

# Vertex exit would be mixed blessing for Cambridge

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Boston's gain in potentially landing [Vertex Pharmaceuticals](#) as a new tenant would undoubtedly result in some short-term pain for the drug maker's litany of landlords in Cambridge. But that too will pass.

[Monday's news that Vertex has signed a letter of intent](#) for a big chunk of office and lab space in South Boston was anticipated for years, albeit on a slightly smaller scale. Indeed, [brokers have been bantering since 2008](#) about the company's likely hop over to **Joe Fallon's** sprawling mixed-use development known as Fan Pier.

But most of those discussions had Vertex leasing roughly 500,000 square feet. [Things went quiet with the subsequent downturns](#) in the economy and real estate market.

Now we have confirmation that an LOI is place for some 1 million square feet in two of Fallon's buildings. The layout would rival the amount of space now occupied by Vertex in Cambridge, San Diego, California, Washington, D.C., Iowa, Canada and the United Kingdom, according to the company's most-recent real estate breakdown.

In Cambridge, Vertex leased roughly 915,000 square feet in 11 facilities as of last year, according to regulatory filings. Those operations were somewhat evenly split between the city's Kendall Square neighborhood and the Cambridgeport area south of Massachusetts Avenue. Those leases are set to expire over the next seven years and currently cost Vertex around \$40 million in annual rental expenses.

**David Townsend**, a senior director and Cambridge broker for [Cushman & Wakefield](#), said Vertex occupies around 10 percent of the city's lab space and will undoubtedly dampen the market with a complete exodus to Boston. The short-term effect could be downward pressure on rents in some neighborhoods as well as a curtailing of some development slated for the next few years. "It's certainly a big swing in vacancy."

Nonetheless, Townsend said there's likely a silver lining to the story as well. Cambridge has been downright frothy in recent months, especially around the Kendall Square area. Vertex's exit could help restore some balance in that regard.

Likewise, the company's smattering of smaller facilities in Cambridgeport, including its 109,000-square-foot headquarters at 130 Waverly St., are highly coveted by many of the region's smaller, rapidly growing technology startups. Townsend said the news might enable a new wave of players to finally splash into some choice Cambridge spaces. "The reality is that Cambridge is

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