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JLL arranges joint venture equity and \$300 million construction loan - for the redevelopment of 40 Thorndike, a 475,000 s/f mixed-use project

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Cambridge, MA According to JLL, its Capital Markets group arranged debt and equity financing for the redevelopment of 40 Thorndike, a 475,000 s/f mixed-use project with office, residential and retail uses.

JLL worked on behalf of the borrower, a joint venture between Leggat McCall Properties and Granite Properties, to secure the \$300 million fixed-rate construction loan through Bank OZK. JLL also secured joint venture equity for the project through CBRE Global Investors.

The redevelopment of 40 Thorndike will focus on quality and sustainability, with the project seeking LEED Gold Certification as well as an improvement in energy consumption standards of 20% over American National Standards Institute recommendations, a green roof, rainwater harvesting features and a high-performance building envelope. Upon completion, the 20-story project will offer 421,000 s/f of class A office space, 11,000 s/f of street-level retail and 48 affordable apartment units. Amenities will include a fitness space, restaurant space, childcare, a shared conference/community center and a bike room with adjoining shower and locker facility. The development team continues to meet regularly with the community to provide updates on construction as they work toward a building occupancy goal of fall 2023.

40 Thorndike is positioned within walking distance of Kendall Sq., Cambridge Crossing and downtown Boston. Given the proximity to MIT and Harvard University, East Cambridge has become known as a preeminent global innovation hub, attracting more than 300-plus technology, life science and other innovative companies that are drawn to the access to talent and the opportunity to collaborate. The site also has vehicular access to Storrow Dr., Memorial Dr., I-93, the Mass. Pike

and connectivity to Boston Logan International Airport, just a 15-minute drive from the project.

The area is a high-growth market with office rents increasing more than 130% since 2010, higher than any other global market. During this same time frame, the region has maintained a near-zero percent vacancy rate. The majority of the under-construction supply is slated for lab use, making 40 Thorndike the only fully available office opportunity in the area.

JLL's Capital Markets team representing the borrower was led by executive managing directors Riaz Cassum and Trey Morsbach and senior managing directors Brett Paulsrud and Jim Curtin.

"As tenant demand from large tech tenants increasingly shifts to the east coast in search of talent and quality lifestyles, East Cambridge and 40 Thorndike are poised to capitalize on this demand," Paulsrud said. "We are proud to be a part of this exciting redevelopment and help facilitate Leggat McCall's and Granite's vision for this innovative project."

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