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SUBURBAN SHAKE-UP

BETTING ON BURLINGTON

Equity Office Moves To Revamp New England Executive Park

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Equity Office Properties is teeing up plans to revamp its 1 million-square-foot holdings at the New England Executive Park, as one of Greater Boston's biggest landlords seeks to shift the balance of power in the suburban office market away from Waltham, and toward Burlington.

Last week, Equity secured Burlington Town Meeting approval for a significant overhaul of the 56-acre, 1.1 million-square-foot office park. The new zoning will allow Equity to add up to 400,000 square feet in net new space, and hotel, restaurant, small-scale retail and fitness uses to the park.

"We're really excited," said John Conley, vice president of asset management at Equity. "It's a good opportunity for us to go after Class-A tenants we've been missing."

Conley said the park, which sprang up in the 1960s and early 1970s, was once "the preeminent park along [Route] 128."

'Not Kept Up With Time'

That was some time ago. The buildings have aged to a point where they have become a detriment to Equity's leasing efforts.

Dated architecture features like narrow ribbon windows "have not kept up with time," Conley said. Mechanical systems aren't as efficient as Equity would like. Zoning that Burlington put in place after the park's completion capped floor-area



"The new zoning allows Equity to provide the product that matches the location."

- Mark Vaughan

ratios at levels below what's in place on the ground. Thirteen buildings are served by a single cafeteria.

"Class-A tenants love the location, but some of the buildings are older, and it's not the image they're trying to portray to show that image of success," Conley said. "We've lost a lot of deals to buildings in Burlington

and Waltham. What we kept hearing was that they wanted a mixed-use environment, amenities and attractive architecture."

"It's really a premier location, a Class-A location," said Mark Vaughan, the senior partner at Riemer & Braunstein who handled the year-and-a-half rezoning effort. "The new zoning allows Equity to provide a product that matches the location."

Conley said Equity will now launch what's shaping up to be a 10-year repositioning project for the park. Some older buildings will likely be torn down and replaced, while others will receive renovations and additions.

Equity, which was purchased in 2007 by the private equity firm Blackstone in a \$39 billion, top-market deal, has been one of Boston's most active landlords recently – both in making deals, and in improving assets. It has shored up its tenant roster by bringing rents down to market level and convincing tenants to upgrade to Class-A space. The firm has not shied away from extensive tenant improvement renovations. It also dropped \$40 million to \$50 million on new lobbies at hallmark downtown towers.

"Part of our presentation to the town was those upgrades to the properties in Boston," Vaughan said. "It's clear that Equity has the capital to reinvest in this park in similar fashion." ■

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