

OFFICE SECTOR**The Impact of Amenities**

Suburban Class A

November 2017

Amenities – Tangible Effects of a Coffee Shop on the Corner

Two burning questions are asked by clients everyday. From tenants – “How do we accommodate the needs of our workforce?” and from investors – “How do we attract more tenants to our buildings?”

Many factors go into a real estate decision, but nearby amenities are on the minds of tenants and landlords alike. By analyzing Walk Scores® for suburban buildings, we found the benefits for both sides of the transaction.

Putting a number on amenities and their benefits**What is Walk Score®?**

For each building, Walk Score® analyzes hundreds of walking routes to nearby amenities. Points are awarded based on the distance to amenities in each category (ie. gyms, restaurants, day care etc.)

Benefits to the investor

Higher scores have been associated with lower vacancy rates in suburban Class A office product.

Buildings with more nearby amenities have been associated with higher leasing rates than buildings with fewer amenities. Only 7% of the Class A inventory is located in areas with significant walkable amenities. Yet, in 2017, it has accounted for nearly 20% of all leasing activity.

Benefits to the tenant

Tenant are more of a lifestyle upgrade, while for landlords, the benefits are financial (in the form of higher rents). But time is money – not having to travel offsite for lunch can lead to higher productivity.

Having a nearby coffee shop, convenience store or dry cleaner clearly makes life easier for employees.

And the less time it takes to go from daycare to the office, the more time family-oriented employees get to spend with their children.

7%**OF CLASS A SUBURBAN
PRODUCT FALLS WITHIN A
HIGH WALK SCORE® AREA****3X****THE AVERAGE LEASING ACTIVITY
IN BUILDINGS WITH HIGHER WALK
SCORES®****28.8%****RENT INCREASE SINCE 2015 –
ONLY 12.5% INCREASE FOR
BUILDINGS WITH LOWER
SCORES****2X****HIGHER VACANCY IN LOWER
SCORE BUILDINGS (14.3% TO
6.7%)**

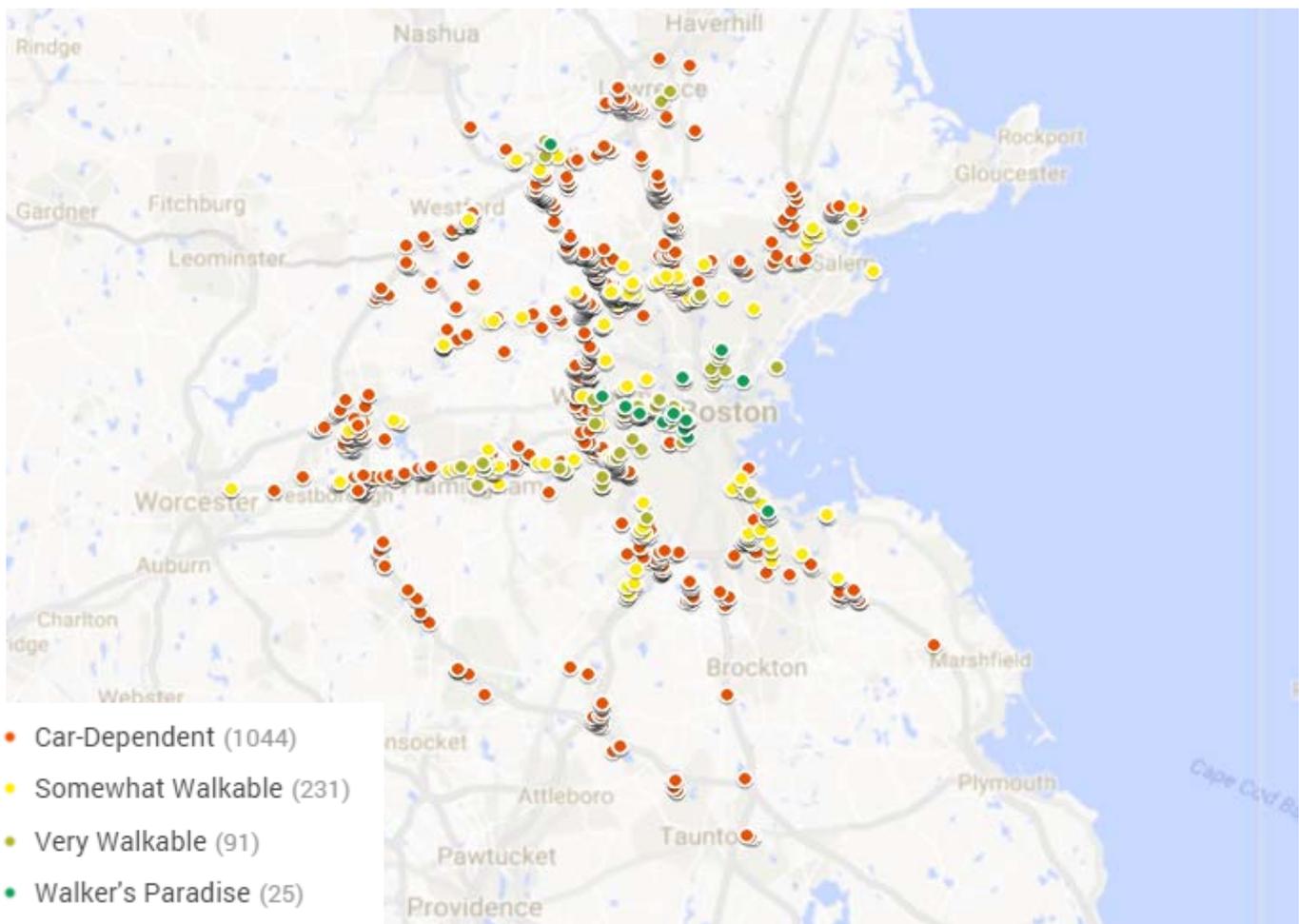
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Suburban Boston's Most Walkable Locations



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