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Fan Pier getting new complex

Office building on Northern Avenue adds to wave of major construction in the area

By Casey Ross
GLOBE STAFF

Developer Joseph F. Fallon is proceeding with construction of a 17-story office building along Northern Avenue, a symbol of Boston's rejuvenated real estate market and the rapid redevelopment of many of its commercial districts.

Work will begin Wednesday on the new complex across from the Institute for Contemporary Art at 100 Northern Ave. It will join a series of large construction sites in the South Boston Innovation District, where major corporate tenants are rapidly altering the skyline.

The law firm Goodwin Procter LLP will occupy most of Fallon's building, while accounting giant PricewaterhouseCoopers is preparing to move into another building under construction nearby. Other surrounding lots are being filled in by new apartment towers, bringing hundreds of new residents to the district.

"People and businesses are coming here because there's a lot of energy, a lot of new restaurants and retail spaces," Fallon said. "We're building a new waterfront for Boston, and it's attracting some very strong companies."

His 21-acre development site — known as Fan Pier — is one of several major projects gaining momentum in the city's surging real estate market. Job growth and rising demand for office space are fu-

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eling progress at developments such as the former Filene's site in Downtown Crossing, and at 888 Boylston Street, an office tower being

planned in the Back Bay.

The Greater Boston area is close to reaching employment levels not seen since the dot-com bubble of 2001, with technology and life sciences companies continuing to add employees and office space to accommodate them.

Real estate investors are taking note of that growth and seizing opportunities to buy property in the city. A recent research report by the commercial real estate firm JLL identified Boston as the fourth strongest real estate investment market in the country, behind only New York, Washington D.C., and San Francisco.

Top-rated office space is selling for an average of more than \$500 per square foot, according to the JLL report, and foreign buyers are showing increasing interest as blue-chip buildings come on the market.

At Fan Pier, Fallon recently sold two buildings he constructed for Vertex Pharmaceuticals Inc. for \$1.1 billion, or \$682 per square foot. The buyer in that transaction was a Newton real estate investment trust, but other properties have been snapped up by investors from Switzerland, Norway, and Japan.

Fallon's latest office building at Fan Pier was initially planned as an office and hotel complex. But Fallon converted it entirely into offices after signing the lease with Goodwin Procter.

The law firm will occupy about 380,000 square feet, or

74 percent, of the building, which is being designed by the architecture firm HOK. Goodwin Procter will move to the Innovation District after spending the last century in buildings on State Street, among a concentration of legal and financial companies.

Now, like many firms of its kind, it is making a big leap to be part of a newly revitalized part of the city. "When we first rolled it out at the firm, we weren't sure what kind of reception it would get," said Goodwin's chairman, Regina M. Pisa. "But it's created this incredible energy around going to this exciting and growing part of Boston."

The firm's building will be the fifth to be constructed at Fan Pier. Others include the two Vertex buildings, another office tower at One Marina Park Drive and a condominium building under construction along the water.

Fallon said he is negotiating several leases to fill retail spaces at the base of his buildings. He declined to name tenants because the negotiations are ongoing, but he said they will include restaurants and service-oriented retailers to provide daily staples for office tenants and residents.

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The Fallon Company

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JOSEPH F. FALLON
Developer of Fan Pier project



SOURCE: The Fallon Company

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HOK RENDERING

Goodwin Procter will occupy most of the 17-story building.