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Related Beal closes financing on Innovation Square Phase III development

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Boston, MA Related Beal has closed financing on Innovation Square Phase III (ISQ3), a 345,000 s/f life science development in the city's Raymond L. Flynn Marine Park (RLFMP). Details of the financing were not disclosed.

This major milestone signifies the latest phase of ISQ3, and the continued expansion of Related Beal's life science presence in the Eastern Seaport. The building will be fully occupied by Vertex Pharmaceuticals, the first major biotech company in the Seaport and catalyst to the city's global life science hub. Delivering research facilities, ISQ3 offers community benefits through education and employment opportunities, prioritizes diversity, equity, and inclusion, and serves as a model for sustainability and resiliency. In April, the Boston Planning and Development Agency approved the final developer designation of the long-term lease to the ownership group, which includes Related

Beal, Mitsui Fudosan America, Vertex, Boston Real Estate Inclusion Fund (BREIF), and Kavanagh Advisory Group.

“Related Beal is thrilled to enter the construction phase of the development of ISQ3 and work with an incredible team of partners, lenders, and one of the world’s most influential biotech leaders, Boston’s own Vertex Pharmaceuticals. We are thankful to move forward with such a unique project, and we are excited to soon put shovels in the ground,” said Stephen Faber, executive vice president of Related Beal. “We are grateful to our elected officials, Boston’s planning and economic development teams, the Mass. Department of Environmental Protection, and our valued neighbors in the Raymond L. Flynn Marine Park for their support in making this project a model for responsible, sustainable economic development that will greatly benefit the community.”

ISQ3 is Vertex’s second research building occupied in the RLFMP developed with Related Beal.

In February of 2022, Vertex moved into the Jeffrey Leiden Center for Cell and Genetic Therapies built by Related Beal, and later that year signed a lease with Related Beal for ISQ3 while the parcel was being entitled. The new facility at ISQ3 will be named the Jeffrey Leiden Center for Cell and Genetic Therapies II (Leiden II) and, together with Leiden I, will be known as the Leiden Campus.

Reflecting the development team’s commitment to sustainability, ISQ3 will also be the first LEED Platinum and zero-net-carbon life sciences building in Boston. The facility will incorporate features such as a high-performance envelope design, mechanical, electrical, and plumbing electrification using heat pump technologies, maximum on-site renewable energy generation through rooftop photovoltaics, and a reduction in embodied carbon through a whole building life cycle assessment.

“This project is a tremendous opportunity to welcome women and minority investors to help close the wealth gap in Boston. Moreover, expanding exposure and interest in biotechnology to a wider range of people reinforces the strength of the Boston economy,” said Richard Taylor, BREIF Partner.

BREIF aims to provide BIPOC with unprecedented access to invest in transformative projects in mature markets from which they have been historically excluded. For ISQ3, BREIF partnered with Basis Investment Group, a minority-women-owned business enterprise, that is a capital partner in the project through its equity platform, BIG Equity. Santander Bank, Ullico, LBBW, and Washington Capital are providing construction financing. The real estate firm Newmark assisted Related Beal in obtaining financing for the project.

The commitment to building a diverse team is exemplified across the project, with over 50% of the project team comprised of minority- or women-owned businesses. The partnership between SGA and DREAM Collaborative is leading the project’s architectural design. Related Beal Construction and Janey Construction Management, along with Consigli, are collaborating on the building construction. Additionally, InOrder Business will act as a construction diversity consultant to elevate DE&I participation among the many sub-contractors who will be hired during the construction of the project.

Substantial public benefits from the project include support for the Boston Fisheries Foundation, an important economic partner and neighbor on the South Boston waterfront, as well as STEM education, technical job training in the life sciences, and employment for Boston residents. A strategic partnership established with The Gloucester Marine Genomics Institute (GMGI) will expand GMGI's middle and high school STEM education programs in local Boston schools and enable GMGI to operate a custom lab to train certified biomanufacturing technicians to enter the growing life science workforce. Additional public benefits will support important local organizations such as the No Books No Ball basketball program and the tutoring service PieRSquared.

Located at 331-339 Northern Avenue in the Seaport, ISQ3 will include seven floors of state-of-the-art life sciences space in addition to a variety of on-site amenities including a café, fitness center, roof deck, conference and event space, and outdoor public seating for an enhanced pedestrian experience.

Construction on ISQ3 is underway and will be completed in 2026. The project will generate as many as 700 construction jobs and approximately 500 permanent jobs for the city.

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