

Commercial Real Estate

Boston's Artaic moves HQ from the Seaport to Charlestown's Schrafft Center



The Schrafft Center office complex is home of the former candy factory located in Charlestown.

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Boston-based Artaic, a design manufacturing company that makes tile mosaics using its own robotic technology, is moving its headquarters from the Seaport's Innovation and Design Building to the Schrafft City Center in Charlestown this spring.

The Charlestown space provides a clean slate for Artaic to grow, as well as space to consolidate its inventory, production and supply chain to prepare for a new generation of products, said **Ted Acworth**, founder and CEO of Artaic. What's more, Artaic was able to negotiate a good price for its new home, given how hungry landlords are for new tenants in a still-soft commercial office market, Acworth said.

"We were able to find lots of opportunities of great spaces to get into," he said.

The historic waterfront property was the longtime home of the Schrafft's Candy Factory. The Flatley Co. purchased and renovated the facility in 1984, and more recently in 2017 was again repositioned and renovated by a team led by **Haril Pandya**, then of CBT Architects in Boston.

It's the first physical move for Artaic since the Great Recession of 2008 and 2009, when the company went from Acworth's kitchen into what's now the Innovation and Design Building prior to that building's 2013 sale to and redevelopment by Atlanta-based real estate company Jamestown LP. The renovation attracted high-profile companies like Reebok and Autodesk, as well as a number of eateries such as the "Breadquarters" for popular local bakery chain Flour.

Jamestown sold a 50% stake in the building late last year to Related Fund Management, the investment management arm of New York's Related Cos. The developers now plan to create additional life-science and office space at the historic property.

"It's kind of like the life cycle at the IDB has advanced to the later stage of the development cycle," Acworth said.

"Whereas, I think, over in Charlestown, not just the Schrafft Center with Flatley, but the whole area over there, is more the beginning. And I like being a part of that. I want to be in a place that's rising."

Through Covid-19, Artaic has seen a steep dropoff in some commercial sectors – like hotels and restaurant construction – but a surge in residential projects. Many homeowners and landlords, working from home in the pandemic, have been remodeling kitchens and bathrooms, and seeking out tile installations in the process.

“We were very fortunate to have that business through Covid. There are plenty of other businesses that just got blindsided and hammered,” Acworth said.

Indeed, the 22-person company has about five open positions, ranging from production floor workers up to an executive gig.

Stuck in the Suez

But not everything has been smooth-sailing in the past year. Artaic had three containers’ worth of material stuck on one of the hundreds of ships trapped behind massive container ship Ever Given, which ran aground in the Suez Canal late March and ground much of the global shipping world to a halt. For Artaic, which ships product such as Italian glass and raw marble, shipping in the past year has “been an odyssey,” Acworth said. Prior to the Covid-19 pandemic, bringing in a container could cost around \$750. Now costs are up to around \$6,000 per container.

The pandemic created a perfect storm of unprecedented demand for product – much of which was purchased online from Americans staying at home, unable to spend disposable income on travel and eating out – and an unprecedented lack of supply, with production factories and ports working at reduced schedules amid the pandemic.

“It’s been a shipping Armageddon,” he said. “Those prices have never, ever been seen before since the dawn of shipping.”

Closer to home, Artaic employees for years has been able to look out its windows and see companies such as Legal Seafoods that feature Artaic work. Now, the company will be able to look out its Charlestown windows and see the Encore Boston Harbor casino, which also houses Artaic mosaics.

“It’s kind of cool to be looking out the window and know that we do work there,” Acworth said.

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