

MACROMEDIA COMPLETES SUBLEASE OF EXCESS SPACE

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NEWTON — Macromedia Inc. has finished subleasing 260,000 square feet of excess local office space in deals that will save the San Francisco software company roughly \$46 million over the next several years.

Macromedia recently signed Veritas Software Corp., a Mountain View, Calif.-based company, to a 40,000-square-foot sublease at 275 Grove St. in Newton. Known as Riverside Center the 500,000-square-foot office building was built in 2000.

Macromedia assumed a 350,000-square-foot, 10-year lease at Riverside Center when it acquired Allaire Corp. in 2001, but uses only 90,000 square feet of that itself.

"It's Macromedia's biggest overhead for of their worldwide real estate," said Mark Cote, a managing director at Realty Advisors LLC, a Waltham based real estate firm that represents Macromedia.

Veritas, which expects to move in later, took Macromedia's last chunk of space. Other tenants in the building include McKesson Health Solutions LLC, Rocket Software Inc., UnitedHealthcare and WorldWinner.com Inc., an online site.

Rents in the building were originally in the low-to-mid-\$30-a-square-range, and Macromedia's subleases have been in the mid-\$20-per-square-foot range, Cote said.

Duncan Gratton, a managing director at Equity Office Properties Trust, the building's landlord, is pleased the building is full.

"The likelihood of retaining those people is good if we do a good job. There's no revenue increase (for Equity), but we've got a better building in the long run having these tenants in there," he said.

Having a long-term sublease and a well-regarded landlord erased much of risk of subleasing space, said Mark Roth, an executive director at Cushman & Wakefield of Massachusetts Inc. who represented Veritas with Ty Janney.

Macromedia sublet 40,000 square feet at 275 Grove St. in Newton to Veritas Software Corp.