









EXECUTIVE SUMMARY

Newmark has been exclusively retained to advise the Commonwealth of Massachusetts' ("Commonwealth") Division of Capital Asset Management and Maintenance ("DCAMM") on the issuance of an Offering

Memorandum ("OM") for the redevelopment of the Charles F. Hurley Building ("Hurley Building"), an approximately 3.35-acre site located in the heart of Downtown Boston, Massachusetts. The Hurley Building benefits from a highly-visible location adjacent to the MGH Medical Cluster, a perpetual demand driver anchored by the flagship campus of Massachusetts General Hospital, which is undergoing an unprecedented \$1 billion expansion. The transitoriented property also enjoys walkability to all of Downtown Boston's primary forms of public transportation with the world-renowned Kendall Square/East Cambridge biotechnology cluster located just one stop away. It is further surrounded by a dynamic mixed-use environment with a number of new developments and infrastructure investments currently underway or planned for delivery. The offering, therefore, is well positioned to leverage Boston's attractive - and highly-resilient - market fundamentals through redevelopment. The city and its surrounding region represent one of the most highly-educated and talent-rich metropolitan areas in the nation, home to 70+ colleges and universities - including prestigious Harvard and MIT - as well as a highly-diversified corporate roster anchored by world-renowned medical and life science sectors.

OFFERING SUMMARY

Totaling approximately 5.5 acres, the Hurley Building offering encompasses two components: the 3.35-acre Hurley Disposition Area, which will be available for permanent redevelopment for state agency offices and private uses, and its adjacent 2.15-acre Open Space Improvement Area, which will be available for open space and other public amenities. The Hurley Disposition Area features an inplace building totaling approximately 347,000 gross square feet of existing office space, presenting an exceptional opportunity for creative adaptive reuse via an architectural transformation into a signature asset with substantial massing upside potential. For more information, please refer to the Asset Overview section of this OM.

TRANSACTION STRUCTURE

DCAMM is seeking to establish a long-term ground lease with a development partner that will secure all necessary permits, approvals and funding for the redevelopment of the Hurley Building. It has identified three primary goals for the project:

- · Cost-effectively address capital renewal needs of an outdated state asset
- Consolidate state office space into assets under long-term control
- Transform an imposing "super-block" into a pedestrian-friendly, 24/7 neighborhood asset

DCAMM anticipates anchoring the project via a long-term lease or leasehold condominium interest for up to 350,000 gross square feet of space in the redeveloped property. DCAMM also anticipates requiring the selected developer to replace all parking that is currently on site. DCAMM will consider placing either or both of these requirements in an alternative asset of comparable quality to the redeveloped property and proximity to the Massachusetts State House.

PERMITTING & STAKEHOLDER ENGAGEMENT

The Hurley Building redevelopment will be expected to undergo a full permitting process, which will be the sole responsibility of the developer, including comprehensive permitting review and approval by all relevant city and state agencies. For further details regarding permitting and stakeholder engagement, please refer to the Process Overview section of this OM.

HISTORIC PRESERVATION CONSIDERATIONS

The Massachusetts Historical Commission and other preservation advocates have been and will continue to be integral in the redevelopment of the Hurley Building. The property is part of the Boston Government Services Center ("BGSC"), a multi-building complex planned by Paul Rudolph, one of the nation's foremost post-World War II architects.

Originally intended to comprise three buildings, the BGSC today encompasses the Hurley Building and the adjacent Erich Lindemann Mental Health Center, which is excluded from the subject offering but is located within the Open Space Improvement Area, which is part of this OM. The BGSC is eligible for listing on the state and federal registers of historic places.

DCAMM engaged Bruner/Cott Architects to analyze the site for historic significance. The report identified several character-defining features of the Hurley Building, including but not limited to:

- The use of "corrugated concrete" throughout the Hurley/Lindemann complex
- A series of massive piers at regular intervals around its edge with panels of vertical glazing recessed between them
- A projecting cast concrete soffit with a one-story rectilinear cornice-like panel surrounding the building in its entirety on the top story
- Continuation of the terraced step-backs and six-foot-high sun shades surrounding the site's interior plaza from the Lindemann building

For the full preservation report, please see Appendix A in the Virtual Deal Room.

An additional character-defining feature of the Hurley Building is its two large-scale lobby murals, which were created by Italian-American artist Contantino Nivola in 1969 in his signature style. The murals' conditions were analyzed by Building Conservation Associates, Inc. in 2021. For the full mural report, please see Appendix C in the Virtual Deal Room.

DESIGN GUIDELINES

DCAMM engaged Stantec Architecture to establish design guidelines for the Hurley Building redevelopment. These guidelines, which have been reviewed by the project's various stakeholders, include design principles categorized into three sections:

- **Urban Design** Encourage significant, creative, dynamic urban interventions that complement, celebrate and improve the Hurley Building, its site and the entire urban block
- Building Design Seek a solution that leads the nation in addressing a common challenge of adapting and adding to assets in ways that respect the Hurley and Lindemann Buildings' unique architecture
- Sustainable Design Anticipate that the project will be a showcase of sustainable redevelopment strategies for similar buildings of its era in the Commonwealth and the nation

For the full design guidelines, please see Appendix B in the Virtual Deal Room.



PREMIER REDEVELOPMENT OPPORTUNITY

Highly-visible redevelopment site comprising approximately 3.35 acres of land at the corner of Cambridge and Staniford Streets in the epicenter of Downtown Boston with 347,000 gross square feet of existing office space and substantial massing upside potential

EXCEPTIONAL PARTNERSHIP OPPORTUNITY

Ability to establish a long-term partnership with DCAMM, which is responsible for capital planning, public building construction, facilities management and real estate services for the Commonwealth

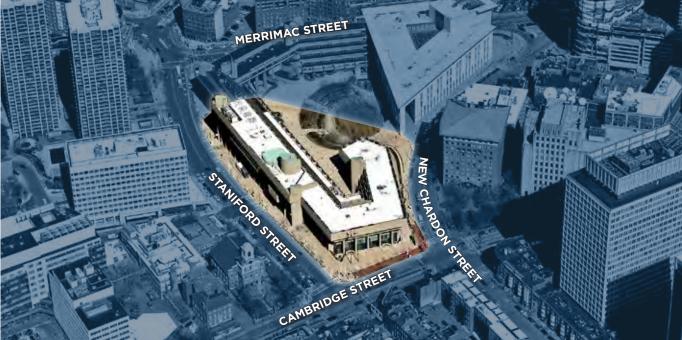
STRONG STAKEHOLDER ENGAGEMENT MOMENTUM

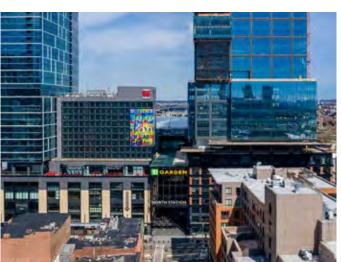
DCAMM has initiated significant outreach to stakeholders, whose input is reflected in its approach and design guidelines for the Hurley Building redevelopment – a highly beneficial step to have completed prior to the project's expected permitting process

TRANSIT-ORIENTED DESTINATION

Situated directly across from an MBTA Blue Line station with walkability to Red, Orange and Green Line stations, North Station (one of Downtown Boston's two primary transit hubs) and the proposed Red-Blue Connector; notably, the nearest Red Line station is just one stop away from Kendall Square/East Cambridge, a world-renowned biotechnology hub









PRIME DOWNTOWN **BOSTON LOCATION**

Centrally located between four major landmarks - North Station; City Hall Plaza, a seven-acre plaza that is being reimagined into an activated pedestrian promenade; the Massachusetts State House; and Massachusetts General Hospital, which is undertaking a \$1 billion, 450-bed expansion of its flagship campus

POWER OF ADJACENCY: MGH MEDICAL CLUSTER

Strategically positioned adjacent to the MGH Medical Cluster, one of the top medical clusters in the world, which is anchored by Massachusetts General Hospital, one of the highest-ranked hospitals in the world and a part of Mass General Brigham (formerly Partners HealthCare), the largest private employer in Massachusetts

DYNAMIC **MIXED-USE ENVIRONMENT**

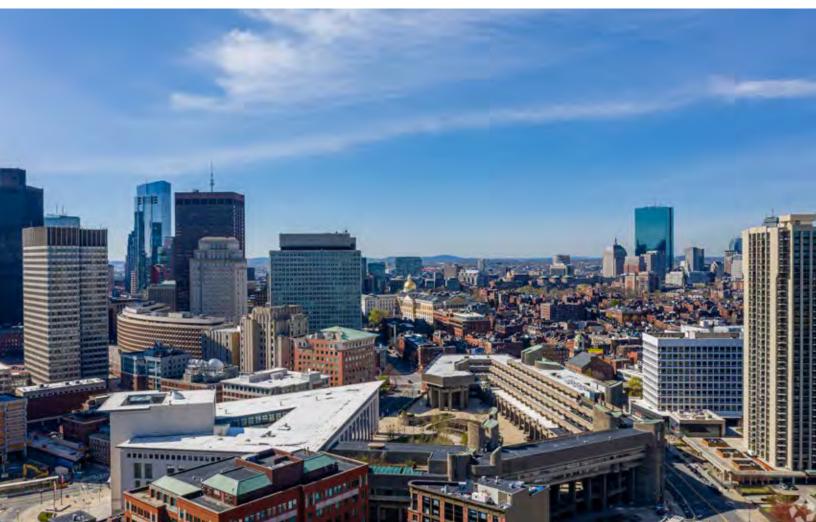
Surrounded by a mixed-use environment including office, residential and hotel towers, shopping and dining amenities, medical and academic institutions, government buildings and historic attractions with substantial new developments and infrastructure investments underway

PREMIER GATEWAY MARKET

Featuring strong economic drivers including top-tier educational institutions anchored by MIT and Harvard University, the two of which are consistently ranked among the top colleges in the world, complemented by a highly-talented workforce and exceptional employment sector diversity, Greater Boston is arguably the country's most resilient market











DYNAMIC MIXED-USE ENVIRONMENT

The Hurley Building boasts an exceptional location at the nexus of Boston's Downtown/ Financial District, Government Center, West End and Beacon Hill neighborhoods. It therefore benefits from proximity to diverse, synergistic demand drivers including office, residential and hotel towers, shopping and dining amenities, medical and academic institutions, government buildings and historic attractions. Notably, the area continues to grow with a wealth of new developments and capital improvements recently completed, currently underway or planned for delivery.

DEMOGRAPHICS One-Mile Radius



63,200 People Residential Population



\$166,600 Average Household Income



77% of Residents Age 25+ Years Hold a Bachelor's Degree or Higher



163,500 People **Daytime Workforce Population**



MASSACHUSETTS GENERAL HOSPITAL

Planned \$1 billion, 450-bed expansion of its flagship campus via construction of a 12-story, twotower building totaling 1.1 MSF





TARGET

11,000 SF smallformat urban store that opened at 100 Cambridge Street in late 2020



MA STATE HOUSE

State capitol and seat of government for the Commonwealth since 1798



Suffolk University

Private institution offering undergraduate, graduate and law programs with 7,300 students



CENTER PLAZA

740.000 SF mixed-use complex and 575-space parking garage featuring \$25+ million in recent capital improvements that led to the signing of leases with office users Grubhub, Spotify and Twitter as well as retailer Caffè Nero



THE HUB ON CAUSEWAY

Mixed-use development at the TD Garden/North Station complex comprising 800,000+ SF of office space anchored by Verizon and Rapid7, 440 luxury apartment units (Hub50House), a 272-key hotel (citizenM), 200,000+ SF of retail space anchored by a 17-stall food hall, a 1,500-person entertainment venue and Star Market, a 60,000+ SF expansion of the TD Garden and 540 parking spaces



BULFINCH CROSSING

Mixed-use redevelopment of the Government Center Garage comprising 1+ MSF of office space anchored by State Street's brand-new global HQ, 800+ residential units, 82,500 SF of retail space, 200 hotel rooms and 1,000+ parking spaces; in July 2021, the developer filed a Notice of Project Change with the BPDA to propose consolidating 410,000 SF in three buildings originally planned for office, hotel, residential and retail use into a single building for life science and retail use with delivery anticipated in 2025



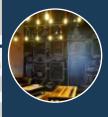
BOSTON PUBLIC MARKET

Year-round marketplace featuring 30+ vendors offering fresh food, prepared meals, crafts and specialty items





One of the most visited tourist destinations in the world with 100+ restaurants/ retailers that are visited by approximately 18+ million people per year





9,000 SF taproom that opened in early 2020 with rotating experimental beers, fan favorites such as Boston Lager and seasonal brews such as Summer Ale



CITY HALL PLAZA

Seven-acre open space that is undergoing a transformative renovation comprising new seating and gathering areas, a playscape for children, public art space, an iconic water feature, a new civic building and year-round programming capabilities with space for up to 12,000 visitors



WINTHROP CENTER

Mixed-use development comprising 800,000+ SF of office space, 321 residential units and a multi-floor public gathering space dubbed the Connector



THE LANGHAM

312-key luxury hotel that reopened in mid-2021 with redesigned guest rooms and suites, new bar and restaurant concepts, new meeting and event spaces and a new Langham Club

POWER OF ADJACENCY: MGH MEDICAL CLUSTER

The Hurley Building benefits from adjacency to one of Downtown Boston's largest economic drivers - the MGH Medical Cluster, which is one of the country's most prestigious medical-academic hubs. The MGH Medical Cluster is anchored by Massachusetts General Hospital ("MGH"), which is consistently ranked as one of the best hospitals in both the country and the world.

MGH is a flagship hospital of Mass General Brigham (formerly Partners HealthCare), the largest private employer in Massachusetts. Mass General Brigham is also one of America's most renowned health systems for medical research with nearly \$2 billion in federal funding and 2,100+ ongoing clinical trials.

In a clear testament to its long-term commitment to the MGH Medical Cluster, Mass General Brigham and MGH recently announced plans to undertake a \$1 billion, 450-bed expansion of MGH's local campus via the construction of a 1.1 million square foot, 12-story, two-tower building in the neighborhood.



MASSACHUSETTS GENERAL HOSPITAL

AT A GLANCE

Best Regional Hospitals - Massachusetts U.S. News & World Report

World's Best Hospitals Newsweek

Best Hospitals Honor Roll - National U.S. News & World Report

1,000+

3.000 **Physicians**

Largest

Hospital-Based Research Program in the U.S.



Oldest & Largest

Teaching Affiliate of Harvard Medical School

\$1 Billion, 450-Bed

Planned MGH Medical Cluster Expansion

Annual Research Operations

9,500+

Researchers Across 30+ Institutes, Centers & Departments

Recipient of NIH **Funding Among** Independent Hospitals





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EXCEPTIONAL CONNECTIVITY TO THE KENDALL SQUARE BIOTECHNOLOGY HUB

The Hurley Building is situated within a short walk of the MBTA Red Line's Charles/MGH station, which is one stop away from the Kendall/MIT station - the primary entrance to Kendall Square/East Cambridge, an internationally-renowned biotechnology hub that serves as one of the globe's most-sought after innovation clusters for tenants and owners alike.

Kendall Square/East Cambridge's intellectual capital is anchored by the 166-acre campus of MIT, a prestigious institute of higher education that is consistently ranked among the world's top colleges. The neighborhood further boasts an unmatched ecosystem of blue-chip life science and technology giants complemented by fast-growing startups.

With an impressive near-zero-percent direct vacancy rate for Class A laboratory space, Kendall Square/East Cambridge's supply/ demand fundamentals are so tight that new tenants seeking to secure space in the neighborhood are almost always required to commit to new construction inventory, nearly all of which is fully pre-leased before breaking ground. Alternatively, tenants are required to expand their search into other submarkets with those offering mixed-use urban environments and Red Line connectivity best positioned to attract these displaced users.

KENDALL SQUARE AT A GLANCE

LABORATORY

7.8 MSF inventory

0.5% vacancy rate

\$110/SF direct average asking rental rate (NNN)

OFFICE

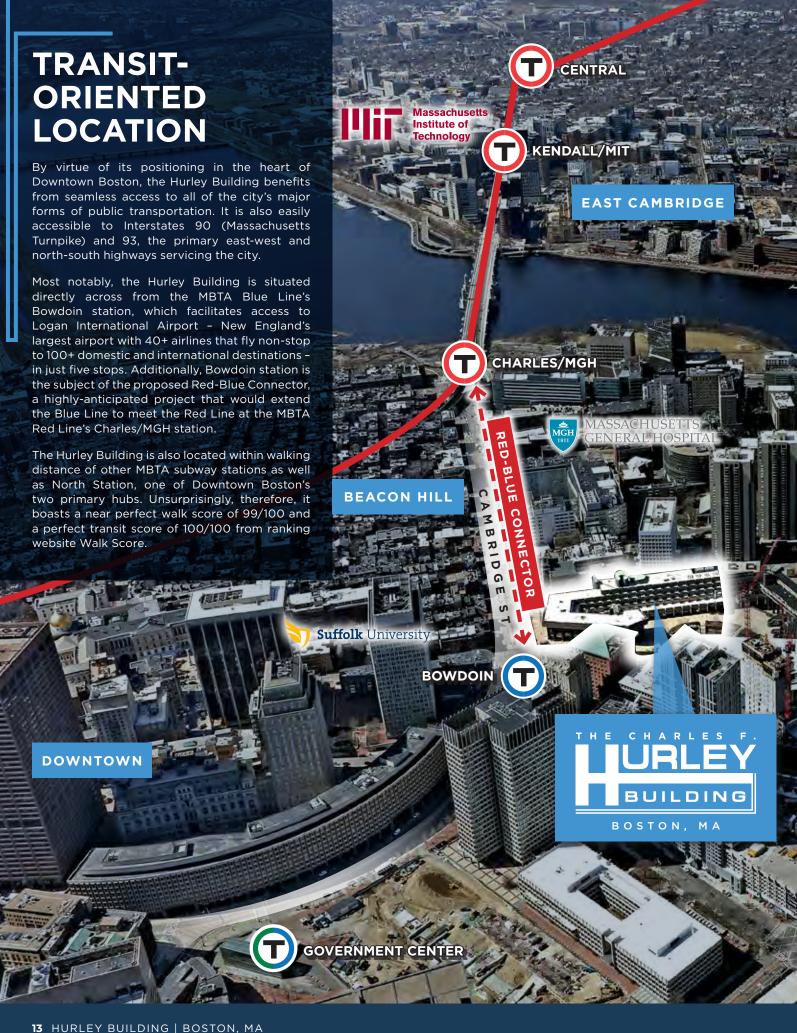
6.7 MSF inventory

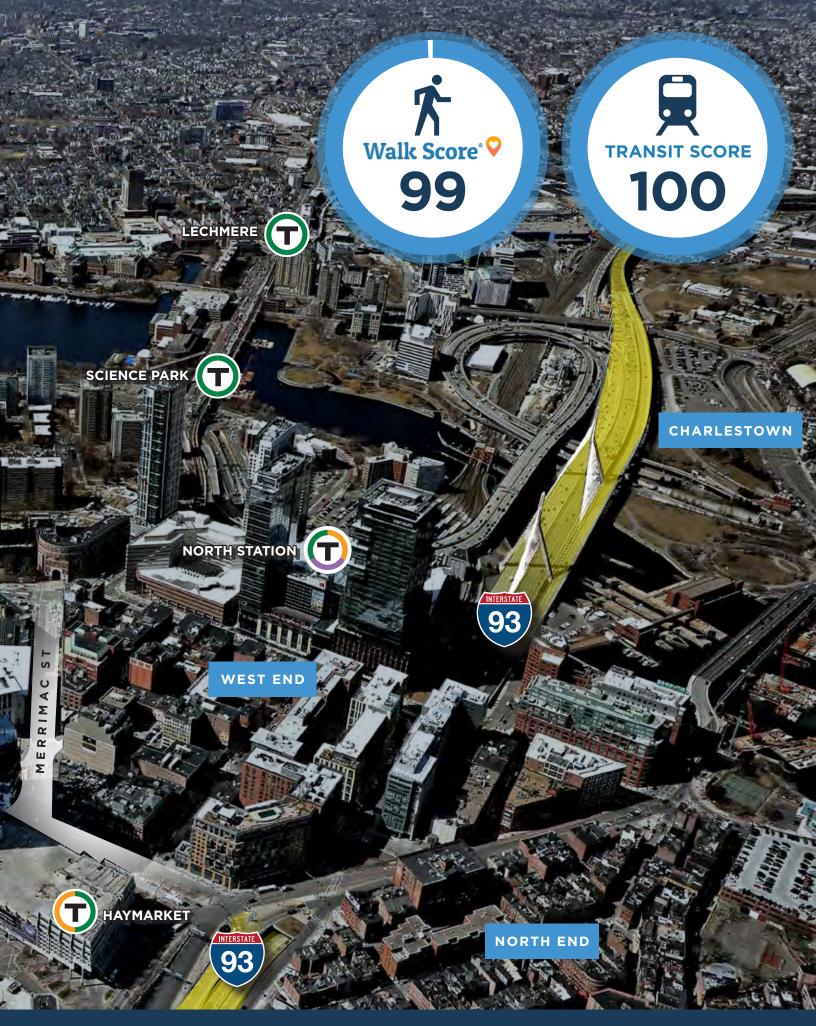
8.8% vacancy rate

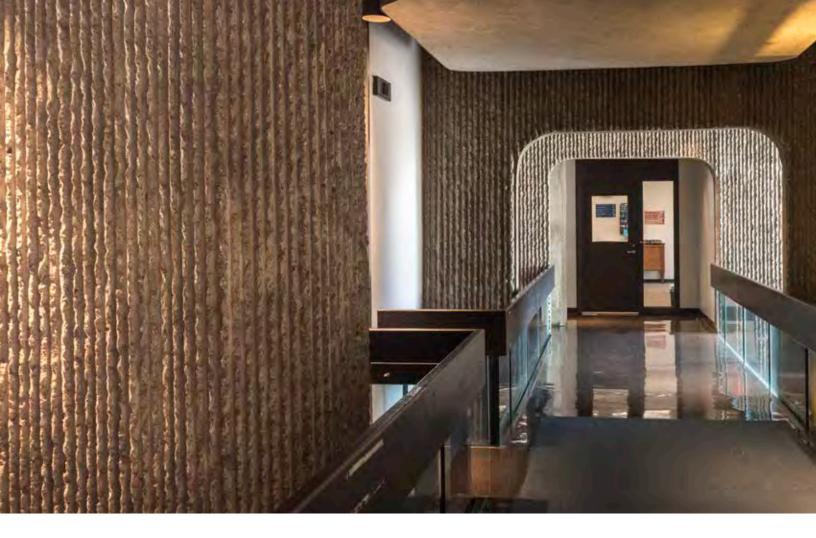
\$92/SF direct average asking rental rate (gross)







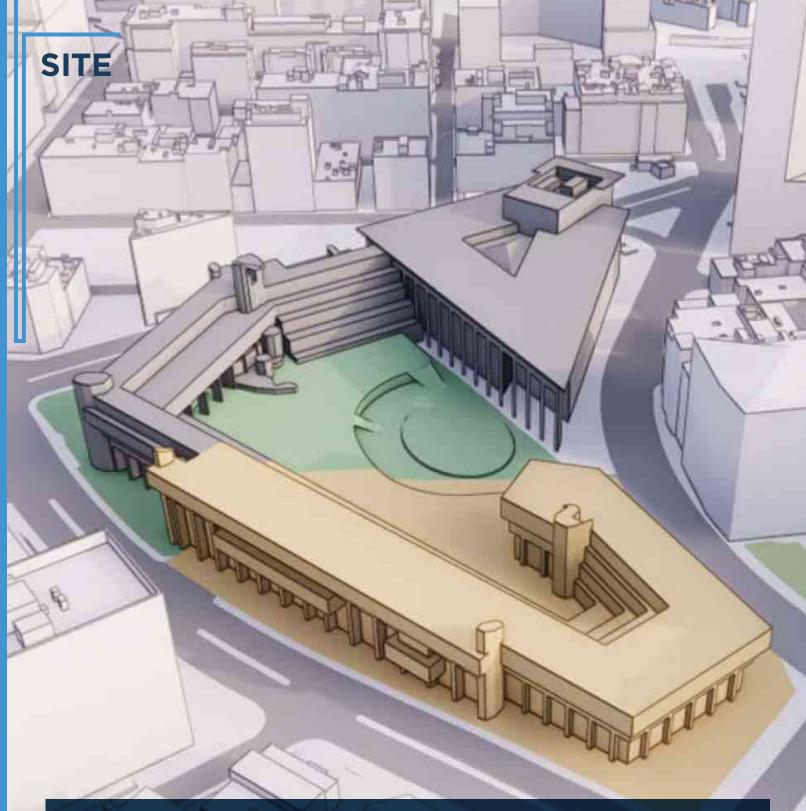






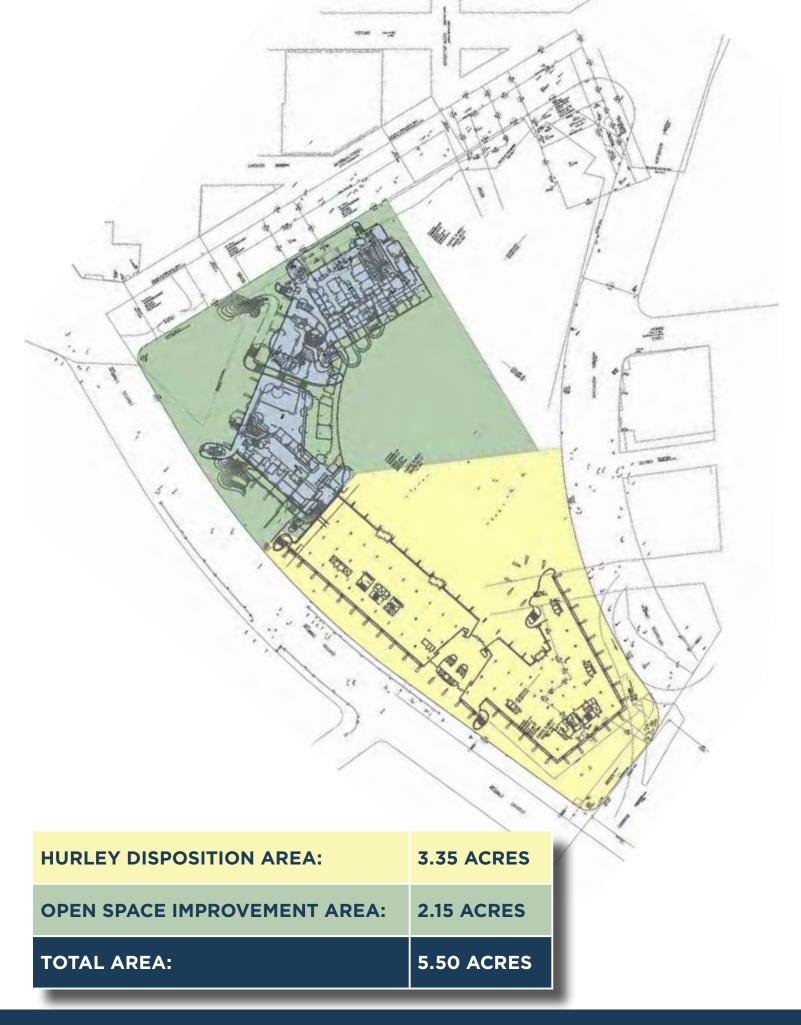






Totaling approximately 5.5 acres, the Hurley Building offering encompasses two components: the 3.35-acre Hurley Disposition Area (shaded in yellow), which will be available for permanent redevelopment for state agency offices and private uses, and its adjacent 2.15-acre Open Space Improvement Area (shaded in green), which will be available for open space and other public amenities. Presently, the Hurley Disposition Area features an in-place building comprising 347,000 gross square feet of existing office space with substantial massing upside potential and 202 garage parking spaces that are shared with the adjacent Lindemann building, while the Open Space Improvement Area features 85 surface parking spaces at the corner of Merrimac and New Chardon Streets. DCAMM anticipates requiring the selected developer to replace all parking that is currently on site.

The Hurley Building is situated within the city block bound by Merrimac, New Chardon, Cambridge and Staniford Streets. The block's other two buildings, which are known as the Erich Lindemann Mental Health Center and the Edward W. Brooke Courthouse, are not included in the subject offering.





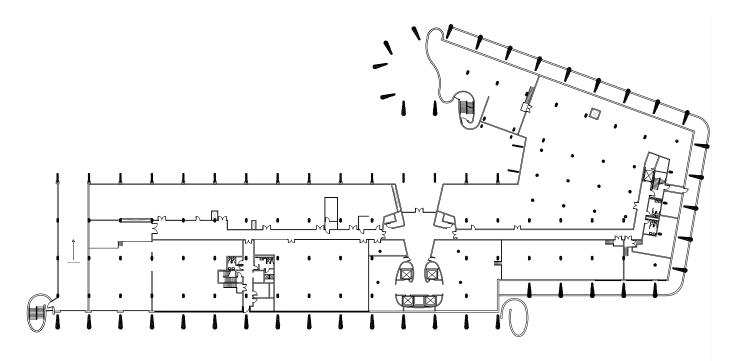
IMPROVEMENT DETAILS		
Address	19 Staniford St, Boston, MA	
Profile	Office; primarily occupied by agencies in the Executive Office of Labor and Workforce Development ("EOLWD")	
Year Built	1971	
Number of Floors	Five to six plus basement	
Size	347,000 gross square feet (241,000 usable square feet)	

CONSTRUCTION	
Structure	Reinforced concrete structural frame with pan joist upper floors and cast-in-place walls
Foundation	Spread footings with slab-on-grade and cast-in-place concrete walls for basement
Façade	Exposed aggregate concrete
Roof	Flat roof with rigid insulation
Windows	Framed with steel and aluminum
Floor Coverings	Carpet, vinyl tile, ceramic tile, concrete, terrazzo, raised wood
Ceilings	Plastered and painted gypsum board and acoustic tiles
Ceiling Height	Typically 12'6" slab-to-slab and 9'6" finished
Parking	Two-level parking garage with 202 total parking spaces, including 198 regular parking spaces (one of which features an EV charging station) and four handicap parking spaces; shared with adjacent Lindemann building; additionally, the adjacent Open Space Improvement Area features 85 parking spaces
Loading	One loading dock with two dock bays; accessible from Staniford Street

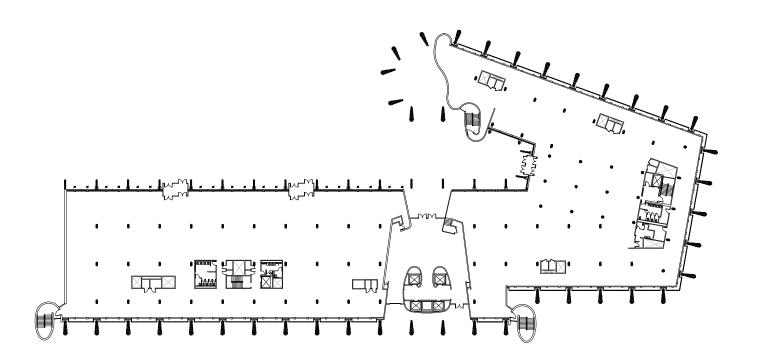
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BUILDING SYSTEMS	
Elevators	Four Otis passenger elevators, 3,500-pound capacity each; two Otis freight elevators, 3,500-pound capacity each
HVAC System	Various HVAC components are located in three mechanical rooms in the basement; two cooling towers, two York drycoolers and some split systems are located on the roof; additional split systems are located throughout the building; induction units provide perimeter conditioning; three condenser water pumps, one per cooling tower and one backup
Electric Service	Double-end utility underground services; a switchgear room, which includes the switchgear and the building main distribution switch and panels, is located in the basement; panelboards are located in electrical closets on each floor; main switchgear features two 3,000-amp, 480/277-volt main breakers
Emergency Power	Diesel generator located adjacent to utility switchgear
Life Safety	Fire alarm control panel located near mechical room; remote annunciator located at front lobby; standpipe system in several exit stairways; dry sprinkler valves in parking garage; Halon 1301 chemical fire suppression system in computer room
Security	Security access system control panels are located throughout the building

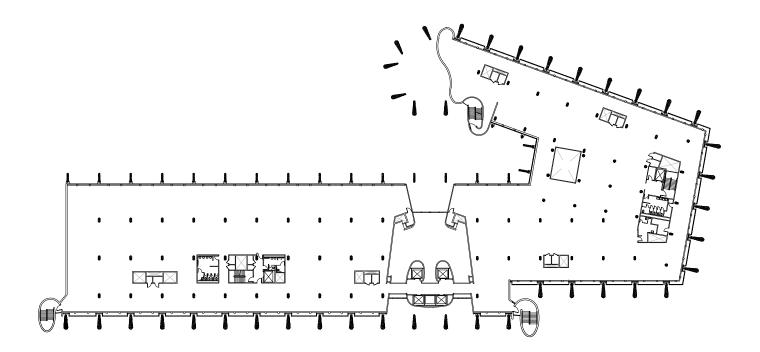
FLOOR PLANS



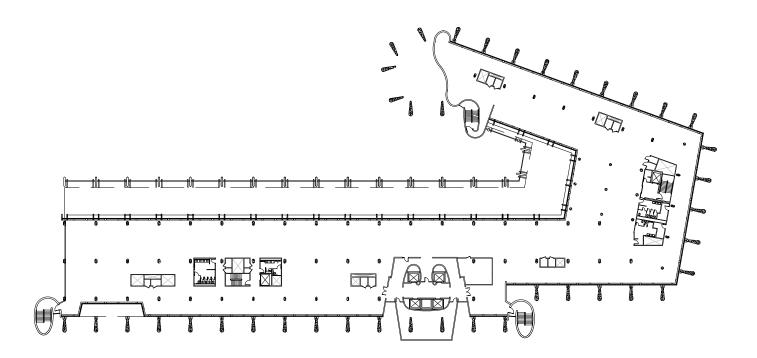
BASEMENT



1ST FLOOR

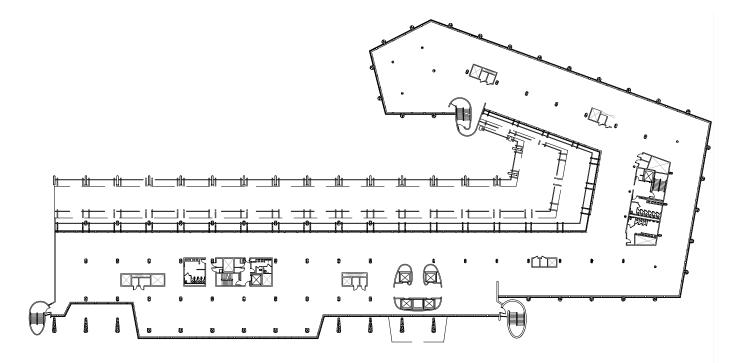


2ND FLOOR

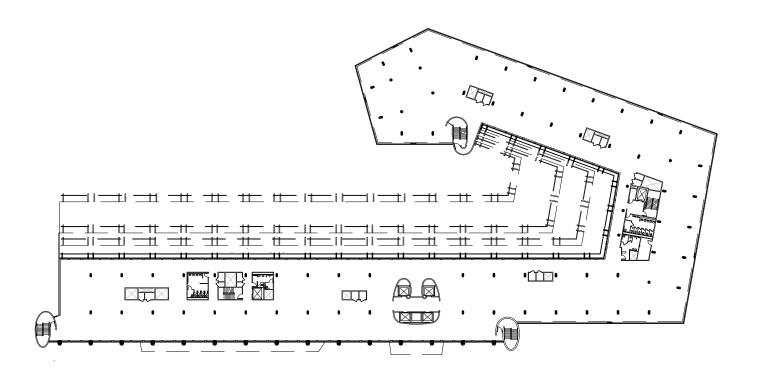


3RD FLOOR

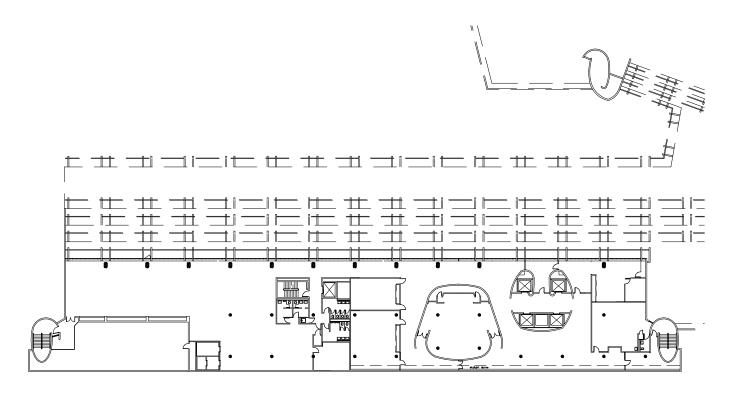
FLOOR PLANS



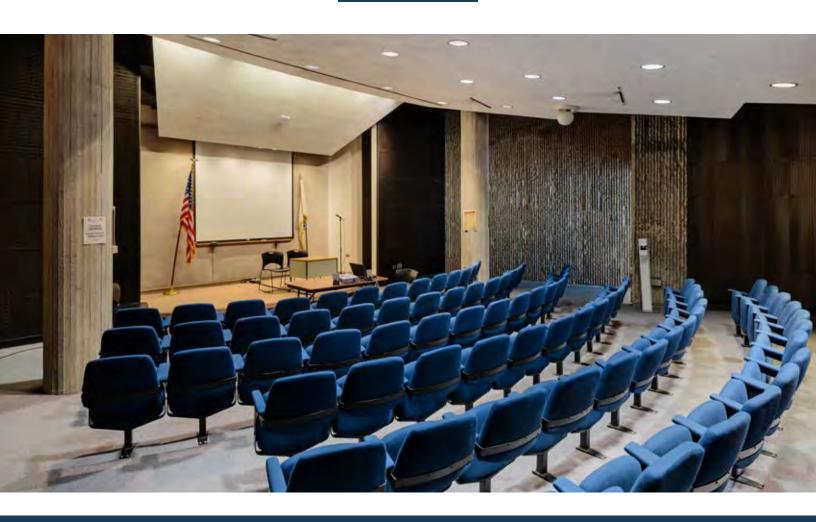
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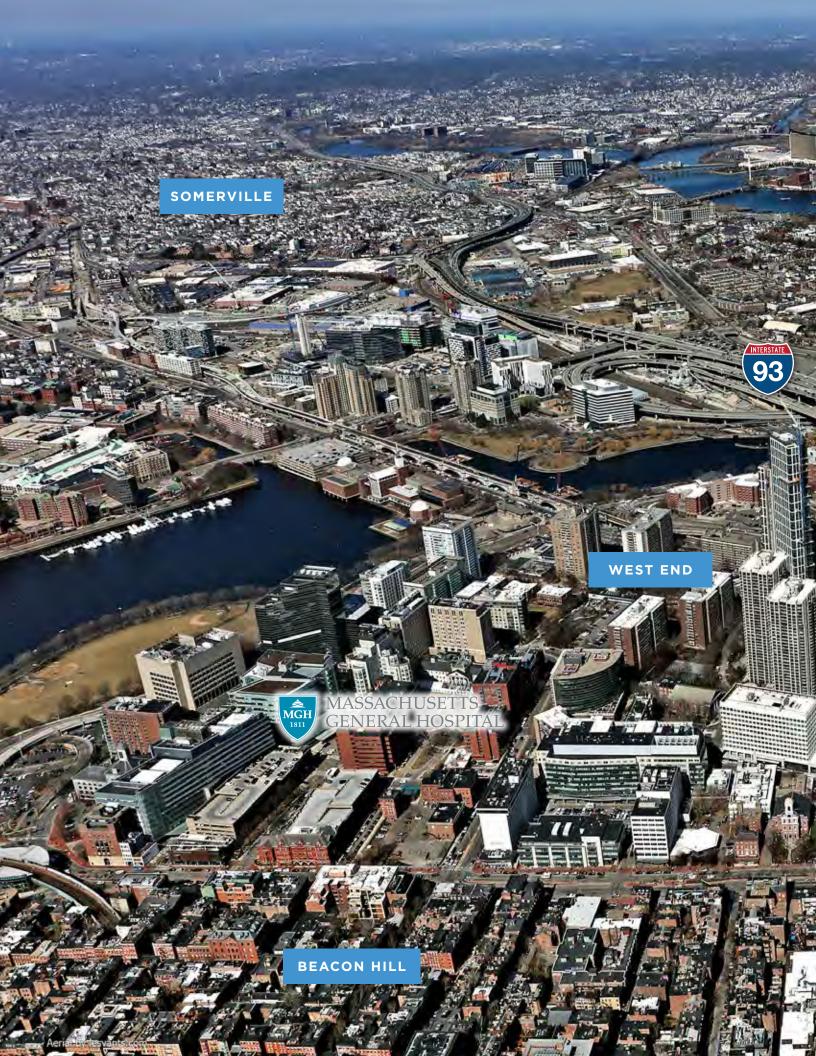


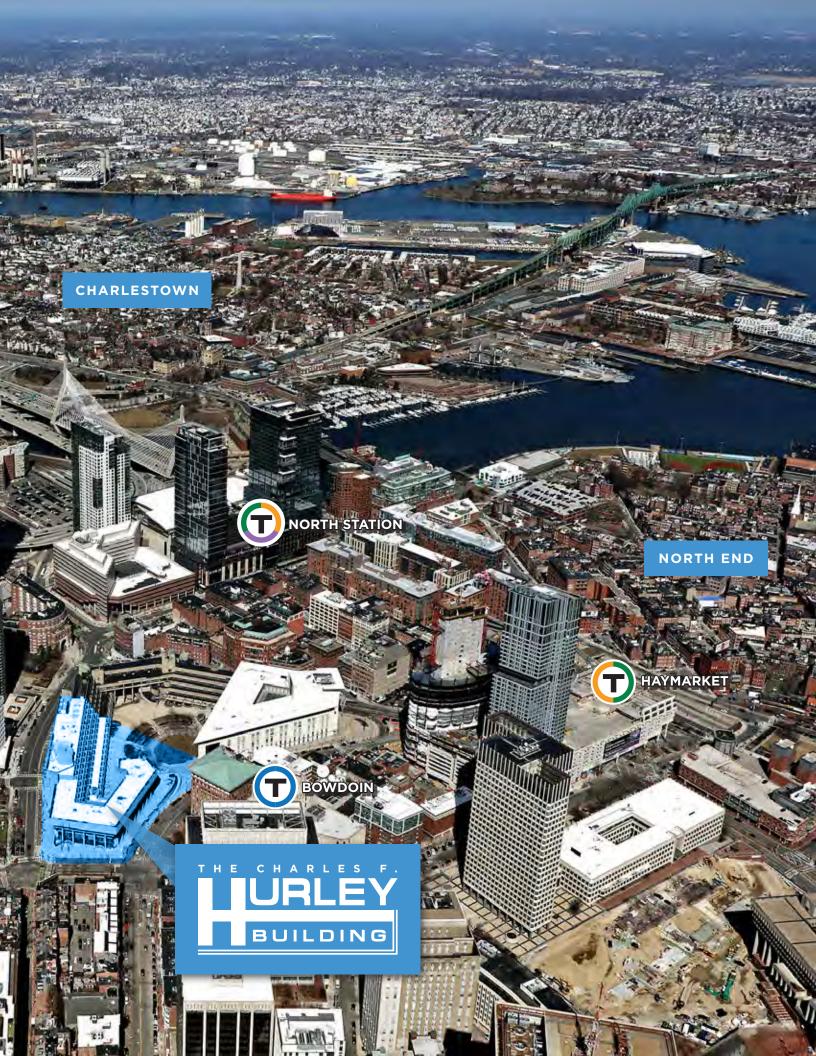
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ARGUABLY THE COUNTRY'S MOST RESILIENT MARKET

Greater Boston represents one of the most highly educated and talent-rich metropolitan areas in the nation, home to 70+ colleges and universities – including prestigious Harvard and MIT – as well as a world-renowned medical sector and a highly diversified corporate roster. The region boasts a healthy balance of "innovation industry" firms across the life science, biotechnology and biopharmaceutical sectors, "new economy" companies across the technology, advertising, media and information (TAMI) industries and "old line" powerhouses across the financial, consulting and legal services sectors. It also features a flourishing industrial sector highlighted by major e-commerce and logistics users alike.





#2 U.S. State for Education



#1 U.S. Metropolitan Area for NIH Funding



#1 U.S. City for Quality of Life



#5 U.S. Market for investor Demand



#3 Most Walkable U.S. City





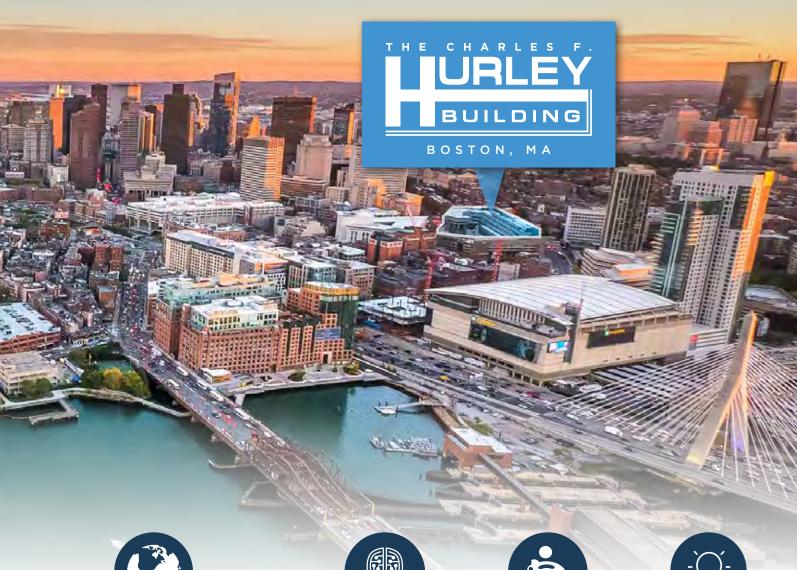








Together, these exceptional fundamentals - highly concentrated intellectual capital and exceptional employment sector diversity - drive Greater Boston's unmatched, perpetual demand from tenants and





#2 U.S. city for increased real estate investment



Top 5 U.S. Metropolitan Area for innovation



Top 10 Hottest City for Commercial Real Estate investing



#5 Global Start-up Ecosystem



BROOKINGS





OFFICE

Driven by its highly-educated workforce and diverse economy, Greater Boston remains one of the country's tightest office markets in the wake of the COVID-19 pandemic. Its Central Business District encompasses seven submarkets – Back Bay, Downtown/Financial District, Government Center, Midtown, North Station, Seaport District and South Station – with a total of 65 million square feet of office inventory.

The Hurley Building is located at the nexus of two of these submarkets - Downtown/Financial District, which features 33 million square feet of office inventory (26 million square feet of which is classified as Class A), and Government Center, which features 1.5 million square feet of office inventory (565,000 square feet of which is classified as Class A).

SUPPLY/DEMAND FUNDAMENTALS

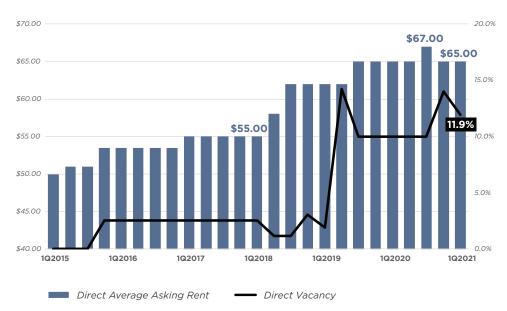
The Downtown/Financial District and Government Center office submarkets have each reported 18% growth in their direct average asking rental rate throughout the past three years to \$72.24 per square foot and \$65.00 per square foot, respectively, as of 1Q2021. Perhaps even more notably, however, these figures are only 3% off each submarket's respective peak - \$74.47 per square foot for Downtown/Financial District and \$67.00 per square foot for Government Center.

Additionally, both submarkets benefit from a track record of single-digit direct vacancy rates that, despite COVID-19related upticks, have remained below the benchmark 15% level at 11.4% and 11.9%. respectively, as of 1Q2021. Furthermore, the Government Center submarket's only prepandemic vacancy rate uptick was driven by the relocation of American Student Assistance - a relatively large tenant given the submarket's limited Class A inventory - to the Downtown/ Financial District submarket.

Downtown/Financial District | Class A Rent & Vacancy



Government Center | Class A Rent & Vacancy







WELLINGTON MANAGEMENT

WILMERHALE | WH

WELLS FARGO

RIEMER BRAUNSTEIN





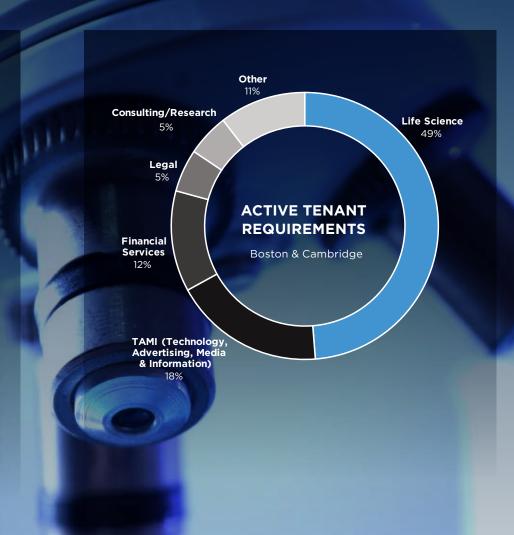
STATE STREET

MAJOR EMPLOYERS

LIFE SCIENCE

Fundamentals across Greater Boston's life science market are the strongest in the country. Robust tenant demand, extremely limited building availabilities and record-high rental rates consistently characterize Cambridge, while laboratory inventory across Boston and its suburbs continues to expand in order to capture Cambridge's excess demand. This supply-demand imbalance has only been accelerated in the wake of the COVID-19 pandemic, which has reinforced the critical importance of the life science sector.

Today, demand for commercial inventory across Boston and Cambridge is dominated by life science firms, which comprise an impressive 49% of the region's active tenant requirements. In a clear testament to the supply-starved market's need for additional inventory, these active life science requirements total 3.7 million square feet - more than seven times the region's 0.5 million square feet of current directly available life science inventory.



ACTIVE TENANT REQUIREMENTS VS. AVAILABLE INVENTORY Life Science | Boston & Cambridge

Active Life Science Tenant Requirements

3.7 MSF

Available Life Science Inventory

0.5 MSF

THE "CLUSTER EFFECT"

With Cambridge, the traditional epicenter of Greater Boston's world-renowned life science sector, consistently posting triple-digit rental rates and nearzero percent vacancy rates, brand-new life science destinations are rapidly emerging to accommodate the region's overflow of demand. Boasting direct public transit connectivity to Cambridge and an already-established concentration of intellectual capital, Boston serves as a primary beneficiary of this life science expansion.

In fact, a wealth of life science users - such as Catabasis Pharmaceuticals, Foundation Medicine and Vertex Pharmaceuticals, the city's largest life science company with a local footprint in excess of one million square feet - have relocated or committed to relocate their headquarters facilities entirely from Cambridge to Boston. Others - such as Ironwood Pharmaceuticals - have moved their office functions to Boston while retaining their R&D functions in Cambridge. Still others - such as CRISPR Therapeutics - have expanded from Cambridge into Boston in order to leverage synergies between their facilities in both locations.

Clearly, the "cluster effect" - in which a critical mass of synergistic "innovation economy" employers seek to locate within close proximity of one another is taking hold. Life science users desire the sense of community, collaboration, innovation and competition generated by co-locating within a hub of complementary employers, positioning Boston well for continued life science demand.

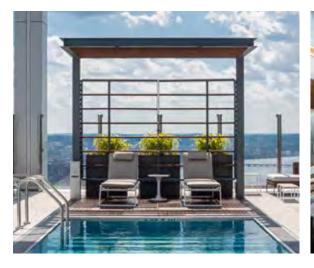




MULTI-FAMILY

CLASS-A APARTMENT MARKET OVERVIEW

To gain a better understanding of the apartment market surrounding the Hurley Building, Newmark has surveyed ten (10) properties in the Downtown Boston and Back Bay submarkets which total 3,172 units that have a weighted average occupancy of 96%. These properties reveal an average studio rent of \$2,595 (\$4.77 per square foot), an average one-bedroom rent of \$3,569 (\$4.70 per square foot) and an average two-bedroom rent of \$5,069 (\$4.29 per square foot). It is important to note that the temporary decrease in rents as a result of the COVID-19 pandemic is reflected in these numbers and prior to the pandemic the asking rents at these properties were 5% - 20% higher. The Boston multifamily market continues to rebound strongly and it is widely expected that the market will return to pre-pandemic levels within the year.



















Name

S U D B U R Y

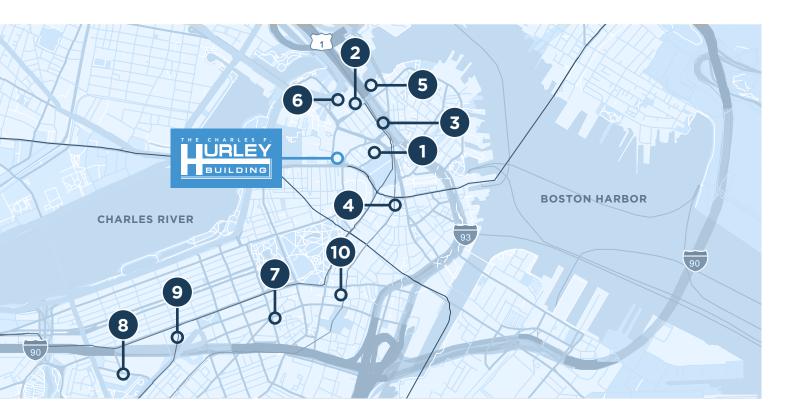




DEVONSHIRE

LOVEJOY

Address	100 Sudbury St	50 Causeway St	1 Canal St	1 Devonshire Pl	100 Lovejoy Pl	
Year Built	2020	2019	2016	1983 / 2021	2017	
# of Units	368	440	310	480	157	
Avg. Unit Size	979	691	989	1064	1067	
Occupancy	In Lease Up	In Lease Up	92%	100%	99%	
Rents						
Studio Rent	\$2,781	\$2,321	\$2,459	-	-	
Studio Rent \$/SF	\$5.06	\$5.03	\$4.21	-	-	
1BR Rent	\$3,905	\$3,294	\$3,655	\$3,311	\$2,960	
1BR Rent \$/SF	\$4.86	\$5.38	\$4.44	\$4.15	\$4.22	
2BR Rent	\$5,008	\$4,673	\$4,463	\$4,607	\$4,835	
2BR Rent \$/SF	\$4.36	\$5.02	\$3.99	\$3.70	\$3.84	
Source	CoStar	CoStar	CoStar	CoStar	CoStar	















Avalon North Station



30. DAL T O N

Avalon Exeter

THE **KENSINGTON**

Total/Average

	BOSTON, MASSACHUSETTS				
1 Nashua St	100 Arlington St	30 Dalton St	77 Exeter St	665 Washington St	
2017	2014	2016	2014	2013	
503	128	218	187	381	3,172
835	921	902	1082	835	937
88%	99%	96%	96%	94%	96%
\$2,389	-	-	\$2,816	\$2,803	\$2,595
\$4.75	-	-	\$5.80	\$3.77	\$4.77
\$3,142	\$4,307	\$3,556	\$3,791	\$3,773	\$3,569
\$4.36	\$5.36	\$4.59	\$4.73	\$4.92	\$4.70
\$4,356	\$6,460	\$5,803	\$6,332	\$4,149	\$5,069
\$3.91	\$4.53	\$5.09	\$4.59	\$3.84	\$4.29
CoStar	CoStar	CoStar	CoStar	CoStar	

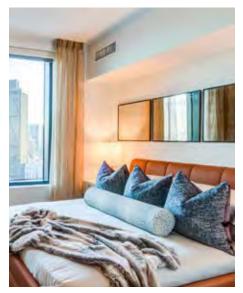
MULTI-FAMILY

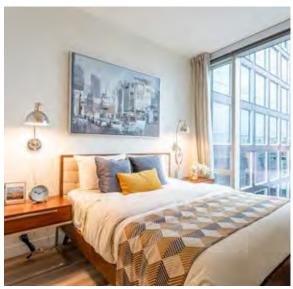
TMENT MARKET OVERVIEW







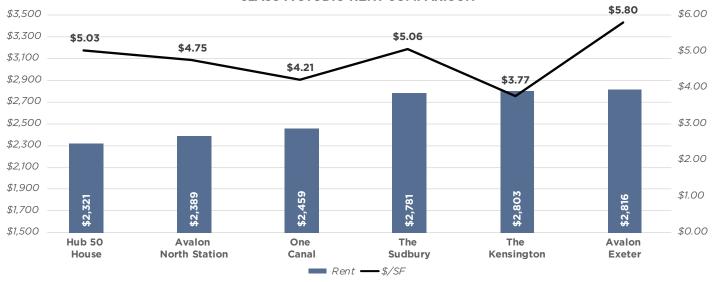




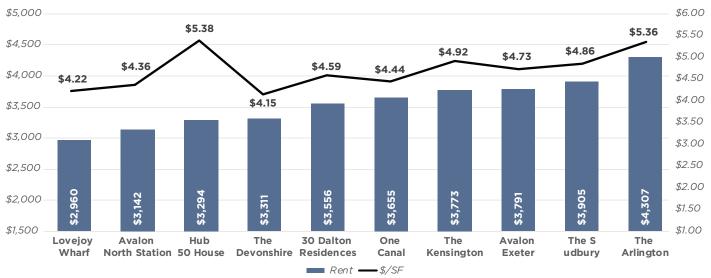




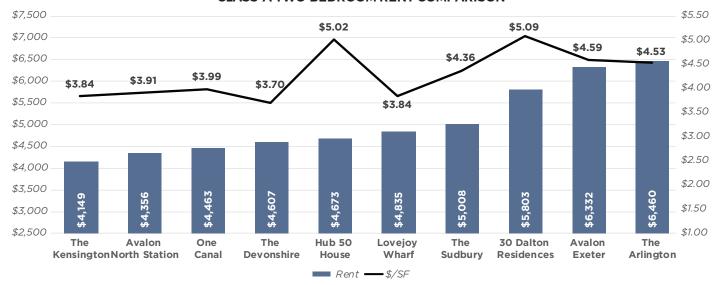
CLASS-A STUDIO RENT COMPARISON



CLASS-A ONE BEDROOM RENT COMPARISON



CLASS-A TWO BEDROOM RENT COMPARISON



NATIONAL MEDICAL OFFICE

The national healthcare real estate market has long benefited from its fundamental status as a "recession-resistant" sector. Unlike office and retail tenants, healthcare providers are not as directly exposed to the ebbs and flows of the economy as their revenue is largely based on non-elective patient services. Illustratively, through the challenges of COVID-19, medical office has emerged as a beacon of strength in the commercial real estate market.

Healthcare assets with strong tenancy, especially those anchored by market-leading hospitals and physician organizations, are in high demand among today's regional and national real estate investors. With occupancy and rental rates consistently surpassing those of the commercial office market, healthcare real estate continues to be considered a "safe haven" for investment.

KEY DEMAND DRIVER: BABY BOOMERS

One of the driving forces of demand for healthcare real estate in recent years has been the Baby Boomer wave, with approximately 10,000 people from this demographic cohort turning 65 years old every day. With 18% of the United States' GDP attributed to the healthcare sector and an estimated 80% of a person's total healthcare expenditures spent in the last two to three years of their life, the healthcare real estate sector is projected to remain strong through the coming decade as Baby Boomers continue to reach retirement age and beyond.

SPOTLIGHT: NEW ENGLAND

On a regional basis, medical office inventory in New England is generally more constrained than it is on a national level due to the region's high barriers to entry and its status as a mature, fully-developed real estate market. This scarcity of supply, combined with the region's reputation as home to an unmatched cluster of prestigious healthcare institutions and top-ranked universities, all of which present exceptional synergies for local healthcare providers, contributes its status as a prime destination for a variety of medical office users.



Baby Boomers Turning 65 Years Old Every Day



18%

of the U.S. GDP is Attributed to the Healthcare Sector



80%

of a Person's Total Healthcare Expenditures are Spent in the Last 2-3 Years of Life



16%

Projected Growth in ASC
Outpatient Procedure Volume
through 2026 via Becker's
Healthcare



20M

People Gained Health Insurance Under the Affordable Care Act

THE SHIFT TO OUTPATIENT FACILITIES

Off-campus medical office buildings have experienced a dramatic increase in demand as patients seek to avoid hospitals in the wake of the COVID-19 pandemic, according to a survey recently conducted by healthcare consultants CVR and Carmichael & Company. Based on responses from 2,000+ people in five major markets across the United States, the survey found:

- 77% of respondents would prefer to go to a location not connected to a hospital, such as an off-campus medical office, for healthcare services
- 46% of respondents would request that a required surgery take place at a surgery center located away from a hospital
- 23% of respondents would not go to the emergency room in the event of a medical emergency, instead preferring to handle the emergency themselves

With many of the lifestyle changes brought about by COVID-19 expected to become the "new normal" in the post-COVID-19 environment, this shift to outpatient facilities is likely to have a long-lasting impact on the healthcare sector and positively impact off-campus medical office buildings. In fact, Becker's Healthcare projects that ambulatory surgery centers will experience 16% growth in outpatient procedure volume through 2026.

HIGH INVESTMENT INTEREST IN MEDICAL OFFICE

Investors across the United States are expected to maintain a high interest in assets across the medical office sector due to a range of favorable factors:

Medical Office Fundamentals

- Medical office is among the most defensive of all real estate asset types
- Limited rent relief with collections in the high 90% range
- Market-leading healthcare systems and providers will take market share

Capital Markets Overview

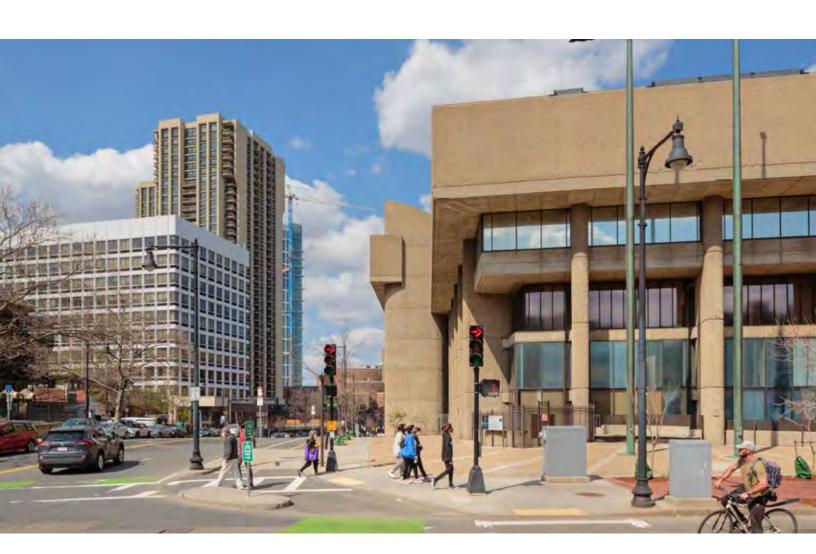
- High-quality MOBs have experienced little to no pricing changes through the COVID-19 pandemic
- Medical office was a late-cycle play before the outbreak of COVID-19, but investors have doubled down on this sector during the pandemic
- New entrants and increased allocations are attracted to the MOB sector's defensive profile

Public Market Backdrop

- MOB REITs are among the best performers of all REIT asset types
- There is a notable disconnect between public REIT performance and private market MOB valuation

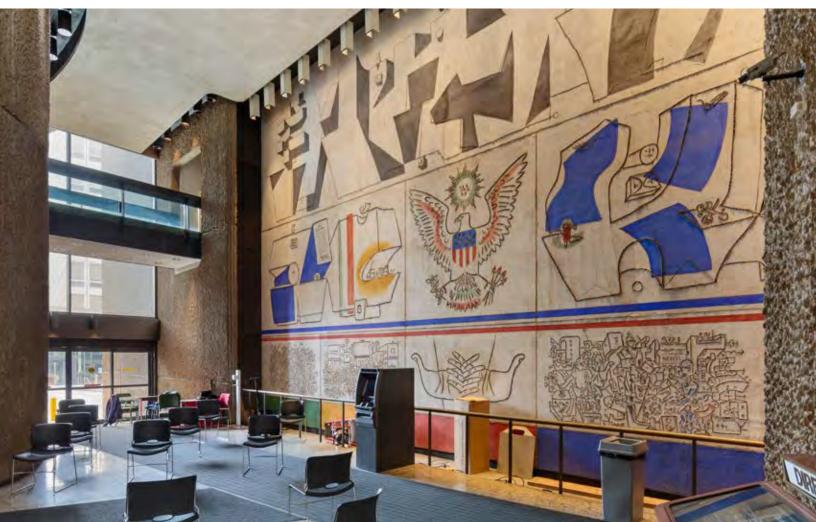
Debt Market Review

- · Regional and local commercial banks provide critical liquidity for medical office
- The Federal Reserve is supportive of a prolonged low interest rate environment













STAKEHOLDER ENGAGEMENT

DCAMM has led a robust stakeholder engagement process throughout the past 18 months to better understand the Hurley Building's redevelopment possibilities and stakeholder considerations. This outreach is summarized below:

NEIGHBORHOOD CONSIDERATIONS

- Presented to neighborhood associations
- Met with relevant elected officials and City of Boston staff

"As the Boston City Councilor for District 8, representing the surrounding neighborhoods of the West End and Beacon Hill, I am deeply interested in ensuring that this project enhances the area for all those who live nearby, work at the site, or simply pass through this location at the heart of the city... The proposed Hurley redevelopment site is sufficiently large to accommodate some such community use, in a way that complements the commercial uses envisioned by DCAMM."

- Kenzie Bok, Boston City Councilor for District 8, Letter to DCAMM

For the full letter from Councilor Kenzie Bok, please see Appendix D in the Virtual Deal Room.

PRESERVATION & DESIGN

- Entered into consultation with the Massachusetts Historical Commission
- Convened advisory group including neighbors, developers and preservation advocates to assist in the shaping of design guidelines for the project

"DCAMM encourages significant, creative, dynamic urban interventions that complement, celebrate, and improve the Hurley Building, its site, and the entire urban block. The Hurley building exhibits many qualities recognized from the era of concrete modernism[...]. By encouraging preservation of significant features along with adaptive reuse, DCAMM asks respondents to address the site's existing urban design challenges."

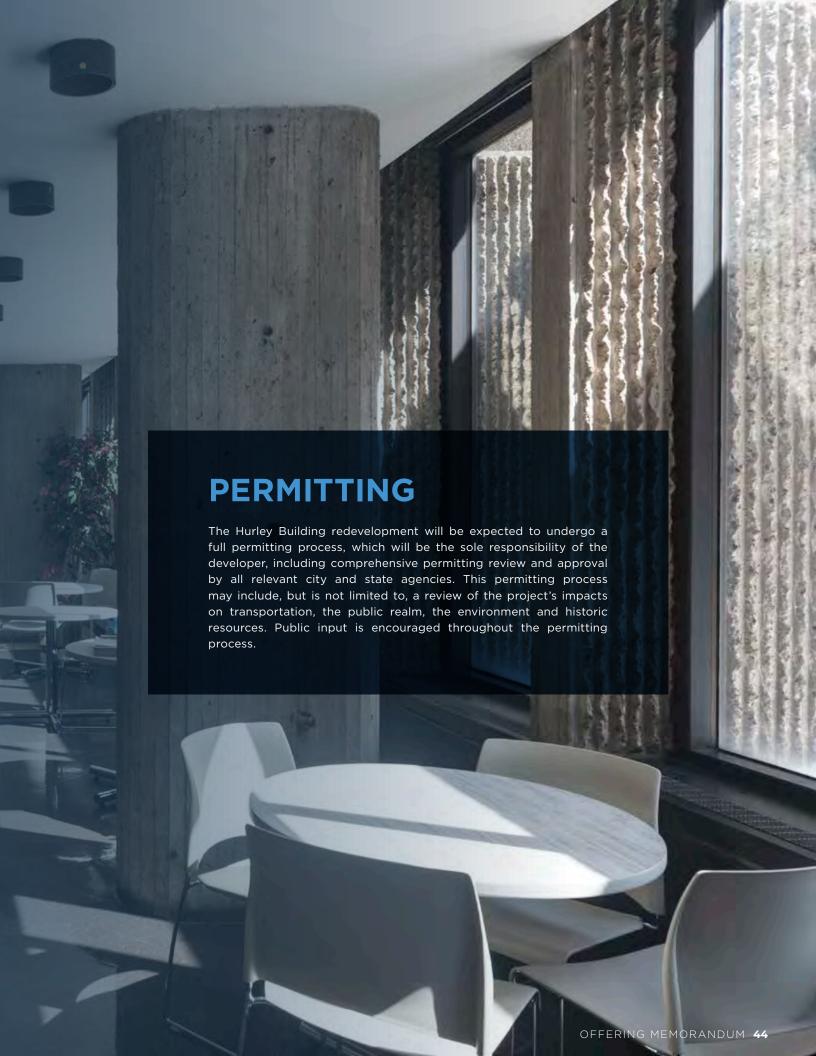
- Design Guidelines, Historical Significance of the Lindemann/Hurley Campus

GENERAL

- Solicited public commentary via DCAMM website
- Solicited public commentary via virtual meetings

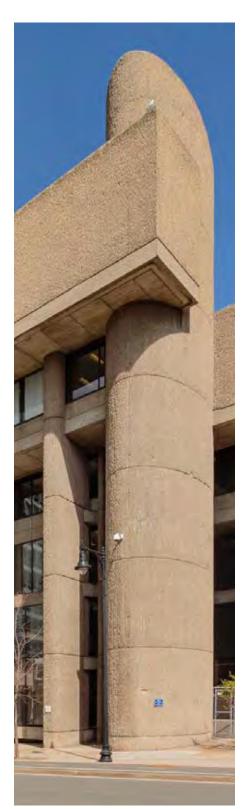
Key Themes from Public Commentary

- Balance preservation and redevelopment
- Consider the site's urban context, including nearby developments
- Incorporate a community-oriented use on site
- Encourage a mix of commercial uses on site
- Create a publicly-accessible ground floor
- Improve the public realm around the site
- Break up the "superblock" on Staniford Street
- Incorporate pedestrian and bicycle access
- Avoid increasing vehicular traffic in the area



DESIGN GUIDELINES

DCAMM engaged Stantec Architecture to establish design guidelines for the Hurley Building redevelopment. These guidelines, which have been reviewed by the project's various stakeholders, include design principles categorized into three sections as summarized below. For the full design guidelines, please see Appendix B in the Virtual Deal Room.



URBAN DESIGN

Goal

Encourage significant, creative, dynamic urban interventions that complement, celebrate and improve the Hurley Building, its site and the entire urban block.

Design Principles

- Provide high-quality, landscaped, accessible open spaces at corner public plazas and safe, pedestrian-friendly sidewalks
- Activate ground floors so that plazas and sidewalks are engaging, promote community life and enrich the sense of place
- Reduce the "super-block" effect
- Modernize how people get to the site; focus on transit-oriented design

BUILDING DESIGN

Goal

Seek a solution that leads the nation in addressing a common challenge of adapting and adding to assets in ways that respect the Hurley and Lindemann Buildings' unique architecture.

Design Principles

- Prioritize adaptive reuse/rehabilitation
- Develop an innovative and complementary new composition of massing at various scales
- Create a signature new renovation and addition(s) to complement the existing Hurley/Lindemann/Courthouse block

SUSTAINABLE DESIGN

Goal

Anticipate that the project will be a showcase of sustainable redevelopment strategies for similar buildings of its era in the Commonwealth and the nation.

Design Principles

- Go beyond minimum sustainable and resilient design requirements
- Address thermal performance of the existing Hurley Building
- Provide for health and wellness across the built environment and post-COVID-19



MARKETING, SUBMISSION & SELECTION

As described below, the marketing process will include an opportunity for all qualified developers to tour the property, review the available materials in the Virtual Deal Room and respond to the call for offers notice for redevelopment of the site. DCAMM will then progress through multiple rounds of proposal submissions and interviews with the development teams it deems most qualified (reserving the right to reject any and all proposals for any or no reason). During this process DCAMM may use selection criteria that include (but are not limited to) the following:

PRIMARY SELECTION CRITERIA

1 TEAM QUALIFICATIONS

- Experience with similar urban development and adaptive reuse projects
- Ability to execute across multiple potential deal structures
- Design team demonstrating high creativity and design quality
- Ability to finance the project, and financial resources and capitalization

2 COMMITMENT TO EQUITY, DIVERSITY AND INCLUSION

- · Diverse project leadership in key roles on the development team and its partners throughout the project
- Meaningful participation of diverse businesses throughout the project
- Employment opportunities for minorities, women and other groups that have historically been denied access to work in development and related fields

3 BUSINESS TERMS

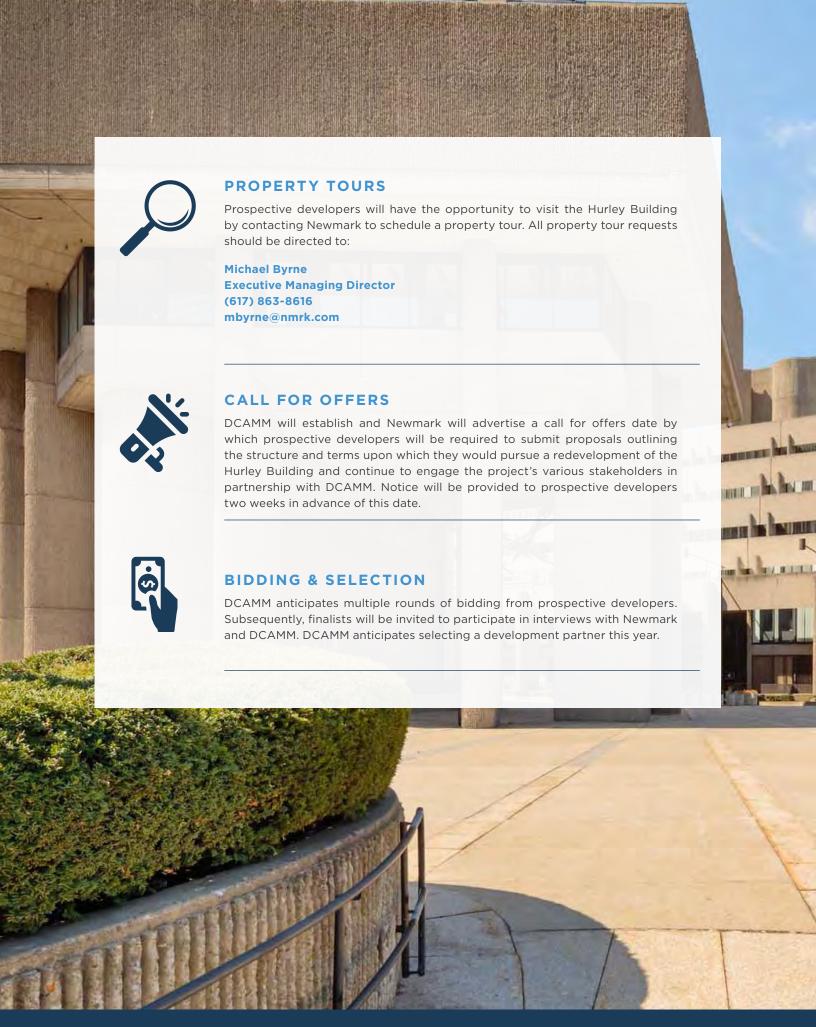
- Space cost to the Commonwealth (on or off-site)
- Future capital improvement costs to the Commonwealth (annual or one-time)
- Pricing of the existing building and as-of-right FAR
- Pricing of any excess FAR (non-contingent vs. contingent)

4 DEVELOPMENT PROPOSAL

- Market / financial feasibility
- Permitting feasibility / process
- Planned approach to stakeholder engagement
- Extent of proposed lease area(s)
- Program elements that address community goals in alignment with overall approach to Equity, Diversity and Inclusion

5 DESIGN PROPOSAL

- Integration of design excellence and historic preservation considerations
- Extent and quality of improvements to public realm
- Adherence to design guidelines













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