



Real Estate Activation Case Study

Hatch Fenway

Hatch Fenway:

A Launch Pad for Scaling
Companies with Disruptive Ideas

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KPIs

Size: 110,000 RSF
Potential Annual Revenue: \$2,915,000
Total # Companies: 15
Combined Headcount 450+
Combined Raised: \$550MM+
Combined Valuation: \$2.5Bn+

Key Points

Filled Vacancy
Void in CRE
Testimonial
Impact Specific: KPIs, Demographics

Abstract

This case study presents the launch of Hatch Fenway, 110,000 square feet of vacant commercial real estate, converted to meet the unique office space needs of venture-backed, rapidly scaling tech companies. In today's commercial real estate arena, owners, lease holders and property managers are constantly seeking ways to diversify revenue and improve their market position, while catering to the needs of their real estate portfolio. With minimal capital expenditure, Hatch Fenway provided the building owner \$10MM in additional revenue over its lifespan. Hatch Fenway enabled this Boston neighborhood to become a destination for tech startup employees to work, live and play in. Outlined below are the challenges presented in finding a solution, testimonials from Hatch Fenway tenants, and key performance metrics measured.



The Challenge

Startup companies face the challenges of committing to long-term leases during rapid growth in employment. When the real estate market tightened, office rents soared to well over \$50 per square feet. Around the same time, 110,000 square feet of space became available in one of the most notable landmarks in Boston's Fenway area, aptly named the Landmark Center. Owner of the space, Samuel & Associates, was interested in providing office space to bootstrapped startups without the heavy burden of expensive, multi-year leases. With this idea in mind, Samuel & Associates sought a partner to further ideate, activate, and operate what is now known as Hatch Fenway.

An Appropriate Fit

Hatch Fenway was designed as a bridge for rapidly growing companies, who are not yet ready to commit to a long-term lease. Traditional co-working, in 2015, was ideal for teams with less than 12 full-time employees. Traditional office space was designed for teams who are comfortable with signing rigid, long-term leases, and committing extensive amounts of capital and time to one particular space. In contrast to traditional real estate models, growth-stage startups require real estate that is malleable when projecting headcount. Hatch Fenway cracked the code on creating opportunities for startups to work in unique, productive, environments while sparking creative collisions that effectuate growth interactions among companies and employees.

Conclusion

Hatch Fenway was Boston's first launch pad for rapidly growing companies with disruptive ideas. Hatch Fenway fulfilled the need for companies like Toast, Nift and Appcues. At its pinnacle, Hatch Fenway housed 13 companies and a headcount of roughly 450 FTEs. Since the grand opening in August 2015, Hatch Fenway companies have raised over \$500 million in venture capital funding and are currently valued over \$2.5 billion.



Testimonial

Steve Papa, a Toast board member located at Hatch Fenway, told BostonInno in an email,

“Hatch solves a critical problem for very scaling fast-growing companies. Toast was at 15 team members (Toasters) 14 months ago and has over 100 today.”

Contact

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Located in the heart of Central Square in Cambridge, MA, the Partnership Loft provides a collaborative workspace for organizations that encourage social equity. Partnership Loft partners support people of color and women in leadership in projects such as: building a progressive democracy; solidarity economy; public education; solidarity philanthropy; and civic engagement.

Indput focuses on developing business strategies for small- to medium-sized entities; specializing in commercial real estate (CRE) optimization for commercial real estate owners, lease holders and property managers. We developed the Indput Method to increase utilization, monetization and market share through accelerated ideation, streamlined execution and Diversity-As-A-Service.

Hatch Fenway is a dynamic community designed to meet unique commercial real estate needs of rapidly scaling, venture backed companies. Located in the vibrant and industrious Landmark Center, (update 2019: 401 Park Drive) in the historic Fenway neighborhood, Hatch is Boston’s first launch pad for growing companies with disruptive ideas.

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