



## ***Alnylam Pharmaceuticals Signs 45,000-SF Lease***

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CAMBRIDGE, MA—Alnylam Pharmaceuticals signed a 45,000 sf lease at 300 Third St. The transaction—the largest life-science lease of the year—involved what the brokers term a "complex negotiation" among Alnylam, property owner Beal Cos. and Palm Inc., which held a lease on the space and agreed to terminate their lease on what will be the Alnylam portion of the property. Lease rates for this deal were not available, but the average asking rent for similar space in the area is about \$37 per sf.

**Roy Hirshland, president and CEO of T3 Realty Advisors, represented Alnylam in the transaction** while Michael Manzo, senior vice president of the Beal Cos., represented his firm. The building is a joint venture of Beal and Cornerstone Realty Advisors, a wholly owned subsidiary of the MassMutual Insurance Co. Palm was represented by Joseph Flaherty and Tad Lee of Meredith & Grew.

Most of 300 Third St. had been leased by Palm several years ago. The Alnylam lease involved negotiating a lease termination with Palm allowing Alnylam to enter into a lease directly with Beal, the building owner. In addition, the project will involve converting the office building into a research facility. **"All of these factors created an intense and very long negotiating process. In the end we are all proud of a deal that allowed all parties to achieve their business objectives," Hirshland says.**

John Conley, Alnylam's vice president of strategy and finance, anticipates that in the company's new location—it is relocating from 790 Memorial Dr.—the ability to network and hire and make connections will be easier and the new research facility will help support the company's growth.

"300 Third St. is being reconfigured to allow research companies to conduct their business in what is essentially a new building and I am sure this was a big factor in Alnylam's decision to relocate to our building," notes Manzo.

The deal is indicative of Cambridge's biotech market which many industry analysts say has hit its bottom. According to Meredith & Grew's most recent statistics, biotech demand has improved and space givebacks have begun to subside. The statistics indicate that vacancy rates in the biotech sector reached 17.2% in the third quarter of the year, up from 14.4% at the end of the second quarter and 7.3% at the end of 2002. Still, transaction velocity has improved with the report noting that biotech activity has increased significantly over the past two quarters.