

NORMANDY REAL ESTATE PARTNERS

NEW YORK TRI-STATE EDITION



John Hancock Tower, Boston, Massachusetts

AN EPIC CONCLUSION FOR AN ICONIC LANDMARK

In March 2009 – in the midst of one of the worst recessions in U.S. history – Normandy Real Estate Partners and Five Mile Capital Partners bought the iconic John Hancock Tower in Boston at a foreclosure auction, giving the partnership one of the most well-known and respected towers in the world. However, it's what Normandy did during the following 18 months that resulted in the sale of the building to Boston Properties for a whopping \$930 million that made people turn their heads and wonder, "How did they do that?"

Normandy's secret sauce was based on a careful, deliberate process that displayed all of Normandy's strengths as an integrated owner and operator. When The John Hancock Tower was first purchased, the first order of business for Normandy was to appoint a real estate veteran to lead the leasing efforts for the property – and they soon hired Mark Roopenian, who had local Boston roots and deep real estate expertise. Soon after, Normandy courted Baystate Financial Services, one of New England's oldest and largest financial firms, as they relocated their corporate headquarters to occupy the entire 28,582 square foot 19th floor.

Normandy commenced a \$25 million base building improvement program which included a lobby renovation, new ground level cafe and converting two levels of mezzanine storage and office space into a new under-building 155 space parking garage.

The string of positive news didn't stop there, as the following month – May 2010 – the most sig-

nificant announcement affecting the building was made – Normandy had executed a lease for Bain Capital, one of the world's leading private investment firms, to relocate its Boston offices to the John Hancock Tower. The firm signed a 15 year lease spanning eight contiguous floors that initially comprised of 208,000 square feet, which expanded to 270,000 square feet. In one fell swoop, occupancy of the largest tower in New England went from 80 percent to over 95 percent.

With the tower's image rehabilitated – and once again the shining pride of Boston and the city's premier business address – the timing was right for Normandy and Five Mile to exit their investment and provide a significant profit for their investors. On December 28th, at 4pm ET, it was official – Normandy and Five Mile had sold The John Hancock Tower and garage to Boston Properties for \$930 million – an objective that was originally projected to take five years to achieve.

As Finn Wentworth, co-founder and managing principal at Normandy, told The New York Times in an article that profiled the transaction, "It's an epic conclusion for an iconic landmark. It's due to a combination of real estate savvy and capital savvy."

In fact, The Wall Street Journal ran an

Continued on page 2

Green News

NORMANDY STRIVING FOR A GREENER TOMORROW

Being a top-notch landlord, owner and manager is much more than just providing a quality corporate space for tenants. Hands-on management and listening to our tenants and the communities we're in – and acting on the feedback we receive – sets Normandy Real Estate Partners apart. And with that protocol for how we conduct business, we know that our mission to reduce our buildings' carbon footprint will generate stronger loyalty with tenants and create a healthier environment for the community.

With those initiatives in place, Normandy installed two state-of-the-art rooftop solar systems at Centerpointe in Bridgewater, New Jersey and Park Place in Florham Park, New Jersey in November 2010 and February 2011. Both complexes contain multiple office buildings on which solar systems were commissioned and administered by Normandy.

The solar systems, totaling 198 kilowatts (kw), are fully dedicated to the electrical load of the buildings and help reduce the net cost of electric power. The photo-

voltic systems have substantial environmental benefits, considering that over a 25 year period, the systems will offset approximately 3,880 tons of CO₂, the equivalent of 9,000 barrels of oil, or the annual greenhouse gas emissions from 740 gasoline powered passenger vehicles!

With Normandy's commitment to sustainable projects, we're creating a standard that communities are demanding and other building owners need to be taking notice. By coming together to develop energy efficient properties, it's possible to envision a greener tomorrow. However, those steps need to be taken today – and we're proud to be on the cutting edge. ■



Newly installed solar panels at CenterPointe in Bridgewater, NJ

VERIZON WIRELESS EXTENDS LEASE WITH NORMANDY IN WARREN, NJ

Normandy announced earlier this year that Verizon Wireless had extended its lease at 20 Independence Boulevard in Warren, NJ, where it will occupy 75,800 square feet.

The property, now 97 percent occupied, is a four-story, 120,753 square foot boutique office building that is located in the Somerset Hills

Corporate Center. A total renovation of the common area was completed just a few years ago, including a new lobby, elevator cabs, cafe, and bathrooms.

William O'Keefe, Vice President at Normandy, commented on the significance of retaining a tenant like Verizon. "Having a blue chip tenant such as

Continued on page 2



20 Independence Boulevard, Warren, New Jersey

EXTENSIVE CAPITAL CAMPAIGN FOR THE EXCHANGE

Since taking over the fourteen building Class-A, 1.6 million square foot office property along the I-287 corridor in 2009, Normandy has totally transformed The Exchange into a vibrant office park.

It started with the rollout of a new brand identity for the property (formerly called The Platinum Mile) for a fresh and rejuvenated image. Normandy partnered with Newmark Knight Frank to drive significant leasing volume – with a whopping 400,000-plus square feet leased over the last two years. And when factoring in the successful recapitalization of the portfolio which allowed Normandy to inject a fresh capital infusion for leasing costs and significant base building improvements, the enhancements for The Exchange and the benefits being reaped by tenants just keep improving.

The 2011 multi-million dollar capital expenditure campaign includes restroom upgrades, corridor and lobby finishes, touch screens in the lobby, new lighting, and elevator cabs / vestibules. Among the properties upgraded: 105, 106, 108, 110



925 Westchester Avenue, White Plains, New York

Corporate Park Drive, 701, 707, 709, 777, 925, 1025, 2500 and 2700 Westchester Avenue.

As Normandy's Vice President, Paul Teti said at the time of the announcement, "Normandy is a long-term, committed owner and manager, and the steps we have taken since acquiring The Exchange to enhance its image and value to tenants and prospects, coupled with this new capital campaign, is evidence of our dedication. We've brought a new vitality to

this office portfolio that has boosted the environment here among tenants – an environment that is all about community, networking and business contacts."

What else does The Exchange have in store for current and prospective tenants? Well, that's the (multi) million dollar question. Tenants, stay tuned! ■

VERIZON WIRELESS EXTENDS LEASE

Continued from page 1

Verizon Wireless extend its lease at this Class A property is a reflection of both the dedication Normandy puts into each of our tenants to ensure we're serving their every need – and of our ability to be competitive in this environment and attract best in breed companies."

Located in a convenient area for both travel and recreation, it's min-

utes from Interstate Highways 78, 287, and 80, the New Jersey Turnpike, and Routes 22, 202, and 206. Riverwalk Village, an award-winning "lifestyle" center with fine dining, fitness center, and numerous services, is just a short walk from the building and a Courtyard Marriott and Somerset Hills Hotel are also nearby. ■

EPIC CONCLUSION FOR AN ICONIC LANDMARK

Continued from page 1

article on the real estate deals in 2010 – and named the winners and losers. The John Hancock Tower deal was named the "Market Maker" – stating that Normandy "...shook up the city's office leasing market by luring the offices of Bain Capital LLC away from a building owned by Mortimer Zuckerman's Boston Properties Inc."

The article went on to highlight the successful sale of the tower.

A number of important steps were taken during the 18 months leading up to the sale of this iconic tower that restored its value as the top-class asset – in a market that was battered by the Great Recession. Jeff Gronning, managing principal at Normandy, summarized the firm's efforts that led to the sale at the time of the closing: "This transaction completes in 18 short months the long term objective that Normandy and Five Mile Capital had for The John Hancock Tower – to return an iconic building to its rightful place as the premier office property in Boston. That swift conclusion is a testament to the hard work and effort of all our team – from the careful planning and execution of the acquisition, to the completion of key building improvements that contributed to the asset's stabilization, and ultimately the successful monetization of the investment realizing a significant profit for our investors." ■



John Hancock Tower, Boston, Massachusetts

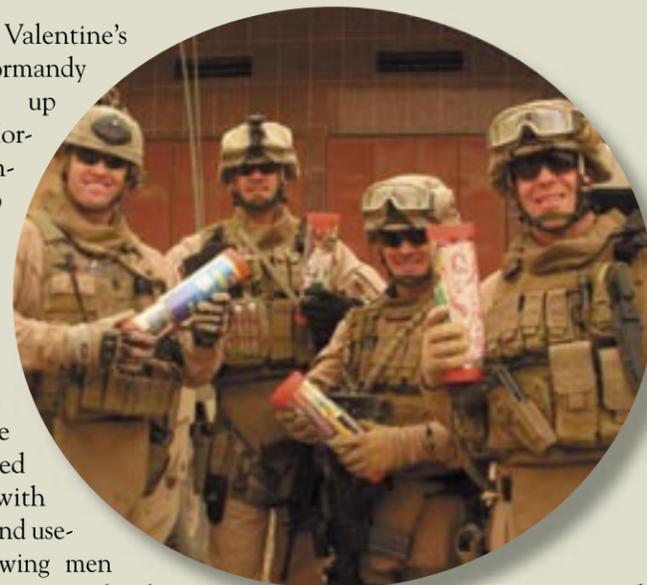
COMMUNITY CORNER

NORMANDY SENDS HUGS FROM HOME

This past Valentine's Day, Normandy teamed up with local Morristown companies to help fill gift tubes of inspiration for our troops overseas.

Called "Hugs from Home," these tubes are filled to the brim with friendly notes and useful items, allowing men and women serving in battle ships to the actual front lines to feel the love from home on Valentine's Day. Donated items include the basic necessities of toothbrushes, foot powder, deodorant, and bug spray, to fun bits and pieces like sports magazines, puzzles, games, chewing gum, and most importantly, handwritten notes.

This year, over 3,000 tubes of support were delivered to ser-



vice men and women serving on the front lines in Iraq and Afghanistan. To date, the program has reached over 10,000 active military personnel.

Hugs From Home is now in its fourth year in existence. The ultimate goal is to expand Hugs from Home nationally to make sure more soldiers are able to receive these gifts. ■