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Dave Provost, Boston Properties speaks at NE Chapter breakfast

November 19, 2007 - Spotlights

The New England SIOR Chapter held its first fall Featured Landlord breakfast event with Boston Properties at the Newton Marriott on Wednesday, September 19th. Mark Stevens, Chapter president welcomed over 40 SIORs and guests who attended the private breakfast event. David Provost, senior vice president, leasing of Boston Properties, gave a great overview of the current Boston Properties' assets in the greater Boston area and new developments that are planned for the next five years.

Provost gave a summary on the history of Boston Properties and its core holdings. The company was founded in 1970 in Boston, expanded in NYC in the 1980s and then Washington D.C. The biggest client is the US Government as a tenant and they execute a great deal of build-to-suits. The company today is publicly listed and is an S&P 500 company with a market capitalization value of \$20 billion with over 40 million s/f of properties. Provost was quite honored that Boston Properties had also been named the Landlord of the Year by GBREB's Commercial Brokers Association. The company primarily develops, owns and operates premier properties in core markets. The five core markets include Boston, NYC, Washington D.C, San Francisco and Silicon Valley. They currently have \$2 billion in cash for future acquisitions and are very financially strong. They have the ability to raise \$800 million over a weekend. The company has grown by way of 50% from acquisitions and 50% from new development.

In the Boston area market, Boston Properties has 49 properties, nine million s/f with an overall 94% occupancy in three core submarkets. The three core markets include Back Bay, East Cambridge and Central Rte. 128.

Provost spent some time explaining their new philosophy on office development which is to concentrate on all glass buildings and "green" projects. They are planning to develop another tower next to the Prudential Center which is currently 99% leased with 2.6 million s/f of office space and 580,000 s/f of retail. Russia Wharf is also another planned development with a "green" building that will be predominately all glass. Glass buildings are inspiring and allow natural light which increases employee productivity. The glass building will also protect the environment and Provost again believes they will never build another brick building again.

In East Cambridge, Boston Properties has 10 properties with 1.5 million s/f, 96% occupied that comprises lab, office and hotel space. Provost sees East Cambridge as a finite market due to the lack of land area.

In the Central Rte. 128 market, Boston Properties has 30 properties, 4.1 million s/f with a 90% occupancy between the Mass Pike and Rte. 2. He says that there is more square feet between these two points than in all of downtown Miami. He has another two million s/f planned for development or under construction. The Bedford Business Park will be renovated from R&D to an all

glass office exterior. Currently iRobot has leased 150,000 s/f. Provost expects another 150-300,000 s/f of office space to be leased on Rte. 128 in the next two months with rents moving to the high \$30 per s/f range. Due to rents increasing, Boston Properties is focused on exposing real value to tenants in terms of showing tenants how these projects can increase employee productivity. Additionally, Boston Properties is planning 400,000 s/f in Marlboro at Signature Park for bio, medical, lab, office, R&D or hi-tech space. Another office and hotel development in Framingham abutting the Exit 12 tolls is planned; 350,000 s/f is planned at Weston Corp. Center at Rte. 20 and Rte. 128 with full amenities and underground parking; and 210,000 s/f, six story building is planned at 77 City Point in Waltham. City Point will be an all glass, green project. Provost announced that they have one signed lease for this project. He thinks that City Point might be the first "green" building in the Boston suburbs. It will be a contemporary building with full floor to ceiling glass exterior. This Prospect Hill project could be 5-10 years for the full redevelopment of the area with new office and retail projects next to the Westin Hotel.

The New England SIOR Chapter would like to thank Boston Properties for sponsoring this event and to Jim Boudrot for arranging the event.

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