

More changes in store for Harvard Square

A New York real estate firm bought a prominent building at the corner of Mass. Ave. and Church St.

By **Tim Logan** Globe Staff, Updated December 23, 2020, 12:12 p.m.



A retail and office building at the corner of Massachusetts Avenue and Church Street in Harvard Square sold this week for \$45 million. GAZIT HORIZONS (CUSTOM CREDIT)

CAMBRIDGE — Pandemic or no, it's a safe bet that the nation's oldest and most prestigious university will keep on going. And that makes a building across the street from Harvard Yard a good investment, no matter what's going on in the world.

That's the thinking of Jeff Mooallem, chief executive of Gazit Horizons, a New York-based real estate firm that closed Tuesday on a \$45 million deal to buy the College House building, at 1430 Mass. Ave., in the heart of Harvard Square. The 50,000-square-foot

building, with storefronts on the ground floor and office space above, is the latest in a string of properties to trade hands in the landmark square in recent years, giving rise to concerns its retail base is hollowing out.

But in this case, with two of the building's main retail tenants — a CVS and a Santander Bank branch — both set to vacate the building's storefronts in 2021, it's really a chance to bring in something new, Mooallem said.

“We see this as an opportunity to reposition it,” he said. “We could really create something exceptional.”

The timing of Gazit Horizons's investment — amid a global health crisis that is devastating local retail and wiping out student foot traffic — might seem odd, but Mooallem said it's just the opposite.

His firm, which owns similar mixed-use buildings on Newbury Street and in Downtown Crossing, has been looking for opportunities in Cambridge for some time, but couldn't make the finances work on previous buildings that have come up for sale in Harvard Square. Earlier this year, the College House building's longtime owner, University Common Real Estate, put it up for sale, and the two parties quickly reached a deal. The pandemic, Mooallem said, altered the math for such investments.

“This is one we could get comfortable with,” Mooallem said. “The pricing has changed across the board.”

The market, of course, has changed, too. With both office workers and students largely absent during the fall, Harvard Square has been quiet. Indeed, the Coop, a few doors down, announced this week that it's closing its main entrance on Massachusetts Avenue until April while renovations are underway. Gazit also plans to take advantage of the slow months to come to launch renovations of its new property, blowing out the old two-story CVS to make a large, high-ceilinged space.

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Eventually, he said, it will be filled by a new tenant. Students and workers will return. Harvard Square will again be the vibrant hub of commerce it has been for centuries. And Gazit will own a piece of it.

“We have a pretty good feeling about this,” Mooallem said. “Harvard is not going anywhere.”

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