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Davis and Principal Real Estate sell Charles Park for \$815 million - sold to an affiliate of Alexandria Real Estate Equities, Inc.

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Cambridge, MA According to The Davis Companies, an affiliate of Alexandria Real Estate Equities, Inc. has acquired One Charles Park and One Rogers St. (Charles Park) for \$815 million from a joint venture controlled by Davis and Principal Real Estate Investors. The two existing buildings will be redeveloped by Davis and Alexandria into a 400,000 s/f class A life science project.

Located on more than three acres of land along the highly desirable First St. corridor in East Cambridge, Charles Park includes a 656-space parking garage. Davis acquired its ownership interest in Charles Park in December 2020, through a recapitalization with Principal Real Estate Investors that valued the property at \$467 million.

“The success of the Charles Park investment is the result of yet another in a series of successful collaborations between Davis and Principal Real Estate Investors,” said Cappy Daume, head of asset management for Davis. “By pairing our team’s creative development vision and execution capabilities with Principal’s deep resources, focus and flexibility, we have been able to position Charles Park as a class A life science opportunity, in what is inarguably the country’s best life science submarket, that will deliver well in advance of most of the oncoming competitive pipeline.”

With only one year having passed between the initial Davis/Principal Real Estate Investors recapitalization and this sale, execution of the Charles Park investment reflects a high level of efficiency in the successful relocation of Charles Park’s anchor tenant, Pegasystems Inc., which had occupied more than 50% of the building since 2012 and had rights to remain in the property beyond

2030.

“By working closely with Pegasystems on a solution that enabled them to right size their own corporate footprint, we were able to quickly move toward clearing the path for redevelopment of the asset,” said Michael Cantalupa, chief development officer at Davis. “We look forward to working collaboratively with Alexandria to complete the transformation of this asset.”

The Kendall Sq./East Cambridge neighborhood is adjacent to MIT and the Charles River and is home to a world-renowned cluster of laboratories, leading academic and research institutions and corporate headquarters. The epicenter of the life science boom, Kendall Square has often been called “the most innovative square mile on the planet.”

Newmark, led by co-head of U.S. Capital Markets Robert Griffin, represented Principal Real Estate Investors in the December 2020 recapitalization and the Principal Real Estate Investors/Davis partnership in the 2021 sale.

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