

East Providence mill complex sold for \$8.3M after 4 months on market

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EAST PROVIDENCE – In a swiftly negotiated deal for a transaction of this magnitude, a property investment group from California bought the Phillipsdale Landing industrial complex on the riverfront in the Rumford area of East Providence for \$8.3 million, according to the real estate team that brokered the sale.

Michael Giuttari, president of Providence-based MG Commercial Real Estate Services Inc., together with the company's vice president, Julie Freshman, closed the deal recently on behalf of the seller, Bourne Holdings LLC. The 328,623-square-foot property at 310 Bourne Ave. was sold to a Los Angeles company called Phillipsdale Holdings LLC, after the property first went on the market on Sept. 1, Giuttari said.

"This just went very quick," Giuttari said in an interview after completing the sale. "That's the unique thing about this deal. Four months, from start to finish? You never see that."

By comparison, it took MG Commercial Real Estate Services 4½ years to close on the land purchased by Amazon in Johnston where the company is building a new distribution center.

The reason for the speed of the closing is because of the value for real estate investors, since the tenancy of the property increased to full capacity after the 16-building industrial complex was put on the market, Giuttari said. The filling out of the building increased the capitalization rate for the new owners from 8.5% to 10%, he said.

"It's just a great return for this market," Giuttari said. "As time went on, and



THE PHILLIPSDALE LANDING INDUSTRIAL COMPLEX at 310 Bourne Ave. in East Providence recently sold for \$8.3 million after being on the market for four months, according to MG Commercial President Mike Giuttari, left, who closed the deal alongside his firm's vice president, Julie Freshman. PBN FILE PHOTO/MICHAEL SALERNO

they put more tenants in, it became an even better deal for the investor. We gave them a better return and didn't raise the price. ... The industrial market is the most active investment market right now. And they do not normally see returns of 10%. Typically, you may see a 5% or 6% percent return on a good 100% occupied deal. This was a slam dunk with 100% occupancy."

And, on top of that, the 136-year-old brick mill building complex was in ideal shape, with upgrades made by the former owners, including electrical improve-

ments, renovations to tenant spaces and the installation of new fire suppression sprinklers, Giuttari said. The property was also made more attractive by the nearby planned development of 392 residential units as part of the East Point project that's being undertaken by the same firm behind the Kettle Point mixed-use project in East Providence, Giuttari said.

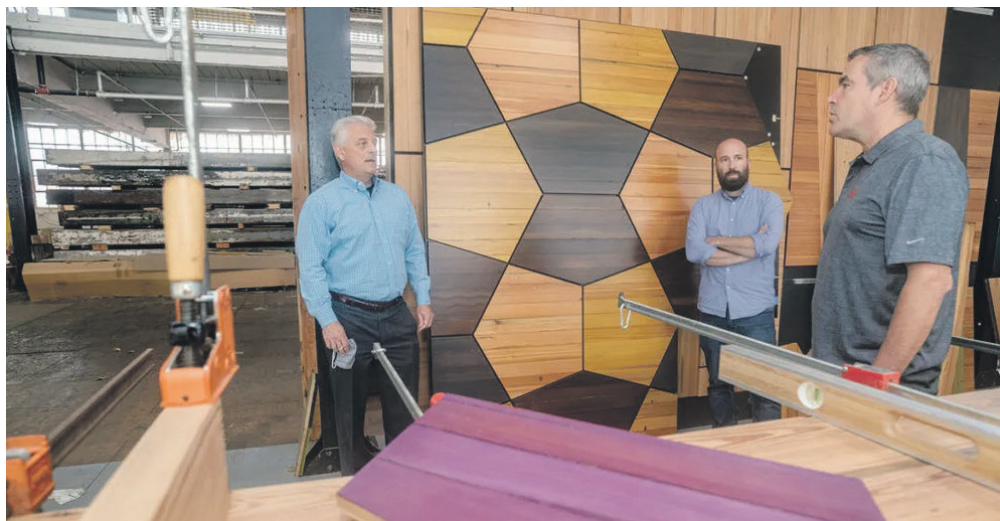
"It's just a very attractive property," Giuttari said. "We had continual calls from all over the country about it. Of the four offers we got, only one was a local group. ... Usually, there is some older-building issue or something that comes up during negotiations. But the former owners had it in such good shape that they were able to answer any question and there were no underlying issues."

The former owners originally bought Phillipsdale Landing when it was vacant about seven years ago, Giuttari said, worked to improve it and filled it up, and then decided to cash out.

"It was just a good time in the market for them," he said. "They got a good price. They wanted to do something else and move on."

When it first went on the market, the formal asking price was \$8,950,000, Giuttari said.

Current tenants of the Phillipsdale Landing property, which is located on a 12.6-acre lot with 650 feet of frontage on the Seekonk River, include Wickford Appliances, along with a mix of other office, bulk warehouse and light industrial tenants, such as Ark Woods & Services LLC. ■



STEPHEN E. LANE, right, owner of Ark Woods & Services LLC, has set up his business in Phillipsdale Landing, a former industrial site along the Seekonk River in East Providence. Lane speaks with Chris Martin, center, East Providence Waterfront Commission executive director, and William Fazioli, East Providence planning director and commission chairman, in 2020.

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