Boston Properties Acquires Boston Office Building with Joint Venture Partner New York Common

September 18, 2000

BOSTON, Sept. 18 /PRNewswire/ -- Boston Properties, Inc. (NYSE: BXP), a real estate investment trust, announced today that it has acquired 265 Franklin Street in Boston's financial district, a 21-story 327,000 square foot Class-A office building, through its joint venture relationship with the New York State Common Retirement Fund ("New York Common").

265 Franklin Street was acquired from an affiliate of Westbrook Partners L.L.C. Boston Properties, as part of its joint venture relationship with New York Common, purchased a 35% interest in this property.

Boston Properties is implementing a capital improvement and repositioning plan at 265 Franklin Street that will include a lobby and elevator renovation, and the re-tenanting of 187,000 square feet of leases that expire through May 2001.

In a separate transaction, Boston Properties has acquired the Prudential Insurance Company of America's remaining 50% interest in the development rights at the Prudential Center in Boston, Massachusetts, giving Boston Properties a 100% interest in all current and future development at this 23-acre property. These rights, for future development of four parcels that will include a 257,000 square foot office building, a 52,000 square foot retail site and two retail/residential projects totaling 530,000 square feet, were acquired in exchange for 439,059 shares of Boston Properties, Inc. common stock pursuant to a previously negotiated agreement with the Prudential Insurance Company of America.

Douglas T. Linde, Boston Properties' Senior Vice President of Financial and Capital Markets, commented on today's announcements: "The acquisition of 265 Franklin Street offered us the opportunity to use our expertise to reposition the building and release more than 50% of the building in the current market. The Boston CBD continues to experience tremendous rental rate growth." Mr. Linde continued, "The acquisition of all remaining development rights at the Prudential Center will allow the Company to realize 100% of the future value created from the development at this project. We purchased the remaining land interest based on the values agreed to in July 1998."

"We are delighted to add the Boston building to our portfolio and we are sure that it will be a profitable investment for the members of the pension systems," said H. Carl McCall, sole trustee of the $127 billion New York State Common Retirement Fund.

Boston Properties is a fully integrated, self-administered and self- managed real estate investment trust that develops, redevelops, acquires, manages, operates and owns a diverse portfolio of Class-A office, industrial and hotel properties. The Company is one of the largest owners and developers of Class-A office properties in the United States, concentrated in the Northeast Corridor from Virginia to Greater Boston and in Greater San Francisco.

To receive Boston Properties' latest news and corporate developments via fax at no cost, please call 1-800-PRO-INFO; use company code BXP. Visit the Company's web site at http://www.bostonproperties.com . Also see http://www.frbinc.com.

This press release contains forward-looking statements within the meaning of the Federal securities laws. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond Boston Properties control and could materially affect actual results, performance or achievements. These factors include, without limitation, the ability to enter into new leases or renew leases on favorable terms, dependence on tenants' financial condition, the uncertainties of real estate development and acquisition activity, the ability to effectively integrate acquisitions, the costs and availability of financing, the effects of local economic and market conditions, regulatory changes and other risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission. SOURCE Boston Properties, Inc.

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