

## Shot in the Arm for Boston Development?

### 1.1.09: Commercial Property News Shot in the Arm for Boston Development?

Boston's commercial real estate development market, which has seen many projects stall over the past few years, may be getting a shot in the arm in the form of several high-profile project approvals, as well as a plan to dole out millions of dollars in loans to stalled developments.

In early December, the Boston Redevelopment Authority signed off on two large-scale projects for the Prudential Center area of Downtown: a 17-story, 422,000-square-foot office tower from Boston Properties Inc. and a 27-story apartment complex planned by AvalonBay Communities Inc. Both projects are expected to break ground in 2009.

Meanwhile, on December 9, Mayor Thomas Menino unveiled a plan to extend \$40 million in loans, provided by federal grants, to development projects that have been hung up, most of which have been delayed by the credit crunch and the faltering economy.

There should be no shortage of takers for the financing. In November, the \$700 million redevelopment of the former Filene's department store was shelved due to developers John Hynes and Vornado Realty Trusts' inability to line up sufficient funding. Other stalled developments that the loans could aid include Kensington Place, a 457,000-square-foot mixed-use project in Boston's Chinatown, which has yet to move forward after being approved in 2003, and Joseph Fallon's planned office tower on the South Boston Waterfront.