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Retro Revival

Everything Old Is New Again

Rehab Projects Bolster Commercial Building Market

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Almost every week in the Boston area, there seems to be a major announcement about a new mega-development getting under way.

The latest: One Seaport Square, across from the John Joseph Moakley U.S. Courthouse, where a groundbreaking ceremony was held this month on a 1.5 million-square-foot residential and commercial development a block away from the South Boston waterfront.

But lost in the shuffle are much smaller, less glamorous conversion and renovation projects, also known as "repositioning" or "retrofitting" of older properties.

And commercial real estate executives say that side of commercial real estate development is also booming.

"It's going like gangbusters," said Haril Pandya, head of asset strategy and repositioning at Boston's CBT Architects. "We've seen an explosion of business like we've never seen before."



Boston-based developer Cresset Group recently purchased a former GE industrial building in Watertown for \$5 million and is modernizing the 130,000-square-foot structure for the next generation of commercial users.

Solid Foundations In Watertown

The Cresset Group of Boston recently purchased 65 Grove St. in Watertown. The three-story, 130,000-square-foot building was constructed in 1945 and last owned and used by General Electric as research and development space and engineering offices for a water systems and filtration unit. Sitting on 3.5 acres of land, the building has been vacant for about four years, after GE fully moved out.

The building will be completely retrofitted to include new lighting, plumbing, elevators, windows and other changes. But one thing won't need a lot of work: Its basic foundation and structure.

"The bones of the building are cast-concrete," said Edward Nardi, president of Cresset Group. "It's an incredibly solid building. It also has large ribbon windows. The original building was built with care."

The strategy is to reposition 65 Grove St. into a variety of office uses, but Cresset Group is not ruling out some future R&D and light manufacturing uses on the property.

"We're being flexible," said Nardi, whose company paid \$5 million this summer for the building.

Cresset Group hopes to start work in early 2015 and finish by the end of next year.

Repositioning A Landmark

The market for quality properties is getting so competitive, and changing so fast, that property owners are now repositioning buildings previously repositioned.

One project set to go ahead is the planned renovation of the landmark Schrafft Center at 529 Main St. Charlestown. Once the iconic home of the Schrafft's Candy Factory, the building was last renovated and repositioned into offices in 1984, by its then- and still-current owner, the Flatley Co.

This time around, the goal isn't to make an old candy factory look more like a modern office building, at least inside. Rather, the goal is to capture a little of its industrial glory days. Gone will be the current dropped ceilings that have hidden high factory ceilings over the past 30 years – and the carpeted floors covering the original polished concrete floors, said Pandya.

The intent, he said, is to make the 600,000-square-foot Schrafft more appealing to younger office workers craving authentic historic buildings, often classic “brick and mortar” properties found throughout the region. In the Schrafft's case, old load-bearing columns will be exposed, after years of being hidden, and other original features will be highlighted, said Pandya.

“It lost a little of its history,” Pandya said of the 1984 conversion of the Schrafft Center. “We're sort of reviving its chocolate factory past.”

The redevelopment is set to start next year, following the planned departure of Schrafft's largest tenant, Partners HealthCare.

Howard F. Elkus, co-founder and principal at Boston's Elkus Manfredi Architects, agrees there's still plenty of older-property stock out there – and the demand to reposition them is quite strong.

“This city is hot,” said Elkus. “These older buildings are actually attractive to the new economy. Younger workers love them.”

Coveting The Old Stock

And it's not just younger workers and companies that are scrambling to find and renovate older buildings.

One of Elkus Manfredi's clients, Emerson College, is expanding fast in the general area of Boylston and Tremont streets in Boston. Elkus Manfredi is currently working to add an extra floor of dorms to the old Little Building at 80 Boylston St. In the 1995, it was converted from offices to dorms – and now that old retrofit property is going to be retrofitted to include new common areas and an expanded dining hall.

The biggest conversion project being eyed by Emerson College is not guaranteed and may be years away, if it ever proceeds: The state Transportation Building at 10 Park Plaza. The state is exploring the possible sale of the huge, L-shaped Transportation Building, now used as offices – and Emerson has made known it would dearly love to buy it.

Elkus said the Transportation Building is just one example of many properties that may one day be converted in Boston.

“There are huge opportunities out there,” he said. “That's what I love about Boston: The integration of the old and the new. It never stops here.”