



MathWorks Buys Natick Building to Create Campus

By: Charlie Breitrose
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NATICK — The MathWorks Inc. yesterday announced the purchase of an office building for \$30.8 million in the same complex as the company's headquarters, solidifying a plan to create a campus for the engineering-software company.

In July 2008, MathWorks received approval from Natick officials to build a 150,000-square-foot office building on the Apple Hill Drive complex, just off Rte. 9. On Dec. 15, the company closed on the purchase of a 170,000-square-foot building from Atlantic Philadelphia Realty for \$30.8 million.

MathWorks already owns two buildings on the site, and the company made plans to buy the office building, called Apple Hill 1, based on being able to construct a fourth building on the site, said MathWorks' CFO and senior vice president Jeanne O'Keefe.

"Assuming we could get permitting to build another building, we wanted to turn the whole site into a campus," O'Keefe said. "We made an agreement with the owners to buy Apple Hill 1 if and when we got the permit to build another building. Now we own all the buildings on the site."

The company has about 1,500 workers at Apple Hill Drive now, O'Keefe said, and it will bring back about 100 people who work in leased office space on Prime Parkway, off Speen Street in Natick.

"We will bring all those people back here and continue to grow at this site," O'Keefe said.

How many jobs would be added has not been determined, O'Keefe said. The campus will be the center for the company's research and development, so much of the space will be converted to offices for engineers.

To accommodate the additional workers, MathWorks plans to expand some of the on-site facilities, including the cafeteria, gymnasium and fitness areas, O'Keefe said. Conference rooms and places for video conferencing will also be added.

Construction of the new building is expected to start in February, O'Keefe said.

Apple Hill 1 has a mix of office and retail space, O'Keefe said, and MathWorks will allow current lease holders to stay.

The company moved to Apple Hill Drive in July 1999, and it purchased two of the buildings in 2005, O'Keefe said.

The deal to purchase Apple Hill 1 was a long time in the making, said Garry Holmes, president of R.W. Holmes Realty, which represented MathWorks.

"It's probably a process that started three-and-a-half years ago," Holmes said. "It took quite a long time to get through the permitting process, and required an awful lot of coordination with the state."

Before the expansion was approved, MathWorks had to get an agreement for improvements to Rte. 9. One major part of the improvement is a turnaround on Rte. 9 so cars won't have to go to Oak Street to reverse from eastbound to westbound. The turnaround will be at the bottom of what's known as the Sunkaway, near McDonald's and Wendy's.

The \$30.8 million price tag for Apple Hill 1 seemed right for the market, Holmes said.

"I think it's a fair-market transaction," he said.

The market has been slow, but Holmes hopes commercial real estate will be back in 2010.

"Commercial real estate is all about job creation. Right now there is fairly little job creation, so there is not a lot of demand for office space or manufacturing," Holmes said. "It's been a year of not an awful lot of activity. I certainly expect 2010 to be a little better, with companies hopefully turning the corner and beginning to hire and ramping up again."