

## Suburban Boston Marriott Up for Sale

**Cornerstone Real Estate** has listed a full-service hotel in suburban Boston that's expected to fetch bids of up to \$100 million.

The 418-room Marriott Burlington underwent a \$6.5 million renovation that was completed last year. At the estimated value of \$239,000/room, the initial annual yield would be 7%, based on this year's projected net income. Hartford-based Cornerstone, the real estate arm of **MassMutual**, has given the marketing assignment to **HFF**.

The property, just off Route 128 in Burlington, Mass., is being offered subject to a franchise agreement with **Marriott**

**International** of Bethesda, Md., but unencumbered by a management contract. A buyer would have the option of assuming a \$37 million securitized loan with a 5.8% coupon that matures in June 2017.

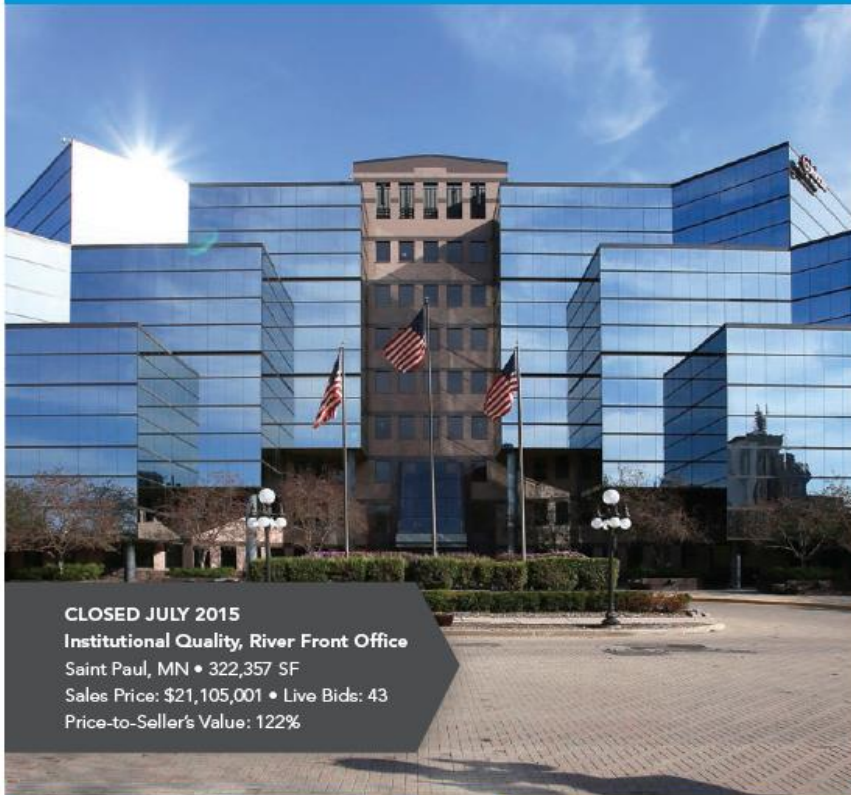
For the 12 months ended in June, the hotel was 80.2% occupied at an average room rate of \$166.37. The occupancy rate has been climbing steadily over the past few years, according to loan-servicer reports. It had hit a low of 50% in 2011, when Cornerstone acquired the property for \$73.4 million.

Marketing materials say that in the upper-upscale hotel's competitive set, revenue per room increased 10.1% in 2014 and is projected to grow another 8% by yearend and 7% next year.

The Marriott Burlington is within 10 miles of some 30 million square feet of Class-A office space. The presence of major corporations in the area, such as **General Dynamics**, **Microsoft** and **Oracle**, creates demand for rooms. The hotel has nearly 15,000 sf of meeting space that was recently renovated. Upgrades were also made to the lobby, lounge and restaurant.

There is potential for further development. A large, underutilized parking lot on the edge of the nearly 15-acre site could accommodate a select-service hotel, a restaurant or an office building. Another parking lot and an outdoor pool closer to the hotel could be redeveloped into additional guest rooms, event space or other amenities. A buyer also could update the existing rooms to boost rates. ❖

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### Ga. Retail Center

**Time Equities** paid **Woodruff Cos.** \$30 million for the 277,000-square-foot Landings shopping center in Columbus, Ga. The capitalization rate is just above 8% for New York-based Time. **Colliers International** represented Woodruff, a local firm that acquired the center in 2004 and upgraded it. The fully occupied property is on Airport Thruway near Interstate 185. ❖