

First Phase of Mammoth \$3B Green Development in Boston Kicks Off

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By Barbra Murray

The Fallon Co. broke ground today on the 500,000-square-foot One Fan Pier Boulevard, which will be the first office structure to grace the high-end 3 million-square-foot fan Pier mixed-use development in Boston. Spanning 21 acres along the harbor, the entire development – already home to the one-year-old Institute of Contemporary Art—will cost \$3 billion to complete and will be the largest green project in the city.

One Fan Pier was designed by Elkus/Manfredi Architects Ltd. And will feature approximately 500,000 square feet of premier office space, underground parking and 40,000 square feet of retail space in a two-story retail podium. Turner Construction is on board as general contractor and will complete the building in late 2009 or early 2010. One Fan Pier is part of the mixed-use project's first construction phase, which is scheduled for completion in about four years at a cost of \$800,000 million. In addition to One Fan Pier, the initial phase will also yield a 20-story hotel featuring 175 guestrooms and residential units, Two Fan Pier Boulevard, which will contain 500,000 feet of office space and an additional 75,000 square feet of retail, and a 96-slip deepwater Marina covering six acres.

“On the commercial side, which is what we’re focused on now, there has been absolute interest from a number of tenants,” Joseph Fallon, president & CEO of Boston-based The Fallon Co., told CPN. “There is a demand for tenants seeking 350,000 to 400,000 square feet, but those who are most interested are businesses seeking 75,000 to 150,000 square feet; they’re concerned there won’t be enough space for them in the city. As for residential, the mortgage crunch has had a ripple effect to lenders, but this project is not as affected by the crunch because a lot of homeowners looking at this property do not seek lenders for debt; they buy with cash, not a mortgage.”

As for going green on such a large scale, Fallon has no reservations. “Most important, we believe it’s the responsible thing to do,” he said. “If it’s not commonplace today, it will be tomorrow. It’s time for new product that’s much more efficient and sensitive to the environment.” He added that the environmentally-friendly offerings at Fan Pier are beneficial to tenants as well. “The cost of operations of the buildings is less so the impact on tenants on a long-term basis is significant.