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Downtown Boston: Redefining tradition

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Kendall Sq. is crowded. And it has been for quite some time. According to Cassidy Turley's research, vacancy in East Cambridge has been below 10% since mid-2006. And in that time, asking rents have jumped a staggering 61.3%. Recognizing the benefits of keeping young companies local, Cambridge has responded to dwindling office supply by requiring that all new commercial buildings dedicate 5% of their space to affordable options for start-ups. Yet these small, innovative companies continue to flock across the river to Boston. Why?

The exodus from Kendall Sq. into Boston's Seaport District began three years ago. Squeezed out of Kendall Sq. by explosive rent growth (and that's if a company could even find space), many young companies (and some more established firms too) set out to find the next frontier of affordable and abundant space. And they found it - in the Seaport.

While the phrase "victim of its own success" has been used ad nauseam, that's precisely what happened to the Seaport. It became so popular so quickly that rents did exactly what they did in East Cambridge - shooting up 10% in just 36 months. And now? Asking rents for class A space in the Seaport are just two percentage points lower than in East Cambridge.

So what's a start-up to do?

For the most part, start-ups are urban pioneers - yet many are beginning to seek out the more traditional neighborhoods constituting downtown Boston - North Station, the Financial District and Downtown Crossing. Despite their more traditional tenant bases, these neighborhoods are all centrally located, MBTA accessible and rents are reasonable (particularly in low-rise, class B space). And we're finding many landlords have become start-up friendly - amenable to signing shorter leases (less than five years) and funding build-outs conducive to the style of these younger (and, let's be honest, hipper) companies.

Terms like collaboration and teamwork drive the corporate culture of this new wave of tenants - and while brick and beam space seems to be their first preference, landlords of more traditional buildings have begun paying attention. Gone are the corner offices and luxe conference rooms - replaced by open layouts, exposed ductwork, break-out rooms and workbench seating. And some landlords are going even further - courting start-ups by offering bicycle racks, showers, exclusive gyms and communal conference rooms.

As for restaurants and entertainment, just a few years ago, the Financial District became a ghost town after 6 p.m. But new life brings new energy, Downtown Crossing is undergoing a major revival as is North Station. As a result, the number of restaurants and bars in downtown Boston has multiplied exponentially - since the end of December both Milk St. and Franklin St. have welcomed new establishments (Central Wharf Co. and Merchant).

Cabaret performer Peter Allen famously sang that Everything Old is New Again. In the case of downtown Boston, we couldn't agree more.

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