

CORPORATE PROFILE



**The Element – A Newly Developed
100 Unit Apartment Building in Allston, MA**

The Mount Vernon Company has created a niche in the Greater Boston real estate market by specializing in the purchase and redevelopment of underutilized, under-managed or otherwise undervalued properties located in prime urban and suburban areas.

The Mount Vernon Company has established a track record of generating exceptional returns while maintaining extremely conservative purchase criteria. Over the past twenty years, the Mount Vernon Company has achieved a 300,000% return on its original investment and has maintained a perfect credit record throughout.

As a result of our value-added investment philosophy and success in anticipating market direction, the Mount Vernon Company insulated itself from the effects of the serious downturn in the Boston area real estate market in the late 1980's. The Mount Vernon Company then accurately predicted the market bottom in the early 1990's, correctly called the stock market crash in 2001 and the 2008 housing collapse.

Beyond it's focus on real estate, The Mount Vernon Company has long been dedicated to volunteerism and charitable giving. The company has been deeply involved in many non-profits throughout Massachusetts and has integrated support of charities into the day-to-day operation of the company.

The combination of a conservative investment philosophy, creative marketing approaches, tightly controlled property management, effective market timing and support of the community has put The Mount Vernon Company in a unique position among firms of its size in the Boston area.

INVESTMENT STRATEGY

MVC's investment strategy is to acquire or develop properties whose market appeal, lack of supply, high cost of reproduction or historic nature make them unique and irreplaceable rather than "commodity" real estate.

MVC invests in both residential and commercial properties and focuses on increasing value through improved marketing, management and visual upgrades as well as major development.

MVC's approach is to hold properties for the long term and maintain buildings to the highest standards. Because our quality of The Mount Vernon Company buildings, we are able to attract and retain high quality tenants.

MVC focuses on geographic areas where it understands market conditions and market movements. The Company also uses its market feel to purchase properties in upcoming areas before market values are recognized.



122 Unit Apartment Complex
Moshassuck Square Apartments
Providence, Rhode Island



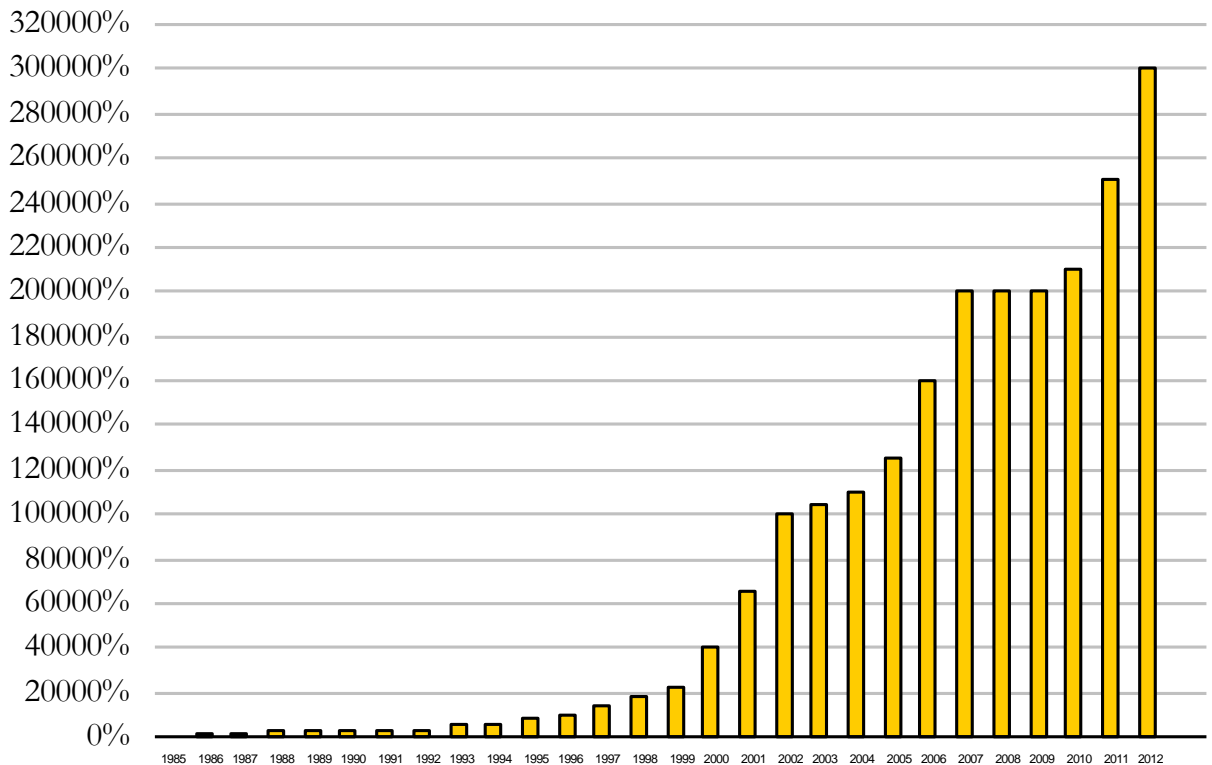
75 Unit Apartment Building
1850 Commonwealth Avenue, Brighton,
MA

INVESTMENT PERFORMANCE

The Mount Vernon Company, over the past 27 years, has outperformed its competitors through careful acquisition strategy, a value added approach, and keen attention to market timing and trends.

Established in 1985, the Mount Vernon Company's initial seed capital investment has increased over 300,000% . Of equal note is the fact that of over 100 transactions, the Mount Vernon Company has registered only two capital losses. Additionally, MVC was one of only a few area companies to have avoided any credit problems during the 1990 and 2008 real estate market crashes.

Investment Performance: 1985-2012



REPRESENTATIVE TRANSACTION SUMMARY

RESIDENTIAL

- 172 Commonwealth Ave., Boston, MA
9 Unit Apartment Building
- 457 Centre Street, Newton, MA
22 Unit Apartment Building
- 1-6 Walnut Terrace, Newton, MA
12 Unit Apartment Building
- 230 Walnut Street, Newton, MA
46 Unit Apartment Building
- Moshassuck Square Apts., Providence, RI
122 Unit Apartment Building
- 1298-1300 Commonwealth Ave., Brighton, MA
150 Unit Apartment Building
- Strathmore Road Apartments, Brighton, MA
104 Unit Apartment Building
- Woods Edge Apartments, Attleboro, MA
100 Unit Apartment Building
- 1850 Commonwealth Ave., Brighton, MA
75 Unit Apartment Building
- 1844-1846 Commonwealth Ave., Brighton, MA
36 Unit Apartment Building
- 110 Warren Street, Brighton, MA
50 Unit Apartment Building
- 11 Embassy Road, Brighton, MA
25 Unit Apartment Building
- 299-301 Newbury Street, Boston, MA
18 Unit Apartment & Retail Building
- 32 Symphony Road, Boston, MA
30 Unit Apartment Building
- 90-92 Charles Street, Boston, MA
29 Unit Apartment Building
- Harvard Avenue, Cambridge, MA
26 Unit Apartment Building
- 78-80 Porter Road, Cambridge, MA
26 Unit Apartment Building
- 527 Beacon Street, Boston, MA
23 Unit Apartment Building
- 225-227 Newbury Street, Boston, MA
17 Unit Apartment & Retail Building
- 33 Waterston Street, Quincy, MA
25 Unit Apartment Building
- 304 Berkeley Street, Boston, MA
10 Unit Apartment Building
- 176 Commonwealth Avenue, Boston, MA
8 Unit Apartment Building
- 300 Marlborough Street, Boston, MA
8 Unit Apartment Building
- 17 Cortes Street, Boston, MA
7 Unit Apartment Building
- 118 Charles Street, Boston, MA
9 Unit Apartment Building
- 278 Newbury Street, Boston, MA
10 Unit Apartment Building
- East Shore Apartments, E. Providence, RI
90 Unit Apartment Building
- Eastgate Apartments, Providence, RI
106 Unit Apartment Building
- 65 Brainerd Road, Allston MA
100 Unit Apartment Building
- 60-66 Brainerd Road, Allston MA
79 Unit Apartment Building
- 74-86 Brainerd Road, Allston MA
79 Unit Apartment Building
- 75 Brainerd Road, Allston MA
Proposed 108 Unit Apartment Building
- 457 Centre Street, Newton, MA
24 Unit Apartment Building

REPRESENTATIVE TRANSACTION SUMMARY

COMMERCIAL

- 11811 US Highway One, North Palm Beach, FL
21,000 Square Foot Office & Retail Building
- 927 Belvedere Road, West Palm Beach, FL
15,000 Square Foot Office Building
- 1010 Massachusetts Ave, Boston, MA
200,000 Square Foot Office Building
- 85 Magazine Street, Boston, MA
45,000 Square Foot Development Site
- 139 Turnpike Road, Canton, MA
40,000 Square Foot Office R&D Building
- 278 Walnut Street, Newton, MA
30,000 Square Foot Office Building
- 701 Concord Avenue, Cambridge, MA
20,000 Square Foot Office Building
- 278 Washington Street, Brighton, MA
30,000 Square Foot Medical Building
- Kendall Square, Cambridge, MA
50,000 Square Foot Land Assemblage
- 139 Main Street, Cambridge, MA
30,000 Square Foot Office Building
- 49 Old Connecticut Path, Framingham, MA
25,000 Square Foot Office Building
- Weybossett Street, Providence, RI
30,000 Square Foot Office Building
- 276 Newbury Street, Boston, MA
8,000 Square Foot Office & Retail Building
- 5 Broad Street, Boston, MA
10,000 Square Foot Office Building
- 225-227 Newbury Street, Boston, MA
17 Unit Apartment & Retail Building
- 299-301 Newbury Street, Boston, MA
18 Unit Apartment & Retail Building
- 254 Newbury Street, Boston, MA
5,000 Square Foot Restaurant and Retail Building



1010 Massachusetts Avenue, Boston, MA

REPRESENTATIVE BUILDINGS



42 STRATHMORE ROAD



300 MARLBOROUGH STREET



176 COMMONWEALTH AVENUE



276 NEWBURY STREET

REPRESENTATIVE BUILDINGS



41-43 JOY STREET



10 FAIRFIELD STREET

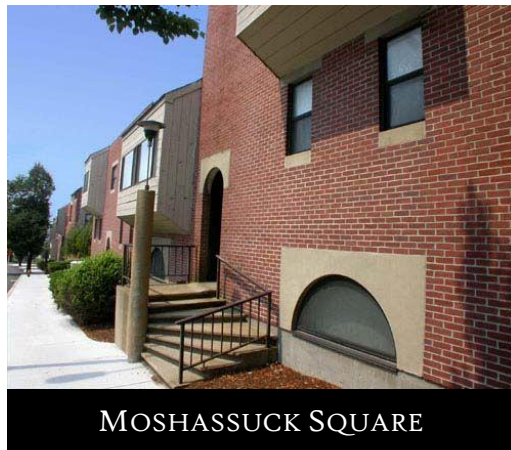
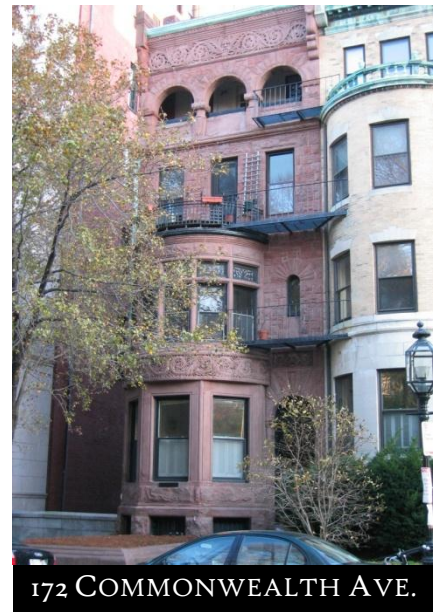
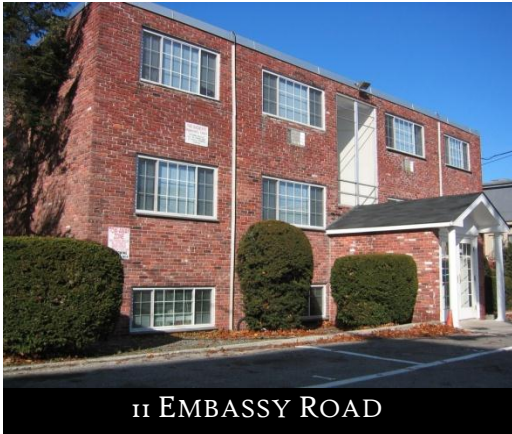


110 WARREN STREET



225-227 NEWBURY STREET

REPRESENTATIVE BUILDINGS



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TRANSACTIONS

TEAM PROFILE

MANAGEMENT

ADVERTISING & MARKETING

VOLUNTEERISM

REFERENCES

REPRESENTATIVE BUILDINGS



CORPORATE PROFILE

INVESTMENT STRATEGY

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TEAM PROFILE

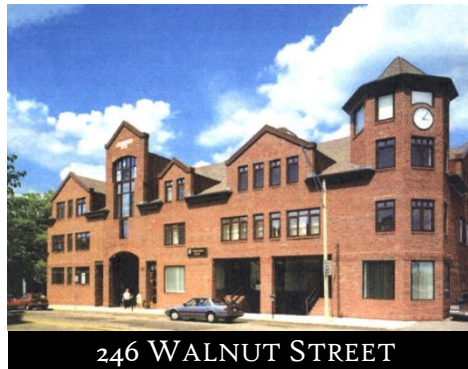
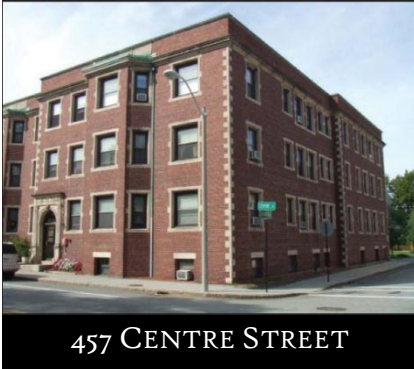
MANAGEMENT

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REFERENCES

**FEATURING
NEW ENGLAND
BILLBOARD**
with over \$1 billion in
offerings contained
within its pages

Real Estate Journal

THE LARGEST WEEKLY COMMERCIAL/INVESTMENT NEWSPAPER IN THE WORLD

**FEATURING
GREEN
BUILDINGS**

SPECIAL INSERT

BUTLER OF CUSHMAN & WAKEFIELD BROKERS \$4.8 MILLION LAND SALE FOR LEGGAT MCCALL PROPS.

Mount Vernon Co. to develop \$23 million 100 unit apartment building in Allston

Jan January 28 - February 3, 2011

HI-LIGHTS

Stubblebine arranges 18,000 s/f lease for Agilitron and LaserCraze

Hughes Entertainment, Inc., dba LaserCraze signed a 18,000 s/f lease at 15 Presidential Way, Woburn, Mass., with Agilitron, LLC.
SEE PAGE 9A



Linear Retail acquires 62-66 Charles St. from 7-Eleven - \$4.1m

Aubrey Cannuscio of Linear Retail Properties handles acquisitions for Linear. Adam Conviser of Conviser Prop. Group was sole broker.
SEE COVER, SEC. B, SHOPPING CTRS.



Also inside: 4 sections, 128 pages

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Rendering of Griggs St. apartment building, Allston, Mass.

ALLSTON, MA The Mount Vernon Co. has acquired a 40,000 s/f site on Griggs St., which was approved



Bruce Percelay

by the BRA for 100 apartments and 101 parking spaces. The new development is planned to cost \$23



Rendering of Griggs St. apartment building, Allston, Mass.

well as a manned security desk in a fireplace lit lobby.

The site itself has for nearly three-quarters of a century housed repair garages. According to Mount Vernon chairman Bruce Percelay, "We have a unique opportunity to create a building that will literally transform

the neighborhood and change the entire face of Griggs St."

Butlers said, "This acquisition will enhance The Mount Vernon Co.'s status as one of the premier landlords in the area and we feel they were the ideal buyer for this site."

*for full story visit nerej.com



Simon Butler

million. The site is located near Commonwealth Ave. and is adjacent to 150 units already owned by Mount Vernon, which has a portfolio of over 600 units in the area. Simon Butler of Cushman & Wakefield brokered the \$4.8 million land sale on behalf of the seller, Leggat McCall Properties.

The building, which is being designed by The Architectural Team, will be five stories with over 100,000 s/f and will be marketed toward young professionals. The units will feature oversized studios, one bedrooms and one bedrooms with dens as large as 1,000 s/f. The apartments will feature granite countertops, stainless steel appliances, Wi-Fi services, an astro-turf roof deck, as

Cardente Real Estate leases 4,300 s/f to Cellular Sales of Knoxville, Inc.

PORTLAND, ME According to Cardente Real Estate, Cellular Sales of Knoxville, Inc. has leased 4,300 s/f of retail space at 3 Somerset St. This transaction was brokered on behalf of the landlord, The CARBO Company, by Matthew Cardente of Cardente Real Estate.

Also, The Writers Exchange, LLC has leased 2,600 s/f of office space at 110 Exchange St. This transaction was brokered on behalf of the

landlord by Michael Cardente of Cardente Real Estate.

In addition, TBW, LLC. has purchased a 46,292 s/f mixed use building located at 38 Main St. in Livermore Falls. The Bank Block Building is a landmark historic property overlooking the Androscoggin River. This transaction was brokered by Michael Cardente of Cardente Real Estate.

*to comment on this story visit nerej.com



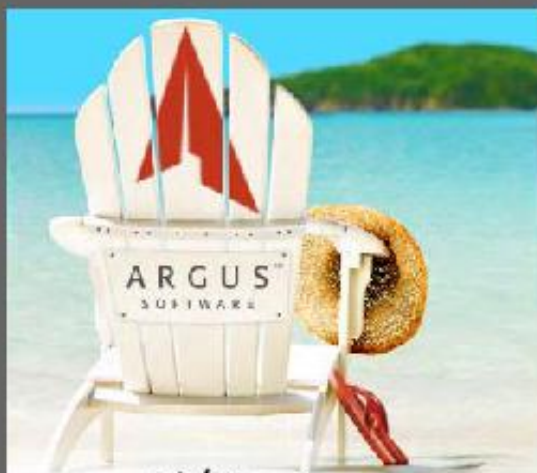
Mt. Vernon's Rise

Last Call for Bisnow's **Multifamily Summit**. Join more than 600 movers-and-shakers signed up for all-star speakers and premium schmooze time. Tomorrow at the Hyatt Regency. [Sign up now!](#)

Say what you want about public schools, but we know that r-e-c-e-s-s-i-o-n spells opportunity. Mt Vernon Co founder **Bruce Percelay** has evidence: The Boston market is on the rise, albeit without the big bargains of the '90s recession when his firm came into its own. Last month, he did deals (mostly multifamily) valued at about \$50M.



We snapped Bruce in his Back Bay office (as he just happened to pick up **Nantucket**, which he publishes). During the '90s recession, Wall Street and institutional investors viewed multifamily rentals as an asset class for "sissies," he tells us, with steady returns and 10% cap rates. But that worked for Mt. Vernon: It amassed 1,400 units including some it bought for \$85/SF, now valued at \$700/SF. Later, **Wall Street** and institutions investors discovered apartment buildings and now, he says, cap rates are more like 5%, mirroring multiples of public companies.



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THE MOUNT VERNON COMPANY IS BULLISH ON BOSTON

\$4,800,000

86-120 Charles Street, Boston, MA
21 Unit Mixed Use Apartment Building

The undersigned acted as buyer in the above transaction



THE MOUNT VERNON COMPANY

\$23,000,000

Mount Vernon Square, Allston, MA
100 Unit Apartment Development

The undersigned is acting developer in the above transaction



THE MOUNT VERNON COMPANY

\$3,250,000

60 - 66 Brainerd Road, Allston, MA
50,000 sq. ft. Future Development Project

The undersigned acted as buyer in the above transaction



THE MOUNT VERNON COMPANY

\$4,250,000

254 Newbury Street, Boston, MA
7,000 sq. ft. Retail and Residential Building

The undersigned acted as seller in the above transaction



THE MOUNT VERNON COMPANY

\$3,000,000

29 Grove Street, Boston, MA
9 Unit Condominium Development

The undersigned acted as developer in the above transaction



THE MOUNT VERNON COMPANY

\$2,600,000

33 - 35 Waterston Avenue, Quincy, MA
23 Unit Apartment Building

The undersigned acted as seller in the above transaction



THE MOUNT VERNON COMPANY

\$1,251,000

235 Charles Street, Cambridge, MA
6 Unit Apartment Building

The undersigned acted as buyer in the above transaction



THE MOUNT VERNON COMPANY

\$7,800,000

31 - 35 South Street, Brighton, MA
34 Unit Apartment Building

The undersigned acted as seller in the above transaction



THE MOUNT VERNON COMPANY

\$4,000,000

434 Massachusetts Avenue, Boston, MA
46,000 sq. ft. Office and Retail Building

The undersigned acted as buyer in the above transaction



THE MOUNT VERNON COMPANY

\$3,500,000

63 - 65 Hancock Street, Boston, MA
22 Unit Apartment Building

The undersigned acted as borrower in the above refinancing

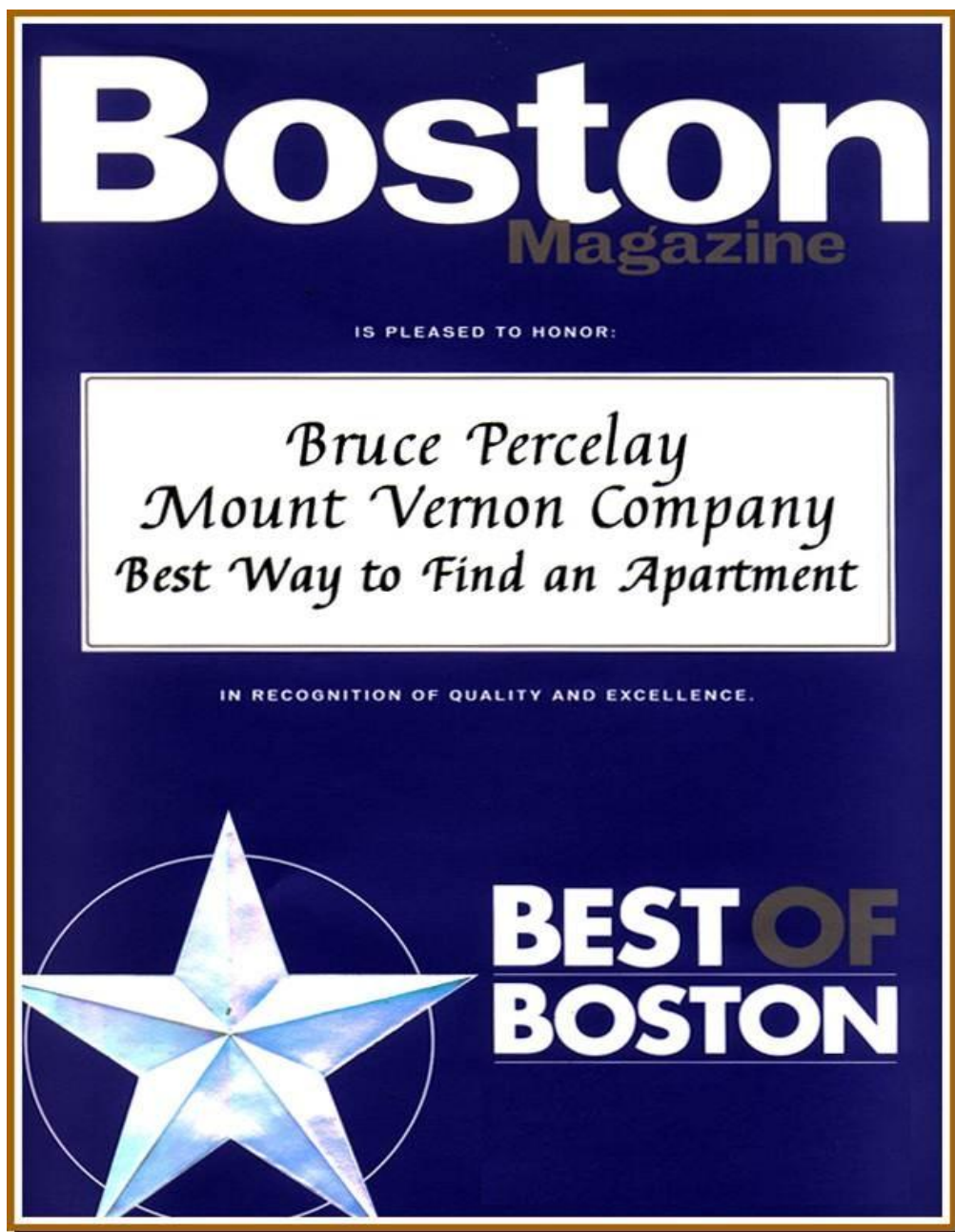


THE MOUNT VERNON COMPANY

THE MOUNT VERNON COMPANY

29 Commonwealth Ave, Boston, MA 02116, Phone: 617.267.0006 Fax: 617.267.8908

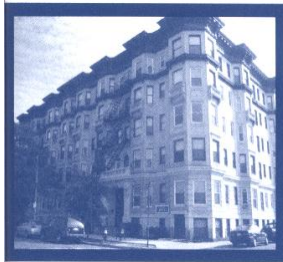
www.mvernon.com



2004 Market Rate Community of Excellence

Pre 1979 Mid/High Rise * 150 Units or Under

**61-77 Brighton Avenue/
1298-1302 Commonwealth Avenue
The Mount Vernon Company**



The Mount Vernon Company Purchased the three circa 1930 Buildings in 2003. In spite of the Strong market during the ten years Prior to acquisition, the properties had been in a steady state of decline. The past five years saw the most serious management of the buildings, resulting in significant deferred maintenance problems and serious tenancy problems. The

lobbies were shabby and often the home of derelicts, landscaping was overgrown, and some units were not fit for habitation. At the time of purchase, the buildings experienced an 18% vacancy.

In the course of one year following acquisition, the Mount Vernon Company re-tenanted over 60% of the units, renovated all common areas, upgraded buildings exteriors, added low flow toilets, insulated windows and all water and heating pipes. In addition, forty six apartment units were renovated complete with CAT6 high speed internet wiring.

Today, the buildings are among the highest quality rental buildings in the area and fully leased (with the exception of units off line for renovation). The quality of the tenants has improved dramatically, the common areas have been redone, the exteriors improved and nearly one-third of the units have been renovated.

According to Boston City Councilor Jerry McDermott, the Mount Vernon Company has "single-handedly taken a problem property and turned it into housing that enhances the neighborhood."



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

Vol. 141

WASHINGTON, TUESDAY, JULY 25, 1995

No. 121

Senate

HONORING BRUCE A. PERCELAY

• Mr. KERRY. Mr. President, Bruce Percelay celebrated his 40th birthday yesterday, and I ask my colleagues to join me in extending him our deepest congratulations and our sincere best wishes for the future.

Mr. President, Bruce Percelay is a special person. He is a man who has made a difference to Massachusetts. He is one of those rare individuals who has enjoyed personal success, but takes time to give something back. He is one of the most respected and appreciated civic leaders of greater Boston, and his charitable works are of enormous consequence to our community.

Some in my State know Bruce Percelay because of his dedication and hard work to his profession. He is a recognized expert in real estate investment, renovation, and marketing, and, in fact, has written a book based on his real estate experience which made the list of Boston's top selling business books. He has appeared on television and has been quoted in magazines and newspapers around the country for his wit and wisdom.

But, others know Bruce Percelay for something perhaps more important. They know him for the work he has done to give young people a chance. They know him for what he has done to

make a difference in the lives of people, and in the life of our community.

As President of the Boston chapter of the Make-A-Wish Foundation, Bruce has, through his creativity and hard work, made sure that the Foundation is strong enough to survive for years to come. He has increased the Foundation's financial reserves by 400 percent, and found it a permanent home in a new, prime, downtown office location.

He has overseen the development of a permanent charter and a 5-year strategic plan, expanded the board of directors, improved the quality of the foundation's special events and was successful in recruiting another well-known Massachusetts native to serve as chairperson, Carly Simon.

Mr. President, Bruce Percelay is a very special human being who cares deeply for his community and for people who need a helping hand. Let me tell Bruce's greatest achievement as president of Make-A-Wish, and a touching story that has affected all of us in Massachusetts. Bruce was single-handedly responsible for granting the largest of all wishes ever granted by Make-A-Wish worldwide.

He arranged, Mr. President, for a family with two terminally ill children and no father to own their own home without a mortgage. The children have since died, and the mother is raising her two remaining children in the home.

Bruce worked and worked and worked to grant the wish of the oldest child for his mother to have a place to live after he died; and he made it happen.

TEAM PROFILE- BRUCE A. PERCELAY

Because of Bruce Percelay, Mr. President, the Boston chapter of Make-A-Wish is one of the fastest growing of the 80 chapters in the United States. And I would ask my colleagues to join me in recognizing the extraordinary contribution Bruce has made to Make-A-Wish, but that's not all he has done.

A program near and dear to my heart, as you well know, Mr. President, has also benefitted from the community spirit of Bruce Percelay. Because of his efforts YouthBuild Boston is an extraordinarily successful inner-city youth development program that has helped hundreds of at-risk kids become self-sufficient through education and personal character development.

Bruce first became involved with YouthBuild in February, 1993, just about 2½ years ago. Since then Bruce has been the driving force behind a critical fund-raising component that may ultimately provide 50 percent of YouthBuild's financial support reducing its dependence on Federal funding—though successful and proven programs like YouthBuild should never lose the support of this Congress.

What Bruce did was not easy, and, in fact, it was an innovative and persuasive approach that assured community participation and a partnership for success.

Through his persistence and his perseverance he brought YouthBuild together with Boston's banking community and established a board of advisors who agreed to become sponsors of the organization, and together they have raised \$500,000 to buy and renovate a site that will be YouthBuild's permanent home.

Because of Bruce's hands-on participation and commitment, a recent event for YouthBuild at the Kennedy Library in Boston had an unprecedented turnout of over 500 business people to launch this major fund-raising effort.

Mr. President, Bruce Percelay knows what citizenship means. He values service and has a commitment to creating the kind of partnerships necessary to make community programs

succeed and grow. He is a worker, a giver, a doer, and, perhaps, a little bit of a dreamer who has helped to rekindle the flame of hope and restore the spirit of community in each of us in Massachusetts.

His good-will and good deeds should be an example for all of us, in every state, in every community who believe in giving something back and trying to make a difference in the lives of those who need a hand.

Mr. President, on this, his 40th birthday, I think it is fitting for the United States Senate to recognize, congratulate, and honor Bruce Percelay, and to wish him continued personal success, good health, and many, many more years in which to enjoy them.*

BOSTON HOMES

THE COMPLETE GUIDE

MAY 9-15, 1998 SERVING BACK BAY, BEACON HILL, NORTH END/WATERFRONT, SOUTH END & CHARLESTOWN 509

Looking into Bruce Percelay's crystal ball

BY DEBORAH TAYLOR
CONTRIBUTING EDITOR

Bruce A. Percelay is the founder of The Mount Vernon Company, which owns, renovates and manages historic properties in Back Bay and Beacon Hill. His complete portfolio consists of over 400 rental units. He predicted the real estate crash of the late '80s and predicted the market recovery of the '90s.

Chairman of the Make-A-Wish Foundation of Greater Boston, Percelay arranged for the largest gift donated by the organization — the gift of a home to a family with two terminally ill children. He also serves on an advisory board at the Brookings Institute in Washington, DC, is a director of Mass Inc., and is active in local political and community affairs. Bruce Percelay is the author of "Packaging Your Home For Profit."

Q: How did you get your start in real estate development?

A: I was working for a large advertis-

ing agency in Boston and needed a place to live. I purchased a sad little condominium on the backside of Beacon Hill in 1981 for a whopping nineteen thousand dollars. My banker begged me not to purchase the unit. At the time the word "condo" was quite foreign in Boston. I went ahead with the purchase, fixed it up with sweat equity on my lunch break, and proceeded to sell it for twice what I paid. I then traded up to a larger unit and had a similar result. I kept doing this as a pastime until it dawned on me that there might be something to this real estate business.

Q: When did you make the transition to the Mount Vernon Company?

A: After two years of flipping units, it became clear to me that my path to financial freedom was not in the advertising business but in the ownership and renovation of properties. I joined Leggat McCall as Director of Marketing in 1983. I became involved in the marketing and brokerage of very large commercial pro-

jects including Copley Place and Fifty Three State Street.

At the time we were marketing billions of dollars worth of very sophisticated commercial real estate. We developed a marketing capability that no other firm had. We took a true "Proctor and Gamble" consumer marketing approach to real estate.

Continued on page 7



Bruce Percelay predicted the real estate crash of the late '80s and the market recovery of the '90s.

TEAM PROFILE- BRUCE A. PERCELAY

Percelay has formula for success

Continued from page 1

After four years at Leggatt McCall I decided that the development side of real estate was more interesting to me than the brokerage side.

Brokers told me that my side projects were outperforming the market. I was doing a lot of high value added cosmetic improvements to the properties that I owned. I started to keep very detailed records about the work that I was doing.

On a whim, I put a book proposal together on how to market property. Little Brown offered to publish the book, so I left my job and took one year off to write the book. Writing the book was the bridge to starting my own investment company via a literary effort. It was not a typical entree into the real estate world.

Q: What was your first deal?

A: My first deal was the purchase of a small 30,000 square foot office building in Kendall Square. It was in a prime location but the building was vacant. The banks rejected me until I got Mass Eye and Ear to lease the entire building for ten years. Two weeks before the closing, the deal almost fell apart and I had amassed over sixty thousand dollars of legal bills without any apparent means to pay it.

It was a real home run. The leasing deal immediately doubled the value of the building. I used the equity in that property to buy other properties. Had that deal failed I would now be selling peanuts at Fenway Park.

Q: What kind of challenges have you faced?

A: As soon as I started my business I had a very strong suspicion that the real estate market was headed for a

crash. Consequently, I treated real estate like a hot potato. I bought and sold buildings as fast as I could. I actually wrote a letter to the editor of the Boston Globe spelling out the crash scenario. I felt that there was a speculative fever that was disconnected to market fundamentals. People were buying buildings based on tomorrow's numbers projected on today's appreciation rates.

I wanted to buy properties that made sense at the moment. I couldn't believe people were so overconfident. The investors who were buying these units were doctors, lawyers and dentists. The banks were lending to all the wrong people for all the wrong reasons. It was a challenge for me to go to these banks that were lending to these glitzy, Rolex and Jaguar clad investors. I must have seemed like a Boy Scout to the bankers.

Q: How did you handle your suspicions about the market crashing?

A: By 1989 I sold everything including my house and became a renter. I had money in the bank, no debt and owned no real estate. I felt that here was a business that I knew and loved but the market had tanked. The outlook was so bleak.

By 1990 it was impossible to know if the market would ever recover. I became depressed at the thought of not being able to practice the business that I wanted to be in. It's not easy to make money in a declining real estate market. I then became a consultant for Kennedy Wilson, a real estate auction and marketing company.

Q: When did you feel that it was time to get back into the market?

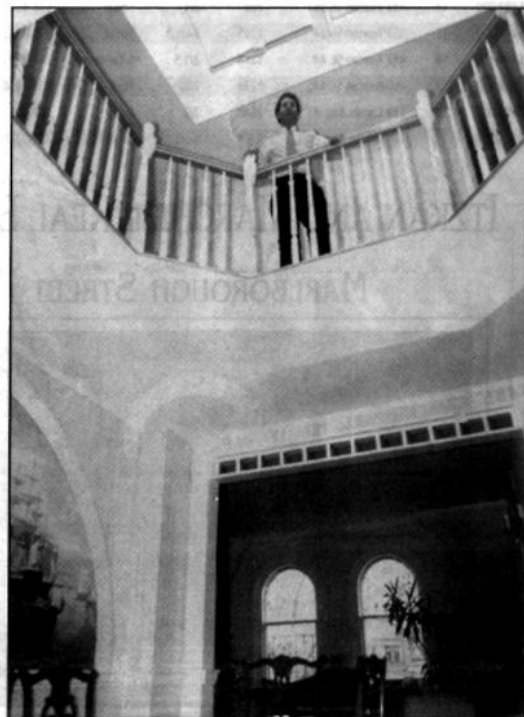
A: In the early '90s, prices plummeted and it became cheaper to own than to rent. The market had oversold. I felt the market was close to the bottom and I started to buy residential buildings that generated cash flow. At this point I left Kennedy Wilson and started to buy apartment buildings in the Back Bay and Beacon Hill. Citizen's Bank was my primary lender, other banks were not willing to finance me.

I then put together a business plan called "Buy the Back Bay". No one was interested, so I had to do it myself. I started to buy apartment buildings very aggressively. These choice properties started to generate substantial cash flow. I kept acquiring buildings.

What was a disaster for many people was a huge opportunity for me. I would have loved to have more capital to purchase more property. The premise of my business plan was to buy irreplaceable real estate. The property in Back Bay and Beacon Hill is one of a kind that will only appreciate. The buildings are historic and this limited supply cannot be reproduced. We now have a portfolio of over 400 properties.

Q: What do you attribute to your success?

A: We have a formula on how to restore and renovate properties. When we make the acquisition, the acquisition has to fit our approach. We buy buildings in good locations that are structurally sound but cosmetically flawed. We do not do gut rehabs because they don't generate enough profit. We buy buildings that look worse than they are and make them look like total rehabs by only spending 20 percent of the cost of a



Bruce Percelay's business plan is built upon buying irreplaceable real estate.

total rehab. We are fastidious about the quality of our work. I have a personal philosophy that I will not rent a unit that I am not willing to live in.

Q: What is your next foray?

A: I am looking for opportunistic purchases of buildings. We are continuing to grow, but at a very cautious pace. I enjoy working in the non-profit arena and am active in the Make A Wish Foundation, and have been extensively involved with

Youthbuild, which is an inner city youth development program that teaches discipline through the construction trade.

I have a passion for both local national politics. I am very involved with Mass Inc, a nonpartisan think tank. I have aspirations to contribute to the formation of public policy issues on both the state and national level. I have been very lucky in business and hope to share my good fortune with others on a broad scale.

TEAM PROFILE- BRUCE A. PERCELAY



The Redevelopment Niche

The Mount Vernon Company's marketing strategy employs strategic cosmetic upgrades to enhance the value of its properties. As a result, the real estate investment firm is on a major growth spurt.

BY KATHRYN JONES

With a background in advertising and marketing, Bruce A. Percelay brought a unique perspective to the real estate industry when he founded Mount Vernon Company in Boston more than 20 years ago.

"I discovered a direct connection between effective marketing and success in real estate," he relates. "I began to apply the concepts I had learned in marketing to maximize the value of residential properties and discovered a formula that we use today that is responsible for our success."

Percelay published his concept in the 1986 book,

Packaging Your Home for Profit: How to Sell Your Condo or Home for More in Less Time, which detailed the company's marketing philosophy. That philosophy, he says, can be summed up in just a few words: "We're not in the development business; we're in the redevelopment business," Percelay asserts.

"We feel we can add 75 to 80 percent

of the added value that you might not achieve through new construction by performing strategic cosmetic upgrades to properties.

"We are able to generate tremendous upside through strategic and highly visual improvements. [This allows] the consumer to see and feel the work that we have done in ways that generate almost the same kind of positive reaction that one would get out of brand new construction. This may range from the decorating schemes and unusual amenities to the application of moldings and finished materials that make our units highly attractive without spending the amount of money needed for gut rehabs or new construction."

Mount Vernon owns 30 buildings totaling approximately 1,400 apartment units in Massachusetts and Rhode Island. "We are considering taking our approach and rolling it out on a larger scale, but we will be very discreet in which markets we decide to expand," Percelay says. "We are also considering the purchase of REIT [real estate investment trust]. We tend to invest in core markets where the properties are unique rather than commodities. Our products are not easily replicated and they have a reason for being that way."

The Mount Vernon Company
www.mtvernon.com
HQ: Boston
Employees: 22
Service: Real estate investment
Bruce A. Percelay, chairman
and founder: "I discovered a
direct connection between
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cess in real estate."

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The company's developments are usually near public transportation or have convenient access to major highways.

These properties are becoming increasingly more valuable due to the current energy crisis, Percelay notes. Also, the company serves strong markets, particularly those close to higher education institutions. "One of the hallmarks of the company is we provide Class A management to Class-B properties," Percelay says.

The Proof is in the Pudding

A notable property for Mount Vernon is the 122-unit Moshassuck Square Apart-

"ONE OF THE HALLMARKS OF [MOUNT VERNON] IS WE PROVIDE CLASS-A MANAGEMENT TO CLASS-B PROPERTIES."

mentive renovation to the systems and added basic features, such as new sliding glass doors, new life-safety systems and new kitchen appliances.

It upgraded the property's landscaping and built a swimming pool.

"On the outside, it was run down and the inside reeked of cigarette smoke," Percelay recalls. "It felt like a correctional institution."

But Percelay saw the potential. 230 Walnut's stucco received a fresh coat of paint with a contrasting color for the relief panels and brackets to highlight the building's unique architectural details. The courtyard was re-landscaped, and Mount Vernon installed a new mansard roof, wiring and additional life-safety systems. Individual units received new bathrooms, kitchens, carpeting and refinished hardwood floors. For its efforts, the com-



Mount Vernon serves strong markets, particularly those close to higher education institutions. Its developments are usually near public transportation or have convenient access to major highways.

ments in downtown Providence, which are leased out to students of the Rhode Island School of Design. "The property itself from the outside was in relatively good condition, but the previous owner was less than fastidious when it came to the interiors and landscaping," Percelay notes.

"We take buildings that are neglected or poorly managed, where the owner does not see the opportunities, and we'll create the opportunities."

"This property had enormous potential in that it has a river running through it with the potential for spectacular greenery, bridges and all sorts of physical amenities you could never get in a conventional property, but sadly, the owner did not take advantage of it."

Mount Vernon performed a compre-

"Now, this property is an urban oasis," Percelay declares. "It has a very serene riverfront location that is private, yet it's located in the core of downtown Providence. For an art student, it is very conducive to being creative."

"I think we've found the perfect tenants and the perfect owner with the Rhode Island School of Design."

Another one of Mount Vernon's "drab-to-fab" projects is 230 Walnut Street in Newton, Mass., which is close to public transportation, as well as the Massachusetts Turnpike.

Despite its prime location, it was a tough sell. The interiors were dreary, outdated and in a state of decay. Those tenants who did settle for a unit had less-than-ideal credit histories.

pany received the Paragon Award from the National Apartment Association.

"It's like the equivalent of the Oscar for real estate," he notes.

It's also a clue of what's to come, Percelay adds. "We're growing very quickly and expect to reach 5,000 units within the next two to three years," he says.

"The mindset of potential homeowners has changed."

"It's clear now that buying a home is not necessarily a ticket to riches. Right now, it doesn't make economic sense to invest in residential property. Because of the tighter financing market, people are having more difficulties buying houses or condominiums; therefore, the apartment business is a direct beneficiary. The line is 'rent is the new own.'" ■

Published by Schofield Media Ltd. Tel: 312.236.4090 Fax: 312.236.4266
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TEAM PROFILE- BRUCE A. PERCELAY



Mr. Percelay is publisher of Nantucket Times Magazine, a glossy, seven-issue publication on Nantucket.

The magazine has emerged as the most successful new publication on the island and boasts one of the highest demographic profiles of any publication in America. The magazine has a readership of approximately 35,000 and includes local, regional and national advertising.

After launching the magazine, Percelay sold half his interest to DuPont Publishing, the owner of the DuPont Registry family of magazines and negotiated a strategic partnership with Boston Magazine.

Featured cover profiles have included Senators John Kerry and Ted Kennedy, actors Jerry Stiller and Ann Meara, author David Halberstam, and newscasters Chris Matthews and Brian Williams.

TEAM PROFILE- BRUCE A. PERCELAY

WE'VE BEEN BUSY!

OVER ONE HUNDRED TWENTY MILLION DOLLARS, 20 TRANSACTIONS, IN 12 MONTHS.

<p>\$10,000,000</p> <p>Moshassuck Square Providence, RI</p> <p>122 Unit Apartment Building</p> <p><i>The undersigned acted as buyer in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$14,896,000</p> <p>East Shore and Eastgate East Providence, RI</p> <p>196 Unit Apartment Portfolio</p> <p><i>The undersigned acted as buyer in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$4,700,000</p> <p>70-80 Porter Road Cambridge, MA</p> <p>26 Unit Apartment Building</p> <p><i>The undersigned acted as buyer in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$12,500,000</p> <p>Strathmore Road Apartments Brighton, MA</p> <p>108 Unit Apartment Complex</p> <p><i>The undersigned refinanced the above property</i></p>  <p>THE MOUNT VERNON COMPANY</p>
<p>\$7,600,000</p> <p>230 Walnut Street Newton, MA</p> <p>46 Unit Apartment Portfolio</p> <p><i>The undersigned acted as buyer in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$2,300,000</p> <p>1-6 Walnut Terrace Newton, MA</p> <p>12 Unit Apartment Portfolio</p> <p><i>The undersigned acted as buyer in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$4,100,000</p> <p>457 Centre Street Newton, MA</p> <p>24 Unit Apartment Portfolio</p> <p><i>The undersigned acted as buyer in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$14,000,000</p> <p>Brighton Apartment Portfolio Allston, MA</p> <p>203 Unit Apartment Portfolio</p> <p><i>The undersigned master leased properties for six years</i></p>  <p>THE MOUNT VERNON COMPANY</p>
<p>\$7,630,000</p> <p>31-35 South Street Brighton, MA</p> <p>32 Unit Apartment Building</p> <p><i>The undersigned acted as buyer in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$4,950,000</p> <p>63-65 Hancock Street Boston, MA</p> <p>22 Unit Apartment Building</p> <p><i>The undersigned acted as buyer in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$2,725,000</p> <p>278 Newbury Street Boston, MA</p> <p>10 Unit Commercial/Residential</p> <p><i>The undersigned acted as buyer in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$3,780,000</p> <p>246 Walnut Street Newton, MA</p> <p>33,285 s.f. Office Building</p> <p><i>The undersigned refinanced through Citizens Bank</i></p>  <p>THE MOUNT VERNON COMPANY</p>
<p>\$7,531,062</p> <p>299-301 Newbury Street Boston, MA</p> <p>18 Unit Apartment Building</p> <p><i>The undersigned acted as seller in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$2,400,000</p> <p>10 Fairfield Street Boston, MA</p> <p>8 Unit Apartment Building</p> <p><i>The undersigned acted as buyer in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$2,000,000</p> <p>83-87 Brighton Avenue Allston, MA</p> <p>12 Units</p> <p><i>The undersigned acted as buyer in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$17,000,000</p> <p>Moshassuck Square Providence, RI</p> <p>122 Unit Apartment Building</p> <p><i>The undersigned master leased property for ten years</i></p>  <p>THE MOUNT VERNON COMPANY</p>
<p>\$1,850,000</p> <p>79-81 Brighton Avenue Allston, MA</p> <p>12 Unit Apartment Complex</p> <p><i>The undersigned acted as buyer in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$2,800,000</p> <p>24 Almanac Road Nantucket, MA</p> <p>Residential Investment Property</p> <p><i>The undersigned acted as buyer in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$2,100,000</p> <p>927 Belvedere Road West Palm Beach, FL</p> <p>20,000 sq ft warehouse</p> <p><i>The undersigned acted as seller in the above transaction</i></p>  <p>THE MOUNT VERNON COMPANY</p>	<p>\$1,250,000</p> <p>11811 US Highway One Palm Beach Gardens, FL</p> <p>20,000 sq ft office building</p> <p><i>The undersigned completed a ten year lease with the Melting Pot Restaurant</i></p>  <p>THE MOUNT VERNON COMPANY</p>

THE MOUNT VERNON COMPANY 276 Newbury Street, Boston, MA 02116 ~ 617.267.0006
www.mvernon.com



A VALUE ADDED APPROACH - THE MVC DIFFERENCE

The Mount Vernon Company's approach to property management is unique. Unlike conventional property management, MVC manages properties through the eyes of an owner since it is the foundation of our business.

Each and every decision MVC makes during the management process is made within the context of preserving and adding value to the asset. Consideration is made to determine the return on investment on each and every capital improvement, repair, maintenance service and policy decision during our term as manager.

Using our "value added" management approach, the net cost of MVC's service's are lower than conventional management relationships because of both cost savings and value creation.

INITIAL PROPERTY EVALUATION

MVC conducts an initial property evaluation that determines the strengths and weaknesses of a property and its vendors, and then makes specific recommendations toward maximizing both value and operational efficiency.

DESIGN SERVICES

MVC includes in its management fee, design and esthetic advice on ways to enhance the appeal of a project. This advice is based on extensive experience MVC has in adding value to real estate of all types.

PREVENTATIVE MAINTENANCE APPROACH

The Mount Vernon Company constantly monitors issues relating to preventative maintenance. On older structures this may include monitoring brass pipes, scaling or deteriorating brownstone, roof or pointing condition, elevator condition, rusting of iron work and fire escapes, and proper operation of fire safety systems, air quality, mold issues and more. Our Goal is to make sure that minor problems do not grow into major expenses. While these items may result in extra short term costs, these expenditures can save many thousands of dollars when addressed in a preemptive fashion.

(continued)

MANAGEMENT SERVICES

REPAIR & MAINTENANCE CAPABILITIES

From essential building services to emergency repairs, MVC can often deliver services at a lower cost than comparable providers due to the volume of work we perform. We can also provide service with greater speed because of our proximity to the properties we manage. It has been our experience that fast response to day-to-day tenant requests helps maintain positive tenant relations, especially in buildings where high rent levels often bring higher expectations.

ENERGY & WATER CONSERVATION

MVC considers efficient energy and water use to be an essential role of the property manager in maximizing property returns.

Through a series of specific steps, including replacement of old toilets with low-usage units, wrapping of heating pipes, installation of low-flow shower heads, proper maintenance of boilers, use of fluorescent fixtures, and application of new energy Technology, we can achieve significant savings to both commercial and residential property owners.

VALUE-ADDED CONSTRUCTION MANAGEMENT

Because of our familiarity with older or historic buildings and our extensive office rehab experience, our in-house construction capability can deliver projects faster and often for less money than comparable firms.

Through our in-house construction capability, MVC provides invaluable direction on how to add value to buildings by knowing which improvements do and do not pay high returns on their investment.

(continued)



ACCOUNTING CAPABILITY

The Mount Vernon Company has established a strong accounting capability which is backed up by the expertise of Price Waterhouse, our corporate accounting firm.

MVC utilizes the Yardi Management Software system, which offers complete and easy to understand monthly reporting for all real estate management services.

TENANT RELATIONS

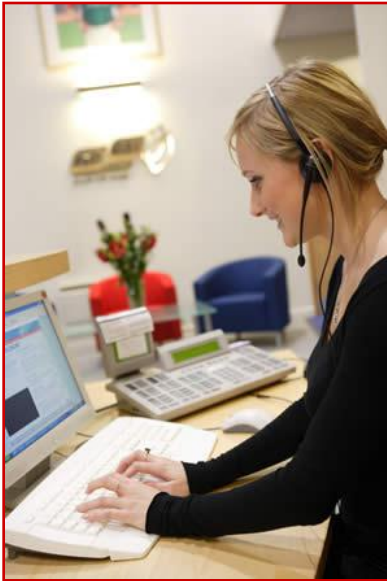
One of MVC's most effective management strategies is to serve the head of not only the senior executive of a firm in our buildings but each and every employee.

By winning the support of all those who occupy a building, not only does it boost morale but encourages people to better care for the property. MVC sponsors tenant events, contests and other creative approaches to make our buildings as enjoyable as possible in which to work.

PRINCIPAL INVOLVEMENT

MVC clients have the benefit of direct involvement from the principals of the company, unlike larger and more general real estate firms.

Decisions affecting the value of our clients' properties are not made by lower level staff members but by those who own the company and have extensive real estate experience. While larger companies may seem to offer more benefits in this area, they often provide a disadvantage simply because they cannot give the personal attention from the top that a specialized company can provide.



VOLUNTEERISM



The Mount Vernon Company is highly involved in civic affairs and encourages all its employees to support the community through volunteerism.



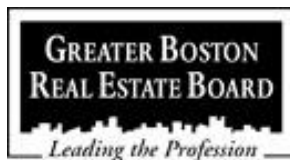
The principal of the Mount Vernon Company, Bruce A. Percelay, has established himself as a leader in the community through his activities in both non-profit and organization.



Mr. Percelay served as President & Chairman of Habitat for Humanity and Chairman of the Board of the Make-A-Wish Foundation. He is on the Board of Directors of the Nantucket Historical Association, was President Elect of the Greater Boston Real Estate Board/Rental Housing Association and has served on the Board of Directors of Youth Build and the Massachusetts Institute for a New Commonwealth. He is also a member of REFA, Boston's Real Estate Finance Association.



Mount Vernon Company employees have also supported the American Ireland Fund, the Arlington Street Church and The Back Bay and Beacon Hill Neighborhood Associations, Saint Jude Children's Research Hospital, Shriners Hospitals, and the Fenway Community Health Center.



The Make-A-Wish Foundation has helped fulfill the wishes of over 66,000 children since 1980.

