

Fallon breaks ground on Fan Pier

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By Michelle Hillman

Banners have been advertising that “Fan Pier is Here” for months.

On Wednesday that statement finally came true when developer Joseph Fallon and local dignitaries held a groundbreaking ceremony for the first 500,000-square-foot office building on the south Boston waterfront site.

The design, permitting and development of Fan Pier has been in the making for 25 years and has been held up as one of the city’s most ambitious and promising projects for decades. While the shovels only dug into a pile of dirt set up on pavement, the real digging will begin in several months time, insisted Fallon, who along with his partner, Massachusetts Mutual Life Insurance Co., bought the property two years ago for \$115 million.

Regardless, the fact that real progress is being made on the site, which is currently used as a parking lot, will encourage business to seriously consider locating an office on the harbor’s edge.

“The fact of the groundbreaking has increased the pace of tenant activity substantially,” said Stephen Lynch of CB Richard Ellis/Lynch Murphy Walsh Advisors, which is leasing the office portion of Fan Pier.

Lynch said since the marketing opened on May 1 there have been at least two dozen prospective companies that have visited the site. When Lynch was asked if there were any signed leases to announce he said “not that we’re reporting today” adding “we will have a tenant soon.”

Until the groundbreaking, the public had little faith that Fan Pier would actually happen after years of stalled development, different owners and unfavorable market conditions held up the project. Office tenants, who are reportedly being asked to pay as much as \$70 per square foot, wanted assurance Fallon’s plan was a reality.

A number of commercial tenants are searching the Boston market for large blocks of space, which is getting harder and harder to come by as the downtown market continues to improve. By breaking ground ahead of other developers who have office projects in the works Fallon has a greater chance of landing an anchor tenant. The only other office building currently under construction in Boston is a 215,000-square-foot tower at Two Financial Center.

“Boston is still a “show me” town and the start of construction is what a lot of tenants have been waiting to see,” said Lynch.

The groundbreaking of the first building is just the beginning for the nearly 3 million square feet of office, residential, hotel, retail and public uses approved for the 21-acre waterfront parcel.

Even still, it seems like a long time in the making, even for Fallon, who's only been involved with the project for two of the 25 years.

"I feel like I should be opening this building instead of starting construction," said Fallon.