



Boston Properties Acquires 2 Office Buildings And 2 Development Sites In South San Francisco

September 1, 1999

BOSTON, MA, September 1, 1999 - Boston Properties, Inc. (NYSE: BXP), a real estate investment trust, announced today the acquisition of two Class A office towers with a total of approximately 506,000 square feet, and two development sites, one of which has entitlements for a 275,000-square-foot Class A office building. The purchase price of \$117.6 million was paid \$113.1 million in cash and \$4.5 million in a promissory note. This acquisition is part of The Gateway Commercial Center in South San Francisco, a 117-acre, master-planned, mixed-use business community offering office buildings, hotels and retail space. The Gateway is strategically located along the San Francisco growth corridor that spans from the Silicon Valley to downtown San Francisco, and is the closest Class A office complex to San Francisco International Airport.

Boston Properties is acquiring 601 and 651 Gateway Boulevard, the development site at 611 Gateway Boulevard, and an additional two-acre development site, all located on a 22.3-acre parcel. The Gateway Commercial Center is 96% leased to a variety of tenants with Cellular One, Prudential Insurance Company and Allstate Insurance Company being the major tenants.

Mortimer B. Zuckerman, Chairman of Boston Properties, said, "This acquisition exemplifies Boston Properties' strategy of investing in Class A office properties with high-quality tenants in tight real estate markets. Boston Properties' presence in the San Francisco office market, established earlier this year with our acquisition of Embarcadero Center, is further strengthened by the acquisition of The Gateway, a high-quality asset in a demand-driven, supply-constricted market. The Gateway property is also desirable because of the credit-quality of its tenants and the development potential it provides."

Bob Pester, Boston Properties' Senior Vice President and Manager of the San Francisco Office, said, "The San Francisco Peninsula area market absorbed 1.1 million square feet of new office space in 1998, and there are currently over 30 companies looking for approximately 1.0 million square feet of high-quality office space. Additionally, this market has experienced average rental rate growth over the past five years of 15% per year. Strong demand for office space is expected to continue due to the existence of emerging industries, such as biotechnology and the internet, and investment in real estate facilities in this area by major corporations."

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. Forward-looking statements reflect our current views with respect to future events and financial performance and are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy. Acquisitions that are consummated by Boston Properties may fail to produce the anticipated result for a variety of reasons, including downturns in the national and local economies, competition from other properties, oversupply or reduction of demand for space in the local market, vacancies and increased operating costs. Developments that are commenced by Boston Properties may not be completed for various reasons, and, if completed, may not produce a desired yield on invested capital. Agreements that the Company enters into may be terminated for a variety of reasons, including a failure by the Company or the other party to fulfill all conditions required for consummation of the agreements. Other relevant risks and uncertainties are detailed from time to time in our filings with the Securities and Exchange Commission.

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