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REAL ESTATE NEWS

high times in the city

THE CITY'S TIGHT INVENTORY OF LUXURY HOUSING GETS A BOOST.

BY JANICE O'LEARY AND JESSICA LANIEWSKI

Boston is in a period of expansion, with a growing—and much needed—stock of luxury residences being constructed over the next few years. Buyers and sellers should keep an eye on the condominium market as prices climb upward. Out-of-town impresarios continue to show interest in Boston's real estate scene, with Loews Hotels & Resorts recently taking over The Back Bay Hotel.

We're a Fan

The Fallon Company is developing two commercial towers on a 21-acre parcel at Fan Pier to house the global headquarters of Vertex Pharmaceuticals, but the developer is also looking at the residential possibilities of the burgeoning waterfront by breaking ground on the area's first luxury residences. These prime waterfront properties "are the first new-construction luxury condominiums to be built in Boston since 2009," says company founder, president, and CEO Joseph F. Fallon. The Boston-based architectural firm CBT will design the 15-story building, which will offer 270-degree views of the harbor and skyline. It will have roughly 120 units, from pieds-à-terre to apartments with three bedrooms or more. Residents will enjoy garage parking, concierge services, a fitness center, and a private water shuttle. The doors should open in 2015. fanpierboston.com

Loews's New High

The boutique hotelier Loews Hotels & Resorts will settle into Boston thanks to its recent \$84 million acquisition of The Back Bay Hotel from The Doyle Collection. The Saunders family, which also owns The Lenox Hotel, will continue to hold the land lease. "We look forward to seeing Loews bring its brand and quality of operations to the city," says Gary Saunders, chairman of the Saunders Hotel Group. "We have known the Tisch family [which runs Loews Corporation, owner of Loews Hotels & Resorts] for a long time and respect them as investors in the hospitality industry." At press time, Loews was planning \$8 million in renovations, which the hotel's general manager, John Maibach, expects to involve its

FROM TOP:
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Joseph F.
Fallon of
The Fallon
Company;
Loews Boston
Back Bay
Hotel; Fan Pier.



public spaces, including The Stanhope Grille. The hotel will remain open while renovations are under way. 350 Stuart St., 617-266-7200; loewshotels.com

Weiner Wins (Samuels, Too)

Developers Weiner Ventures and Samuels & Associates have been awarded the right to negotiate a ground lease with the state on two state-owned parcels in the Back Bay, near the intersection of Massachusetts Avenue and Boylston Street. The combined development will include about 230 residences, a hotel, and approximately 50,000 square feet of street-level retail space. According to managing partner Adam Weiner, they will combine land they already own with one of the state's parcels; the majority of the development will be on terra firma, while a fraction will include air rights over the turnpike. "This will reinvigorate a Back Bay location that everyone agrees sorely needs it," Weiner says. "And it will help connect the area to Fenway. We want to be the ones to work with the city, state, and neighborhood to do that." He notes that five or six hotel brands have visited the site and expressed interest. Now that Samuels and Weiner have won the bid, they'll negotiate the terms of a 99-year ground lease with the state while they seek approvals and permitting from the city for the conceptual designs. No start date for construction has been announced.

Supply, Meet Demand

The downtown condo market has dropped to less than a two-month supply, substantially below the six-month ideal. "It's a reset of 2003 and 2004 after coming out of the dot-com implosion," says Kevin J. Ahearn, president of Otis & Ahearn Real Estate (617-267-3500; otisahearn.com). "We're in the beginning stages of another significant jump in prices with such tight inventory." Part of the reason, he adds, is that few new buildings have been constructed in the last few years, especially in the luxury sector. The one currently going up at Millennium Place has sold 51 percent of its 256 units in just four months, and other luxury high-rises, like The Residences at W Boston and The Clarendon, are nearly sellouts. **BC**