



The Research Bureau

**Downtown Worcester Office
Occupancy: 2006 Survey**

CCPM-06-04

September, 2006

Center for Community Performance Measurement

INTRODUCTION

The Research Bureau's Center for Community Performance Measurement (CCPM) is pleased to present the results of its fifth annual downtown office occupancy survey. In 2002, the CCPM began documenting the amount and availability of office space in Worcester's Central Business District - outlined in the map in **Figure 1** below.¹ Our annual reports summarizing these findings continue to be the Research Bureau's most requested and most downloaded report.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 those strategies may be replicable in other communities.

The most recent survey data summarized here provide a snapshot of the current economic state of downtown by reporting 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, tax rate, and employment and job growth data.

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 working to attract and retain businesses in downtown Worcester.

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 data collected by The Research Bureau since 2002, and therefore, are not included in this report.

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

METHODOLOGY

During the summer of 2006, CCPM staff conducted site visits and telephone interviews to gather information from property owners and leasing agents 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. Information was also obtained from a commercial real estate website along with information from the City's Assessing Division.⁴ The CCPM documented 82 properties containing some amount of office space in the CBD.⁵ 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 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 for all classes of commercial office buildings.

A detailed listing of office properties within the CBD is contained in **Appendix A**. **Appendix B** provides information for selected properties located beyond the CBD (these data are not included in the analysis below and have been included in the appendix for informational purposes only).

FINDINGS

Downtown Worcester's Central Business District contains about 4.65 million square feet of office space, of which 89.4% was occupied as of August, 2006.^{6,7} As shown in **Table 1**, office occupancy in the CBD has increased slightly from 88.7% in 2005 to 89.4% in 2006. Class "A" buildings (considered "premier space," or newly constructed buildings or office space that has undergone extensive renovation) account for almost 2 million square feet (43%) of office space.^{8,9} The occupancy rate for Class "A" office space was 91.1% in 2006, a slight increase from 2005 (88.9%). The 39 Class "B" buildings (older renovated buildings considered to be in fair to good condition) comprised 1.67 million square feet (36%) of downtown office space, of

⁴ Every effort has been made to ensure the accuracy of the data collected; however, they are point-in-time and subject to change.

⁵ While medical office space is included, not included are medical practice space, government buildings, and retail space.

⁶ This figure has changed from year to year because building usage can change from year to year (e.g., several buildings that were formerly office space have been converted to residential space in recent years or office space may have become retail and vice versa).

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>. 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).

⁹ The last major office building constructed in the CBD (Chestnut Place) was completed in 1990.

which 87.7% was occupied, the lowest occupancy rate among the three building classes. Finally, the almost 1 million square feet of Class “C” space (older unrenovated buildings offering “functional space”) had an occupancy rate of 88.8%. 2006 was the first time since 2002 that Class “C” did not have the lowest occupancy rate among the three classes. Also, in 2006 occupancy rates for Class “C” buildings reached a 5-year high after steadily increasing since 2003.

Table 1: Occupancy Rates for Downtown Office Space, 2002-2006

		2002	2003	2004	2005	2006	Change '02-'06
Class A	Total Office Space	2,248,736	2,256,536	1,792,033	1,695,889	1,987,253	-11.6%
	Occupied Space	2,009,996	2,055,925	1,586,186	1,507,585	1,810,043	-9.9%
	Occupancy Rate	89.4%	91.1%	88.5%	88.9%	91.1%	
Class B	Total Office Space	1,233,540	1,278,478	1,436,083	2,082,157	1,667,653	35.2%
	Occupied Space	1,111,064	1,181,944	1,325,158	1,856,772	1,462,126	31.6%
	Occupancy Rate	90.1%	92.4%	92.3%	89.2%	87.7%	
Class C	Total Office Space	1,555,576	1,553,508	1,392,614	918,665	985,335	-36.7%
	Occupied Space	1,338,837	1,315,865	1,185,524	799,304	875,335	-34.6%
	Occupancy Rate	86.1%	84.7%	85.1%	87.0%	88.8%	
Total	Total Office Space	5,037,852	5,088,522	4,620,730	4,696,705	4,645,674	-7.8%
	Occupied Space	4,459,897	4,553,734	4,096,868	4,168,133	4,155,237	-6.8%
	Occupancy Rate	88.5%	89.5%	88.7%	88.7%	89.4%	

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

As reported by Boston-based commercial real estate consultants Colliers International, the U.S. office occupancy rate reached 86.9% overall by the end of the second quarter of 2006, and Central Business District markets nationwide achieved an occupancy rate of 87.6%.¹⁰ The occupancy rate for the Boston market reached a level of 88.4% by the second quarter of 2006. Data allowing for comparisons of Worcester with its immediate border communities are not currently available.¹¹

As shown in **Table 2**, in 2006 almost half (49%) of the office buildings in the downtown area contain available vacant space (in 2005 this number was slightly higher at 53%). Among these, 24 buildings have vacancies of 10,000 square feet or less, twelve have between 10,001 and 25,000 square feet of available space, and four 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 (205,527 square feet, or 41.7 %). This was also the case in 2005, but in 2004 Class “B” represented the smallest proportion of vacant space.

¹⁰ Colliers International, “North America Office Real Estate Highlights.” (<http://www.colliers.com/Corporate/MarketReports/UnitedStates/>).

¹¹ 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.

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.	4	7,650
10,001 -25,000 Sq. Ft.	3	42,960
>25,000 Sq. Ft.	3	126,600
<i>Total</i>	<i>10</i>	<i>177,210</i>
Class B		
1-10,000 Sq. Ft.	13	58,328
10,001 -25,000 Sq. Ft.	4	76,170
>25,000 Sq. Ft.	1	71,029
<i>Total</i>	<i>18</i>	<i>205,527</i>
Class C		
1-10,000 Sq. Ft.	7	35,800
10,001 -25,000 Sq. Ft.	5	74,200
>25,000 Sq. Ft.	0	0
<i>Total</i>	<i>12</i>	<i>110,000</i>
Total (A, B, C)		
1-10,000 Sq. Ft.	24	101,778
10,001 -25,000 Sq. Ft.	12	193,330
>25,000 Sq. Ft.	4	197,629
<i>Total</i>	<i>40</i>	<i>492,737</i>

In 2006, property owners and agents provided information on rental rates for slightly more than half (56%) of the properties listed in Appendix A. Reported monthly rental rates for these properties ranged from \$5 per square foot to \$30 per square foot in 2006, as shown below in **Table 3**. Nationwide, as reported by Colliers International, rental rates for office space have been steadily increasing.¹²

Table 3: Monthly Rental Rates For Office Space in Worcester's CBD, 2002-2006

Year	Class A	Class B	Class C
2002	\$12-\$25	\$8-\$20	\$5-\$18
2003	\$12-\$26	\$9-\$20	\$8-\$15
2004	\$12-\$26	\$7.50-\$20	\$8-\$18
2005	\$14-\$27	\$5-\$20	\$8-\$15
2006	\$11-\$27	\$6-\$30	\$5-\$15

¹² Colliers International, "North America Office Real Estate Highlights."
(<http://www.colliers.com/Corporate/MarketReports/UnitedStates/>).

CONCLUSIONS

Downtown Worcester's overall office occupancy rate increased slightly from 88.7% in 2005 to 89.4% in 2006. However, 492,737 square feet of vacant office space remain available in Worcester, and using an industry standard of 200 square feet of office space per worker, the amount of space currently vacant could potentially support almost 2,500 additional workers in the downtown area. This fact highlights the importance of continued job creation and business expansion efforts in the City.

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. 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 strategies developed by each entity in isolation. The following highlight several efforts that are currently underway in Worcester to promote economic development in the City:

- Choose Worcester Inc. was launched in 2005 by public and private sector leaders to market the City to prospective businesses and attract and retain jobs in Worcester. The non-profit group, which has secured more than \$1 million in funding from local businesses and foundations, is currently searching for a CEO to lead the organization.
- Under the City Manager's plan to reorganize City government, the City hired a Director of Economic Development who is spearheading efforts to retain and attract businesses in the downtown area.
- An agreement on the \$563 million CitySquare project, a public/private partnership to redevelop the heart of downtown Worcester by creating new office, residential, and retail space on the 21-acre site of the former Worcester Common Outlets, has been signed by the City Manager and developer Berkeley Investments Inc.
- City officials recently announced their intent to develop a master plan for the economic development in the North Main Street and Lincoln Square area, including the buildings which formerly housed the vocational high school, the Superior Courthouse, and the Gateway Park life sciences complex. The City expects to select a consultant by early Fall of 2006 to complete the 8- to 10-month project.

**APPENDIX A
2006 OFFICE OCCUPANCY SURVEY
PROPERTIES WITHIN THE CENTRAL BUSINESS DISTRICT**

CLASS "A" OFFICE SPACE									
Property Address/ Building Name	Total Office Space/ Vacant Space	Floors	Rental Rate (per Square Foot)	Comments	Property Contact				
18 Chestnut Street UnumProvident Building	400,000 0	5	N/A	Owner-occupied	Jim Hurley UnumProvident	18 Chestnut Street	Worcester	MA	01608
100 Front Street Fleet Boston Tower	280,000 40,000	20	\$17.75 3 Years Minimum Lease	Parking included, 3 spaces/1,000 sq. ft. Largest contiguous space available is 15,000 sq ft.	Will Kelleher Kelleher & Sadowsky Associates, Inc.	446 Main Street Suite 200	Worcester	MA	01608
446 Main Street Worcester Plaza	244,000 36,600	24	\$18.00 Full Service Gross lease	Parking included.	Will Kelleher Kelleher & Sadowsky Associates, Inc.	446 Main Street Suite 200	Worcester	MA	01608
370 Main Street Guaranty Building	188,599 2,300	13	\$16-20	Parking negotiable.	Chris Rice Guaranty Management Co., Inc.	370 Main Street	Worcester	MA	01608
10 Chestnut Street One Chestnut Place	187,357 0	11	\$16-25 Triple Net Electric	Parking negotiable.	Cheryl Esper IPC Louisville Properties LLC	22 Elm Street	Worcester	MA	01608
120 Front Street Flagship Bank Building	174,000 50,000	9	\$17.75 Full Service Gross lease	Parking included (3 spaces/1,000 sq. ft.). 8,000 sq ft. of street-level space available.	Will Kelleher Kelleher & Sadowsky Associates, Inc.	446 Main Street Suite 200	Worcester	MA	01608
20 Major Taylor Boulevard Worcester Medical Center	156,497 0	6	\$27 Full Service Gross, 5 year	On-site parking included. Hospital/ medical office space.	Paul Strniste St. Vincent Hospital LLC	20 Major Taylor Boulevard	Worcester	MA	01608
306 Main Street Day Building	55,000 1,350	5	Negotiable Full Service Gross lease	Parking available.	Cheryl Maxwell Cutler Real Estate Management Corp.	134 Elm Street	Worcester	MA	01609
9 Waldo Street One Exchange Place	53,000 unknown	5	N/A	Information not available	Marla Maykel	One Exchange Place	Worcester	MA	01608
389 Main & 10 Mechanic Street Grant Building	50,000 12,960	4	\$15.95 on average	Parking included (0.40/1,000 sq ft).	Don Mancini Kelleher & Sadowsky Associates, Inc.	446 Main Street Suite 200	Worcester	MA	01608
28-32 Franklin Street Bay State Bank Building	40,000 0	5	\$11-15 mix of Full Gross & Triple Net	Parking not included. Partial renovation in 2006.	Bob Duquette Bay State Savings Bank	61 Harvard Street	Worcester	MA	01609
100 Central Street	34,000 14,000	5	\$26-30 Full Service Gross lease	Parking is included; on-site spaces available. 7,000 sq ft street level space available.	Matt Shwachman First American Realty Inc.	100 Central Street	Worcester	MA	01613
339 Main Street Burnside Building	31,000 700	5	\$13-15 Full Service Gross lease	Parking negotiable. Complete renovation in 1997.	Robert Seder Seder and Chandler	339 Main Street Suite 300	Worcester	MA	01608
33 Waldo Street Dwight Foster Building	26,000 3,300	5	\$15.50-18.50 Negotiable	On-site garage parking included.	Robert Seder Seder and Chandler	339 Main Street Suite 300	Worcester	MA	01608
43 Harvard Street Cutler	22,000 0	2	N/A Triple Net	On-site parking included	Cheryl Maxwell Cutler Real Estate Management Corp.	134 Elm Street	Worcester	MA	01609
40 Foster Street Protocol Communications Building	20,000 0	2	N/A Triple Net	Parking not included.	Howard Katz The Katz Companies	37 Harvard Street, Suite 8	Worcester	MA	01609
144-148 Main Street Armsby Building	16,000 16,000	5	N/A	Complete renovation in 2006. Ready for occupancy in Fall 2006. Parking available.	Andy Levy Israel Real Estate Co., Inc.	352 West Boylston Street	West Boylston	MA	01583
41 Elm Street	9,800 0	3	N/A N/A	Parking included.	Francis A. Ford Elm Street Associates	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 Commerce Building	250,000 71,029	9	\$11-15 SF Full Service Gross lease	Parking not included. Street-level space available.	Kathryn E. Krock Commerce Associates	340 Main Street	Worcester	MA	01608
57 Union Street	158,400 0	6	N/A Triple Net lease	Building is owner-occupied; parking included.	Chalres River Laboratories	57 Union Street	Worcester	MA	01608
390 Main Street Slater Building	125,000 24,736	10	\$11-15 Full Service Gross lease	On-site parking negotiable.	Kathryn E. Krock Commerce Associates	340 Main Street	Worcester	MA	01608
15 Belmont Street Morgan Building	97,000 0	4	N/A N/A	Building is half owner-occupied.	Jack Bergan Morgan Construction	15 Belmont Street	Worcester	MA	01605
44-50 Portland Street Printers Building	87,000 0	7	\$11-15 Modified Gross	Parking negotiable.	Joseph P. Reidy Maurice F. Reidy & Co.	332 Main Street	Worcester	MA	01608
542 Main Street Dexter Building	85,000 0	5	N/A	Owner-occupied. Includes 540 - 558 Main Street.	Pat Greenlaw FRC Realty Corporation		Worcester	MA	01608
303 - 311 Main Street Central Exchange Building	75,000 0	5	N/A Modified Net	Off-site parking negotiable.	Joseph P. Reidy Maurice F. Reidy & Co.	332 Main Street	Worcester	MA	01608
321 Main Street Mechanics Hall	75,000 0	5	\$6-10	Parking not included.	Norma Sandison Mechanics Hall	321 Main Street	Worcester	MA	01608
44 Front Street Chase Building	72,537 5,842	8	\$16-20 Modified Gross	Parking not included. 3500 sq ft of available space is street level.	Joseph P. Reidy Maurice F. Reidy & Co.	332 Main Street	Worcester	MA	01608
332 Main Street Central Building	65,000 23,656	8	\$11-15 SF Full Service Gross lease	On-site parking negotiable. Street level space available.	Kathryn E. Krock Commerce Associates	340 Main Street	Worcester	MA	01608
40 Southbridge Street	48,000 1,100	5	\$11-15 Triple Net	Off-site parking included. Vacant space is street level.	James Soffan Federal Square Properties	P.O. Box 16380	Worcester	MA	01608
50 Front & 250 Commercial St. Winsor Building	46,250 5,434	4	\$15 Plus utilities	Parking negotiable.	Matt Mayrand Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608
627 Main Street Worcester Market Building	40,000 0	2	N/A		Matt Schwachman First American Realty Inc.	100 Central Street	Worcester	MA	01613
90 Madison Street Madison Place	38,400 15,778	6	\$10-15 FS Gross lease, some exceptions	Surface parking spots available.	Barry Connors Capstone Properties	180 Westminster Street	Providence	RI	02093
20 Washington Square	37,000 0	4	\$26-30 Full Service Gross lease	On-site parking included.	Paul Strnlste St. Vincent's Hospital LLC	20 Major Taylor Boulevard	Worcester	MA	01608
25 Union Street Union Place	35,000 2,000	5	\$16-20 Full Service Gross lease	On-site parking included. 2,000 sq ft of street level space. Recent partial renovation. Old Mill Building.	Dominick Paodino		Worcester	MA	01609
22 Elm Street Two Chestnut Place	34,844 3,800	4	\$11-20 Triple Net Electric	Parking negotiable.	Cheryl Esper IPC Louville Properties LLC	22 Elm Street	Worcester	MA	01609
365 Main Street	32,896 6,616	3	\$11-15 Full Service Gross lease	On-site parking negotiable. Multi-level space available.	Kathryn E. Krock Commerce Associates	340 Main Street	Worcester	MA	01608
316 Main Street Worcester Five Cent Savings	27,000 0	6	\$11-15 Modified Net	Parking not included.	Joseph P. Reidy Maurice F. Reidy & Co.	332 Main Street	Worcester	MA	01608
19 Norwich Street Norwich Place	25,000 10,000	5	\$11-15 Tenant at will	Parking not included. Street level space available.	Chris Rice Guaranty Management Co., Inc.	370 Main Street	Worcester	MA	01608
2 Foster Street	24,000 8,700	3	\$11-15 Modified Gross	Parking negotiable. Recent complete renovation. Multi-level space available.	Joseph P. Reidy Maurice F. Reidy & Co.	332 Main Street	Worcester	MA	01608
418 Main Street	22,000 0	5	N/A		Chris Panagitiadis Pandarou Properties	11 Pleasant Street	Worcester	MA	01570
51 Union Street	22,000 1,750	4	\$14 Gross	On-site parking negotiable.	Paul Matt Kelleher & Sadowsky Associates, Inc.	446 Main Street Suite 2200	Worcester	MA	01608
120 Thomas Street VNA Building	21,600 0	3	N/A	On-site parking. Owner-occupied.	Paul Gigeure VNA Care Network, Inc.	120 Thomas Street	Worcester	MA	01608
38 Front Street Landmark Building	18,100 0	6	\$11-15 Triple Net	Parking not included.	Joseph P. Reidy Maurice F. Reidy & Co.	332 Main Street	Worcester	MA	01608
35 Harvard Street	18,000 6,000	3	\$6-8 2-3 year lease or tenancy at will	On-site parking. Street-level space available.	Bill Theodorakos V&M Office Space				(774)696-3648

CLASS "B" OFFICE SPACE (continued)									
Property Address/ Building Name	Total Space/ Vacant Space	Floors	Rental Rate per Sq. Ft.	Comments	Property Contact				
27-29 Mechanic Street	15,000 0	2	N/A		Paula McCue Giarusso's D.M.D.	27-29 Mechanic Street	Worcester	MA	01608
426 Main Street (1-7 Pleasant)	12,000 12,000	5	N/A		Perry Bodreau The 426 Main Street Realty LLC	235 Edgell Road	Framingham	MA	01701
101 Pleasant Street	10,202 0	2	N/A	On-site parking.	Liberty Assembly of God		Worcester	MA	
120 Main Street	10,000 unknown	2	N/A	Information not available.	Mohan Prashad	120 Main Street	Worcester	MA	01608
11 Norwich Street	9,000 3,300	5	\$11-15 Triple Net	Parking not included. Sold to MCPHS. Street-level space available.	Chris Rice Guaranty Management Co., Inc.	370 Main Street	Worcester	MA	01608
600 Main Street	7,000 0	24	\$16-20 3-5 year	Off-site parking included. Recent partial renovation.	Lisa VTT Properties	600 Main Street	Worcester	MA	01608
1 Dix Street	5,000 0	3	N/A	On-site parking included. Partial renovation in 2003.	Jim Glickman Glickman Real Estate	1 Dix Street	Worcester	MA	01609
78 Pleasant Street	4,500 0	3	N/A	Off-street parking available.	Bill Randell Advanced Services	78 Pleasant Street	Worcester	MA	01609
28 Mechanic Street	4,224 1,056	3	\$11-15	Parking not included.	Chris Rice Guaranty Management Co., Inc.	370 Main Street	Worcester	MA	01608
10 Harvard Street	4,200 2,730	1	\$14-16 Full Service Gross lease	10 on-site parking spaces. Building for sale.	Paul Matt Kelleher & Sadowsky Associates, Inc.	446 Main Street Suite 2200	Worcester	MA	01608
37 Mechanic Street	4,000 0	2	\$6-10 Triple Net	Parking not included.	Debbie May Mid-State Insurance	37 Mechanic Street	Worcester	MA	01608
4 Dix Street Goulding House	2,500 0	2	N/A	On-site and street parking available. Owner-occupied.	Will Kelleher/Paul Matt Kelleher & Sadowsky Associates, Inc.	446 Main Street Suite 2200	Worcester	MA	01608

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.	Matt Bell Verizon	15 Chestnut Street	Worcester	MA	01608	
484 Main Street Denholm Building	200,000 3,500	6	N/A	Street-level space available but does not have separate entrance from street.	Matt Mayrand Kelleher & Sadowsky Associates, Inc.	446 Main St. Suite 2200	Worcester	MA	01608	(508)755-0707
20 Franklin Street Telegram & Gazette	137,000 0	4	N/A	Partial renovation in 2003.	Jim Denman Telegram & Gazette	20 Franklin Street	Worcester	MA	01608	(508)791-9258
19 Foster Street	75,808 0	8	N/A	Owned by MCPHS.	Richard Lessard MCPHS	179 Longwood Ave	Boston	MA	02115	(617)732-2800
50 Franklin Street Bancroft Commons	75,000 0	10	N/A		Michael Carpino Mayo Group		Worcester	MA	01608	(508)753-1612
407 Main Street	40,000 0	4	N/A		Karen Hopper Bay State Savings Bank		Worcester	MA	01608	(508)890-9000
379 Main Street	30,000 21,000	5	\$11 (average) Tenant Electric		Dean Marcus Dean Marcus Real Estate	22 Front St. P.O. Box 500	Worcester	MA	01614	(508)755-7955
405 Main Street Shack Building	30,000 3,000	3	\$11-15 Full Service Gross lease	Parking not included.	Jeffrey Shack Shack's Clothes	403 Main Street Suite B	Worcester	MA	01608	(508)753-8188
12 Front Street (10-30 Front Street)	27,000 17,700	5	N/A	Building includes additional retail space.	Dean Marcus Dean Marcus Real Estate	22 Front St. P.O. Box 500	Worcester	MA	01614	(508)755-7955
34-38 Mechanic Street	25,584 700	2	\$11-15 All included	2 offices available. Owned by MCPHS.	Chris Rice Guaranty Management Co., Inc.	370 Main Street	Worcester	MA	01608	(508)752-0433
11 Pleasant Street	25,000 0	5	N/A		Chris Panaglitis Pandaron Properties	11 Pleasant Street	Worcester	MA	01609	(508)831-7262
415 Main Street	24,000 0	4	N/A		Donna Faber Real Estate Coordinators	255 Park Ave Suite 602	Worcester	MA		
8 Portland Street	14,000 10,500	5	\$5-7 Any	Parking not included. 1st floor retail, vacant space spans 3 floors.	Robert Hurwitz Friedman, Hurwitz & Alliber	8 Portland Street	Worcester	MA	01608	(508)539-1129
371-377 Main Street	13,500 13,000	3	\$10 Full Service Gross lease/negotiable		Dean Marcus Dean Marcus Real Estate	22 Front St. P.O. Box 500	Worcester	MA	01614	(508)755-7955
60 Franklin Street The Bancroft Building	12,289 12,289	4	\$12 - 13 SF Gross lease	Parking not included.	Michael Carpino Mayo Group	50 Franklin Street	Worcester	MA	01608	(508)753-1612
240 Main Street	12,000 12,000	4	\$11-15 Full Service Gross lease	On-site parking negotiable. 3,000 sq ft is street level with separate entrance.	Kathryn E. Krock Commerce Associates	340 Main Street	Worcester	MA	01608	(508)791-9258
421-427 Main Street Harrington Center	10,989 9,339	4	\$6-10 Any	No parking. Warehouse space.	Matt Maynard Kelleher & Sadowsky Associates, Inc.	446 Main Street Suite 2200	Worcester	MA	01608	(508)755-0707
16 Norwich Street	10,478 0	6	N/A		Mike Madaus A-Z Realty LLC		Worcester	MA	01608	(508)799-4977
588 Main Street Babcock Colton	10,000 0	4	\$11-15 Full Service Gross lease	Parking not included.	James Soffan Federal Square Properties	P.O. Box 16380	Worcester	MA	01608	(508)799-4977
8 Austin Street Thomas Burrett Building	10,000 9,000	3	\$11-15 Full Service Gross lease	Parking negotiable. Recent renovation. 2,500 sq ft street level with separate entrance.	James Soffan Federal Square Properties	P.O. Box 16380	Worcester	MA	01608	(508)757-7451
29 Pleasant Street	9,154		N/A		George Ellis Ellis Law Offices		Worcester	MA	01608	(508)721-6200
51 Harvard Street	8,767 0	2	N/A		Whitcomb Hall LLC		Worcester	MA	01609	(508)757-7737
279-289 Main Street	8,000 1,800	2	\$10 Full Service + electric	On-site parking negotiable.	John Fisher 285 Inc.	285 Main Street	Worcester	MA	01609	(508)756-6206
23 Harvard Street	6,248 0	3	\$4000/month	Owner-occupied. On-site parking available.	Thomas Donahue, Jr. Donahue & Associates	23 Harvard Street	Worcester	MA	01608	(508)753-0423
11 Harvard Street	6,072 0	2	N/A		David Kneeland, Jr. Eleven Harvard Street LLC	11 Harvard Street	Worcester	MA	01608	(508)721-6200
14 Harvard Street	5,000 0	3	N/A	Surface and covered parking available.	Linda Page Approved Mortgage Services, Inc.	14 Harvard Street	Boston	MA	02115	(617)732-2800
414 Main Street	2,200 1,100	4	\$500/month Triple Net + utilities	Parking not included.	George Photakis Owl Tobacco Shop	416 Main Street	Worcester	MA	01608	(508)753-0423

**APPENDIX B
2006 OFFICE OCCUPANCY SURVEY
PROPERTIES OUTSIDE CENTRAL BUSINESS DISTRICT**

CLASS "A" OFFICE SPACE									
Property Address/ Building Name	Total Office Space/ Vacant Space	Total Floors in Building	Rental Rate (per Square Foot)	Comments	Property Contact				
5 Neponset Road	120,000 0	4	N/A Triple Net	On-site parking included	Howard Katz The Katz Companies	37 Harvard Street Suite 8	Worcester	MA	01609
255 Park Avenue <i>Parkview Office Tower</i>	112,000 3,400	11	\$21-25 Gross + Electric	Street level space available. Recent partial renovation. On-site parking included.	Donna Faber Real Estate Coordinators	255 Park Ave Suite 602	Worcester	MA	01609
381 Plantation Street <i>Five BioTech Park</i>	94,000 15,500	3	\$24.50 Full Service Gross lease	On-site parking included	Bob McGuire CB Richard Ellis NE Partners LP	111 Huntington Ave 12th Floor	Boston	MA	02199
377 Plantation Street <i>Four BioTech Park</i>	93,000 25,000	3	\$24.50 Full Service Gross lease	On-site parking included	Bob McGuire CB Richard Ellis NE Partners LP	111 Huntington Ave 12th Floor	Boston	MA	02199
373 Plantation Street <i>Two BioTech Park</i>	90,000 0	3	\$24.50 Full Service Gross lease	On-site parking included	Bob McGuire CB Richard Ellis NE Partners LP	111 Huntington Ave 12th Floor	Boston	MA	02199
1 West Boylston Street <i>Chadwick Court</i>	52,000 0	3	\$21-25 Full Service Gross lease	On-site parking included	James Chacharone C&S Construction	1 West Boylston Street	Worcester	MA	01605
324 Clark Street	42,000 23,000	2	N/A Triple Net	On-site parking included	Howard Katz The Katz Companies	37 Harvard Street Suite 8	Worcester	MA	01609
306 Shrewsbury Street	35,700 0	3	N/A	On-site parking included. Owner occupied.	Howard Katz The Katz Companies	37 Harvard Street Suite 8	Worcester	MA	01609
299 Lincoln Street <i>Brittain Court</i>	34,000 34,000	3	\$20-26 Full Service + utilities	On-site parking included. Complete renovation in 2006	James Chacharone C&S Construction	1 West Boylston Street	Worcester	MA	01605
1 Innovation Drive <i>Three BioTech Park</i>	27,025 15,178	3	\$24.50 Full Service Gross lease	On-site parking included	Bob McGuire CB Richard Ellis NE Partners LP	111 Huntington Ave 12th Floor	Boston	MA	02199
365 Plantation Street <i>One BioTech Park</i>	26,250 0	3	\$24.50 Full Service Gross lease	On-site parking included	Bob McGuire CB Richard Ellis NE Partners LP	111 Huntington Ave 12th Floor	Boston	MA	02199
6 Park Ave <i>Morgan Stanley Building</i>	22,500 5,700	2	\$20 (Avg) Gross	On-site parking included	Cheryl Maxwell Culter Real Estate Management Corporation	134 Elm Street	Worcester	MA	01609
29 East Mountain Street	15,000 0	2	N/A Triple Net	On-site parking included	Howard Katz The Katz Companies	37 Harvard Street Suite 8	Worcester	MA	01609
345A Greenwood Street	15,000 0	1	\$10 Triple Net	On-site parking included	Andy Murray The Katz Companies	37 Harvard Street Suite 8	Worcester	MA	01609
290 Park Ave	8,000 0	1	\$15-20 Triple Net	On-site parking included. Renovation in 2005.	David Fahlstrom Fahlstrom Realty	291 Park Ave	Worcester	MA	01609
1000 Grafton Street <i>Battery Plaza</i>	7,400 4,200	1	\$11-30 Triple Net	On-site spaces available. Building under construction	Frank		Worcester	MA	

CLASS "B" OFFICE SPACE									
Property Address/ Building Name	Total Office Space/ Vacant Space	Total Floors in Building	Rental Rate (per Square Foot)	Comments	Property Contact				
640 Lincoln Street	141,000 0	1	\$15, varies plus utilities		Chris Rice Guaranty Management	370 Main Street	Worcester (508)752-0433	MA	01608
67 Millbrook Street Worcester Business Center	120,000 14,400	5	\$16 Net Electric	Street level space available	Paul Matt Kelleher & Sadowsky Associates, Inc.	446 Main Street Suite 2200	Worcester (508)755-0707	MA	01608
85 Prescott Street	87,000 10,000	4	Negotiable Full Service Gross lease	On-site parking included. Partial renovation in 2000.	Peter Kovago Glickman Real Estate	1 Dix Street	Worcester (508)753-9100	MA	01609
660 Lincoln Street	62,500 0	1	N/A		Chris Rice Guaranty Management Co., Inc.	370 Main Street	Worcester (508)752-0433	MA	01608
100 Grove Street	45,000 0	5	\$6-10 Full Service Gross lease	On-site parking included.	Julius Palley	90 Grove Street	Worcester (508)755-3177	MA	01609
330 Southwest Cut-off	36,000 0	3	N/A Triple Net	On-site parking included.	Andy Murray The Katz Companies	37 Harvard Street Suite 8	Worcester (508)755-1557	MA	01609
324 Grove Street HFC	35,000 3,500	2	\$19.50 Full Service Gross lease	On-site parking included.	Jim Glickman Glickman Real Estate	1 Dix Street	Worcester (508)753-9100	MA	01609
650 Lincoln Street	27,000 0	1	N/A		Chris Rice Guaranty Management Co., Inc.	370 Main Street	Worcester (508)752-0433	MA	01608
405 Grove Street	19,305 0	2	\$16-20 Full Service + utilities	On-site parking included.	James Chacharone C&S Construction	1 West Boylston Street	Worcester (508)853-5066	MA	01605
645 Park Avenue	18,000 5,000	1+ loft	N/A Negotiable	On-site parking included. Renovation in 1996.	Ed Salloom Salloom Realty Trust	645 Park Avenue	Worcester (508)753-3401	MA	01603
472 Lincoln Street	16,000 0	2	\$16-20 Triple Net	On-site parking included.	Joseph Reidy Maurice F. Reidy & Co.	332 Main Street	Worcester (508)756-2411	MA	01608
5 Blackstone River Road	13,000 0	2	N/A	50 surface parking spaces available.	Andy Murray The Katz Companies	37 Harvard Street Suite 8	Worcester (508)755-1557	MA	01609
500 West Boylston Street	9,600 1,500	2	\$11-15 all inclusive, at will	On-site parking. 500 sq ft of street level space.	Kerry Grolman	500 West Boylston Street	Worcester (508)852-6616	MA	01606
400 Grove Street	8,761 2,450	2	N/A Gross	On-site parking. Partial renovation in 2003.	Cheryl Maxwell Cutler Real Estate Management Corporation	134 Elm Street	Worcester (508)792-1111	MA	01609
91 Prescott Street	7,000 0	1	\$6-10 Full Service Gross lease	Parking included. Warehouse space.	Julius Palley	90 Grove Street	Worcester (508)755-3177	MA	01609
CLASS "C" OFFICE SPACE									
Property Address/ Building Name	Total Office Space/ Vacant Space	Total Floors in Building	Rental Rate (per Square Foot)	Comments	Property Contact				
42 Green Street	18,000 0	2	N/A Triple Net	Recent partial renovation.	Andy Murray The Katz Companies	37 Harvard Street Suite 8	Worcester (508)755-1557	MA	01609
326 Chandler Street	13,000 0	1	N/A	50 on-site parking spaces available.	Denise Calderwood Worcester Youth Center, Inc.	326 Chandler St	Worcester (508)761-4702	MA	01602
39 Jolma Road	10,000 0	2	N/A	On-site parking included.	John Creedon Creedon & Company	39 Jolma Road	Worcester (508)792-3100	MA	01604
55 Linden Street	9,560 0	3	N/A Triple Net	On-site spaces available. Partial renovation in 2006.	Victoria Porras Victory Productions, Inc.	55 Linden Street	Worcester (508)755-0051	MA	01609
730 West Boylston Street	3,900 0	1	N/A	Parking spaces available.	Andy Murray The Katz Companies	37 Harvard Street Suite 8	Worcester (508)755-1557	MA	01609
220 Highland Street	2,200 2,200	3	\$14 Triple Net	On-site parking included. Complete renovation in 2006.	Ray Lopillito Northeast Sales	409 Shrewsbury Street	Worcester (508)753-9000	MA	01604