

The Sun, Lowell, Massachusetts
November 24, 2002, page 15
The Local Angle – by Dan O'Brien

Commercial real estate pro scores on theory that service still sells

When Lowell native Mark Cote and two partners founded T3 Realty Advisors in August 2001, some people suggested it might not be a good idea – or at least not the right time for a good idea. The commercial real estate market was already showing signs of cracking in wake of the dot-com bust.

A month later came the terror attacks which further put business activity into a shell, and could easily have spelled the end for a real estate startup.

But 15 months later; cote and his partners are not only still on their feet, they appear to have built up some momentum.

Cote says that just because the market for commercial real estate is lousy – and with the local space availability rate at 25 percent or so, it *is* lousy – that doesn't mean companies don't have a need for real estate services.

“Our services go beyond strict brokerage,” said Cote, a 1991 Lowell High graduate who went on to study government and play football at Harvard. “We're involved in the strategic planning, which isn't only finding space, but also help with subleases, terminating with landlords, even wiring and furniture. We solely represent tenants.”

The concept appears to be working. Cote said Waltham-based T3 (which stands for technology, tenant, and team) has accumulated about 50 clients and has five employees.

Local clients include RSA Security, for which T3 found new space in Sweden and helped sublease space at its Crosby Drive site in Bedford; and the former Silverstream Software of Billerica, which was recently bought out by Novell and moved its operations to Waltham.

“We're not overextending ourselves,” Cote said, noting that having a personal stake in the company demands caution. “In tough times, the model is a little different. We're trying to keep our burn rate low, expand strategically, and not make mistakes.”

And in this market, there are plenty to be made. Cote makes no bones about where he feels market conditions are worst – the Bedford-Billerica corridor.

“Companies went there during the boom to get away from high costs in Cambridge,” Cote explained. “Now that rents are coming down, companies are coming back to Newton, Waltham, the Central Route 128 area.”

T3 has helped land some new arrivals in Greater Lowell, including nVidia, a semiconductor company specializing in graphics processors that took some RSA space in Bedford. It helped with the transfer of Millipore's headquarters from Bedford to Billerica and, through the help of venture capital firms, has landed in a few small-tenant deals at Nagog Park in Acton.

But, overall, it's going to take awhile before the commercial market rebounds, Cote predicts.

"At least a year," he said. "There's just not enough demand." The key problem, he said is that larger companies like Cisco Systems, Sycamore Networks and Nortel Networks are seeking to unload chunks of space that are too large for startups to consider.

Cote and his partners (one, Greg Hoffmeister, was cote's position coach on the Harvard football team; the other, Roy Hirshland was recently named to *The Boston Business Journal's* "40 Under 40" list) worked together on the technology team at Meredith & Grew. But even after the dot-com demise, they still saw a need still existed to service technology companies.

"These days, you either have to be a strong niche player focusing on a certain area or a big multinational company," Cote said. "With the fact that everybody else was getting out of technology as quickly as possible, we decided to go out on our own."

Dan O'Brien's email address is dobrien@lowellsun.com