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New Boston Fund sponsors Thesis Award for Ctr. of Real Estate at MIT

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Anthony Guma recently won this year's Thesis Award from the Alumni Association for the Center for Real Estate (AACRE) at MIT, sponsored by New Boston Fund, Inc., a real estate investment, development and management firm.

The annual scholarship is awarded to a graduating student whose thesis work exemplifies a high level of excellence, and has the potential for meaningful contributions to the MIT Center for Real Estate, the real estate industry, and society as a whole. Candidates are nominated by a faculty advisor and the winner is chosen by an outside nominating committee.

"The AACRE Thesis Award recognizes the innovative research being performed by students at MIT," said Jerry Rappaport, Jr., president and CEO of New Boston Fund. "New Boston Fund is honored to sponsor this scholarship that annually recognizes an individual who is an emerging leader in the real estate industry."

Guma's thesis titled, "A Real Options Analysis of a Vertically Expandable Real Estate Development," researches the value and feasibility of developing a given quantity of space initially on urban sites with the option to add more vertically in the future. Guma uses the Health Care Service Corp. headquarters in Chicago, Ill. as the basis for the analysis and to point to the potential value of vertical expansion. The existing building was built with the option to expand to almost twice its initial height.

"Anthony's compelling thesis on the value of flexibility in design clearly explains a topic -- real options valuation -- that is typically couched in financially complex language," said Richard de Neufville, professor of Engineering Systems and of Civil and Environmental Engineering as well as Guma's thesis supervisor at MIT. "If companies can better understand the costs and advantages of the potential for future vertical expansion, they could weather market uncertainties more strategically and efficiently. Boston developers should take a good look at how Tufts University is now exercising its option on vertical expansion by doubling the height of its downtown Dental School."

Guma worked for six years at Foster Partners in London and Boston, an international architectural firm, where he was involved in the major expansion of Boston's Museum of Fine Arts. He has been a LEED Accredited Professional since 2006 and received his Master of Science in Real Estate Development (MSRED) from MIT in September where he also holds a Master of Architecture. This is the second year that New Boston has sponsored this award.

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