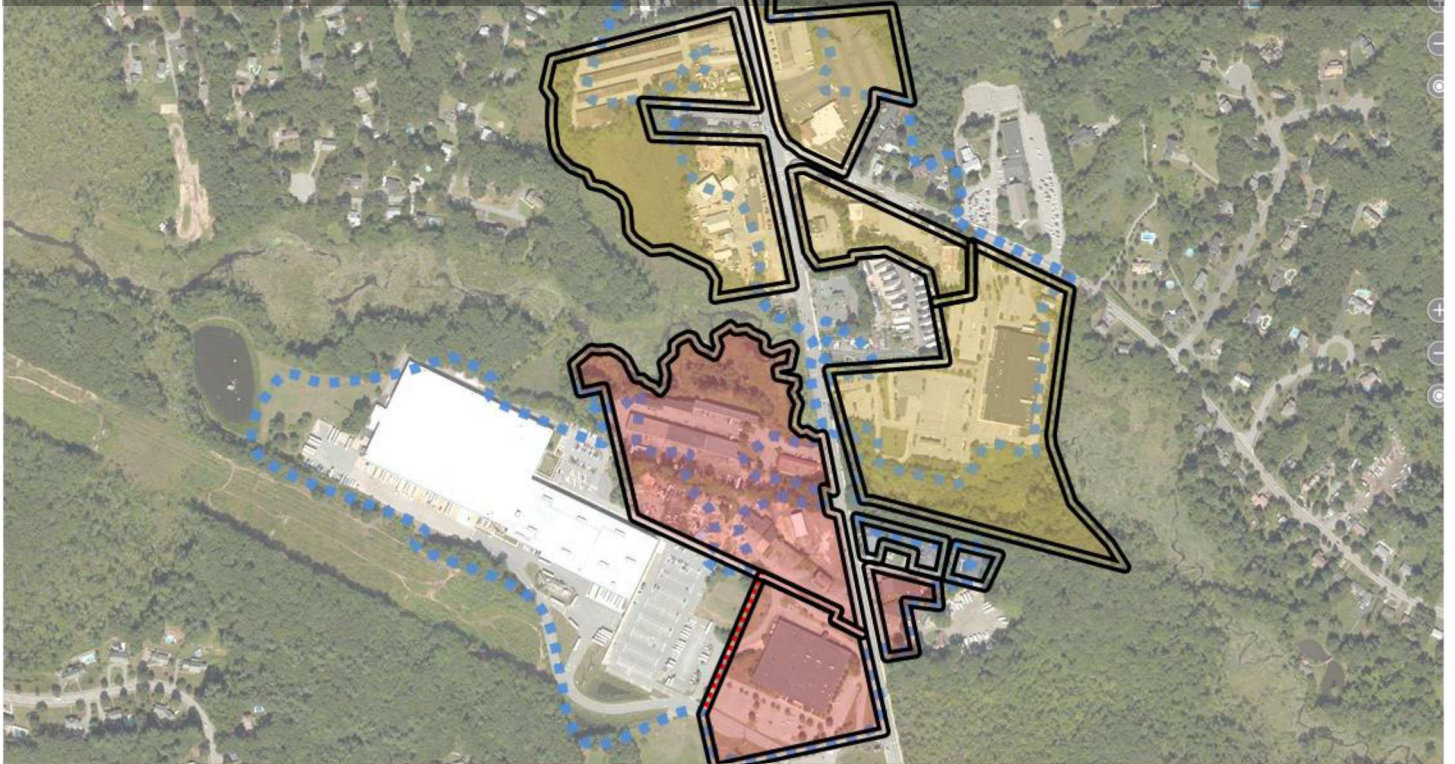


TOWN OF NORTH READING MAIN STREET (ROUTE 28 AT 62) SHORT TERM 2016 - 2021 ECONOMIC DEVELOPMENT STRATEGY

JUNE 2016



*Technical assistance provided by the
Metropolitan Area Planning Council
(MAPC)*

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I. ACKNOWLEDGEMENTS

The North Reading Main Street (Route 28 at 62) Short-Term 2021 Economic Development Strategy was developed based on feedback from advisory committee meetings and a community workshop. It was also informed by a five-year horizon 2015-2020 market analysis for attracting potential residential, retail and office redevelopment for a segment of the Town's Main Street along Route 28 at 62. Thank you to all who participated throughout the process.

Both analyses were conducted with funds from the State of Massachusetts' District Local Technical Assistance (DLTA) program. Such funding enables the Metropolitan Area Planning Council (MAPC) to achieve its mission in providing towns and cities with assistance in achieving equitable local smart growth that also benefits the greater Boston region. MAPC is grateful to the Governor and the Legislature for their support and funding of this program.

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Special thanks to the workshop and other participants who provided feedback.



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IV. OVERVIEW OF PURPOSE & STUDY AREA

A. PURPOSE & PROCESS

The Metropolitan Area Planning Council (MAPC) provided technical assistance to the Town of North Reading to analyze how a $\frac{3}{4}$ -mile segment of its main commercial corridor could be improved in the next five years to attract jobs, services, revenue and housing. The purpose was to develop a short-term economic development strategic plan identifying actions the Town can take to set the right conditions to attract development around a cluster of underutilized parcels at the two intersections of Route 28 at Route 62. Currently, the development potential¹ for the study area (see Figures 1 and 3) is limited primarily due to environmental constraints and the absence of sewer infrastructure (along with limiting zoning and streetscape issues). The Town has long-term plans to invest in a sewer system. The short-term economic development strategic plan analyzed what can be done in the interim to provide jobs and services, and increase the Town's tax base.

The economic development plan was developed through a community planning process that engaged town staff, an Advisory Committee and the community at large. The initial phase of the process involved an MAPC market analysis to quantify how much retail, housing and office development could realistically be supported by the market in the study area by the year 2020. The market analysis was followed by a build-out analysis to assess how much development the study area could hypothetically fit. This analysis assessed existing Town land use, parking and dimensional regulations to identify recommendations that will allow the creation of a place with slower traffic where people will want to walk, live and shop. As a participating Advisory Committee member, and a commercial real estate broker both stated during the planning process, it will allow the Town to “put a there, there.” Both analyses are discussed in more detail on pages 16-19 and 23, and reveal that only one-fifth of what is physically possible to build within the study area is market supportable by the year 2020. The economic development strategic action plan takes these analyses into account and recommends a set of recommendations related to zoning, public investment and infrastructure improvements aimed at attracting development to the area within the next five years.

In addition to MAPC's analyses, the planning process included the following:

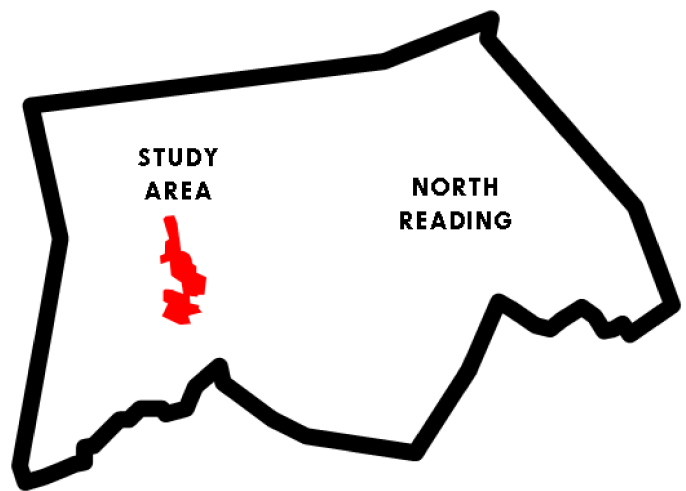
- two Advisory Committee meetings on October 22, 2015 and March 15, 2016,
- a community workshop on January 13, 2016,
- Town staff and Advisory Committee review of the draft plan, and
- a final plan presentation before the Community Planning Commission on May 17, 2016.

¹ Explained in section IV.E. on pages 18-19.

B. STUDY AREA

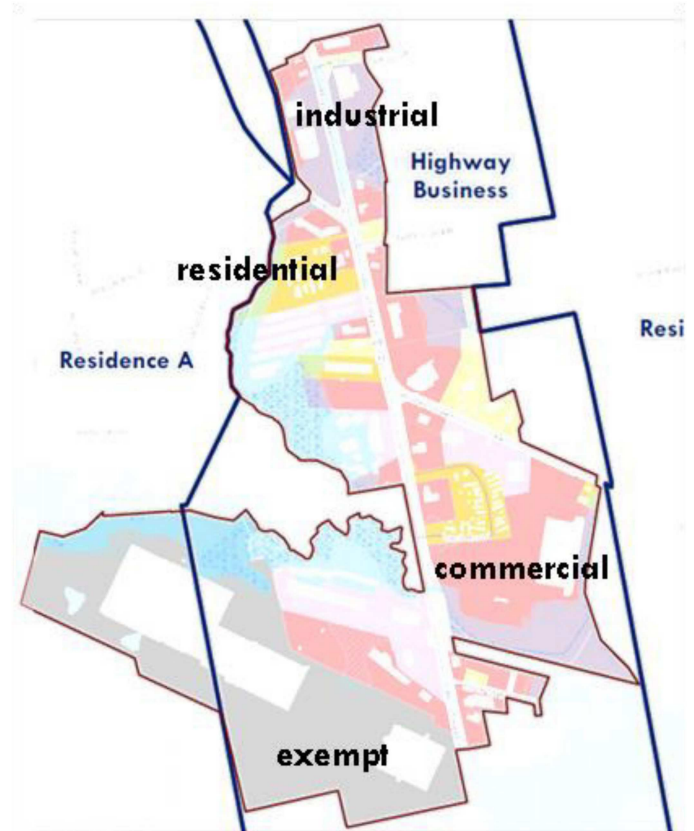
The study area is comprised of approximately 96 acres clustered along a $\frac{3}{4}$ -mile segment of the Town's main commercial corridor along Massachusetts State Route 28, and known locally as Main Street (please see Figures 1 and 3). The spine of the study area is formed by the two main vehicular thoroughfares that traverse it (Routes 28 and 62) and form two main intersections known locally as Main Street at Lowell Road and at Winter Street. These 96 acres represent about 1.1% of the Town's land area, and house approximately 70 residents out of the Town's 15,000 residents. From a transportation standpoint, the study area (and the Town) does not have bus or commuter rail transit service, and is located approximately 2.5 miles from the nearest highway exit (exit 40 off of Interstate 93). From a land use perspective, it is predominantly commercial with some industrial uses and small pockets of residential, and is zoned Highway Business (see Figure 2). From an environmental standpoint, most of the study area is outside of the floodplain zone but is characterized by large swaths of urban land soil conditions or high water table which can pose development challenges.

Figure 1 Study Area in Red in Relation to Town Boundary in Black



For the purposes of putting the study area into the context of the Town, North Reading has a population of approximately 15,000 residents over 13.5-square miles. Its population is 98% white, has a median household income of \$77,000 and a median family household income of \$86,000. Additionally, it has an 87% residential tax base with a residential/commercial tax rate of \$16.62 that is higher than that of adjacent communities and the State median. From an MAPC regional context, the Town is designated as an established maturing suburb with mostly single-family homes, and limited vacant land for new development.

Figure 2 Study Area Predominant Land Uses Within Highway Business Zoning District Boundary



The MAPC buildout analysis was limited to quantifying how much could hypothetically be constructed under existing zoning and modified smart-growth zoning scenarios within the 96 acres of the study area. The buildout analysis model excluded the residential parcels as well as acreage in the floodplain areas. The market analysis that was also done as part of the planning process defined additional "trade and market area" boundaries that

are much larger than the study area. Each of the retail, housing and office components of the market analysis had its own area defined as a larger surrounding area. The amount and type of development that the analysis anticipates for the smaller study area is predicated on factors such as untapped disposable spending income, demographic projections, and office market inventory and trends. These areas are also outlined in Figure 4 to give context to the smaller study area shown in Figure 3.

The retail market analysis defined two trade areas. There are almost 8,000 people living within a five minute drive time of the study area (about half of the Town's population), and 47,000 people within a 10-minute drive. The map in Figure 4 defines the larger 10-minute drive boundary in red. The housing market was defined by the seven surrounding towns as outlined in the green boundary on the same map. Lastly, the office market area was defined by a national industry leader (Jones Lang LaSalle [JLL]) as the "Boston North" office market, which is outlined in the blue boundary.

Figure 3 Study Area Boundary in Yellow

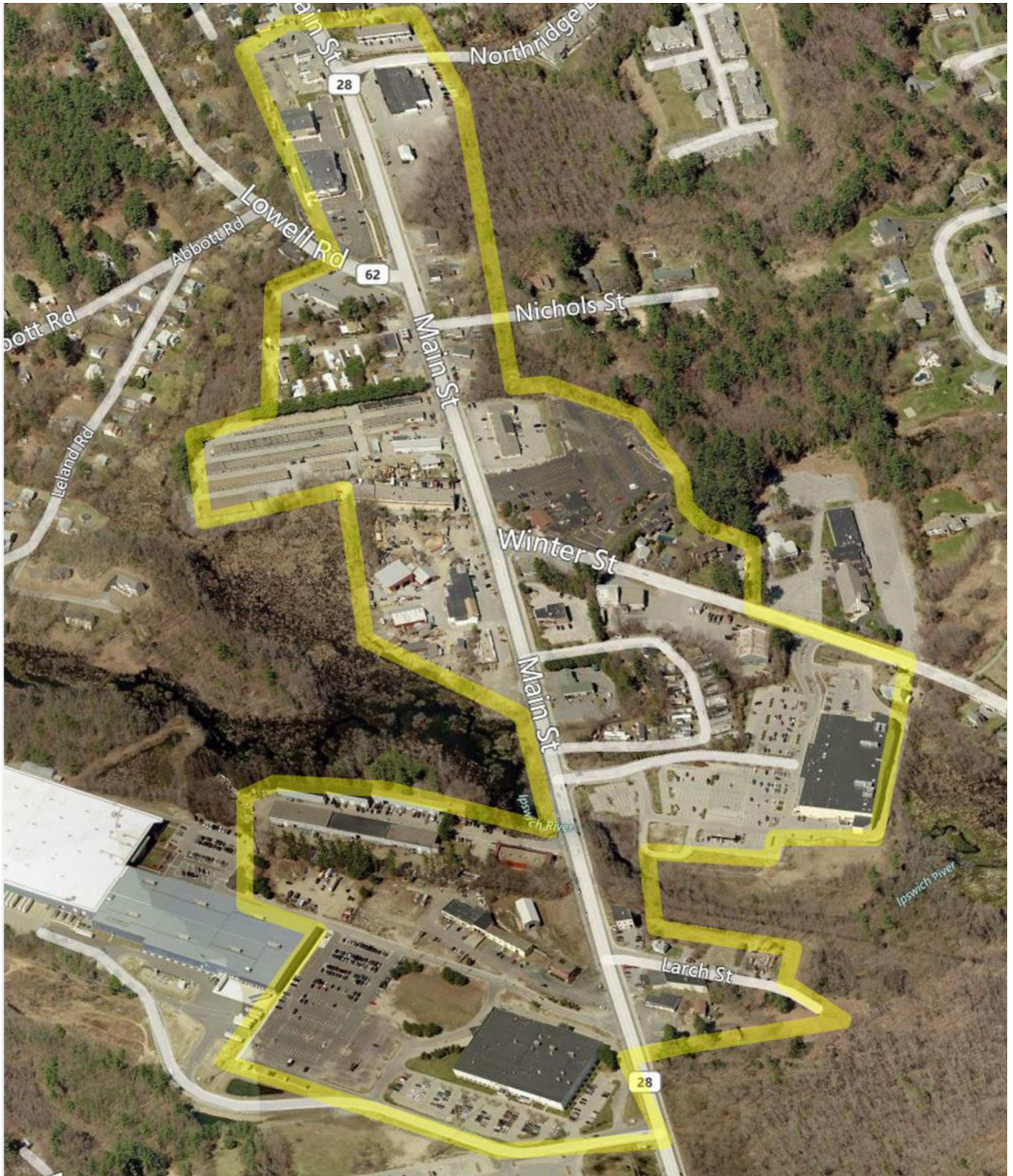
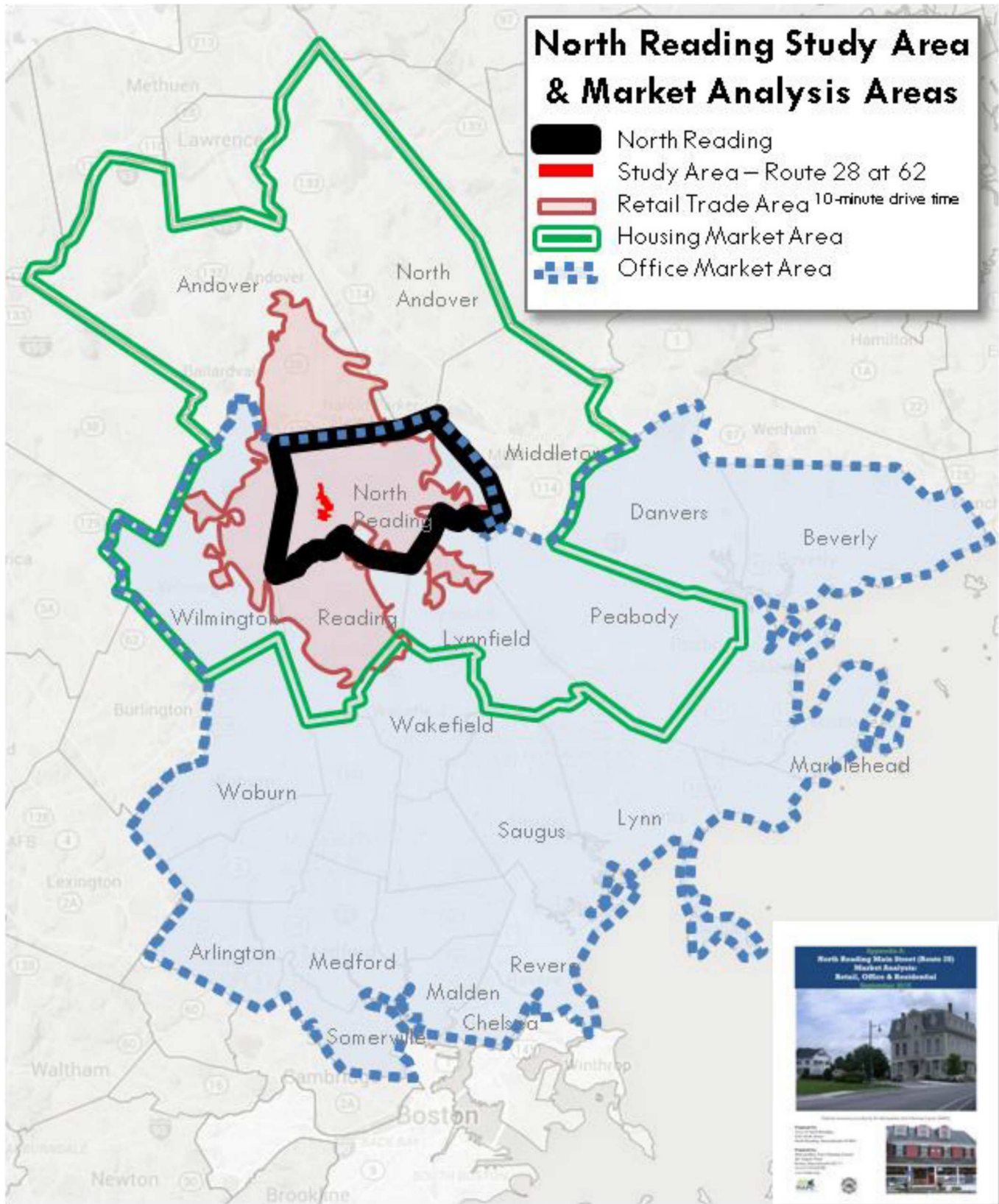


Figure 4 Market Analysis Trade Areas Surrounding Study Area and Town



V. STUDY AREA CHALLENGES

A. LOCATION AND INFRASTRUCTURE LIMITATIONS

1. DISTANCE FROM THE HIGHWAY AND NO TRANSIT SERVICE

The Town of North Reading does not have any direct highway access to Interstate-93. This is a factor that limits the development potential of the study area. The study area is approximately 2.5 miles from Interstate-93's exit 40 via Massachusetts State Route 62 which traverses North Reading from west to east, and connects to the study area when it intersects with Route 28.

In terms of access to the study area, the Town as a whole and the study area does not enjoy any mass transit service. The nearest commuter rail station is located to the south off of the Haverhill Line in downtown Reading. Similarly, the nearest MBTA bus routes are located in downtown Reading (routes 136 and 137 to Malden Center). The lack of transit service to the study area also informs the amount and type of redevelopment potential for the study area to be dependent on car access.

Figure 5 Study Area Relative to Highway



2. EXISTING SEPTIC LIMITS DEVELOPMENT USE AND AMOUNT OF SQUARE FOOTAGE

Individual developments within the study area presently rely on their own private septic systems to treat their wastewater. Septic systems can treat a maximum of 10,780 daily gallons of wastewater, and this limits the amount of potential development to about 50 daily gallons for 1,000 square feet of retail and 220 daily gallons for a two-bedroom dwelling unit. The buildout analysis MAPC completed determined that desired, market-supportable, mixed-use projects are unlikely to be developed on individual septic systems due in large part to these limitations. In particular, reliance on septic limits the type and amount of development, especially for restaurants and residential developments, which generate more wastewater that needs to be treated.

3. DECISION ON WASTEWATER TREATMENT INFRASTRUCTURE WILL AFFECT CHARACTER OF THE ENTIRE DISTRICT TOO

Reliance on septic systems not only limits the redevelopment potential in the study area but also the likelihood for mixed-use developments that are compact and could potentially encourage an attractive, walkable environment. As section V. E. of the economic development plan report will state in greater detail, the market analysis MAPC completed reveals that many of the desired uses the Town wants for the study area, fare better when in close proximity to each other since the uses reinforce each other. Retail depends in part on residents in nearby homes and office workers. Office developers seek out “amenity rich” locations for their workers to be able to make convenient commute-time and lunch-hour purchases.

Development on septic is more likely to happen as single-use, smaller-scale, low-rise projects that oftentimes dot the streetscape in the form of linear strip mall developments. The separation of these developments from each other creates longer, unwalkable distances. The capacity limitation of 10,780 daily gallons makes it unlikely to achieve enough development of uses that rely on each other to be in close proximity. Ideally, these uses would be housed on the ground floors and upper stories of the same buildings for more efficient use of the land. When this pattern of compact development is replicated on adjacent parcels on both sides of a streetscape, the cumulative effect could be the creation of something akin to a traditional New England village center or main street business district or node.

4. ROADWAY SPEEDS, DESIGN AND FRONTAGE FOR DEVELOPMENT

Presently, the Town’s Main Street has more of a highway character with high speed traffic, limited sidewalks and crossings that do not make it safe or pleasant for pedestrians to cross. This presents another challenge toward achieving a higher-level of redevelopment in the study area. Anything that can be done to reduce the reliance on getting into a parked vehicle to have to go to an adjacent development or one across the street will also help with reducing traffic generation and congestion. If it were more pleasant and safe to walk along Main Street and to cross it, one could imagine that that same street frontage would be attractive for outdoor seating for restaurants or stores.

The Town’s segment of Route 28 is under the control of the Massachusetts Highway Department of Transportation. Calming the traffic volumes and speed along the Town’s Main Street will be a challenge but can be achieved by either petitioning to take control over it or as is recommended in sections VI.B2 and VII.2.1 of the economic development plan by redesigning it to encourage slower traffic speeds.

5. LACK OF RECOGNIZABLE GATHERING SPACE OR LANDMARK

Throughout the planning process, Advisory Committee members and other stakeholders mentioned the lack of a recognizable social gathering space or landmark along the Town's Main Street. Figure 6 below shows a partial aerial view of the study area, which is largely characterized by surface parking lots. While the Town does have a civic node around its Town Common located at the intersection of Park and Haverhill streets, it lacks a significant concentration of retail. It was noted that Town Hall is neither located within the town's civic node nor along its Main Street in the study area. There is a challenge in promoting growth and development in the study area that can be addressed either by: making a public investment to carve out a modest but visible place around which to anchor private development, or pooling together required open spaces to create a gathering space. If done effectively, such an indoor and/or outdoor space could benefit the social landscape of the Town as well as help support local businesses.

Figure 6 Aerial View of Part of the Study Area



B. ENVIRONMENTAL FEATURES

1. FLOODPLAINS AND WETLANDS

Most of the study area is located outside of the floodplain as seen in Figure 7 below. The parts that are located within the floodplain limit the installation of septic systems and in turn may have also impacted the development potential of the study area. The Town does allow development within the floodplain but requires a special permit before determining whether to approve a project or not. Additionally, from a development permitting standpoint, the Town does not allow fill within the floodplain zone². Other challenges to redevelopment within these areas include: (a) the feasibility to construct basements and the placement of HVAC (heating, ventilation and air-conditioning) mechanical equipment within them, (b) the feasibility to construct below grade parking, and (c) the height of the first floor grade in order to avoid potential flooding³.

Figure 7 Areas in Green Outside Floodplain Zones

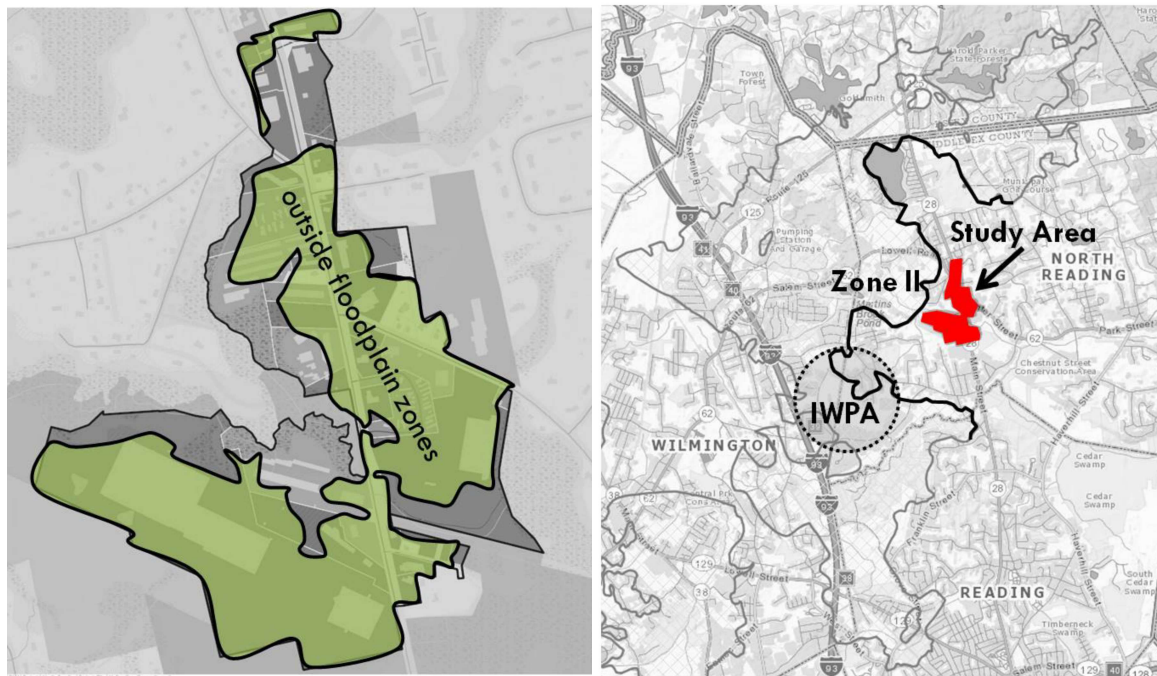


Figure 8 Study Area in Red Outside Public Groundwater Supply Recharge Area

2. WELLHEADS AND DRINKING WATER

One of the ways Massachusetts protects the recharge area around Public Water Supply (PWS) groundwater sources is by establishing and regulating Wellhead Protection Areas (WPA)⁴. The entire study area is located outside of the Zone II and Interim wellhead protection areas, and there are no foreseeable restrictions to redevelopment. Please refer to Figure 8 above.

² No fill or alteration that would elevate water table and adversely impact stormwater management §196-9A(2)(e)4

³ Lowest floor of all new structures including any substantial improvements are above the one-hundred-year flood elevation as shown on the FIRM maps per §200-44

⁴ 310 CMR 22.02

3. SOILS AND HIGH WATER TABLES

Lastly, as part of the environmental features that MAPC considered that could make development more difficult or more costly, MAPC examined the soil conditions in the study area. Certain soil types can impact construction and limit development. Hydric soils are also associated with the presence of high water table beneath the land and can affect the construction of basements and below grade parking. Large swaths of the study area are located either in “urban land soils” or have high water table soils. Urban land soils are variable or are undetermined in type, and require on-site investigation. High water table soils generally indicate the presence of the water table within 0 to 0.5 feet of excavation. Please refer to Figure 9 below for the specific soil types.

Figure 9 Brief Summary of Soils

BRIEF SUMMARY OF SOILS		
HIGH WATER TABLE SOILS generally 0 to 0.5 feet <ul style="list-style-type: none"> • Freetown muck, ponded • Freetown muck • Swansea muck • Scarboro mucky fine sandy loam • Saco mucky silt loam 	SUITABLE SOILS FOR DEVELOPMENT more than 6 feet <ul style="list-style-type: none"> • Canton-Charlton-Urban land complex • Windsor loamy sand • Hinckley loamy sand • Merrimac-Urban land complex • Merrimac fine sandy loam 	ONSITE INVESTIGATION RECOMMENDED variable or undetermined <ul style="list-style-type: none"> • Urban land • Udorthents, sandy • Udorthents-Urban land complex
SOURCES: (1) MassGIS Data - NRCS SSURGO-Certified Soils, November 2012; and (2) USDA – Soils Survey of Middlesex County 1998-2001-2005		

C. ZONING ISSUES

1. DISCOURAGES RESIDENTIAL

The study area is presently zoned as a Highway Business district and under the use regulations in the Town Zoning By-Laws, Section 200-39 forbids residential uses⁵. The stated intent and purpose of that zoning district is for intensive or mixed uses of a neighborhood to regional scale with desirable amenities. As an urban planning profession smart growth best practice, residential uses are a key component to many mixed-use development areas since residents help support businesses, can become stewards of nearby streets and parks, and can help minimize traffic generation by walking and biking locally. Also, in the same vein as the retail market industry tenet and old adage, “retail follows rooftops”, the ability to support desired retail uses depends on how many households within a realistic distance will want to travel to the study area. Increasing the number of residents within the study area increases the spending potential to help support those shops, and can potentially minimize vehicular trips (in tandem with other measures recommended in the plan).

The challenge will be not only to allow residential development within the study area but to allow residential as part of mixed-use developments with upper-story housing; and in a manner that preserves ground-level roadway frontage for commercial/retail uses that depend on visibility for potential shoppers. Lastly, allowing a sufficient number of new households to help support retail will require allowing multifamily dwellings within the study area.

2. UNCLEAR REGULATIONS FOR BUSINESSES

In order to bolster the redevelopment potential of the study area, the regulations need to be very clear to prospective businesses reading the zoning by-laws without the need for additional clarification assistance. Presently, the regulations in Section 200-39 could be clarified to expedite the development review and permitting process for desired uses. Mixed-use development are required to undergo a Site Plan Review process, which requires a special permit, through the Community Planning Commission. In the Town of North Reading, the Site Plan Review process is a special permit process. Additionally, there are confusing land use regulations where under one section “hotels and other lodging” are allowed but in another section “hotels/motels” require a special permit.

3. DIMENSIONAL AND PARKING REGULATIONS

MAPC examined the existing zoning dimensional and zoning regulations in order to determine if any of them could potentially be discouraging or limiting the potential development of a compact, walkable environment with good urban form. Generally speaking, good urban form entails dedicating more land for people, usable open space and buildings, and a less land for parking lots so that they are not the predominant feature of the streetscape. Overall, most of the existing dimensional and parking regulations assessed that were relevant to promoting a compact, mixed-use development program were not found to be limiting factors to attracting market-supportable uses. The existing regulations for building heights (maximum 4 stories and 60 feet), floor-to-area ratio

⁵ Section 200-39 explicitly forbids the following residential uses: private households, apartments, operators of dwellings other than apartments, residential mobile homes.

(maximum 2.0 FAR), parking ratios, and setback requirements seemed reasonable and not detrimental to creating a walkable environment.

There were some regulations that might pose a challenge. The parking ratio for “mixed-use development” (Section 200-69-A.16) is confusing with two different standards, and what seems to be an implied addition of 1 parking space per 600 square feet of mixed-use development beyond the “sum of various uses computed separately.” The existing regulation as written could be expressed more clearly and it seems that an additional parking space is being required unnecessarily for the type of development the Town would want to incentivize. Requiring an additional space eats away at the parcel of land that could be dedicated for usable building space for people to occupy or for open space. Mixed-use developments oftentimes do not need more spaces but rather less since certain uses can share the same parking spaces for daytime versus nighttime parking, and weekday versus weekend parking needs.

The maximum building coverage on the lot is presently stated in the zoning as 70%, which implies a minimum open space requirement of 30%. For the purposes of the analysis, MAPC employed three different standards for minimum open space to create a pleasant walkable compact village center: 30% for townhouses, 20% for mixed-use/multifamily residential, and 10% for retail/office.

The maximum by-right FAR of 2.0 is high enough to achieve four-story developments that can also accommodate surface parking based on the MAPC buildout analysis⁶. However, there is a “parking bonus” that needs clarification and that allows an additional 1.5 FAR in building square footage in exchange for a 20% surplus of the required parking. The denominator for the calculation needs to be clarified. If it is a 20% surplus parking of the required spaces for a development with a 3.5 FAR then the requirement is counter to good urban form and only encourages dedicating more land to asphalt instead of dedicating it to buildings, people and open space. If the denominator is based off of the building square footage resulting from a maximum 2.0 FAR in exchange for 20% more of the required parking spaces, then there additional usable development square footage that does not eat up additional land for parking. This approach however might run the risk of not providing enough spaces unless a shared parking strategy for optimal and complementary uses is part of the development program approval. It is also unclear whether additional FAR can be achieved with the existing maximum four stories of building heights although the maximum building in feet might be achievable.

Lastly, while the rear setback of 20 feet is very reasonable, flexibility with the minimum 25 foot front setback might be needed to create a streetwall to encourage pedestrians along storefront façades. Similarly, flexibility with the minimum 20 foot side yard requirement in order to potentially minimize distances between adjacent developments could help create of a village center feel that is human scaled.

⁶ The buildout analysis revealed that the study area can accommodate mixed-use development with and without residential components in four-story buildings with “effective FARs” between 0.53 and 0.82, which are well below the existing Town zoning maximum FAR of 2.0. The “effective FAR” calculation incorporates not only the ratio of gross building square footage on all floors to the amount of parcel square footage, but also the amount of land needed for surface parking spaces with parking aisles and a minimum percentage of open space for setbacks.

D. TAX RATE

As mentioned in the market analysis report, and also mentioned by commercial brokers and some Advisory Committee members, the Town of North Reading has a high, uncompetitive tax rate. It has an 87% residential tax base and a 2015 residential/commercial tax rate of \$16.62 that is higher than that of adjacent communities (see Figure 10 below). Compared to surrounding communities, it has the highest residential tax base (11% to 35% higher) but a lower and competitive commercial tax rate. Most of the surrounding communities charge a higher commercial tax rate than their residential rate. The Town's tax rate is also 6% higher than the statewide median of \$15.69. The challenge for the Town will be to see if it can decrease the tax burden on its residents and increase its commercial rate enough without deterring business investment.

Figure 10 Tax Rates for Town and Surrounding Area

NORTH READING 2015 TAX RATES COMPARED TO SURROUNDING COMMUNITIES		
City/Town	Residential Tax Rate (per \$1,000 of assessed value)	Commercial Tax Rate (per \$1,000 of assessed value)
North Reading	\$16.62	\$16.62
Andover	\$14.97	\$24.77
Reading	\$14.70	\$14.70
Lynnfield	\$14.49	\$17.28
North Andover	\$14.39	\$20.29
Wilmington	\$14.37	\$32.74
Middleton	\$13.78	\$13.78
Peabody	\$12.30	\$24.30

E. LIMITATIONS TO MARKET SUPPORTABLE DEVELOPMENT

In addition to looking at how existing infrastructure, zoning and environmental conditions may be affecting the potential to promote the economic development of the study area, MAPC's market analysis estimated the demand for potential supportable uses and building square footage for them. The estimated demand is based on current and projected trends, and is a snap shot in time of market attractiveness and patterns. It is intended to help the Town identify and attract specific types of development that can be reasonably supported by the market. If the Town can overcome the challenges mentioned in the previous section, it can position itself better to minimize competition from neighboring towns and trade areas, and capture its estimated share of market demand. The opportunities section of the plan on page 20 will explain how the Town can prepare, invest and market itself to compensate for challenges such as indirect highway access.

The market analysis looked at housing, retail and office uses, and indicates that only one-fifth of what is physically possible to build⁷ within the study area is market supportable by the year 2020. Please see Appendix A for the full market analysis report for greater details.

⁷ The MAPC hypothetically possible physical buildout analysis revealed the study area can physically accommodate 1.6 million square feet of development on the majority of the parcels (assuming a wastewater sewer system adequate capacity) in four-story mixed-use buildings including residential uses where appropriate with surface parking and 10-30% of open space depending on the predominant use-mix by parcel groupings. The calculations were done on net developable parcel square footages, and excluded existing residential properties, the US postal sorting facility, and an estimated area-wide wetland percentage of 10%. The market analysis revealed the Town-wide demand was for between 686,000 and 804,000 square feet of potential residential and retail development, and that the study area could potentially accommodate between 199,000 and 353,000 square feet of the Town-wide demand which is approximately 1/5th of the what the study area can physically accommodate under the compact, mixed-use buildout assumptions.

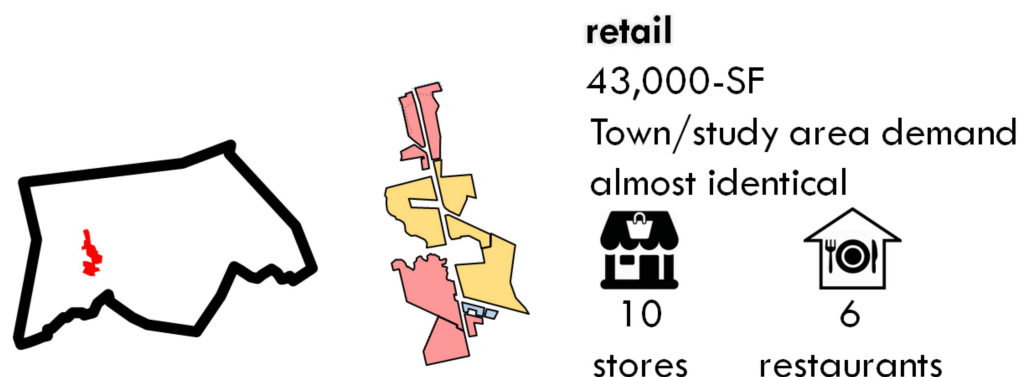
The **HOUSING MARKET ANALYSIS** findings were that the entire Town can capture 10% of the regional housing market representing 634 new homes (374 single family and 260 multifamily dwellings). Of this Town-wide demand, the study area was better suited to reasonably accommodate a larger share of the multifamily demand (50% to 66% resulting in 130 to 172 dwelling units) and a smaller share of the land should be used single-family uses in the form of for-sale, attached townhouses (10% to 20% resulting in 37 to 75 dwelling units).

**Figure 11 Brief Summary of Housing Market Analysis
with Study Area in Town Context, and Buildout Analysis Parcels**



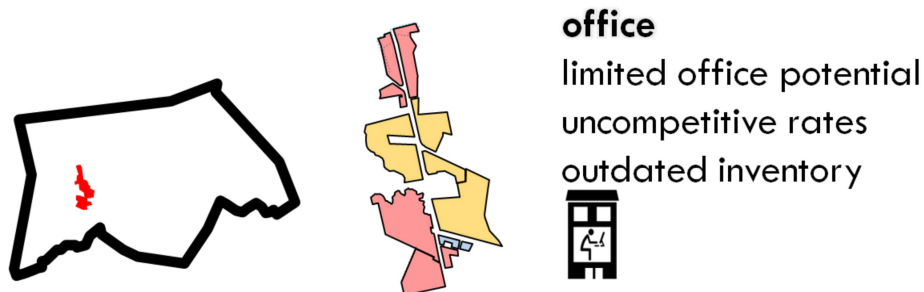
The **RETAIL MARKET ANALYSIS** identified 43,000 square feet of potentially supportable retail uses including 10 stores and 6 restaurants. The retail spending gap analysis looked at whether there was any untapped spending potential of households within a 10-minute drive, and converted that untapped spending potential for specific types of retail into average sales per square foot to estimate the number of potential new stores. Within a 10-minute drive, there are 47,000 residents with untapped spending potential, and can support about 12 retail establishments. Additionally, the analysis looked at how much local workers could reasonably spend in the area to support more retail, and estimated an additional 4 retail establishments.

**Figure 12 Brief Summary of Retail Market Analysis
with Study Area in Town Context, and Buildout Analysis Parcels**



The **OFFICE MARKET ANALYSIS** looked at existing inventory and trends, and found that the Town has some major competitors in the office market: mainly Woburn, Burlington and Cambridge. It concluded there was limited potential for additional office due to outdated inventory composed of 75% Class B space, and with uncompetitive rates \$16 to 22 per square foot versus \$12 per square foot. Its Class A rates were competitive at \$11 per square foot versus \$16 per square foot but the inventory of available space was small. The Town and Chamber of Commerce should focus on its two strongest office sectors: the information industry, and finance/insurance.

**Figure 13 Brief Summary of Office Market Analysis
with Study Area in Town Context, and Buildout Analysis Parcels**



Additionally, the analyses also indicate that the clustering of adjacent uses and developments is crucial to the success of desired uses such as retail shops, restaurants and offices. The idea of clustering uses is intended to help inform other decisions the Town could make regarding zoning and infrastructure investments.

Specifically, many types of retail depend on “the roofs” of nearby households in order to tap into unspent disposable household income. Additionally, office uses are not only influenced by the quality of the interior space of the buildings but also by the amenities in the immediate area such as restaurants for its workers to go to lunch, and retail shops for convenience purchases during commutes and lunch hour breaks. Conversely, restaurants and retail rely not only on the spending from residents but also from these office workers.

Housing, retail and office uses benefit from being in close proximity, and especially when integrated vertically in mixed-use developments where the land is used more efficiently and distances are shortened between them. In other words, the potential for these market supportable uses to thrive is less if they are developed separately in single-use, stand-alone buildings with individual parking lots.

VI. STUDY AREA OPPORTUNITIES

A. COMMUNITY FEEDBACK

Throughout the process, MAPC presented the Advisory Committee members and workshop participants with a summary of the market and physical buildout analyses, examples of mixed-use projects (see Figure 16), and the challenges and opportunities to attracting growth. The community provided feedback through a discussion framed by the seven following key questions about the multiple actions that need to happen in concert, in order to attract short term development to the area:

- On which 5 blocks do you want to see development happen sooner?
- Would you support multifamily residential as an allowed, by-right use in this district?
- What building height ranges would you be comfortable with?
- Should the Town or property owners address lack of wastewater capacity through a shared “sewer package treatment plant”?
- Should the Town redesign its segment of Route 28 to make it into a slower-speed, walkable Main Street?
- Do you support providing incentives for properties sharing/minimizing access points along Route 28, and sharing access between their rear/side parking lots to minimize localized traffic?
- Should the Town invest in “putting a there, there” by creating a public, civic indoor/outdoor gathering space around which private development could cluster?

In short, participants and the Advisory Committee members indicated they were interested in creating a place or, as some expressed, “putting a there, there”, where people could walk, live and shop safely with slower area traffic. The following is brief summary of the key findings:

- **CLUSTER DEVELOPMENT** around the parcels south and west of Main Street’s intersection with Winter Street (blocks 5-9 and 11 on the map in Figure 15 on page 23). This could suggest where to focus on pedestrian and other infrastructure improvements that could also benefit neighboring businesses such as Kitty’s Restaurant, which is one of the Town’s larger employers.
- **ALLOW MULTIFAMILY RESIDENTIAL BY-RIGHT**⁸ in the study area to support more retail uses and create a compact walkable shopping district. The majority supported this zoning amendment but there were comments and concerns about the impact of such development on school and Town facilities, the need for senior housing and accessibility, limiting the amount of rentals, and concerns with traffic and the character/design of the buildings. Coupled with the matter of clustering development, allowing multifamily could suggest only rezoning the portion of the HB zoning district that coincides with the six priority blocks, instead of the entire study area. Advisory Committee members added that multifamily should be included as part of mixed-use developments instead of solely residential in order to accommodate commercial/retail uses that can provide services and expand the tax base.
- **CONSIDER INCREASING BUILDING HEIGHTS BY ONE-STORY**⁹, potentially in exchange for other public benefits to creating a walkable Main Street streetscape. There was almost equal consensus for 3 to 4 story buildings as there was for 4 to 5 story buildings. There were very few workshop votes for going

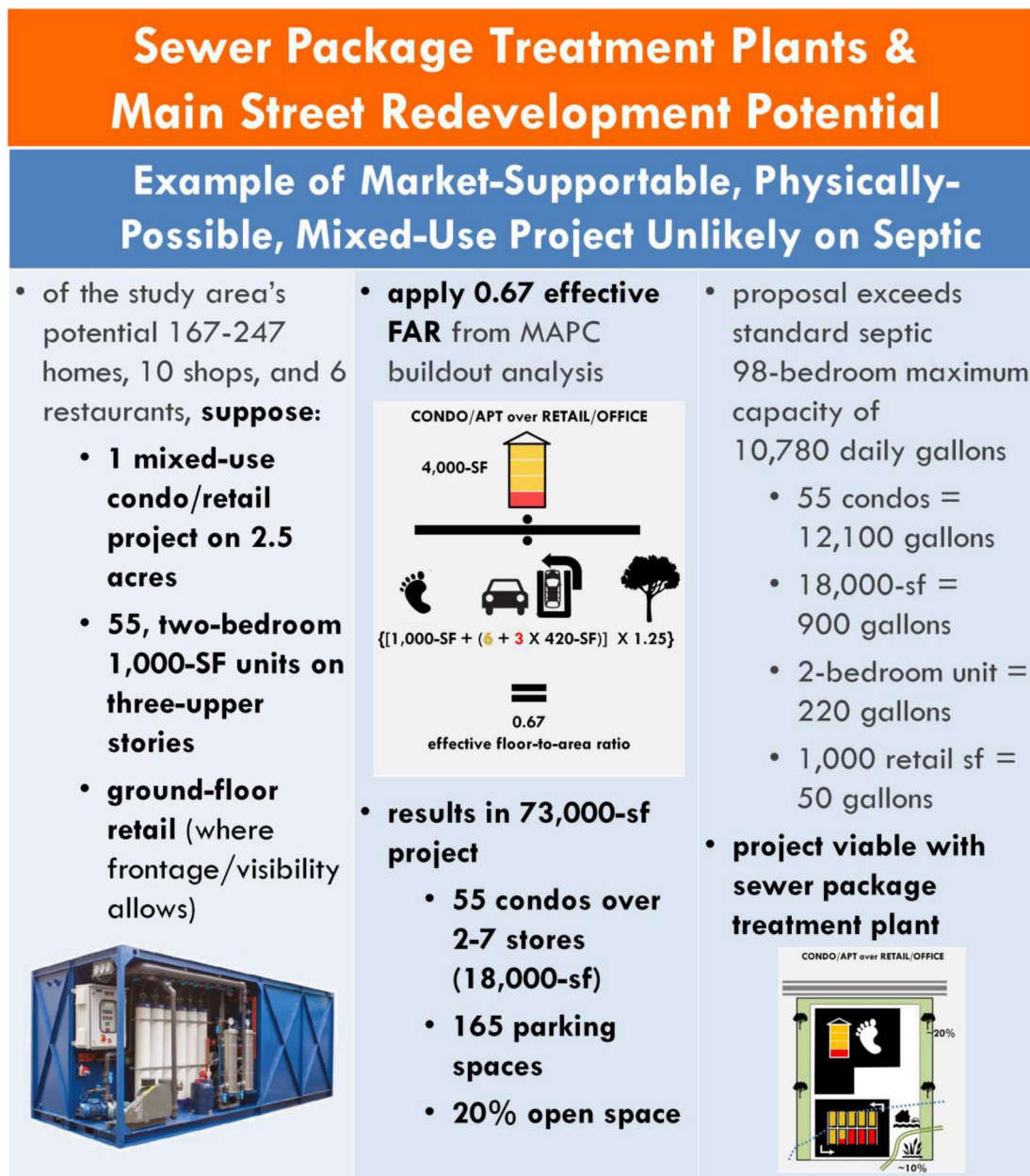
⁸ The Advisory Committee members added that zoning recommendations related to this matter should be pursued as soon as possible (possibly October 2016 Town Meeting) to spur interest in private investment even before any wastewater infrastructure or street redesign decisions are made.

⁹ Ibidem.

beyond 5 stories. Advisory Committee members further discussed that the existing 60 foot maximum building height is adequate and that specifying the number of stories is not necessary.

- **PURSUE SEWER PACKAGE TREATMENT PLANTS** to address lack of wastewater capacity to support desired level of development, services, and facilitate a walkable village center. Package plants are pre-manufactured facilities that treat wastewater for smaller areas of a community. They have capacity limitations when compared to a larger municipal sewer treatment plant but provide more capacity than individual septic systems. They also afford a greater potential for mixed-use development. There was overwhelming consensus for the Town to proactively advocate for or sponsor these treatment plants instead of waiting for 10-15+ years for the town to provide sewer capacity. See Figure 14 below for a photo example and how such treatment plants can help support development.

Figure 14 Example of Community Workshop Informational Boards
Explaining How The Buildout Assumptions Relate to Wastewater Infrastructure Capacity



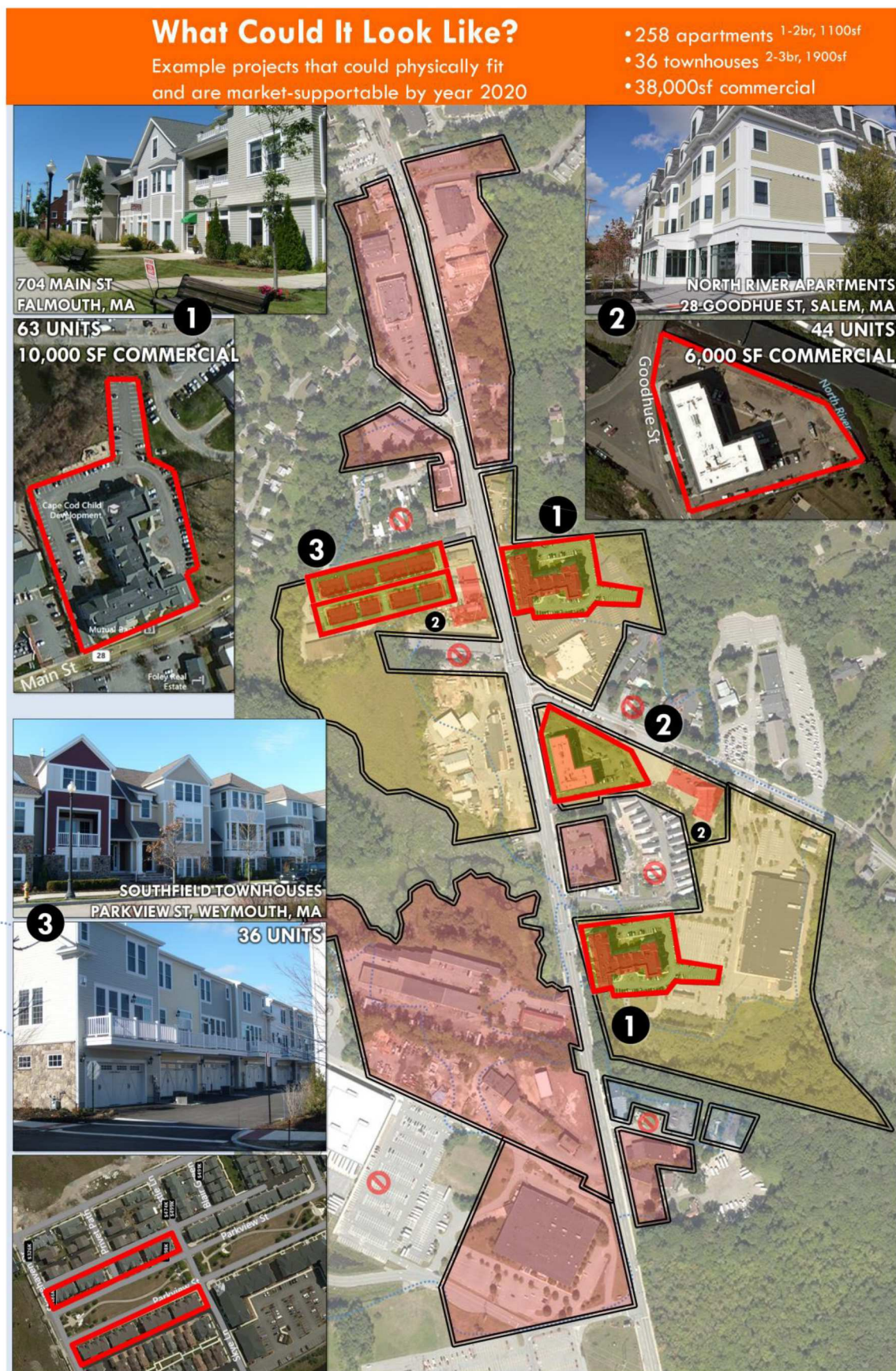
- **REDESIGN ROUTE 28 INTO A SLOWER-SPEED, WALKABLE MAIN STREET** to incentivize, influence and complement adjacent redevelopment. There was consensus the Town should advance the findings of a concurrent roadway redesign study and implement streetscape improvements. Advisory Committee members added that sidewalks and slower traffic is good for businesses and pedestrians, and that the Town needs a defined downtown area.
- **PROVIDE INCENTIVES FOR SHARING/ MINIMIZING ACCESS POINTS ALONG ROUTE 28, AND SHARING ACCESS BETWEEN REAR/SIDE PARKING LOTS** ¹⁰ to minimize localized traffic. The majority of participants supported the idea. There were concerns about liability as well as making it a requirement instead of providing incentives for it.
- **INVEST IN A PUBLIC, CIVIC INDOOR/OUTDOOR GATHERING SPACE** around which private development could cluster. The majority of workshop participants supported this idea to leverage public investment to create a useful space and create attractive development frontages to frame and attract development. Ideas included moving town hall, a community parking lot, a dog park, and some sort of an assembly place such as a senior or cultural center.

Figure 15 Photos from Community Meetings and Parcel Groupings for Poll on Where to Cluster Development



¹⁰ Ibidem.

Figure 16 Examples of Real Projects that Could Physically Fit and Are Market Supportable by 2020



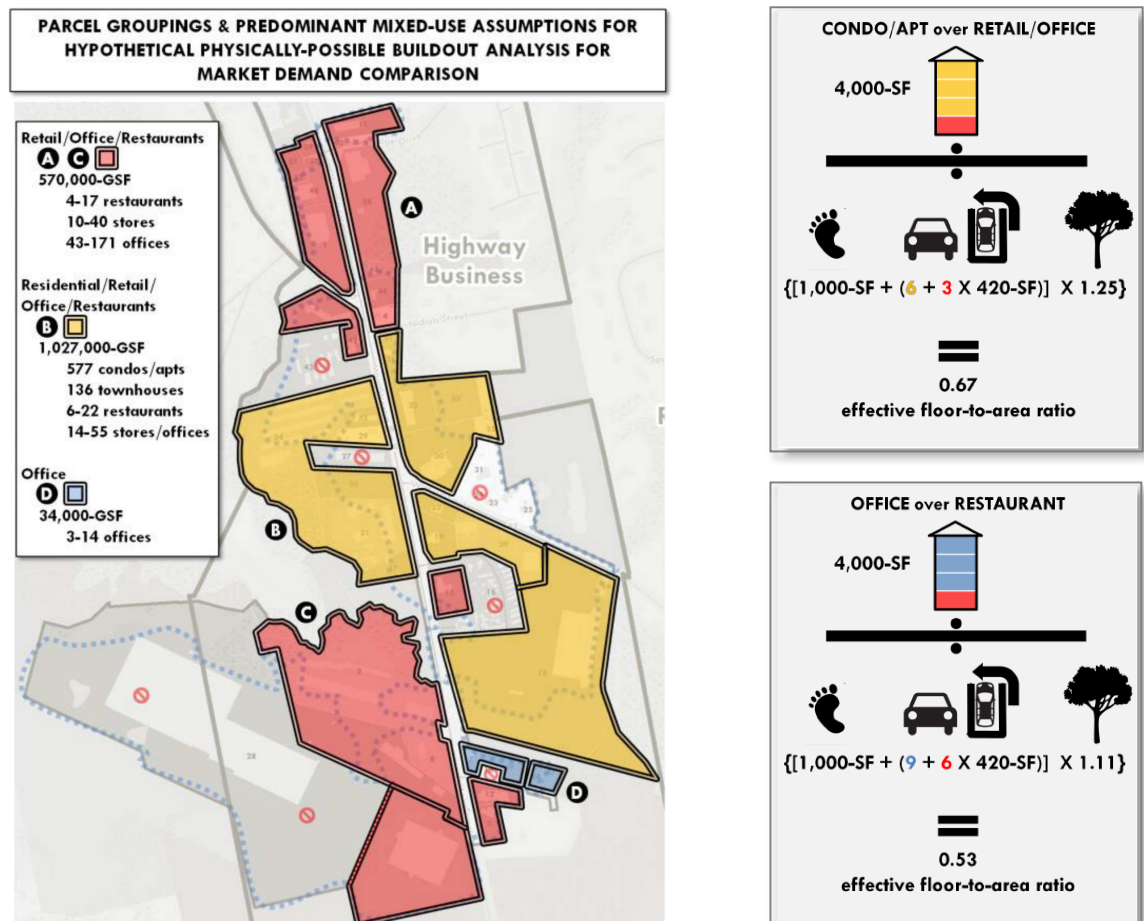
B. OPPORTUNITIES

1. BUILDOUT & ZONING ANALYSIS: ALLOW COMPACT, WALKABLE ENVIRONMENT

The analyses indicate that study area can physically accommodate a reasonable share of market supportable housing, retail and restaurant development (and to a lesser extent office uses) within the study area. Figure 17 below shows the parcel groupings and predominant use assumptions for the physical buildout analysis that was used to compare with the market demand analysis. The figure also shows two examples of the use, height, parking and open space assumptions used in calculating the effective FAR. There is an opportunity to create a clustered, compact walkable environment by making certain zoning amendments. The recommended zoning changes on pages 30 and 31 in and of themselves might not spur the desired type of development but are necessary as part of multifold strategy. Some of the opportunities in addition to attracting jobs, services and tax revenue by creating a walkable downtown/village center include:

- Allow **HOUSING CHOICES** and Town residents the **ABILITY TO AGE IN PLACE** by allowing multifamily residential in the study area.
- Create a streetwall and **STREETSCAPE** where people, buildings and open space are prominent, and **PARKING IS NOT THE DOMINANT FEATURE** by amending certain dimensional and parking regulations.

Figure 17 Parcel Groupings & Predominant Use Assumptions for Buildout Analysis with Examples of MAPC Effective FAR Calculations that Include Building Footprints, Surface Parking Areas, and Open Space



2. INFRASTRUCTURE INVESTMENT: BEYOND SEPTIC, BETTER SIDEWALKS & CROSSINGS, ACTIVITY CENTER

There is an opportunity for the Town to make the study area significantly more attractive for private investment by:

- investing in (or spearheading the creation of) a **SHARED SEWER PACKAGE TREATMENT PLANT** to create needed wastewater capacity to support development,
- investing in the **REDESIGN OF THE STREETScape** to slow down traffic, create pleasant sidewalks and crossings, create an arrival gateway or landmark, and physically transform the roadway frontage so that it will add value to adjacent properties and entice them to provide amenities such as outdoor seating. An example of this can be found in the Town of Millis in Massachusetts where the town completed street improvements together with zoning amendments and transformed its Main Street with mixed-use development between 2008 and 2015 (see Figure 18). The Town of North Reading may also be able to receive **STATE FUNDS FOR THE IMPROVEMENTS** through a MassWorks Infrastructure Program (formerly known as the Massachusetts Public Works Economic Development (PWED) program).

Figure 18 Workshop Example of Main Street Roadway Improvements Attracting Development



- Investing in the creation of a **PROMINENT PUBLIC CIVIC FACILITY AND/OR OPEN SPACE** around which private development can cluster to create a Town/village center for social gatherings and commerce. Alternatively, the Town could provide for incentives for two adjacent properties to jointly consolidate their open space requirements to create a hardscape plaza or square along the streetscape.

The sum of these three types of infrastructure investment could very well be the creation of new Town center where public activities and new residents support jobs and services in neighboring shops.

3. MARKETING AND AWARENESS, LOCAL PARTNERS

The Town has an opportunity to leverage local partners to bring awareness to the study area's enhanced development potential. The Town together with the Chamber of Commerce and a potential Implementation Committee could publicize zoning changes/incentives, and other potential infrastructure improvements to property owners, developers and brokers. Additionally the Town could also work with the Chamber of Commerce to reach out to office developers/property managers to upgrade some of the existing inventory to be more competitive.

The Town also has an opportunity to drum up interest in the study area by creating interest sooner before the larger public investments are made. Nationwide, there are communities that have implemented innovative placemaking "best practices" to bring attention to the need for more permanent urban planning solutions for an area. The Project for Public Spaces (PPS) non-profit organization headquartered in New York City has an online case study inventory of such practices known as "Lighter, Quicker, Cheaper" (LQC) solutions. MAPC presented two examples at the community workshop (see figures 19 and 20). The premise is that "people attract people" and sponsoring social gatherings can bring foot traffic to existing businesses while also bringing awareness to the pending or needed public investments to improve the study area.

Figure 19 Example of the Project for Public Spaces' "Lighter, Quicker, Cheaper" Placemaking Best Practice

Creating Interest Sooner

People attract people

- foot traffic for existing businesses
- social gatherings

Lighter, quicker, cheaper (LQC) solutions now

- before larger public investments
- best practices & case studies

LQC example 1

Burnside Park Providence, RI

- 2008 PPS placemaking workshop
- \$85,000 first-year programming
- newly energized space
- book readings & family activities



Figure 20 Example of the Project for Public Spaces' "Lighter, Quicker, Cheaper" Placemaking Best Practice

Creating Interest Sooner

LQC example 2

Community Street Quilt Montclair, NJ

- 2015 “patchwork” of painted intersections
- traffic speed concerns near schools
- petitioned Township study
- installed 4-way stop
- 4 months, ~\$5,000



VII. RECOMMENDATIONS

A. INFRASTRUCTURE & PUBLIC INVESTMENT

1.1 SEWER PACKAGE TREATMENT PLANTS

The Town of North Reading and a recommended Implementation Committee should proactively reach out to property owners and the Chamber of Commerce in order to inform them of the benefits of a modular and expandable sewer package treatment plant for the study area. The Town should seriously consider crafting a public/private partnership where it can provide seed money toward treatment plant large enough to service two or more adjacent or nearby properties to spur development. Additionally, the Town could spearhead an association for area property owners with an agreement for the maintenance, operation, expansion of capacity, and procedure for other property owners to connect to it and/or start another treatment plant to service/jumpstart another cluster of adjacent development properties.

2.1 ROADWAY REDESIGN

The Town of North Reading should make a decision based on the planning and conceptual redesign study done in 2015 by the Cecil Group consultants as whether it will pursue one of the designs proposed in the study, and if so, which one. Either scenario would make its segment of Route 28 into a slower-speed, safer typical Main Street where it is safe for pedestrians, shoppers and adds value to nearby private properties. Ideally, a redesigned roadway will include one or more prominent crosswalks connecting development, safe sidewalks, potentially bicycle paths, arrival gateway improvements, and create frontages attractive and safe enough to make outdoor seating conceivable as part of future redevelopment proposals.

The MassWorks Infrastructure Program¹¹ can help towns fund transportation infrastructure projects that stimulate economic development. The program is administered through the Executive Office of Housing and Economic Development (EOHED) in cooperation with the Department of Transportation and Executive Office for Administration & Finance. It is intended to provide funding for public infrastructure to:

- Complement existing centers of development.
- Include a mix of commercial and residential development or contribute to a mix of development within an area (with an emphasis on multi-family or small lot single-family residential development).
- Be consistent with regional land use and development plans; and
- Provide for transportation improvements which enhance roadway safety in small communities.

More information can be found at www.mass.gov/hed/massworks.

¹¹ Formerly known as the Massachusetts Public Works Economic Development (PWED) program.

3.1 TOWN INVESTMENT IN INDOOR/OUTDOOR NODE AROUND WHICH TO ANCHOR DEVELOPMENT

It is recommended that the Town of North Reading invest in attracting development by creating an indoor civic facility and/or outdoor public space around which private development could cluster to create a sense of place and a defined downtown/village center of activity. Ideas mentioned by participants that could serve as an anchor include: a relocated town hall, a community parking lot, a dog park, or a senior or cultural center. This type of direct public investment can send a strong message to private property owners to invest in an area. It can not only transform the physical landscape for the better but also depending on the use, it can attract additional visitors to an area that in turn can bring additional customers to businesses.

As an alternative to direct public investment, the Town could provide development incentives such as additional building story heights in exchange for the joint development of two adjacent properties that could pool together their open space requirements into an open space or hardscaped plaza. This approach assumes that the other recommendations in the plan such as zoning and sewer package treatment plants will be in place to allow the desired development projects. While it does not require the Town to provide public funds for creating a node, it does result only in a privately owned common space that is publicly accessible and would not provide the benefits that the other types of ideas could. The Town already has a zoning by-law that might be applicable to furthering this approach. Section 200-50-B(4)b of the Open Space Residential Development by-law states: “In any case where the common open space is not conveyed to the North Reading Conservation Commission, a legally enforceable restriction under M.G.L. c.184, §§ 31-33, shall be recorded with the Middlesex South Registry of Deeds, providing that such land shall be kept in an open or natural state and not be built upon or developed for accessory uses such as parking or roadways.”

B. REGULATORY & MARKETING

4.1 ZONING AMENDMENTS

The Town should amend its zoning to allow the type of desired development it wants for the study area. The following amendments should be done as soon as possible in order to start setting favorable conditions for growth:

- **ALLOW MULTIFAMILY RESIDENTIAL** dwellings including mixed-use development projects.
- **ALLOW ATTACHED TOWNHOUSE** dwellings.
- Consider either a **REDUCED MINIMUM FRONT YARD** setback (presently 25 feet), a maximum front yard setback of 25 feet, or a flexible range with a minimum and maximum in order to encourage pedestrians to walk along facades and storefronts. Similarly, consider a **FLEXIBLE SIDE YARD REQUIREMENT** of 10 to 20 feet in order to potentially minimize distances between adjacent developments could help create of a village center feel that is human scaled.
- Amend zoning to require that a majority of the required **PARKING BE LOCATED TO THE REAR** of developments. The zoning could specify a percentage range to provide flexibility (such as 50% to 66%) in the site layout review process.
- Amend zoning to include parking layout and design guidelines to **MINIMIZE THE PROMINENCE OF PARKING FROM THE STREETScape** and make parking lots more pedestrian friendly. Ideas include

landscaped islands and prominent pedestrian paths (potentially partially curbed) to building entrances.

- Provide **DENSITY BONUSES** such as an additional story of building height in exchange for:
 - **SHARED ACCESS POINTS ALONG STREETS** for adjacent properties to minimize curb cuts and points of potential traffic congestion.
 - **SHARED MULTIMODAL ACCESS POINTS BETWEEN ADJACENT PARKING LOTS** to minimize unnecessary car trips on Main Street to nearby properties, and encourage walking to an adjacent development once already parked.
 - **CONSOLIDATING ADJACENT LOTS** that do not meet the minimum lot size requirement of 20,000 square feet.
- Provide **DENSITY BONUSES** such as an additional two stories of building height for clustered development on blocks 5-9 and 11 on the map on page 23 in exchange for the **CREATION OF A USEABLE PASSIVE RECREATION OPEN SPACE WITH SEATING** along the streetscape that is publicly accessible. The open space should be created in addition to the following recommended minimum open space requirements intended to accommodate for property setbacks.
- **AMEND THE MINIMUM OPEN SPACE REQUIREMENTS** to reflect the following: 30% for townhouses, 20% for mixed-use/multifamily residential, and 10% for retail/office.
- **POTENTIALLY AMEND THE EXISTING “PARKING BONUS”** that “allows an additional 1.5 FAR in building square footage in exchange for a 20% surplus of the required parking” in order to clarify the denominator for the calculation. Careful consideration should be given to ensure that the denominator that is confirmed or changed does not inadvertently result in encouraging an excessive amount of parking or less than the necessary amount of reduced shared parking spaces to support a compact walkable mixed-use district.
- Amend the zoning to **INCLUDE OR BOLSTER SHARED PARKING STRATEGIES** for certain complementary uses that can share the same parking spaces for daytime versus nighttime parking, and weekday versus weekend parking needs.
- Amend the parking ratios to be clearer. The parking ratio for “mixed-use development” (Section 200-69-A.16) seemed to be confusing with two different standards, and what seems to be an implied addition of 1 parking space per 600 square feet of mixed-use development beyond the “sum of various uses computed separately.” The existing regulation as written could be expressed more clearly and it seems that an additional parking space is being required unnecessarily for the type of development the Town would want to incentivize.
- **CLARIFY THE REGULATIONS** in Section 200-39 to expedite the development review and permitting process for desired uses. Mixed-use developments are required to undergo Site Plan Review through the Community Planning Commission, which is a special permit process.
- Amend the land use regulations that list under one section that “hotels and other lodging” are allowed but in another section “hotels/motels” require a special permit.
- Potentially clarify the following parking ratio with a footnote to make understanding and comparing parking requirements easier for potential developers since many are listed as the number of parking spaces per an increment of square feet.
 - The restaurant parking requirement is presently stated as 1 parking space per 4 seats of seating capacity, which for the purposes of the MAPC buildout analysis was converted to 6 spaces per 1,000 square feet.

5.1 CHAMBER OF COMMERCE, AWARENESS, OFFICE INVENTORY UPGRADE , IMPLEMENTATION COMMITTEE, HIGHWAY EXIT SIGN

The Town could task its Community Planning Commission and Economic Development Committee to collaborate as an Implementation Committee to assist Town staff with pursuing and implementing the recommendations. Ideally the committee will include members from the Advisory Committee, Town staff, and the Chamber of Commerce for the purpose of familiarity and continuity. The Town planning staff can be assigned with scheduling the meetings for the implementation committee with a frequency of several times a year that is not too burdensome for the members and allows sufficient time for actions and decisions to be made.

The Implementation Committee can work on advocating for and implementing the recommendations. Additionally, it can bring awareness to the study area, publicize zoning changes and infrastructure improvements, and work with the Chamber of Commerce and office developers/property managers to make its office inventory more competitive. As part of bringing awareness, the committee can drum up interest in the study area by sponsoring activities such as the ones mentioned on page 25. Lastly, the Implementation Committee could work with MassDOT to see if the Town can get some form of name recognition and visibility off exit 40 on Interstate-93 to promote its developing business district.

VIII. APPENDIX A – MARKET ANALYSIS

*The following appendix is a **MARKET ANALYSIS REPORT** that was completed by MAPC in September 2015 to inform the short-term 2021 economic development strategy completed in April 2015.*

Appendix A:
North Reading Main Street (Route 28)
Market Analysis:
Retail, Office & Residential
September 2015



Technical assistance provided by the Metropolitan Area Planning Council (MAPC)

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I. Overview & Summary of Market Analysis

The Metropolitan Area Planning Council (MAPC) is providing District Local Technical Assistance (DLTA¹) to the Town of North Reading for a short-term² economic development strategic plan for a segment of its main commercial corridor along Route 28/Main Street. Currently, the development potential for the study area is limited due environmental constraints and the absence of sewer infrastructure. The Town has long-term plans to invest in a sewer system. The economic development plan will include a set of regulatory and policy recommendations as well as development build-out analysis for the parcels within the study area (see Figures 1a and 1b). That economic development plan will be developed with the Town and the community through a community planning process, and will be informed by this retail, office and housing market analysis.

As the regional planning agency for 101 cities and towns in metropolitan Boston, the MAPC frames its local analyses within a regional and long-range context as outlined its 2008 MetroFuture plan³. The underlying assumption is that “regional trends shape local conditions, and every local decision has a broader impact on our regional well-being.” As part of the region, North Reading is a maturing suburb characterized by moderate density neighborhoods, dwindling supply of vacant developable land (less than 25%), less than a fifth of commercial/industrial land, predominantly single-family, and with average residential growth rates. North Reading is designated on the regional level as a low to moderate priority growth area, and as a maturing suburb, the general overarching goals are for the expansion of mixed-use growth, the provision of housing choices, an increase in tax revenue, and the provision of options for mobility. Currently, North Reading has a population of approximately 15,000 residents over 13.5-square miles, is 98% white, has a median household income of \$77,000 and a median family household income of \$86,000, has no transit service, and an 87% residential tax base with a residential/commercial tax rate of \$16.62 that is higher than that of adjacent communities and the State median.

This following market analysis entailed examining quantitative and qualitative data covering demographics, sales figures for consumer goods, home and condo sales, apartment rental lists, commercial office listings, interviews with local brokers, and MAPC data for projected regional change and growth. The following conclusions for the potential for retail, office and residential growth are explained in greater detail in the report along with supporting data. As the following sections of the market study explain, the 96-acre, ¾-mile study area corridor represents 1.1% of the Town’s land area, and the analyses determined how much of the future growth in the region and Town, could the study area capture and support. The conclusions were that from a market perspective:

- the study area could potentially support about 43,000-square feet of retail totaling about 16 retail establishments (including six restaurants and five clothing stores);
- the office market is not strong, has not fully recovered from the recession, and asking rents are high compared to regional competitors especially considering the quality of the existing supply (overwhelmingly Class B); and

¹ DLTA funding helps promote regional collaboration, economic development, better land use and zoning, and environmental protection across the Commonwealth. The funds are administered each year through a competitive process managed by MAPC.

² Five to seven year planning horizon until sewer infrastructure improvements are in place in 2025 to allow for longer-range growth.

³ This plan was developed with the extensive participation of thousands of “plan builders,” including residents, municipal officials, state agencies, businesses, community-based organizations, and institutional partners. The plan was adopted by MAPC in 2008.

- from a shorter-term (2020) housing demand standpoint, the Town is projected to capture about 9.9% of the surrounding region's projected housing growth totaling approximately 634 units. Of these projected 634-Town-wide housing units, it is anticipated that 59% (374 units) will be single-family units and that the study area is not ideal location for most single-family housing types (due to its major-arterial, auto-oriented nature). At best the study area could capture between 10% and 20% of those projected 374-Town-wide single family units in the form of for-sale, single-family-attached townhouses (37 to 75 units). It is anticipated that the remaining 41% of the Town-wide units (260 units), will be for multifamily units, that the study area could conservatively capture 50-66% of those (130 to 172 multifamily units). Due to the Town's historical inconsistent multifamily housing production rate, a clear conclusion cannot be drawn as to what percentage of those multifamily units would be for for-sale condos versus rental apartments. Qualitative interviews with broker suggest condo ownership units would be well received. From a population change-by-age standpoint, the senior population is expected to grow substantially followed by younger millennials⁴. Given the strong projected increase in the Town's senior population and more modest growth in the millennial population, it is plausible that the study area could capture a more aggressive share (75% or 195 units) of the multifamily units.

The market analysis suggests some preliminary recommendations that could be considered as part of the discussions during the community planning process in the fall of 2015 and winter of 2016. Some of these preliminary recommendations are:

- examine the environmental constraints (see study area map) that the wetlands, floodplains and soils pose to the siting, construction, programming and character of potential development;
- examine zoning in order to facilitate the production of much-needed multi-family units Town-wide and specifically for the Study Area;
- invest in creating a pleasant Main Street streetscape (with sidewalks and traffic calming improvements) in conjunction with creating a recognizable Town center featuring a civic facility (potentially a relocated Town Hall) and/or open space in order to encourage adjacent clustered, retail development and allow residents to gather;
- facilitate mixed-use retail and multifamily development in order to promote walkability and sense of place; and
- proactively work with the chamber of commerce in order to upgrade the quality of its existing Class B office supply, facilitate permitting, market the availability of office space, and retain and grow its office-oriented industry sectors across the board.

Some of these recommendations arose from interviews with local brokers, are aspirational, and align with many of the following goals in the MetroFuture regional plan.

- Goal # 2 Throughout the region, most new growth will occur through reuse of previously developed land and buildings.
- Goal # 4 In suburban municipalities, most new growth will occur near town and village centers.
- Goal # 6 Promote high-quality design that will help compact development enhance the region's character and livability.
- Goal # 14 An increasing share of the housing in each municipality will be affordable to working-class families and fixed-income seniors.

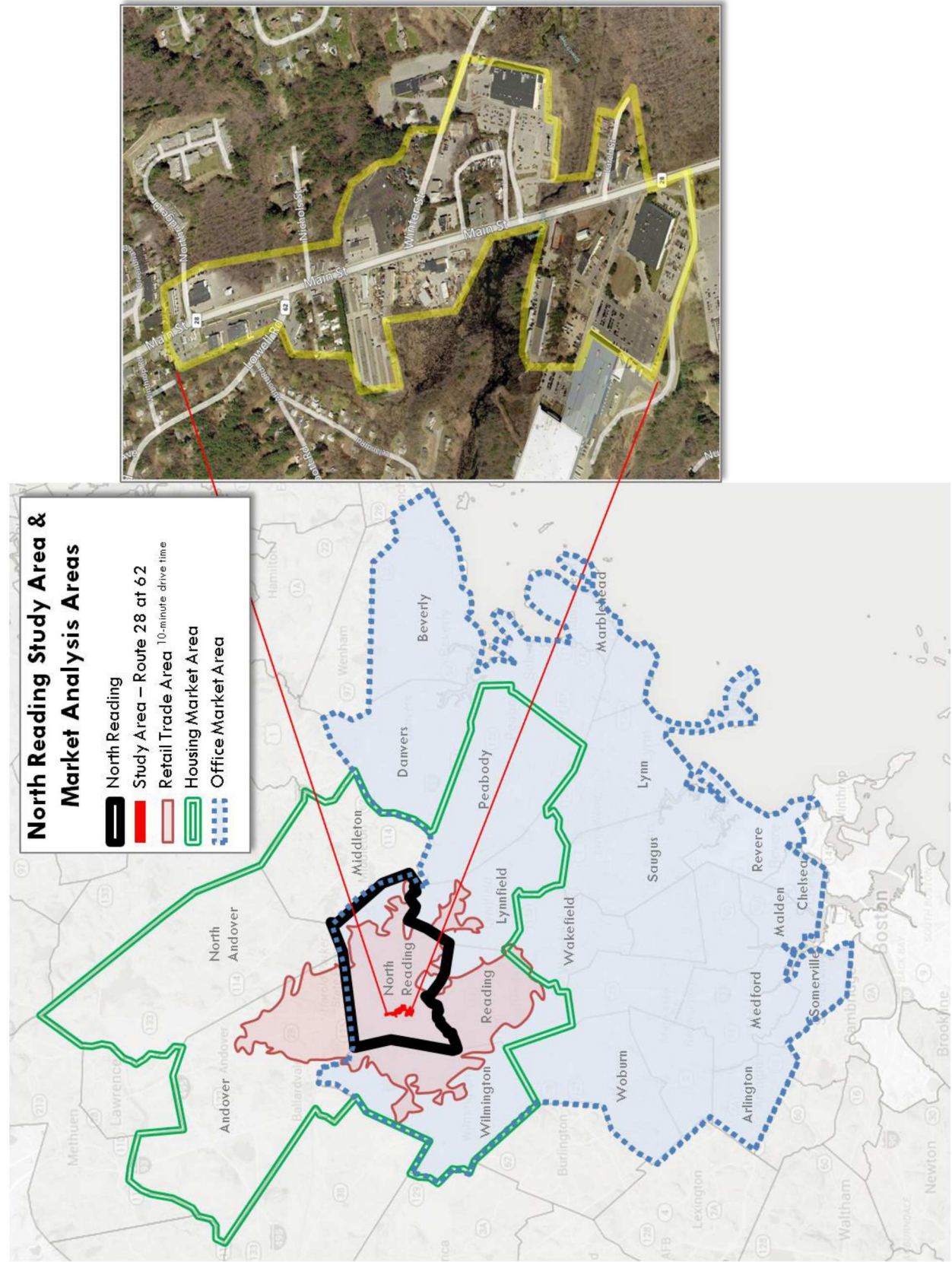
⁴ Millennials are the demographic cohort with birth years ranging from the early 1980s to the early 2000s.

- Goal # 18 The region's seniors will have more housing choices and opportunities to downsize while staying in their own community.
- Goal # 36 Businesses will grow expeditiously thanks to consistent and predictable economic development policies set by an informed public sector.
- Goal # 47 Most people will choose to walk or bike for short trips.
- Goal # 48 The average person will drive fewer miles every day.
- Goal # 63 The ecological condition of wetlands will improve, and fewer wetlands will be lost to development.

Figure 1a. Study Area for North Reading Short-Term Economic Development Strategic Plan



Figure 1b. Study Area & Market Analysis Areas



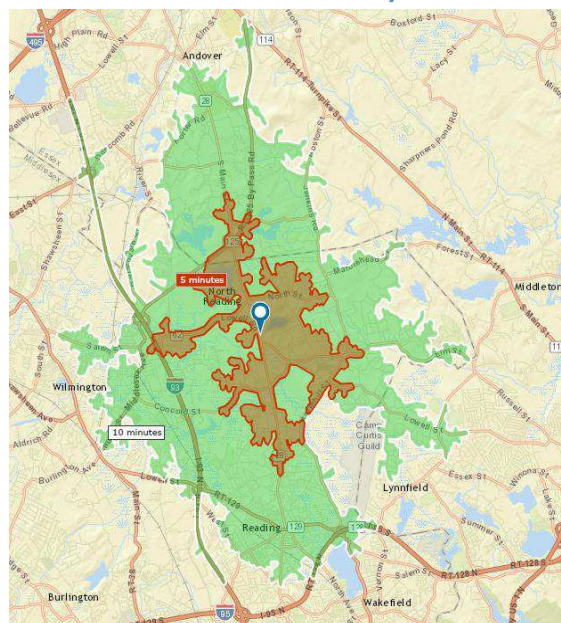
II. Retail Market Analysis

Trade Areas

In order to estimate the amount of additional retail that North Reading can support, it is important to first identify a trade area. The trade area is the geographic area from which a retail establishment generates sales. There are many factors to consider when determining a primary trade area including the distance and time that people may be willing to travel in order to reach a destination, any physical or geographic barriers as well as regional competition. For the North Reading study area (see Figure 1 for a study area map), the primary trade area would be a five minute drive time and includes the study area and most of North Reading as well as portions of Wilmington to Interstate 93, Reading, and Andover and is outlined below in red in Figure 2. It is reasonable to assume that people would be willing to travel this distance in order to attain goods and services within close proximity of North Reading's cluster of Main Street businesses along Route 28 anchored by the two intersections with Route 62 (Lowell Road to the north and Winter Street to the south).

The ten minute drive time is highlighted below in green and includes the entire local market and extends into downtown Reading, downtown Andover, near downtown Wilmington, and a portion of Lynnfield. There are almost 8,000 people living within a five minute drive time of the study area (about half of the Town's population), and 47,000 people within a 10-minute drive. Because of the town's geography there are a number of commercial areas nearby that will be direct competitors, including Atlantic Plaza in North Reading itself, the Crossing at Walkers Brook in Reading, and the Wilmington Plaza Shopping Center. This will be a limiting factor that will influence how much retail the market in the study area will be able to support. To account for this regional competition, MAPC staff also examined a secondary trade area of a ten minute drive time. The assumption is that if there is market demand for development and the Town positions itself to create optimal local conditions within the study area, the Town should be able to draw in businesses and customers from the region. If North Reading is able to draw customers from farther away, the Town could support additional retail. Both drive times are displayed below in Figure 2.

Figure 2. Diagram of Drive Times and Primary and Secondary Trade Areas



Existing Retail Inventory

In order to assess the current retail environment in the study area, MAPC analyzed retail inventory data to understand the current mix of businesses. The study area comprises approximately 96 acres or 1.1% of the Town's land area, has a total of 46 businesses, 306 employees, and 70 residents (see Table 1 below). The summary table also shows how the types of retail uses compare with a typical downtown. Approximately 39% of the number of business establishments in the study area are not retail uses or professional service oriented uses (primarily construction and auto-related uses), and employ 41% of the employees. Of the remaining 61% of the businesses that are retail uses or mixed-use oriented establishments, the largest number of businesses are in the retail uses NAICS industry sector (22) followed by construction businesses (10) which is included as part of the subtotal of 18 other businesses shown in the table. The greatest number of employees is employed by retail trade establishments (151 or 49.5%) and construction (61 or 20%, again part of the "other" subtotal of 40.7%).

The table indicates that compared to a typical main street business area, the study area has a low percentage of retail (shoppers goods and convenience goods)⁵ with a total of 11% versus a typical range of 50-70% for the same types. The study area has a typical mixed-use business district mix when it comes to food service, personal services and professional services at 50% the number of establishments which is at the higher range of the typical 30-50% mixed-use district mix. The low percentage of retail goods is typical of many downtowns in the region due to larger big box retailers and online sales detracting from brick-and-mortar storefronts. The study area has a slightly higher percentage (13%) of professional services than the typical 10% downtown mix and might be partially explained due to the availability of space that would otherwise be occupied by retailers. A better mix of retail, personal and professional service uses should be a goal of the Town's economic development strategy for the study area, and would help create a thriving business district. An interesting finding is that while the number of food service establishments only accounts for 15% of the businesses, it employs 24% of the total.

As part of an overall economic development strategy for the study area, the Town could build upon its two stronger business categories of restaurants and professional services. To do so, it will need a mixed-used strategy to support additional growth by increasing its residential base as well as creating a more pedestrian-friendly environment that might allow local workers the opportunity to walk to adjacent restaurants and convenience stores.

⁵ It is worth noting that: (a) these figures are for the segment of Route 28 / Main Street chosen as the study area for the purposes of clustering physical and economic development at its two intersections with Route 62 (Lowell Road and Winter Street); (b) there are more retail uses to the north and south of the study area along Route 28; and (c) the retail market analysis looks at demand for a much larger trade area shown in Figure 2 that encompasses most of North Reading and parts of surrounding communities.

Table 1. Summary of Study Area Retail Inventory and Other Business Types

Existing Retail Inventory in Study Area by NAICS Code, and MAPC Mixed-Use and Retail Types					
	Businesses		Typical Downtown Mix	Employees	
	#	%	%	#	%
Retail Uses (Mixed-Use Oriented)	22	48.0%		151	49.5%
Shoppers Goods	4	8.8%	30-40%	29	9.5%
Furniture & Home Furnishings Stores	1	2.2%		1	0.3%
Electronics & Appliance Stores	1	2.2%		7	2.3%
Bldg Mat. & Garden Equip. & Supplies	1	2.2%		19	6.2%
Clothing & Clothing Accessories Stores	1	2.2%		2	0.7%
Sport Goods, Hobby, Book, & Music Stores	0	0.0%		0	0.0%
Convenience Goods	1	2.2%	20-30%	2	0.7%
Miscellaneous Store Retailers	1	2.2%		2	0.7%
Food Service	7	15.2%	10-20%	73	23.9%
Food & Beverage Stores	3	6.5%		17	5.6%
Food Services & Drinking Places	4	8.7%		56	18.3%
Personal Services	10	21.8%	10-20%	47	15.4%
Health & Personal Care Stores	1	2.2%		16	5.2%
Other Services (except Public Administration)	8	17.4%		28	9.2%
Arts, Entertainment & Recreation	1	2.2%		3	1.0%
Professional Services (Mixed-Use Oriented)	6	13.0%	10%	30	9.8%
Information	0	0.0%		0	0.0%
Finance & Insurance	3	6.5%		11	3.6%
Real Estate, Rental & Leasing	2	4.3%		9	2.9%
Professional, Scientific & Tech Services	1	2.2%		10	3.3%
Other Non-Retail & Professional Services	18	39.0%		125	40.7%
Total Businesses in Study Area	46	100.0%		306	100.0%

Source: ESRI Business Analyst 2015, and MAPC Analysis

Interviews

In addition to analyzing the current retail inventory, MAPC staff spoke with and interviewed brokers within the study area. The interviews provide local context on the challenges and opportunities of doing business in North Reading and help to inform strategies that could be used to bring additional retail to the town.

Brokers indicated that North Reading is sorely lacking in retail establishments, especially given the Town's high residential tax rates and pricey homes, and that homeowners should not have to travel outside of Town for the most basic of retail services and goods. Brokers indicated that North Reading needs a bakery, a quality grocery store, dry cleaners, a fish monger and quality specialty stores.

Furthermore, the commercial landscape of the Town is unappealing and the Town lacks a physical town retail/activity center around which businesses could cluster. Brokers indicated that the Town should invest resources in creating such a center or square that bring together civic uses together with shops and open space for leisure. Brokers mentioned the appearance and location of Town Hall as not desirable and suggested it be relocated to a more visible location on Main Street and that shops could be developed adjacent to it and in conjunction with residential development to encourage walking. Brokers also suggested the Town encourage or incentivize the assembly of parcels at specific locations as part of this mixed-use strategy for a center. They emphasized the center should be an actual place and not an indoor shopping center or mall. Brokers also mentioned that there is consistent interest on the part of prospective businesses but many owners are asking too much for their land, and even when negotiations are reached, many businesses are deterred by the added cost of septic systems and the limitations of the water table on below-grade construction. Brokers mentioned that the Town should look to surrounding communities as

examples of successful retail and mixed-use redevelopments such as the MarketStreet at Lynnfield, Middleton, and downtown Reading.

In terms of public facilities, the Town's sole strength lies in the quality of its schools but this is not enough and the Town should invest in creating a square or place potentially with a civic use as an anchor and around which retail shops could cluster. The brokers mentioned that retail should also be developed together or in close proximity to condos and townhouses in order to encourage walking.

Retail Opportunity Gap Analysis

MAPC staff analyzed ESRI Business Analyst data within the defined trade areas in order to conduct a retail gap analysis. A retail opportunity or gap analysis looks at the overall demand for retail goods and services within a designated trade area based on the spending potential of the households (demand), and the actual sales for those goods and services within the market area (supply). The difference between the demand and supply is called the retail "gap." If the demand exceeds the supply, there is "leakage," meaning that residents must travel outside the area to purchase those goods. In such cases, there is an opportunity to capture some of this spending within the market area to support new retail investment. When there is greater supply than demand, there is a "surplus," meaning consumers from outside the market area are coming in to purchase these goods and services. In such cases, there is limited or no opportunity for additional retail development. Thus, the retail gap analysis provides a snapshot of potential opportunities for retailers to locate within an area.

Below in Table 2 is a summary of the retail opportunity gap analysis by industry group for the local/primary and secondary trade areas. Figures in parentheses and red are negative numbers indicate that there is a surplus of sales within the trade area. In other words, there are a significant number of establishments in the trade area within that industry group. Figures in green are positive numbers that indicate a retail gap or leakage and represent potential opportunities for more retail in the area.

Table 2 indicates that the local/primary trade area presents limited opportunities for the following NAICS industry groups that MAPC classifies as "downtown and mixed-use oriented retail uses" and the report a retail gap dollar amount in sales potential: clothing/accessories (\$8.8M), electronics/appliances (\$3.2M), and food/drink (\$2.5M) establishments. The limited opportunity with the primary/local trade area (represented by the figures in red parentheses in the table) could be attributed in part to the small amount of residents within the study and trade areas (70 and less than 8,000 residents, respectively) to support businesses. However, when considering the secondary trade area within a 10-minute drive (which includes the local/primary trade area), there are expanded opportunities. The downtown and mixed-use oriented retail uses with the greatest potential within a 10-minute drive are clothing/accessories (\$55M), health/personal care (\$41M), food/drink (\$35M) stores, electronics/appliances (\$19M), and sporting goods/hobby/book/music stores (\$5M).

Table 2. Retail Opportunity Gap Analysis by Industry Group and Trade Areas

Retail Opportunity Gap Analysis – North Reading – Main Street			
	NAICS	Local / Primary Trade Area	Secondary Trade Area
		5-Minute Drive Time	10-Minute Drive Time
Total Retail Trade and Food & Drink		(\$34,706,186)	\$141,250,925
Total Retail		(\$37,183,609)	\$106,307,393
Total Food & Drink		\$2,477,423	\$34,943,532
Downtown and Mixed-Use Oriented Industry Groups			
Furniture & Home Furnishings Stores	442	\$1,961,819	(\$920,826)
Electronics & Appliance Stores	443	\$3,198,152	19,097,270
Building Materials, Garden Equip. & Supply	444	(\$14,301,757)	(\$5,458,975)
Food & Beverage Stores	445	(\$39,354,266)	(\$8,918,679)
Health and Personal Care	446,4461	\$1,281,647	\$41,081,462
Clothing & Clothing Accessories	448	\$8,850,772	\$54,710,691
Sporting Goods, Hobby, Book and Music Stores	451	\$51,988	\$5,279,584
Miscellaneous Store Retailers	453	\$1,128,036	\$1,436,866
Food Services & Drinking Places	722	\$2,477,423	\$34,943,532

Source: MAPC analysis based on ESRI Business Analyst, July 2015 data

Potential Supportable Retail Square Footage

MAPC staff uses a conservative capture rate to analyze the retail gap and understand the potential for additional establishments. This capture rate acknowledges that any single retail district will never be able to re-capture the full amount of retail leakage. Competition from regional shopping areas such as the Crossing at Walkers Brook in Reading and the Wilmington Plaza Shopping Center, as well as other local districts (Atlantic Plaza) and online shopping will always draw business away from the study area. When analyzing the market potential within the primary trade area, MAPC uses a 10% capture rate. When looking at market potential within the secondary trade area, MAPC uses a lower 5% capture rate. Using this methodology, the market within a ten minute drive time of the study area could likely support the industries detailed below in Table 3.

It is important to note that the data below is not a prediction for what will occur in North Reading, rather it is an opportunity or estimate of retail space that could be supported based on the retail gap analysis figure, average sales per square foot of different store types, average store sizes in downtown areas, and an estimated spending capture within each trade area.

Table 3. Retail Market Potential Estimate

Potential Supportable Retail Square Footage			
Trade Area	Supportable Square Footage	Total Average # of Establishments	Predominant Types
Local/Primary Trade Area (5-Minute Drive Time)	10,693	4	2 Clothing Stores 1 Full Service Restaurant 1 General Retail
Secondary Trade Area (10-Minute Drive Time)	34,250	12	5 Clothing Stores, 1 Full Service Restaurant, 1 Limited Service Restaurant 1 Shoe Store, 1 Home Furnishings Store, 1 Electronics Store, 1 Used Merchandise Store 1 General Retail

Source: ESRI Business Analyst, and MAPC

The local/primary trade area which covers the area within a five-minute drive can potentially support almost 11,000-SF of retail use or approximately 4 storefronts. This limited amount of additional supportable retail square footage within a 5-minute drive in the local/primary trade area can be attributed to a lack of a sufficient residential base⁶. The study area only has 70 residents⁷, and the local/primary retail trade area has less than 8,000 residents within a five-minute drive.

The market within the secondary trade area is more encouraging and could support additional opportunities if the Town can overcome local obstacles such as zoning restrictions, and infrastructure and environmental constraints in order to attract regional businesses. The secondary trade area could potentially support 34,000-SF of retail including up to 12 stores including 5 clothing stores, 1 full service restaurant, 1 limited service restaurant and 1 home furnishings store. It is worth noting that almost half of the potential 12 stores could be stores geared toward clothing, apparel and accessories, and could inform a marketing strategy for the Town and local chamber of commerce to attract these retailers.

In general, retailers may be attracted to a higher income community such as North Reading because of the potential for significant spending. However, there are many factors that influence whether or not a retail store or restaurant may want to locate in a particular area. Some of the additional factors that impact the decision to locate a new retail establishment include:

- Availability and quality of the retail space
- Size of the spaces available
- Location of the space- is this a place where many people are passing by?
- Foot traffic
- Rents and terms
- Parking- is it available nearby or within a short walk?
- Product or service price points
- Marketing

⁶ ESRI Business Analyst data addresses residential demand and does not factor in the potential for local workers to support retail during their lunch hour and commutes to and from work.

⁷ The study area is surrounded by and includes a notable amount of wetlands which can limit development in general and particularly residential development.

- Business plan and acumen
- Infrastructure capacity, zoning and regulatory obstacles
- Permitting and inspection processes

Although the potential exists for more retail, based on support from the numbers from the secondary trade area, the amount captured may be less, dependent on the above factors. North Reading is working on a long term plan to invest in sewer infrastructure, which will greatly unlock the potential for more development. Currently, individual septic systems for business and residences limit what and how much can be built in the short term, and based on interviews with brokers, apparently is also a deterrent to prospective businesses. Interviews with commercial brokers suggest that asking rents may be high, and while the road does have a decent amount of vehicular traffic, excessive building setbacks are negatively impacting certain businesses in terms of visibility. As shown later in the study in Table 28, North Reading has a relatively low commercial/office tax rate of \$16.62, which should function as a incentive to locate in North Reading.

Worker Supported Retail Potential

In addition to examining the potential supportable retail within the trade areas based on residential demand, MAPC used ESRI Business Analyst information to determine the potential for local workers to support retail during their lunch hour, and commutes to and from work⁸. As shown in Table 4, there are 1,300 workers employed within a 5-minute drive, and an additional 2,200 workers within an additional 5-minute drive to complete the 10-minute drive secondary trade area. These are the number of workers that are assumed could be captured by the trade areas to support additional retail square footage given optimal conditions for attracting new business development and attracting customers to a pleasant environment. Given closer proximity, the assumption for the primary trade area was a higher capture rate of 20% of the total 6,500 workers, and a lower 10% capture rate of the additional 22,000 workers within an additional 5-minute drive that forms the limit of the secondary trade area. Assuming these workers would respectively spend a conservative \$20 and \$10 a week on food and convenience, it was estimated that a total of 4 food and convenience stores totaling 9,000-SF could be supported by workers. This figure is in addition to the 12 potential retail establishments shown in Table 3 that could be supported by residential demand.

⁸ According to the International Council of Shopping Center's (ICSC) June 2012 report by Joel Groover, titled "New Retail Frontier: Lunchtime Shoppers", local office workers spend approximately \$100 dollars a week on food and convenience during the work week (during commutes to and from the office, or during the day, i.e., lunch).

Table 4. Worker Supported Retail

Worker Supported Retail				
	Local Worker Spending		Potential Supportable Retail	
	# of Workers (rounded)	Annual Spending (estimated)	Square Footage Retail (rounded)	Number of Supportable Stores
Workers within Primary Trade Area (20% capture assumption)	1,300	\$1,352,000	4,900	2
Additional Workers beyond Primary Trade Area within Secondary Trade Area (10% capture assumption)	2,200	\$1,144,000	4,200	2
Totals	3,500	\$2.5M	9,100	4

Assumptions:

- 20% worker capture within primary trade area. \$20/week spending per employee, primarily on food and convenience.
- 10% worker capture within secondary trade area. \$10/week spending per employee primarily on food and convenience.
- Average sales per square foot for food and convenience of \$275, and average store size of 2,500-SF

Sources: MAPC analysis, ESRI Business Analyst 2015

II. Office Market Analysis

In order to determine the potential office demand in North Reading, MAPC staff analyzed existing office inventory, economic trends in North Reading, and regional trends in the office market. For the purposes of the office market analysis, the geographic areas examined are different than those of the retail market analysis' local/primary and secondary trade areas. The regional office market is defined by Jones Lange LaSalle's (JLL⁹) classification of the Boston regional office market. North Reading falls within its Boston North office market.

Existing Inventory

According to Assessor's data, the study area has approximately 34,262 square feet of office space. According to the EDSAT the overwhelming majority of the space in North Reading is Class B space. An online search for available listings on various commercial brokerage websites (see Table 10 later in the report) yielded approximately 35,000-SF of office space listed. Commercial brokers indicated that there is very little demand for existing office space in the Town since the stock is out of date.

Economic Trends

Jobs

North Reading had a total of 7,953 jobs in 2013 with about 1,310 people employed (16%) in jobs that are office-based (see Table 4 below). As of 2013, the majority of jobs in North Reading (55% or 4,379) are in industrial-warehousing followed by retail/commercial jobs at 20% or 1,621 jobs. Overall, job growth in North Reading has surpassed the county and the state between 2001 and 2013 at about 6% growth compared to 2%.

On an industry-sector level, job growth in North Reading has varied greatly from the county and state. In terms of office-based industries, during the 2001-2008 period, North Reading lost 41% of its office-based jobs while the county and state experienced 3.5% growth. However, during the more recent 2008-2013 period, North Reading experienced 34% job growth in its office-based industries while county and state experienced 6.5% job growth. Despite this more recent five-year job growth period, in North Reading there has been a net loss of 420 office-based jobs from 2001 to 2013. In terms of retail/commercial uses, North Reading has lost 8% of its retail/commercial jobs from 2008-2013. During those same periods, the county and the state experienced modest 1-4% job growth. Lastly, in terms of major industry-sector level comparisons, North Reading's industrial/warehousing job growth has far surpassed that of the county and state both during 2008-2013. North Reading experienced 52% industrial/warehousing job growth (from 2,879 jobs to 4,379 jobs), while the county and the state experienced job losses of 9-10% during the 2008-2013 period.

As of 2013, North Reading's job growth is strongest in the industrial/warehousing sector at 52% (5-year growth of 1,500 jobs) and constitutes its largest employment sector at 4,379 jobs. The office-based industry is its smallest employment sector with 1,310 jobs as of 2013, and has not recovered to the 2001 level of 1,730 jobs. North Reading's retail/commercial job market is slightly larger with 1621 jobs but is weak with a loss of 8% of its retail jobs from 2008-2013.

⁹ JLL is a professional services and investment management company specializing in real estate. After CBRE Group, the company is the largest publicly traded commercial real estate brokerage firm in the world.

Looking at the office-based industries with a finer brush, while several industries have experienced more recent five-year growth from 2008-2013, most of it has been modest double-digit growth in absolute numbers. The most dramatic change has been a net long-term loss its largest sector in 2001 for Professional and Technical Services which had 901 jobs and as of 2013 only has 188 jobs. Despite more recent five-year growth, the Town's overall office-based industries have not recovered from well over a decade and reinforce other data regarding the low demand for office space.

Wages

In terms of overall historical changes in average weekly wages across all industries, Table 5 below shows that North Reading, the county and state have experienced comparable overall wage increases from 2001-2013 of 39%, 41%, and 37%, respectively. More recent five-year wage growth from 2008-2013 show North Reading surpassing the county and state (20% versus 12% and 9%, respectively). It is worth noting that of all the industries, Manufacturing reports 2.3 times the average weekly wage compared to all industries and surpasses the wages of all office-oriented uses.

In terms of office-oriented uses, changes in wages in North Reading have varied greatly. While all uses report increases in the more immediate 2008-2013 period, this does not seem to a long-term historical trend since the same uses varyingly experienced sharp decreases or increases in wages during the 2001-2008 period compared to the 2008-2013 period. During the same two periods, the county and state both reported double-digit percentage increases in wages. Of the office-oriented uses within North Reading, there are three that as of 2013 have grown between 58% and 111% and may represent a competitive advantage over the county in terms of growth. These three are Information; Finance and Insurance; and Real Estate and Rental and Leasing. The Town should consider how to attract these from a marketing standpoint as well as facilitate easier permitting and review.

Table 5. Comparative Employment Analysis

Job Trends by Industry Sectors and Building Type															
NAICS Code	North Reading					Middlesex					Massachusetts				
	2001	2008	2001-2008 % Change		2013	2001	2008	2001-2008 % Change		2013	2001	2008	2001-2008 % Change		2013
	Avg. Monthly Jobs	Avg. Monthly Jobs			Avg. Monthly Jobs	Avg. Monthly Jobs	Avg. Monthly Jobs			Avg. Monthly Jobs	Avg. Monthly Jobs	Avg. Monthly Jobs			Avg. Monthly Jobs
51 - Information	75	52	-31%	189	263%	47,784	37,704	-21%	39,173	4%	117,751	95,197	-19%	91,717	-4%
52 - Finance and Insurance	106	85	-20%	198	133%	26,021	26,187	1%	25,691	-2%	183,989	179,999	-2%	165,728	-8%
53 - Real Estate and Rental and Leasing	57	33	-42%	32	-3%	9,925	9,357	-6%	9,892	6%	44,899	42,454	-5%	41,998	-1%
54 - Professional and Technical Services	901	150	-83%	188	25%	106,668	113,405	6%	118,885	5%	247,890	262,502	6%	278,842	6%
55 - Management of Companies and Enterprises	0	0	0	0	0	20,916	21,387	2%	24,787	16%	71,925	61,461	-15%	64,295	5%
56 - Administrative and Waste Services	273	302	11%	337	12%	50,986	45,195	-11%	50,459	12%	170,152	168,860	-1%	169,505	0%
61 - Educational Services	0	0	0	0	0	82,618	89,256	8%	91,144	2%	294,213	318,545	8%	338,443	6%
62 - Health Care and Social Assistance	318	356	12%	366	3%	83,109	97,742	18%	111,188	14%	429,761	500,348	16%	582,934	17%
Office/Institutional Sectors - Building Type - Subtotal	1730	978	-43%	1310	34%	428,027	440,233	3%	471,219	7%	1,560,580	1,629,366	4%	1733,462	6%
44-45 - Retail Trade	974	935	-4%	649	-31%	83,144	78,296	-6%	76,979	-2%	359,024	348,176	-3%	347,622	0%
71 - Arts, Entertainment, and Recreation	164	170	4%	107	-37%	9,178	10,173	11%	10,947	8%	46,961	54,391	16%	57,523	6%
72 - Accommodation and Food Services	481	467	-3%	582	25%	49,758	53,981	8%	58,020	7%	237,739	257,074	8%	282,814	10%
81 - Other Services, Ex. Public Admin	146	190	30%	283	49%	25,863	26,445	2%	25,651	-3%	113,608	129,707	14%	112,084	-14%
Retail/Commercial & Other - Building Type - Subtotal	1765	1762	0%	1621	-8%	167,943	168,895	1%	171,597	2%	757,332	789,348	4%	800,043	1%
23 - Construction	746	801	7%	733	-8%	40,747	36,095	-11%	33,805	-6%	151,270	144,233	-5%	133,705	-7%
31-33 - Manufacturing	0	0	0	1,286	0	117,656	85,439	-27%	75,552	-12%	389,232	286,458	-26%	250,615	-13%
42 - Wholesale Trade	427	323	-24%	383	19%	45,983	40,810	-11%	35,014	-14%	141,086	136,527	-3%	123,497	-10%
48-49 - Transportation and Warehousing	733	1,755	139%	1,977	13%	21,873	20,867	-5%	20,742	-1%	113,128	101,241	-11%	98,489	-3%
Industrial/Warehousing - Building Type - Subtotal	1906	2879	51%	4379	52%	226,259	183,211	-19%	165,113	-10%	794,716	668,459	-16%	606,306	-9%
92 - Public Administration	0	0	0	0	0	24,301	25,445	5%	25,833	2%	140,511	137,140	-2%	135,460	-1%
Total, All Industries	6,794	7,525	11%	7,953	6%	850,289	821,771	-3%	838,181	2%	3,276,103	3,245,755	-1%	3,296,932	2%

Source: MA Executive Office of Labor and Workforce Development, and MAPC analysis
In the table, a 0 represents no data from MA Dept. of Labor & Workforce Development.

Table 6. Average Weekly Wage Comparison

NAICS Code	Average Weekly Wage Comparison by Industry Sectors and Building Type														
	North Reading					Middlesex					Massachusetts				
	2001	2008	2001-2008 % Change	2013	2008-2013 % Change	2001	2008	2001-2008 % Change	2013	2008-2013 % Change	2001	2008	2001-2008 % Change	2013	2008-2013 % Change
	Avg. Weekly Wages	Avg. Weekly Wages		Avg. Weekly Wages		Avg. Weekly Wages	Avg. Weekly Wages		Avg. Weekly Wages		Avg. Weekly Wages	Avg. Weekly Wages		Avg. Weekly Wages	
51 - Information	\$689	\$944	37%	\$1,490	58%	\$1,495	\$1,973	32%	\$2,291	16%	\$1,244	\$1,590	28%	\$1,795	13%
52 - Finance and Insurance	\$900	\$722	-20%	\$1,180	63%	\$1,190	\$1,585	33%	\$1,902	20%	\$1,682	\$2,286	36%	\$2,450	7%
53 - Real Estate and Rental and Leasing	\$462	\$546	18%	\$1,153	111%	\$826	\$1,109	34%	\$1,592	44%	\$831	\$1,086	31%	\$1,339	23%
54 - Professional and Technical Services	\$1,459	\$1,017	-30%	\$1,214	19%	\$1,582	\$2,073	31%	\$2,367	14%	\$1,428	\$1,855	30%	\$2,113	14%
55 - Management of Companies and Enterprises	0	0	0	0	0	\$1,401	\$2,169	55%	\$2,746	27%	\$1,280	\$1,934	51%	\$2,278	18%
56 - Administrative and Waste Services	\$680	\$1,066	57%	\$1,120	5%	\$602	\$783	30%	\$882	13%	\$585	\$744	27%	\$800	8%
61 - Educational Services	0	0	0	0	0	\$819	\$1,069	31%	\$1,251	17%	\$741	\$977	32%	\$1,077	10%
62 - Health Care and Social Assistance	\$640	\$702	10%	\$771	10%	\$697	\$936	34%	\$975	4%	\$698	\$958	37%	\$1,005	5%
44-45 - Retail Trade	\$430	\$511	19%	\$649	27%	\$524	\$551	5%	\$570	3%	\$477	\$532	12%	\$556	5%
71 - Arts, Entertainment, and Recreation	\$282	\$324	15%	\$435	34%	\$389	\$633	63%	\$463	-27%	\$530	\$655	24%	\$678	4%
72 - Accommodation and Food Services	\$277	\$303	9%	\$331	9%	\$337	\$393	17%	\$410	4%	\$311	\$371	19%	\$395	6%
81 - Other Services, Ex. Public Admin	\$475	\$486	2%	\$481	-1%	\$557	\$634	15%	\$716	12%	\$477	\$542	14%	\$638	18%
23 - Construction	\$1,057	\$1,297	23%	\$1,511	16%	\$1,039	\$1,246	20%	\$1,322	6%	\$963	\$1,178	22%	\$1,268	8%
31-33 - Manufacturing	0	0	0	\$2,899	0	\$1,287	\$1,685	31%	\$1,993	18%	\$1,047	\$1,327	27%	\$1,538	16%
42 - Wholesale Trade	\$1,235	\$1,349	9%	\$1,816	35%	\$1,451	\$1,765	22%	\$1,858	5%	\$1,190	\$1,479	24%	\$1,625	10%
48-49 - Transportation and Warehousing	\$834	\$887	6%	\$754	-15%	\$736	\$865	18%	\$887	3%	\$750	\$899	20%	\$945	5%
92 - Public Administration	0	0	0%	0	0%	\$907	\$1,128	24%	\$1,276	13%	\$861	\$1,108	29%	\$1,269	15%
Total, All Industries	\$906	\$1,054	16%	\$1,262	20%	\$995	\$1,255	26%	\$1,409	12%	\$865	\$1,092	26%	\$1,188	9%

Source: MA Executive Office of Labor and Workforce Development

In the table, a 0 represents no data from MA Department of Labor and Workforce Development

Largest Employers

MAPC staff analyzed data on the largest employers to determine which industries are the most represented in this group. Below in Table 6 are the fourteen employers in North Reading that employ more than 100 people. Overall, North Reading has a diverse job market with almost half of the employers (six) in the professional, scientific and technical services industry. Of the remaining largest employers, four are in retail, two are in government, one is in health care and the final one is in freight transportation. The two largest employers employ over 1,000 people and are in government, and research and development. Teradyne employs approximately 3,300 people. The third largest employs over 250 people and is in the financial services industry. Two of the largest employers are within the study area, are in the retail and government industries and employ between 100-249 people. These two employers are the US Post Office, and Kitty's Restaurant & Lounge. Seven (7) of the largest employers are traditional office space users, and most of these large office space users are located southeast of the study area, adjacent to the Interstate-93 highway on Concord Street and Riverpark Drive.

Table 7. Employers in North Reading that employ more than 100 people.

Largest Employers							
Company Name	Address	Town	State	Industry	# of employees	NAICS Code	Traditional Office Space User
Teradyne Inc	Riverpark Dr	North Reading	MA	Engineering and Development	1,000-4,999	4236	Y
Dynamics Electrical	Concord St	North Reading	MA	Engineering, Electrical	100-249	2382	Y
Electrical Dynamics Inc	Concord St	North Reading	MA	Engineering, Electrical	100-249	2382	Y
Kiva Systems Inc	Riverpark Dr	North Reading	MA	Engineering, Robotics	100-249	5416	Y
Dec Tam Corp	Concord St	North Reading	MA	Environmental Remediation	100-249	5629	Y
Gerald S Jamgochian & Co	Park St # 102	North Reading	MA	Financial Services	250-499	5239	Y
Meadow View Ctr	North St	North Reading	MA	Health Care	100-249	6231	Y
North Reading School District	Sherman Rd	North Reading	MA	Government	1,000-4,999	6111	N
US Post Office	Main St	North Reading	MA	Government	100-249	4911	N
Kitty's Restaurant & Lounge	Main St	North Reading	MA	Retail	100-249	7225	N
Moynihan Lumber & Hardware	Chestnut St	North Reading	MA	Retail	100-249	4441	N
Super Stop & Shop	Main St	North Reading	MA	Retail	100-249	4451	N
Walmart	Main St	North Reading	MA	Retail	100-249	4521	N
Yrc Freight	Concord St	North Reading	MA	Transportation	100-249	4842	N

Source: MA Dept of Labor and Workforce Development

Employment Projections

Analyzing job projections at a more regional level demonstrates what industries are growing in and around the town of North Reading and where there may be some potential for North Reading to capture some of this growth in their office market.

The Massachusetts Department of Labor and Workforce Development projects job growth between 2010 and 2020 (+14.7% or 31,399 jobs for traditional office oriented industries) for the Metro North Workforce Investment Area (WIA). This area includes Arlington, Belmont, Burlington, Cambridge, Chelsea, Everett, Malden, Medford, North Reading, North Reading, Revere, Somerville, Stoneham, Wakefield, Watertown, Wilmington, Winchester, Winthrop, and Woburn.

Below in Table 7 is projected job growth within the MetroNorth WIA for industries that are more likely to locate in traditional office buildings. It is projected that slightly more than 16,000 office-oriented jobs will be added within the WIA. Businesses will require office space to house their workers and it is likely that more will be needed than is currently available. However there are a number of major competitors within the MetroNorth WIA including Cambridge, Burlington, and Woburn. These municipalities already have strong commercial bases and a large number of office-based industries. As these markets become saturated however, office-based industries will look to other municipalities. This may present an opportunity but North Reading will need to implement effective business attraction strategies in order to capture a portion of this job growth.

The two industry groups with the largest job growth projections for the 2012-2022 period are health care, and professional/scientific/technical services. These two industry groups align with some of North Reading's largest existing employers (Teradyne Inc, Electrical Dynamics Inc, Kiva Systems Inc, Dec Tam Corp, Gerald Jamgochian & Co, and Meadow View Ctr). The health care industry is projected to grow by 22% (11,095 new jobs), and the professional/scientific/technical services industry is projected to grow by 21% (11,054 new jobs). This suggests the potential for these employers to grow. They could potentially need more office space within North Reading, but these employers are unlikely to move to the study area, which is farther from the highway than their present locations. They are also unlikely to move to the study area due to environmental/infrastructure constraints that inhibit large-scale development.

Table 8. Projected Job Growth within the MetroNorth WIA.

Industry Projections for Metro North WIA				
Industry	Employment 2012	Employment 2022	Change Level	Change Percent
Information	15,931	17,902	1,971	12.40%
Publishing Industries (except Internet)	8,648	10,402	1,754	20.30%
Telecommunications	3,289	3,176	-113	-3.40%
Data Processing, Hosting and Related Services	1,798	1,874	76	4.20%
Finance and Insurance	13,195	14,059	864	6.50%
Credit Intermediation and Related Activities	6,234	7,052	818	13.10%
Insurance Carriers and Related Activities	5,349	5,464	115	2.10%
Real Estate and Rental and Leasing	4,612	4,857	245	5.30%
Real Estate	2,927	3,272	345	11.80%
Professional, Scientific, and Technical Services	52,593	63,647	11,054	21.00%
Professional, Scientific, and Technical Services	52,593	63,647	11,054	21.00%
Management of Companies and Enterprises	5,924	6,577	653	11.00%
Management of Companies and Enterprises	5,924	6,577	653	11.00%
Administrative and Support and Waste Management and Remediation	23,499	24,872	1,373	5.80%
Administrative and Support Services	22,446	23,581	1,135	5.10%
Waste Management and Remediation Service	1,053	1,291	238	22.60%
Educational Services	46,877	51,021	4,144	8.80%
Health Care and Social Assistance	51,021	62,116	11,095	21.70%
Total	213,652	245,051	31,399	14.70%

Source: MA EOLWD - Long-Term Industry Job Projections Data - Select MAPC "Office-Inclined" NAICS Sectors Only

Regional Office Market Conditions

MAPC staff also looked broadly at the Boston regional office market to identify the role of North Reading within the larger market. North Reading is part of the Jones Lang Lasalle Boston North submarket¹⁰ and adjacent to the 495/North region (see Figure 3 below). The characteristics of the Boston North Market are compared with the 495/North market in Table 8 below. Overall, the Boston North market in the second quarter of 2015 outperforms the adjacent market with a lower total inventory, positive net absorption figures, significantly lower direct vacancy rates (including low rates for Class A space), and higher direct average asking rents.

Figure 3. Boston North Office Market Region - Jones Lang Lasalle



Table 9. Comparative Analysis of the Boston North, 495/North and 128/MassPike JLL Office Markets.

Regional Office Market Overview			
	Boston North (North Reading)	495/North (adjacent)	128/MassPike (aspirational)
Total Inventory (s.f.)	10,947,183	15,577,677	20,146,362
Woburn (largest %)	* 3,500,000	(X)	(X)
Total Under Construction (s.f.)	924,000	(X)	947,898
Total YTD Net Absorption (s.f.)	34,960	-226,680	-174,328
Q2 2015 Net Absorption (s.f.)	233,577	-158,534	-217,328
Direct Vacancy Rate	11.3%	24.6%	7.9%
Class A	8.0%	(X)	(X) ¹¹
Class B	(X)	28.1%	(X)
Direct Average Asking Rent (\$ p.s.f.)	\$21.97	\$18.72	\$32.80
Class A	\$29.06	\$20.80	\$37.55
12-Month Rent Growth	3.5%	5.9%	13.6%

Source: Jones Lang LaSalle, Office Insight Q2, 2015 Reports for Boston North, 495/North, & 128/MassPike markets.

* 39.2% or 1,372,000 SF are Class A

(X) – represents data not available or not applicable

¹⁰ Includes the communities of Arlington, Beverly, Chelsea, Danvers, Everett, Lynn, Lynnfield, Malden, Marblehead, Medford, Melrose, Nahant, North Reading, Peabody, Reading, Revere, Salem, Saugus, Somerville, Stoneham, Swampscott, Wakefield, Wilmington, Winchester, and Woburn

¹¹ While no actual figure was reported for the Class A direct vacancy rate, the JLL 128/MassPike Q2, 2015 “Office Insight” report states that the market has the lowest suburban vacancy in the greater Boston office market.

Over the long term, JLL's *Office Insight* second-quarter report for 2015 reports that year-to-year rent growth from 2005-2015 is at 9.6%, Class A space direct vacancy at 11.3% is the lowest since the peak of the 2001 Dot.Com Bubble, and the asking rents have sustained stable growth at 3.5%.

While the Boston North market is doing well recently and is outperforming the adjacent market, North Reading's position within it also presents internal competition. Woburn possesses over a third of the region's total inventory, and is a strong competitor with 39% of the region's Class A supply. Jones Lang LaSalle also reports that availability of Class A space has impacted asking rents for 90,000-SF during this quarter at nearby Walkers Brook Drive in Reading. The report implies that that impact at Walkers Brook Drive has been negative due to internal competition within the office region from communities such as Woburn. Lastly and farther afield, coming down the pipeline in 2017, Partners Healthcare has pre-leased 850,000-SF of office space at Assembly Row in Somerville; this will be the largest spike in the occupancy rate of the region's office market in over a decade. The Town needs to implement a strategy to attract office tenants to existing space, ease regulations such as the increasing the maximum building height, and resolve the lack of adequate wastewater treatment infrastructure in order to attract developers. Addressing these matters will help the Town to compete and benefit from the regional office growth.

While the Boston North market is doing well recently and is outperforming the adjacent market, from a broader Boston office market perspective, neither submarket has historically been a strong, well-performing market. For the purposes of comparing the office market that North Reading is located in to that of a well-performing, aspirational office market, MAPC also looked at JLL's 128/MassPike office market. In the long term, if the town wishes to retain and improve its office market, it should look to the 128-MassPike office market. It has almost double the inventory (20M versus 11M square feet), a lower direct vacancy rate (7.9% versus 11.3%), the lowest suburban Class A direct vacancy rate, much higher asking rents (see table 9), and the highest rent growth (13.6% versus 3.5%). Short term strategies are outlined in the companion June 2016 economic development plan report to which the market analysis is an appendix. These strategies include measures such as partnering with the Chamber of Commerce to encourage updating existing Class B space to Class A space to be more competitive. From a longer-term economic development perspective, a more in depth study that engages stakeholders from the 128-MassPike office market would be needed to fully understand what has made the office market successful and what the Town of North Reading could reasonably do to replicate some of that success.

North Reading Office Market

Interviews with local commercial brokers suggest that there is a limited market for additional office space. Brokers mentioned that while there is strong demand for retail and residential development, the office market is very weak and has not fully recovered from the recession. Brokers indicated that the Town should focus its energy on mixed-use retail and residential developments, and not build too much additional office space.

According to the recently undertaken Economic Development Self Assessment Tool (EDSAT), Table 9 below is a snapshot of the inventory and rents of the town's current office space by office space type. The EDSAT indicates that high rents in the Town of North Reading put it at a disadvantage, with retail/office rents 31% higher in the central business district and 67% higher in the highway business district than the EDSAT's median Comparable Group of Municipalities (CGM)¹² districts, respectively. The EDSAT reported average

¹² The term comparison group municipalities (CGM) – used by Northeastern University's Dukakis Center for Urban and Regional Policy for EDSATs – represents any jurisdiction that completes the EDSAT. Jurisdictions are usually individual towns and cities.

asking rents for Class A, B and C office spaces within the Town's two business zoning districts. Class A rents were \$11 per square foot (in the highway business district only as there is no Class A office space in the central business district) and reported as favorable compared to the CGM's \$16 per square foot. Class B was reported as unfavorably higher when compared to CGM districts (\$15.94 versus \$12 to \$12.50 per square foot). Lastly, Class C office space was reported as unfavorably higher as well at \$14.79 to \$19.09 per square foot versus \$9 to \$9.50. At the regional level, there was no data available for the average asking rents other than information on Loop.net for Class B space going for \$22 per square foot per year. When compared to the regional direct average asking rents, \$22 per square foot is in keeping with the Boston North region's \$21.97, slightly higher than the adjacent Boston/495 region's \$18.72 but higher than the latter region's Class A rate of \$20.80.

The Town is also at a disadvantage with regards to the proportion of its office space that is dedicated to the highest level of office space (Class A) at only 5%. Certain industries prefer and only seek out this type of office space and it would be unlikely for them to consider relocating to North Reading with such a small inventory. The amount that is dedicated to the Class B office space is at 75% which is almost double that of the CGM (40%). The EDSAT indicates that Class B is the most flexible type and the Town can pursue either building more Class A space, or alternatively encouraging that existing Class B space be upgraded to Class A space. Lastly, the least desirable class of office space (Class C) represents a fifth of its overall office space.

Table 10. North Reading's Inventory and Rents of Current Office Space by Office Space Type.

Average Asking Rents		
Office Space Type	% of Overall Office Space	Average Asking Rent
Class A	5%	\$11/SF/yr
Class B	75%	\$15.94 to \$22/SF/yr
Class C	20%	\$14.79 to \$19.09/SF/yr

Sources: (1) North Reading - Economic Development Self Assessment Tool (EDSAT), January 2015;
(2) Loopnet.com

In order to get an understanding of what kind of office space is currently on the market or has been recently leased, MAPC staff looked at local listings on Loopnet.com, CityFeet.com, CommercialSearch.com, OfficeSpace.com and local brokerage sites such as Mansard Commercial. Below in Table 10 is a summary of currently available listings and recently leased office properties.

They can be several small municipalities, a geographic region, or a county planning and strategizing as a single entity for economic development.

Table 11. Currently Available Listings and Recently Leased Office Properties.

Recently Listed or Leased Office Spaces				
Address	Space Available	Rental Rate	Building Size	Class
246 Main Street	600 SF	\$19.2 to \$27.6/SF/yr * Negotiable	10,000 SF	B
246 Main Street	390 SF	\$19.2 to \$27.6/SF/yr * Negotiable	10,000 SF	B
315 Main Street	1,000 SF to 5,000 SF	\$16/SF/yr	5,600	B
21 Main Street	2,927 SF	\$18/SF/yr	20,033 SF	B
400 Riverpark Drive	2,779 SF	Negotiable	150,000 SF	A
400 Riverpark Drive	3,882 SF	Negotiable	150,000 SF	A
400 Riverpark Drive	19,163 SF	Negotiable	150,000 SF	A

Sources: (1) Loopnet.com; (2) Mansard Commercial, (3) CityFeet.com; (4) CommercialSearch.com; and (5) OfficeSpace.com (2015)

* Suite sizes range from 160 sq ft to 600 sq ft. Rents ranging from \$365 to \$960.

Table 10 is a summary of currently available listings and recently leased office properties as of July 2015. Approximately 31,000 to 35,000 SF of office space is currently available for lease or has been recently leased within North Reading. This available office space is distributed among four different locations and seven different spaces, and the majority (25,824 SF) are located in a large 150,000-SF Class A office buildings. The Class A office space is listed as having a negotiable rental rate. The other office spaces are smaller Class B spaces between 390-SF and 5,000-SF and listed between \$16/SF per year to \$27.6/SF per year. The EDSAT states that office rates in North Reading are high and non-competitive with an average Class B office space average asking rent of \$22 per SF per year.

When compared to the regional office market quarterly report figures, North Reading's available inventory as reflected by current and recent listings is small with at most 35,000-SF of Class A and B space available. To put this snapshot of local available office inventory into perspective with the office region, those 35,000-SF are the equivalent of 4% of what is currently under construction (924,000-SF) during the second quarter within the region, and 15% of what was absorbed (233,577-SF) during the same period.

Office Development Potential

At this point in time, North Reading appears to have a limited market for additional office space and is not as competitive as other surrounding towns since the majority of its office space is less desirable Class B space at a higher asking rent. According to aforementioned job growth and wages data, should the Town want to attract office development, it should focus on its two strongest industry sectors that experienced the most job and wage growth: the information industry, and finance and insurance. The Town should consider how to attract these from a marketing standpoint as well as facilitate easier permitting and review.

Zoning regulations should facilitate these uses without the need for special permits and the Town could partner with brokers and the chamber of commerce to market these uses. The Town could also allow home/ancillary office space to allow smaller home-based incubator businesses, and work with chambers of commerce to better market the availability of existing office space. Also, as stated by the EDSAT, the Town could also work with business associations to encourage upgrading existing Class B space to Class A space in order to attract higher quality businesses. The Town should also encourage that potential mixed-use developments set aside a small(er) component of their development programs for office space. The companion short-term economic development plan from June 2016 makes a series of recommendations that are intended to work in tandem. Among the recommendations, the report speaks to the importance of

residential supporting additional retail, office and restaurant uses reinforcing each other, and allowing multifamily residential in the study area by-right. For prospective single-site, mixed-use developments with residential, it is worth mentioning that the US Department of Housing and Urban Development will not finance mortgages in mixed-use buildings that are less than 67% owner-occupied. This figure can offer insight into what percentage of a mixed-use/residential development should be office; i.e., a maximum of 33%. Lastly, Class A office space typically is characterized not only by the quality of interior space but the quality of their environment including amenities. Establishing more amenities such as restaurants near office spaces should increase the potential for more and higher quality office development.

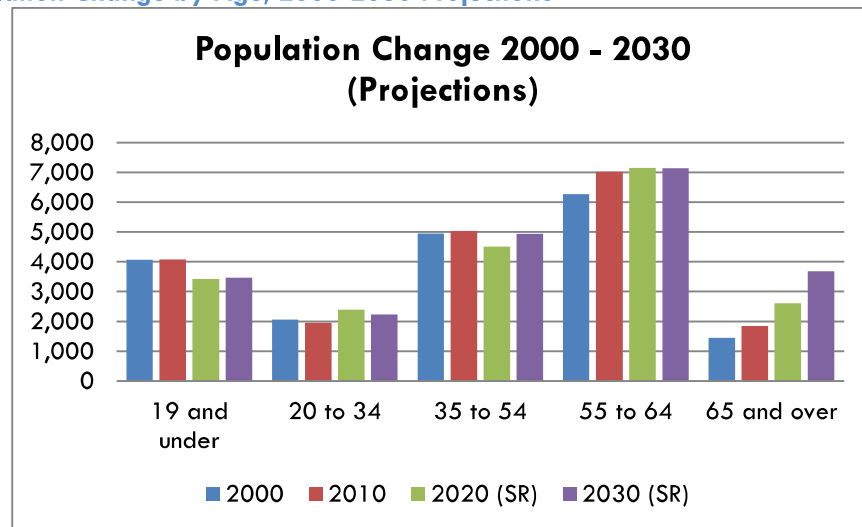
III. Residential Market Analysis

Housing Needs Analysis

Population and Households

Based on MAPC's Stronger Region population projections (see Figure 5 and Table 11 below), the town could see an 8% population increase between 2010 and 2030. In particular, the senior population (65 years and older) is projected to grow by 41% in the shorter 2010-2020 term and almost double from 2010 and 2030 (a 99% increase or 1,834 additional residents in this age group). This increase can most likely be attributed to existing residents aging in place but might also include some additional residents. Meanwhile, the middle-age population (35 to 54) is expected to decrease slightly, young adults between 20 and 34 years are expected to grow modestly, and the school-age population is expected to decrease by 15%.

Figure 4. Population Change by Age, 2000-2030 Projections



Source: MAPC Stronger Region Projections, 2020 & 2030

Table 12. Population Change by Age, 2000-2030 Projections

Age Group	Population Change 2000 - 2030 (Projections)					
	2000	2010	2020 (SR)	% 2010-2020	2030 (SR)	% 2010-2030
19 and under	4,063	4,071	3,419	-16%	3,463	-15%
20 to 34	2,061	1,957	2,390	22%	2,233	14%
35 to 54	4,945	5,032	4,499	-11%	4,935	-2%
55 to 64	6,269	7,019	7,151	2%	7,136	2%
65 and over	1,444	1,845	2,604	41%	3,679	99%
Total	18,782	19,924	20,063	1%	21,446	8%

Source: MAPC Stronger Region Projections, 2020 & 2030

While the total population will only grow by a modest 8% between 2010 and 2030, the total number of households will increase by 25% during the same period (see Table 12). When looking at household projections by age of householders, those headed by a person 60 years or older will increase by 89% which is consistent with the population projection for that age group during that period. Older middle-

aged householders are expected to decrease by almost a fifth while younger adult “Millennial” householders (30 to 44) are expected to increase by 24%.

These population and household projections will impact the type of housing units needed in North Reading. Many senior and Millennial households prefer smaller housing units, oftentimes in multifamily layouts near pedestrian-friendly environments with amenities and multimodal mobility options.

Table 13. Projected Households by Age of Householder, 2010 – 2030, North Reading

Household Projections by Age					
	2010	2020	2030	Change (2010-2030)	% Change
Total Households	5,439	6,171	6,802	1,363	25%
Age 15 - 29	313	397	334	21	7%
Age 30 - 44	1,378	1,419	1,704	326	24%
Age 45 - 59	2,142	2,015	1,731	-411	-19%
Age 60 and over	1,606	2,341	3,033	1,427	89%

Source: MAPC Stronger Region Projections 2030

Family and Non-Family Households

As of 2013, household types in North Reading are almost evenly distributed into thirds. About 37% are family households with children, 30% are non-family households, and 27% are households with one or more people 65 or older (see Table 13). The percentage of family households in North Reading is slightly higher than the region and state. The percentage of non-family households in the Town is significantly higher than the region and state (29% versus 12% and 11%). The number of households with seniors is fairly comparable with the region and state. These three household groupings are almost evenly distributed and can provide insight into preferences for certain types of housing units and sizes. While seniors, younger singles and married couples without children oftentimes prefer smaller homes (for either downsizing units or for starter homes), married couples with children usually prefer single family homes which tend to be larger.

Table 14. Households by Type, 2013

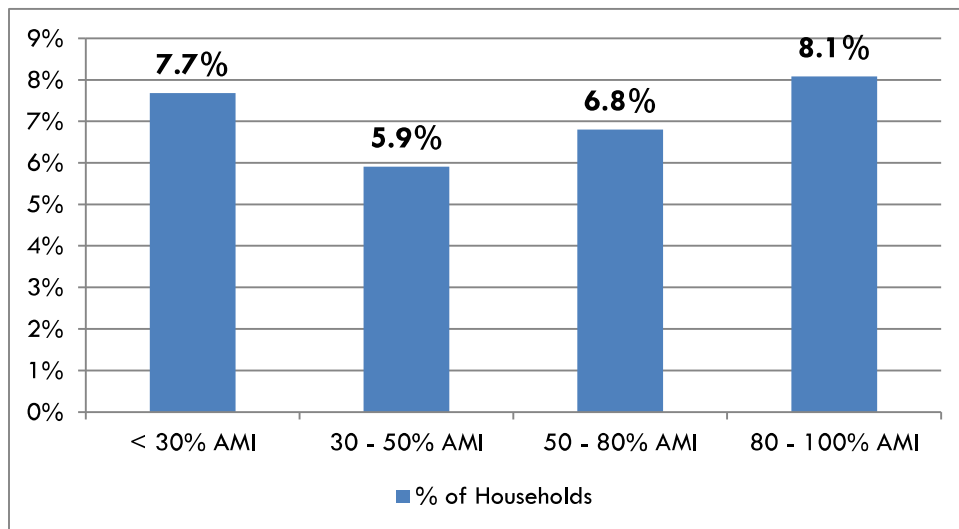
Households by Type - Family and Non-Family Households						
Household Type	North Reading		Housing Market Region		State	
	Number	% of HH	Number	% of HH	Number	% of HH
Number of households	5,273	8%	67,297	3%	2,530,147	100%
		region		state		
Family households	1,959	37%	23,173	34%	776,684	31%
Households with children	1,959	37%	23,259	35%	782,100	31%
Married family households	1,724	33%	18,802	28%	526,518	21%
Single/Other family households w children	235	4%	4,371	6%	250,166	10%
Non-family households						
Senior person living alone	564	29%	8,063	12%	279,462	11%
Non-Family Households with 2 or more seniors	45	1%	504	1%	18,388	1%
Households with one or more people 65 years and over	1,448	27%	20,141	30%	664,200	26%
Average household size	2.83	(X)	2.73	(X)	2.51	(X)
Average family size	3.22		n/a		3.08	

Sources: ACS 2009-2013, Census 2010

Income

The median household income in North Reading is at \$110,852 (see Figure 5) and is 26% higher than Middlesex County median (\$82,090). Only about one fifth of North Reading households are low (50-80% AMI), very low (30-50% AMI), or extremely low (<30% AMI) (see Table 14) with 8% falling between 80% and 100% of the area median income, and about 70% making over 100% of the area median income. When looked at by median household income by age (see Table 16), 29% of the householders are young adults making \$114,000, 48% are older middle-age adults making \$132,000, and 23% are seniors making less than half (\$46,343) of the Town median income and 56% of the county median household income. Given that North Reading's senior population and number of householders are projected to increase in the short term and long term, this significant discrepancy in median household income will play a role in affordability for an ever-increasing segment of North Reading's population. That same demographic will also play an important role in determining demand for future housing unit types and sizes.

Figure 5. Household Income vs. Area Median Income (AMI) – North Reading, 2011



Source: CHAS 2007-2011; total households 5,075

Table 15. Median Household Income by Age – North Reading, 2013

Median Household Income by Age Age	North Reading	
	Number of Householders by Age	Median Income
Total - All Ages	5,273	\$110,852
Householder 25 to 44 years	1,541	\$113,972
Householder 45 to 64	2,531	\$132,283
Householder 65 years and over	1,201	\$46,343

Source: ACS 2013

In terms of housing tenure, renters are more cost burdened at 82% versus owners at 29% (see Table 17). Cost burdened households are ones that pay more than 30 percent of their income on housing and may have difficulty affording necessities such as food, clothing, transportation and medical care. In terms of household type, non-family, non-elderly households are the most cost burdened at 39%, followed by small family households at 33%. Elderly households (family and non-family) represent almost 22% of the cost-burdened households in North Reading. In terms of addressing affordability, there seems to be some overlap with the senior population median income figures and cost-burden data from CHAS, and the proportion of North Reading households below 80% of the area median income.

Table 16. Cost Burdened Households by Type & Tenure - North Reading 2013

Cost Burdened Households by Type & Tenure	
Family, Elderly	13.6%
Family, Small	32.6%
Family, Large	26.5%
Non-Family, Elderly	8.0%
Non-Family, Non-Elderly	39.3%
Owner Households	29.0%
Rented Households	81.9%

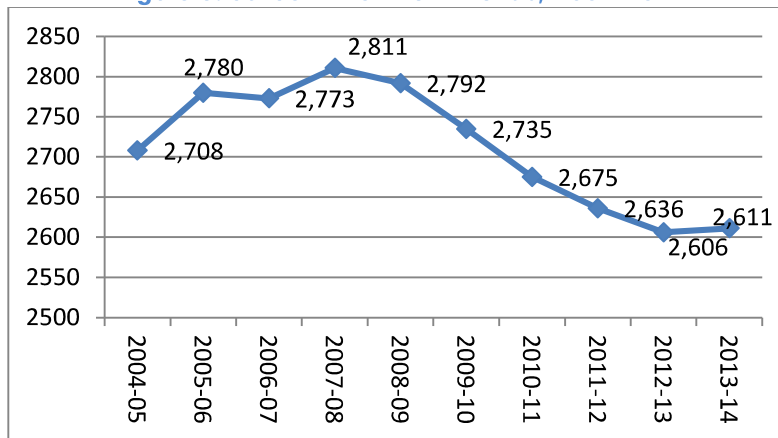
Source: CHAS 2007-2011; 2009-2013

Note: Small family Households (2 persons, neither person 62 years or over, or 3 or 4 persons). Large family Households (5 or more persons)

School Enrollment

School enrollment in North Reading has been decreasing since 2007-2008, and is at its second lowest point in the past decade of data available from 2004-2014. This trend reinforces prior household and population change data that the Town is growing older and losing its school-age population. Should this trend continue in tandem with seniors selling their homes – in order to downsize – to families with children, there may be less demand to construct more single family units.

Figure 6. School Enrollment Trends, 2004-2014



Source: MA Department of Elementary and Secondary Education

Market Assessment

Existing Housing Characteristics

Housing Stock

The overwhelming majority of housing units in North Reading are single family units, comprising 85% to the total housing stock. This is substantially higher than that of Middlesex County, where only 55% of the total stock is made up of single family units. Across the board, North Reading has a lower percentage of all multifamily housing types than Middlesex County. In terms of smaller multifamily units ranging from 2 to 4 units, it only has 3% versus the county at 22%. In the 5 to 49 unit range, North Reading only has 10% versus Middlesex County at 15%, and only 2% of units are large multifamily structures with 50 or more units versus 8% in the county.

Table 17. Number of Units in Structure – North Reading, 2013

Units by Type - North Reading		
	Number	% of HU
Total occupied and vacant	5,533	100%
1, detached and attached	4,697	85%
2	122	2%
3 or 4	33	1%
5 to 9	53	1%
10 to 19	166	3%
20 to 49	330	6%
50 or more	121	2%
other: mobile, boat, RV, van, etc.	11	0%

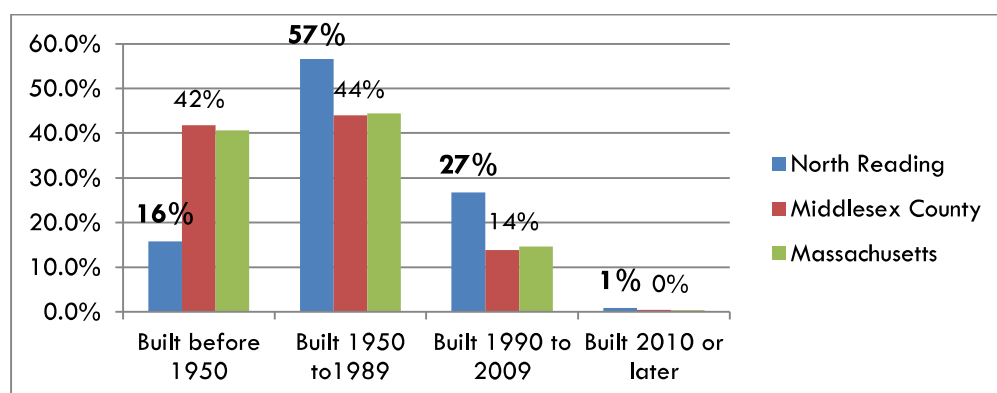
Source: ACS 2009-2013

Age of Housing Structures

The majority of the housing stock (57%, see Figure 7 and Table 19 below) in North Reading was built between 1950 and 1989, much of which was during the post WWII automobile-oriented suburbanization of America and not surprising given that North Reading is a suburb of metropolitan Boston. This is a higher percentage of housing stock built in the Town than during the same period in Middlesex County and the State at approximately 44%. While much of the suburban housing from this period may not be

considered historical in character, it may also lack amenities sought out by younger renters, and may be considered dated. Only 16% of the housing stock was built before 1950 compared to the county and state at around 42%, and these homes oftentimes were constructed during a period before suburbanization when homes were built within more walkable distances to each other, and to establishments and train stations. This is a relatively small percent of the Town's housing stock. About 27% of the town's housing stock was built from 1990 to 2009, which is higher than the county at 14%, and could indicate that over a quarter of the town's housing stock is relatively new and may feature contemporary amenities. About 1% of the Town's housing stock has been built between 2010 and 2013, and is comparable with the county and state.

Figure 7. Age of Housing Stock



Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey

Table 18. Age of Housing Stock – North Reading, Middlesex County, and Massachusetts, 2013

Age of Housing Stock			
	North Reading	Middlesex County	Massachusetts
Total:	5,533	612,535	2,808,549
Built 2010 or later	0.8%	0.4%	0.3%
Built 1990 to 2009	26.7%	13.8%	14.7%
Built 2000 to 2009	12.4%	7.2%	7.3%
Built 1990 to 1999	14.4%	6.7%	7.3%
Built 1950 to 1989	56.6%	44.0%	44.4%
Built 1980 to 1989	11.1%	9.6%	10.8%
Built 1970 to 1979	13.6%	10.4%	11.7%
Built 1960 to 1969	12.0%	11.4%	10.4%
Built 1950 to 1959	19.9%	12.6%	11.6%
Built before 1950	15.8%	41.8%	40.6%
Built 1940 to 1949	6.4%	5.8%	5.9%
Built 1939 or earlier	9.4%	36.0%	34.6%

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey

Tenure

The vast majority of North Reading's housing units are owner occupied at 86% and the Town has a higher owner-occupancy rate compared to the county and state's 63% (see Table 20 below). In terms of length of stay, North Reading has a higher percentage of long-term homeowners than the county and state. Over a third of the owners (35%) have lived in North Reading for 15 to 35 years compared to the county and

state percentage of 23%; and another third (34%) have moved into Town since 2000. North Reading has very few renter occupied units at less than 14% compared to the county and state's 37%. There could be an opportunity to provide more housing choices to narrow the gap between the Town, and the county and state inventory of rental units. In terms of length of stay, almost all of those renters (12% of all households) moved in since 2000 and have lived in Town 15 years or less. This figure is in stark contrast to almost three times that amount of owner households (34% of all households) who have lived in Town for the same number of years, and 35% of the owner households who have lived in Town for 15 to 35 years. In other words, the low percentage of rental housing stock poses a barrier to be able to move into the Town or be able to remain in the Town as renters. This can impact the ability of the recent graduates to find a rental home or of the ageing population to be able to downsize and remain in the community.

The growth in owner-occupied units from 2010 to 2013 was slightly less than that of renter-occupied units (1.1% less). However, in the slightly more distant past from 2000 to 2009, owner-occupied units grew 23.5% more than renter-occupied units. Most likely this difference is due to lack of multifamily production, and zoning regulations should be examined if the Town is to accommodate future demonstrated demand for smaller units for the ever-growing senior population, and Millennials.

Table 19. Tenure and Length of Stay, 2013

Tenure and Length of Stay			
	North Reading	Middlesex County	Massachusetts
Total:	5,273	581,120	2,530,147
Owner occupied	86.2%	62.7%	62.7%
Moved in 2010 or later	3.6%	3.9%	3.6%
Moved in 2000 to 2009	30.7%	23.5%	23.8%
Moved in 1990 to 1999	23.8%	14.8%	14.9%
Moved in 1980 to 1989	11.6%	8.1%	8.4%
Moved in 1970 to 1979	8.8%	5.9%	5.9%
Moved in 1969 or earlier	7.8%	6.5%	6.0%
Renter occupied	13.8%	37.3%	37.3%
Moved in 2010 or later	4.7%	12.3%	11.6%
Moved in 2000 to 2009	7.2%	20.0%	20.3%
Moved in 1990 to 1999	1.6%	3.1%	3.4%
Moved in 1980 to 1989	0.3%	1.0%	1.1%
Moved in 1970 to 1979	0.0%	0.4%	0.5%
Moved in 1969 or earlier	0.0%	0.5%	0.4%

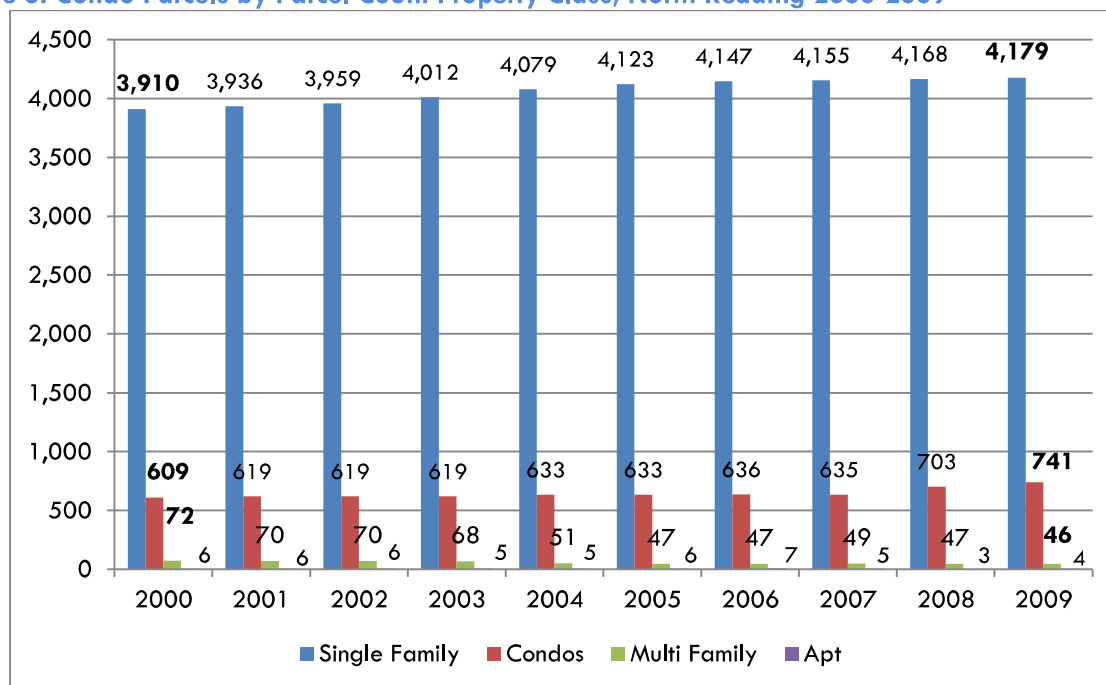
Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey

Condominium Ownership

Condominium ownership, particularly in multi-family structures, is growing in North Reading. According to Massachusetts Department of Revenue (MDR) Parcel Counts by Property Class data (see Figure 8), condominium development has increased in town. Between 2000 and 2009 (from readily available MDR data), the overall percentage of condos increased by 21.7% of total North Reading parcels, whereas single family units only increased by 6.9% (in percentage of total parcels). This number reflects both new condominium development and condominium conversions. The 64% decrease in multifamily units (two- to 3-family) might be a result of a combination of condo conversions that are likely taking place in existing 2-

and 3-family rental buildings, the modest increase in single-family parcels, and the relatively low single-digit number of parcels for apartments (buildings with more than 4 units). Essentially, the finding is that during this period, there may be greater interest and support for multifamily ownership rather than rental units, and potentially that there may be regulatory restrictions on the production of additional multifamily ownership and apartment/rental units.

Figure 8. Condo Parcels by Parcel Count Property Class, North Reading 2000-2009



Source: Massachusetts Department of Revenue Parcel Counts by Property Class, 2000-2009

Rental Market Characteristics

The majority of renters (57%) are between the ages of 25 and 44 years old, and almost a third (29%) are 65 years of age or older (see Table 21 below). As of 2013, North Reading no longer has any renter households under 25 years old whereas the county and the state maintain almost a tenth of their renter households in this age bracket. North Reading renter householders increased in the 65 years and older group from 2000 to 2013 by 15% whereas for the county and state the number remained fairly constant. North Reading's has about 8-9% more renter households in the 35 to 44 years old group than the county and state.

Overall, North Reading is competitive with the county and state in the two younger aforementioned age groups and seems to have an advantage in the 65 years and older group for an empty-nester rental market. The biggest change in North Reading in terms of the age of renter households is a 14% increase in rental householders in the 65 to 74 years bracket, and reinforces aforementioned demographic data (and regional and national trends) that the Town of North Reading's population is growing older, downsizing to smaller rental units, and the 65-74 age bracket is more cost-burdened than other segments of the town's population.

Given that: (1) the Town's projected population is growing older and increasingly occupying smaller rental units; (2) presently Millennials and seniors represent 58% of the renter households; (3) North Reading has significantly fewer multifamily units than the surrounding county (15% versus 45%); and (4) North Reading

has lost its renters-under-25-years demographic to 0% as of 2013, an argument can be made for an increase in multifamily production in general and specifically for smaller, more affordable rental units to accommodate two important Town demographics.

Table 20. Renter-occupied Housing Units, North Reading, and Middlesex County, 2000-2013

Age of Renter Households						
	MA		Middlesex County		North Reading	
	2000	2013	2000	2013	2000	2013
Householder 15 to 24 years	9%	8%	8%	7%	4%	0%
Householder 25 to 34 years	28%	26%	32%	30%	24%	29%
Householder 35 to 44 years	22%	19%	23%	20%	28%	28%
Householder 45 to 54 years	14%	17%	14%	17%	16%	11%
Householder 55 to 64 years	8%	13%	8%	11%	11%	2%
Householder 65 to 74 years	7%	8%	7%	7%	7%	21%
Householder 75 to 84 years	7%	6%	7%	5%	7%	8%
Householder 85 years and over	3%	4%	3%	3%	2%	0%

Source: U.S. Census Bureau 2010, & ACS 2013

North Reading's total number of households grew by 9% between 2000 and 2013 (see Table 22 below). The number of renter households grew by 37% from the number of rental households in 2000, and by 4% of total combined owner and rental households during the same period. As of 2013, 14% of the total households in North Reading are rentals. As of 2013, none were under 25 years of age indicating that North Reading has lost all of its renters in this age bracket. Only 8% of North Reading's total housing are comprised of renters within the 25 to 44 years of age bracket, and 4% of the total households are 65 years and older. North Reading is not providing rental housing options to potential renters 25 years of age and younger. It is worth noting that number of renter households over 64 years has grown significantly faster than the county and state between 2000-2013 (to 29% in 2013 versus 8% and 10%) as shown in Table 21. Part of this increase might be attributed to the construction of the 406-unit Chapter 40R Edgewood Apartments development on the Berry site which has an affordable component.

Table 21. Rental Households by Age – North Reading, 2013

Rental Households by Age						
	Year		Change		Percent of Total	
	2000	2013	#	%	2000	2013
North Reading						
Total Households	4,795	5,273	478	9%	100%	100%
Renter Households	456	727	271	37%	10%	14%
Householder 15 to 24 years	20	0	-20	-100%	0%	0%
Householder 25 to 34 years	109	213	104	49%	2%	4%
Householder 35 to 44 years	128	206	78	38%	3%	4%
Householder 45 to 54 years	71	82	11	13%	1%	2%
Householder 55 to 64 years	52	16	-36	-225%	1%	0%
Householder 65 to 74 years	34	155	121	78%	1%	3%
Householder 75 to 84 years	32	55	23	42%	1%	1%
Householder 85 years and over	10	0	-10	-100%	0%	0%

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey

Rental Units

As previously stated, North Reading has a limited inventory of multifamily units in general and especially rental units when compared to the surrounding county. As of July 15, 2015, an online search on Zillow.com

for rental units and rates at nearby residential complexes in the housing market yielded 31 listings. The majority of which were 2-bedroom units mainly at apartment complexes. The average two-bedroom unit was listed at a rental rate of \$1,951 and measured 1,140-SF. The average three-bedroom unit was listed at a rental rate of \$2,199, and measured 1,314-SF. No one-bedroom rentals were found in the search. There were only two listings in North Reading. Both were at the Chapter 40R Edgewood Apartments approved in 2007 and both were 2-bedrooms units renting above the area rental average at \$2,175 at an average size of 1,135-SF. These units were in keeping with average sized unit in the area. North Reading rental rates and sizes appear competitive with area listings but there seem to be fewer listings compared to that for neighboring towns, which is consistent with the lack of multifamily housing production and limited existing inventory.

Table 22. Rental Rates in North Reading and at Nearby Residential Complexes

Rental Rates at Nearby Residential Complexes				
Location	Type	Rent	SqFt	Bedrooms
North Reading (100 Lowell Rd)	Apartment	\$2,155	1,079	2
North Reading (102 Lowell Rd # 1)	Apartment	\$2,195	1,190	2
Lynnfield (Lynnfield Commons)	Apartment	\$2,125	1,124	2
Middleton (36 Village Rd # 602)	Apartment	\$2,300	1,103	2
North Andover (Undisclosed Address)	Apartment	\$1,900	1,182	2
North Andover (Royal Crest Estates)	Apartment	\$1,589	1,200	2
North Andover (50 Fernview Ave # 1)	Condo Rental	\$1,600	1,025	2
North Andover (88 Main St # C)	Apartment	\$1,350	1,050	2
North Andover (148 Main St)	Condo Rental	\$1,300	1,450	2
Peabody (1000 Crane Brook Way)	Apartment	\$1,841	1,081	2
Peabody (Avalon Essex)	Apartment	\$1,970	1,165	2
Peabody (Eaves)	Apartment	\$1,975	1,132	2
Peabody (Highlands At Dearborn)	Apartment	\$1,905	1,073	2
Reading (Reading Commons)	Apartment	\$2,633	1,121	2
Reading (10 Orange St # 1)	Apartment	\$1,950	1,100	2
Andover (Avalon Andover)	Apartment	\$2,180	1,104	2
Andover (Hamilton Green)	Apartment	\$2,150	1,043	2
Andover (Casco Crossing)	Apartment	\$1,800	1,160	2
Andover (257 N Main St # 9)	Apartment	\$1,750	1,000	2
Andover (3 Powder Mill Sq # 302)	Condo Rental	\$1,950	1,223	2
Andover (247 N Main St # 3)	Apartment	\$1,750	1,340	2
Wilmington (Metro at Wilmington Station)	Apartment	\$2,060	1,155	2
Wilmington (Avalon Oaks)	Apartment	\$2,185	1,174	2
Wilmington (Regency Place)	Apartment	\$2,215	1,074	2
North Andover (Royal Crest Estates)	Apartment	\$2,009	1,300	3
North Andover (Furber Ave)	Apartment	\$2,200	1,250	3
Peabody (1000 Crane Brook Way)	Apartment	\$2,364	1,265	3
Peabody (Highlands At Dearborn)	Apartment	\$2,140	1,340	3
Wilmington (Avalon Oaks)	Apartment	\$2,375	1,313	3
Wilmington (6901 Pouliot Pl # 1)	Apartment	\$1,995	1,437	3
Wilmington (Regency Place)	Apartment	\$2,310	1,294	3

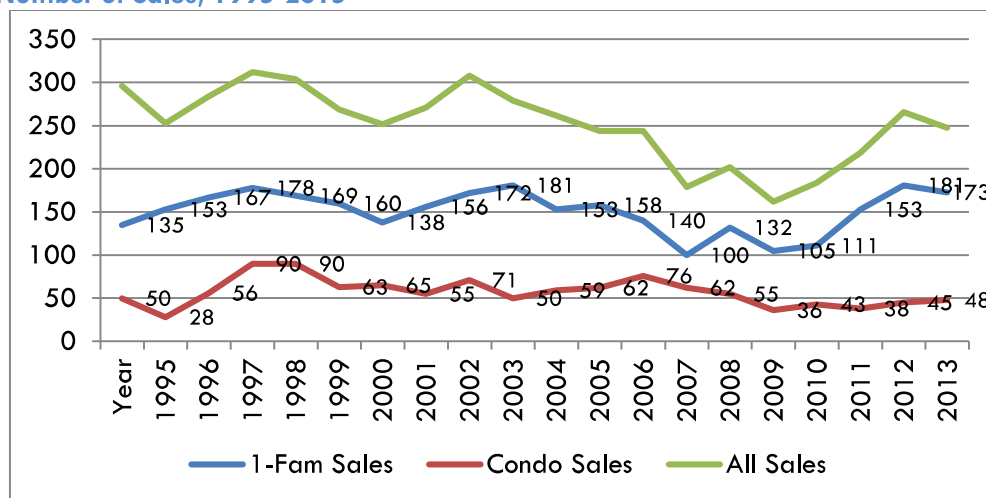
Source: Zillow (Rents are as of July 15, 2015)

Ownership Market Assessment

Sales Trends

The total number of housing sales in North Reading rose from 2009 to 2013 at a rate of 14 to 22 sales per month but the current January to May 2015 pace of 15 units per month is not on course to exceed recent calendar year sales (see Figure 9 and Table 24 below). Single-family sales have historically comprised about an average of 61% (46% to 70%) of the all of the sales while condos have historically comprised about an average of 23% (11% to 35%) of all sales. Overall, demand for ownership housing is strong, and single-family housing has recovered from the recession. By contrast, the number of condo sales have grown moderately but have not yet reached pre-recession levels.

Figure 9. Number of Sales, 1995-2015



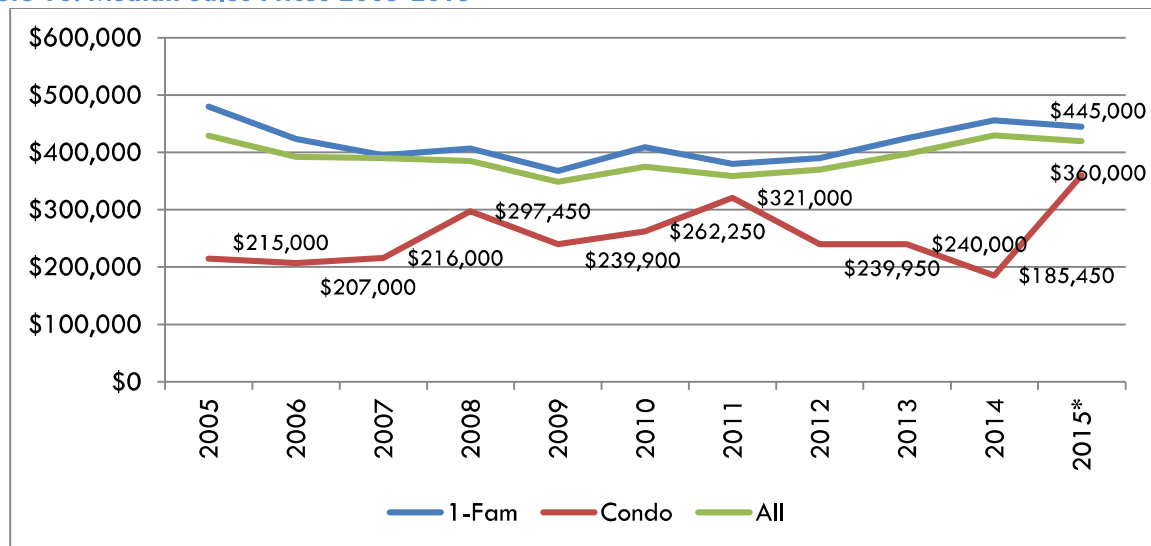
Overall, the average median sales price has been steadily increasing since 2009 (after the recession) from \$350,000 to \$420,000, and as of 2014 are at their 2005 pre-recession peak price of \$430,000 (see Figure 10 and Table 24 below). The median sales price from January to May 2015 appears to be remaining close to that trend at a close \$420,000. The median single-family sales price from the same period has followed that trend and has been rising since 2009 from \$367,000 to \$445,000 (a 17% increase) in 2015, and is 7% lower than its peak 2005 price of \$480,000. Median condo sales prices have witnessed sharper periodic increase and declines but overall the long term trend has been increasing with 2015 prices surpassing the 2011 peak price by 12% from \$321,000 to \$360,000.

Table 23. Number of Sales, 1995-2015

North Reading, MA - Number of Sales - Calendar Year						
Year	Period	1-Fam	%	Condo	%	All
2015	Jan - May	53	69%	17	22%	77
2014	Jan - Dec	173	70%	48	19%	248
2013	Jan - Dec	181	68%	45	17%	266
2012	Jan - Dec	153	70%	38	17%	219
2011	Jan - Dec	111	60%	43	23%	184
2010	Jan - Dec	105	65%	36	22%	162
2009	Jan - Dec	132	65%	55	27%	202
2008	Jan - Dec	100	56%	62	35%	179
2007	Jan - Dec	140	57%	76	31%	244
2006	Jan - Dec	158	65%	62	25%	244
2005	Jan - Dec	153	58%	59	23%	262
2004	Jan - Dec	181	65%	50	18%	279
2003	Jan - Dec	172	56%	71	23%	308
2002	Jan - Dec	156	58%	55	20%	271
2001	Jan - Dec	138	55%	65	26%	252
2000	Jan - Dec	160	59%	63	23%	269
1999	Jan - Dec	169	56%	90	30%	304
1998	Jan - Dec	178	57%	90	29%	312
1997	Jan - Dec	167	59%	56	20%	284
1996	Jan - Dec	153	60%	28	11%	253
1995	Jan - Dec	135	46%	50	17%	296

Source: Warren Group Data

Figure 10. Median Sales Prices 2005-2015



Source: Warren Group Data, 2005-2015

Table 24. Median Sales Prices 2005-2015

North Reading, MA - Median Sales Price - Calendar Year				
Year	Period	1-Fam	Condo	All
2015	Jan - May	\$445,000	\$360,000	\$420,000
2014	Jan - Dec	\$456,020	\$185,450	\$429,950
2013	Jan - Dec	\$425,000	\$240,000	\$397,500
2012	Jan - Dec	\$390,000	\$239,950	\$370,000
2011	Jan - Dec	\$380,000	\$321,000	\$358,900
2010	Jan - Dec	\$409,000	\$262,250	\$375,000
2009	Jan - Dec	\$367,549	\$239,900	\$348,950
2008	Jan - Dec	\$407,000	\$297,450	\$385,000
2007	Jan - Dec	\$395,000	\$216,000	\$390,000
2006	Jan - Dec	\$423,500	\$207,000	\$392,500
2005	Jan - Dec	\$480,000	\$215,000	\$429,285

Source: Warren Group Data, * 2015 from January to May

Recent Sales and Listings

MAPC staff searched for two-bedroom condos in the 1,000 to 1,500 SF range in the last 12 months and found 40 listings in total (see Table 26 below). Of the total forty recent sales from July 2014 to July 2015, 34 were single-family dwellings and 6 were condos. The average sales price for the single-family dwellings was \$334,000 at \$268 a square foot, with an average living area of 1,251-SF. The majority (21) of the single-family dwellings were built in the 1940s and 1950s, and only eight since the 1960s with none since the 1990s making the newer sold units around 25 years old. The majority of the single-family dwellings sold are approximately 55-65 years old. In terms of the number of bedrooms and bathrooms, the majority (27) of the single-family dwellings sold recently are three-bedroom units evenly divided between one-baths and two-baths with one 1.5 bathroom unit. There were only three 2-bedroom units sold and four 4-bedroom units.

Of the six condo units recently sold in that same period, the average sales price was \$206,000 with a \$197 a square foot average cost, and average living area of 1,034-SF. All but one were built in the 1970s and were 2-bedroom, 1-bathroom units. Overall, the ownership housing stock is mainly dated single-family units with a limited supply of dated condo units.

Current listings and recent sales data indicate a considerable price difference exists for older and newer units. Newer units were sold at a premium commanding a higher price per square foot. Of the six condo sales, the newest unit sold that was built in 1999 sold 43% higher at \$263/SF versus an average of \$184/SF for the five units built in the 1970s. Of the single-family units the newest unit was built in 1988 and the average sale price for units from the 1960s to 1988 was \$315/SF. Older single-family units from the 1950s averaged \$284/SF, and the remaining units sold that were built between 1897 and 1948 sold for \$209/SF. Interviews with local brokers confirmed that there is higher demand for newer construction.

Table 25. Recent Sales by Unit Type, July 2014-June 2015

Recent Sales by Unit Type								
Address	Use	Sale Price	Avg Cost/SF	Sale Date	Built	Beds	Baths	Sq Ft
(34) Single-Family Units	(X)	\$334,438	\$268	(X)	40s/50s	3	2 / 1	1,251
114 North St	1-Fam	\$390,000	\$265	6/23/2015	1957	4.0	2.0	1,468
81 North St	1-Fam	\$399,000	\$295	5/21/2015	1958	3.0	1.0	1,352
15 Wright St	1-Fam	\$361,000	\$300	5/7/2015	1950	3.0	1.0	1,200
6 Gould St	1-Fam	\$370,000	\$254	4/2/2015	1948	4.0	2.0	1,456
1 Bigham Rd	1-Fam	\$379,900	\$259	3/12/2015	1951	3.0	1.0	1,464
295 Park St	1-Fam	\$255,000	\$193	2/13/2015	1927	3.0	1.0	1,315
6 Pinecrest Rd	1-Fam	\$245,000	\$229	2/13/2015	1930	2.0	2.0	1,068
4 Oakland Rd	1-Fam	\$360,000	\$303	2/2/2015	1960	3.0	1.0	1,188
9 Damon St	1-Fam	\$379,100	\$282	1/29/2015	1953	3.0	2.0	1,344
19 Leland Rd	1-Fam	\$262,000	\$221	1/12/2015	1940	2.0	1.0	1,185
125 Haverhill St	1-Fam	\$175,875	\$145	12/23/2014	1897	3.0	1.0	1,212
4 Eugley Park W	1-Fam	\$410,000	\$355	12/19/2014	1960	3.0	2.0	1,152
31 Anthony Rd	1-Fam	\$322,000	\$277	12/9/2014	1957	3.0	1.0	1,162
7 Sylvia Rd	1-Fam	\$360,000	\$357	12/5/2014	1955	3.0	1.0	1,008
16 Wright St	1-Fam	\$255,000	\$247	12/2/2014	1940	2.0	2.0	1,032
9 Brentwood Rd	1-Fam	\$125,000	\$112	11/12/2014	1928	3.0	1.0	1,108
11 Oakdale Rd	1-Fam	\$328,000	\$287	11/12/2014	1956	3.0	2.0	1,141
2 Spruce Rd	1-Fam	\$315,000	\$253	11/10/2014	1958	3.0	1.0	1,244
22 Peter Rd	1-Fam	\$335,000	\$278	11/10/2014	1959	3.0	1.0	1,205
8 Porter Rd	1-Fam	\$307,000	\$225	11/4/2014	1940	4.0	1.0	1,362
3 Eugley Park W	1-Fam	\$445,000	\$321	10/31/2014	1960	3.0	2.0	1,384
3 Pine Glen Dr	1-Fam	\$456,020	\$402	10/15/2014	1966	3.0	2.0	1,132
4 Sylvia Rd	1-Fam	\$387,500	\$267	9/29/2014	1953	3.0	2.0	1,450
7 Ivy St	1-Fam	\$425,000	\$342	9/26/2014	1988	3.0	2.0	1,242
2 Rahnden Ter	1-Fam	\$200,000	\$136	9/25/2014	1963	3.0	2.0	1,470
3 Linwood Ave	1-Fam	\$392,000	\$267	9/16/2014	1987	3.0	2.0	1,468
10 Voke St	1-Fam	\$353,500	\$244	8/29/2014	1940	3.0	1.5	1,448
92 Haverhill St	1-Fam	\$360,000	\$322	8/11/2014	1963	3.0	2.0	1,118
1 Gordon Rd	1-Fam	\$373,080	\$317	8/6/2014	1947	3.0	2.0	1,176
13 Oakland Rd	1-Fam	\$400,000	\$362	7/31/2014	1958	3.0	1.0	1,104
18 Tower Hill Rd	1-Fam	\$475,000	\$388	7/31/2014	1964	3.0	3.0	1,222
13 Orchard Dr	1-Fam	\$399,900	\$297	7/30/2014	1955	3.0	1.0	1,344
7 Peter Rd	1-Fam	\$245,000	\$202	7/18/2014	1954	3.0	1.0	1,207
3 Railroad Ave	1-Fam	\$125,000	\$112	7/15/2014	1900	4.0	1.0	1,113
(6) Condos	(X)	\$205,833	\$197	(X)	1970s	2	1	1,034
2 Greenbriar Dr, Apt 201	Condo	\$193,000	\$193	3/23/2015	1974	2.0	1.0	1,000
1 Greenbriar Dr, Apt 201	Condo	\$186,000	\$186	11/26/2014	1972	2.0	1.0	1,000
6 Greenbriar Dr, Apt 204	Condo	\$185,000	\$181	11/7/2014	1974	2.0	1.0	1,018
4 Greenbriar Dr, Apt 308	Condo	\$182,000	\$182	9/29/2014	1972	2.0	1.0	1,000
1 Greenbriar Dr, Apt 308	Condo	\$177,000	\$177	9/3/2014	1972	2.0	1.0	1,000
12 Northridge Dr. Apt. 12	Condo	\$312,000	\$263	7/18/2014	1999	2.0	2.0	1,184

Source: Zillow July 2014 - June 2015

Unit Production

Census building permit data was assessed to understand the past unit production before and after the 2008-2009 national economic recession. Census building permit data from 2004 to 2014 (see Table 27 below) shows that the Town produced a total of 767 units of which 406 units were the Edgewood (Chapter 40R) luxury apartments with a 25% affordable component approved in 2006 and built in 2008. According to the Town, approximately 118 multifamily units were permitted or built in 2005-2006, and these figures from Figure 12 have been added to Table 26. The years of 2005-2007 were the only years in which multifamily units were permitted and produced, and indicates a lack of consistent recent production of multifamily units in the town. By contrast, the remaining 249 single-family units were produced at a more consistent pace with an average of 26 single-family units a year. While there seems to be a slight disparity in the data the Census reports versus that of the Town's more detailed records, the assessment remains the same the Town's multifamily unit production is low and inconsistent. Table 26 below represents the Census permit data modified where annotated with asterisks to fill in multifamily units that were permitted (from Figure 12) before the 2008-2009 national economic recession.

Table 26, Building Permits Issued, 2004-2014

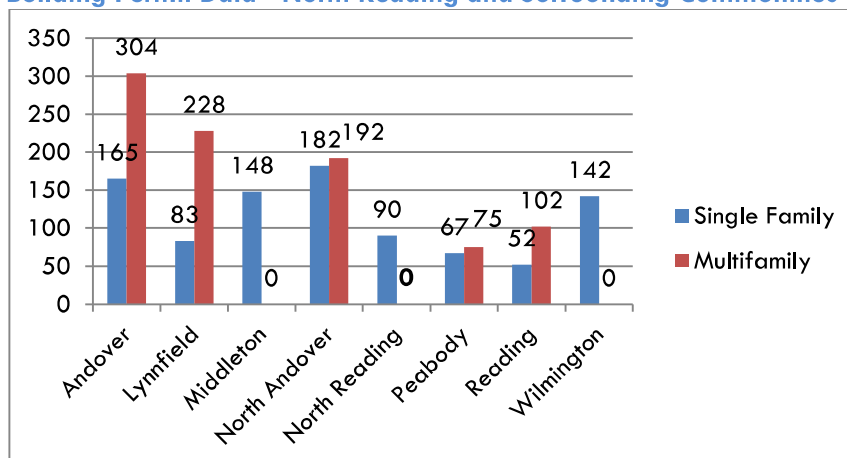
Building Permits 2004-2014 - North Reading			
Year	1-Fam Units	MFR Units	Total Units
2004	41	0	0
2005	32	0	32
2006	31	*118	31 + *118
2007	31	* 406	437
2008	18	0	18
2009	19	0	19
2010	22	0	22
2011	17	0	17
2012	17	0	17
2013	27	0	27
2014	29	0	29

Source: Census Building Permit Data, and MA DHCD

* There was an error in the Census Data that was confirmed by Town records pertaining to a reported 1,218 multifamily units which is actually triple the known 406 units at the Berry site.

Figure 11 below shows more recent unit single-family and multifamily units production for North Reading and surrounding communities from 2011-2014. North Reading, along with Wilmington and Middleton have permitted zero multifamily units while the remaining surrounding communities have produced between 75 and 304 during the same period of time.

Figure 11. Building Permit Data - North Reading and Surrounding Communities - 2011-2014



Source: US Census Permit Data 2011-2014

While recent multifamily condo sales and apartment rental listings demonstrate demand for multifamily units, and population and household projections forecast a growing demand for additional multifamily units, the Town of North Reading has not been permitting them. The 406-unit Edgewood apartments are by far the largest multifamily complex in the Town with the second largest, the 172-unit Greens complex, having been built in the 1980s. Census building permit data was supplemented by more information regarding multifamily permitting during this period.

Figure 12. Additional Multifamily Developments Permitted in Last Several Years

Additional Multifamily Developments Permitted in Last Several Years			
Multifamily Development	Address	Units	Year*
Ipswich River Townhomes	113 Haverhill Street	14	2006 permitted 2015 under construction
Central Place (55+ Community)	63 Central Street	26	2005-2006
Whittridge Place Condos	50 Mt. Vernon Street	36	2005-2006
Rowe Farm	193 Elm Street	28	2005-2006
Pilgrim Road Condos	Pilgrim Road	14	2005-2006

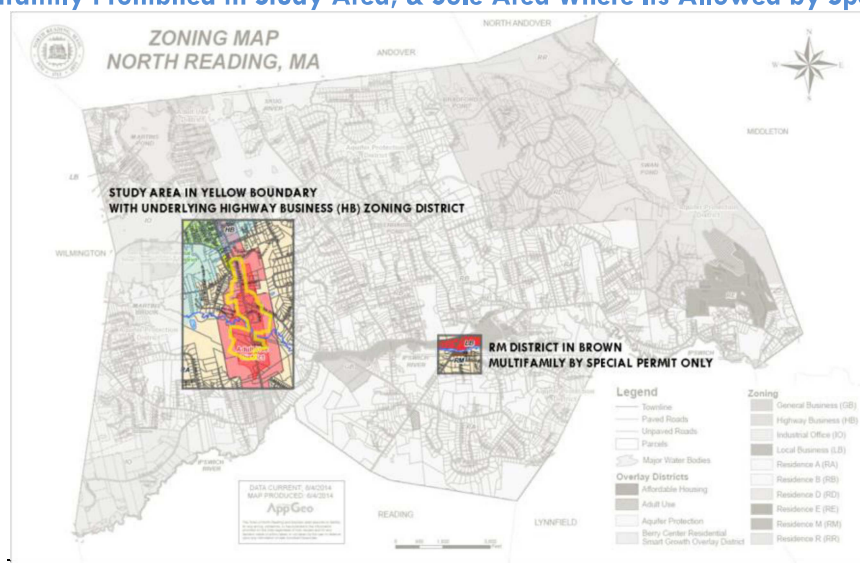
Source: North Reading Community Planning Department, 2015

* Approximate years of permitting and construction. All occurred before the 2008-2009 national economic recession and none afterwards.

It seems that the multifamily market remains somewhat untested especially after the recession. The 14 units at Ipswich River Townhomes were permitted in 2006 and are currently under construction 9 years later. Potential developers in the region may also be exercising caution and assessing the occupancy rates at Edgewood before proposing new multifamily projects.

It is worth highlighting that market forces alone cannot explain the Town's lesser production of multifamily units when compared to the housing market region and surrounding county. Current Town of North Reading zoning prohibits multifamily dwellings (containing four or more units) in every single residential and non-residential zoning district with exception of the residential RM district where it is permissible by Special Permit only (see Figure 13 below for a map). The zoning map delineates one sole RM district covering approximately 2.6 gross acres of land out of the Town's 8,640 acres or 13.5 square miles (2 parcels of record) at 9 Railroad Avenue and 113 Haverhill Street just south of the Park Street Local Business District.

Figure 13. Multifamily Prohibited in Study Area, & Sole Area Where Its Allowed by Special Permit



Source: North Reading Town Website (http://www.northreadingma.gov/gis/pages/town-maps_

Additionally, and as alluded to elsewhere in the market study, environmental and infrastructure constraints are an added obstacle to multifamily production, and will be explored as part of the short-term economic development strategic planning process from fall 2015 to early 2016. A recent study prepared for the Massachusetts Housing Partnership titled, “Sewage Rules Create Gap in Housing Supply in Massachusetts” indicated the difficulty in developing multifamily housing in communities without sewer and alludes to this not being an isolated problem in North Reading.

Interviews and Market Conclusions

MAPC staff spoke with and interviewed brokers within the study area. The interviews provide local context on the challenges and opportunities of doing business in North Reading and help to inform strategies that could be used to provide more housing options. The interviews corroborated the data that the housing market is strong but that there needs to be more affordable middle-income single family units as well as multifamily units for cost-burdened senior residents as well as starter units for younger adults and families. Brokers thought the study area was well suited for condos and townhouses developed within walking distance of new retail development, and that the Town’s strongest asset was the quality of its school system and a new state of the art school facility. Overall, brokers indicated that there is strong demand for new construction single-family homes for high-earning professional families as well as a need for condos and townhouses for middle-income seniors and younger residents.

However, the Town is lacking in amenities, the public realm and retail services, and its residential taxes are deemed too high by the brokers. Brokers indicated that the commercial tax base needs to be increased and the town needs to invest in a sewer system to allow for more development. The 2015 fiscal year tax rate is \$16.62 (per \$1,000 of assessed value) for residential and commercial, and it went up 1.2% from the 2014 rate. It is 6% higher than the statewide median of \$15.69. Compared to surrounding communities, North Reading has the highest residential tax rate (11% to 35% higher) but a lower and competitive commercial tax rate. Most of the surrounding communities charge a higher commercial tax rate than their residential rate (See Table 28 below). Again, brokers emphasized that the tax rate is too high for senior residents and that the Town needs to offer more in order to justify it and retain residents. Were the Town to ever assess separate residential and commercial tax rates, it is probable that the commercial

tax rate would apply to multifamily rental complexes (buildings with four or more dwelling units) instead of the residential one since they operate as businesses, and apartment developers/landlords would be impacted accordingly. For mixed-use development projects, percentages would be used.

Table 27. North Reading FY 2015 Tax Rates Compared to Surrounding Communities

City/Town	FY2015 Residential Tax Rate (per \$1,000 of assessed value)	FY2015 Commercial Tax Rate (per \$1,000 of assessed value)
North Reading	\$16.62	\$16.62
Andover	\$14.97	\$24.77
Reading	\$14.70	\$14.70
Lynnfield	\$14.49	\$17.28
North Andover	\$14.39	\$20.29
Wilmington	\$14.37	\$32.74
Middleton	\$13.78	\$13.78
Peabody	\$12.30	\$24.30

Source: Commonwealth of Massachusetts, and Boston Business Journal DataCenter, 2015

In summary, the housing market for single family sales is strong in North Reading. However, the Town is not producing enough affordable multifamily units at a pace to house its evergrowing senior demographic and lags behind the region and state. Moreover, as the Town ages, it is losing its school age population, there may be less of a need to produce more single-family units since empty-nesters increasingly are selling their large homes to downsize to smaller multifamily units. Families with young children could move into these existing single family units. Brokers indicated that there is a demand for multifamily, and the data confirms that there is demand for condo ownership units as well as rental apartments. However, the Town's current zoning does not allow multifamily in the study area and at-large except for one small district. North Reading is not providing rental housing options to potential renters 25 years of age and younger.

Residential Demand and Market Potential, 2015 to 2020

In order to estimate future residential demand, MAPC used its Stronger Region Forecasts to better understand the need for housing units the next 5 to 7 years. The overall population change between 2010 and 2020 and 2030 is projected at modest 1% and 8% respectively. When looked at by age group, the group with the lion's share of population growth is composed of those 65 and over. The only other age group that is projected to have double-digit growth is comprised of millennials between the ages of 20 and 34.

In the short term through 2020, the number of households is expected to grow by 12% for a total 772 additional households. Approximately 90 units or about 12% of that short term projection through 2020 can already be accounted for in terms of units already produced leaving a net short-term 2020 household projection of 634. About 107 additional units would be needed per year to accommodate these

households. In the longer term through 2030, the number of households is expected to grow by 25% overall (or an additional 13% between 2020-2030) for a total of 1,363 households (or a net 1273 after taking into account the 2011-2014 units produced). About 80 additional units would be needed per year to accommodate these households from 2015 to 2030.

Of these projected households, the most dramatic projected increase is of an additional gross 1,427 households or 89% in the age 60 and over category; essentially all of the projected households are for this demographic. There is projected to be a loss of a 1/5th of the households in the 45 to 59 years bracket and a considerable increase (24%) in the 30-44 years of age bracket. The majority of the housing production should try to capture the over 60 bracket while accommodating the remainder to the young adults 30 to 44 category.

Table 28. Projected Household Change, through 2030

Household Projections by Age					
	2010	2020	2030	Change (2010-2030)	% Change
Age	5,439	6,171	6,802	1,363	25%
Age 15 - 29	313	397	334	21	7%
Age 30 - 44	1,378	1,419	1,704	326	24%
Age 45 - 59	2,142	2,015	1,731	-411	-19%
Age 60 and over	1,606	2,341	3,033	1,427	89%

Source: MAPC SR Projections 2030

Based on general housing preferences by age, MAPC produces demand projections by type of housing, (single- and multi-family units), and by tenure (rental and ownership). Based on these calculations, MAPC estimates North Reading will require an additional 634 units by 2020 (see Table 29 below).

Table 29. Unit Demand by Type and Tenure: 2010-2020

	Town Wide Unit Demand	Study Area Capture Rate	Study Area Units
Single Family	374	10-20%	37-75
Multifamily	260	50-66%	130-172
Total Units	634	n/a	167-247

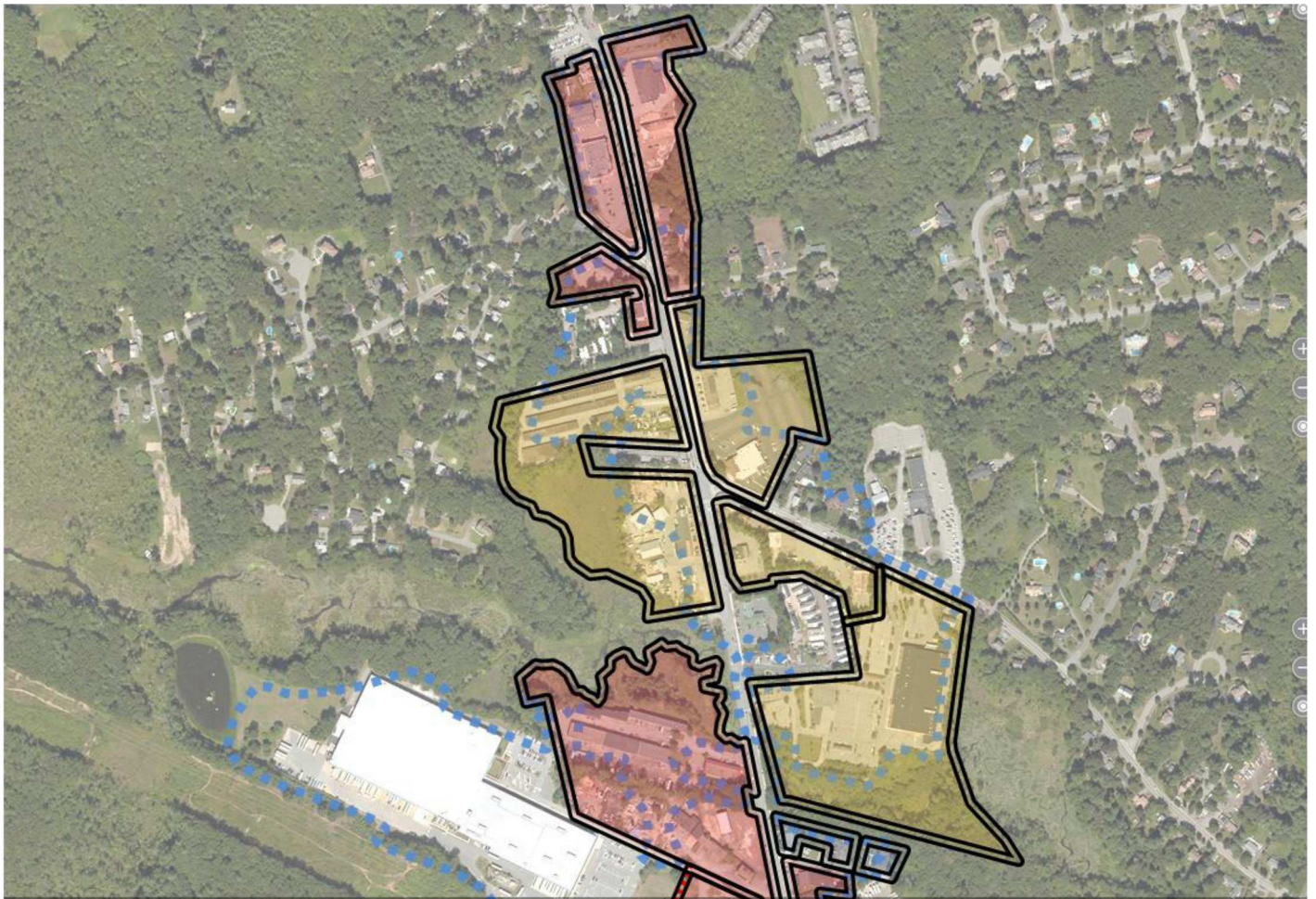
Source: MAPC Stronger Region Projections

*Assumes 50-66% town-wide multifamily capture rate and a town-wide 80-90% single family capture. The study area was not deemed by local brokers to be ideal for single-family development.

Of these projected 634-Town-wide housing units, it is anticipated that 59% of them (374 units) will be single-family units and that the study area (due to its major-arterial, auto-oriented nature) is unlikely to capture any of those. It is anticipated that the remaining 41% or 260 units, will be for multifamily units, that the study area could conservatively capture 50-60% of those (130 to 172 multifamily units). Given the strong projected increase in the Town's senior population and more modest growth in the millennial population, it is plausible that the study area could capture a more aggressive share (75% or 192 units) of the multifamily units.

IX. APPENDIX B – WORKSHOP INPUT

*The following appendix is a **SUMMARY OF THE COMMUNITY INPUT** from community workshop held on 13 January 2016.*



**Summary of Community Input
North Reading Main Street (Route 28 at 62)
Short-Term 2020 Economic Development Strategic Plan
Community Workshop – 13 January 2016**



MEMORANDUM

Date: 19 January 2016

To: Danielle McKnight, Town Planner, Town of North Reading

From: Carlos Javier Montañez, Senior Regional Planner, MAPC

Re: **Summary of Community Feedback from Discussion and Polling Exercise:
Community Workshop on January 13, 2016 on
Short-Term Potential Growth and Market Analysis for Route 28 at 62**

Thank you very much for your assistance with the community workshop we held on January 13, 2016 at the Flint Memorial Library. Our goal was to present workshop participants with a summary of the market and physical buildout analyses, examples of mixed-use projects, and the challenges and opportunities for a short-term economic development strategy for 90 acres clustered around the two intersections of Route 28 at 62. The meeting consisted of three components geared to inform discussion and potential decisions. There was an informal open house where we presented key information on seven large-scale visual boards (please see pages 11-17) so participants could become familiar with technical information that would be presented in a PowerPoint presentation. After the formal presentation, we led a group discussion where participants were handed a polling questionnaire/ballot with the following seven key questions about the multiple actions that need to happen in concert, in order to attract short term development to the area.

- On which 5 blocks do you want to see development happen sooner?
- Would you support multifamily residential as an allowed, by-right use in this district?
- What building height ranges would you be comfortable with?
- Should the Town or property owners address lack of wastewater capacity through a shared “sewer package treatment plant”?
- Should the Town redesign its segment of Route 28 to make it into a slower-speed, walkable Main Street?
- Do you support providing incentives for properties sharing/minimizing access points along Route 28, and sharing access between their rear/side parking lots to minimize localized traffic?
- Should the Town invest in “putting a there, there” by creating a public, civic indoor/outdoor gathering space around which private development could cluster?

The following is a summary of the feedback we received from workshop participants that we will use to inform the upcoming February/March draft plan presentation and discussion. At that meeting, we will summarize the feedback from the Advisory Committee and the community workshop into a set of recommendations related to zoning, public investment and infrastructure improvements aimed at attracting development to the area within the next five years (by the year 2020).

Please advise if you have any questions.

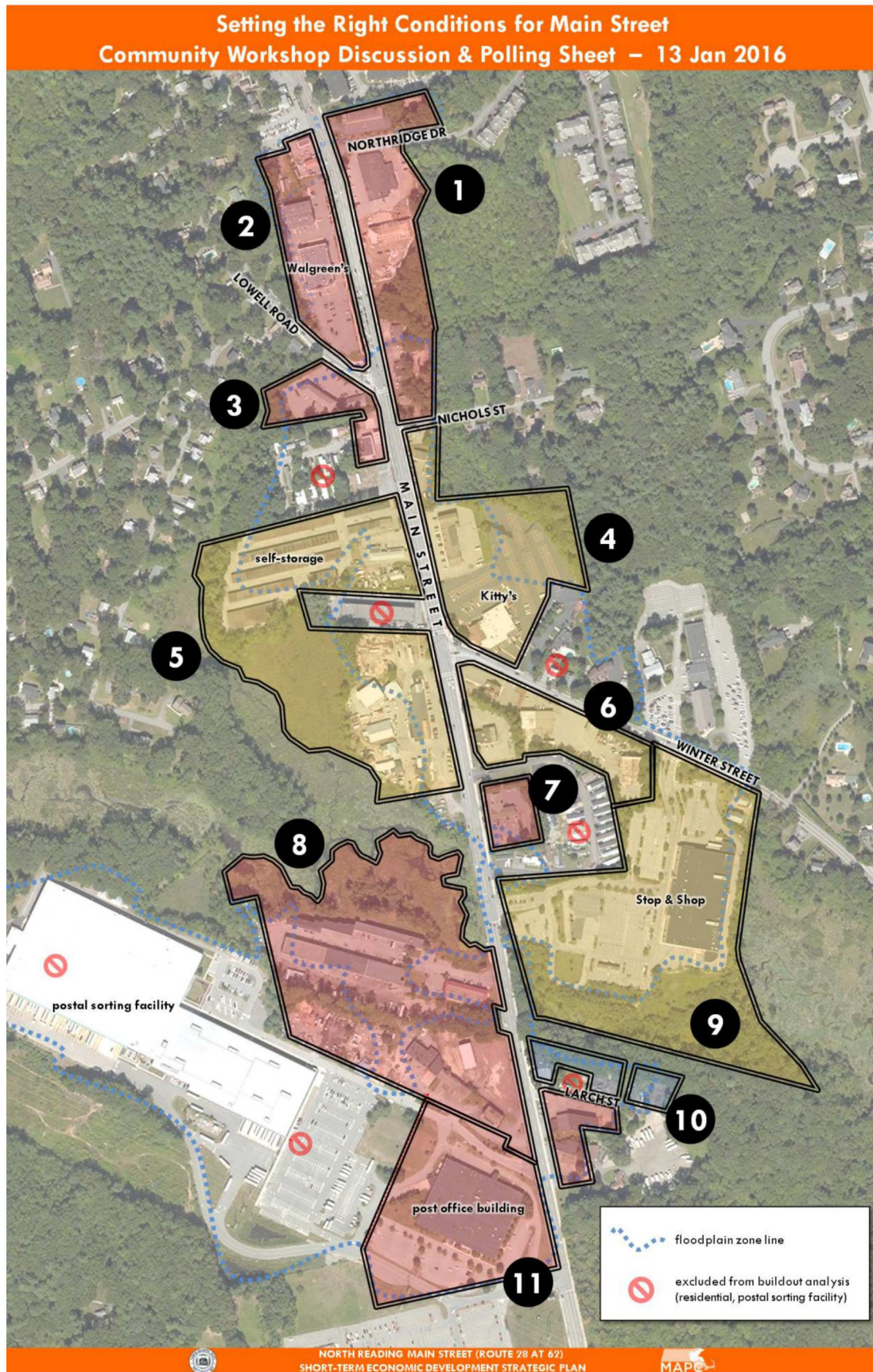
The first question participants were asked was to choose on which five “blocks” or grouping of parcels out of eleven blocks would they want to see development happen sooner. This question was asked since MAPC’s market and physical buildout analyses indicate that only one-fifth of what is physically possible to build within the study area is market supportable by the year 2020. Additionally, the analyses also indicate that the clustering of adjacent uses and developments is crucial to the success of desired uses such as retail shops, restaurants and offices. The idea of clustering uses is intended to help inform other decisions the Town could make regarding zoning and infrastructure investments.

Participants overwhelmingly chose Block 9 with 33 votes. Block 9 is where the existing closed Stop and Shop supermarket is located. The other two blocks with the most consensus for redevelopment were Blocks 6 and 11. Block 6 is contiguous to the Stop and Shop parcel, and the potential redevelopment of both in tandem with other potential area improvements could offer insight into creating a more attractive, safer, and walkable streetscape with a potential activity node. Block 11 is not contiguous to Blocks 6 and 9 but is a very large parcel owned by the large post office facility and houses the administrative/office building with Main Street roadway frontage. The next set of blocks with the most consensus were Blocks 5, 7 and 8. Block 7 is among the smaller parcels in the study area but has Main Street frontage suitable for retail and is surrounded by all of the other larger parcels with high consensus for redevelopment potential. Overall, the location of the six blocks with the most consensus (we asked for five blocks but the difference in votes for the fifth-most voted block was negligible) are all clustered around the parcels south and west of Main Street’s intersection with Winter Street. This could suggest where to focus on pedestrian and other infrastructure improvements that could also benefit neighboring businesses such as Kitty’s Restaurant, which is one of the Town’s larger employers.

**ON WHICH 5 BLOCKS DO YOU WANT
TO SEE DEVELOPMENT HAPPEN SOONER?**

- Write the number of blocks in the boxes below (see map on other side of this sheet)
 - Clustering uses is crucial to success of retail/restaurants/offices
 - Only 1/5th of physically-possible is market-supportable by year 2020

Block 1	Block 2	Block 3	Block 4	Block 5
5 votes	1 vote	3 votes	11 votes	16 votes
Block 6	Block 7	Block 8	Block 9	Block 10
22 votes	15 votes	18 votes	33 votes	9 votes
Block 11	Comments?			
22 votes	(No comments submitted)			



The second question participants were asked pertained to whether they would support allowing multifamily residential within the portion of the Highway Business (HB) zoning district that overlaps with the study area. The type of potential multifamily residential needed in the area was explained as either as upper-story dwelling units over ground-floor retail/office and/or residential developments in the form of for-sale condominium units or townhouses or rental apartments. This question was asked since the market analysis indicates that additional residents are needed in order to support more retail uses as well as influence the potential for more compact building patterns that could promote walkability and the character of the retail developments (i.e. less auto-dependent).

Participants overwhelmingly said yes with 24 votes in favor of amending the zoning for the HB district to allow multifamily residential as an allowed, by-right use. Six participants responded with a maybe, and five responded no. There were eight comments submitted that stated concerns with the impact of such development on school and Town facilities, the need for senior housing and accessibility, limiting the amount of rentals, and concerns with traffic and the character/design of the buildings. The responses from the first two questions about clustering development and allowing multifamily could suggest only rezoning the portion of the HB zoning district that coincides with the six priority blocks, instead of the entire study area.

WOULD YOU SUPPORT MULTIFAMILY RESIDENTIAL AS AN ALLOWED, BY-RIGHT USE IN THIS DISTRICT?		
<ul style="list-style-type: none"> Meaning, mixed-use upper-story residential and/or condos, apartments, and townhouses? <ul style="list-style-type: none"> Market analysis suggests “roofs come before ^{more/better} retail” 		
Yes?	No?	Maybe?
24	5	6
Comments?		
<ul style="list-style-type: none"> No, demand (?) only schools and town facilities. Yes, to promote retail. Need restrictions in regard to size and looks Need accessible housing without stairs and with elevators for a two story. There has to be a discussion on impact of schools with additional housing stock. Depending on the number of rentals Need senior housing Only concern is increased demand on town services and schools Want all commercial businesses Depends on the type and traffic flow 		

The third question participants were asked was what building height ranges would they be comfortable with within the study area. Presently, the zoning allows for a maximum of four stories and 60 total feet in height. This question was asked in order to consider whether the Town could potentially amend the zoning with eye toward incentivizing the type and form of development it wants in exchange for a “bonus” floor of development. This could also afford developers and property owners with flexibility in the event that the environmental features (such as soil types and high water table) make the amount or placement of development challenging.

There was almost equal consensus for 3 to 4 story buildings as there was for 4 to 5 story buildings. There were very few votes for going beyond 5 stories. This suggests that the Town could increase the maximum height by an additional story in exchange for other public benefits in order to create a walkable Main Street environment.

**WHAT BUILDING HEIGHT RANGES
WOULD YOU BE COMFORTABLE WITH?**

- Mark an X or check mark in any or all

3 to 4 stories?

4 to 5 stories?

5 to 6 stories?

19

17

6

Comments?

- If you do it, do it big.

The fourth question participants were asked was whether the Town or property owners should address the lack of wastewater capacity through a shared “sewer package treatment plant”. This question was posed as an important component in supporting some of the desired uses such as restaurants that also happen to require more wastewater capacity.

Participants overwhelmingly responded in support of the idea with 23 consensus votes. Eight participants voted maybe to the idea and three votes were not in favor of the idea. The comments ranged from urging the Town to pursue long-term sewer infrastructure instead or in addition to, that businesses should take care of their own needs until Town sewer is in place, concerns with the cost of a package treatment plant, and that any capacity increase is necessary for development.

**SHOULD THE TOWN OR PROPERTY OWNERS ADDRESS
LACK OF WASTEWATER CAPACITY
THROUGH A SHARED “SEWER PACKAGE TREATMENT PLANT”?**

- Some desired uses require more wastewater capacity
- Lack of infrastructure has been a limiting factor on economic development.
 - Capacity affects types and amounts of uses
- Capacity also affects the potential for compact, walkable “town/village center” development.

Yes?	No?	Maybe?
23	3	8

Comments?

- The town needs to make the investment in sewer
- It's impossible to do anything with property on main without it.
- Sewer is key and these are a great idea
- What is the additional cost?
- Invest in MWRA or Wastewater, Lawrence, etc.
- Each business handle its own until sewers are here
- It is important that a treatment plant be expendable and a long term solution
- Depending on the cost to homeowners
- Only if it does not increase taxes

The fifth question participants were asked was whether the Town should redesign its segment of Route 28 to make it into a slower-speed, walkable Main Street. During the initial planning stages of this study, the Town held a concurrent roadway redesign study (a majority of workshop participants indicated that they had not attended the roadway redesign meetings). The roadway redesign study concluded a set of recommendations for improving Main Street for pedestrians. The purpose of this question was to acknowledge the value of the traffic calming for pedestrians as well as suggest specific locations within the study area where streetscape and infrastructure improvements, placemaking, and economic development can coincide to strengthen each other.

There was great consensus that the Town should pursue a roadway redesign with 28 votes. Eight participants were not certain and voted maybe. Seven participants indicated that they were not in support of a roadway redesign. Should the roadway redesign alternatives be implemented, the Town should consider whether any of the redesign elements lend themselves to adjacent opportunities for multimodal connections, gateway signage and/or placemaking or development nodes.

SHOULD THE TOWN REDESIGN ITS SEGMENT OF ROUTE 28 TO MAKE IT INTO A SLOWER-SPEED, WALKABLE MAIN STREET?			
• Consider past Town/Cecil Group study recommendations.			
Yes?	No?	Maybe?	Did you attend the roadway redesign study meetings?
28	7	8	No: 12 Yes: 7
Comments?			
<ul style="list-style-type: none">• It sounds lovely but not feasible. Like to see a prospective visual.• First time hearing about it.• Should include Main street to Andover, ie Pluff Ave			

The sixth question participants were asked was whether they supported providing incentives for properties sharing/minimizing access points along Route 28, and sharing access between their rear/side parking lots to minimize local traffic. The purpose of this proposal is to minimize pedestrian/vehicular points of conflict along a revamped walkable Main Street, minimize traffic from the parking lot of one establishment through Main Street to the parking lot of a nearby business, and encourage parking once, and potentially walking between properties through formalized connections.

The majority of participants (with 29 votes in favor) supported the idea, two voted maybe, and four participants were opposed. An example of an incentive could be allowing an additional story of height in exchange for both of these items. Some of the comments included concerns with liability as well as not providing an incentive for this measure and instead making it a requirement.

**DO YOU SUPPORT PROVIDING INCENTIVES
FOR PROPERTIES SHARING/MINIMIZING ACCESS POINTS ALONG ROUTE 28, AND
SHARING ACCESS BETWEEN THEIR REAR/SIDE PARKING LOTS TO MINIMIZE LOCALIZED TRAFFIC?**

- Incentives could include being allowed to build an additional story, additional square footage or modest reduction in minimum parking requirements

Yes?

No?

Maybe?

29

4

2

Comments?

- We did share access and 2 of our customers were hit by cars
- Would lighten traffic
- Business well I think they should do it without incentives and mandate businesses to do it

The seventh and final question participants were asked was whether the Town should invest in “putting a there, there” by creating a public, civic indoor/outdoor gathering space around which private development could cluster. The purpose of this question was to explore: (a) whether as a part of the roadway study or as a separate investment, the Town could leverage public investment to create an attractive and useful civic outdoor place or indoor space, and (b) improve the surrounding edge conditions, property boundaries and/or roadway frontage in order to attract private development that can provide jobs, services and housing opportunities.

The majority (23 votes) voted in support of the idea, seven were uncertain, and four were opposed. Some of the ideas and comments included moving town hall, a community parking lot, a dog park, and comes sort of a assembly place such as a senior or cultural center.

**SHOULD THE TOWN INVEST IN “PUTTING A THERE, THERE”
BY CREATING A PUBLIC, CIVIC INDOOR/OUTDOOR GATHERING SPACE
AROUND WHICH PRIVATE DEVELOPMENT COULD CLUSTER?**

- Examples could include: relocating Town Hall or post office facility, municipal parking lot with a pocket park or hardscaped plaza, or senior or community center

Yes?	No?	Maybe?
23	4	7

Ideas or Comments?

- Something to beautify the area and gather. Moving town hall is a good idea.
- We have Ipswich park
- We are so split with Ipswich River Park. Wish we could move it or add one just like it!
- It's too late for Main St. You will never be able to turn it into Main St. Andover or Main St. Reading. Currently Park St. is like other towns Main Street. Market St. Lynnfield? Can't happen...
- I'm in favor of any plan that relocates town hall
- But town has Ipswich River Park for that
- Community Parking lot like Andover
- Municipal parking and a dog park
- Community center/senior center
- Town hall
- Cultural Center
- Community/Rec center. I have taken classes at IRP so outdated and small. No activities for kids
- Park area for lunch, gatherings, etc. Would love to see town hall relocated there

Setting the Right Conditions to Improve & Grow Main Street

KEY QUESTIONS

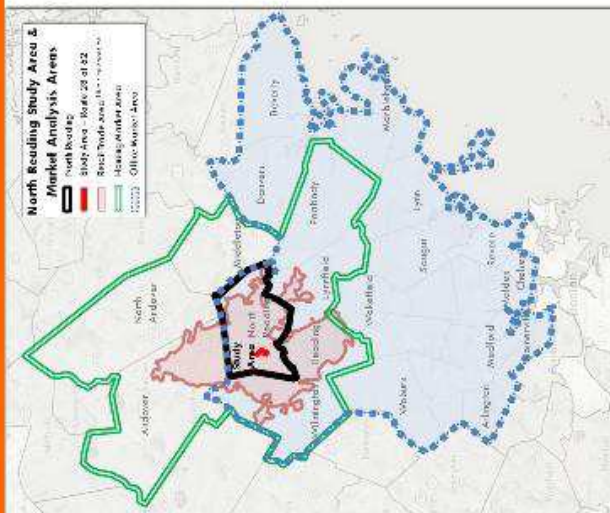
WHAT DO YOU NEED?

- shops, restaurants, office / services?

- UNIVERSITY OF MICHIGAN PRESS

What Growth is More Likely by 2020?

• according to MAPC market analysis for short-term, supportable uses
• subject to Town setting right conditions



TOWN-WIDE DEMAND

686,000 – 804,000 square feet potential

- affordability, smaller homes
- senior household median income \$46,000
- low housing production
- uses reinforce each other

residential

634 dwelling units
9.9% market



374

single family

260

multi-family



260

multi-family

374

single family

retail

43,000-SF

almost identical to study area



10

stores

6

restaurants

office

limited office potential

same market as study area



STUDY AREA DEMAND

199,000-353,000 square feet potential

- 1/5th physically possible buildout
- 96-acre, 3/4-mile study area
- seniors & millennials driving demand²⁰³⁰
- senior households 89%↑
- millennial households 24%↑
- certain uses reinforce each other

residential



130-172

condos/apts

50-66% Town demand

37-75

townhouses

10-20% Town demand



37-75

townhouses

10-20% Town demand

retail

43,000-SF

almost identical to study area



10

stores

6

restaurants

office

limited office potential

uncompetitive rates

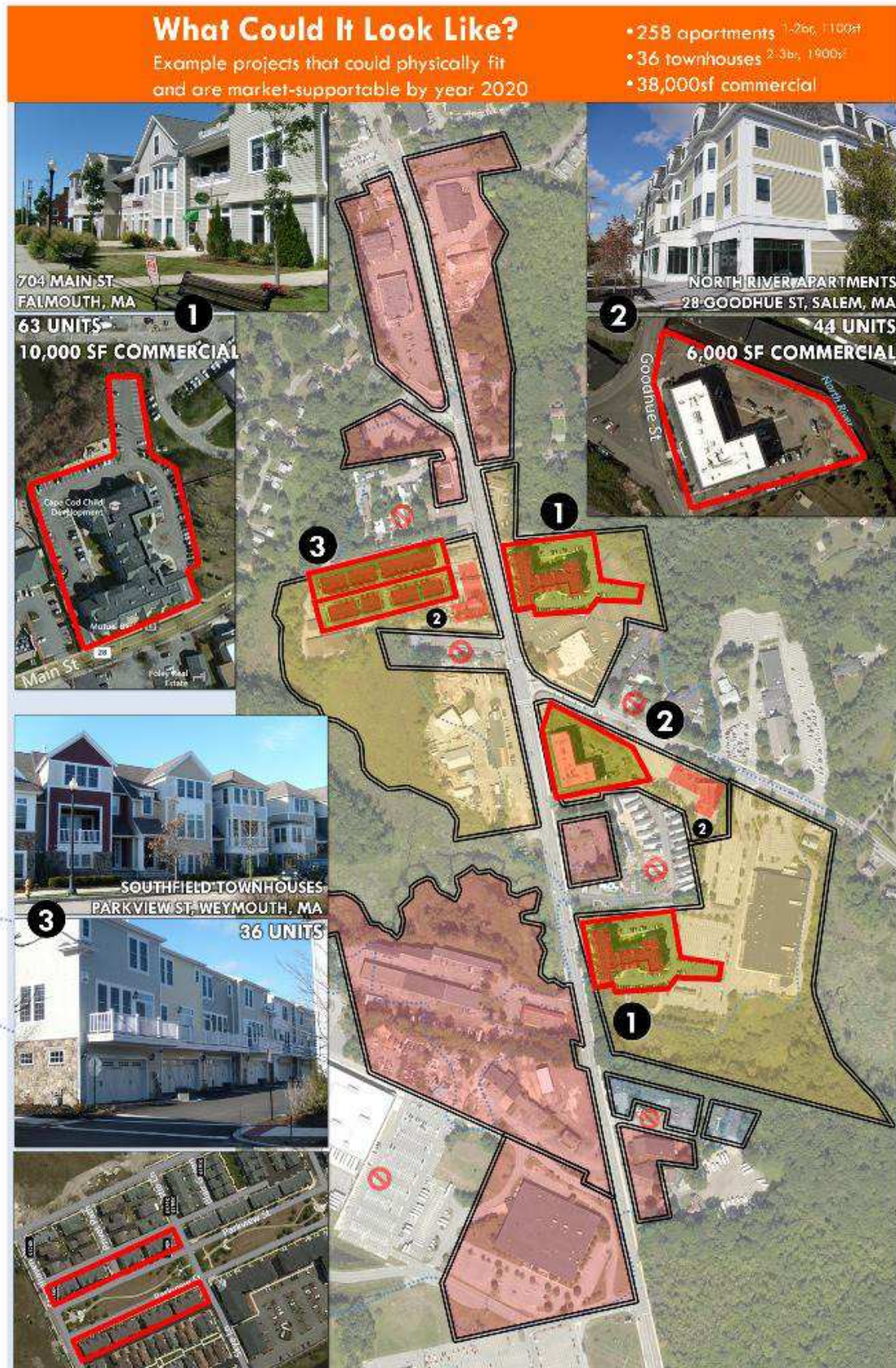
outdated inventory



ASSUMPTIONS

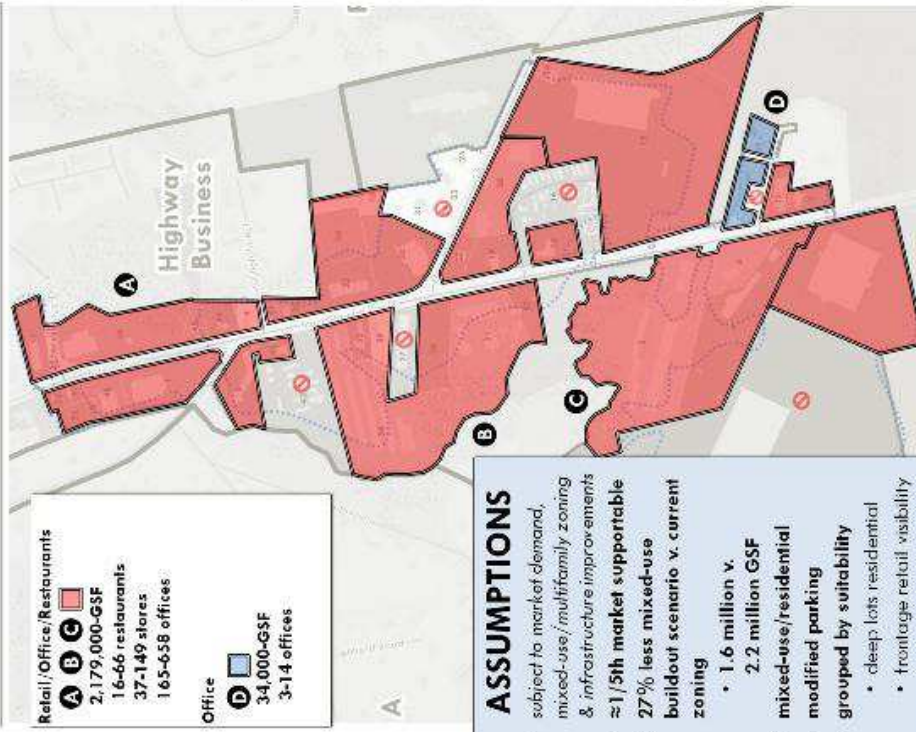
- multifamily/mixed-use
- overcome barrier & highway limitations
- attract despite competitors
- modified parking
- enhanced walkability



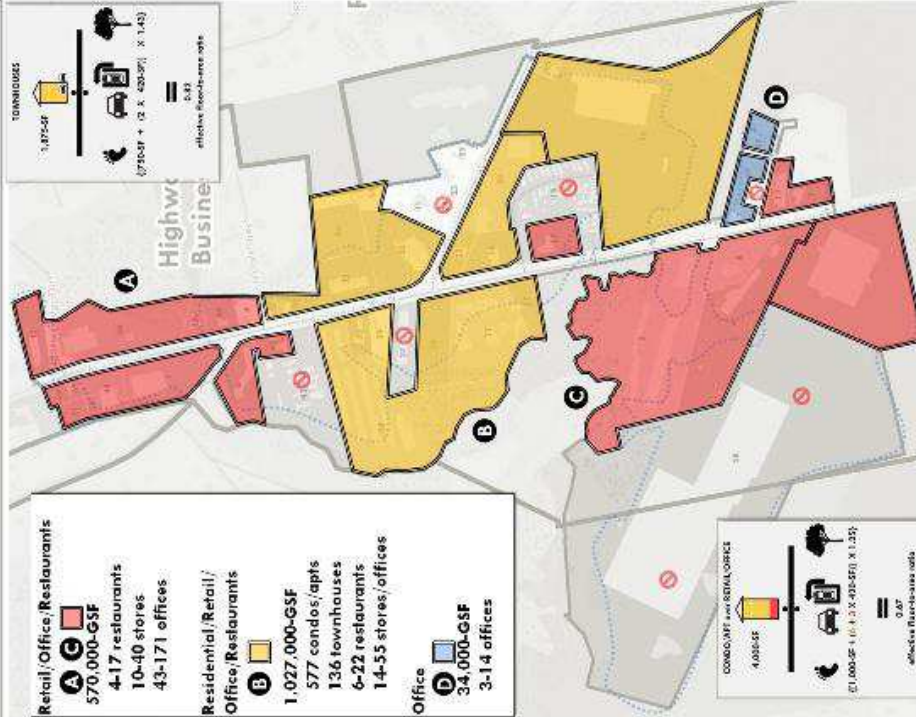


Some Assumptions for How Much Could Hypothetically Fit?

POSSIBLE UNDER CURRENT ZONING (NO RESIDENTIAL OR HOTELS)



PARCEL GROUPINGS & PREDOMINANT MIXED-USE ASSUMPTIONS FOR PHYSICALLY-POSSIBLE BUILDOUT ANALYSIS FOR MARKET DEMAND COMPARISON

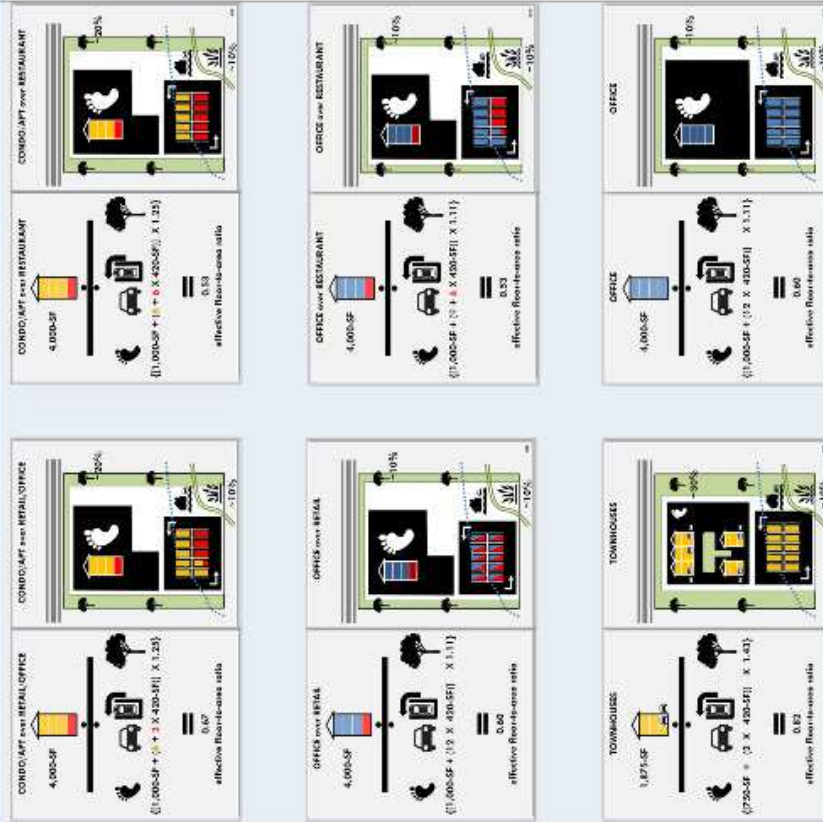


Parking, Floor-to-Area Ratio & Open Space – MAPC Buildout Assumptions

Highway Business District Zoning Highlights Compared to MAPC Assumptions

TOWN HIGHWAY BUSINESS ZONING			
RESIDENTIAL	RETAIL/OFFICE	RESTAURANTS	
<ul style="list-style-type: none"> mixed/multifamily prohibited 2 parking spaces per dwelling unit (elsewhere in Town) 	<ul style="list-style-type: none"> 2.0 maximum FAR max 4 stories, 60 feet allowed 1 parking space per 300sf (~3.3 spaces per 1,000sf) 	<ul style="list-style-type: none"> 2.0 maximum FAR max 4 stories, 60 feet allowed 	<ul style="list-style-type: none"> 1 parking space per 4 seats of seating capacity (~24 seats per 1,000sf for high-turnover restaurant)
<ul style="list-style-type: none"> max building area 70% • max building area 70% • max building area 70% 			
MAPC BUILDOUT ASSUMPTIONS			
<ul style="list-style-type: none"> 0.53 to 0.67 effective FAR mixed-use with residential townhouses 0.82 effective FAR 	<ul style="list-style-type: none"> 0.53 to 0.60 effective FAR mixed-use without residential 	<ul style="list-style-type: none"> 0.53 effective FAR mixed-use housing or office over restaurant 	
<ul style="list-style-type: none"> 2 parking spaces per 1,000-1,875sf of residential (1 dwelling unit) 20% open space for housing over mixed-use 30% open space for townhouses 10% wetlands estimate 	<ul style="list-style-type: none"> 3 parking spaces per 1,000sf of retail/office 10% open space estimated 10% wetlands estimate 	<ul style="list-style-type: none"> 6 spaces per 1,000sf of restaurant 10% open space estimated 10% wetlands estimate 	

MAPC Effective Floor-to-Area Ratio (FAR) Calculation for Buildout Estimate and Comparison to Zoning



Sewer Package Treatment Plants & Main Street Redevelopment Potential

What Are Sewer Package Treatment Plants? How Can They Help?

- **pre-manufactured** facilities for districts or individual properties for treating wastewater
- capacity limitations compared to sewer
- **allows greater-amount, potential mixed-use development v. septic**
- **modular, expandable**
- neighbors can enter into associations
- special permit for septic & packaged sewer treatment plants in floodplain zone but outside flood channel or watercourse
- **can affect not only how much but development character**
 - can allow more/catalyze development since less costly than sewer
 - septic has 98-bedroom maximum with unlikely potential for mixed-use, walkable
 - gap of multifamily projects between 45-200 units (90-400-bedrooms)



Example of Market-Supportable, Physically-Possible, Mixed-Use Project Unlikely on Septic

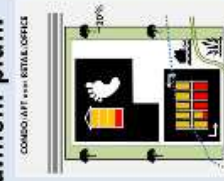
- of the study area's potential 167-247 homes, 10 shops, and 6 restaurants, **suppose:**
 - **1 mixed-use condo/retail project on 2.5 acres**
 - **55, two-bedroom 1,000-SF units on three-upper stories**
 - **ground-floor retail** (where frontage/visibility allows)
- **apply 0.67 effective FAR** from MAPC buildout analysis

CONDO/APT over RETAIL/OFFICE

4,000-SF

$$\frac{4,000\text{-SF}}{[1,000\text{-SF} + (6 + 3 \times 420\text{-SF}) \times 1.25]} = 0.67$$

effective floor-to-area ratio
- **proposal exceeds standard septic 98-bedroom maximum capacity of 10,780 daily gallons**
 - 55 condos = 12,100 gallons
 - 18,000-sf = 900 gallons
 - 2-bedroom unit = 220 gallons
 - 1,000 retail sf = 50 gallons
- **project viable with sewer package treatment plant**



Examples of Mixed-Use & Residential Projects for Reference

