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In Person

Financing The World Over

Sunday, February 8, 2015, 3:00am

Richard McCready

Title: President, The Davis Cos.

Age: 56

Experience: 30 years

Richard McCready's career began as an attorney for Mintz Levin in Boston, where he arranged financing for ventures from mink farms and Nile River cruise boats to Thoroughbred racehorses. Eventually McCready made the transition to real estate development at Winthrop Financial Assoc. and NorthStar Realty Finance Corp. before joining The Davis Cos. of Boston as its president in April.

Q: How did you make the transition from practicing law to real estate development?

A: I took a position at Mintz Levin where I early on did a lot of financing work. In 1986, the tax law changed. A lot of that work went away. But often in law firms you are united with a mentor, and mine was Howard Cohen, who runs Beacon Communities. I worked with Howard for a number of years in the affordable housing area before I left and ultimately went with a client, Winthrop Financial. That's when I made the transition to the principal side.

Q: How did the opportunity at Davis Cos. arise?

A: (Davis Cos.' CEO and Founder) Jonathan Davis was

the chairman of the Boys & Girls Club of Boston and I had gotten involved as an overseer. I happened to reach out to him to say, "I understand you're in the real estate business. I'd love to get together and have lunch." That turned into a three-and-a-half hour lunch after which he asked me about joining him. We determined we had similar outlooks on the world and could be good partners with one another.



Richard McCready

Q: How would you describe Davis Cos.' mission and investment strategy?

A: It's harder. The value in those years was in the buy, the price you came in at. Today, a lot of it is the value creation that occurs after you buy it. That's what sets this platform apart: having this vertically-integrated operating company in addition to an investment management fund platform. We have in-house property management, in-house leasing along with asset management, in-house development capabilities. All of those make you able to act more quickly because all your information-gathering is under your own roof.

Q: What are your plans for your recent acquisition of 1 Cabot Road in Medford?

A: This building needs a refresh. It looks old and dated. The other piece is looking at Medford. It is going to get an overflow from Cambridge for tenants that are looking for better value and, at the same time, you get a lot of activity in terms of residential development and Assembly Row creating more amenities. Between 128 and the city, where are the pockets that give you great access to public transportation?

Q: What will the commercial properties off Route 128 look like in 10 years?

A: We're going toward what I call mini-campuses. Instead of a bunch of office parks that don't speak to each other on a street, in the spaces that we are trying to create, such as Burlington Business Center, there will be areas with green outdoor spaces, a large restaurant/cafe that serves all the tenants, a fitness center big enough to serve all the tenants. The other thing you're going to see is a lot more residential apartments right adjacent to office facilities.

Q: Where are the value opportunities remaining in downtown Boston?

A: The towers still have a lot of vacancy relative to other parts of the market. We look at those opportunities. You're going to see creation of more residential in the Financial District. The other thing is we look at ground-up development much more than in the last four or five years because there was no financing appetite for it. Right now there's almost no condominium projects that are affordable, and I use the term loosely.

Q: Will affordability increase if financing loosens up?

A: I think it will. Lenders are getting more comfortable with development and condominium financing. That's going to be a key to having more of that product.

Q: How are you financing acquisitions and development?

A: The first discretionary fund was raised in 2009. That fund was \$230 million and was fully deployed by 2012. Fund two was kicked off in 2011 and was \$415 million, and we are about 80 percent invested. The investment period goes until November 2016. We are very actively discussing right now the next fund.

McCready's Top 5 Favorite Activities:

1. Anything where I'm accompanied by my wife, Rosemary.
2. The rare treat of a family dinner with all three of my kids (especially when I am cooking).
3. Snowboarding in fresh powder.
4. Paddleboarding into a clean wave.
5. Exploring foreign cities.