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Why Boston businesses are looking at suburban supplemental offices - Nordlund Associates looks at the possible shift

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Boston, MA As Massachusetts begins reopening, employers are managing office safeguards especially in urban settings. However, staggered workdays and reduced staff within the workspace will not address crowded common areas found in commercial real estate environments, such as elevators and public transportation.

Furthermore, if public transport remains restricted as we return to our respective commutes, already congested highways will become even more challenging. Both congested highways and public transport have been inadequate means of travel to and from work for many years.

Relocating

Some businesses have responded to these issues and improved quality of life by relocating to suburban markets. Commutes that had been 60-90 minutes or more each way were reduced

significantly. However, wholesale relocation from urban environs to suburbs is as impracticable as it is unrealistic.

Remote workers

Remote work arrangements are good solutions for some, but they aren't right for every organization or employee. For many, they come at a cost that exceeds the benefits. For example, home offices lack the synergy that can only be found amongst staff in a professional workplace environment. In addition, home offices are susceptible to distractions from spouses, roommates and children, and unreliable technology can be a huge hassle. These reasons alone may be sufficient motivation for many to return to work, but they aren't the only challenges people are facing. Media outlets all over the world have reported on why remote work is so hard and what we can do to improve it from "The New Yorker" to CNN.

Supplemental office options

Supplemental suburban offices or "satellite offices" can provide a vital alternative as we re-enter our workplaces. Multiple smaller workspaces with flexible lease terms can be located along the periphery of a supplemental office. According to Bloomberg, Citigroup Inc. is considering opening satellite offices in the suburbs of New York City while it waits for Manhattan to be safe again. Companies in other urban settings are thinking about doing the same thing, and the Boston commercial real estate market is evolving to meet their needs. For example, within the North Shore of Boston, there are available properties that can serve as satellite offices now. They support new tenancy with flexible lease terms that can be less than three years. These property managers are prepared to quickly respond to businesses considering these types of arrangements. Some of the spaces include executive suites with private offices, and some are willing to afford tenants the ability to give the spaces a trial run before expanding into larger suites. A few of the available properties in the North Shore of Boston include: 99 & 199 Rosewood Dr., Danvers; 790 and 800 Turnpike, North Andover; and 100 Conifer Hill, Danvers.

Nordlund Associates, Inc. looks forward to the opportunity to work with you and strategize the best office environment and economically feasible route for you and your organization.

According to CoStar, rent for suburban office space is historically one-third to half the cost of city space. Current asking rental rates for blended class A and B office space in Boston, per CoStar, is \$60.78 per s/f while it's \$20.72 per s/f within the I-95 Northern suburbs. Plus, parking is typically free. Most suburban office space is no more than three to five stories tall and stairwells complement elevators. Commutes will be reduced for many, affording better allocation of one's time.

Satellite offices are not new. After 9/11, both the financial and communication industries secured supplemental offices and communication hubs to ensure continuity. Safer work environments can be economically viable and we can mitigate financial risk as we adapt to our new world.

Covid-19 has impacted us in ways we would have never imagined and have yet to truly appreciate. Supplemental offices afford organizations and their people the ability to remain operational without having to keep everyone working from home forever.

Nordlund Associates, Inc. is a full service commercial real estate brokerage firm serving tenants, landlords and investors by facilitating the acquisition and/or divestiture of properties through traditional and innovative strategies.

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