

One Marina Park: High Hopes for an empty building

1.29.09: Boston Business Journal

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By Mary K. Pratt

Location may be everything in real estate, but developer Joe Fallon thinks he has a good timing, too.

Fallon, president and CEO of The Fallon Co. in Boston, is behind One Marina Park Drive, an 18-story office tower being built-completely on spec-on South Boston's Fan Pier.

Even in the most robust economies, developers take bigger chances by building before they have committed tenants on board. In today's economy, it's almost unheard-of-as evidenced by the dearth of similar projects in and around the city.

Fallon isn't shaken, though.

"We're comfortable that we'll be positioned pretty well when we open in 13 to 16 months," he said in a recent phone interview " We were always comfortable that this property would o well, and our financial partners recognized it right away as well."

Fallon is working with Cornerstone Real Estate Advisors LLC and Massachusetts Mutual Life Insurance Co. to develop Fan Pier. Fallon bought the 21-acre waterfront site in late 2005 with plans to develop nine buildings on the property. Plans also call for upgrades to park space and the HarborWalk.

The site already holds the new Institute for Contemporary Art. Work on the adjacent marina, which will be big enough to accommodate grand yachts, is under way.

Completion of One Marina Park Drive is set for 2010 – as has been planned since the start, Fallon said. Neither the economy nor the lack of committed tenants has – or will-change that, he adds.

Fallon went even further, saying that the timing could actually work in his favor. He pointed out that more than 80 percent of the buildings in Boston are 25 years old or older. Meanwhile, the slowdown in the economy has stalled plans for other new commercial projects, making his project one of just a handful that will open in the next year or two.

Moreover, he said, One Marina Park Drive will add prime office space into a market that even in this stressed economy still boasts low office vacancy rates.

Fallon acknowledged that no tenants have signed leases yet, but the said he has a letter of intent from a restaurant that plans to open on the ground floor next year. He said he wouldn't disclose the name of the restaurant until after a lease has been signed.

He said other potential deals are in the works.

“The interest has always been strong because of the location,” he said, citing the tower’s views as well as the proximity to the I-93, the Silver Line and water transportation as big draws.