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MIX IT UP

Employees, Not Bosses, Dictate Location Decisions

Creative Zoning Key To Suburban Success

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SPECIAL TO BANKER & TRADESMAN

There's a change taking place in suburban commercial real estate and those towns that see it will reap the benefits.

For years, the typical large suburban office tenant looking for space would make location decisions based upon the rental rate, the quality of the space, size and room for growth, parking and commute time. As the company president was the one signing the lease, quite often the "commute time" was based on his or her own and that of senior leadership, and not necessarily that of the employees.

More often today, companies choosing a suburban location are more focused on where they can successfully attract and retain employees. As companies compete for the same talent pool, quite often the decision for a potential new hire is based on working in a dynamic, amenity-rich setting where they can socialize with peers at lunch or after work – places where they can shop and dine, enjoy outdoor spaces, and perhaps even reside. If the choice were between a sterile office park setting where you had to drive miles to meet someone for lunch and even longer to drive home, or an exciting mixed-use setting where you could step out of your office lobby to a choice of dining and shopping destinations within walking distance, the choice is somewhat obvious for today's Millennials.

With homeownership rates recently reported to be at an all-time low, decisions are based much less on "where do my

employees currently live" and more on "where can I locate to position my company to attract the best talent pool?" Experience shows that employees will move to be close to such a location, and by providing residential opportunities within a mixed-use setting, these new office/retail/residential parks offer an additional allure.

Recognizing this trend, many communities in Massachusetts and beyond have worked successfully to create zoning that

Success Stories In The Suburbs

Examples abound of successful mixed-use zoning initiatives adopted by many cities and towns in Greater Boston. Northwest Park in Burlington is evolving into a vibrant mixed-use park consisting of first class office space, a retail and dining boulevard known as 3rd Ave., with a new 180-unit residential component under construction. The District, formerly known as New England Executive Park in Bur-

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allows for this concept. While buzzwords like "New Urbanism," "Smart Growth" and "live, work and play" have, on occasion, been overused and perhaps even misused in some circles, the fact remains that this mixed-use zoning concept, when used correctly, has allowed many communities to create significant economic development opportunities with a diverse range of uses that can substantially increase tax revenue. More importantly, by providing for a wide range of uses including retail, office, restaurant and residential, this allows a community to become less dependent on any one market sector and thereby better positioned to weather any future economic downturn.

lington, is undergoing a similar transformation, anchored by restaurants Tavern in the Square and Tuscan Kitchen, with a hotel soon to break ground and plans for an Island Creek Oyster Bar restaurant. For each of these, the developer worked cooperatively and collaboratively with the town to create a flexible zoning template that allows the developer and the town to adapt and respond to market needs and demands. MarketStreet Lynnfield, University Station in Westwood and Assembly Row in Somerville are other examples of successful mixed-use developments that have dramatically altered the local landscape and, at the same time, have generated significant revenue for the community.

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For each of these developments, in addition to being popular for employees who work within the park, they have become destinations for residents of the community at large, quite often becoming the gathering spot for locals.

It is no surprise that brokers advertising office space within or near these mixed-use destinations now highlight this proximity in their marketing materials. As rents increase, so do the taxable values of these buildings

to the community. Moreover, as many communities have now adopted the local meals tax option, restaurant activity has proven to be a steady and reliable source of revenue for these cities and towns. The town of Burlington receives over \$1.3 million each year in local meals tax monies, without any drain or impact on municipal services. That's a lot of money to fund the essentials like teachers, police officers and firefighters.

To be successful, today's suburban of-

fice parks need to continue to evolve and respond to these ever-changing market dynamics. Those communities that recognize this, and put the zoning in place to allow for it, stand to reap the rewards. ■

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