

Center for Community Performance Measurement
December, 2005

**Downtown Worcester Office
Occupancy: 2005 Survey**

CCPM -05-05



The Research Bureau

INTRODUCTION

The Research Bureau's Center for Community Performance Measurement (CCPM) is pleased to present the results of its fourth annual downtown office occupancy survey. In 2002, the CCPM began documenting the amount and location of office space in Worcester's Central Business District—including the amount of vacant space available for lease.¹ Our reports summarizing these 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. Typically, areas with high office occupancy rates also have strong business and retail economies, while 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. The resulting "exit ramp economy," in which new office space and retail facilities are increasingly located along suburban freeways, continues to have a detrimental effect on many of our nation's once-vibrant urban cores.³ However, a number of cities have developed strategies aimed at keeping existing businesses downtown as well as attracting new tenants to vacant space that have proven to be successful, and may be replicable in other communities.

The most recent survey data summarized here provide a snapshot describing "what is" –the total amount of office space in downtown Worcester, the proportion of that space that is currently occupied, monthly rental rates, and information about parking availability. CCPM's latest *Benchmarking Economic Development in Worcester* report (available online at www.wrrb.org) discusses several related indicators which may affect office occupancy rates, including the city's tax base, its tax rate, and unemployment and job growth data for the City and region.

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 as well as businesses 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 the summer of 2005, CCPM staff conducted site visits and telephone interviews to determine the total amount of office space in Worcester's Central Business District (CBD) and the proportion of that space that is currently occupied. The map in Figure 1 below outlines the boundaries of the CBD. The CCPM documented 85 properties containing some amount of office space in the CBD, and obtained current information for 83 of these sites. Survey respondents, who were primarily building owners or leasing agents, were asked to provide the following information: the total amount of office space in the building, the amount of office space that was

¹ 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.

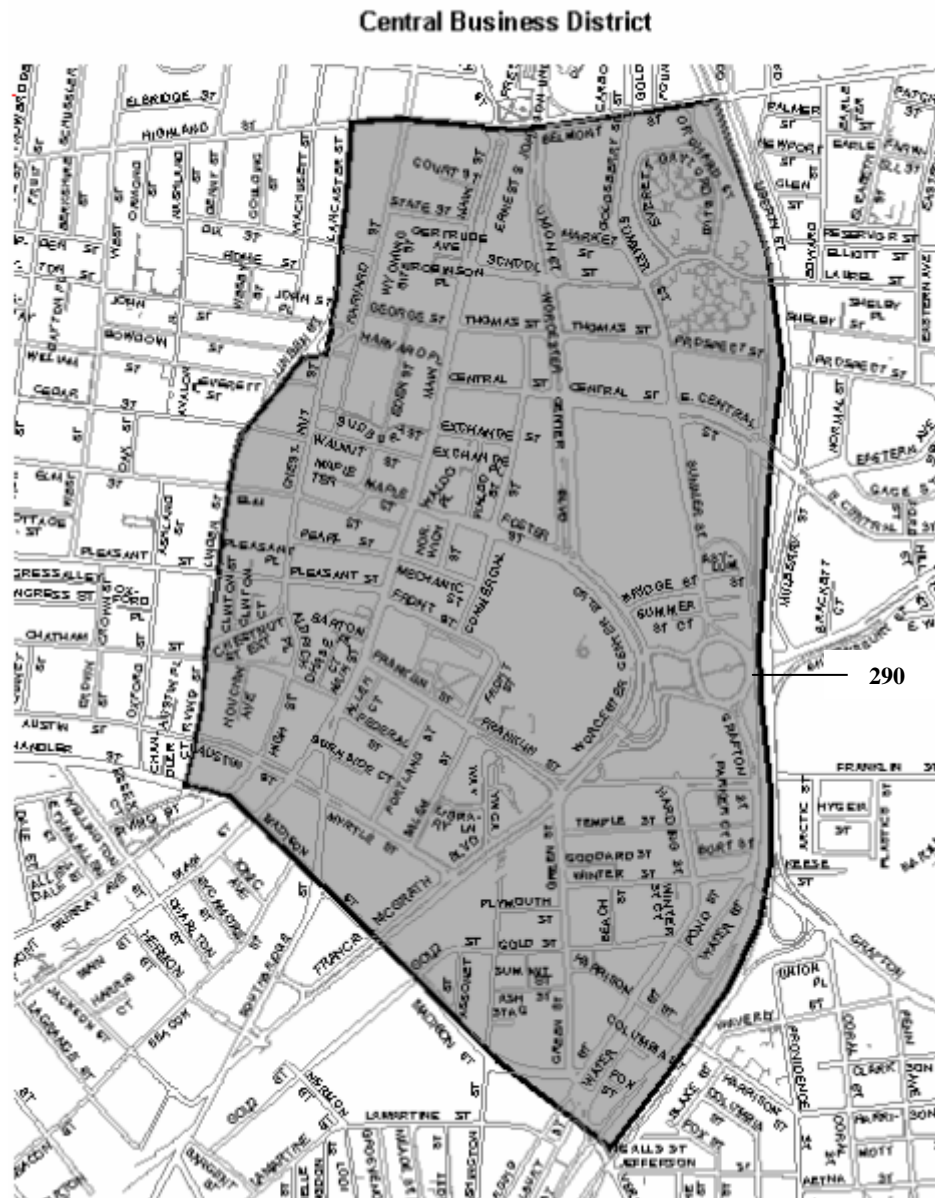
² From 1997 to 2000, the Worcester Regional Chamber of Commerce conducted an annual office occupancy survey in downtown Worcester. Since these earlier survey data did not include owner-occupied office space, the data are not directly comparable to the most recently collected data, and therefore, are not included in this report.

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

vacant at the time of the survey, current rental rates, parking availability, and other comments about the space. Since 2002, the survey data have included owner-occupied buildings (such as 18 Chestnut Street which is owned and fully occupied by UnumProvident), because owner-occupied office space represents a significant proportion of total office space in downtown Worcester. Thus the data contained in this report include leased and owner-occupied office space for single- and multi-tenant properties of all classes of commercial office buildings.

A detailed listing of properties surveyed within the CBD is contained in Appendix A. Appendix B provides information for selected properties located beyond the CBD; however, these data are not included in the analysis below and have been included for informational purposes only.

Figure 1



FINDINGS

Downtown Worcester’s Central Business District contains nearly 4.7 million square feet of office space, of which 88.7% was occupied as of August, 2005.^{4,5} As shown in Table 1 below, the overall downtown office occupancy rate remained unchanged from 2004 to 2005. Class “A” buildings (considered “premier space,” that is, newly constructed buildings or buildings that have undergone extensive reconstruction) account for 1.7 million square feet (36%) of office space.^{6,7} The occupancy rate among this class of office space was 88.9% in 2005, virtually the same as 2004. The 47 Class “B” buildings (older renovated buildings considered to be in fair to good condition) comprise 2.1 million square feet (44%) of downtown office space, of which 89.2% is occupied. Finally, the more than 918,000 square feet of Class “C” space (older unrenovated buildings offering “functional space”), has the lowest occupancy rate at 87%. Of the three categories, Class “C” has had the lowest occupancy rate in each of the last four years, although the rate has shown slight but steady increases since 2003.

Table 1: Occupancy Rates for Downtown Office Space, 2002-2005

		2002	2003	2004	2005	Change '02-'05
Class A	Total Office Space	2,248,736	2,256,536	1,792,033	1,695,889	-24.6%
	Occupied Space	2,009,996	2,055,925	1,586,186	1,507,585	-25.0%
	Occupancy Rate	89.4%	91.1%	88.5%	88.9%	
Class B	Total Office Space	1,233,540	1,278,478	1,436,083	2,082,157	68.8%
	Occupied Space	1,111,064	1,181,944	1,325,158	1,856,772	67.1%
	Occupancy Rate	90.1%	92.4%	92.3%	89.2%	
Class C	Total Office Space	1,555,576	1,553,508	1,392,614	918,665	-40.9%
	Occupied Space	1,338,837	1,315,865	1,185,524	799,304	-40.3%
	Occupancy Rate	86.1%	84.7%	85.1%	87.0%	
Total	Total Office Space	5,037,852	5,088,522	4,620,730	4,696,705	-6.8%
	Occupied Space	4,459,897	4,553,734	4,096,868	4,168,133	-6.5%
	Occupancy Rate	88.5%	89.5%	88.7%	88.7%	

⁴ 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).

⁵ 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.

⁶ 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>. A building’s classification may change from one category to another over time (e.g., following renovation, space that had been class “C” space may be listed as class “A” space).

⁷ The last major office building constructed in downtown Worcester (Chestnut Place) was completed in 1990.

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

As reported in the Third Quarter 2005 *Market Trends* newsletter, the U.S. office occupancy rate reached 84.9% by the end of the third quarter of 2005.⁸ 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 (84.5% and 76.9% respectively) during the third quarter of 2005.⁹ Data allowing for comparisons of Worcester with its immediate border communities are not currently available.¹⁰

As shown in Table 2 below, over half (53%) of the office buildings in the downtown area contain available vacant space. Among these, 29 buildings have vacancies of 10,000 square feet or less, ten have between 10,001 and 25,000 square feet of available space, and five buildings contain more than 25,000 square feet of vacant office space. Class "B" space (older renovated buildings considered to be in fair to good condition) represents the greatest proportion of vacant space (225,385 square feet, or 42.3%).

Table 2: Distribution of Vacancies by Size and Building Class

	Number of Buildings with Vacancies	Total Space Vacant
Class A		
1-10,000 Sq. Ft	3	21,085
10,001 -25,000 Sq. Ft.	1	13,300
>25,000 Sq. Ft.	3	153,919
<i>Total</i>	7	188,304
Class B		
1-10,000 Sq. Ft	18	71,424
10,001 -25,000 Sq. Ft.	5	84,692
>25,000 Sq. Ft.	2	69,269
<i>Total</i>	25	225,385
Class C		
1-10,000 Sq. Ft	8	54,072
10,001 -25,000 Sq. Ft.	4	65,289
>25,000 Sq. Ft.	0	0
<i>Total</i>	12	119,361
Total (A, B, C)		
1-10,000 Sq. Ft	29	146,581
10,001 -25,000 Sq. Ft.	10	163,281
>25,000 Sq. Ft.	5	223,188
<i>Total</i>	44	533,050

⁸ Grubb & Ellis Research, "Office Market Trends North America." Third Quarter 2005. (<http://www.grubb-ellis.com/>) This calculation *does not* include owner-occupied, government, and medical buildings.

⁹ Spaulding & Slye Colliers International, "Market Statistics: Greater Boston" 3rd Quarter 2005. (<http://www.colliers.com/Markets/Boston/MarketReports/>)

¹⁰ 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 2005, slightly more than half of survey respondents provided information on rental rates. Reported monthly rental rates for all properties in the CBD ranged from \$5 per square foot to \$27 per square foot. Table 3 provides additional breakdowns by property class as well as rental rate trend data for the period 2002 to 2005.

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

		2002	2003	2004	2005
Class A	Total Number of Buildings Represented in Survey	16	18	16	13
	Number of Buildings for Which Rental Rates Available	11	11	11	7
	Rental Rates (per square foot)	\$12 - \$25	\$12 - \$26	\$12 - \$26	\$14 - \$27
Class B	Total Number of Buildings Represented in Survey	31	33	35	47
	Number of Buildings for Which Rental Rates Available	11	16	17	27
	Rental Rates (per square foot)	\$8 - \$20	\$9 - \$20	\$7.50 - \$20	\$5 - \$20
Class C	Total Number of Buildings Represented in Survey	34	30	28	25
	Number of Buildings for Which Rental Rates Available	14	9	16	11
	Rental Rates (per square foot)	\$5 - \$18	\$8 - \$15	\$8 - \$17.95	\$8 - \$15
Total	Total Number of Buildings Represented in Survey	81	81	79	85
	Number of Buildings for Which Rental Rates Available	36	36	45	45
	Rental Rates (per square foot)	\$5 - \$25	\$8 - 26	\$7.50 - \$26	\$5 - \$27

CONCLUSIONS

Downtown Worcester's overall office occupancy rate remained unchanged from 2004 to 2005 at 88.7%. However, filling these 528,572 square feet of vacant office space with businesses would mean more jobs and revenues that could go a long way toward enhancing the vibrancy of downtown Worcester.¹¹

As local leaders have recognized, the City needs to be concerned not just with attracting new businesses to downtown, but retaining those that are already here. 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, relocated their offices to the more prosperous areas to the east in search of new clients. 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

¹¹ 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.

compete successfully for private sector investment and economic development.¹² 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.

At its July 2005 *Urban Initiative Project Meeting* researchers from Northeastern distributed the *Municipal Self-Assessment Tool for Economic Growth & Development* to a dozen participating communities. The City of Worcester completed this survey and is awaiting feedback both on how Worcester's responses compared to the rest of the cities as a group, as well as how Worcester's performance stacks up against what location teams are looking for in siting decisions.

¹² David Soule, Joan Fitzgerald, and Barry Bluestone. *The Rebirth of Older Industrial Cities: Exciting Opportunities for Private Sector Investment*, Northeastern University Center for Urban and Regional Policy, April, 2004.

APPENDIX A
2005 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	Owner-occupied.	Jim Hurlley UnumProvident	18 Chestnut Street	Worcester	MA	01608
100 Front Street <i>Fleet Boston Tower</i>	265,134 47,150	20	\$18 - 22 SF FS gross lease		Will Kelleher Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608
446 Main Street <i>Worcester Plaza</i>	244,000 45,800	24	\$17.50 SF FS gross lease	Parking included in attached parking garage. Cafeteria, 24 hour security and renovated lobbies.	Jim Umphrey & Don Mancini Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608
120 Front Street <i>Flagship Bank Building</i>	176,901 60,969	9	\$18 - 22 SF FS gross lease		Will Kelleher Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608
20 Worcester Center Boulevard <i>Worcester Medical Center</i>	156,497 7,825	6	\$27 SF gross lease	Parking included.	Paul Strniste St. Vincent's Hospital LLC	20 Worcester Center Blvd.	Worcester	MA	01608
100 Central Street	40,000 13,300	5	\$26 SF gross lease	Parking included. Suites available from 2,000 SF and up. Rent includes buildout allowance.	Robert Cook First American Realty Inc.	100 Central Street	Worcester	MA	01613
10 Chestnut Street <i>One Chestnut Place</i>	187,357 0	11	\$17 - 19 SF net + electric	Atrium, restaurant, individually controlled thermostat, and 24/7 security. Manager on-site.	Cheryl Esper IPC Louisville Properties LLC	22 Elm Street	Worcester	MA	01608
306 Main Street <i>Day Building</i>	55,000 3,800	5	Negotiable gross lease	Parking available for an additional price per month.	Cheryl Maxell Cutler Real Estate Management Corporation	134 Elm Street	Worcester	MA	01609
9 Waldo Street <i>One Exchange Place</i>	53,000 0	5	N/A	Property for sale.	Marla Maykel, Esq.	1 Exchange Place	Worcester	MA	01608
10 Mechanic Street <i>Grant Building</i>	50,000 9,460	4	\$14 SF net of electric	Parking included in underground garage. Newly renovated lobby and bathrooms. Landlord will	Don Mancini Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608
28 - 32 Franklin Street <i>Bay State Bank Building</i>	40,000 0	5	Negotiable triple net lease	Parking not included. Security system, independent climate control, handicap accessible.	Bob Duquette Bay State Savings Bank	32 Franklin Street	Worcester	MA	01608
40 Foster Street <i>Protocol Communications Bldg.</i>	18,000 0	2	N/A	100% occupied. Variable air volume, HVAC system, large window space.	Howard Katz The Katz Companies	37 Harvard St. Suite 8	Worcester	MA	01609
41 Elm Street	10,000 0	3	N/A	Parking included.	Francis A. Ford, Esq.	41 Elm Street	Worcester	MA	01609
CLASS "B" 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>	250,000 40,100	9	\$15 SF FS gross lease	Parking not included. Ongoing renovation and landlord will build to suit. On-site management.	Kathryn E. Krock Commerce Associates	340 Main Street	Worcester	MA	01608
370 Main Street <i>Guaranty Building</i>	193,932 0	12	\$17 SF	Parking included. 24 hour security.	Jim Umphrey & Don Mancini Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608
57 Union Street	158,400 0	6	Not available triple net lease	Parking included.	Ed Russo Chalres River Laboratories	57 Union Street	Worcester	MA	01608
390 Main Street <i>Slater Building</i>	125,000 29,169	10	\$15 SF FS gross lease	Parking not included.	Kathryn E. Krock Commerce Associates	340 Main Street	Worcester	MA	01608
15 Belmont Street <i>Morgan Building</i>	97,000 0	4	\$14 SF TN escalatable	Parking included. Building is half owner-occupied and about 48,000 SF is leased.	Jack Bergan Morgan Construction	15 Belmont Street	Worcester	MA	01605
50 Portland Street <i>Printers Building</i>	87,000 1,600	7	\$10 SF plus utilities	Parking included.	Joseph P. Reidy Maurice F. Reidy & Co.	332 Main Street	Worcester	MA	01608
542 Main Street <i>Dexter Building</i>	85,000 0	5	N/A	Owner-occupied. Includes 540 - 558 Main Street	Pat Greenlaw FRC Realty Corporation	554 Main Street	Worcester	MA	01608
303 - 311 Main Street <i>Central Exchange Building</i>	75,000 0	5	negotiable net of utilities	Parking included. Property manager on-site. Taxes, heat & insurance all included in operating expense.	Joseph P. Reidy Maurice F. Reidy & Co.	332 Main Street	Worcester	MA	01608
321 Main Street <i>Mechanics Hall</i>	75,000 0	5	N/A	Parking not included. Total space includes the Great Hall and Washburn Room.	Norma Sandison Mechanics Hall	321 Main Street	Worcester	MA	01608
44 Front Street <i>Chase Building</i>	72,537 11,086	8	\$14 SF gross + tenant elec	Parking not included.	Joseph P. Reidy Maurice F. Reidy & Co.	332 Main Street	Worcester	MA	01608
332 Main Street <i>Central Building</i>	65,000 22,906	8	\$15 SF FS gross lease	Parking not included.	Kathryn E. Krock Commerce Associates	340 Main Street	Worcester	MA	01608
90 Madison Street <i>Madison Place</i>	65,000 3,276	6	\$14 SF gross lease	Parking included. Vacant units include: 656 SF unit, 1,368 SF unit, and 1,252 SF unit.	Barry Connors Capstone Properties	180 Westminster Street	Providence	RI	02093
28 Southbridge Street	55,000 0	4 to 5	N/A	Parking arrangements vary by lease.	All Soffan Federal Square Properties	P.O. Box 16380	Worcester	MA	01608
50 Front & 250 Commercial St. <i>Winsor Building</i>	53,846 5,494	4	\$12 - 15 + elec gross lease		Will Kelleher & Matt Mayrand Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608

CLASS "B" OFFICE SPACE (continued)										
Property Address/ Building Name	Total Space/ Vacant Space	Floors	Rental Rate per Sq. Ft.	Comments		Property Contact				
627 Main Street <i>Worcester Market Building</i>	45,634 0	2	N/A	Parking included		Robert Cook First American Realty Inc.	100 Central Street	Worcester	MA	01613
20 Washington Square	37,000 0	4	N/A	Parking available. Owner-occupied.		Paul Strniste St. Vincent's Hospital LLC	20 Worcester Center Blvd.	Worcester	MA	01608
25 Union Street <i>Union Place</i>	35,000 0	5 & 4	N/A	Parking included. Property contains two mixed use buildings.		Julius Palley	90 Grove Street	Worcester	MA	01609
33 Waldo Street <i>Dwight Foster Building</i>	35,000 1,500	5	\$16 - 19 SF gross lease	Parking included.		Robert Seder	339 Main Street Suite 300	Worcester	MA	01608
339 Main Street <i>Burnside Building</i>	35,000 700	5	\$12 - 14 SF gross lease	Parking not included.		Robert Seder	339 Main Street Suite 300	Worcester	MA	01608
22 Elm Street <i>Two Chestnut Place</i>	34,844 4,478	4	\$14 SF net + electric	Parking included.		Cheryl Esper IPC Louville Properties LLC	22 Elm Street	Worcester	MA	01609
365 Main Street	32,896 6,616	3	\$15 SF FS gross lease	Parking not included.		Kathryn E. Krock Commerce Associates	340 Main Street	Worcester	MA	01608
29 High St. & 6 Chatham St. <i>PASOW Bldg.</i>	32,000 19,200	4	\$9 SF triple net lease	Parking included. The property includes 2 buildings that were recently purchased by Nargi Corp. In Fall		Fred Dowling Performing Arts School of Worcester	29 High Street	Worcester	MA	01608
19 Norwich Street <i>Norwich Place</i>	30,000 0	5	N/A			Richard Rafferty Eden & Rafferty	19 Norwich Street	Worcester	MA	01608
22 Front Street	27,000 14,500	3	\$9.81 SF FS gross lease			Dean Marcus Dean Marcus Real Estate	22 Front St. P.O. Box 500	Worcester	MA	01614
316 Main Street <i>Worcester Five Cent Savings</i>	27,000 3,750	6	\$15.50 SF net of utilities	Parking not included. Corner lot.		Joseph P. Reidy Maurice F. Reidy & Co.	332 Main Street	Worcester	MA	01608
2 Foster Street	24,000 7,000	3	\$14 SF + elec. gross lease	Parking included. Corner lot with high visibility in CBD.		Joseph P. Reidy Maurice F. Reidy & Co.	332 Main Street	Worcester	MA	01608
43 Harvard Street <i>Cutler</i>	22,000 0	1	Negotiable gross lease	Parking included.		Cheryl Maxell Cutler Real Estate Management Corporation	134 Elm Street	Worcester	MA	01609
418 Main Street	22,000 0	5	N/A			Pandarou Properties	303 Treasure Island Road	Webster	MA	01570
120 Thomas Street <i>VNA Building</i>	21,600 0	3	N/A	Parking included. Owner-occupied.		Paul Gigeure VNA Care Network, Inc.	120 Thomas Street	Worcester	MA	01608
50 Franklin Street <i>Bancroft Commons</i>	20,000 17,000	11	\$8 - 12 triple net lease	Parking not included. Building includes an additional 180,000 SF of residential space.		Michael Carpino Mayo Group	50 Franklin Street	Worcester	MA	01608
38 Front Street <i>The Commons Building</i>	18,100 6,800	6	triple net lease	Heat and AC \$3,900 per annum. Condo units, two and five, for sale or lease.		Joseph P. Reidy Maurice F. Reidy & Co.	332 Main Street	Worcester	MA	01608
19 Foster Street	15,000 0	6	N/A	Owner-occupied.		Peggy Crawford Mass College of Pharmacy & Health Services	179 Longwood Avenue	Boston	MA	02115
27 - 29 Mechanic Street	15,000 0	2	\$300/month			Paul Mccue Giarusso's D.M.D.	27 - 29 Mechanic Street	Worcester	MA	01608
426 Main St. (1-7 Pleasant St.)	15,000 2,000	5	\$10 SF gross lease	Parking not included. The 2,000 SF of vacant space is currently being renovated.		Perry Boudreau The 426 Main Street Realty LLC	235 Edgell Road	Framingham	MA	01701
16 Norwich Street	13,200 6,600	6	\$15 SF gross lease	Parking not included.		Mike Madaus A-Z Realty LLC	16 Norwich Street	Worcester	MA	01608
101 Pleasant Street	10,202 3,350	2	\$20 SF gross lease	Parking included. Property for sale. Refurbished common areas, on-site tenant, customer parking.		Matt Shwachman First American Realty Inc.	100 Central Street	Worcester	MA	01613
120 Main Street	10,000 1,200	2	\$1000 + heat & electric/month	Parking included.		Mohan Prashad	120 Main Street	Worcester	MA	01608
526 - 538 Main Street <i>Previously listed as 530 Main St.</i>	9,000 9,000	2	\$11 - 12 SF gross lease	Parking not included. Other space occupied by Red Baron Bar and Money Stop		Dick Rizzo Money Stop	526 Main Street	Worcester	MA	01608
11 Norwich Street	8,400 4,800	5	\$12 - 14 SF triple net lease	Parking not included. Each floor has separate utilities and full basement for storage.		Ken Jones PKJ Enterprises	34 Cedar Street	Worcester	MA	01609
600 Main Street	7,000 0	24	Negotiable gross lease	Parking included. Building consists of 196 apartments and 7,000 SF of office space.		Rebecca Johnson VTT Properties	600 Main Street	Worcester	MA	01608
1 Dix Street	5,000 0	3	N/A	Parking available. Located near the courthouse.		Jim Glickman Glickman Real Estate	1 Dix Street	Worcester	MA	01609
78 Pleasant Street	4,500 0	3	\$5 SF plus utilities	Parking included with three-story office building.		Bill Randell ABG Real Estate LLC	78 Pleasant Street	Worcester	MA	01608
37 Mechanic Street	4,000 0	2	N/A	Parking not included. Owner-occupied.		Debbie May Mid-State Insurance	37 Mechanic Street	Worcester	MA	01608
28 Mechanic Street	3,500 200	3	Negotiable	Parking not included. May include legal secretary, receptionist, copying & answering system.		Peter Letsky	28 Mechanic Street	Worcester	MA	01608

CLASS "B" OFFICE SPACE (continued)										
Property Address/ Building Name	Total Space/ Vacant Space	Floors	Rental Rate per Sq. Ft.	Comments		Property Contact				
10 Harvard Street	3,060 3,060	1	\$12 SF plus electric			Will Kelleher Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608
4 Dix Street <i>Goulding House</i>	2,500 0	2	N/A			Will Kelleher Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608
35 Harvard Street		3				V & M Office Space				(508)875-3543
CLASS "C" OFFICE SPACE										
Property Address/ Building Name	Total Space/ Vacant Space	Floors	Rental Rate per Sq. Ft.	Comments		Property Contact				
15 Chestnut Street	234,324 0	10	N/A	Owner-occupied.		Ed Veto Verizon	15 Chestnut Street	Worcester	MA	01608
484 Main Street <i>Denholm Building</i>	200,000 5,658	6	\$11 SF			Will Kelleher Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608
20 Franklin Street <i>Telegram & Gazette</i>	137,000 0	4	N/A	Parking included. Owner-occupied.		Jim Denman Telegram & Gazette	20 Franklin Street	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 St. P.O. Box 500	Worcester	MA	01614
407 Main Street	40,000 0	4	N/A	Business condos.						
379 Main Street	30,000 21,000	5	\$10 - 12 SF tenant electric	Property for sale.		Dean Marcus Dean Marcus Real Estate	22 Front St. P.O. Box 500	Worcester	MA	01614
405 Main Street <i>Shack Building</i>	30,000 7,000	3	\$10 - 11 SF triple net lease	Parking not included.		Jeffrey Shack Shack's Clothes	403 Main Street Suite B	Worcester	MA	01608
34 Mechanic Street	25,000 0	2	\$14 SF gross lease			Chris Cocaine Cocaine Realty	34 Mechanic Street	Worcester	MA	01608
11 Pleasant Street	25,000 0	5	N/A			Pandarou Properties	303 Treasure Island Road	Webster	MA	01570
8 Portland Street	17,500 0	5	N/A			Robert Hurwitz Friedman, Hurwitz & Aliber	8 Portland Street	Worcester	MA	01608
427 Main Street <i>Harrington Center</i>	15,600 9,360	4	\$8 - 10 SF gross lease	Parking not included.		Lynn Scarbo Meredith & Grew	160 Federal Street	Worcester	MA	02110
371-377 Main Street	13,500 9,000	3	\$10 SF FS gross lease			Dean Marcus Dean Marcus Real Estate	22 Front St. P.O. Box 500	Worcester	MA	01614
60 Franklin Street <i>The Bancroft Building</i>	12,289 12,289	4	\$12 - 13 SF gross lease	Parking not included.		Michael Carpino Mayo Group	50 Franklin Street	Worcester	MA	01608
240 Main Street	12,000 12,000	4	\$15 SF FS gross lease	Parking not included. Will build suites to suit. Utilities and janitorial services included.		Kathryn E. Krock Commerce Associates	340 Main Street	Worcester	MA	01608
555 Main Street	10,000 0	2	N/A	On the corner of Federal and main with addresses 551-559. First floor is primarily retail.		Drury Realty Trust	551 Main Street	Worcester	MA	01608
588 Main Street <i>Babcock Colton</i>	10,000 0	4	\$14 SF gross lease	Parking not included. Three floors are apartments (30,000 SF)		Ali Soffan Federal Square Properties	P.O. Box 16380	Worcester	MA	01608
8 Austin Street <i>Thomas Burrett Building</i>	10,000 10,000	3	\$13 - 15 SF gross lease	Parking not included.		Ali Soffan Federal Square Properties	P.O. Box 16380	Worcester	MA	01608
29 Pleasant Street	9,154 9,154	4	N/A			George Ellis, Jr.	33 Pleasant Street	Worcester	MA	01608
51 Harvard Street	8,767 0	2	N/A	Owner-occupied by Quaker Risk Insurance.		Whitcomb Hall LLC	10 Crowningshield Drive	Paxton	MA	01612
279 - 289 Main Street	8,000 3,000	2	\$15 SF gross lease	Parking available in 70 space lot.		Jack Fisher 285 Inc.	285 Main Street	Worcester	MA	01608
23 Harvard Street	6,248 0	3	N/A	Parking available. Owner-occupied.		Thomas Donahue, Jr. Donahue & Associates	23 Harvard Street	Worcester	MA	01609
11 Harvard Street	6,072 0	2	N/A			David Kneeland, Jr. Eleven Harvard Street LLC	11 Harvard Street	Worcester	MA	01609
414 Main Street	5,011 900	4	negotiable	Parking not included.		George Photakis Owl Tobacco Shop	416 Main Street	Worcester	MA	01608
14 Harvard Street	3,200 0	2	N/A	Parking included. Owner-occupied.		Linda Page Approved Mortgage Services Inc.	14 Harvard Street	Worcester	MA	01608
25 Foster Street <i>Graphic Arts Building</i>	0 0	8	N/A	Owner-occupied. Undergoing renovations into mixed use space. Breakout of office not available.		Peggy Crawford Mass College of Pharmacy & Health Services	179 Longwood Avenue	Boston	MA	02115

**APPENDIX B
2005 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				
440 Lincoln Street <i>Allmerica Financial</i>	758,000 60,000	5	N/A	Parking included. Owner-occupied. The 4 buildings on site were recently renovated.	Jay Johnson Allmerica Financial Corporation	440 Lincoln Street	Worcester	MA	01653
1000 Grafton Street <i>Battery Plaza</i>	7,400 3,700	1	\$18 - 34 SF triple net lease	Parking included. Construction in progress. Ready for occupants Nov. or Dec. 2005	Frank Groccia Battery Plaza	1000 Grafton Street	Worcester	MA	01604
1 West Boylston Street <i>Chadwick Court</i>	52,000 400	4	\$22 - 26 SF gross lease	Parking included. Recently added lower level.	Nick Chacharone C & S Construction	1 West Boylston Street	Worcester	MA	01605
299 Lincoln Street	34,000 34,000	3	\$19 - 24 SF gross lease	Parking included. Property will be completed Fall 2005 and ready for custom build out.	Nick Chacharone C & S Construction	1 West Boylston Street	Worcester	MA	01605
1 Innovation Drive <i>Three BioTech Park</i>	27,025 16,800	3	Negotiable	Parking included. Multi-tenant lab & office space.	Bob McGuire CB Richard Ellis-NE Partners LP	111 Huntington Avenue	Worcester	MA	02199
377 Plantation Street <i>Four BioTech Park</i>	18,800 0	3	Negotiable	Parking included. 10,000 of vacant space is lab & office space.	Bob McGuire CB Richard Ellis-NE Partners LP	111 Huntington Avenue	Worcester	MA	02199
381 Plantation Street <i>Five BioTech Park</i>	23,750 15,000	3	Negotiable	Parking included. 12,000 SF of vacant space can be used for lab or office space.	Bob McGuire CB Richard Ellis-NE Partners LP	111 Huntington Avenue	Worcester	MA	02199
373 Plantation Street <i>Two BioTech Park</i>	94,000 0	3	Negotiable	Parking included. 94,000 SF accounts for the entire building.	Bob McGuire CB Richard Ellis-NE Partners LP	111 Huntington Avenue	Worcester	MA	02199
365 Plantation Street <i>One BioTech Park</i>	26,250 0	3	Negotiable	Parking included. Multi-tenant lab & office space.	Bob McGuire CB Richard Ellis-NE Partners LP	111 Huntington Avenue	Worcester	MA	02199
6 Park Avenue <i>Morgan Stanley Building</i>	22,500 0	2	Negotiable gross lease	Parking included.	Cheryl Maxwell Cutler Real Estate Management Corporation	134 Elm Street	Worcester	MA	01609
290 Park Avenue	8,000 0	1	N/A	Parking included. Building renovated in June 2005 to add 2,000 SF.	David Fahlstrom Fahlstrom Realty	291 Park Avenue	Worcester	MA	01609
61 Harvard Street	11,000 0	3	N/A	Parking available. Former mansion across from Court House, aka Salisbury House.	Jim Glickman (2004 contact) Glickman Real Estate	1 Dix Street	Worcester	MA	01609
108 Grove Street <i>Northworks Building</i>	80,000 5,000	4	\$16 - 25 SF triple net lease	Parking included.	Greg Kekorian Kekorian & Najarian Insurance	108 Grove Street	Worcester	MA	01609
39 Salisbury Street	17,000 0	3	\$20 SF	Parking included. Recently renovated.	Greg Kekorian Kekorian & Najarian Insurance	108 Grove Street	Worcester	MA	01609
100 North Parkway	98,600 42,666	3	\$18.50 SF plus electric	Handicapped accessible, HVAC.	Jim Umphrey Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608
255 Park Avenue <i>Parkview Office Tower</i>	112,000 3,500	11	\$23.50 SF plus electric	Parking available. Heating, AC and cleaning services included with rent.	Donna Faber Real Estate Coordinators	255 Park Ave. Suite 602	Worcester	MA	01609
345A Greenwood Street	7,500 0	1	N/A	Parking included. Building is 15,000 SF with 50% office space and 50% warehouse space.	Andy Murray The Katz Companies	37 Harvard St. Suite 8	Worcester	MA	01609
29 East Mountain Street	15,000 0	2	\$16.50 SF	Building sold and is now 100% owner-occupied.	Howard Katz The Katz Companies	37 Harvard St. Suite 8	Worcester	MA	01609
324 Clark Street	42,000 23,000	2	Negotiable below mkt rent	Parking included.	Howard Katz The Katz Companies	37 Harvard St. Suite 8	Worcester	MA	01609
5 Neponset Road	120,000 0	4	N/A	Parking included. 100% occupied on long term lease.	Howard Katz The Katz Companies	37 Harvard St. Suite 8	Worcester	MA	01609
100 Century Drive	81,500 0	3	N/A	Parking included. Owner-occupied.	Paul Casassa Umass Medical	55 Lake Avenue North	Worcester	MA	01655

CLASS "B" OFFICE SPACE										
Property Address/ Building Name	Total Space/ Vacant Space	Floors	Rental Rate per Sq. Ft.	Comments	Property Contact					
48 Elm Street	14,000 0	2	\$22 SF triple net lease	Parking included. Property includes 2 buildings consisting of medical office space.	Dr. Gene Mariani 48 Elm Associates	48 Elm Street	Worcester	MA	01609	(508)754-1122
16 - 26 Park Avenue	12,921 0	2	\$12 - 16 SF triple net lease	Parking included. Retail/office center that is adjacent to a restaurant.	Bradford Dunn Bradford Companies.	70 Malden Street	West Boylston	MA	01583	(508)835-4200
405 Grove Street	19,305 0	3	\$16 - 22 SF plus utilities	Parking included.	Nick Chacharone C & S Construction	1 West Boylston Street	Worcester	MA	01605	(508)853-5066
106 - 116 W. Boylston Street	17,100 0	2	N/A	Parking included. Property consists of 2 interconnected buildings.	John Lundstrom Crown Enterprises LLC	11 Elnora Drive	Worcester	MA	01606	(508)853-9001
400 Grove Street	8,761 0	2	Negotiable gross lease	Parking included.	Cheryl Maxwell Cutler Real Estate Management Corporation	134 Elm Street	Worcester	MA	01609	(508)792-1111 x101
324 Grove Street	35,000 14,700	2	\$19.50 SF plus utilities	Parking available.	Jim Glickman Glickman Real Estate	1 Dix Street	Worcester	MA	01609	(508)753-9100
650 Lincoln Street	27,000 0	2	N/A	Parking available. Engineering building.	Jim Glickman Glickman Real Estate	1 Dix Street	Worcester	MA	01609	(508)753-9100
799 West Boylston Street	49,000 13,000	2	\$16.80 SF FS gross lease	Parking available.	Jim Glickman Glickman Real Estate	1 Dix Street	Worcester	MA	01609	(508)753-9100
85 Prescott Street	100,000 100,000	4	Negotiable	Parking available.	Peter Kovago Glickman Real Estate	1 Dix Street	Worcester	MA	01609	(508)753-9100
76 Webster Street	21,000 0	3	\$12 SF	Parking included. Space is not rented by the square foot.	Andrew Gordon Gordon Realty Corporation	76 Webster Street	Worcester	MA	01603	(508)798-2523
50 Elm Street	11,800 0	3	N/A	Parking available.	Jennifer Hajec Hajec & Associates	100-A June Street	Worcester	MA	01602	(508)792-0161
640 Lincoln Street	39,000 0	1	\$12 SF NNN	Parking included. Air conditioned office space.	Jim Umphrey Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608	(508)755-0707
210 Lincoln Street	10,000 2,549	3	\$18 SF NNN	Parking included. Medical office condo building.	Sheldon Katz Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608	(508)755-0707
116 Belmont Street	20,000 2,214	4	Negotiable		Will Kelleher Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608	(508)755-0707
875 Main Street Main South CDC	1,000 0	1	N/A	Parking included. Building renovated 4 years ago.	Ivette Moore Main South CDC	875 Main Street	Worcester	MA	01610	(508)752-6181
472 Lincoln Street	16,000 0	2	triple net lease	Parking included	Joseph Reidy Maurice F. Reidy & Co.	332 Main Street	Worcester	MA	01608	(508)756-2411
939 Southbridge Street	126,000 0	3	N/A	Parking included. Owner-occupied. 126,000 SF accounts for the entire building.	Tom Bedard National Grid	Facilities 939 Southbridge St.	Worcester	MA	01610	(508)860-6262
500 W. Boylston Street	9,600 1,750	2	\$13 SF gross lease	Parking and rubbish removal included.	Kerry Grolman R.S. Realty	500 W. Boylston Street	Worcester	MA	01606	(508)852-6616
645 Park Avenue	3,000 0	1 + loft	triple net lease	Parking included. Building consists of primarily retail space.	Ed Salloom Salloom Realty Corporation	14 Brookline Street	Worcester	MA	01603	(508)753-3401
72 Cambridge Street Salvation Army Rehab Center	25,000 2,000	4	N/A	Parking included. Owner-occupied.	Major Michael Copeland Salvation Army	72 Cambridge Street	Worcester	MA	01603	(508)799-0520 x301
330 Southwest Cutoff Route 20 @ Massasoit Road	36,000 0	3	N/A	Parking included. Fully occupied by Teamsters.	Cathy Manero Teamsters Local 170 & 437	330 Southwest Cutoff	Worcester	MA	01604	(508)741-3416
67 Millbrook Street	270,000 31,460	5	\$15 SF		Howard Katz The Katz Companies	37 Harvard St. Suite 8	Worcester	MA	01609	(508)791-7319
416 Belmont Stree	10,000 2,000	2	Negotiable	Parking available. Building opposite Biotech park and Umass Medical Center.	Jon Vangos		West Boylston	MA		
100 Grove Street	45,000 0	5	N/A	Parking included. Multi-purpose building.	Julius Palley	90 Grove Street	Worcester	MA	01609	(508)755-3177
91 Prescott Street	7,000 0	1	N/A	Parking included. Multi-purpose building.	Julius Palley	90 Grove Street	Worcester	MA	01609	(508)755-3177

CLASS "C" OFFICE SPACE									
Property Address/ Building Name	Total Space/ Vacant Space	Floors	Rental Rate per Sq. Ft.	Comments		Property Contact			
51 William Street	4,000 0	2	N/A		Steve Charamella Charamella Design	51 William Street	Worcester	MA	01609
74 Elm Street	9,000 2,500	3	Negotiable	Parking available. Handicapped accessible.	Steve Charamella Charamella Design	51 William Street	Worcester	MA	01609
39 Jolma Road	2,300 0	2	N/A	Parking included. Property manager on-site.	Julie Creedon Creedon & Company	39 Jolma Road	Worcester	MA	01604
645 Chandler Street	3,700 0	2	N/A	Parking included. The first floor of the building is a restaurant.	Beth Proko E&E Realty Trust	2 Holden Street	Worcester	MA	01605
121 Lincoln Street	140,000 0	2	N/A		Robert Hurwitz Friedman, Hurwitz & Ailber	8 Portland Street	Worcester	MA	01608
470 Pleasant Street	10,000 0	2	Negotiable	Fully leased and off market.	Sheldon Katz Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608
501 Park Avenue	10,000 0	2	\$10 SF plus utilities	Parking included. Oil-fired heating and central air conditioning.	Thomas Kelleher Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608
220 Highland Street	2,200 2,200	2	\$13.63 SF plus utilities	Parking included. Availabe for rental in Fall 2005. Rental rate quoted at \$2500/month.	Raymund Lopolito Northeast Sales	409 Shrewsbury Street	Worcester	MA	01604
306 Shrewsbury Street	35,700 0	3	N/A	100% owner-occupied.	Record Management Center, Inc.	306 Shrewsbury Street	Worcester	MA	01604
155 Green Street	180,000 0	4	N/A	Owner-occupied.	Table Talk Ples	120 Washington Street	Worcester	MA	01610
42 Green Street	18,000 0	2	N/A	Parking included.	Andy Murray The Katz Companies	37 Harvard St. Suite 8	Worcester	MA	01609
730 West Boylston Street	3,900 0	1	N/A	Parking included.	Andy Murray The Katz Companies	37 Harvard St. Suite 8	Worcester	MA	01609
55 Linden Street	9,560 0	3	N/A	Parking included.	Victory Productions, Inc.	55 Linden Street	Worcester	MA	01609
326 Chandler Street	13,000 0	1	N/A	Parking included. 13,000 SF is administrative & office space. 10,000 SF is recreation space.	Adolfo Arrista Worcester Youth Center, Inc.	326 Chandler Street	Worcester	MA	01602
65 Water Street <i>Brickyard Professional</i>	21,000 2,000	4	\$7.20 SF gross lease	Parking included.	Mike Komenos	125 Barber Avenue	Worcester	MA	01606
721 Pleasant Street	3,200 0	3	N/A		Contact information unavailable				
33 Park Avenue	16,000 0	1	N/A	Parking available.	Contact information unavailable				