



Diane Nichols Tradd  
Assistant City Manager/DPD Director

## MEMORANDUM

TO: Eileen M. Donoghue, City Manager *EMD*

FROM: Diane N. Tradd, Assistant City Manager/DPD Director

SUBJECT: COUNCIL MOTION OF 04/10/18 BY COUNCILOR CIRILLO  
REQUEST CITY MANAGER INSTRUCT THE DEPARTMENT OF PLANNING AND  
DEVELOPMENT TO COMPILE AN UPDATED INVENTORY OF VACANT UPPER  
STORY DOWNTOWN OFFICE/BUSINESS SPACES, INCLUDING HOW LONG THEY  
HAVE BEEN VACANT

Attached is an inventory of properties located in the core of Downtown that have upper floor commercial/office uses. The table notes the total amount of square footage available in each respective building, the amount of available commercial upper floor space, and the amount of commercial upper floor space that is currently vacant (if applicable).

Square footages were verified by and drawn from the City Assessor's database/property record cards. Vacancies were confirmed by collecting data from online property listings, searching available CoStar data, searching the Economic Development Office's propriety database of properties, and confirming with property owners and brokers.

Currently, the Downtown core has an upper floor commercial vacancy rate of approximately 19%. This rate is in line with, and in fact moderately better than recent market research performed by Colliers International (Greater Boston Market Viewpoint, Q2 2018). Colliers notes that through the 2<sup>nd</sup> quarter of this year the vacancy rate for the Route 495 North market was 22.3%.

The number of years that vacant upper floor spaces have not been occupied was approximated and noted on the table in applicable cases. In discussing this issue with property owners we found that various challenges contribute to why spaces remain vacant, but availability of parking (or lack thereof) and traffic in the Downtown are two issues that we have heard frequently cited.

Another prominent contributing factor to upper floor vacancies, as the City Council is well aware, is the fact that there are several older buildings in the Downtown that require significant upgrades for aesthetic, general code compliance, and ADA accessibility purposes. One Downtown property owner with whom we have spoken indicated that build-out to accommodate a new tenant would likely trigger the need to install a sprinkler system in his building. He went on to note that such an expense could not be justified for the amount in rent that he could command for the space.

We spoke to yet another property owner in the Downtown who indicated willingness to invest in the installation of an elevator, sprinklers, and build-out of residential units on the top floor of his building because residential rents (or the sale of residential units) could potentially exceed the considerable expense to take on that project. He is actively investigating this opportunity.

Despite the challenges noted above, there is reason for optimism. Small startup firms working out of the UMass Lowell Innovation Hub and M2D2 at 110 Canal Street have shown interest in staying in Lowell and have sought out available office space to accommodate their growth. One firm has already moved over to the Boott Mills property, and two others plan to move from the iHub to the Boott Mills within the next few months. The Economic Development Office engaged with another iHub startup that may be interested in moving operations to the upper floors of a property on Merrimack Street in the coming months. The ED Office continues to engage these and other potential office tenants, as well as property owners that have vacancies.

Should you have any questions, please don't hesitate to contact me.

DNT/ns

8/7/18

Attachment

cc: Andrew Shapiro, Director of Economic Development  
Maria Dickinson, Economic Development Officer

**DOWNTOWN LOWELL COMMERCIAL UPPER FLOOR VACANCY INVENTORY - JULY 2018**

#	STREET	BUILDING'S AKA or PRIMARY TENANT	USE TYPE	TOTAL SF	TOTAL UPPER FLOOR SF	TOTAL VACANT UPPER FLOOR SF	APPROX. # OF YEARS VACANT	Notes
75	Arcand Dr	Professional Park	Offices	13,743	4,846	-	N/A	
81	Bridge St	Mullins Building	Office	33,000	16,896	15,000	5+	
175	Cabot St	Wannalancit Mills	Office	127,536	73,720	15,247	2	
9	Central St	Wyman's Exchange	Office	41,048	31,865	3,000	10+	
25	Central St		Office	7,290	2,430	-	N/A	
29	Central St	Old Court	Restaurant	6,318	2,210	-	N/A	
40	Central St	Utec HUB	Office	6,072	4,048	-	N/A	
50	Central St	Eastern Bank	Office	15,572	3,604	-	N/A	
97	Central St	Enterprise Building	Office	22,806	13,266	1,300	1	
101	Central St	Hondros Jewelry	Office/ Retail	10,382	7,728	-	N/A	
136	Central St	Lowell Hair Academy	School	17,418	12,630	-	N/A	
145-147	Central St	Saab Block	Office/ Retail / Restaurant	52,380	17,460	4,500	5+	
198	Central St		Office	16,422	5,488	-	N/A	
189	Central St		Office/Retail	14,499	8,145	-	N/A	
208	Central St	Dollar Center	Office/Retail	12,691	4,230	-	N/A	
231	Central St	Former Empire Beauty School	Residential/ Retail	14,991	9,010	9,010	5	Building recently purchased; new owner redeveloping into residential w/commercial ground floor. No application has been filed yet with PB/ZB
241	Central St	Cappy's / WCAP	Office/Restaurant	14,784	4,928	-	N/A	
249	Central St		Office/ Residential	5,900	-	-	N/A	
40	Church St	NMCOG	Offices	26,509	21,400	4,374	5	
491	Dutton St	American Textile Museum	Office/Residential/Restaurant	150,000	30,000	30,000	2	
13	Hurd St	Sage Bank - Loan Offices	Office	6,648	2,142	-	N/A	
16	Hurd St	Sage Bank	Office	6,476	2,968	-	N/A	
19	Hurd St		Retail/Residential	7,446	-	-	N/A	
25	Hurd St		Office/ Residential	4,692	-	-	N/A	
116	John St	Boott Mills South	Office	63,031	47,273	38,928	10+	
130	John St	Boott Mills West	Office	110,000	88,000	-	N/A	
11	Kearney Sq.	Howe Building	Office/ Retail	22,195	13,317	-	N/A	
33	Kearney Sq.	MCC	School	245,562	203,385	-	N/A	
45-47	Kirk St	CTI	Office	5,124	5,398	-	N/A	
37	Kirk St	Madison Security Group	Office	4,851	2,650	-	N/A	
63	Kirk St	NPS Headquarters	Office	17,190	11,064	-	N/A	
17	Kirk St	Bon Marche	Office	25,560	17,040	-	N/A	Building connected to Bon Marche-CTI
20	Market St	Wings Over Lowell	Restaurant/Retail/Residential	7,857	-	-	N/A	
29	Market St	Bridgewell	Office/ Retail	28,700	17,028	-	N/A	
40	Market St	Align Credit Union	Office	45,624	26,072	-	N/A	
95	Market St	Uncharted	Office/ Retail	11,550	3,850	-	N/A	
105	Market St	Blue Shamrock	Restaurant	11,550	3,850	-	N/A	
133	Market St		Office	7,366	3,678	-	N/A	
149	Market St		Office	6,552	-	-	N/A	
199	Market St	King Star Café	Office/Restaurant	4,056	2,028	-	N/A	

246.1	Market St	Market Mills- Coal Pocket & Boiler House	Manufacturing	14,040	7,020	9,360	20+	Building received PB approval for 13 residential units. Currently for sale as development package for \$1.8M.
1	Merrimack St	Kennedy Butter & Eggs	Office/ Retail	21,390	10,368	-	N/A	
31-55	Merrimack St	Hildreth Bld.	Office/ Retail	91,101	48,493	12,315	10+	Building needs extensive rehab
61-65	Merrimack St	Union Bank/ Nesmith Building	Office/ Retail/ Restaurant	23,536	10,964	10,964	10+	Building needs extensive rehab. Currently for sale.
100	Merrimack St	Executive Building	Office/Retail	32,899	23,578	6,939	5+	Building also includes 43 Middle St (connected)
104	Merrimack St		Office/Retail/ Residential	13,149	8,766	4,383	5+	3rd floor was converted into apartments. Only 2nd floors available as commercial space.
107	Merrimack St	Greater Lowell Career Center	Office/Restaurant	31,140	29,193	-	N/A	
114	Merrimack St	Davis Building	Office/Retail	13,440	6,860	6,860	5+	
117	Merrimack St	Metro PCS	Office/Retail	23,001	11,000	11,000	10+	
124	Merrimack St	Hosford Bld.	Office/Retail	14,280	9,520	9,520	10+	Building was recently purchased by the owners of El Potro. Looking to rehab 2nd floor for restaurant expansion, or potentially residential.
133	Merrimack St	Greater Lowell Chamber of Commerce	Office	6,124	3,062	-	N/A	
134-156	Merrimack St	Lowell Place	Office/Retail/ Restaurant	51,350	32,940	14,000	2	
159	Merrimack St	Bon Marche	Office/ Retail/ Restaurant	69,600	48,000	-	N/A	
160	Merrimack St	The Safe Building	Retail/Restaurant/Residential	5,880	1,470	-	N/A	
169	Merrimack St	Welles Emporium	Office/Retail/ Restaurant	15,455	11,043	5,976	5+	Building currently for sale
170	Merrimack St	Enterprise Bank	Offices	25,302	15,642	-	N/A	
218	Merrimack St	Enterprise Bank	Offices	30,680	17,300	-	N/A	
40	Middle St	MCC-Health Sciences Bld.	School	14,405	8,643	-	N/A	
55	Middle St	Lowell Middlesex Academy Charter School	School	40,468	27,604	-	N/A	
80	Middle St	MCC	School	21,224	12,600	-	N/A	
83	Middle St	Enterprise Bank	Offices	39,984	14,648	-	N/A	
92-98	Middle St	The Village Smokehouse	Office/Restaurant	19,847	13,695	13,695	10+	
112	Middle St	Tremonte Pizzeria	Office/Restaurant	8,715	2,905	-	N/A	
134	Middle St	Old Fire House	Office/Restaurant	28,864	19,242	1,483	2	
129	Middle St	Enterprise Bank	Office/Restaurant	37,920	22,752	-	N/A	
142	Middle St	Owl Stamp	Office	5,049	936	-	N/A	
150	Middle St	Rogers Pool	Retail	16,800	10,600	-	N/A	
1	Perkins St	UMass Lowell	School/ Admn. Offices	6,654	2,210	-	N/A	
18	Shattuck St	The New England Quilt Museum	Museum	25,537	6,404	-	N/A	
22	Shattuck St	Law Offices	Office/ Residential	10,529	2,720	-	N/A	
25	Shattuck St	MA Dept. of Parks and Conservation/Trolley Museum	Office	8,980	6,654	-	N/A	
600	Suffolk St	Wannalancit Mills- UMass Lowell	School	148,887	101,692	-	N/A	
650	Suffolk St	Wannalancit Mills- Farley White	Office	149,840	118,208	35,520	2	
660	Suffolk St	Wannalancit Mills- Farley White	Office	24,712	12,358	6,607	2	
672	Suffolk St	Wannalancit Mills- Farley White	Office	20,400	10,200	4,785	1	
15	Warren St	UTEC HUB	Office/ Kitchen Incubator	21,600	10,800	-	N/A	
35	Warren St	UTEC Headquarters	Office	13,367	8,907	-	N/A	
					<b>1,432,644</b>	<b>274,766</b>		
					<b>Vacancy Rate (%):</b>	<b>19.18</b>		