

In 2005, this downtown office tower sold for \$121.7 million. It just resold for \$78 million.

By **Catherine Carlock** Globe Staff, Updated March 28, 2024, 12:55 p.m.



A 21-story office at 101 Arch St. COURTESY OF SYNERGY INVESTMENTS

In the latest sign that Boston's office market has fundamentally shifted since the start of the COVID-19 pandemic, a 21-story office tower in Downtown Crossing sold this week at a price more than one-third lower than it last fetched nearly 20 years ago.

Boston-based developer Synergy Investments closed Wednesday on a deal to buy 101 Arch St. for \$78 million, according to a deed filed in Suffolk County. They bought it from

an affiliate of real estate investment firm Clarion Partners, which bought the 407,000-square-foot tower in late 2005 for \$121.7 million, and spent more than \$22 million on upgrades over the last decade.

It's another example of declining values for office buildings as pandemic-era shift towards working from home solidifies, a change that has pushed vacancy rates in downtown office towers to their highest level in decades. Falling property values could have [troubling implications for the city's \\$4.3 billion budget](#), which is largely funded by property tax revenue — much of it generated by commercial real estate. 101 Arch St. alone paid \$3.9 million in property taxes this year, [according to city records](#), based on an assessed value of \$153 million. If that assessed value falls, so too would the tax revenue the building generates.

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But for landlords like Synergy, the declining values may pose a good buying opportunity. Last September, Synergy [snapped up the 13-story One Liberty Square](#) office in downtown — another former Clarion Partners building — for \$45 million, some 17 percent less for which it had previously sold.

101 Arch sits atop the Downtown Crossing MBTA station and is 82 percent leased to 34 different tenants, Synergy said. Built in 1989, it received a 20,000-square-foot lobby redo, as well as a new fitness center and amenity space, in 2020; in all Clarion invested \$22 million in capital improvements over the last decade. Clarion did not respond to messages seeking comment.

“Adding 101 Arch Street to our portfolio aligns perfectly with our strategy of investing in high-quality assets in prime locations,” said Synergy CEO David Greaney. “With its modern design, exceptional amenities and unmatched commuter accessibility, 101 Arch St. represents a prime opportunity for Synergy to create value for our tenants and stakeholders.”



The lobby at 101 Arch St. looks out at St. Anthony's Shrine across the street. STAN GROSSFELD/ GLOBE STAFF

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