot” are deals from \$2 million to \$10 million in communities close to Route 128, intends to apply the institutional knowledge Kirschner and Putprush have culled during a combined half-century plus of experience to pursue smaller opportunities the large players deem too inconsequential or complicated to address.

In preparing 60 Stergis for the market, “we advised the client to take advantage of a net lease with an excellent credit tenant like John Deere Landscapes to maximize the value of the property,” outlines Woodworth, allowing it to be put on the block this spring. The approach worked, especially by using the rezoning which was prompted by the lifestyle center. “Our team leveraged the building’s proximity to the extremely successful Legacy Place, and the competitive market, to achieve a 25 percent premium over the asset’s street value just three to four years ago,” explains Woodworth. BISCO had paid \$950,000 in Sept. 1995 for the property.



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