Boston Properties Completes Refinancing of 767 Fifth Avenue in New York City

June 7, 2017

BOSTON--(BUSINESS WIRE)--Jun. 7, 2017-- Boston Properties, Inc. (NYSE: BXP), a real estate investment trust, announced today that its consolidated joint venture entity in which it has a 60% interest and that owns 767 Fifth Avenue (the General Motors Building) located in New York City, completed the refinancing of approximately $1.6 billion of indebtedness that had been secured by direct and indirect interests in 767 Fifth Avenue. The new mortgage financing has a principal amount of $2.3 billion, bears interest at a fixed interest rate of 3.43% per annum and matures on June 9, 2027. The loan requires interest-only payments during the 10-year term of the loan, with the entire principal amount being due at maturity.

In contemplation of the refinancing, on April 24, 2017, the consolidated joint venture entity terminated forward-starting interest rate swap contracts with notional amounts aggregating $450.0 million and paid approximately $14.4 million, which amount will increase the Company's interest expense over the ten-year term of the financing, resulting in an effective GAAP interest rate of approximately 3.64% per annum (including the amortization of financing costs and additional mortgage recording tax).

After extinguishing the existing indebtedness on the property, the Company intends to use a portion of its share of the net proceeds to repay the $310.0 million of borrowings outstanding under its $1.5 billion unsecured line of credit and for other working capital purposes. The extinguished debt bore interest at a weighted-average rate of approximately 5.96% per annum, an effective GAAP interest rate of approximately 3.03% per annum and was scheduled to mature on October 7, 2017. There was no prepayment penalty associated with the repayment of the prior indebtedness on the property.

Boston Properties is a fully integrated real estate investment trust that develops, redevelops, acquires, manages, operates and owns a diverse portfolio of primarily Class A office space totaling 47.7 million square feet and consisting of 164 office properties (including six properties under construction), five retail properties, four residential properties (including two properties under construction) and one hotel. The Company is one of the largest owners and developers of Class A office properties in the United States, concentrated in five markets - Boston, Los Angeles, New York, San Francisco and Washington, DC.

For more information about Boston Properties, please visit the Company’s web site at www.bostonproperties.com.

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