



Insights from Colliers' 40th Annual Trends In The Real Estate Market Seminar: Tech

By [Aaron Jodka](#) | FEBRUARY 2019

At Colliers International's 40th Annual Trends In The Real Estate Market Seminar, "Connecting The Dots," our panel of colleagues Shaun Simons (London), Jay Sternberg (San Francisco), and Frank Wallach (New York) touched on tech and its growth in their respective markets. To put it bluntly, while Greater Boston is a tech-centric market with lots of growth, we have nothing like the scale of the expansion in these other markets.

The starkest difference is in the Bay Area. Back in 2000, the combined footprint of Apple and Google in Silicon Valley was just 134,000 SF. By 2010 that number had ballooned to 8.8 million SF, and Apple was far larger. Today, they occupy a combined 40 million SF of space, and Google is the largest occupier. For some local context,



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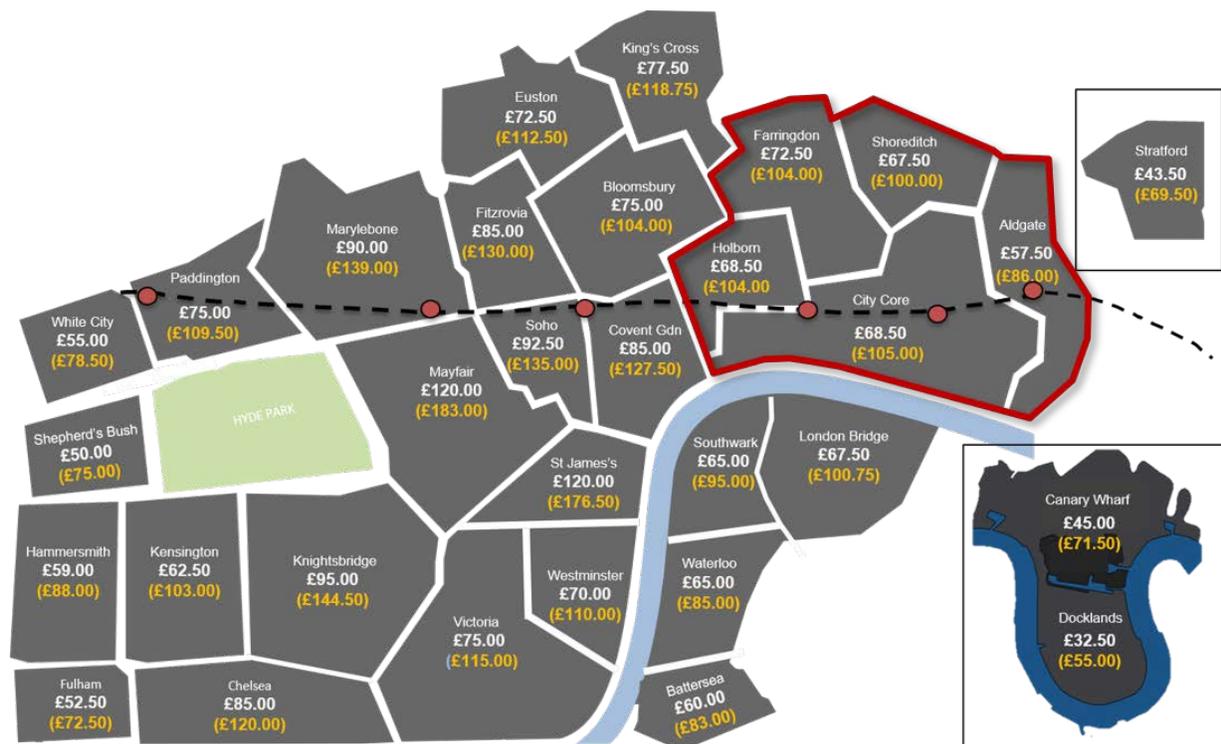


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that's nearly four Seaports. Meanwhile, in San Francisco, historically not a headquarters town, office space is growing rapidly from the likes of Facebook, Salesforce, Dropbox, and others that have chosen the urban environment of San Francisco for talent and recruiting.

In London, the Shoreditch Triangle has fast become an international center for technology and digital media. In fact, media and tech account for close to 50% of the demand, and flexible space providers an additional 20%. Google is still growing there, and its worldwide expansion has continued in New York.



Google made a big splash by acquiring 111 Eighth Avenue in 2010, a massive three million SF building, and more recently bought the Chelsea Market, right across the street. These acquisitions for more than \$4 billion have allowed Google to create a campus in the heart of Manhattan's tech market – Chelsea. Other tech companies such as Facebook, Spotify, and



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most recently Amazon have also set up major operations in the city (or across the East River in Long Island City, where Amazon is opening half of its HQ2).

With all of this growth, it's only natural to expect Boston to be next, right? When that question was

posed to the panel, both during our Seminar and during general discussion beforehand, the resounding answer was no. Bay Area companies aren't looking to Boston for their next outpost, considering instead the mountain lifestyle of Denver or Salt Lake City or the warmer climates of Texas, in places such as Austin. With Google, Facebook, and now Amazon investing substantially in and around Manhattan, their East Coast operations will probably be centered there, not Boston. New York has a far deeper talent pool and worker base, and Boston is close enough that it likely doesn't make sense for those companies to have major operations centers in both cities.

But Boston still has a lot to offer, attracting the in-migration of tenants to the city, GE's relocation, Amazon's expansion, and substantial growth from homegrown tech companies such as Rapid7, DraftKings, and Wayfair. Boston is sometimes called a big small town, and that has served us well. With our well-established tech scene, rapidly expanding life science market, and our numerous colleges, universities, and world-renowned medical facilities, we are strongly positioned for future growth across a wide range of industries.



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