

# WBC Regional Developer Panel

**Boston Properties**

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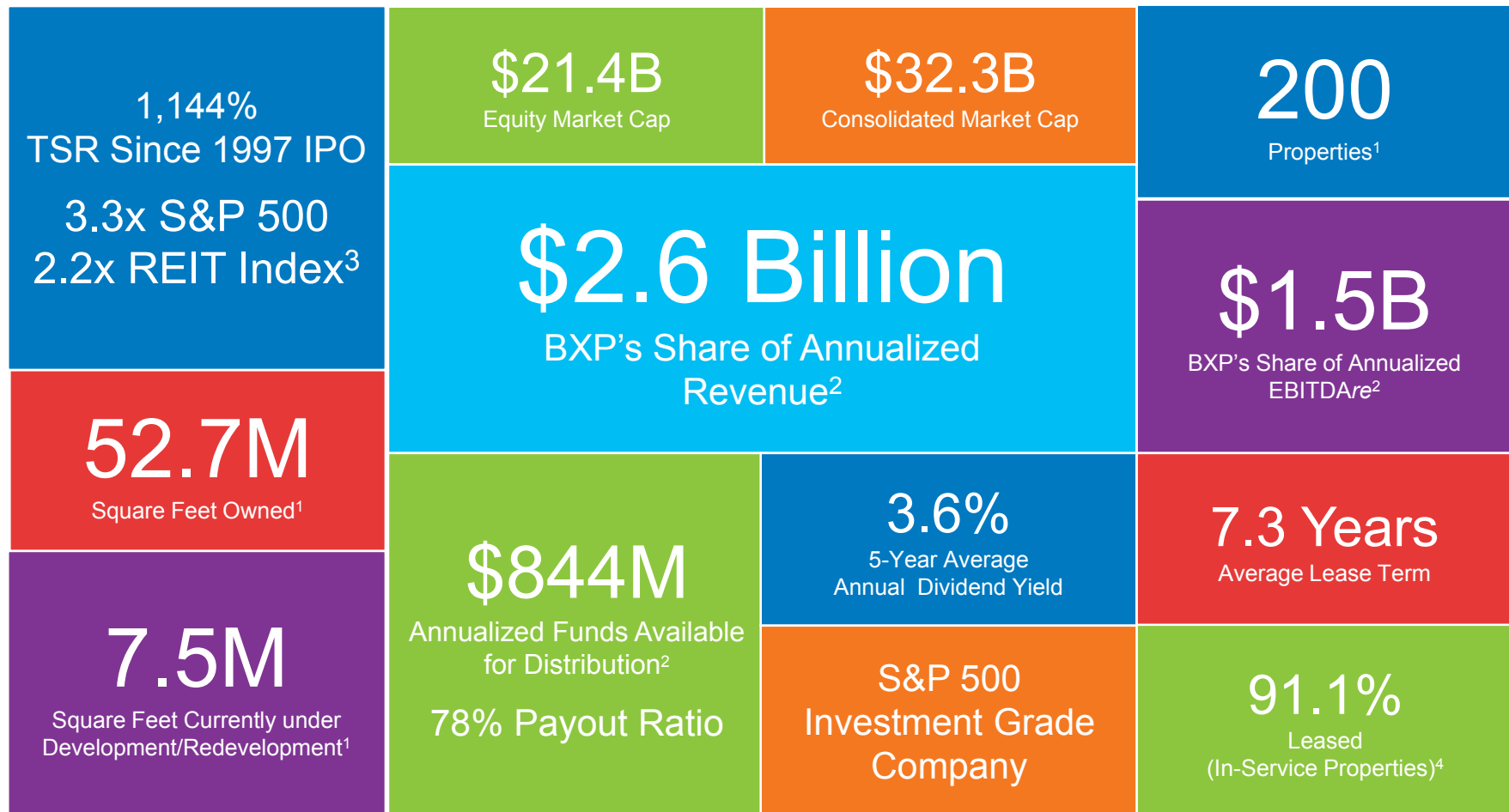
**bxp** Boston  
Properties



# Who We Are: Quick Facts



Preeminent Developer and Owner of Class A Office Properties in the U.S.



<sup>1</sup>Includes 100% of consolidated and unconsolidated properties.

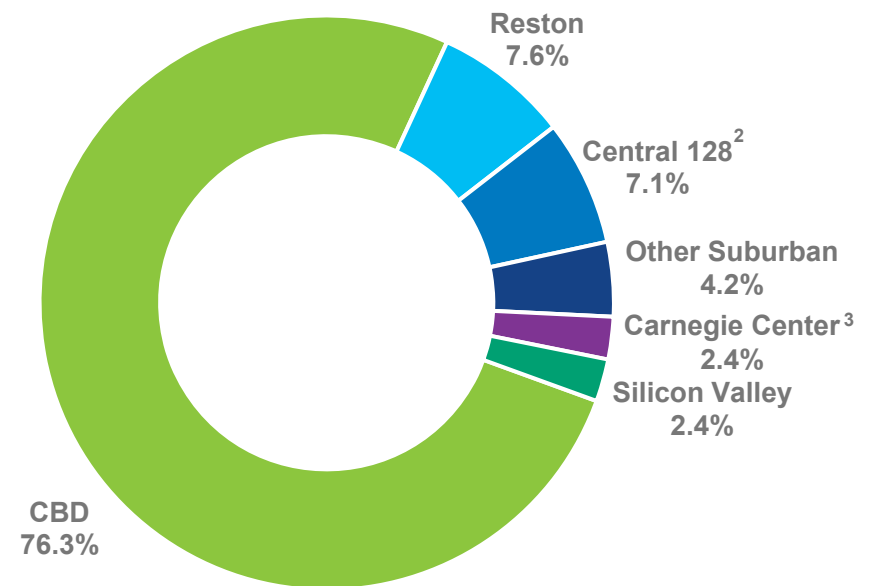
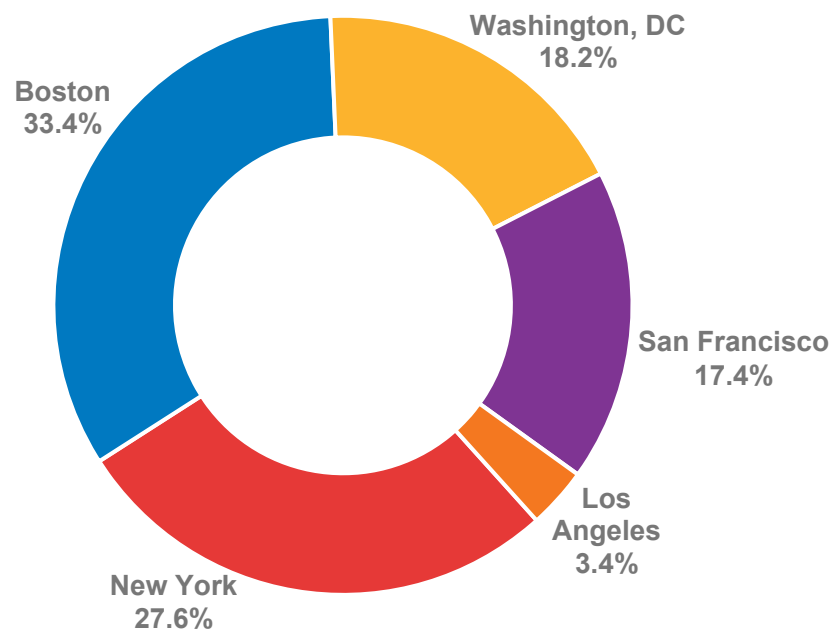
<sup>2</sup>See Appendix.

<sup>3</sup>FTSE Nareit All REITs Index.

<sup>4</sup>Excludes hotel and residential properties.

# Who We Are: Geographically Diversified Across the Strongest U.S. Markets

## BXP's Share of NOI<sup>1</sup>



<sup>1</sup>Excluding termination income. See Appendix.

<sup>2</sup>Includes properties located in Waltham, Lexington and Needham, MA.

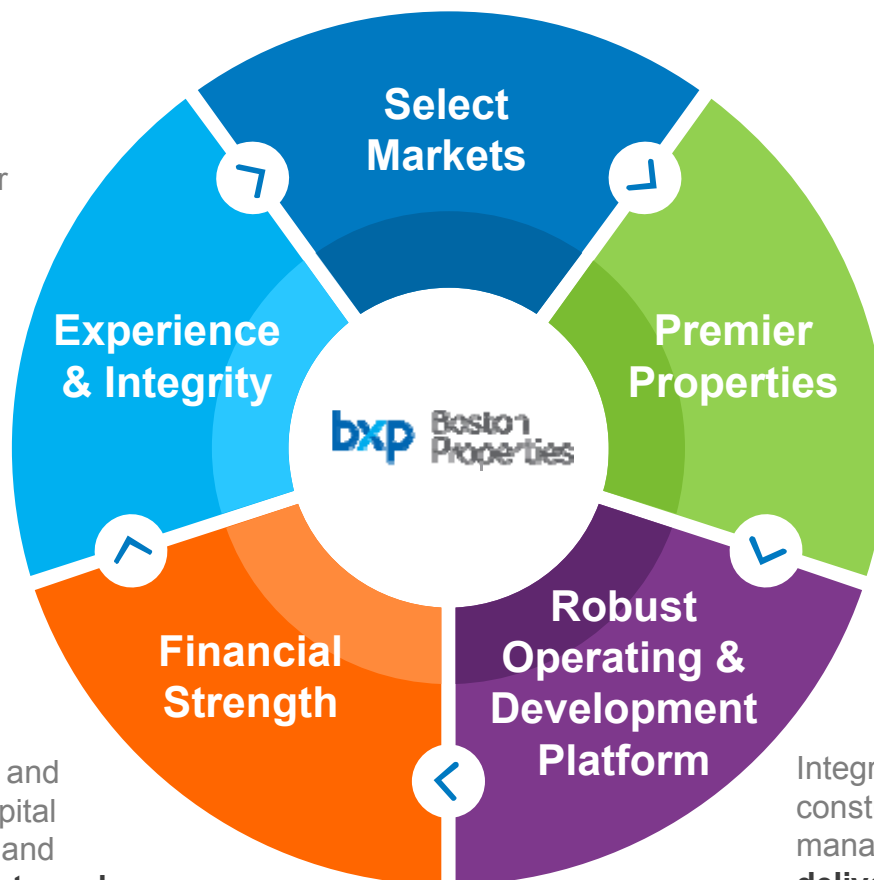
<sup>3</sup>Carnegie Center is located in Princeton, NJ.

# What we do: BXP Strategy

**DEVELOP** Premier Properties in Robust Markets with Sustained Growth

Focused on **supply-constrained** markets with the **strongest economic growth and investment characteristics** over time

Reputation of integrity and fair dealing makes us a **counterparty of choice** for real estate industry participants



Maintain **high occupancy and achieve premium rental rates** through economic cycles by focusing on delivering our clients exceptional space and place

Strong balance sheet and superior access to capital minimizes debt costs and maximizes our **ability to make opportunistic investments**

Integrated leasing, development, construction and property management. **Development delivers attractive risk-adjusted investment returns, a leading edge portfolio** and superior client service.



# What We Do: Robust Development Pipeline

## \$5.1 Billion Active and Near-Term Development Starts



### \$4.2B of Recent Deliveries Generating Strong Returns (2011-Q3 2018)

- \$4.2 billion of investment 2011 through Q3 2018
- 7.5 million<sup>1</sup> square feet
- 7.0% BXP's Share of Annualized NOI—cash return<sup>2,3</sup>

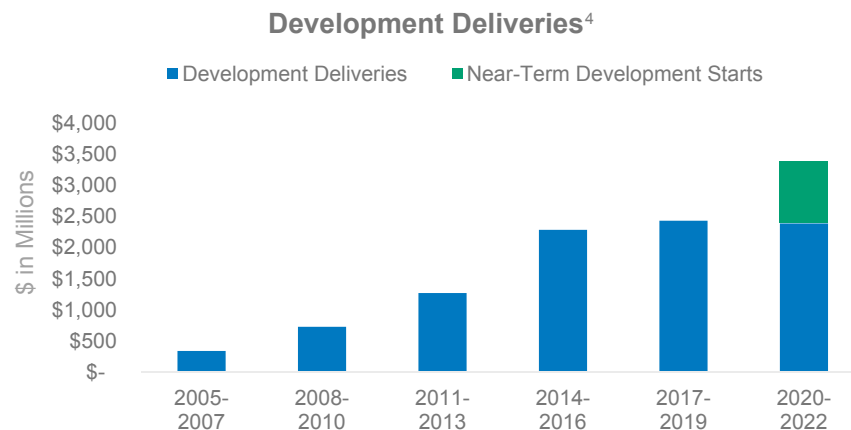
### \$5.1B Active and Near-Term Developments:

\$4.1 billion<sup>2</sup> of active budgeted investments

- 7.5 million<sup>1</sup> square feet—85% pre-leased<sup>5</sup>
- 6.9% projected weighted-average stabilized unleveraged cash return

\$1.0 billion estimated investment in additional near-term development starts

- 1.1 million square feet



Salesforce Tower

<sup>1</sup>Includes 100% of consolidated and unconsolidated properties.

<sup>2</sup>Represents BXP's Share of total budgeted development costs, including income (loss) and interest carry during development. For additional information, refer to the "Active Development Pipeline" page of this presentation.

<sup>3</sup>See Appendix.

<sup>4</sup>For purposes of this graph, pro forma developments are considered delivered in the year in which the property was/is projected to be stabilized.

<sup>5</sup>Includes leases with future commencement dates, but excludes residential units. Data as of October 26, 2018.

## Washington, DC Development Pipeline



Current Portfolio in Washington, DC: **49 properties, 11.2M SF**

### Active, Committed, DC Region, Ground-Up Development Projects:

• TSA HQ	625,000 RSF	100% leased
• Marriott HQ	735,000 RSF	100% leased
• 2100 Penn	470,000 RSF	61% leased
• 17Fifty	275,000 RSF	100% leased
• <u>Reston Gateway</u>	1,020,000 RSF	85% leased
TOTAL		3.1M RSF of new office 90% leased

### Other Major DC Area Developments:

• Signature	508 units; Reston, VA	Delivered Q1 '18
• Metropolitan Square	\$60MM Renovation; Washington, DC	Underway

*\*All deliveries occur by 2022*





# TSA Headquarters





# Springfield Metro Center Site Plan



Springfield Town Center (PREIT)

Joe Alexander Transportation Center

Future Government Complex

**TSA Complex (SMC Phase I)**

Future SMC Phase II

■ ■ Shuttle Bus Route

→ Proximity From TSA Complex

# TSA HQ Fast Facts



- 625,000 RSF, 9 stories, 1,700 parking spaces
- 100% leased to TSA (Awarded by GSA in August 2017)
- Construction commenced Q3 2017 – Lend Lease is the General Contractor
- Currently erecting steel and installing skin, while MEP proceeds
- Delivery in Q3/Q4 2020





# Marriott Headquarters





# MARRIOTT HQ Fast Facts



- 735,000 RSF, 21 stories, 800 below-grade parking spaces
- 50/50 JV with The Bernstein Companies (TBC is developing the adjacent Marriott)
- 100 % leased to Marriott International
- Construction commenced Q3 2018 – Hensel Phelps is the General Contractor
- Currently installing SOE and excavating
- Delivery in 2022



# 2100 Pennsylvania Avenue



# 2100 Penn Fast Facts



- 470,000 RSF, 11 stories, 325 below-grade parking spaces
- 61% leased to WilmerHale
- Ground lease with George Washington University
- Specialized, curved glass façade and sun-filled interior atrium
- **RECEIVING BIDS ON DECEMBER 4<sup>TH</sup>!!!**
- Construction Commences July 2018; Delivery in 2022





17Fifty



# 17FIFTY Fast Facts



- 275,000 RSF, 17 stories, 4-level below-grade parking structure
- 100% leased to LEIDOS, doubling their RTC presence
- First redevelopment site in Reston Town Center's Urban Core
- Construction commenced Q1 2018
- Will reach grade by 12/31/18
- Delivery in 2020

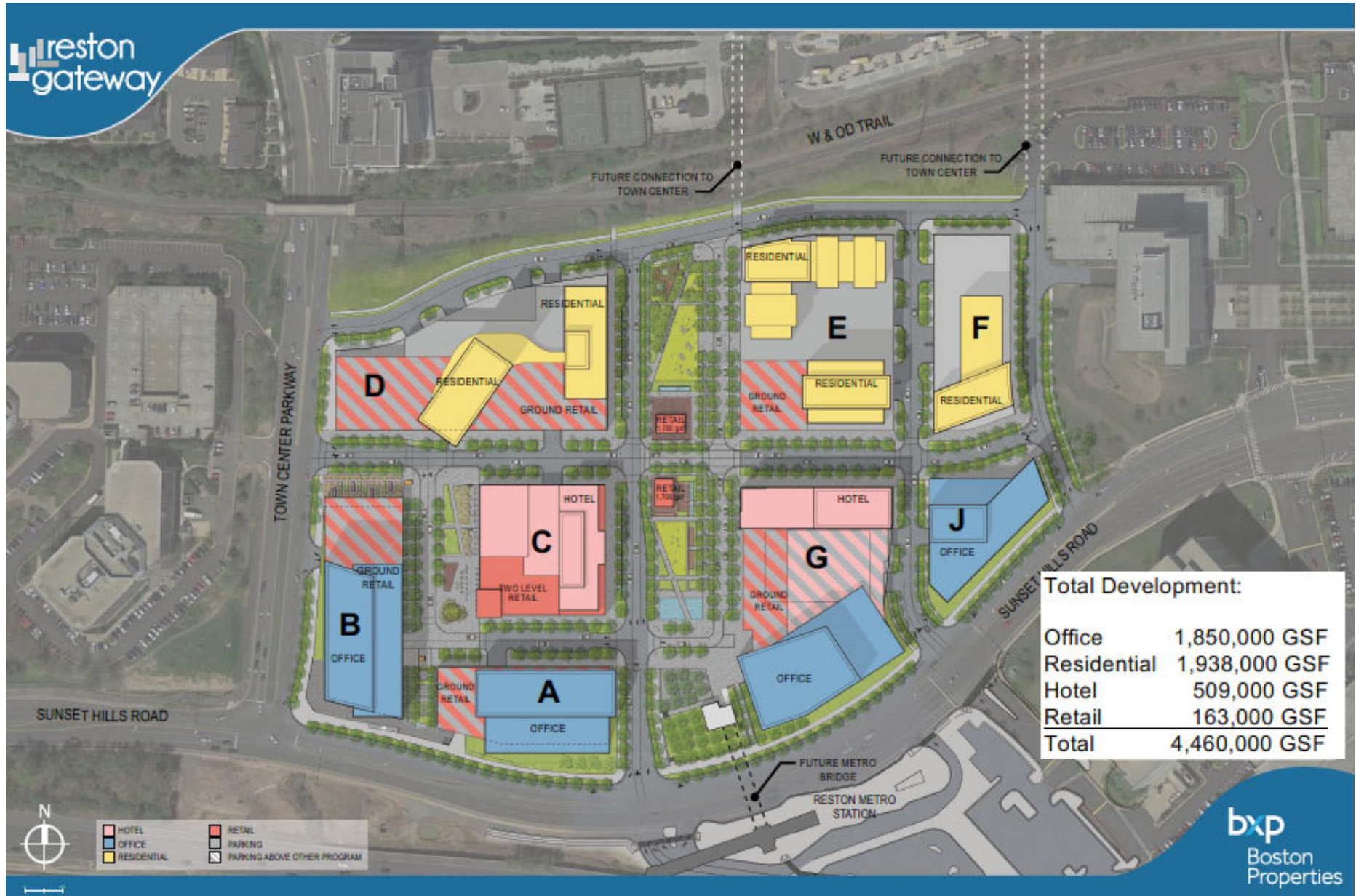




# Reston Gateway



# Site Plan



# Reston Gateway Fast Facts



- 22 acres and 8 development blocks; +4MM SF of urban, mixed-use development
- Immediately adjacent to the RTC Metro Station (opening in 2020)
- Connects the METRO to Reston Town Center's Urban Core
- Extends the vibrant, mixed-use environment of Fairfax County's downtown
- Built on an urban street grid, enhancing walkability and connectivity
- Spectacular urban open spaces, engaging ground plane environment



# Reston Gateway Fast Facts



- Phase 1 is under construction; Clark Construction is the GC
- Over 1MM SF of office, 85% leased to Fannie Mae
- Five levels of a huge below grade deck; podium parking; and 28 and 20 story towers
- Construction commenced Q4 2018, Delivery in Q1 2022
- **Concrete, glass, MEP will bid off drawings available in mid-December!**
- Future development in Phase 1 includes a 230-room hotel and 550 apartments
- Phase 2 includes over 2 MM SF of additional mixed-use development





**1001 6<sup>th</sup> Street**

# 1001 6<sup>th</sup> Street Fast Facts



- 530,000 RSF, 11 stories, 3-level below-grade parking structure; 30,000 SF Retail
- Joint Venture with Steuart Investment Company
- Full block development site in Mount Vernon Triangle
- Multiple entrances and opportunities for individual identity
- Light-filled atrium
- Complete construction documents, ready for permitting and construction