

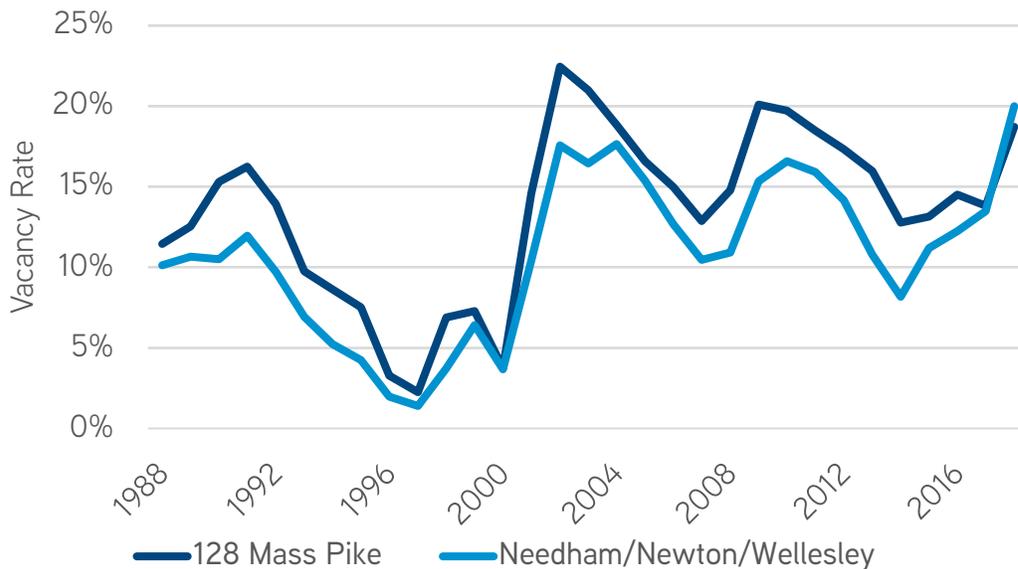


Are Needham, Newton, and Wellesley Out Of Favor?

By [Aaron Jodka](#) | AUGUST 2018

The Route 128 Mass Pike has long been the leader in Boston’s suburban market. It boasts some of the best access to labor in and around Greater Boston, has the highest rents outside of Boston and Cambridge, and is often looked to for new build-to-suit and even spec construction. Within this larger submarket are Needham, Newton, and Wellesley, typically high-occupancy markets. In fact, they have never had a higher annual vacancy rate than that of the 128 Mass Pike submarket. Until now.

Changing Times?



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What happened? Since the cyclical low point in 2014, a couple of major moves have caused ripple effects in the market. TripAdvisor moved to its new home in Needham, where SharkNinja also opened its new headquarters, while Clarks moved from Newton to Waltham, and PTC is relocating from Needham to Boston's Seaport. These moves have pushed total vacancies to 20%, a record high. But the market isn't in panic mode.

Founders Park in Needham has become a draw for tenants, as TripAdvisor and SharkNinja, as well as NBCUniversal, have chosen it as home. The TripAdvisor and SharkNinja buildings have both sold, and for strong pricing, at \$474/SF and \$390/SF, respectively. Meanwhile, the N² Innovation District is promoting the Newton-Needham corridor as attracting a highly educated, innovative workforce, with real estate that fits a quality of life that cannot be found in Boston or Cambridge. Further, highway infrastructure improvements aim to help ease the traffic burden. And despite this rise in vacancies, rents have continued to increase.

Where do we go from here? This market will bounce back: It now offers tenants the potential for space they might not have had access to in the past.



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