

Commercial Real Estate

# Millennium's Winthrop Center certified as world's biggest passive house office



Image: © Boston Business Journal / Gary Higgins

Winthrop Center received recognition for its passive house design.

GARY HIGGINS / BOSTON BUSINESS JOURNAL



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On Wednesday, Millennium Partners celebrated its Winthrop Center tower in downtown Boston officially becoming the world's largest office building constructed to passive house standards, a design beloved by the climate movement for dramatically reducing energy use.

For Millennium founder Christopher Jeffries, it started as “what I thought was a crazy idea to take a technology that was for single-family homes in Germany and apply it to an 800,000-square-foot office building,” he said at a ceremony in the tower's newly opened ground-floor space.

That idea became reality: The office portion of the 53-story mixed-use building was recently certified by the Passive House Institute as the largest office space that adheres to the principles worldwide, an achievement that drew Massachusetts Secretary of Energy and Environmental Affairs Rebecca Tepper, the Healey administration's climate chief Melissa Hoffer and Boston Mayor Michelle Wu to the ceremony.

Passive house creates an air-tight envelope using insulation, triple-glazed windows and special ventilation that, according to Millennium, results in well under half the energy of the typical Class A building in Boston and about three-fifths that of new construction LEED Platinum sites. Jeffries mentioned several times from the stage that it made for an expensive proposition – the entire project cost \$1.3 billion – but officials like Tepper, Hoffer and Wu want to see more buildings like it. As Tepper said onstage, “this is the future – the future, today.”

The design has helped bring in tenants like Deloitte, McKinsey & Co. and Cambridge Associates, though the building still has hundreds of thousands of square feet of uncommitted space amid a tough office market. The insurance giant Arthur J. Gallagher & Co. is poised to join that roster of tenants by taking in the neighborhood of 25,000 to 30,000 square feet, Jeffries revealed Wednesday. (A Gallagher spokesperson declined to comment.)

Jeffries spoke with the Business Journal about leasing and whether future office towers, developed by both Millennium and competitors, will feature passive house design.

**Do you think Millennium will do passive house every time, now that you've done it once, or do you think it depends on the project?**

I think that Mayor Wu and her administration, I think the governor and [her] administration, have both passed initiatives that step in over time that fundamentally adopt the principles of passive house. I don't think there's going to be a lot of choice about what you have to do. ... We're at the beginning of this, not at the end. We just came to the conclusion that you might as well do state-of-the-art-plus.

**Firms like Deloitte and McKinsey have their own goals in terms of climate and the space they occupy. Do you think a space like this makes sense for other tenants who are not as explicitly committed to climate goals?**

We have the industry leaders that have chosen to come to this building because of their commitments to climate resiliency. There are always going to be tenants who are going to opt for the cheapest price. What's been created in the real estate market throughout the United States, Boston included, is this new building/climate resiliency of some kind vs. existing stock, and this is going to end up being the question of the next decade, what do you do with all of this stuff? It's exaggerated by the fact that tenants are downsizing. Where they don't downsize, they're working in a different format, they're not working in cubicles.

What for us everyone thought was a huge problem, this T-shaped building, is a great asset. As opposed to having, you know, the rectangle with a core and then everybody around because the modern office works in a very different way, it works in “neighborhoods,” gatherings.

**How is leasing going?**

A lot of activity in the building. There's going to be the haves and the have-nots. This is just going to play itself out over the next few years.

We're slow – we'd like to have been further ahead than we are, but I think we'll be 70% committed by the end of the year and probably in the mid-80s next year. Your lowest couple levels are always the last to go. But we're structured for that, the financing anticipates that kind of schedule. For anybody who really cares about being energy-efficient in their... office, this is the only one in the country.

**Do you think you'll have followers?**

We will, but not until interest rates go down, not until tenants start growing again, not until it's clear to everyone exactly how much office space they need.

*This conversation has been edited and condensed.*



# Largest Commercial Developers in Massachusetts

Total sq. ft. developed in Mass. since Jan. 1, 2018

Rank	Prior Rank	Firm/Prior rank (*unranked in 2022)/
1	2	Campanelli
2	3	The Davis Cos.
3	3	BXP
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