

Burlington 128 District, Burlington, MA

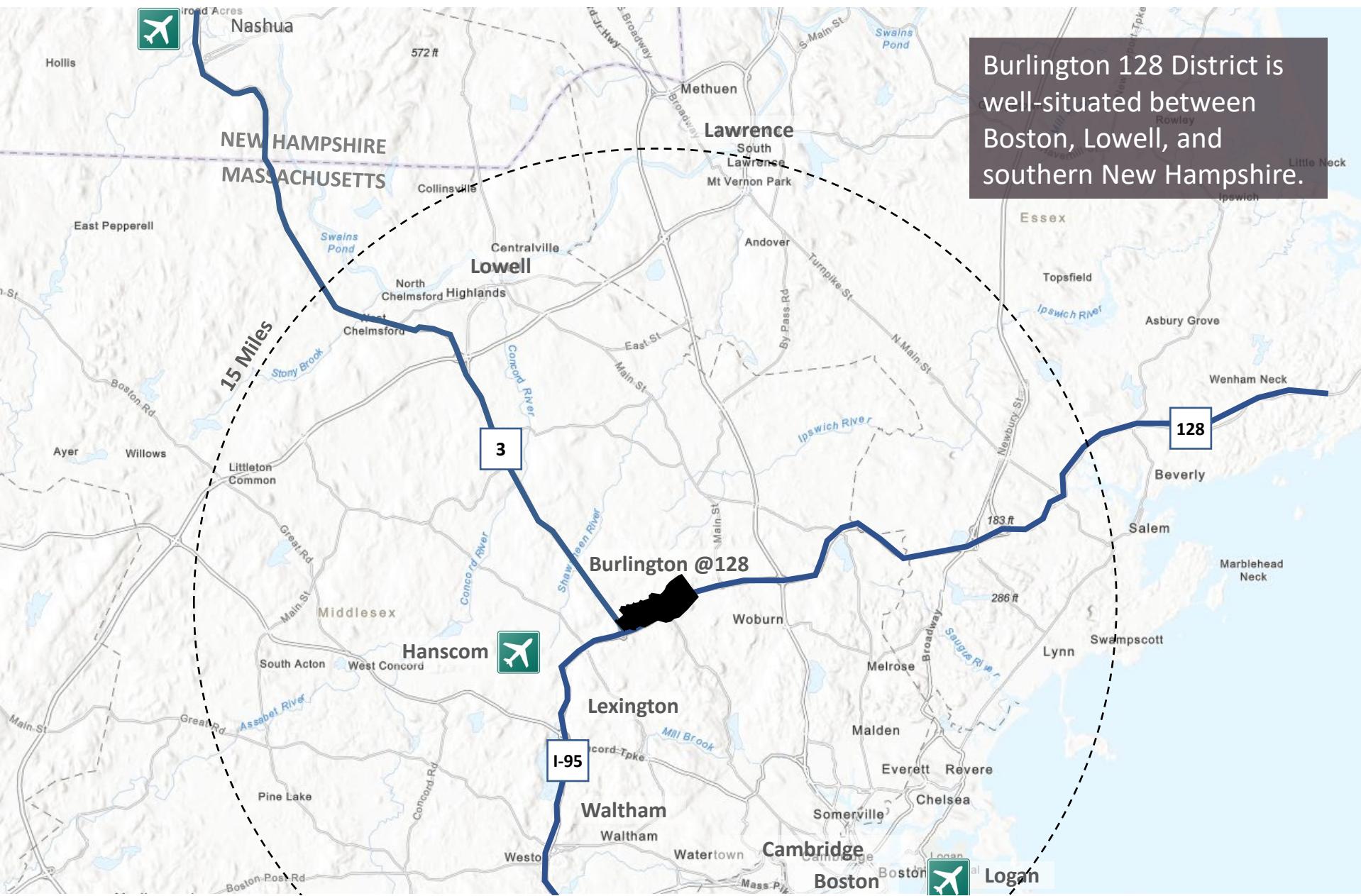
# APPENDIX B

## REAL ESTATE AND ECONOMIC DEVELOPMENT ANALYSIS

August 2021 to August 2022

MADDEN PLANNING GROUP | LANDWISE ADVISORS | GAMBLE ASSOCIATES | BUENAS VIBRAS

# REGIONAL CONTEXT

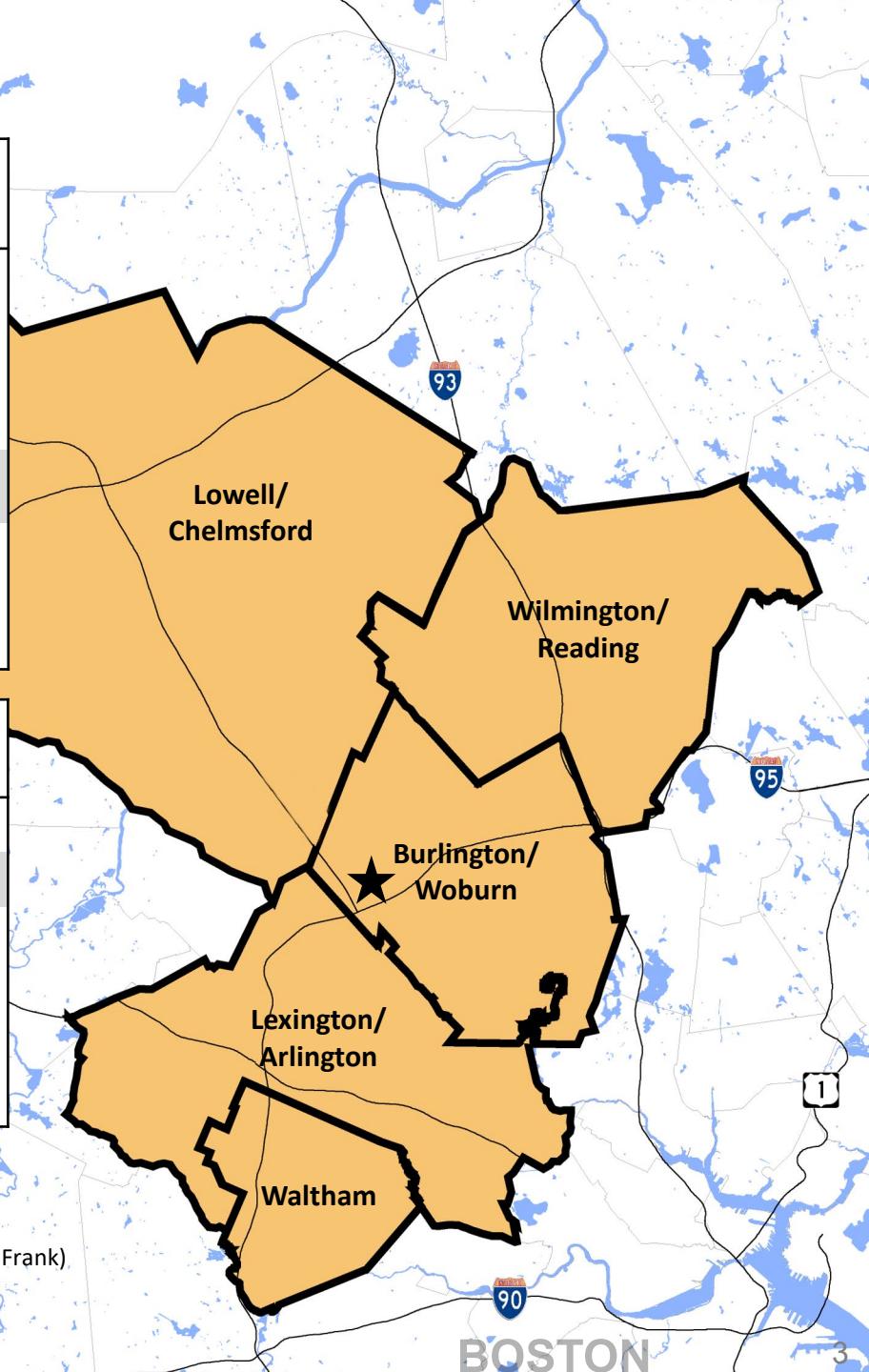


# OFFICE SUBMARKETS

Q4 2020 Submarket Name	Rent/SF	Inventory		Vacancy	
		Buildings	SF	SF	%
Boston Overall	\$54.90	1,461	108.6M	10.4M	9.6%
Waltham	\$38.94	233	14.8M	2.0M	13.8%
Lexington/Arlington	\$38.09	238	5.3M	.28M	5.4%
Burlington/Woburn	\$29.89	317	15.1M	1.4M	9.6%
Lowell/Chelmsford	\$21.92	493	19.6M	2.5M	12.8%
Wilmington/Reading	\$23.00	122	2.8M	.24M	8.6%

CHANGE 2015-2020 Submarket Name	Rent/SF	Inventory		Vacancy	
		SF	SF	SF	SF
Boston Overall	\$11.15	.45M		2.2M	
Burlington/Woburn	\$8.04	1.2M		.29M	
Waltham	\$6.43	1.8M		.72M	
Wilmington/Reading	\$4.71	.37M		.45M	
Lowell/Chelmsford	\$3.91	.42M		(.18M)	
Lexington/Arlington	\$2.92	.25M		(.18M)	

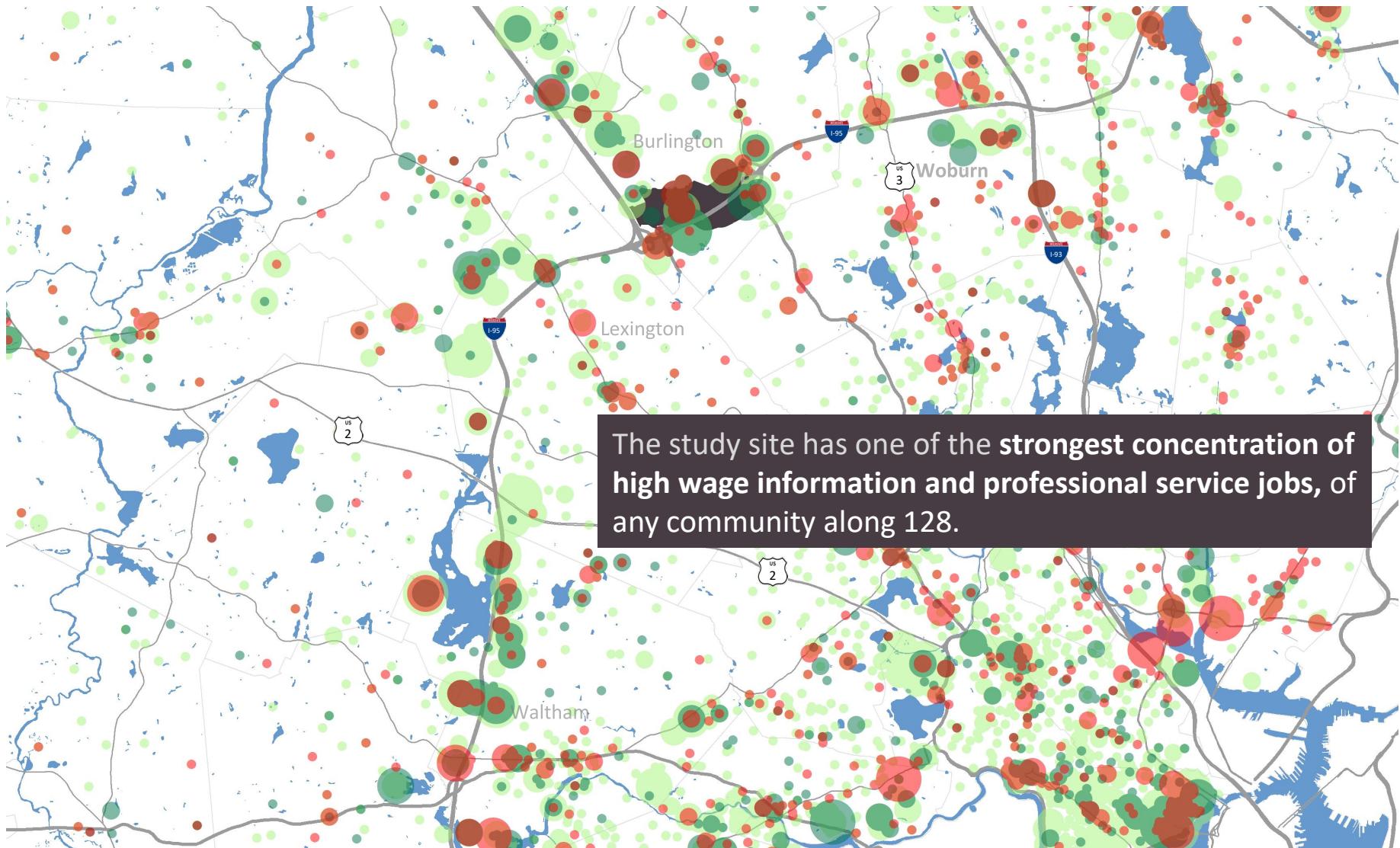
Source: Various 2020 Q4 Broker Market Reports  
(CoStar, CBRE, Cushman Wakefield, JLL, Lincoln Property Company, Newmark Knight Frank)



# REGIONAL NODES

## Information, Professional Services, Finance & Insurance

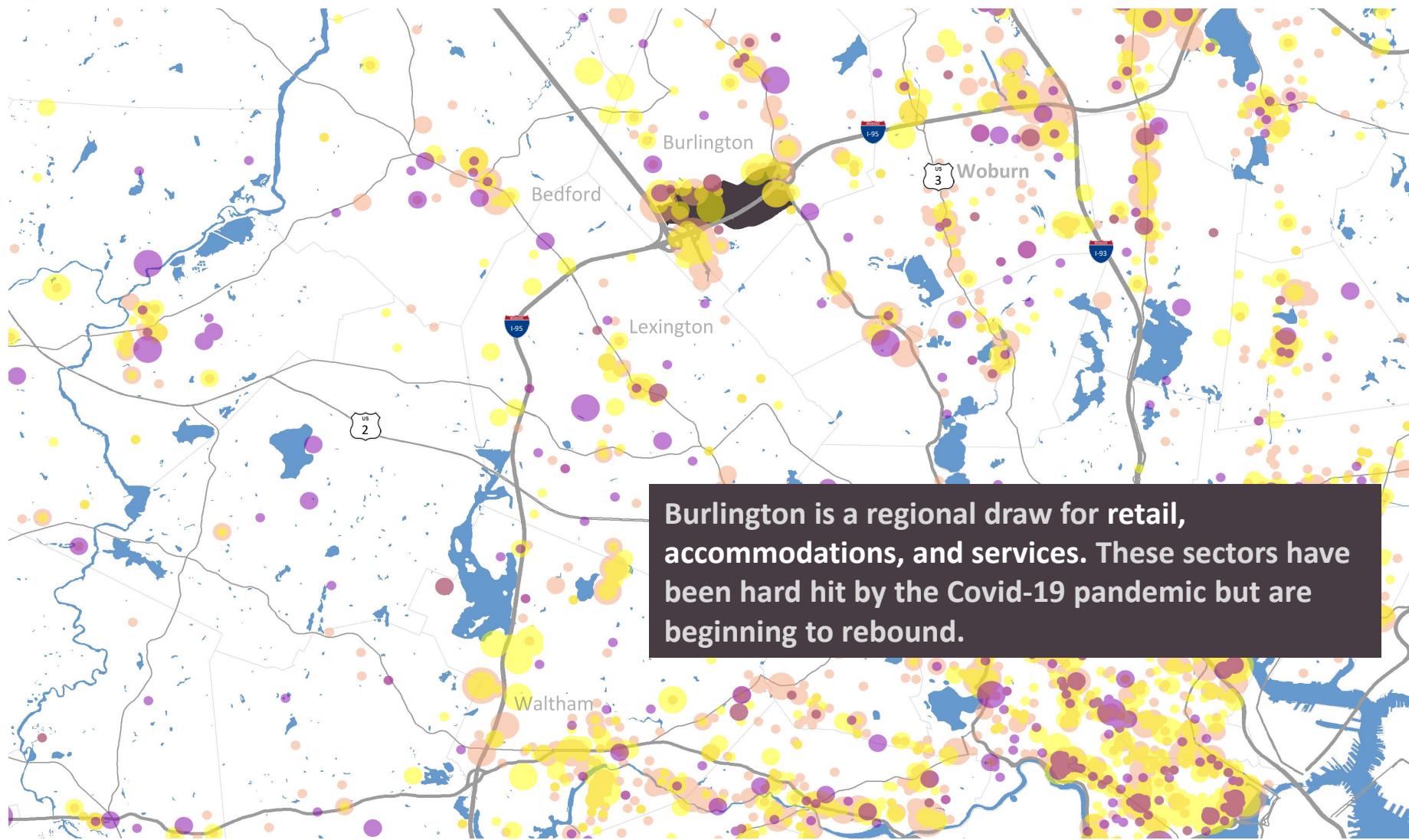
- Professional, Scientific, and Technical Services
- Information
- Finance and Insurance



# REGIONAL NODES

## Retail, Accommodation & Food Services, Recreation

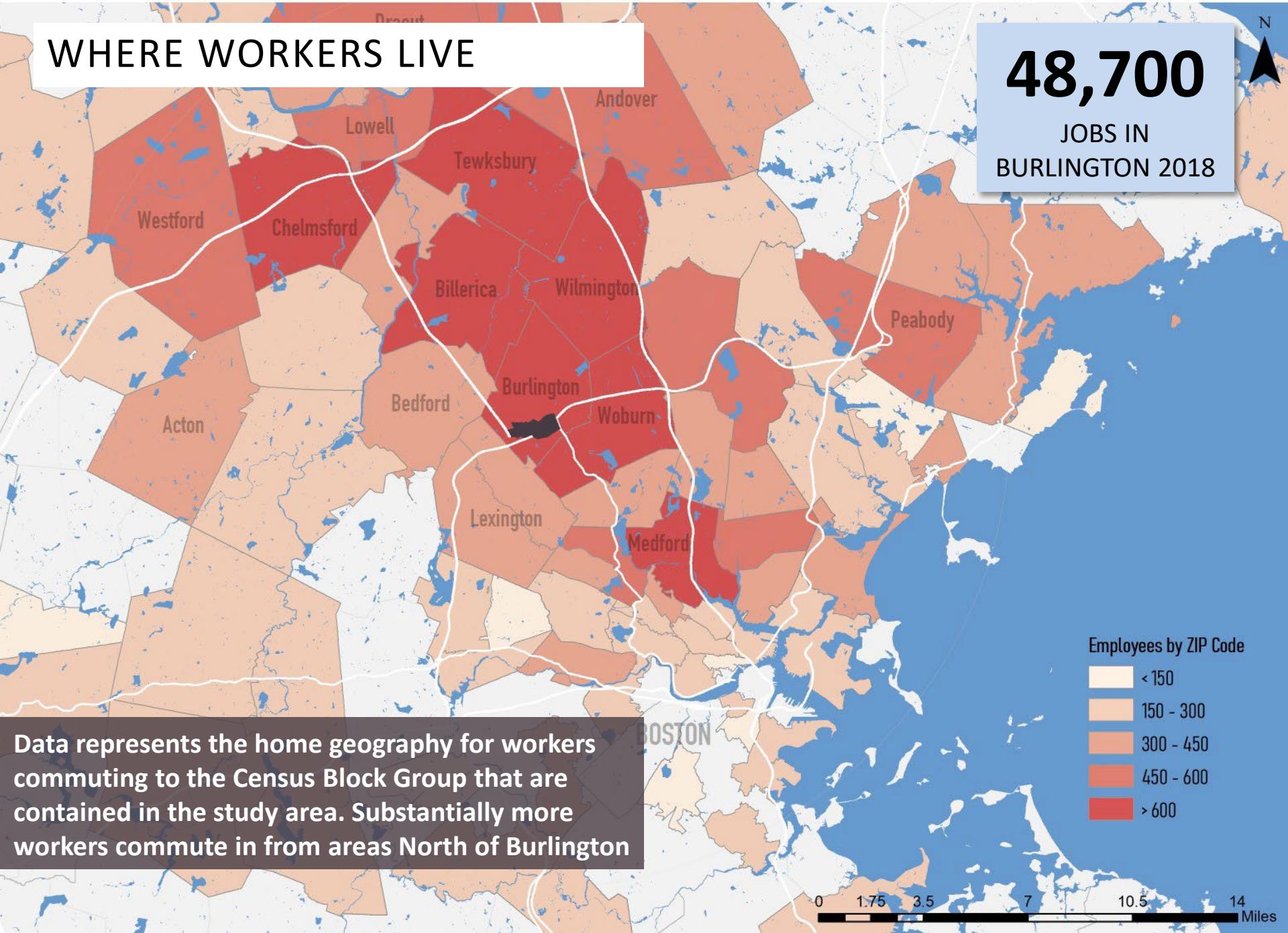
- Arts, Entertainment, and Recreation
- Accommodation and Food Services
- Retail Trade

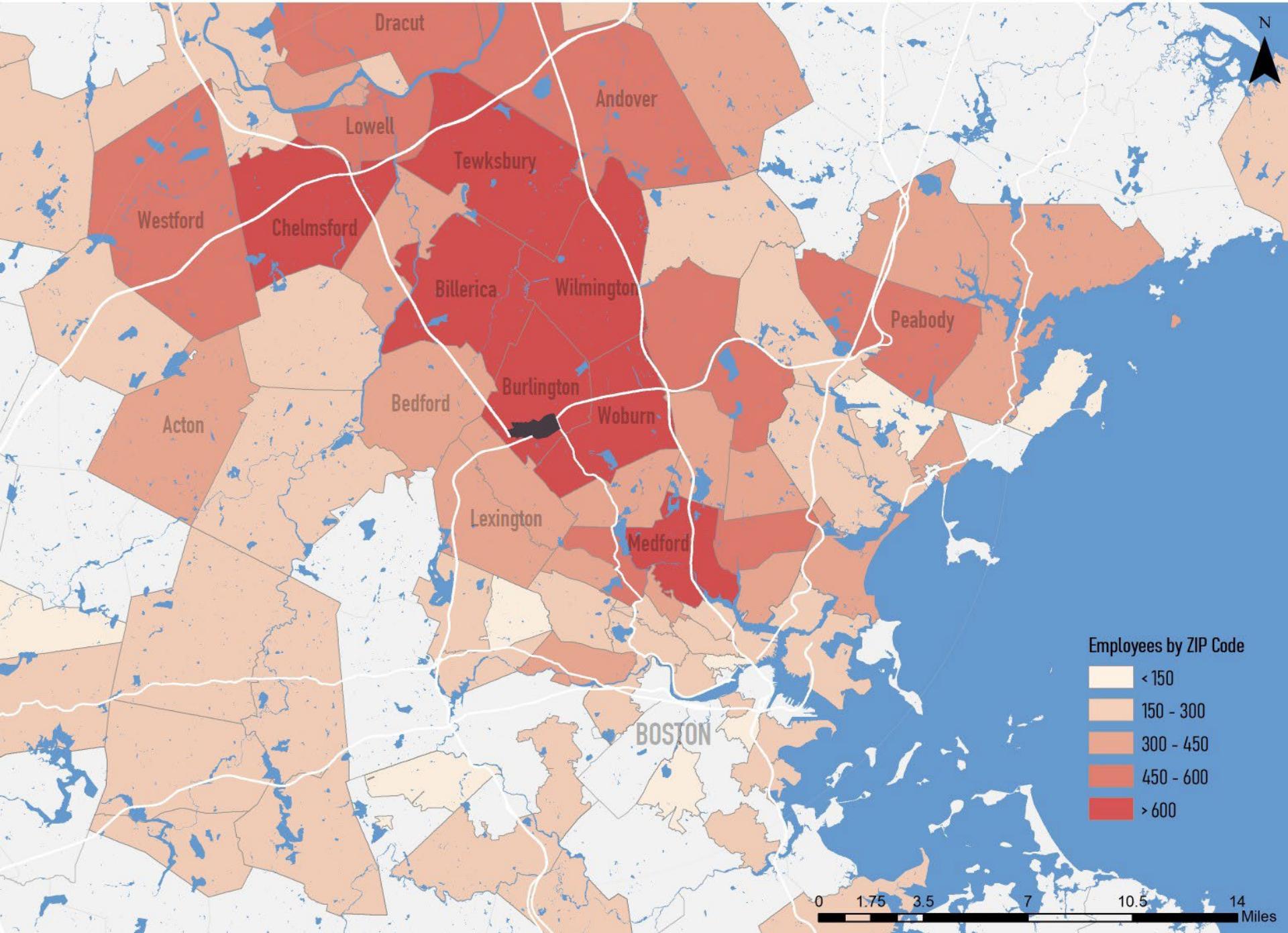


# WHERE WORKERS LIVE

48,700

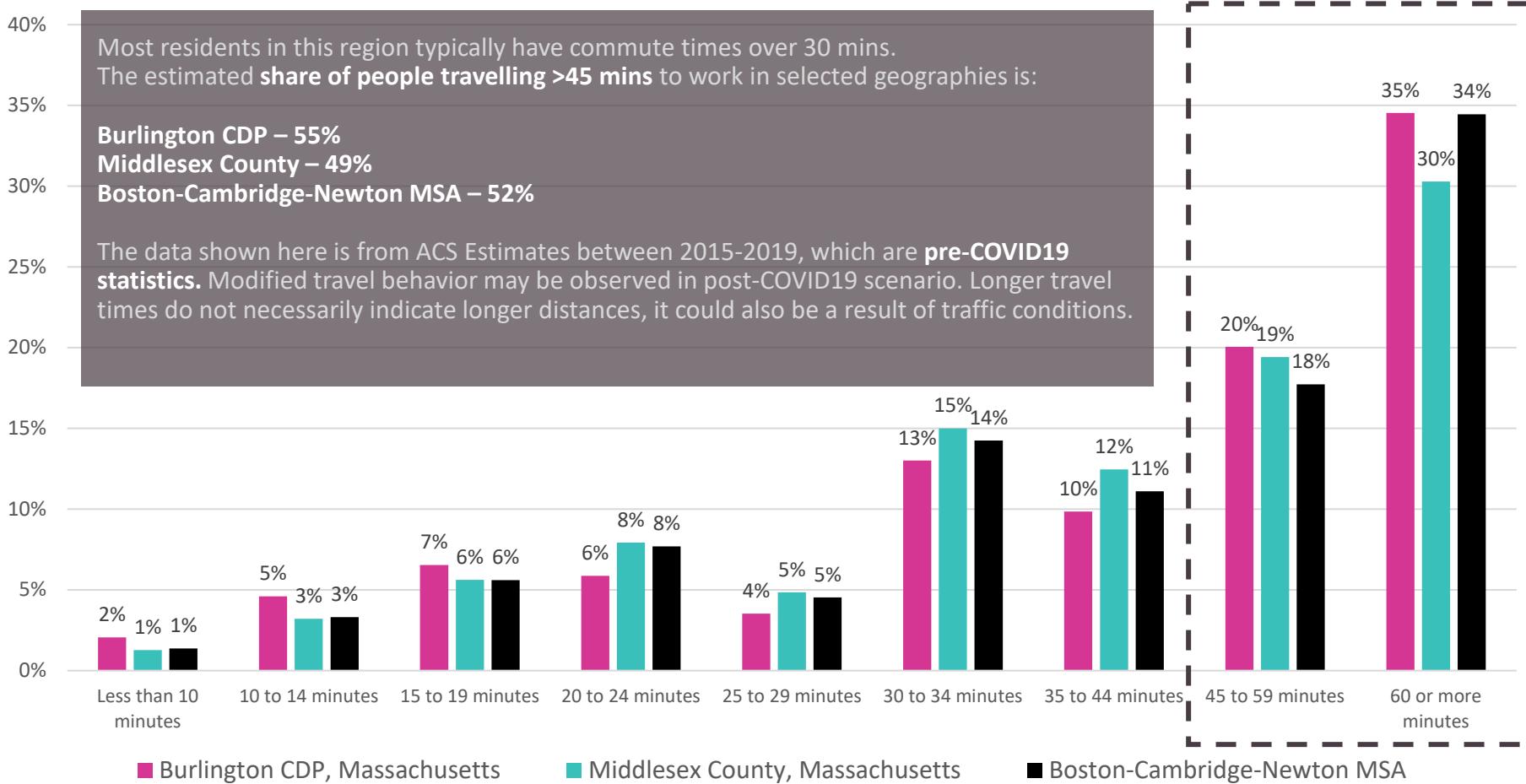
JOBs IN  
BURLINGTON 2018





# TRAVEL TIME TO WORK

## Travel Time to Work - Workers 16 years and over who did not work at home

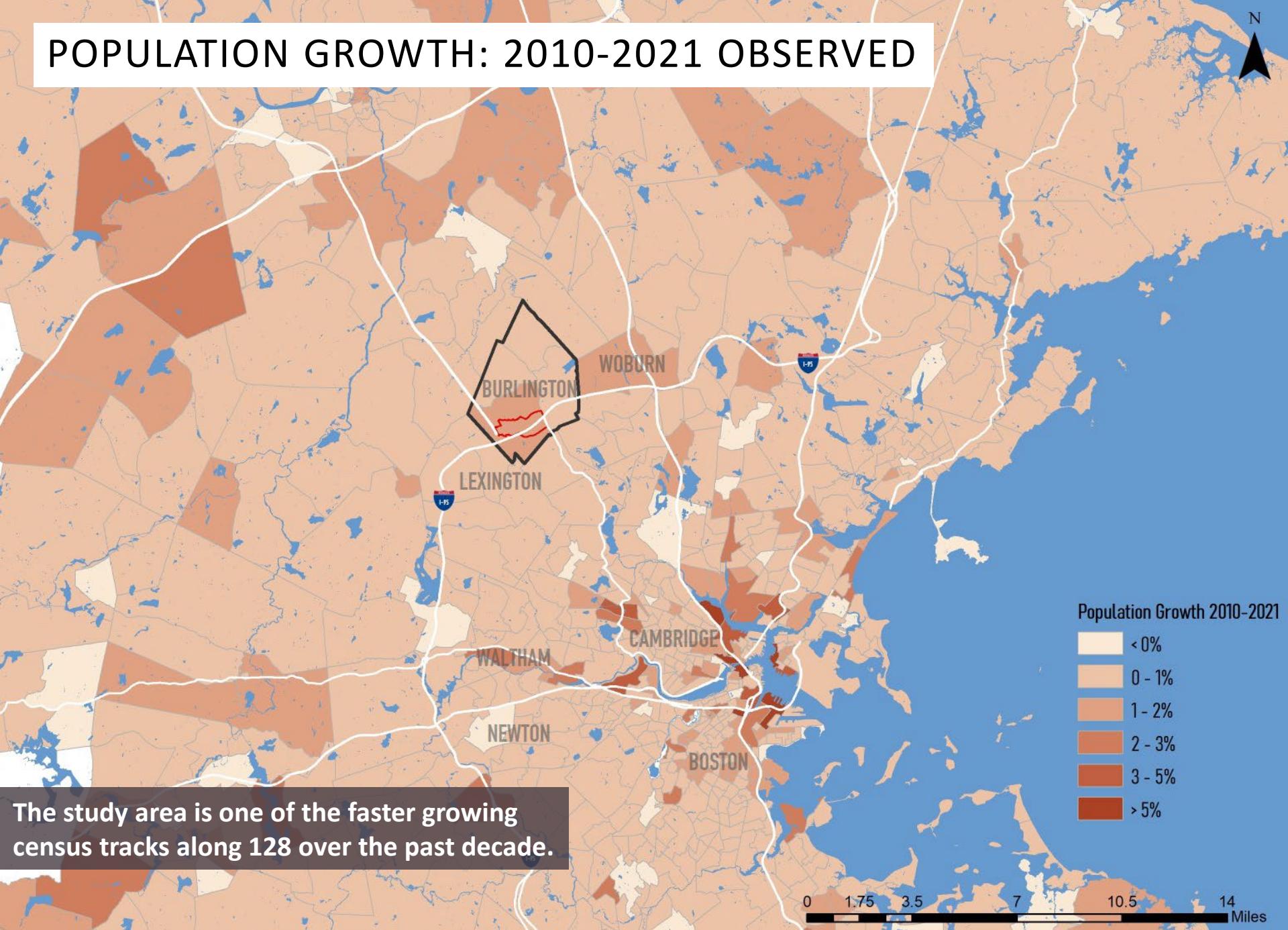


# MEDIAN HOUSEHOLD INCOME 2021

N

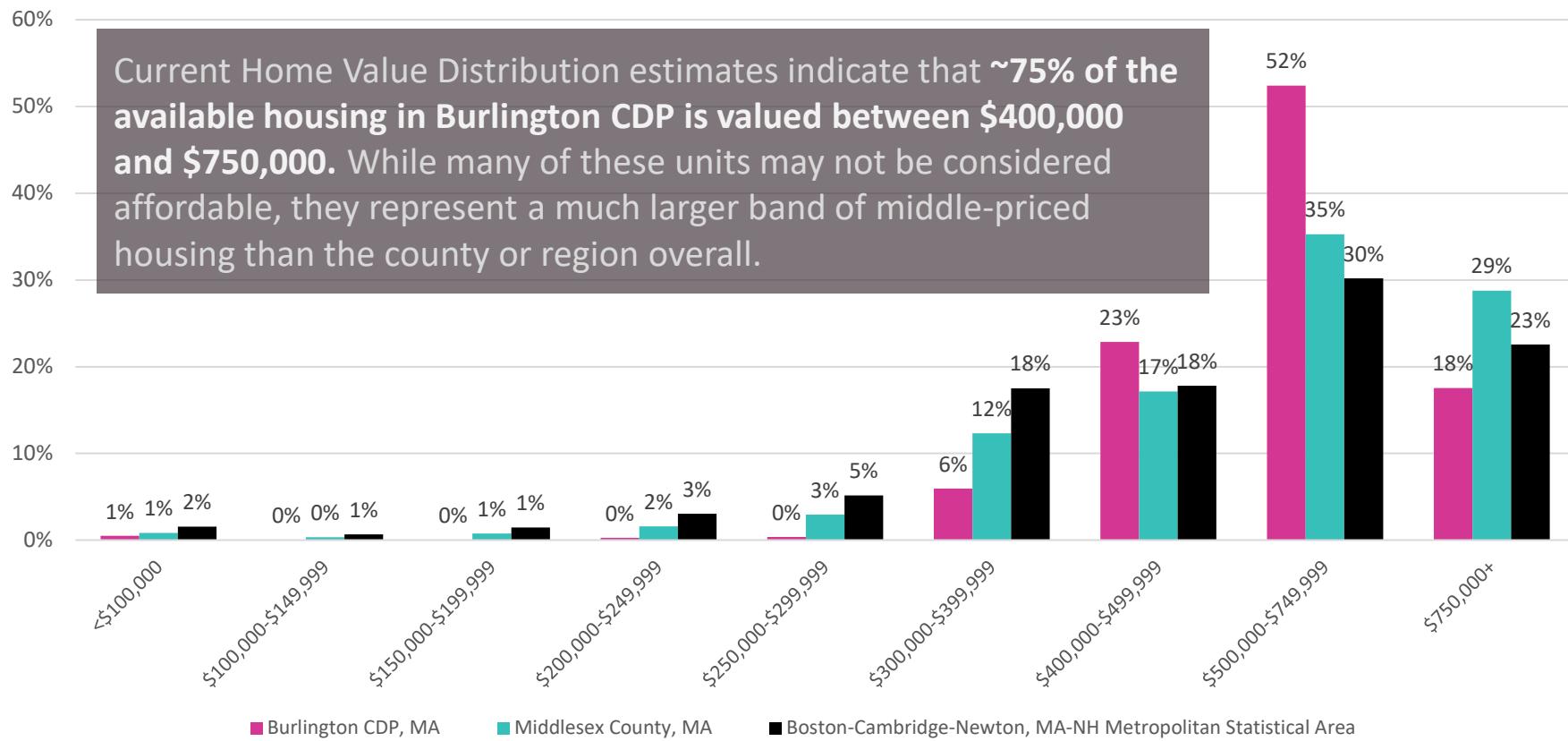


# POPULATION GROWTH: 2010-2021 OBSERVED



# HOUSING MARKET

## 2021 Home Value Distribution



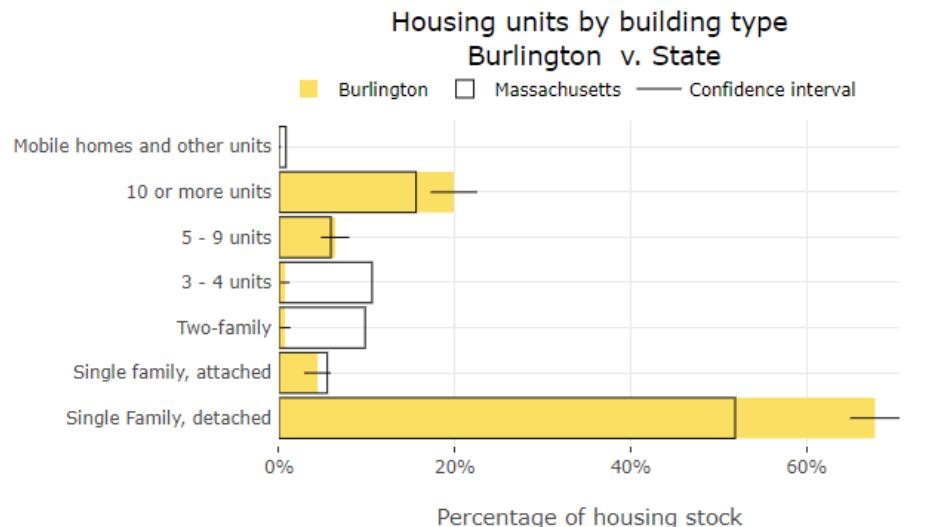
# HOUSING MARKET



Rental units close to work are in demand especially as companies grow and workstyles change.



There's a worry that moderately priced single-family homes will be replaced with housing at higher price points.



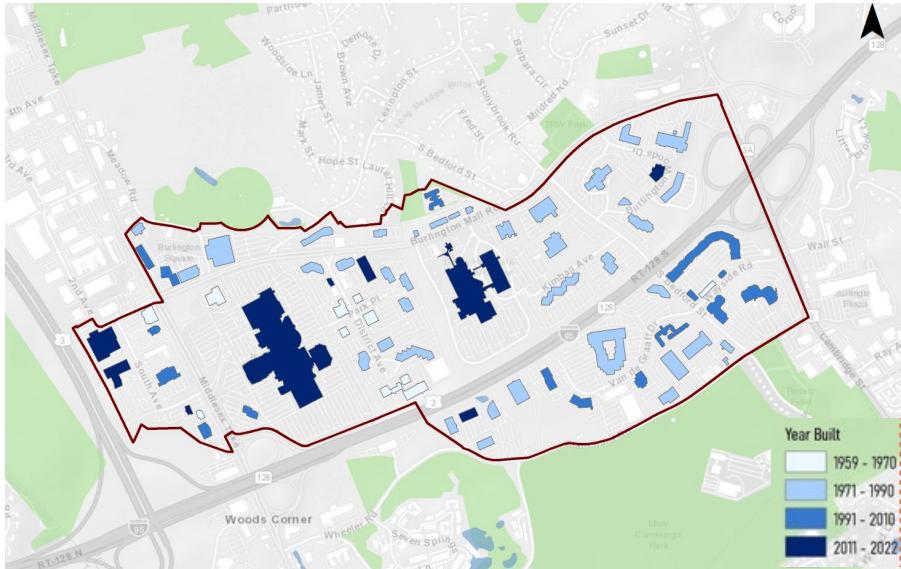
Source: U.S. Census Bureau American Community Survey, 2015-2019 5-year  
Table S2504: Physical Housing Characteristics for Occupied Housing Units

Most of the housing in Burlington is single family, and 74% is owner occupied. In recent years, most new units have been multi-family housing.

# ECONOMICS ON THE GROUND: BUILDING STOCK



1960s era: low-rise office park buildings in a campus setting



1970s era: one-story, adaptable for flex, R&D, and/or office

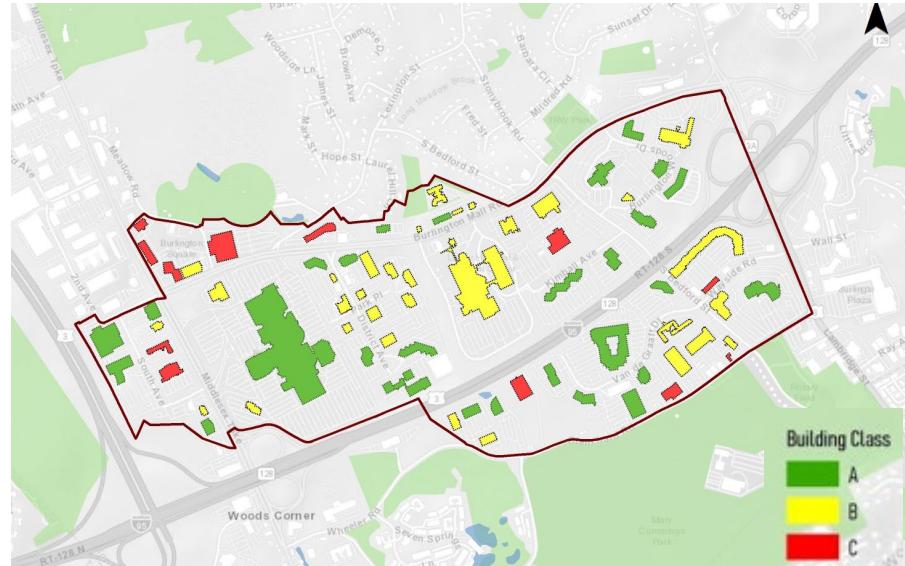


1990s-2000s: five-story corporate office headquarters

# ECONOMICS ON THE GROUND: BUILDING STOCK



2010-2020: Higher rise HQ office with structured parking



2010-2020: Infill structures with amenities

# CHANGING REALITY OF RETAIL



1960s malls anchored with department stores and surrounded by parking is changing (Burlington Mall)

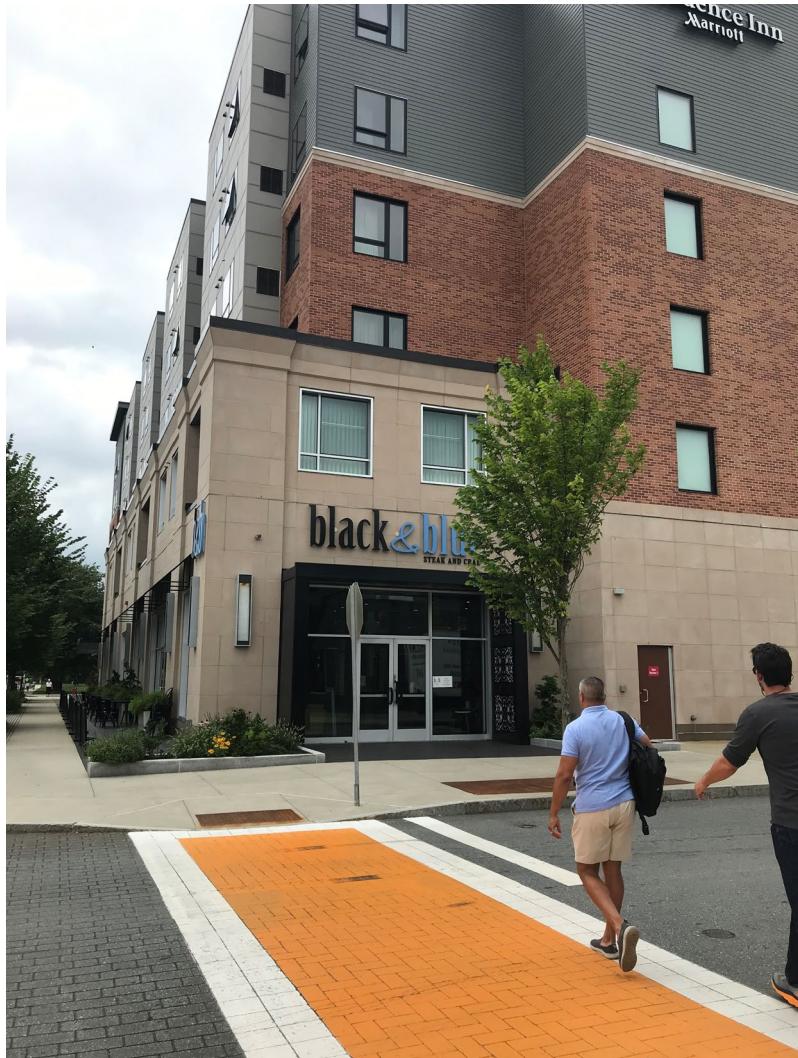


The 2000s saw the rise of big box and lifestyle centers (Wayside)



2020s: online shopping has driven retail to be more experiential (former Sears site)

# AMENITIES AS DRIVERS OF ECONOMIC DEVELOPMENT



Proximity of restaurants, shops, hotels, and housing within pedestrian friendly environments.

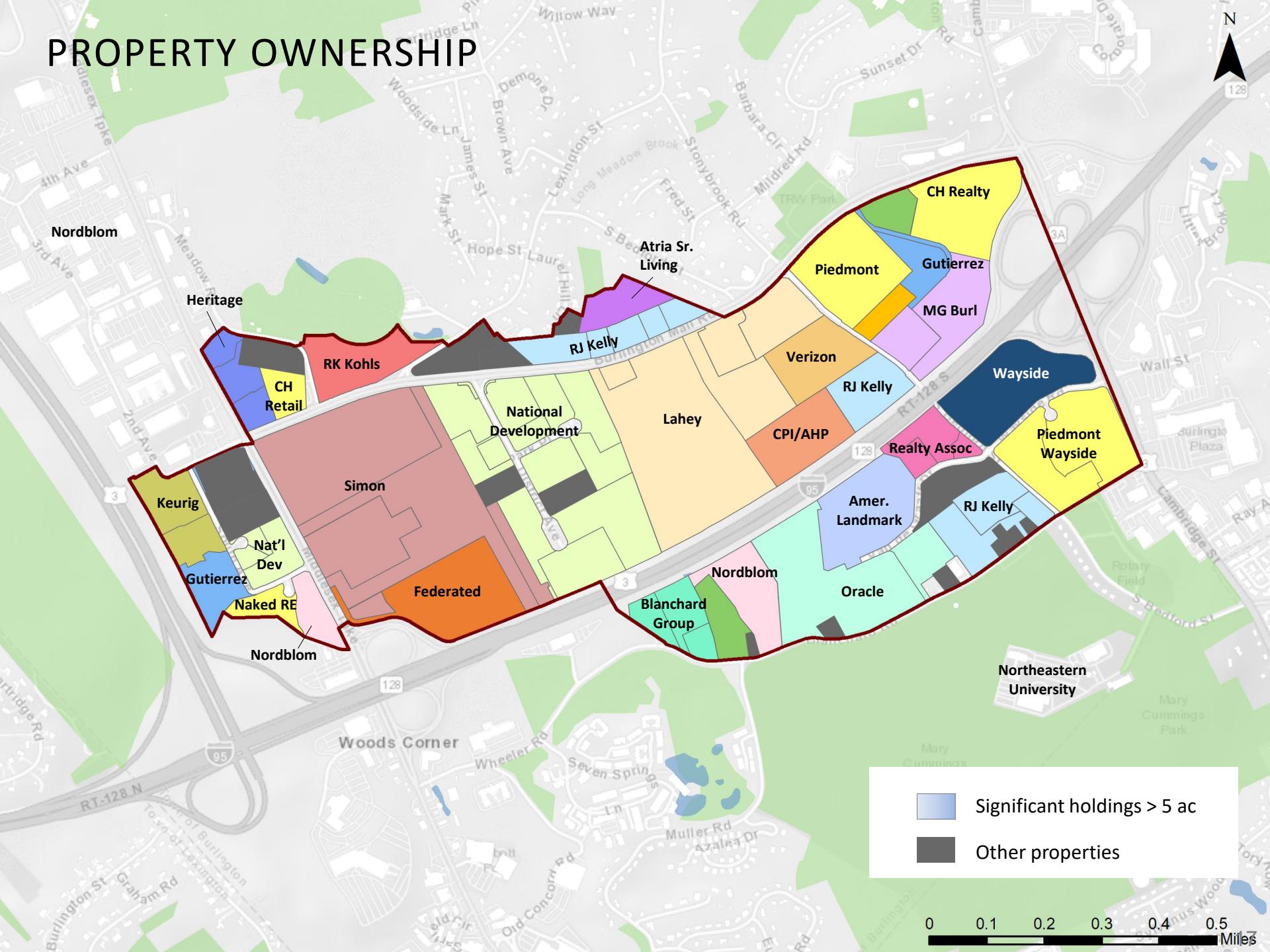


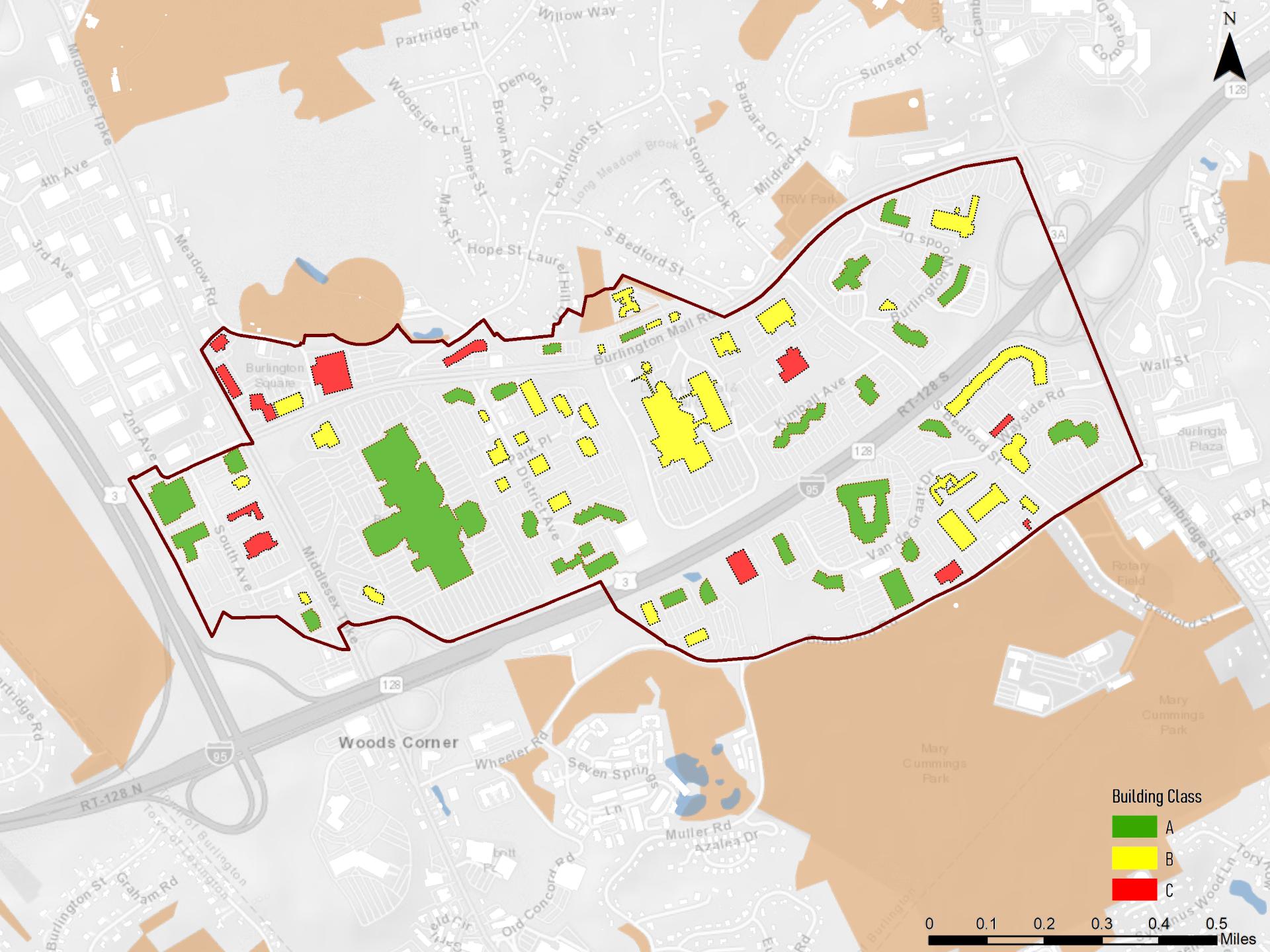
Recreational paths (Mary Cummings Park)

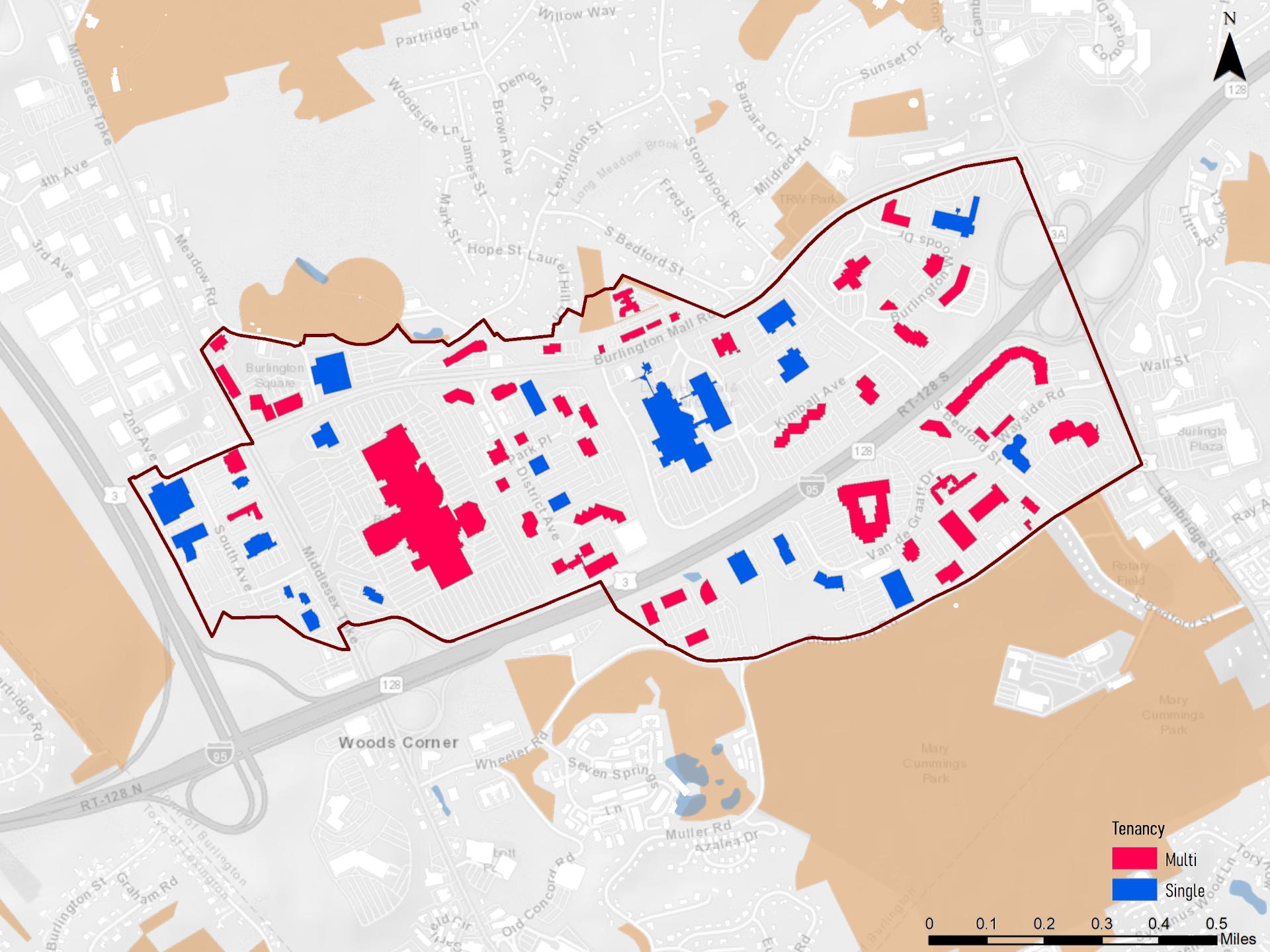


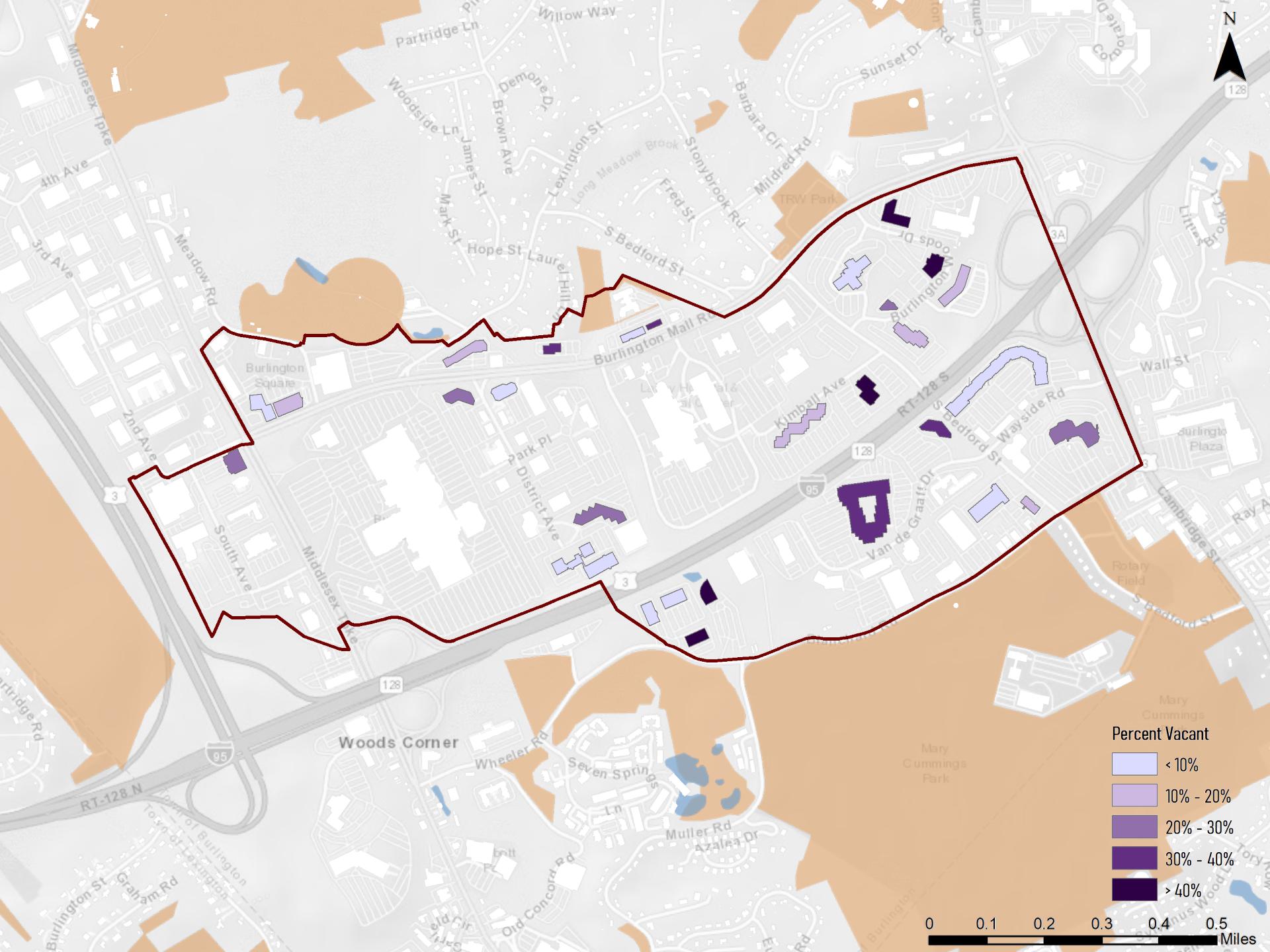
Social infrastructure: maker spaces, community gardens, cafes (The District)

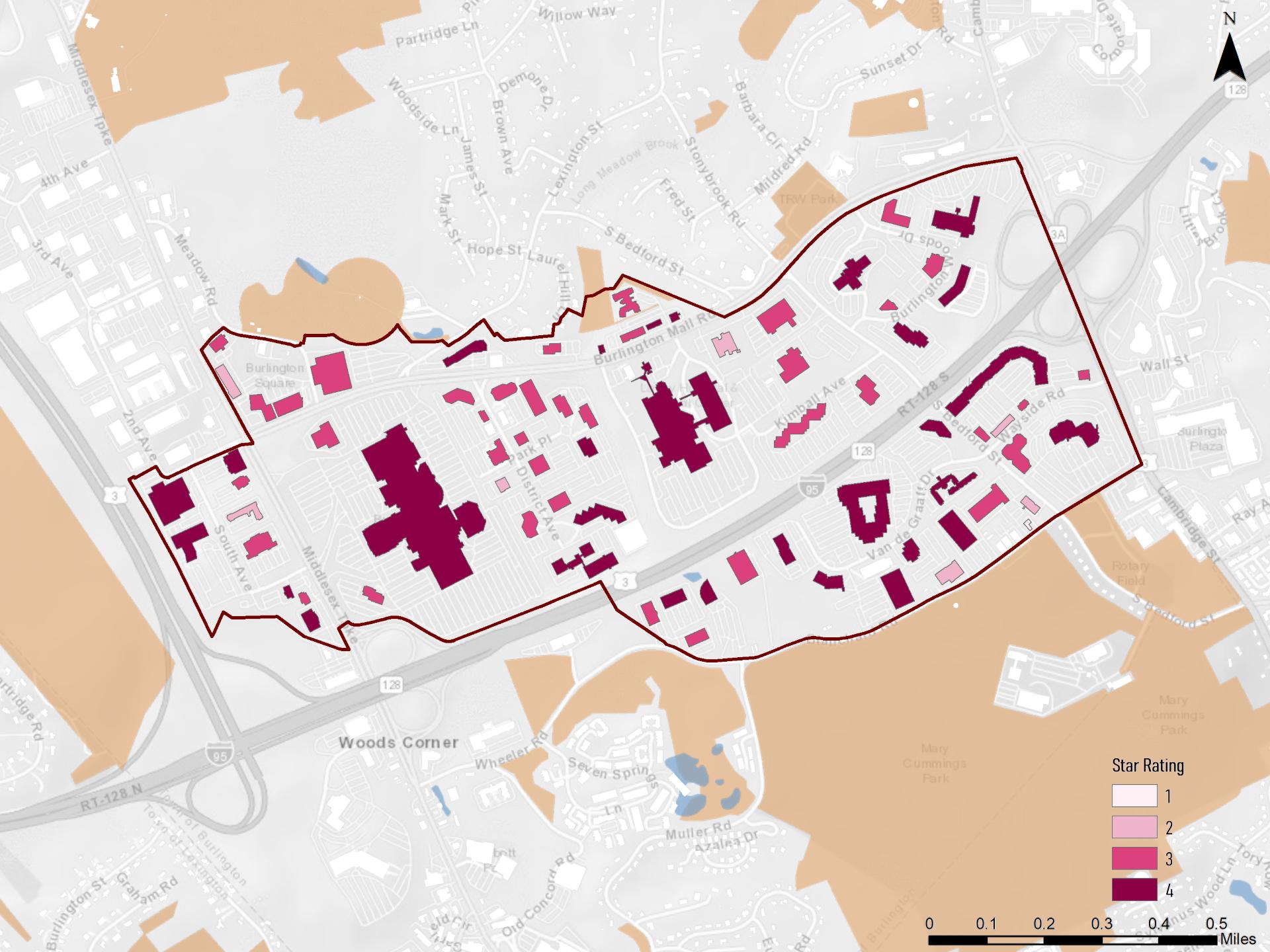
# PROPERTY OWNERSHIP









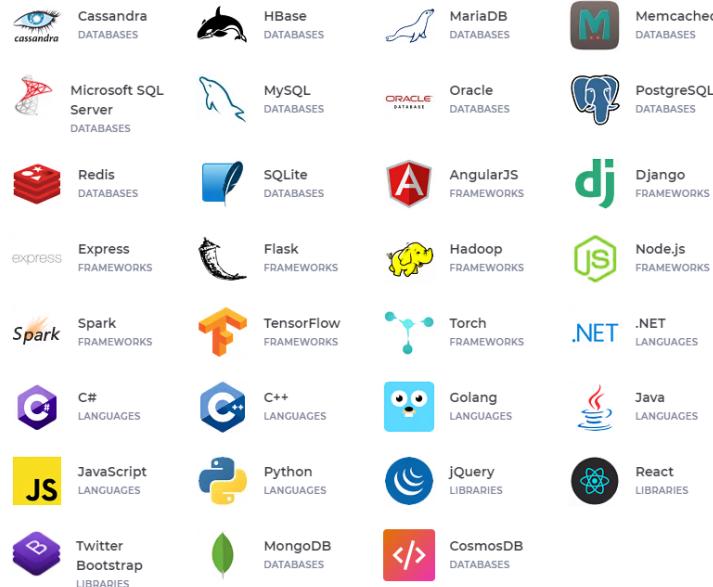


# ECONOMIC DEVELOPMENT CONSIDERATIONS



# INDUSTRY CLUSTERS: ESTABLISHED

## Software Publishing (Information)



TECHNOLOGY THAT WE USE, NUANCE

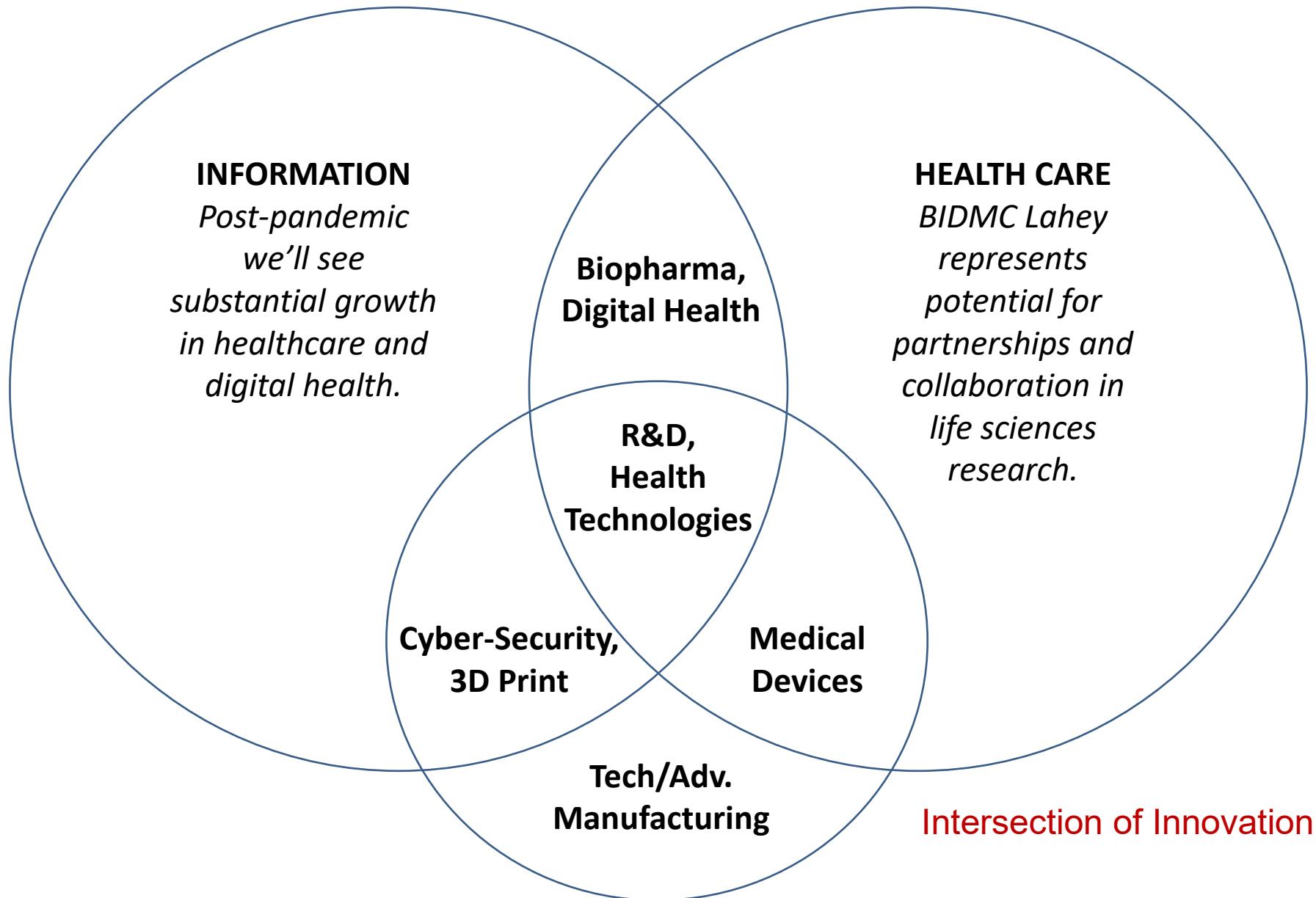
## Health Care



- Boston/Cambridge metro area is one of the largest Software Publishing clusters in U.S.
- Approximately **25%** of Burlington jobs are in information, primarily software publishing
- Mergers and acquisitions are moving at a rapid pace

- Approximately **15%** of Burlington jobs are in Health Care and Social Assistance (2018)
- Post-pandemic, this sector is primed for growth.
- Demand for licensed technologists and nurses has increased by 30 to 50%, with severe labor shortages

# INDUSTRY CLUSTERS: EMERGING



# ANCHOR INSTITUTIONS

## Economic Development Role

- Recruit and train a skilled work force
- Attract other businesses that benefit from partnership and proximity
- Drive innovation
- Spin-off new start-up companies in the region



Beth Israel Lahey Health is the second largest employer in MA

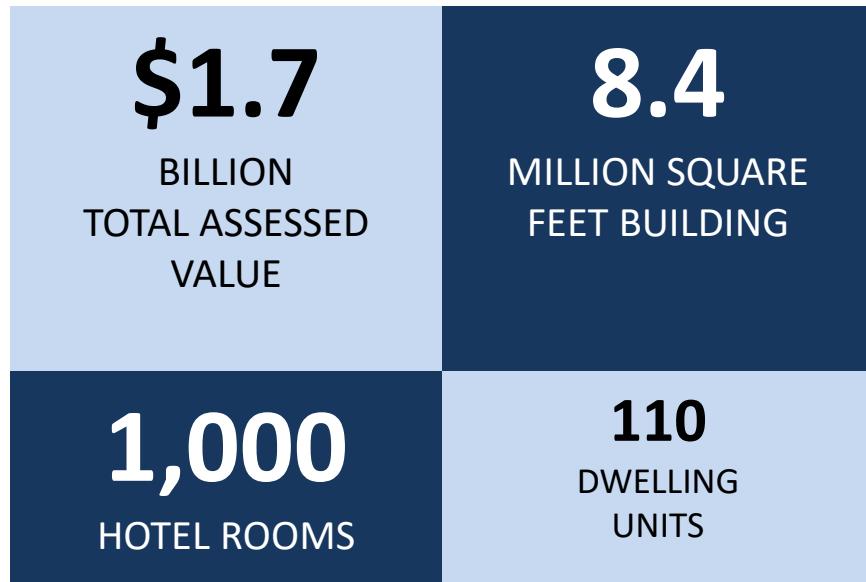


Northeastern's Innovation Campus: Building V opened in 2020 (\$70 million)

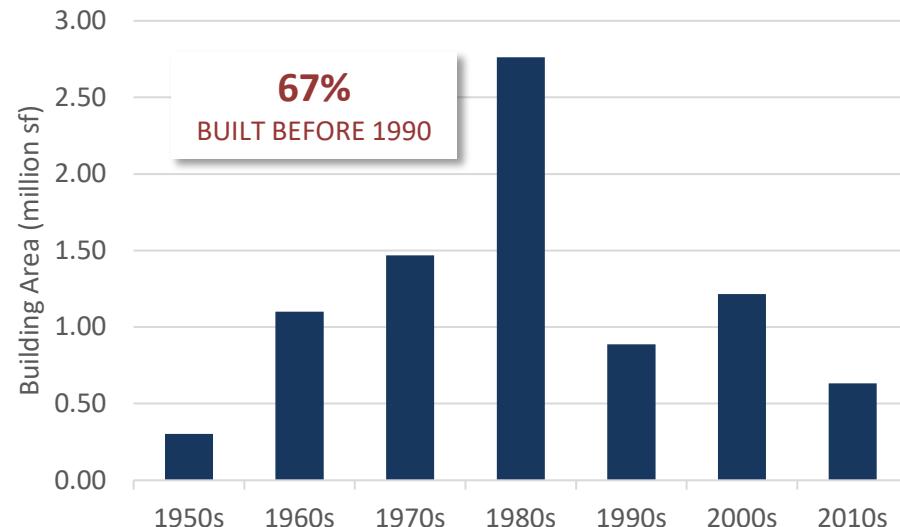


MITRE has attracted high tech firms to the area since the 1960s

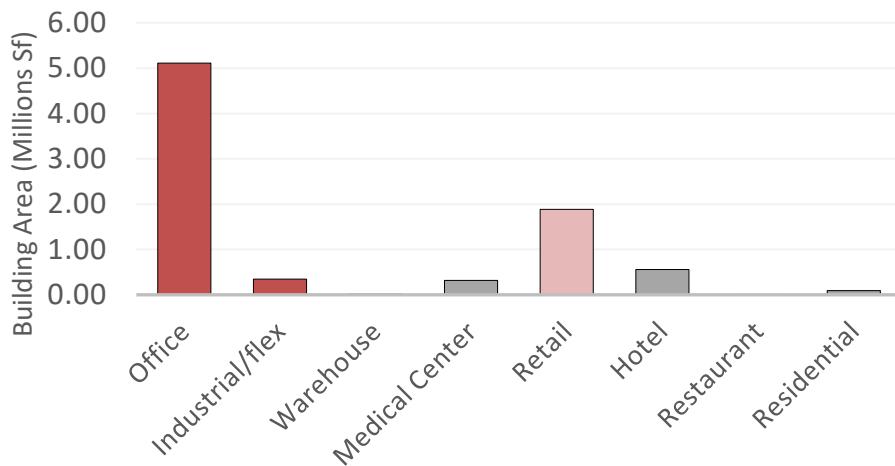
# STUDY AREA: BY THE NUMBERS



Building Area by Year Built (sf)



Building Area by Use



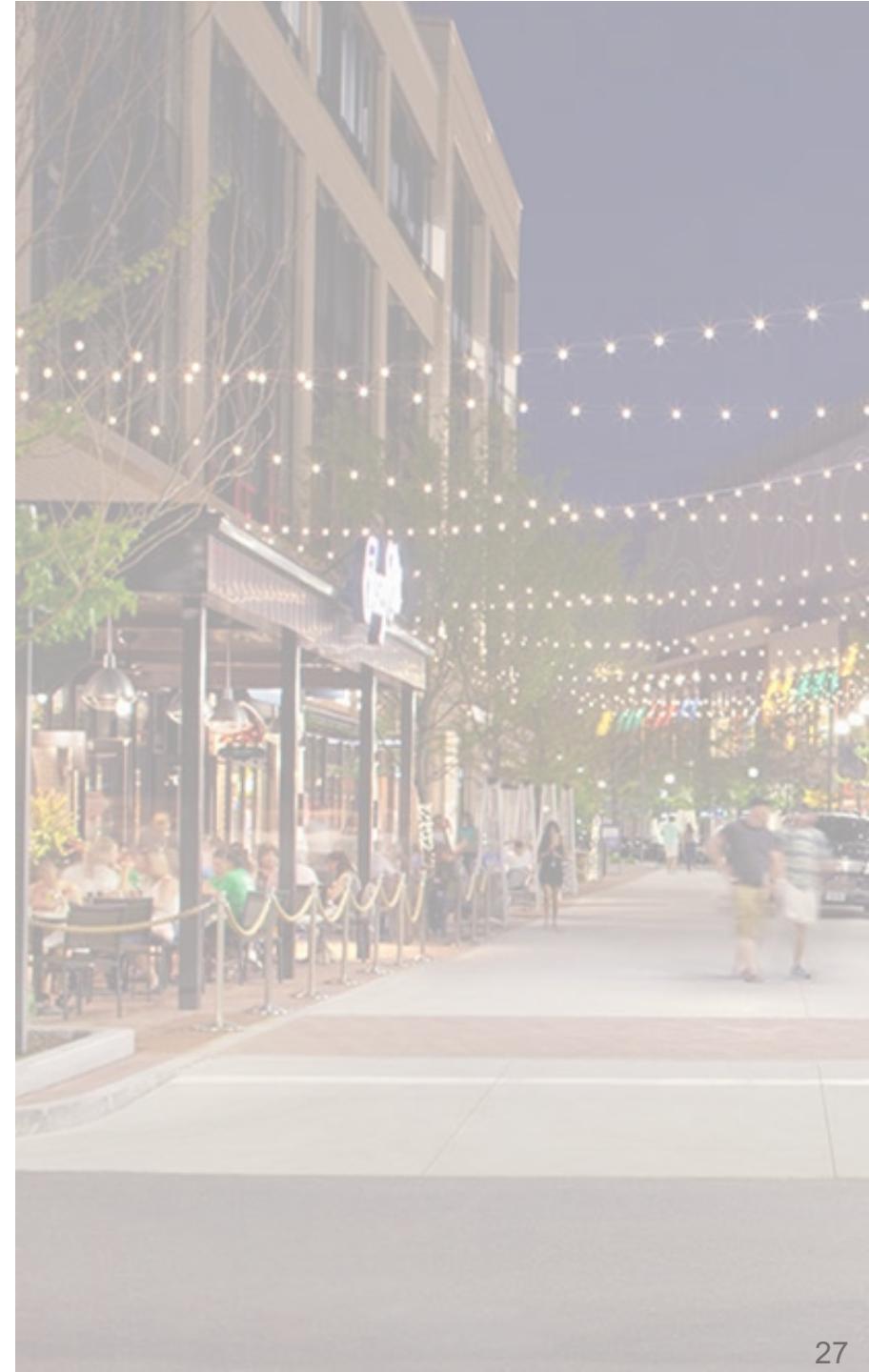
**66%**  
OFFICE/FLEX SPACE

**23%**  
RETAIL SPACE

**12%**  
OTHER SPACE

# WHAT IS THE FUTURE OF WORK?

- ***Hybrid*** work models (e.g., 3 days a week)
- Downsizing ***office footprints***
- Increased demand for ***suburban locations***
- ***15-Minute Neighborhoods***: proximity of work and home, access to local goods and services, robust social infrastructure, redesigned streetscapes
- Transit ***ridership decline*** / more local traffic
- Continued in person time for ***collaboration, hands-on-work, medical practices***



# WHAT IS THE FUTURE OF RETAIL?



- E-commerce has grown and pre-pandemic ***trends have accelerated***
- In-person retailers focused on delivering ***unique experiences***, and becoming destinations
- Increased focused on ***“omni-channel” retailing***, i.e. blend of e-commerce, social media, brick-and-mortar
- Investments made in ***contactless*** ways to shop like curbside pickup
- Virtual brands, ***ghost kitchens & delivery-only concepts*** have thrived and will continue
- Malls with B, C, & D ratings are predicted to be ***at risk for closure*** (Burlington - Class A)

# SCENARIOS: FUTURE OF WORK

- Building a better world of work
- Competition to attract talent
- New premium on indoor and outdoor open space
- Productivity can be achieved anywhere
- Highly amenitized environments

*"The conditions of work really do matter for people's health and well-being."*

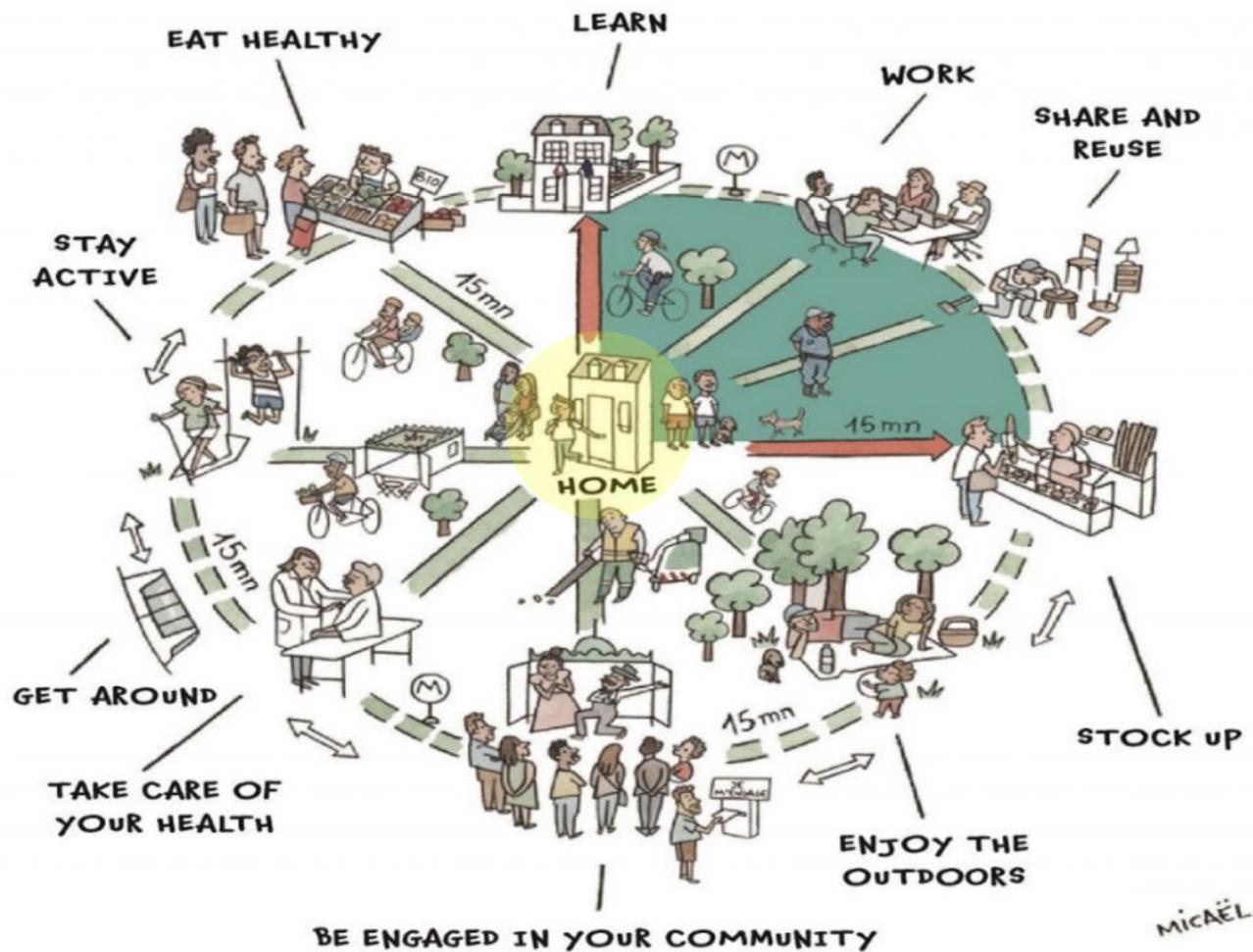
*Erin Kelly, MIT*



Metroburb, Bell Works, NJ

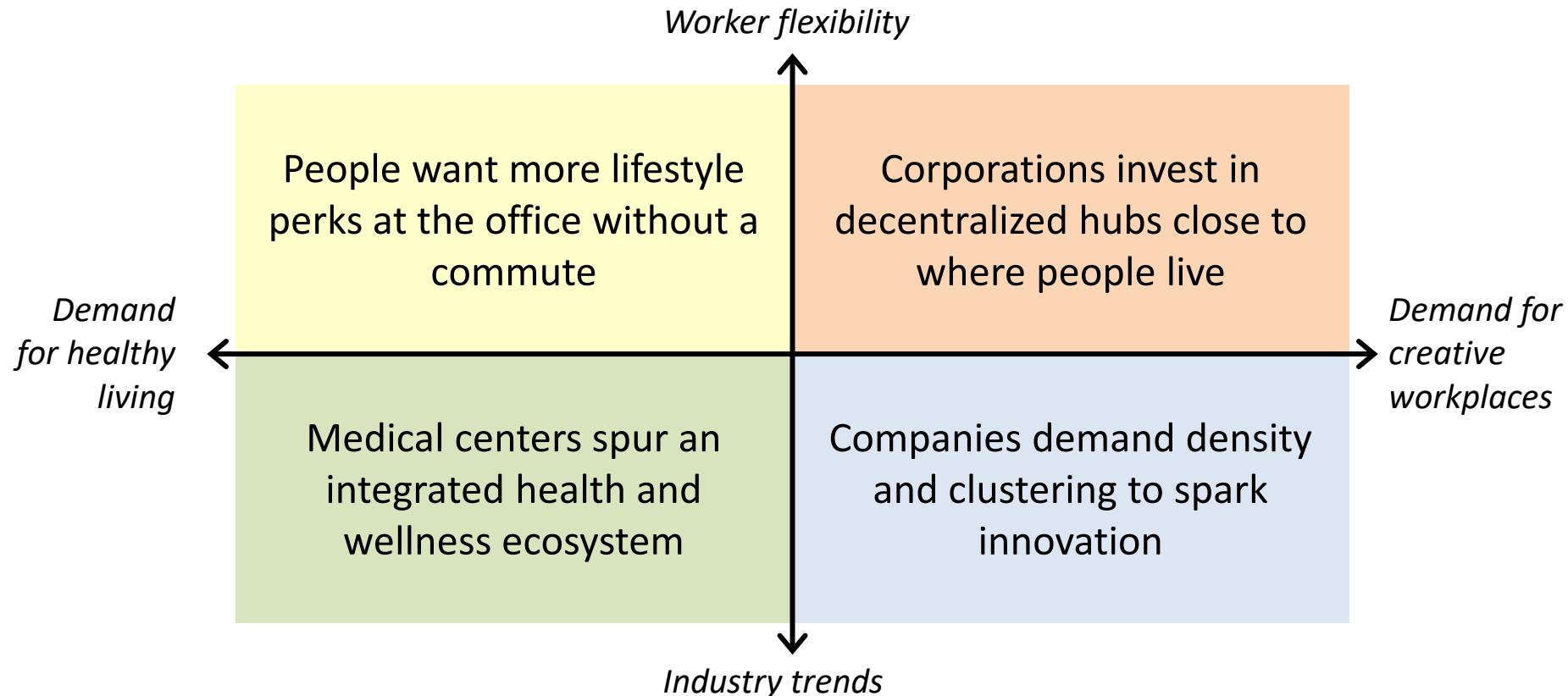
# SCENARIOS: FIFTEEN-MINUTE CITIES

- Neighborhood-oriented workplaces
- Blurred life/work boundaries
- Flexible schedules and work set-ups
- Reduced commutes; pedestrian/bike mobility



# SCENARIOS: FUTURE OF WORK

*In a competitive market and a time of deep uncertainty, how can we best position Burlington for the future?*



**Economic resiliency =**  
*ongoing investment in placemaking, mobility, and mixed use....*

# SCENARIOS: FLEXIBILITY IN THE WORKPLACE

Within any one company, various workstyles might co-exist, demanding flexibility with implications for equity, collaboration, and space use.....



# SCENARIOS: FLEXIBILITY IN THE WORKPLACE

Within any one job, different workers might make different choices depending on their stage in life, housing situations, or lifestyle preferences.....

