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Allianz Real Estate provides \$150 million financing for 265 Franklin St. in downtown Boston

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Boston, MA Allianz Real Estate has provided \$150 million financing for 265 Franklin St. in downtown, according to reports.

The 21-story building is owned by a joint venture of Clarendon Properties and a fund managed by BlackRock. Located in the city's Financial District, the building offers multi-tenant and full-floor floorplates. The office spans 350,534 s/f and includes a ground floor with retail stores that occupy the entire block and underground parking.

The property is 96.5% occupied with more than 36 tenants that have long-term leases. The office building's two largest leases belong to a law firm and bank with no other tenant having more than 5 percent of the leasable area.

According to Allianz, 265 Franklin offered stable long-term cash flow with potential revenue upside and fit within the company's focus of investing in core assets.

Last year, Allianz also made a major investment in downtown when it partnered with Beacon Capital Partners to acquire a 1.2 million s/f office property for \$845 million.

Even though the COVID-19 pandemic has affected the office market throughout the U.S., Mike Cale, co-head of U.S. Debt at Allianz Real Estate, said in prepared remarks that active cities like Boston still offer long-term growth opportunities despite the ongoing crisis.

Christoph Donner, CEO of Allianz Real Estate of America, added in his prepared statement that 265 Franklin would contribute to the resilience of the Allianz portfolio, especially as the U.S. continues dealing with the COVID-19 pandemic over the next 12 to 18 months. Donner also advocated for Boston's downtown financial district in his prepared remarks, saying that it would remain relevant as a place to work and an investment opportunity.

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