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New Boston Fund's Bets; The Deal Sheet

By Susan Diesenhouse
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There are two types of markets that interest New Boston Fund SVP **Mike Buckley**: those with **significant distress**—like Miami, Raleigh, and Atlanta—and those that have **escaped the distress** and are growing, like **Boston** and DC. For him, this means a **two-pronged strategy**, which he'll talk about more at *Bisnow*'s second annual **Boston Capital Markets Summit** Oct. 29 at the Long Wharf Marriott. (Register here!)

We sat down with Mike to find out more. In distressed markets, NBF is buying **fundamentally sound** properties that have a **major impediment**, such as a defaulted loan, a physical structure in need of renovations or previous management issues that have impacted leasing. Once NBF **corrects the problem**, a property with the right appeal can have **leasing success**. In this cycle—which has not yet shown signs of a broad-based recovery (think GDP and job growth)—value investing is a **zero-sum game**, says Mike. "Our gain is the other landlord’s loss."

In markets that escaped deep distress, Mike says that it's NBF's goal to get in **front of trends**. Here, NBF is shopping in the **Seaport** for office space that would attract tech companies seeking reasonable rents. Similarly, it snapped up the vacant **111 K St** in DC's emerging **NoMa** district in Q2. It's also doing selective development in these markets, like **Parcel 24**, the long-planned multifamily project in Chinatown (rendering above) that NBF is building in partnership with the **Asian Community Development Corp** and will break ground soon. **Industrial BTS** projects in Northern Virginia and Miami are under way and an asset type that generates **attractive yield**, he says.