

January 2007

**MOVING
TARGET:**
Gen Y Arrives

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MULTIFAMILY

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EXECUTIVE

Plus:
Salvage
Efforts

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TEAM WORK

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Employees of Camden Property Trust



Work of Art

A Frank Gehry-designed office building reopens as a residential masterpiece.

Developers are often quick to brag about their projects. But how can you tell when they truly fall in love with a property? They move in. Just ask Curtis Kemeny, president and CEO of Boston Residential Group, who purchased a two-story penthouse unit at his latest creation: 360 Newbury Street, the transformation of an early twentieth-century Boston landmark into 54 chic loft-style condo units with 360-degree views of the city.

"This building is honestly not just another real estate deal," says Kemeny. "When you see those views, when you experience the volume of the 13-foot ceilings, and you experience the finish level, it really has an impact on you." But perhaps the most striking feature of all: the exterior

architecture. In the 1980s, famed architect Frank Gehry added his touch to the historic facade, adorning two sides of the building in lead-coated copper.

Many Bostonians best remember the building as the home of the 46,000-square-foot Virgin Megastore music shop (which just recently moved out of the building and will be replaced by Best Buy). But the building has had many uses over the years. The property first opened in 1918 as the Boston Transit Building, headquarters of the Boston Rail Co. and later the Boston branch of the American Red Cross. From the 1930s to the 1970s, the building was used for semi-industrial work until Gehry helped transform it into a multi-tenant commercial space. (Interestingly,

VIEW FROM THE TOP: The 54-unit 360 Newbury Street offers sweeping views of Boston thanks to its enormous windows. The renovated property brings Manhattan-style living to the city's Back Bay neighborhood.

[Before]



PROPERTY: 360 Newbury Street
DEVELOPER: Boston Residential Group
LOCATION: Boston
RENOVATION COST: \$25 million
LENGTH OF RENOVATION: 14 months
SCOPE OF PROJECT: Adaptive reuse of an office building

COMPARISON

	Before	After
Impression	Leave of absence	Working overtime
Use	Former office building	Luxury condos and commercial
Property Value	\$50 million	\$100 million

Kemeny helped with this redesign, too, as he worked for the building's then-owner).

In September 2004, Boston Residential purchased the building to bring Manhattan-style living to the west end of Newbury Street. "We looked at all the restaurants, clothing stores, and all the activities that have come to this end of the street in the last fifteen years, and we said wow, this would be a wonderful place for a loft-style condo development," says Kemeny.

BIG ASSIGNMENT

The Class B office building was in fairly good shape, but the development team knew that a gut rehab was the only way to create the desired luxury product. All the work, though, was done within the building's existing framework, which was restored to its original splendor (as required by its listing on the National Register of Historic Places). Fortunately, the building's shell easily lent itself to a residential conversion. "The building had very good bones for residential use because it's a cast-in-place building with very tall floor-to-floor heights, a concrete frame good for sound control between units, and large window openings," says Laurence Grossman, principal of Cambridge, Mass.-based ADD, the project's architect and interior designer.

The team did save an important building element: the lobby. But the



two-story space desperately needed a facelift. "Design is like fashion," says Grossman. "What was fashionable in the eighties is no longer fashionable in 2006." ADD swapped outdated polished brass for stainless steel, installed a tall, mahogany-colored door to warm up the space, and restored the original blue granite floor.

Such historic renovations are challenging enough without working

above an operating retailer. The developer and architect had to find a way to run utility wires from the units to the street, without disrupting the busy three-story Virgin Megastore. The development team and retail tenant battled through tense negotiations and ultimately a lawsuit. The winning solution: instead of running the wiring through the music store's ceiling, the team built a false floor two feet above the fourth floor (to run the wire). "So when you come into the units you enter two feet higher and then you step down into the living rooms," Grossman explains. "It actually turned out to be quite dramatic."

PAY DAY

360 Newbury Street is about 70 percent sold (as of press time), quite a feat given the slowing condo market. (Kemeny says the building's uniqueness, unit size, and actual model unit in the building all helped sales.) Inside, the contemporary-style units, which sell for \$500,000 to \$3 million, feature a simple and muted color palette, European cabinetry, dark stained oak floors, and top-of-the-line appliances. "Back Bay elegance meets Manhattan-style edge," says Grossman. The diverse buyer mix includes empty nesters, young professionals, and urban sophisticates ... including the occasional developer. [M]

ACTION ITEMS

- 1 Play the name game. The project's marketing campaign emphasized the building's unique history as one of the only Frank Gehry-designed multi-tenant office buildings in the country.
- 2 Maximize your space. Boston Residential replaced and extended a mezzanine level between the eighth and ninth floors, creating duplex penthouse units with double-height living space on the eighth floor level and bedrooms on the ninth.
- 3 Don't underestimate the time and effort it takes to get existing building tenants to move out. Even though some tenants at 360 Newbury Street were paying above market-rent, they still weren't all eager to vacate.