

Rehabbed Boston Waterfront Office Sells for Reported \$150M

Union Investment Real Estate GmbH reportedly paid \$150 million for the office building occupied by Converse.

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Boston—Boston's One Lovejoy Wharf, a renovated vintage property recently occupied by Converse as its headquarters, has been sold by Related to Union Investment Real Estate GmbH, on behalf of Union's open-ended real estate fund Unilmmo: Global, the two parties jointly announced Friday. The sale price has been reported as around \$150 million.

The 235,000-square-foot office building, in the North Station neighborhood and formerly known as the Hoffman Building, was vacant before the site was acquired by Related Fund Management in 2012 and redeveloped by Related Beal.

When it was acquired by Related Beal three years ago, Lovejoy Wharf consisted of dilapidated waterfront parcels, which Related planned to redevelop into approximately three-quarters of an acre of publicly accessible waterfront with offices, residences and retail. Constructed in 1909, the wharf had never been open for public use and was used as surface parking for events at the nearby TD Garden, home of the Celtics and Bruins.

One Lovejoy Wharf was rehabbed into a Class A, LEED Gold-certified office building and features 11 stories of office and retail space. The office space is fully occupied under long-term leases.

"This significant redevelopment reflects our strategic repositioning strategy. We identified a neglected property on a prime piece of land in Boston, attracted one of the world's most successful brands as a tenant,

and sold to a preeminent global real estate investor,” Kimberly Sherman Stamler, president of Related Beal, said in a prepared statement.

“Our entry into the Boston office market with cult and lifestyle brand Converse as a strong main tenant is ideal,” added Tal Peri, Union’s head of Investment Management for the U.S. East Coast & Latin America. “With its stable returns and attractive rental growth prospects, Boston offers potential for further investments.”

(Last December, Union Investment entered the U.S. hotel market by acquiring the 242-key Godfrey Hotel in Boston under a sale-leaseback.)

Related Beal’s redevelopment of Lovejoy Wharf also includes 131 Beverly, a 260,000-square-foot luxury residential condo building with ground-floor retail. This component of the overall project is currently scheduled to be completed in spring 2017, a Related Beal spokesperson told Commercial Property Executive.