Boston Properties Forms Joint Venture and Completes Acquisition of Safeco Plaza Marking BXP's Entry Into Seattle Market

September 1, 2021

BOSTON--(BUSINESS WIRE)--Sep. 1, 2021-- Boston Properties, Inc. (NYSE:BXP), the largest publicly traded developer, owner, and manager of Class A office properties in the United States, announced today that it completed the acquisition of Safeco Plaza, a 50-story, 800,000 square-foot, LEED-Platinum certified, Class A office property in Seattle, Washington. Safeco Plaza is currently 90% leased. This acquisition marks the Company's initial entry into the Seattle market, one of the most dynamic office markets in the U.S. for companies in the technology, life sciences, financial services, and manufacturing sectors. With significant job growth from the technology and life sciences sectors, Seattle grew faster than any large city in 2020 and continues to rank as one of the top tech markets for employers and employees.

BXP completed the acquisition through a newly formed joint venture with two institutional partners for an aggregate gross purchase price of approximately $465.0 million. Each partner owns approximately one-third (1/3rd) of the joint venture, and BXP will serve as the joint venture's managing member and provide customary property management, leasing and other services. BXP expects to account for its investment in the joint venture under the equity method of accounting.

The purchase price was funded with cash and proceeds from a new mortgage loan secured by the property. The loan has a principal amount of $250 million and bears interest at a variable per annum rate equal to the then 30-Day LIBOR (but not less than 0.15%) plus 220 basis points. The initial interest rate is 2.35%. During its term, the loan requires interest-only payments with a balloon payment due at maturity on September 1, 2026.

"BXP's entry into the Seattle market is an important milestone for our Company," said Owen Thomas, CEO of BXP. "The acquisition of Safeco Plaza is consistent with our long-term strategy of owning, managing, and improving premier properties in markets with a diverse and growing economic base and a deep pool of prospective tenants with knowledge workers that have a demonstrated preference for high-quality office buildings."

With its distinctive position in Seattle's skyline, Safeco Plaza occupies a full city block in Seattle's Central Business District with panoramic views of the Seattle skyline, Puget Sound, and Olympic Mountains. The property features elegant exterior architecture, a large outdoor plaza, generous window lines, and an efficient central core floorplate that provides flexibility for a variety of tenant sizes. It is well located within the city's active urban center, adjacent to retail, restaurants, and waterfront. Safeco Plaza is a highly desirable location for tenants across market sectors, with a Walk Score of 99 and a Transit Score of 100, offering immediate access to Seattle's Link Light Rail, Metro Bus Lines, and Ferry Terminals as well as adjacency to the future extensions of the East Link Light Rail.

This press release contains forward-looking statements within the meaning of the Federal securities laws. You can identify these statements by our use of the words "will," "expects," "intends" and similar expressions that do not relate to historical matters. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond Boston Properties' control and could materially affect actual results, performance or achievements. These factors include, without limitation, the risks inherent in entering new markets, the risks associated with the use of debt to fund acquisitions, including refinancing risk, the risks that our use of joint ventures may limit our flexibility with respect to the assets they own and other assets we may wish to acquire, and other risks and uncertainties detailed from time to time in Boston Properties' filings with the SEC. Boston Properties does not undertake a duty to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

About Boston Properties
Boston Properties (NYSE:BXP) is the largest publicly traded developer, owner, and manager of Class A office properties in the United States, concentrated in six markets - Boston, Los Angeles, New York, San Francisco, Seattle, and Washington, DC. The Company is a fully integrated real estate company, organized as a real estate investment trust (REIT), that develops, manages, operates, acquires, and owns a diverse portfolio of primarily Class A office space. Including properties owned by unconsolidated joint ventures, as of June 30, 2021, the Company's portfolio, totaled 51.5 million square feet and 197 properties, including nine properties under construction/redevelopment. For more information about Boston Properties, please visit our website at www.bxp.com or follow us on LinkedIn or Instagram.

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