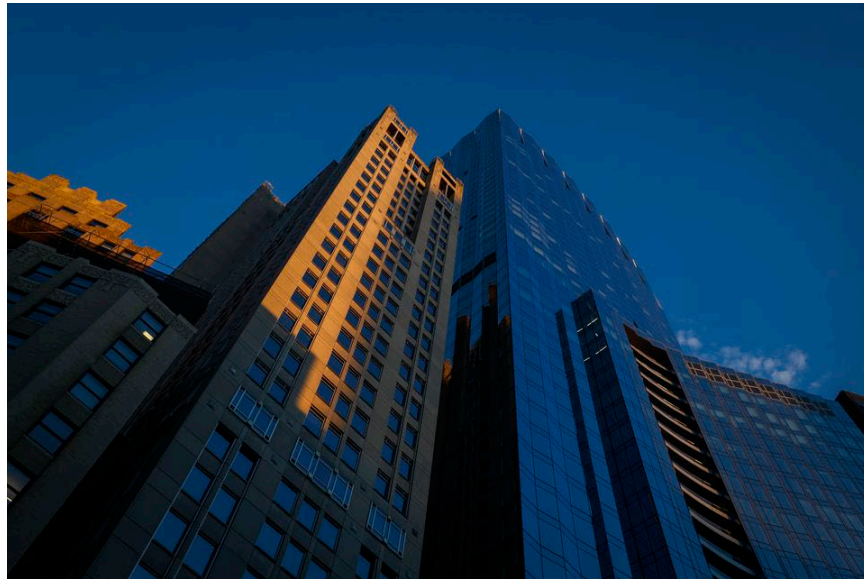


The Boston Globe

M&T Bank lease at Winthrop Center is a rare bright spot in Boston's gloomy office market

The 39,000 square foot relocation comes amid the highest vacancy rate in decades

Catherine Carlock



The brand-new Winthrop Center skyscraper is a rare success story in Boston's gloomy office market these days. ERIN CLARK/GLOBE STAFF

Buffalo, New York-based M&T Bank Corp. is moving its Boston offices from one skyscraper to another.

The bank is leasing 39,000 square feet at Winthrop Center in downtown Boston, an expansion from its current 25,000-square-foot home at One Post Office Square.

Another recent lease deal came in November with drug developer EMD Serono announcing [it would move its headquarters](#) from Rockland to a 60,528-square-foot space at 200 Pier 4 Blvd. in the Seaport.

The deals are small bright spots amid an overall gloomy picture for Boston's office market, which in the past year saw more space sitting empty than than previous peaks in the height of the COVID-19 pandemic in 2020. Nearly 25 percent of Greater Boston's office market is available to rent — either directly vacant, or on the sublease market — according to a recent report from real estate brokerage Newmark. That's the highest rate in at least two decades.

One big reason: A slowdown in new leases. Companies leased just 6.5 million square feet in Greater Boston last year, down from a previous low of 7 million in 2020, the report said. And they were choosy about which buildings they picked.

“Tenant preference is concentrated on best-in-class assets, which is causing a wider market bifurcation,” Newmark’s research team, led by head of Northeast Boston research Liz Berthelette, wrote in their fourth-quarter office market report.

One rare winner in this gloomy environment has been Winthrop Center. The brand new billion-dollar skyscraper has proved an attractive option for blue-chip companies. When M&T Bank’s 180 Boston employees move this fall, they’ll join Deloitte, McKinsey & Co., Income Research and Management, and Cambridge Associates, among others that have leased in the 691-foot tower.

“We are thrilled to welcome M&T Bank as we grow and establish an ecosystem of innovative companies at Winthrop Center,” said Joe Larkin, principal of Millennium Partners’ local arm MP Boston, in a statement.

The tower [opened last year](#) and is considered [the world’s largest “passive house”-certified office building](#), a strict environmental efficiency standard. Five fast-casual food and beverage spots, curated by Michelin-starred Chef John Fraser, opened Wednesday on the tower’s ground floor public space, dubbed “The Connector.” The tower also includes a 25,000-square-foot common area with a coffee shop, co-working spaces and a fitness center.

“Winthrop Center not only provides us with world-class office space but also leads the country in environmental sustainability, a mission that we believe in and support,” said Grace Lee, the Massachusetts regional president for M&T Bank, in a statement.

The tower sits on the site of an old city-owned garage, and back in Mayor Martin J. Walsh directed \$28 million from the \$150-plus million that developer Millennium Partners agreed to pay to buy it to fund upgrades to Franklin Park and other green spaces in the city. Boston Mayor Michelle Wu’s administration is currently working on a Franklin Park action plan and, on Thursday the Boston Planning and Development Agency board approved a new zoning subdistrict to allow for the renovation of White Stadium in Franklin Park to house a professional women’s soccer team, as well as an overall East Boston neighborhood plan.

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