

BOSTON Herald

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TUESDAY, JUNE 19, 2007 ■ 50 CENTS (75 CENTS 30 MILES OUTSIDE BOSTON)

Unknown landlord builds an empire

Shahbazi quietly becomes a giant

By SCOTT VAN VOORHIS

Kambiz Shahbazi is the Boston area's biggest office building landlord you've never heard of.

The Tufts grad and real estate entrepreneur recently closed a \$52 million deal for a portfolio of 400,000 square feet of Braintree office buildings owned by legendary local developer Thomas Flatley.

While Flatley, 75, an Irish immigrant who made a fortune building offices and apartments, is now selling his empire, Shahbazi, 46, an immigrant from Iran, is quietly building an empire of his own.

The deal for Flatley's properties brings Shahbazi's holdings to 4.4 million square feet — from downtown Boston corporate addresses to far-flung suburban office buildings. That's enough to fill two Hancock towers — with the Prudential tower thrown in for good measure.

"Once you hit four million square feet, no question about it, you are no longer a small player," said David Begelfer, head of the local chapter of the National Association of Industrial and Office Properties.

Shahbazi's success has been built on snapping up buildings that just a few years ago were being written off by other investors — Class B office buildings.

When office vacancy rates soared in the wake of the last recession, such older, sleepy, low-rise buildings took it on the chin, some winding up empty as companies down-sized. But as other investors retreated, Shahbazi sensed a deal and began snapping up hard-hit buildings in the suburbs along Route 3 in the Chelmsford and Lowell areas, among others.

He started off with his own savings, and the help of family and friends, recalls Frank Petz, managing director of Eastdill Secured LLC, who has helped Shahbazi finance deals over the years. Now his investors go



MAJOR PLAYER: Kambiz Shahbazi owns 4.4 million square feet of office space in Boston and the suburbs.

by such brand names as Merrill Lynch and his buildings have been fixed up and have begun to fill up. Shahbazi says his portfolio is now close to 90 percent occupied.

"It's not the prettiest or the best, but he has good, functional product," Petz said. "He was willing to bet on the market when no one else was. Back when there was a lot for sale, he was one of the few buyers."

And he doesn't plan to slow down now that the market is heating up. Shahbazi's next goal: to hit the five-million-square-foot mark by year's end. "I was just always intrigued by buildings," said Shahbazi, who is based in New York, but who regards Boston as his home away from home, with much of his family here. "I just felt it was more real, you could touch it, feel it."

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Boston Herald
June 19, 2007
Page: 9
Circulation: 203,552
Client: KS Partners, LLC