

**A BLANK SLATE REDEVELOPMENT OPPORTUNITY
SITUATED IN BOSTON'S HISTORIC CHARLESTOWN NEIGHBORHOOD**



Constitution Inn

Boston, Massachusetts



OFFERING SUMMARY

THE OFFERING

Jones Lang LaSalle Americas, Inc. (“JLL” is pleased to offer, on an exclusive basis, the opportunity to acquire the leasehold interest in the Constitution Inn (the “Property”, “Asset”, or “Site”), a blank slate redevelopment opportunity situated in Boston’s Charlestown neighborhood. Owned by the YMCA of Greater Boston, the Constitution Inn has 147 guestrooms and a 25,000 SF fitness center; however, the Property’s zoning allows for a wide range of uses including lodging, multifamily, senior housing, student housing, and medical office subject to the necessary approvals.

Less than two miles from downtown Boston, the Constitution Inn benefits from a highly favorable location. Situated in Boston’s historic Charlestown neighborhood, the Property is surrounded by prominent medical institutions including Spaulding Rehabilitation Hospital, Harvard Medical School’s Department of Physical Medicine and Rehabilitation, MGH Institute of Health Professions, Martinos Center, and Mass General Hospital – one of the leading healthcare institutions in the country. Additionally, the market features key Boston tourist attractions including the Charlestown Navy Yard featuring the USS Constitution, TD Garden (home to the Boston Bruins and Celtics, Boston Freedom Trail, and Bunker Hill Monument amongst others.

The Constitution Inn presents investors with an extremely rare blank slate redevelopment opportunity. The Site’s location in the Boston market, and in a qualified opportunity zone, offers easy access to robust commercial locations and allows for a wide range of development options.

PROPERTY SUMMARY

ADDRESS	150 3rd Avenue, Boston, MA 02129
SITE AREA	14,762 SF
GROSS BUILDING SIZE	111,388 SF
STORIES	6 Above Grade Plus 2 Basement Levels
ZONING	B-1 Historic Monument Area (Special Study Area 1)
YEAR OPEN	1992
UNITS	147 Rooms & Suites
FITNESS CENTER	25,000 SF YMCA fitness center including a gymnasium, an indoor swimming pool, a sauna, a basketball court and fitness studios
PARKING	Off-site Garage
BRAND	Independent
MANAGEMENT	Unencumbered
OWNERSHIP STRUCTURE	Leasehold

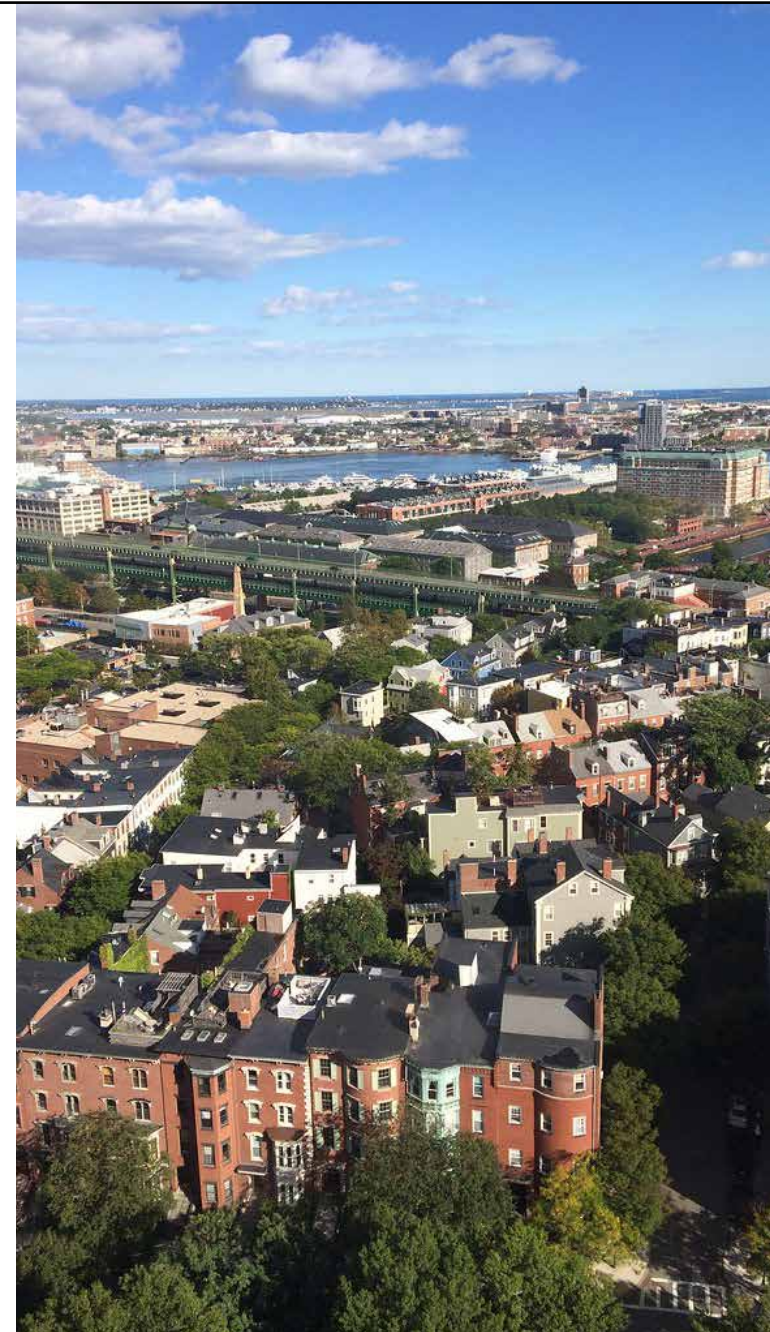


CONTEXT FOR THE OPPORTUNITY

THE CONSTITUTION INN

The leasehold interest in the Constitution Inn is owned by the YMCA of Greater Boston (the “Y”), a non-profit organization dedicated to improving the health of communities across Greater Boston by providing free or subsidized programs. Situated in the heart of Boston’s historic Charlestown Navy Yard, the Property sits on a 0.33-acre parcel of land leased to the Y under a long term ground lease with the Boston Planning & Development Agency (BPDA). The Constitution Inn was originally built by the Armed Services of the YMCA in 1992 and was subsequently acquired by the Y in 2007. Since then, the Constitution Inn has been an integral part of the Y’s Charlestown Branch. The Property has 147 guestrooms averaging 350 SF in size and a large 25,000 SF YMCA fitness center.

The facility no longer fits the organization’s needs, expertise, charitable and investment goals. For these reasons, and in light of the current economic slowdown, ownership plans on closing the Property on October 31, 2020. As such, the Y is seeking to sell the Constitution Inn with the intention of using the sale proceeds to further its mission and continue to contribute to the local community. Ownership has informed the BPDA of its plans to sell the Constitution Inn and the Agency has expressed a willingness to negotiate a new long-term ground lease with a potential buyer. The Y is open to leasing its existing fitness center space from a new owner or relocating its branch to a new location in Charlestown.



POTENTIAL USES

By virtue of the Constitution Inn's location in the Charlestown Navy Yard, its ultimate use will be driven by various demand generators. The Site's easy access to the dominant commercial locations allows for a range of development options subject to approvals by the Boston Planning & Development Agency and the Zoning Board of Appeal.



LODGING

The Boston hospitality industry has historically demonstrated some of the most robust lodging metrics in the U.S. owing to its diverse demand drivers. Corporate growth, strong tourism, and convention demand have all contributed to the sector's growth. The Constitution Inn is currently operated as an independent lodging facility with limited capex spendings and marketing dollars. The opportunity exists for a new owner to fully renovate the Property, completely revamp its operations, increase the unit count to 160 rooms, and reposition it as a new select-service or extended stay lodging facility – bypassing the strenuous process of new construction.



MULTIFAMILY

Given the neighborhood's proximity to Downtown Boston; its easy access to public transit; a growing population of educated millennials; and the completion of several nearby mixed-use projects; Charlestown has shown favorable multifamily rent fundamentals in recent years. In addition to its guestrooms, the Property features a large fitness center and public areas that could be converted to residential amenities. The opportunity also exists for a new owner to increase the Property's room count by converting some of the underutilized public space into additional units, or expand the existing units by combining adjoining rooms.



SENIOR HOUSING

With rooms ranging from 296 SF to 644 SF, the Constitution Inn is an ideal product for senior housing conversion. The Property features 147 units, 58 of which have kitchenettes, and a 25,000 SF of fitness center that could potentially be used for rehabilitative purposes. The ground level features flexible public space that could be converted into community areas and dining facilities. Additionally, a new owner may opt to convert some of the meeting space and larger suites into additional rooms.

POTENTIAL USES



INSTITUTIONAL / MEDICAL / NON PROFIT

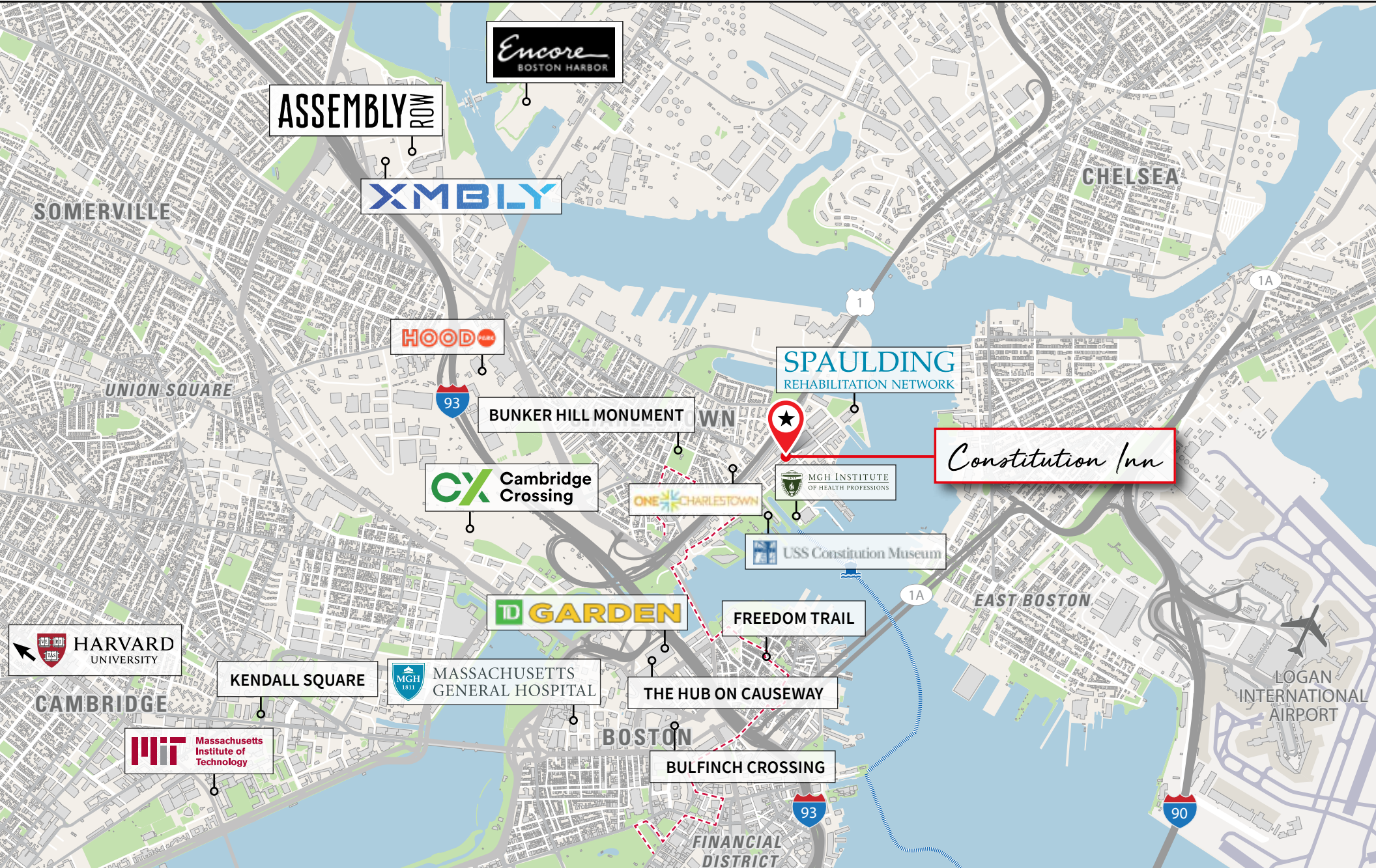
The Constitution Inn is surrounded by several prominent institutions in the healthcare, medical-academic, and non-profit sectors including Harvard Medical School, MGH Institute of Health Professions, Spaulding Rehabilitation hospital, the Martinos Center, Ronald McDonald House, John F. Kennedy Center, Heading Home and many more. The Constitution Inn's location in the Charlestown Navy Yard among prestigious institutions, as well as its current ownership by the Y makes it an favorable product for a non-profit, academic, or medical institution.



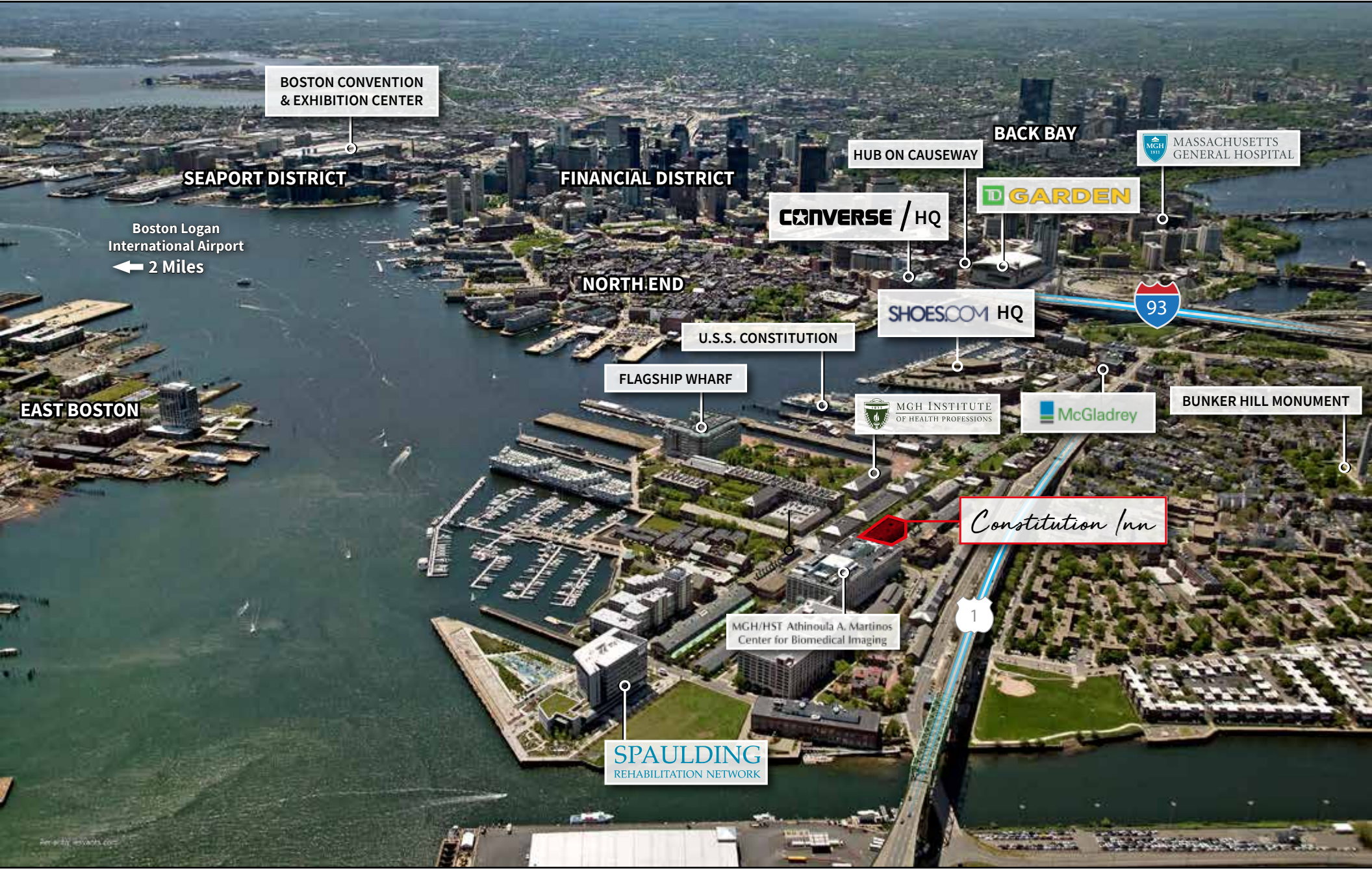
STUDENT HOUSING

Owing to its current use as a lodging facility and its location in one of the leading cities for higher education and innovation, a conversion to student housing would be an ideal use for the Constitution Inn. The Boston market is largely regarded as a hub for academia attracting a wealth of intellectual capital and a large international student base. The market features some of the leading colleges and universities in the world including Harvard University, Massachusetts Institute of Technology (MIT), Tufts University, Northeastern University, Boston University and many more. The Constitution Inn's existing floor plans would facilitate a conversion to student dormitories featuring a fitness center and space for additional amenities.

AREA MAP



AERIAL OVERVIEW



AERIAL OVERVIEW



INVESTMENT HIGHLIGHTS

A BLANK SLATE REDEVELOPMENT OPPORTUNITY

The Constitution Inn presents investors with an extremely rare blank slate redevelopment opportunity in a leading urban U.S. market. The Property's zoning allows for a range of uses that would complement its location. Potential uses for the Property include lodging, multifamily, senior housing, student housing, and medical office subject to approvals by the Boston Planning & Development Agency and the Zoning Board of Appeal. A new owner will have the option to determine the appropriate product type, operating strategy, and future positioning of the Asset.

PROPERTY CHARACTERISTICS

The Constitution Inn sits on a 0.33-acre parcel of land leased to current ownership under a long term ground lease agreement with the Boston Planning & Development Agency. Built in 1992, the six-story, 111,388 SF Property maintains 147 guestrooms with a 25,000 SF YMCA fitness center including a full-size gymnasium, fitness studios, a basketball court, and a four-lane swimming pool. In light of the organization's charitable and investment goals and its lack of willingness to continue operations during an economic slowdown, ownership has decided to close the Property on October 31, 2020. Upon a sale, the Y is open to leasing its existing fitness center space from a new owner or relocating its branch to a new location in Charlestown.

ATTRACTIVE BASIS RELATIVE TO REPLACEMENT COSTS

The Constitution Inn offers investors an attractive alternative to new construction with product flexibility subject to the necessary approvals. The Property is being offered at a significant discount to replacement costs for various product types in the market. The lack of developable land, a difficult and lengthy permitting process, and high construction costs make Boston an extremely challenging development landscape.

QUALIFIED OPPORTUNITY ZONE

The Constitution Inn is located in a qualified Opportunity Zone designated by the US Department of Treasury, offering tax benefits to investors. A new owner would have the opportunity to roll capital gain tax liabilities into an investment in the Property on a tax-deferred basis.



INVESTMENT HIGHLIGHTS

BOSTON: EXCELLENT MARKET FUNDAMENTALS

Boston's status as a leading gateway market makes it an excellent location for real estate investments. Powered by Fortune 500 Companies, leading healthcare centers, a highly-educated workforce, and an unmatched ecosystem of innovation, Boston is one of the leading economies in the U.S. The city is home to several top tier universities including Harvard University and Massachusetts Institute of Technology attracting a wealth of intellectual capital and attracting some of the most innovative companies in the world. The market attracts more than 19 million visitors annually, contributing to its historical ranking as one of the top 5 performing lodging markets in the nation.

FAVORABLE LONG TERM GROUND LEASE WITH THE BPDA

The Constitution Inn is subject to a long term ground lease with the Boston Planning & Development Agency (BPDA) with an initial 65-year term that expires in 2056 with extension options through 2120. The Y has informed the BPDA of its plans to sell the Constitution Inn and the BPDA has expressed a willingness to negotiate a new long-term ground lease with a potential buyer.



KEY DEMAND DRIVERS

PREMIER MEDICAL CLUSTER

Charlestown features a prominent medical cluster, comprised of prestigious institutions including Spaulding Rehabilitation hospital, a rehabilitation hospital and the official teaching hospital for Harvard Medical School's Department of Physical Medicine and Rehabilitation; MGH Institute of Health Professions, a 1,560 student graduate university of health sciences founded by Massachusetts General Hospital; and the Martinos Center, a major hub of biomedical imaging technology development and translational research. The cluster benefits from exceptional synergies with the nearby MGH medical campus, one of the country's most prominent medical-academic centers.



HISTORIC ATTRACTIONS

Charlestown is rich in history, home to the USS Constitution and Museum, the world's oldest commissioned Navy ship still afloat; the Charlestown Navy Yard, one of the oldest shipbuilding facilities in the United States; the Bunker Hill Monument, site of the first major battle in the American Revolution, and the northern terminus of the Freedom Trail, which connects these national heritage sites with 14 others throughout the city via a pleasant 2.5 mile walking tour. The Freedom Trail attracts more than 4 million visitors annually. Additional attractions nearby include Fenway Park home to the Boston Red Sox, Faneuil Hall Marketplace, the Museum of Fine Arts, and the Boston Common.



THRIVING EAST CAMBRIDGE

Home to MIT, Harvard and the Whitehead Institute, Cambridge is a world-renowned center for research, education and innovation. The East Cambridge/ Kendall Square area in particular is home to a flourishing technology, biotech and life sciences sector highlighted by Alexion Pharmaceuticals, Amazon, Amgen, Biogen, Facebook, Google, Microsoft, Akamai, Oracle, the Broad Institute and others. The continuing development of the Cambridge Crossing subdistrict (1 mile from the Property) is creating a commercial bridge between East Cambridge and Charlestown and will seamlessly connect the two neighborhoods as the development progresses.



DOWNTOWN BOSTON & THE NORTH END

Within 1.2 miles of the Constitution Inn, the Financial District has the largest concentration of employers in Boston with 42.3 million-square feet of office space. Notable headquarters in the area include Fidelity Investments, State Street Corporation, Federal Reserve Bank of Boston, and Liberty Mutual. The North End, Boston's Little Italy is half a mile away from the Property and features a maze of narrow cobblestone streets, historic sites, Italian restaurants, coffeehouses, and pastry shops drawing significant tourism. Additionally, TD Garden, home to the Boston Celtics and Boston Bruins is within walking distance of the Property (less than 1 mile). The arena hosts 200 annual events catering to more than 3.5 million annual visitors.

BOSTON: A DIVERSE & THRIVING ECONOMY

6th LARGEST
CSA IN
THE US

4.9M PEOPLE
GREATER BOSTON

+20M VISITORS
BOSTON & CAMBRIDGE

8M VISITORS
MUSEUMS

42M PASSENGERS
THROUGH LOGAN AIRPORT

WORLD-CLASS
AIRPORT WITH
54 INTERNATIONAL
NON-STOP DESTINATIONS



+130
HOSPITALS IN
GREATER BOSTON

6th

Most Economically
Powerful City
In The World

12th
LARGEST
GLOBAL
ECONOMY

400,000

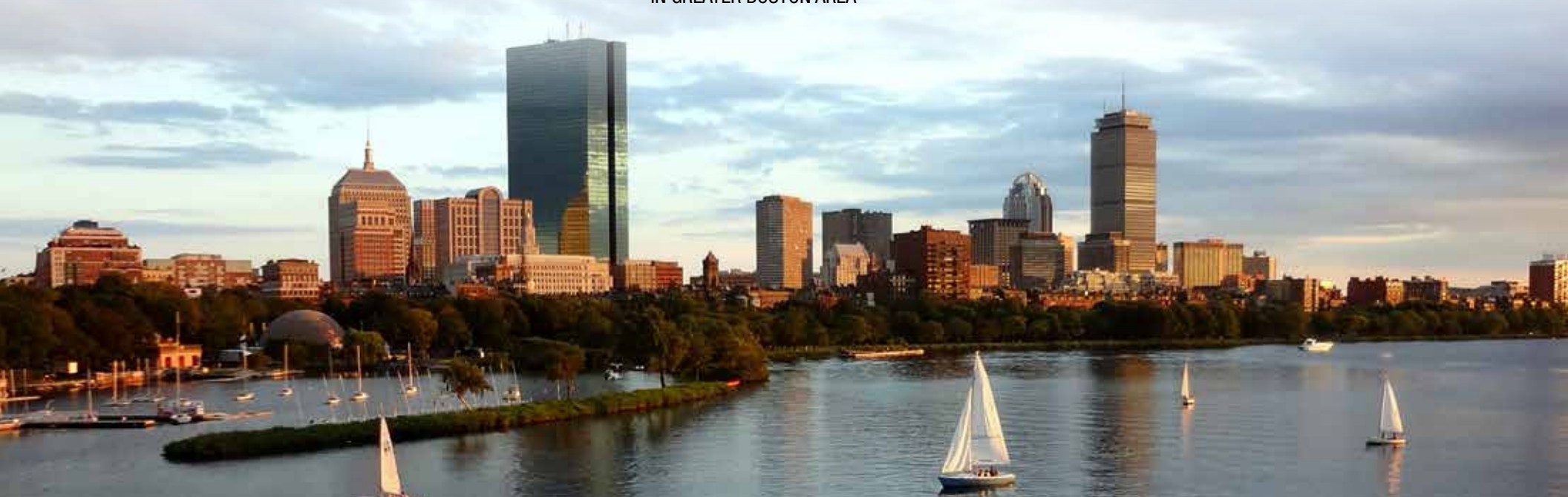
COLLEGE STUDENTS
IN GREATER BOSTON AREA

3RD MOST ATTRACTIVE US CITY
FOR FOREIGN INVESTMENT

8TH MOST ATTRACTIVE CITY
GLOBALLY FOR RE INVESTMENT

MORE THAN
100
OF THE WORLD'S LEADING
EDUCATIONAL
INSTITUTIONS

FORTUNE
13500
COMPANIES



BOSTON: UNPRECEDENTED GROWTH & DEVELOPMENT

LARGE SCALE MIXED-USE DEVELOPMENTS

HUB ON CAUSEWAY



1.9+ Million Square Foot
Mixed-Use Development

BULFINCH CROSSING



2.3+ Million Square Foot
Mixed-Use Development

CAMBRIDGE CROSSING



45 Acre, 4.9M+ Square Foot
Mixed-Use Development

ASSEMBLY ROW



6 Acre, 3.7M+ Square Foot
Mixed-Use Development

AN INFLUX OF CORPORATE DEMAND



MICRO DEMAND DRIVERS

TD GARDEN



+19,500 Person Arena
Home to the Boston Bruins & Celtics

MASS GENERAL HOSPITAL



999 Beds, +1,000 Employees
#2 Best Hospital in the U.S.



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