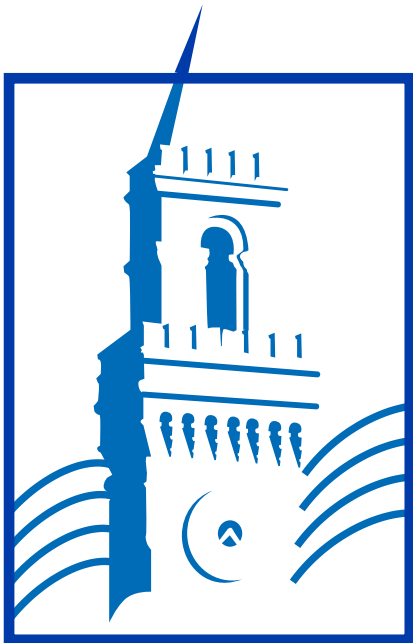


October, 2004



**Center for
Community
Performance
Measurement**



**WORCESTER
REGIONAL
RESEARCH
BUREAU**

**Downtown
Worcester
Office
Occupancy:
2004 Survey**

CCPM-04-05

INTRODUCTION

The Worcester Regional Research Bureau's Center for Community Performance Measurement (CCPM) is pleased to present the results of its 2004 downtown Worcester office occupancy survey. The CCPM has conducted this annual survey since 2002,¹ and our reports summarizing its findings continue to be the Research Bureau's most requested and most downloaded.²

Why is this important for Worcester?

Office occupancy rates are a key indicator of a downtown area's economic vitality. While high office occupancy rates are an indicator of a strong business and retail economy in the central areas of a city, low or declining occupancy rates may signal business and retail flight and an ensuing weakening of a downtown core. Nationwide, the suburbs have outpaced central cities in terms of both job growth and population growth over the past decade. This type of growth and the resulting "exit ramp economy," in which new office space and retail facilities are increasingly located along suburban freeways,³ has had a detrimental effect on many of our nation's once-vibrant urban cores. However, a number of cities have developed successful strategies aimed at keeping existing businesses downtown as well as attracting new tenants to vacant space.

This report describes the availability and occupancy of office space in downtown Worcester over the past three years. The survey data presented here provide a snapshot describing "what is" –the total amount of office space in downtown Worcester, how much of that space is currently being utilized, and three-year trend data. For additional discussion of a number of economic indicators in Worcester which are likely to affect office occupancy, see CCPM's *Benchmarking Economic Development in Worcester* reports.⁴ We hope that the information presented here is useful to a broad audience including current and potential property owners and managers, established businesses in the city and those interested in locating here, real estate brokers, and public officials and community leaders who have the ability to shape policies to attract and maintain business in downtown Worcester.

METHODOLOGY

During June and July of 2004, CCPM staff conducted site visits and telephone surveys to determine the total amount of office space in Worcester's Central Business District (CBD)⁵ and the proportion of that space that is currently occupied. (See map below outlining the CBD.) CCPM documented 81 properties containing some amount of office space in the CBD, and obtained current information for 79 of these sites. Survey respondents, who were primarily

¹ From 1997 to 2000, the Worcester Regional Chamber of Commerce conducted an annual office occupancy survey in downtown Worcester. Since these earlier survey data did not include owner-occupied office space, they are not directly comparable to later data, and therefore, they are not included in this report.

² A summary of the survey findings is also included in the CCPM's annual report *Benchmarking Economic Development in Worcester* (the 2004 update will be published this fall). In addition to examining office occupancy rates, the report will discuss a number of other economic development measures, including Worcester's commercial and residential tax base, tax rates, new growth/private investment, employment growth, vacant and abandoned buildings, and customer feedback about the City's building permitting process.

³ Katz, Bruce. May 2004. "A Progressive Agenda for Metropolitan America." The Brookings Institution.

⁴ The most recent report is available online at <http://www.wrrb.org/CCPM/economic.html>

⁵ The Central Business District, or downtown Worcester, as defined by census tracts, includes the area south of Lincoln Square, north of Chandler, Madison, and Vernon streets, west of I-290, and east of Irving, Linden, and Harvard Streets.

FINDINGS

Downtown Worcester’s Central Business District contains a total of 4.6 million square feet⁶ of office space, of which 88.7% was occupied as of August, 2004.⁷ As shown in Table 1 below, the overall downtown office occupancy rate in 2004 was slightly lower than in 2003. Class “A”⁸ buildings (considered “premier space,” that is, newly constructed buildings⁹ or buildings that have undergone extensive reconstruction) account for 1.8 million square feet of office space. The occupancy rate among this class of office space fell from 91.1% in 2003 to 88.5% in 2004. Class “B” buildings (older renovated buildings considered to be in fair to good condition) comprise 1.4 million square feet of downtown office space, of which 92.3% is occupied. Finally, the almost 1.4 million square feet of Class “C” space (older unrenovated buildings offering “functional space”), has the lowest occupancy rate at 85.1%. Of the three categories, Class “C” has had the lowest occupancy rates in each of the last three years, although the rate did increase slightly from 2003 to 2004.

Table 1: Occupancy Rates for Downtown Office Space, 2002-2004

		2002	2003	2004	Change '02-'04
Class A	Total Office Space	2,248,736	2,256,536	1,792,033	-20.3%
	Occupied Space	2,009,996	2,055,925	1,586,186	-21.1%
	Occupancy Rate	89.4%	91.1%	88.5%	
Class B	Total Office Space	1,233,540	1,278,478	1,436,083	16.4%
	Occupied Space	1,111,064	1,181,944	1,325,158	19.3%
	Occupancy Rate	90.1%	92.4%	92.3%	
Class C	Total Office Space	1,555,576	1,553,508	1,392,614	-10.5%
	Occupied Space	1,338,837	1,315,865	1,185,524	-11.5%
	Occupancy Rate	86.1%	84.7%	85.1%	
Total	Total Office Space	5,037,852	5,088,522	4,620,730	-8.3%
	Occupied Space	4,459,897	4,553,734	4,096,868	-8.1%
	Occupancy Rate	88.5%	89.5%	88.7%	

⁶ This figure has changed from year to year because building usage can change from year to year (e.g., several buildings in the downtown area that were formerly office space have been converted to residential space in recent years. Also, following rehabilitation, a building may move from one class to another).

⁷ The occupancy rate is determined by dividing the total amount of occupied office space by the total square footage of office space in the CBD. The vacancy rate represents the amount of space that is vacant and available for lease divided by the total square footage of office space in the CBD.

⁸ Office space is grouped into three classes, representing a subjective quality rating of buildings which indicates the competitive ability of each building to attract similar types of tenants. The Building Owners and Managers Association provides additional detail about building classification at <http://www.BOMA.org>

⁹ The last major office building constructed in downtown Worcester (Chestnut Place) was completed in 1990. The most recent construction in downtown has been medical-related space for the Worcester Medical Center and the Massachusetts College of Pharmacy and Health Sciences.

How does Worcester's office space market fare compared to other areas?

As reported in the Summer 2004 *Market Trends* newsletter,¹⁰ the U.S. office occupancy rate reached 82.1% in the first quarter of 2004. Not only does Worcester's rate compare favorably to the national rate, but additional survey data, reported by Boston-based commercial real estate consultants Spaulding and Slye Colliers International, show Worcester's rate comparing favorably to that of the Greater Boston and the suburban 495/Mass Pike areas (84.2% and 83.3% respectively) during the second quarter of 2004.¹¹ Data allowing for comparisons of Worcester with its immediate border communities are not currently available.¹²

As shown in Table 2 below, over half (57%) of the office buildings in the downtown area contain available vacant space. Among these, 31 buildings have vacancies of 10,000 square feet or less, eight have between 10,001 and 25,000 square feet of available space, and six buildings—twice last year's number—contain more than 25,000 square feet of vacant office space. Class "C" space (older unrenovated buildings) represents the greatest proportion of vacant space (207,090 square feet, or 40.1%).

Table 2: Distribution of Vacancies by Size (Sq. Ft. Vacant) and Building Class

Amount of Vacant Space:	Number of Buildings with Vacancies	Total Space Vacant
Class A		
1-10,000 Sq. Ft.	4	22,607
10,001 -25,000 Sq. Ft.	3	33,240
>25,000 Sq. Ft.	3	150,000
<i>Total</i>	<i>10</i>	<i>205,847</i>
Class B		
1-10,000 Sq. Ft.	17	65,525
10,001 -25,000 Sq. Ft.	1	15,400
>25,000 Sq. Ft.	1	30,000
<i>Total</i>	<i>19</i>	<i>110,925</i>
Class C		
1-10,000 Sq. Ft.	11	58,493
10,001 -25,000 Sq. Ft.	4	63,480
>25,000 Sq. Ft.	2	85,117
<i>Total</i>	<i>17</i>	<i>207,090</i>
Total (A, B, C)		
1-10,000 Sq. Ft.	31	146,625
10,001 -25,000 Sq. Ft.	8	112,120
>25,000 Sq. Ft.	6	265,117
<i>Total</i>	<i>46</i>	<i>523,862</i>

¹⁰ Grubb & Ellis Research, "Office Market Trends North America." Summer 2004.

¹¹ Spaulding & Slye Colliers International, 2nd Quarter 2004,

<http://www.colliers.com/Markets/Boston/MarketReports/>

¹² Grubb & Ellis, a commercial real estate advisory firm, reports that nationally, vacancy rates in the suburbs are typically higher than those reported for cities' central business districts because most newly constructed office space is located in suburban areas.

In 2004, slightly more than half of survey respondents provided information on rental rates. Reported monthly rental rates for all properties in the CBD ranged from \$7.50 per square foot to \$26 per square foot. Table 3 provides additional breakdowns by property class as well as rental rate trend data for the period 2002 to 2004.

Table 3: Monthly Rental Rates (\$ Per Square Foot) For Office Space in Worcester's CBD

		2002	2003	2004
Class A	Total Number of Buildings Represented in Survey	16	18	14
	Number of Buildings for Which Rental Rates Available	11	11	11
	Rental Rates (per square foot)	\$12 - \$25	\$12 - \$26	\$12 - \$26
Class B	Total Number of Buildings Represented in Survey	31	33	37
	Number of Buildings for Which Rental Rates Available	11	16	17
	Rental Rates (per square foot)	\$8 - \$20	\$9 - \$20	\$7.50 - \$20
Class C	Total Number of Buildings Represented in Survey	34	30	28
	Number of Buildings for Which Rental Rates Available	14	9	16
	Rental Rates (per square foot)	\$5 - \$18	\$8 - \$15	\$8 - \$17.95
Total	Total Number of Buildings Represented in Survey	81	81	79
	Number of Buildings for Which Rental Rates Available	36	36	45
	Rental Rates (per square foot)	\$5 - \$25	\$8 - 26	\$7.50 - \$26

CONCLUSIONS

During a period in which office occupancy rates have declined nationally, downtown Worcester has experienced only slight year-to-year changes in its office occupancy rate. Nonetheless, the 523,862 square feet of vacant office space, if occupied, would mean more jobs and revenues that could go a long way toward enhancing the vibrancy of downtown Worcester.¹³

The City needs to be concerned not just with attracting new businesses to downtown, but retaining those that are already here, as local leaders have recognized. On April 6, 2004, Worcester's City Council asked the City Manager to "develop a strategy to keep companies' business headquarters in downtown Worcester for the purpose of economic development." This request from the Council came on the heels of an announcement by Carlin, Charron, & Rosen, LLP, New England's largest regional public accounting and business advisory firm, that it would relocate its headquarters from Worcester to a facility in Westborough later this year. The firm's managing partner noted that the move, which includes relocating staff from offices outside of Worcester as well, would allow for greater efficiencies in addition to positioning the firm geographically "closer to the fastest growing business region in the state," that is, areas to the east of Worcester.^{14,15} The continued decline of Worcester's manufacturing base has meant that a number of the City's accounting firms, law firms, and insurance companies, whose practices were once reliant upon Worcester-based manufacturing clientele, have, in recent years, expanded

¹³ Using a standard of 200 square feet of office space per worker, the amount of space currently vacant could potentially support 2,600 additional workers/jobs in the downtown area.

¹⁴ Carlin, Charron, & Rosen, LLP press release, March 29, 2004. <http://www.ccrgroup.com/media/pressreleases.htm>

¹⁵ Bob Kievra, "A Blueprint for Success: 'Crisis of Fragmentation' Hampering City," *Telegram & Gazette*, May 27, 2004.

their reach to the more prosperous areas to the east in search of new clients. Carlin, Charron, & Rosen's decision to leave Worcester highlights the challenge before community leaders as they develop strategies aimed at retaining Worcester's downtown businesses.

A critical first step in responding to the Council's request for an economic development strategy aimed at keeping businesses in the downtown area will be a thorough examination of *why* new businesses (and those looking to expand) pass up available office space in Worcester. City officials would likely gain much insight into this issue by talking to current business leaders in the downtown area to find out what their needs are, what they perceive as obstacles to economic development, and how the City might assist them in overcoming these barriers. Among the factors that influence businesses' location decisions, there are some (e.g., proximity to a major city like Boston, or the availability of undeveloped land) that are beyond the influence of City leaders. There are others, however, over which the City has considerable influence, including tax rates, the overall "user-friendliness" of the development process, and infrastructure issues (including water and sewer systems and transportation). Additionally, strategies that combine the resources of the public sector with those of economic development players and business leaders may yield greater returns than any single one of these entities acting in isolation.

In a study released in April 2004, researchers at Northeastern University's Center for Urban and Regional Policy identified a number of barriers that impede the ability of older industrial cities to compete successfully for private sector investment and economic development.¹⁶ To overcome these barriers, researchers recommend that the public and private sectors work together to implement the following:

- the creation of a self-assessment tool that will allow cities to clarify their economic development goals and identify their competitive strengths and weaknesses relative to other locations;
- the development of attractive, compelling, and information-rich websites easily navigable by firms, developers, and location specialists; and
- a streamlined permitting process that facilitates the development and re-development of older sites and the establishment of pre-permitted sites since the cost of a lengthy approval process can discourage firms from choosing a location.

The City of Worcester will be working with Northeastern University's Center for Urban and Regional Policy and its partner the National Association for Industrial and Office Properties (NAIOP) to assess the opportunities in Worcester and develop strategies for overcoming the impediments.

¹⁶ David Soule, Joan Fitzgerald, and Barry Bluestone. *The Rebirth of Older Industrial Cities: Exciting Opportunities for Private Sector Investment*. (April, 2004). Northeastern University Center for Urban and Regional Policy.

**APPENDIX A
2004 OFFICE OCCUPANCY SURVEY
PROPERTIES WITHIN THE CENTRAL BUSINESS DISTRICT**

CLASS "A" OFFICE SPACE									
Property Address/ Building Name	Total Space/ Vacant Space	Floors	Rental Rate per Sq. Ft.	Comments	Property Contact				
18 Chestnut Street <i>UnumProvident Buildings</i>	400,000 0	5	N/A	Building is owner-occupied by UnumProvident.	Jim Hurley UnumProvident	18 Chestnut Street (508)929-6348	Worcester	MA	01608
100 Front Street <i>FleetBoston Tower</i>	245,113 50,000	20	\$17.75	On-site parking and access to MassPike.	Cathy Hamacher Berkeley Management				
446 Main Street <i>Worcester Plaza</i>	244,000 50,000	24	\$17 gross	Attached parking.	Jim Umphrey & Don Mancini Kelleher & Sadowsky	194 Park Avenue (508)635-6790	Worcester	MA	01609
10 Chestnut Street <i>One Chestnut Place</i>	183,000 0	11	\$18-\$21 gross	24 hour access/security; Chestnut's Café; concierge; on-site property management.	Cheryl Esper IPC Real Estate Management LLC	22 Elm Street (508)757-5959	Worcester	MA	01608
370 Main Street <i>Guaranty Building</i>	180,000 4,600	12	\$17 gross	Parking Available	Jim Umphrey Kelleher & Sadowsky	194 Park Avenue (508)635-6790	Worcester	MA	01609
120 Front Street <i>Flagship Bank Building</i>	157,623 50,000	9	\$17.75	On-site parking and access to MassPike.	Cathy Hamacher Berkeley Management				
20 Worcester Center Boulevard <i>Worcester Medical Center</i>	156,497 11,840	6	\$26	Medical complex with St. Vincent's Hospital, several Fallon Clinics, medical offices and retail.	Paul Strniste St. Vincent Hospital LLC	20 Worcester Center Blvd (508)363-5053	Worcester	MA	01608
306 Main Street <i>Day Building</i>	55,000 0	5	N/A	Parking available.	Cheryl Maxwell Cutler Real Estate	134 Elm Street (508)792-1111 x101	Worcester	MA	01609
100 Central Street	40,000 10,400	5	\$26	Parking available.	Robert Cook First Amer. Realty Inc.	P.O. Box 646 (508)798-8844	Worcester	MA	01613
365 Main Street	25,000 6,907	3	\$15	Parking available. Will build suites to suit. Utilities and janitorial services included.	Kathryn E. Krock Commerce Associates	340 Main Street (508)791-9258	Worcester	Ma	01608
40 Foster Street <i>Protocol Communications</i>	25,000 0	2	N/A		Howard Katz	P.O. Box 2640 (508)791-7319	Worcester	MA	01613
2 Foster Street	23,000 11,000	3	\$14 TN		The Katz Companies	390 Main Street Suite 522 (508)792-0288	Worcester	MA	01608
41 Elm Street	7,800 3,500	3	N/A	Parking included.	Francis A. Ford, Esq.	41 Elm Street (508)791-7776	Worcester	MA	01608
10 Mechanic Street	50,000 7,600	N/A	\$14		Don Mancini Kelleher & Sadowsky	196 Park Avenue (508)635-6786	Worcester	MA	01609
CLASS "B" OFFICE SPACE									
Property Address/ Building Name	Total Space/ Vacant Space	Floors	Rental Rate per Sq. Ft.	Comments	Property Contact				
57 Union Street	158,400 0	6	N/A	Two buildings- Charles River Laboratories occupies 100%.	Ed Russo Charles River Laboratories	57 Union Street (508)890-0100	Worcester	MA	01608
15 Belmont Street <i>Morgan Construction</i>	97,000 15,400	N/A	\$14 TN		Jack Bergan Morgan Construction	15 Belmont Street (508) 849-6339	Worcester	MA	01605
542 Main Street <i>Dexter Building</i>	85,000 0	5	N/A	Garage parking available. Owner-occupied	Pat Greenlaw FRC Realty Corporation	554 Main Street (508)756-3513 x114	Worcester	MA	01608
311 Main Street	75,000 4,600	5	\$13.50 gross	Parking available.	Joseph Reidy Maurice F. Reidy & Co.	332 Main Street (508)756-2411	Worcester	MA	01605
316 Main Street	75,000 5,100	6	\$15.50 gross		Joseph Reidy Maurice F. Reidy & Co.	332 Main Street (508)756-2411	Worcester	MA	01605
321 Main Street <i>Mechanics Hall</i>	75,000 0	5	N/A		Norma Sandison Mechanics Hall	321 Main Street (508)752-5608	Worcester	MA	01608
44 Front Street <i>Chase Building</i>	70,638 5,700	7	N/A	Parking included.	Mark Fitzgerald Rosewood Development Inc.	44 Front Street (508)485-1177	Worcester	MA	01608
25/49/52 Union Street <i>Union Place</i>	35,000 0		N/A		Julius Palley	90 Grove Street (508)755-3177	Worcester	MA	01609
90 Madison Street <i>Madison Place</i>	65,000 1,500	6	\$14 gross	Free surface parking, all expenses included.	Barry Connors Capstone Properties	180 Westminster Street (800)229-7373 x323	Providence	RI	02903
50 Front Street & 250 Commercial Street <i>Winsor Building</i>	56,000 7,000	5	\$14		Will Kelleher Kelleher & Sadowsky	194 Park Avenue (508)635-6785	Worcester	MA	01609
28 Southbridge Street	55,000 0	4 to 5	\$12-\$13 not TN		Ali Soffan Federal Square Properties	P.O. Box 16380 (508)799-4977	Worcester	MA	01601
9 Waldo Street <i>One Exchange Place</i>	52,000 7,000	N/A	N/A	Declined to participate in 2004 survey, data reflect 2003 information.	Marla Maykel	1 Exchange Place (508)799-4800	Worcester	MA	01608

Property Address/ Building Name	Total Space/ Vacant Space	Floors	Rental Rate per Sq. Ft.	Comments	Property Contact	Property Contact	Property Contact
22 Front Street	50,000 30,000	3	N/A	Includes basement space.	Dean Marcus Dean Marcus Real Estate	22 Front Street PO Box 500	Worcester MA 01614 (508) 755-7955
627 Main Street Worcester Market Building	40,000 0	2	N/A	Leased to Department of Environmental Protection.	Robert Cook First Amer. Realty Inc.	P.O. Box 646 (508)798-8844	Worcester MA 01613
22 Elm Street Two Chestnut Place	38,844 9,184	4	\$15-\$18	24 hour access/security; Chestnut's Café; concierge; on-site property management.	Don Mancini Kelleher & Sadowsky	196 Park Avenue (508)635-6786	Worcester MA 01609
20 Washington Square	37,000 0	4	N/A	Owned and occupied by St.Vincent's Hospital	Paul Strniste St. Vincent Hospital LLC	20 Worcester Center Blvd (508)363-5053	Worcester MA 01608
32 Franklin Street Bay State Bank Building	36,000 0	5	N/A		Joseph Reidy Maurice F. Reidy & Co.	332 Main Street (508)756-2411	Worcester MA 01605
33 Waldo Street Dwight Foster Building	35,000 2,500	5	\$14-\$16	Includes parking for offices in attached garage. Surface parking lot.	Robert Seder Seder and Chandler	339 Main Street (508)757-7721	Worcester MA 01608
339 Main Street Burnside Building	33,000 700	5	\$12-\$17	Parking available.	Robert Seder Seder and Chandler	339 Main Street (508)757-7721	Worcester MA 01608
11 Pleasant Street	25,000 934	4	\$16-\$18	Renovated historic building, parking available.	VTT Properties	418 Main Street (508)752-3160	Worcester MA 01608
19 Norwich Street Norwich Place	24,836 4,000	5	\$9-\$13		Richard Rafferty	19 Norwich Street (508)795-1601	Worcester MA 01608
43 Harvard Street Cutler	22,000 0	2	N/A	Parking available.	Cheryl Maxwell Cutler Real Estate	134 Elm Street (508)792-1111 x101	Worcester MA 01609
120 Thomas	21,600 0	3	N/A	Owner occupied by Visiting Nurses.		120 Thomas Street	Worcester MA
50 Franklin Street Bancroft Commons	20,000 7,500	1	\$10-\$20	Building includes an additional 180,000 square feet of residential space	Will Kelleher Kelleher & Sadowsky	194 Park Avenue (508)635-6785	Worcester MA 01609
16 Norwich Street	18,000 4,400	7	\$10 TN	Recently renovated.	AC Realty LLC	(508)868-9158	Worcester MA
530 Main Street	9,000 0	2	N/A		Dick Rizzo Money Stop	525 Main Street (508)753-4474	Worcester MA 01608
27 - 29 Mechanic Street	15,900 0	2	N/A		Paula Giarrusso Giarrusso's D.M.D.	27/29 Mechanic Street (508)753-2489	Worcester MA 01608
38 Front Street "The Commons" Building	15,500 0	6	N/A		Ramon Hovsepian	38 Front Street (508)799-5215	Worcester MA 01608
19 Foster Street	15,000 0	6	N/A		Cathy Brosnihan Mass College of Pharmacy	19 Foster Street (508)890-8855	Worcester MA 01608
40 Crescent Street Morgan Construction	15,000 0	N/A	N/A	Owner-occupied.	Jack Bergan Morgan Construction	15 Belmont Street (508) 849-6339	Worcester MA 01605
35 Harvard	14,068 0	N/A	N/A	Declined to participate in 2004 survey, data reflect 2003 information.	Bill Theodorakus		
101 Pleasant Street	10,000 980	2	\$20	Utilities and parking included.	Matt Shwachman & Robert Cook First Amer. Realty Inc.	P.O. Box 646 (508)798-8844	Worcester MA 01613
120 Main Street	10,000 1,000	2	N/A	Parking included.	Mohan Prashad	120 Main Street (508)770-1733	Worcester MA 01608
11 Norwich Street	8,297 2,927	5	\$13-\$18 TN		Eugene Rubin 11 Norwich Place Associates	11 Norwich Street (508)757-7716	Worcester MA 01608
600 Main Street	6,000 0	24	\$12 gross	Includes garage parking.	VTT Properties	418 Main Street (508)752-3160	Worcester MA 01608
1 Dix Street	5,000 0	3	N/A		Jim Glickman Glickman Real Estate	1 Dix Street (508)753-9100	Worcester MA 01609
78 Pleasant Street	4,500 0	3	\$10		Raymund Lopolito Northeast Sales Center	409 Shrewsbury Street (508)753-5255	Worcester MA 01604
37 Mechanic Street	4,000 0	2	N/A		Debbie May Mid-State Insurance	37 Mechanic Street (508)791-5566 x724	Worcester MA 01608
28 Mechanic Street	3,500 500	2	\$7.50-\$9.50	Conference rooms, receptionist, phones, fax, and copying included.	Stephen P. Bik	28 Mechanic Street	Worcester MA 01608

CLASS "C" OFFICE SPACE									
Property Address/ Building Name	Total Space/ Vacant Space	Floors	Rental Rate per Sq. Ft.	Comments	Property Contact				
340 Main Street <i>Commerce Building</i>	262,762 58,981	9	\$15	Parking available. Will build suites to suit. Utilities and janitorial services included.	Kathryn E. Krock Commerce Associates	340 Main Street (508)791-9258	Worcester	MA	01608
15 Chestnut Street	234,324 0	10	N/A		Scott Robinson Verizon	15 Chestnut Street (508)755-9989	Worcester	MA	01608
484 Main Street <i>Denholm Building</i>	151,289 26,136	6	\$10.50	Office Condominium units	Ed Lowney Meredith & Grew	160 Federal Street (617)330-8144	Boston	MA	02110
390 Main Street <i>Slater Building</i>	137,937 18,366	10	\$15	Parking available. Will build suites to suit. Utilities and janitorial services included.	Kathryn E. Krock Commerce Associates	340 Main Street (508)791-9258	Worcester	MA	01608
20 Franklin Street <i>Telegram & Gazette</i>	137,000 0	4	N/A	Owner-occupied.	Jim Denman Telegram & Gazette	20 Franklin Street (508)793-7942	Worcester	MA	01608
50 Portland Street <i>Printers Building</i>	87,000 1,600	7	\$10 gross & electric	Rent includes heat, office/loft space, on-site and adjacent parking.	Joseph Reidy Maurice F. Reidy & Co.	332 Main Street (508)756-2411	Worcester	MA	01605
332 Main Street	67,000 13,114	8	\$15	Parking available. Will build suites to suit. Utilities and janitorial services included.	Kathryn E. Krock Commerce Associates	340 Main Street (508)791-9258	Worcester	MA	01608
12 Front Street	50,000 20,000	5	N/A	Office and retail space.	Dean Marcus Dean Marcus Real Estate	22 Front Street PO Box 500	Worcester	MA	01614 (508) 755-7955
407 Main Street	40,000 0	4	N/A	Business condos.	Bradford Dunn Bradford Companies	P.O. Box 60 (508)835-4200	West Boylston	MA	01583
405 Main Street <i>Shack Building</i>	30,000 6,000-8,000	3	\$10-\$11 TN		Jeffrey Shack Shack's Clothes	403 Main Street Suite B (508)753-8188	Worcester	MA	01608
34 Mechanic Street	25,000 400	2	\$14 gross		Chris Cocaine Cocaine Realty	34 Mechanic Street (508)791-5779	Worcester	MA	01608
555 Main Street	20,000 1,200	2	N/A	Corner of Federal and Main.	Drury Realty Trust	551 Main Street (508)791-9291	Worcester	MA	01608
418 Main Street	18,000 3,650	5	\$15	Renovated historic building, parking available.	VTT Properties	418 Main Street (508)752-3160	Worcester	MA	01608
8 Portland Street	17,500 0	5	N/A		Eddie Kamugian Freedman, Hurwitz, & Aliber	8 Portland Street (508)799-2735	Worcester	MA	01608
427 Main Street <i>Harrington Center</i>	15,600 8,700	4	\$10	General office space.	Cathy Hamacher Meredith & Grew	120 Front Street (508)890-8885	Worcester	MA	01608
60 Franklin Street <i>The Bancroft Building</i>	12,289 7,889	4	\$12		Michael Carpino Precision Management	50 Franklin Street (508)922-9861	Worcester	MA	01608
261 Main Street	12,000 12,000		\$12.95		Jack Fisher 285 Inc.	285 Main Street (508)791-8585	Worcester	MA	01608
8 Austin Street <i>Thomas Burrett Building</i>	10,000 10,000	3	\$10-\$11 not TN	8 to 16 Austin Street.	Ali Soffan Federal Square Properties	P.O. Box 16380 (508)799-4977	Worcester	MA	01601
588 Main Street <i>Babcock Colton</i>	10,000 0	4	\$13 not TN		Ali Soffan Federal Square Properties	P.O. Box 16380 (508)799-4977	Worcester	MA	01601
29 Pleasant Street	9,154 9,154	4	N/A		George Ellis, Jr.	33 Pleasant Street (508)757-7451	Worcester	MA	01608
240 Main Street	9,000 9,000	4	\$15	Parking available. Will build suites to suit. Utilities and janitorial services included.	Kathryn E. Krock Commerce Associates	340 Main Street (508)791-9258	Worcester	MA	01608
279-289 Main Street	8,000 0	1	\$17.95	Parking available.	Jack Fisher 285 Inc.	285 Main Street (508)791-8585	Worcester	MA	01608
23 Harvard Street	6,248 0	3	N/A	Parking available.	Thomas Donahue, Jr. Donahue & Associates	23 Harvard Street (508)757-7737	Worcester	MA	01609
379 Main Street	6,000 0	5	N/A		Dean Marcus Dean Marcus Real Estate	22 Front Street PO Box 500 (508) 755-7955	Worcester	MA	01614
414 Main Street	5,011 900	4	negotiable	4th floor not available for rent.	George Photakis Owl Tobacco Shop	414 Main Street (508)753-0423	Worcester	MA	01608
14 Harvard Street	5,000 0	3	N/A	May have space January 1, 2005.	Linda L. Page	52 Fitzpatrick Road (508)839-8830	Grafton	MA	01519
371 Main Street	4,500 0	3	N/A		Dean Marcus Dean Marcus Real Estate	22 Front Street PO Box 500 (508) 755-7955	Worcester	MA	01614
84 Pleasant Street	2,000 0	4	\$8		Raymund Lopolito Northeast Sales Center	409 Shrewsbury Street (508)753-5255	Worcester	MA	01604

**APPENDIX B
2004 OFFICE OCCUPANCY SURVEY
PROPERTIES OUTSIDE CENTRAL BUSINESS DISTRICT**

CLASS "A" OFFICE SPACE								
Property Address/ Building Name	Total Space/ Vacant Space	Floors	Rental Rate per Sq. Ft.	Comments	Property Contact			
5 Neponset Road	120,000 <i>0</i>	4	\$18		Howard Katz The Katz Companies	P.O. Box 2640 (508)791-7319	Worcester	MA 01613
1 Innovation Drive	114,000 <i>32,500</i>	3	N/A	Office and laboratory space.	Thomas Andrews Alexandria Real Estate Equities	1 Innovation Drive (508)755-2230	Worcester	MA 01605
255 Park Avenue	112,000 <i>3,600</i>	11	\$22.50	Parking and heat included.	Norman Peters Commerce Associates	255 Park Avenue (508)755-4300 x3002	Worcester	MA 01602
100 North Parkway	98,000 <i>48,000</i>	3	\$18.50 gross		Jim Umphrey Kelleher & Sadowsky	194 Park Avenue (508)635-6790	Worcester	MA 01609
377 Plantation Street	93,000 <i>0</i>	3	N/A	Office and laboratory space.	Thomas Andrews Alexandria Real Estate Equities	1 Innovation Drive (508)755-2230	Worcester	MA 01605
381 Plantation Street	92,400 <i>12,000</i>	3	negotiable	Office and laboratory space.	Thomas Andrews Alexandria Real Estate Equities	1 Innovation Drive (508)755-2230	Worcester	MA 01605
373 Plantation Street	86,000 <i>0</i>	3	N/A	UMass owned and occupied (BioTech Park).	UMass Medical Center		Worcester	MA
100 Century Drive	81,500 <i>12,225</i>	3	N/A	Will be fully occupied as of 10/1.	Timothy Fitzpatrick UMass Worcester City Campus Corp.	(508)856-5606	Worcester	MA
365 Plantation Street	76,000 <i>0</i>	3	N/A	UMass owned and occupied (BioTech Park)	UMass Medical Center		Worcester	MA
1 West Boylston Street Chadwick Court	44,000 <i>1,600</i>	3	\$22 gross		Nick Chacharone Chadwick Square Realty Corp.	1 West Boylston Street Suite 104 (508)853-5066	Worcester	MA 01606
6 Park Avenue Morgan Stanley Building	22,500 <i>0</i>	2	N/A	Parking available.	Cheryl Maxwell Cutler Real Estate	134 Elm Street (508)792-1111 x101	Worcester	MA 01609
472 Lincoln Street	16,000 <i>0</i>	2	N/A		Joseph Reidy Maurice F. Reidy & Co.	332 Main Street (508)756-2411	Worcester	MA 01605
29 East Mountain Street	15,000 <i>0</i>	2	\$16.50	Parking available.	Bruce Taylor ERA Key Realty	(508)853-0964	Worcester	MA 01606
106 West Boylston Street	13,800 <i>0</i>	3	N/A		John Lundstrom Crown Industries LLC	133 Gold Star Blvd. (508)852-0746	Worcester	MA 01606
345 Greenwood Street	11,250 <i>3,750</i>	1	\$10		Andy Murray The Katz Companies	37 Harvard Street Suite 8 (508)755-1557	Worcester	MA 01609
61 Harvard Street	10,999 <i>0</i>	3	\$18	Parking available.	Jim Glickman Glickman Real Estate	1 Dix Street (508)753-9100	Worcester	MA 01609
416 Belmont Street	10,000 <i>2,000</i>	2	N/A		Howard Katz The Katz Companies	P.O. Box 2640 (508)791-7319	Worcester	MA 01613

CLASS "B" OFFICE SPACE									
Property Address/ Building Name	Total Space/ Vacant Space	Floors	Rental Rate per Sq. Ft.	Comments		Property Contact			
440 Lincoln Street Allmerica	989,472 0	5	N/A	Owner-occupied.	Jay Johnson Allmerica	440 Lincoln Street (508)855-1000	Worcester	MA	01605
67 Millbrook Street	250,000 40,000	5	negotiable		Howard Katz The Katz Companies	P.O. Box 2640 (508)791-7319	Worcester	MA	01613
640 Lincoln Street	140,000 9,000	1	\$10 TN		Jim Umphrey Kelleher & Sadowsky	194 Park Avenue (508)635-6790	Worcester	MA	01609
85 Prescott Street	100,000 15,000	4	negotiable	Parking available.	Myron Katz Myron Katz Real Estate	667 Main Street (508) 799-7975	Worcester	MA	01610
100 Grove Street	45,000 0	5	N/A	Built in 1875, multi-purpose; 1/2 office space.	Julius Palley	90 Grove Street (508)755-3177	Worcester	MA	01609
70 Winter Street	90,000 63,000	5	\$10	Off-site parking available.	Raymund Lopolito Northeast Sales Center	409 Shrewsbury Street (508)753-5255	Worcester	MA	01604
91 Prescott Street	7,000 0	1	N/A		Julius Palley	90 Grove Street (508)755-3177	Worcester	MA	01609
330 Southwest Cut-off	36,000 11,000	3	\$14 gross	Parking available.	George Russell George Russell Realty	(508)799-9997	Worcester	MA	01604
324 Grove Street	35,000 13,000	2	negotiable	Parking included.	Howard Katz The Katz Companies	P.O. Box 2640 (508)791-7319	Worcester	MA	01613
650 Lincoln Street	27,000 0	2	\$10 TN		Jim Umphrey Kelleher & Sadowsky	194 Park Avenue (508)635-6790	Worcester	MA	01609
324 Clark Street	23,000 23,000	2	\$8 TN		Howard Katz The Katz Companies	P.O. Box 2640 (508)791-7319	Worcester	MA	01613
645 Park Avenue	20,000 0	1	N/A		Ed Salloom Salloom Realty Trust	645 Park Avenue (508)753-3401	Worcester	MA	01603
40 Crescent Street <i>Morgan Construction</i>	15,000 0			Owner-occupied; property includes manufacturing and office space.	Jack Bergan Morgan Construction	15 Belmont Street (508)849-6339	Worcester	MA	01605
405 Grove Street	19,305 0	3	\$19 not TN		Nick Chacharone C&S Construction	1 West Boylston Street Suite 104 (508)853-5066	Worcester	MA	01605
2 Goldstar Boulevard	4,000 4,000	1	negotiable	Parking available.	Myron Katz Myron Katz Real Estate	667 Main Street (508) 799-7975	Worcester	MA	01610
805 Millbury Street	13,000 0	2	N/A		Church of Pentecost Ghana				
50 Elm Street	11,800 2,100	4	\$15 fixed	Parking available.	Nino Micozzi	159 Cambridge Street (508)798-8406	Allston	MA	02134
210 Lincoln Street	10,000 0	2	N/A		Howard Katz The Katz Companies	P.O. Box 2640 (508)791-7319	Worcester	MA	01613
500 West Boylston Street	10,000 1100-1200	2	\$13 not TN	Parking available.	Kerry Grollman R.S. Realty	500 West Boylston Street (508)852-6616	Worcester	MA	01606
400 Grove Street	8,761 0	2	N/A	Parking available.	Cheryl Maxwell Cutler Real Estate	134 Elm Street (508)792-1111 x101	Worcester	MA	01609
290 Park Avenue	6,000 6,000	1	\$13-\$15 TN	33 parking spaces.	David Fahlstrom Fahlstrom Realty	291 Park Avenue (508)752-3000	Worcester	MA	01609
39 Jolma Road	2,300 0	2	N/A		John Creedon Creedon & Company	39 Jolma Road (508)792-3100	Worcester	MA	01604

CLASS "C" OFFICE SPACE								
Property Address/ Building Name	Total Space/ Vacant Space	Floors	Rental Rate per Sq. Ft.	Comments	Property Contact			
155 Green Street	180,000 0	4	N/A		Howard Katz The Katz Companies	P.O. Box 2640 (508)791-7319	Worcester	MA 01613
72 Cambridge Street Salvation Army Rehab Center	25,000 0	4	N/A	Owner-occupied.	Frank Dodridge Salvation Army	72 Cambridge Street (508)799-0520 x101	Worcester	MA 01603
104 Grove Street Northworks Building	80,000 10,000	4	\$18-\$23 TN		Greg Kerkorian Kerkorian & Najarian Insurance Agency, Inc.	108 Grove Street (508)756-5729 x111	Worcester	MA 01609
76 Webster Street	55,000 4,000	3	\$4-\$15		Gordon Realty Corporation	70 Webster Street (508)798-2523	Worcester	MA 01603
306 Shrewsbury Street	35,700 0	3	N/A		Record Management Center, Inc.	306 Shrewsbury Street	Worcester	MA 01604
1000 Grafton Street	28,000 0	1	N/A	New building- expected availability Spring '05. Parking available	Frank Groccia Battery Plaza	1000 Grafton Street (508)667-4686	Worcester	MA 01604
326 Chandler Street	23,339 0	1	N/A	New Worcester Youth Center	Richard L. Pyle Consolidated Continental	307 SmithNeck Road	South Dartmouth	MA 02748
65 Water Street Brickyard Professional	21,000 3,800	4	\$7	Heat and parking included.	Mike Komenos	125 Barber Avenue (508)852-8033	Worcester	MA 01606
42 Green Street	18,000 0	1	\$5 TN		Andy Murray The Katz Companies	37 Harvard Street Suite 8 (508)755-1557	Worcester	MA 01609
33 Park Avenue	17,000 0	1	N/A		Joseph Reidy Maurice F. Reidy & Co.	332 Main Street (508)756-2411	Worcester	MA 01605
16 Park Avenue	12,921 0	2	varies		Bradford Dunn Bradford Companies	P.O. Box 60 (508)835-4200	West Boylston	MA 01583
39 Salisbury Street	12,000 500	4	\$18 (includes heat)	Parking available.	Charles Snell New England Design Associates	39 Salisbury Street (508)792-3000	Worcester	MA 01609
501 Park Avenue	10,000 4,500	2	\$9		Thomas Kelleher Kelleher & Sadowsky	196 Park Avenue (508)635-6789	Worcester	MA 01609
875 Main Street Main South CDC	1,000 0	1	N/A		Yary Jaen Main South CDC	875 Main Street (508)752-6181	Worcester	MA 01610
55 Linden Street	9,560 0	3	N/A		Victory Productions	55 Linden Street (508)755-0051	Worcester	MA 01609
645 Chandler Street	9,000 0	2	N/A	Parking available.	Beth Proko	2 Holden Street (508)864-9549	Worcester	MA 01605
470 Pleasant Street	8,358 1,200	2	\$18		Sheldon Katz Kelleher & Sadowsky	194 Park Avenue (508)635-6783	Worcester	MA 01609
770 West Boylston Street	7,000 0	1	N/A	Owner-occupied.	Sheldon Katz Kelleher & Sadowsky	194 Park Avenue (508)635-6783	Worcester	MA 01609
721 Pleasant Street	3,200 0	3	\$8		Raymund Lopolito Northeast Sales Center	409 Shrewsbury Street (508)753-5255	Worcester	MA 01604
220 Highland Street	2,200 0	2	N/A	Owner-occupied.	Raymund Lopolito Northeast Sales Center	409 Shrewsbury Street (508)753-5255	Worcester	MA 01604
730 West Boylston Street	3,900 3,900	1	N/A	Parking available.	Andy Murray The Katz Companies	37 Harvard Street Suite 8 (508)755-1557	Worcester	MA 01609
617 Mill Street	816 0	1	N/A		John McKinley Kelleher & Sadowsky	194 Park Avenue (508)755-0707 x780	Worcester	MA 01609
19 Cedar Street	6,000 300	2	varies	Limited parking available.	Doug Fox 19 Cedar Street Realty Trust	19 Cedar Street (508)756-2323	Worcester	MA 01609
48 Elm Street	14,000 0	2	\$18	Parking available.	Dr. Gene Mariani 48 Elm Associates	48 Elm Street (508)754-1122	Worcester	MA 01609
74 Elm Street	6,000 2,000	3	\$1800 for 2nd floor		Steve Charamella Charamella Design	51 William Street (508)756-6731	Worcester	MA 01609