

Harvard, developers putting Watertown back on map

Drive along Arsenal Street and you'll quickly realize that it's a different place from what it was three years ago. Is it unrecognizable? Hardly — but the changes to the Watertown street have attracted the big guns in the real estate industry.

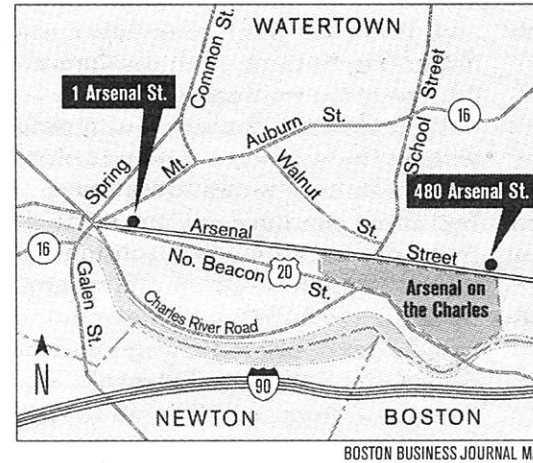
Three years ago, the Arsenal Mall's largest retail store was **Ann & Hope** — a college student's dream of downscale home furnishings and appliances, but not exactly a reason to visit the outdated shopping center owned by **Simon Property Group Inc.** Ann & Hope has since been replaced by **Home Depot**, and

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in 2001 purchased the Arsenal on the Charles, a mammoth office park that the school has since leased to high-tech, health care, architectural, advertising and pharmaceutical companies. The complex also has a couple of nearby lunch options for tenants, with **Panera Bread** and **Joey Crugnale's** Italian-themed **Red Sauce** restaurant within walking distance.

But Harvard isn't the only player putting Arsenal Street on the map. Developers such as **Bill McQuillan** of **Boylston Properties**, who is currently developing a \$200 million project in the Fenway with **Samuels & Associates** (where, coincidentally, Harvard University is buying 170 units of housing for its graduate students), are also investing there.

McQuillan plans to spend some money of his own in a deal recently inked



with Simon to lease, with the option to buy, a 53,000-square-foot office building at 1 Arsenal St. Current tenants include **Mount Auburn Hospital**, which signed a lease for about half the building in November, and **Bugaboo Creek**, which operates a restaurant on the bottom floor of the building.

"You can't ignore the physical upgrades that (Harvard) did. It's a terrific improvement. All along the street, money is being spent," said McQuillan, who started developing sites in the surrounding neighborhood in 1998, including 1380 Soldiers Field Road and the renovated former warehouse building now housing **V.I. Technologies Inc.**

The option to buy the building comes up in 2009 — until then, McQuillan is focused on leasing and upgrading the

building.

Nearby, **Alexandria Real Estate Equities Inc.** is making progress leasing 480 Arsenal St., where **New England Sports Network** is reportedly leasing up to 40,000 square feet. First reported here in September, NESN has been searching the market for expansion space from its current digs in 12,000 square feet at the home of the world champion Boston Red Sox, Fenway Park.

Curtis Cole, of **CB Richard Ellis/Whittier Partners** and leasing broker for 480 Arsenal St., wouldn't confirm the NESN deal, but said the submarket has matured since 2001, when the Arsenal on the Charles started to bring attention to properties along the street.

For lab tenants, Watertown is a lower-cost alternative to Cambridge, but still falls behind East Cambridge and its lab space availabilities, said Cole. That said, Cole is working with a lab tenant who is looking at both Watertown and Cambridge. "It's a strong option for companies that are looking for price-sensitive space or a suburban location," said Cole.

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REAL ESTATE ROUNDUP

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a **Linens 'n Things** has been added. Across the street, at the Watertown Mall, a **Bradees** has been replaced by a **Target** and **Best Buy**.

The upgraded malls have caught the attention of more than just local consumers. Though Arsenal Street is primarily a retail strip punctuated by office properties, businesses have begun to look at it as a location with potential.

Much of the credit for that renewal could go to **Harvard University**, which