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# Business reviving for local builders

## Construction jobs may increase by 4,000

By Casey Ross  
GLOBE STAFF

Developers across the Boston area are moving forward with a number of large construction projects that were previously stalled by the recession, creating thousands of jobs and ending one of the state's most prolonged building slumps.

At least nine major developments are now under construction or preparing to begin, including two multibillion-dollar complexes in Boston's Seaport District, the 60-acre Assembly Row project in Somerville, and a new mini-city taking shape on the site of the former South Weymouth Naval Air Station.

Together, the projects promise to create some 4,000 construction jobs in coming months, with many thousands more possible as work escalates. The increased activity offers a measure of relief to an industry beset by extreme joblessness. At the height of the recession, labor leaders were reporting a 35 percent unemployment rate among construction workers, more than three times the rate of the broader economy.

The developments moving forward include office towers and stores that can help revitalize gritty urban neighborhoods, biotechnology laboratories that will host cutting-edge research, and thousands of new apartments that will help curb the shortage of rental housing in the region.

"There's a lot going on because there are reasons to be confident in the future of the economy,"

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# Developers move forward with area projects after slump

## ► DEVELOPMENT

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Governor Deval Patrick said in a recent interview. Despite financial constraints, Patrick said, the state has continued to lay the groundwork for a recovery, by building new roads and other infrastructure to help educational institutions and research companies expand operations. "And that's where you're seeing the pickup and the results," Patrick said.

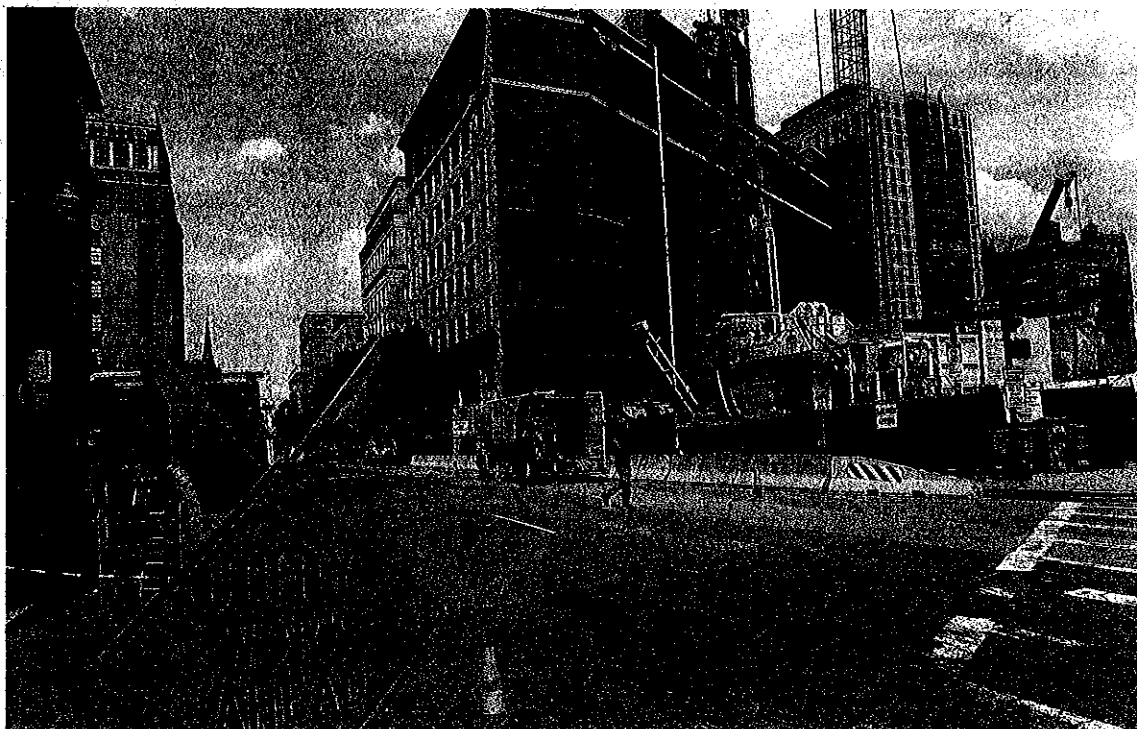
But the impact on jobs will not be immediate, as many developers still must clear other obstacles before starting construction. And while some projects are moving forward, many others remain stalled or are barely inching forward, leaving union leaders skeptical that the recovery will proceed fast enough to help the long-term unemployed.

"I've been at a number of groundbreaking where pictures are taken and the right things get said, but then nothing happens," said Mark Erlich, executive secretary of the New England Regional Council of Carpenters. "The iceberg is melting, but icebergs melt slowly."

He said he was most encouraged by work getting underway at Fan Pier, a \$2.5 billion redevelopment on the South Boston waterfront. The eight-building project, idled during the recession, will include residential buildings, a hotel, a marina, parks, and a pair of new office towers for drug maker Vertex Pharmaceuticals Inc., which is moving to the waterfront from Cambridge. The work on Vertex's buildings is expected to create more than 1,000 jobs in coming weeks.

Across the street, John B. Hynes III is preparing to proceed with a pair of 20-story residential buildings at Seaport Square, a \$3 billion project that will also include offices, stores, a hotel, and an innovation center to spur collaboration among firms in the district. And in Back Bay, Liberty Mutual Insurance Co. is erecting a \$300 million office tower.

"We're seeing investment in every neighborhood," said Mayor



DAVID L. RYAN/GLOBE STAFF

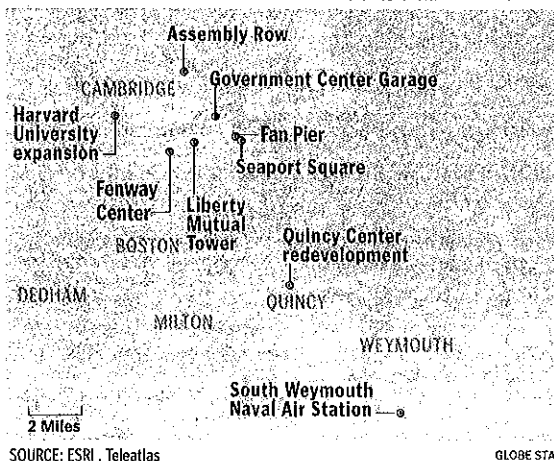
The Liberty Mutual Insurance Co. tower in the Back Bay, now under construction, is among several projects in development.

Thomas M. Menino, adding that some 28 projects are under construction in Boston. "We are growing, thriving, and creating jobs."

The projects help bolster the region's economy by generating more foot traffic in neighborhoods and shopping districts trying to come back from the recession. "It translates to more money for people and businesses," said Gregory Vasil, chief executive of the Greater Boston Real Estate Board, an industry association. "There will be more people out buying things, going out for meals and meetings, and visiting different parts of the city."

Real estate specialists said several factors are contributing to the spurt of building activity. First, retailers and large office users such as financial firms and pharmaceutical companies are beginning to expand following the downturn, making it easier

## DEVELOPMENT PROJECTS MOVING FORWARD



SOURCE: ESRI, TeleAtlas

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for developers to secure tenants for their projects.

And second, banks and other lenders that had largely stopped

investing in development deals are now willing to make loans again, albeit at smaller amounts than before the recession began

in late 2007.

"The banks are saying they are willing to listen now," said George Fantini, a principal of the mortgage banking firm Fantini & Gorga. "The stars are lining up in a way where developers and other stakeholders are going to have a better future than they thought."

Still, Fantini added, it remains difficult to put together financing for large projects with multiple components. As a result, numerous other developments in the region remain stalled, including the planned \$700 million tower at the former Filene's department store in downtown Boston, where a work stoppage has left a giant crater on the site for three years. And other collapsed projects, such as the \$800 million Columbus Center plan to unite two Boston neighborhoods over the Massachusetts Turnpike, may never be resurrected.

As the economy recovers, many developers said rental housing projects remain the easiest to finance, spurring a flood of those proposals in recent months. Thousands of apartments are being planned in downtown Boston alone, with some developers canceling plans for offices to make way for more rental units.

In the Fenway neighborhood, developer John Rosenthal said he may convert a 10-story office tower to apartments as he tries to secure funding for Fenway Center, his planned five-building complex over the Massachusetts Turnpike. Rosenthal received a building permit last week to begin work on Yawkey Station, a new commuter rail station at the center of his development site.

"There is still no appetite in the financial markets for condominiums or speculative office buildings," Rosenthal said. "But there is a ton of interest in well-located apartments and parking in key areas."

Last week, Thomas N. O'Brien, the developer proposing to replace the Government Center garage with a new mixed-use complex, also signaled his intention to build a large number of residences on the site. A prior plan for the site had called for a towering office complex.

Some of the most significant progress is being made at building sites outside Boston. In Weymouth, contractors have begun work on the first of thousands of new homes at SouthField, a planned mini-city that when completed could include a golf course and 2 million square feet of stores and commercial space, including a movie studio. Other projects are proceeding to remake downtown Quincy and develop Northwest Park in Burlington, a 285-acre site with space for new offices, stores, and homes.

"It's still not great, but there are a lot of signs of life out there," said Vasil. "The process of building takes a while, and right now people are looking around and saying that Boston is a good risk."

Casey Ross can be reached at [cross@globe.com](mailto:cross@globe.com).