

Mortgage News

## \$108.4Mln Lent Against Boston Office

Prima Mortgage Investment Trust has provided \$108.4 million of fixed-rate financing against Seaport Center, a 463,212-square-foot office property in Boston.

The six-year mortgage requires only interest payments for its first three years, after which it amortizes over a 30-year-schedule.

The collateral property, at 70 Fargo St. in the city's Seaport District, was purchased this month for \$169.75 million, or roughly \$366/sf, by a venture of Meritage Properties and Commonwealth Ventures from Shorenstein Properties.

Prima, an open-end debt fund managed by Prima Capital Advisors of Scarsdale, N.Y., won the lending assignment partly because of its flexible terms

that include a generous prepayment schedule. Prima will keep the entire loan on its balance sheet.

The investment manager has lent against other Meritage-owned properties, including a \$67 million loan it provided against the 487,065-sf American Metro Center in Princeton, N.J.

Its fund is capitalized by pensions that include the Stanislaus County Employees' Retirement Association of Modesto, Calif., which made a \$25 million commitment last year, and the Maine Public Employees Retirement System, which made a \$75 million commitment in 2011 and has generated an internal rate of return of 5.6 percent through the end of March.

Seaport Center had served as collateral for a \$70 million loan that was provided by HSBC Bank in 2012. It is 90 percent occupied by some 40 tenants whose rents are about 20 percent lower than prevailing market levels.

The Meritage/Commonwealth venture plans to lease the property's 8,500 sf of ground-floor space to retail tenants. That space has been leased to tenants that use it for offices under short-term agreements.

The property has two nine-story buildings, one of which originally served as a warehouse that stored wool when it was built in 1909. The warehouse was later combined with the second building when the property was converted to office space in the 1980s.

Tenants at Seaport Center include Acetylon Pharmaceuticals Inc., financial services company Michael Associates Ltd. and the International Health, Racquet & Sportsclub Association.