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One Financial Plaza fills up as firms consolidate

TAKING UP SPACE: The occupancy rate at One Financial Plaza jumped from 84 percent to 94 percent with the new leases.PBN FILE PHOTO

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Occupancy at Providence's two most recognizable office towers is heading in opposite directions.

While vacancy awaits the distinctive, superhero-inspiring 111 Westminster St., corporate tenants are committing to its boxier, newer and more conventional neighbor at One Financial Plaza.

Management at One Financial Plaza this month announced the renewal of four long -term leases at the 28-story tower that will see a net absorption of three floors and 37,000 square feet of space in the building.

With those new leases, the occupancy rate at One Financial Plaza, the city's second-tallest and second-largest office building by area, jumped from 84 percent to 94 percent, according to Alden Anderson, senior vice president at CB Richard Ellis New England, the leasing agent for the property.

“This is a premier Class A office building in a landmark location with spectacular panoramic views,” Anderson said of One Financial and the new leases. “The Class A market for functional buildings in downtown Providence is going to do well while buildings that have functional limitations are going to struggle.”

The largest of those new leases, of course, is with Bank of America, the sole current tenant at 111 Westminster St., which has decided to move all of its workers there to space in One Financial and next-door neighbor 100 Westminster St.

Bank of America signed a 10-year extension of its One Financial Plaza lease that boosts its space in the building from 63,000 square feet to 84,000 square feet.

“When the 111 Westminster St. decision was made, we promised to keep our employees in downtown Providence and have delivered on that promise,” said Bank of America spokesman T.J. Crawford. “We already have a strong presence in One Financial and the additional space available met our needs.”

The other three 10-year lease extensions are with law firms Edwards

Wildman & Palmer LLP and Robinson & Cole LLP, and financial-services provider Morgan Stanley.

Financial terms of the four new leases were not released.

Robinson & Cole has expanded its Providence office at One Financial Plaza under its new 10-year lease to 9,238 square feet. It’s the second time the Hartford, Conn.-based business law firm has expanded its presence on the 14th floor of One Financial Plaza since it opened the office three years ago at 5,000 square feet. The new lease starts at the end of next February and runs through February 2023.

“The location is good for us, right in the Financial District and close to the courthouse,” said Linda Riddell, office administrator for Robinson & Cole, about its new lease.

Edwards Wildman is actually consolidating its space in One Financial Plaza from 90,000 square feet to 75,000 square feet. The firm recently remodeled its offices, which span the 24th through 28th floors, in a way that allows more of the corners to be utilized, requiring less total building space, said Co-partner-In-Charge Christopher Graham.

“When we took a look at the calendar and looked around town, there were several interesting buildings,” Graham said. “But one of the issues we had was the availability of this much space.”

The building is owned by Meritage Properties, a New York real estate firm that bought it, along with Avenue Capital Group, from Commonwealth Ventures and GE Asset Management in 2007 for $65.7 million. Commonwealth and GE Asset Management had purchased the building in 2005 from Providence-based Gilbane Properties for $46 million.

At the beginning of the year, the market for office space in downtown Providence appeared to be firming up, although the sudden vacancy of One Empire Plaza – formerly home to 38 Studios LLC – and the impending vacancy of 111 Westminster St. dump two very large spaces on the market that could be difficult to fill.

Anderson at CB Richard Ellis said the new leases at One Financial are an example of strength at the top of the market.

"When you look around, there is just not that much new product and the Class A market is healthy," he said. •