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## King St.-Carlyle JV Pays \$104M for Office-Lab

By [John Jordan](#) | Boston

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830 Winter St., Waltham, MA

WALTHAM, MA—**Intercontinental Real Estate Corp.** of Boston has sold **830 Winter St.** a fully-leased office-laboratory building here, for \$104.2 million to a joint venture of **King Street Properties** of Cambridge, MA and **Carlyle Group** of Washington, DC.

The transaction calculated out to approximately \$572-a-square-foot for the 182,000-square-foot property. The deal was announced by **Transwestern | RBJ**, which represented Intercontinental Realty in the sale of the property.

The property trade comes at a time when available office-lab space is in short supply in Waltham. Transwestern officials say the building is viewed as a viable alternative to the Cambridge market for those looking for office-lab properties.

Built in 2000, the Class A institutional quality laboratory building is located immediately off Interstate 95/Route 128 and five miles from the Massachusetts Turnpike. Intercontinental purchased the building in 2005 as a partial sale-leaseback to Praecis Pharmaceuticals for a reported purchase price of \$51.3 million.

The property was 35% occupied at the time of purchase 15 years ago. Intercontinental leased the remaining space within 18 months, and has kept the building fully leased since then. Current building tenants include Histogenics Corp., GlaxoSmithKline and ImmunoGen Inc.

The building's systems are designed and sized to accommodate both chemical and biological laboratories and feature state-of-the-art laboratory mechanical, electrical and plumbing, including a PH neutralization facility, lab compressed air, CO2, nitrogen and RODI water, Transwestern | RBJ states. On-site amenities include a full-service cafeteria, outside seating, conference facilities and structured parking.

King Street Properties principal **Stephen Lynch** when asked by Globest.com the underlying reason for its purchase of the property says simply, "It was pretty simple. In our minds 830 Winter St. is the best lab building outside of Cambridge and Boston, both in terms of its location because Waltham is a premier laboratory submarket in Greater Boston and the building itself has what we think of as Cambridge-quality design and construction."

He adds that the economics of the building "were compelling" since the building is fully leased to three publicly traded companies. Lynch says that the new ownership is planning a capital improvement program for the property that will include reworking the exterior landscaping and interior lobby, which could create additional leasable space at the building. Lynch says the capital upgrades will cost approximately \$2 million and work is expected to begin on Sept. 1.

King Street Properties owns approximately 333,000 square feet of laboratory space in Cambridge, another 183,000 square feet in Lexington and is on the cusp of breaking ground on **115 Hartwell Ave.** in Lexington, a 92,000-square-foot spec laboratory building. Lynch says construction should start around Labor Day on the project that is valued at approximately \$40 million, including land acquisition costs.

**Chris Skeffington, John Lashar, Roy Sandeman, Jon Varholak** and **Steve Purpura** of Transwestern | RBJ represented the seller and sourced the buyer. The brokerage firm has been retained by the new ownership to provide leasing services for the building, which is currently fully occupied.

"Greater Boston's life sciences industry shows no sign of slowing down, making this a tremendous opportunity for our client to achieve maximum return on investment," states Skeffington. "We are very excited to work with the new ownership of one of the most prominent laboratory properties in the Boston suburbs. Intercontinental embarked on a significant capital improvement program after acquiring the building, making it a viable competitor to the crowded Cambridge submarket."

Transwestern | RBJ reports that 7.5% of the 998,000 square feet of laboratory space in Waltham was vacant at the close of second-quarter 2015. For the same period, Greater Boston's suburbs had 5.5 million square feet of laboratory space, with 8.1% vacant.

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### About Our Columnist



John Jordan is a veteran journalist with more than 30 years experience in newspaper and web publishing. He is a contributing writer for Real Estate Forum and [GlobeSt.com johnjord@aol.com](mailto:johnjord@aol.com)  
[Bio](#)

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