

Winthrop Center tower wins its first tenant

Cambridge Associates to lease 115,000 square feet at top of what will be Financial District's tallest building, set to open next year.

By **Catherine Carlock** Globe Correspondent, Updated February 3, 2022, 16 minutes ago



Construction in April 2021 on the Winthrop Center tower on Devonshire Street downtown. DAVID L. RYAN/GLOBE STAFF

Winthrop Center — the 53-story downtown tower that prompted a change in state law before it could even start construction — has landed its first tenant.

International investment firm Cambridge Associates said Thursday it will move its headquarters into 115,000 square feet in the 691-foot tower now under construction in Boston's Financial District.

The 15-year lease is among the largest office deals downtown since the arrival of Covid-19 in Boston nearly two years ago, and the first major tenant for a tower that was almost halted mid-construction when it lost construction financing in the pandemic's first year.

David Druley, CEO of Cambridge Associates, said Winthrop Center's "bold commitment to sustainability" drove the firm's decision to move.

"While our work in sustainable and impact investing is valued by a large portion of our clients, it is essential that our commitment to sustainability shows up beyond investment portfolios and within the walls of our firm as well," Druley said in a statement.

ADVERTISING



Winthrop Center is the latest project of MP Boston, the local arm of real estate development firm Millennium Partners. In designing and marketing the tower,

developers set ambitious sustainability and energy-efficiency goals, partnering with

MIT's Environmental Solutions Initiative and aiming for Winthrop Center to be the world's largest so-called "Passive House" office building.

Millennium Partners invested "multi tens of millions of dollars" in the building's design, much of which went to making the tower more energy efficient., said Millennium founder Christopher Jeffries.

"We want this building to use less energy than any other building," Jeffries said.

Boston as a whole is taking a stricter approach to sustainability and emissions reduction. The city has implemented "BERDO," or the Building Energy Reduction and Disclosure Ordinance, which requires some buildings to begin cutting emissions as early as 2025. What's more, newly elected Mayor Michelle Wu campaigned on the importance of sustainability, pledging to make Boston a "Green New Deal" city.

The lease marks a milestone in the lengthy saga to build Winthrop Center, which began in 2016 when Millennium and Handel Architects beat out several of Boston's other best-known developers for the rights to what was then a crumbling city parking garage.

Their project's lengthy development-review process was then extended by [a debate over the amount of shadow the building would cast on Boston Common](#) and Public Garden, prompting then-Mayor Martin J. Walsh to submit a home-rule petition to Beacon Hill to allow for the skyscraper to be built. The \$1.3 billion tower eventually broke ground in October 2018.

Covid-19 dealt a major blow to both the Boston office market and Winthrop Center in particular. After Millennium spent hundreds of millions of dollars digging its foundation, the project's construction loan fell through in the early weeks of the pandemic, leaving Millennium [scrambling for the cash](#) to actually build the tower.

Eventually the firm landed a \$775 million construction loan from an affiliate of London's Cale Street Partners and negotiated some design and financing changes with the city — including reducing the building's overall number of housing units. Those changes reduced Millennium's required affordable housing payments by \$26 million, money Millennium had pledged to [a project the company was co-developing in Chinatown](#). Construction on Winthrop Center resumed.

Still, downtown Boston has a fraction of the foot traffic seen in pre-Covid days, and demand for office space has fallen overall. But Jeffries says Millennium is in talks with “many, many other firms” that are exploring their real estate options — and are interested in sustainable, energy-efficient buildings over older building stock.

“Downtown is in the middle of a rejuvenation. The Financial District is definitely going to be a destination,” Jeffries said. “You're going to see a very large separation between new, efficient buildings and existing product. There will always be tenants for both, but you'll see quite a separation in the terms of demand for these new types of buildings.”

Cambridge Associates will move in, from its current office at 125 High St., when Winthrop Center opens next summer.

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