

ZONING & MARKET ANALYSIS

This chapter examines the underlying existing conditions found within The Triangle. Topics explored include socioeconomic indicators, land use assessment, zoning, and market indicators, all of which are essential for understanding The Triangle. Detailed information about the Study Area provides the appropriate context from which to judge implications resulting from potential development and changes in land use.

REGIONAL CONTEXT

The Triangle is a regional economic center comprised of a combination of large- and small-scale retail stores and centers, restaurants, entertainment, fitness, hotels/motels, large corporate offices, and residential developments. This 940 acre area has more than 10.3 million square feet of built space, most of which is dominated by retail stores and large office buildings. In fact, nearly 73 percent of the built space in The Triangle is dedicated to those two uses alone.⁰² As was depicted in an early section of the report, The Triangle is a very large area and by comparison much larger than most other nearby economic centers in terms of how much land it consumes. The unique mix of large-scale retail tenants, high-end specialty shops, and corporate campuses set along the MassPike, Route 30, and Route 9, make this area very attractive to both local patrons and out-of-town visitors.

The Triangle benefits from many positive attributes that make large retail and employment clusters successful. Below are a few attributes benefiting The Triangle today.

- **Traffic Counts and Accessibility.** While we may not like to believe retailers and brokers are still using traffic counts as a primary location factor, they are. The large majority of Massachusetts residents and Americans still drive as their primary means of getting from place to place. Heavily traveled roads like Route 9 and Route 30 are prime locations for retail development with good visibility and street frontage. The high traffic counts along these major east/west routes are still very attractive to retailers.
- **Proximity to Population and Employment Centers.** The Triangle is uniquely situated between the two largest cities in the Commonwealth, Boston and Worcester. During non-peak travel times, driving to this area from either city or points in between does not take more than thirty to forty-five

⁰² Calculation based on finished/rentable area of buildings, not gross floor area. Source: Towns of Framingham and Natick Assessor Data, 2017

minutes. The Triangle offers an opportunity for businesses looking for a location outside of the Boston core.

- **High Household Income.** Not only do Natick and Framingham have their own high income households, but they also happen to be surrounded by some of the wealthiest communities in Massachusetts. These high income households come with expendable income, some of which is spent in the local market.
- **Visibility and Notoriety.** Since the opening of Shoppers World in 1951, Sherwood Plaza in 1959 and the Natick Mall in 1966, The Triangle has benefited from a long history of serving the region as a major retail destination. Although some stores and household names have come and gone, The Triangle continues to reinvent itself to stay relevant in a rapidly changing marketplace. The area's long-term notoriety as a destination in MetroWest and its visibility from three major travel routes has helped it sustain over time and will likely continue to serve as such well into the future.
- **Specialty Stores.** Highway accessibility, proximity to Boston and higher income households are just a few reasons some specialty retail stores have located in The Triangle. Unique retailers like American Girl, REI, and Tesla have opened stores and sales rooms here and have helped create a destination not just for local shoppers, but those coming from elsewhere in the country. The TJX Companies recently opened Sierra Trading and Home Sense (Fig. 3.37), two new retail brands, at Shoppers World. The attraction of these stores creates a spin-off effect that benefits area restaurants, other retailers and hotels.

While there are many positive attributes to discuss related to The Triangle's long-term success, there are near- and long-term threats that need to be addressed to ensure the area continues to benefit both Natick and Framingham, as well as the broader region. A few potential threats worth noting include:

- **Changes in Consumer Preferences and Shopping Patterns.** It is true that online retail sales have an impact on traditional brick and mortar stores. Recent estimates show online sales representing about 8.5 percent of the total retail sales market. While Amazon is most often blamed, the



Figure 3.37: TJX recently opened Home Sense at Shoppers World.



Figure 3.38: New mixed-use commercial center at Legacy Place (Dedham).



Figures 3.39: New mixed-use commercial center at University Station (Westwood).



Figure 3.40: New mixed-use commercial center Market Street (Lynnfield).

company only accounts for 1.5 percent of the total retail sales market.⁰³ New studies on consumer spending patterns show unintended costs have risen elsewhere in the household budget that may be accounting for less spending in retail stores. For example, ten years ago the cost of cellphones, accessories, and service plans were a mere fraction of what they are today. In ten years, spending on cell phones and related items went from a \$10 billion market to a \$200 billion market in the U.S. alone.⁰⁴ At the same time, wages have stagnated and costs have multiplied, resulting in lower disposable income that can be used for the purchase of goods and services in the retail environment.

- **Declining Retail Sales.** For the reasons discussed in the previous bullet, retailers around the country are seeing declines in retail sales per square foot. This is leading to downsizing stores, business closings, and increased vacancy. Property owners and managers may also find it challenging to fill larger scale storefronts with retail tenants who need that much space. An additional issue for local municipalities is the decline in tax revenue since many communities calculate commercial tax revenue using an income approach. As sales decline, it is possible that retail tenants will no longer be able to afford current rents, thereby lowering the property's net operating income.
- **Regional Competition.** While The Triangle may be one of the largest clusters of retail development in Massachusetts, it is certainly not the only one. Within 30 miles of The Triangle there are at least ten major retail destinations, including large-scale indoor and outdoor malls that provide direct points of competition for retailers and restaurants in this area (Fig. 3.41). Fortunately, The Triangle has many positive attributes that allow it to be very competitive in an over-retailed environment, but area competitors will continue to chip away at market share if this area does not continue to evolve over time. The presence of unique retailers that offer both a shopping experience, as well as unique products, helps draw people to The Triangle. The addition of other uses such as housing, entertainment, corporate offices, and public spaces will help diversify the way land is used today. Some regional competitors are already integrating these concepts. Newer commercial centers such as Legacy Place (Dedham), University Station (Westwood), and Market Street (Lynnfield) have already integrated housing, offices, public space, and entertainment into their overall land use

03 "Amazon isn't the No. 1 villain in retail sector's demise." MarketWatch, August 3, 2017. <http://www.marketwatch.com/story/amazon-isnt-the-no-1-villain-in-retail-sectors-demise-2017-08-02>

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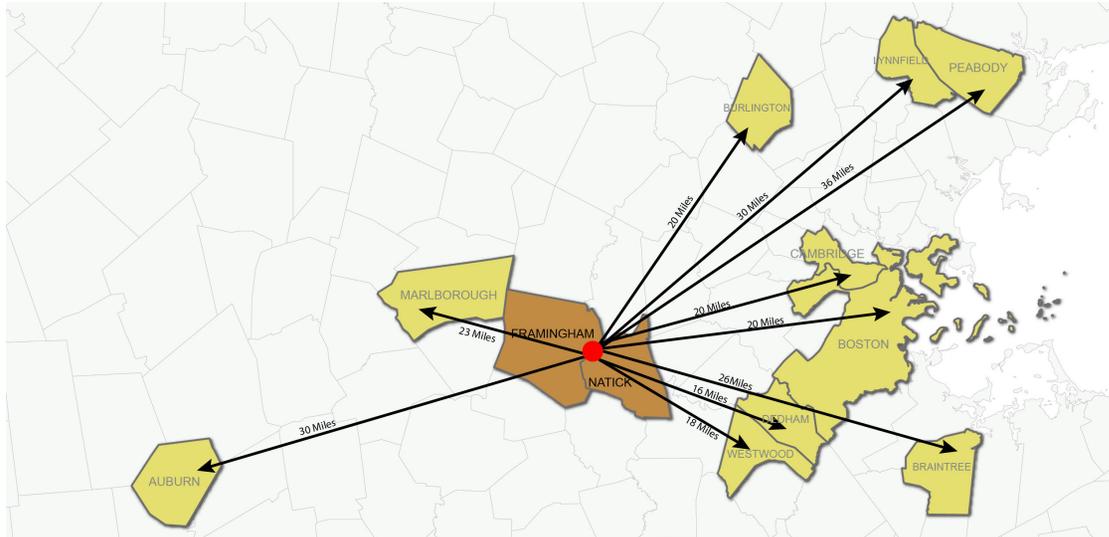


Figure 3.41: Map of regional competition with Golden Triangle.

mix as a way to diversify building tenants and separate themselves from other major commercial developments in the region (Figs. 3.38-3.40).

- Traffic, Safety, and Accessibility.** Interviews with several property and business owners (see Chapter 1) in The Triangle revealed that traffic, safety, and the ease of getting around the area is having an impact on its attractiveness. While high traffic counts are generally a positive attribute for retailers, patrons still have to be able to get to the store in a reasonable amount of time with limited frustrations to make it worth their while. This is especially true given the cut through traffic on Routes 9, 126, and 30, which causes congestion in the area. Too many frustrating trips may result in patrons choosing other locations, stores, or purchase options in lieu of dealing with travel issues in The Triangle. Additionally, the scale of the buildings and fragmented walking patterns require the use of a vehicle to go between stores.
- Losing Corporate Anchors.** There are several substantial corporate office tenants that call The Triangle home, bringing thousands of employees and out-of-town visitors to the area every day. Interviews with small businesses and those in the hospitality industry highlighted the important role these corporate neighbors play in supporting the local economy. Without their employees, the daytime population would drop and daytime spending in The Triangle would likely decline. Local hotels benefit from out-of-town guests who come in for meetings, or corporate events and conferences.

Losing these corporate anchors would have an impact on the many diverse businesses in The Triangle.

- **Remaining Flexible for the Future.** At some future point in time, it is likely existing businesses will leave The Triangle, opening up space to be backfilled by another use. Regulations, local politics, and disgruntled neighbors can put up barriers to creative thinking. It is important that property owners in both communities remain open and flexible as the marketplace changes to be ready to react to new proposals and play a cooperative role in helping fill vacant space in the future.

The positive attributes and potential threats all have implications for future land use and development decisions within The Triangle. Diversifying the way land and built space is used in The Triangle is the key to maintaining a sustainable center of activity. The marketplace is showing signs of a changing environment by introducing multi-family housing in and around the Natick Mall, bringing a new hotel and age-restricted housing to the former Sam's Club site and a proposal (which was ultimately abandoned) to create a large housing and entertainment complex at Shoppers World. Housing in The Triangle, which has primarily been focused on the Natick side of The Triangle, will soon be supported by a new Wegmans Supermarket which will anchor a corner of the Natick Mall formerly occupied by J.C. Penny.

SOCIOECONOMIC INDICATORS

Understanding the sociodemographic conditions, regulatory restrictions, and market indicators provides a baseline for better assessing how this area could transition in the future. The discussion that follows is intended to provide a set of baseline indicators for socioeconomic conditions in Framingham and Natick, an analysis of the land use patterns in The Triangle, an assessment of the zoning districts that span the study area, and a series of market indicators covering both towns.

POPULATION

Framingham is a large municipality by Massachusetts standards, with a population that is projected to grow 1 percent between 2016 and 2021 to reach a total population of 71,544 (Fig. 3.42).⁰⁵

⁰⁵ *Alteryx and RKG Associates, Inc. 2017*

Natick is a mature suburban community located to the east of Framingham. Natick has grown and changed significantly over time. Between 2000 and 2010, Natick’s population increased 3 percent, from 32,170 to 33,006 people.⁰⁶ The present population of Natick is 35,055 and is projected to rise to 35,731 (nearly a 2 percent increase) by the year 2021.⁰⁷

The projected population growth for Framingham and Natick mirrors that of Middlesex County and the State, which are projected to grow at 1 percent and 2 percent, respectively. The combined population of both Framingham and Natick surpasses 100,000 residents, making for a robust market for housing, retail, commercial, and employment activity. The continued growth of surrounding communities and the larger region are also positive indicators for the future health of The Triangle.

POPULATION BY AGE

The largest population segment in Framingham consists of residents between the ages of 45 and 64 years, an age group that accounts for nearly 25 percent of the municipality’s population. Similarly, Natick also has a large segment of residents between the ages of 45 and 64 years, accounting for nearly 30 percent of the total population.⁰⁸ Residents in this age group are typically considered to be in their peak earning and disposable income years, which often translates to consumer demand for a variety of purchases and services.

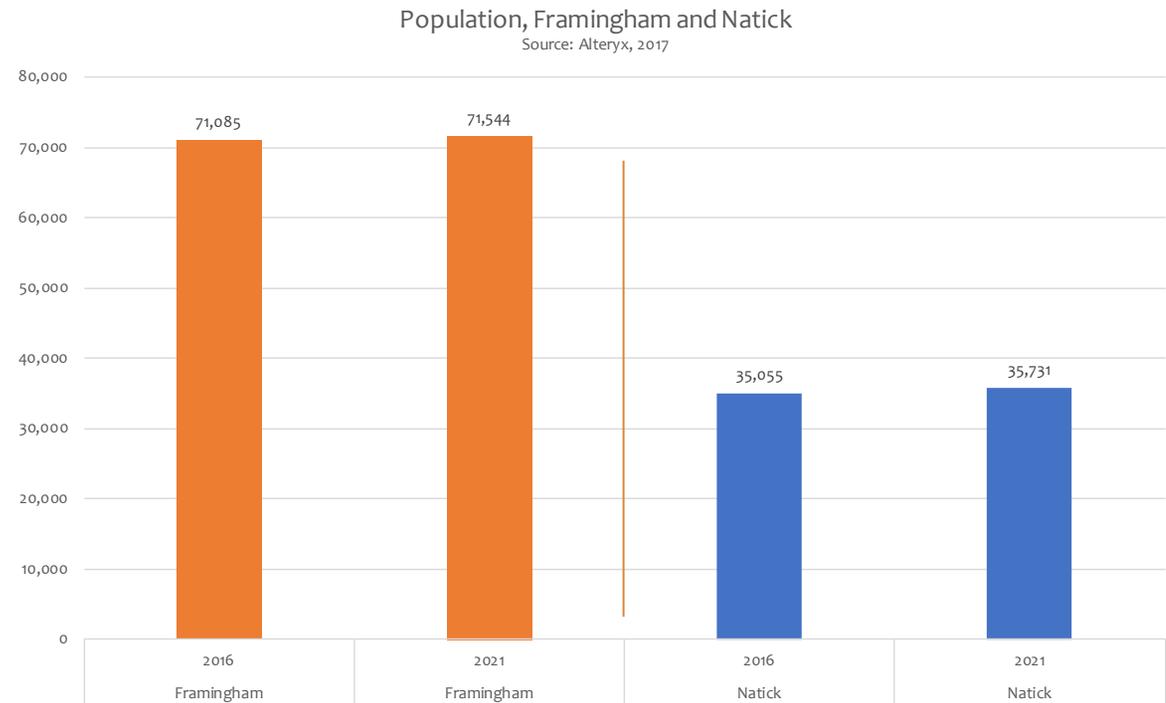


Figure 3.42: Population of Framingham and Natick

06 Minnesota Population Data Center, NHGIS, 2017

07 Alteryx and RKG Associates, Inc 2017

08 Alteryx and RKG Associates, Inc 2017

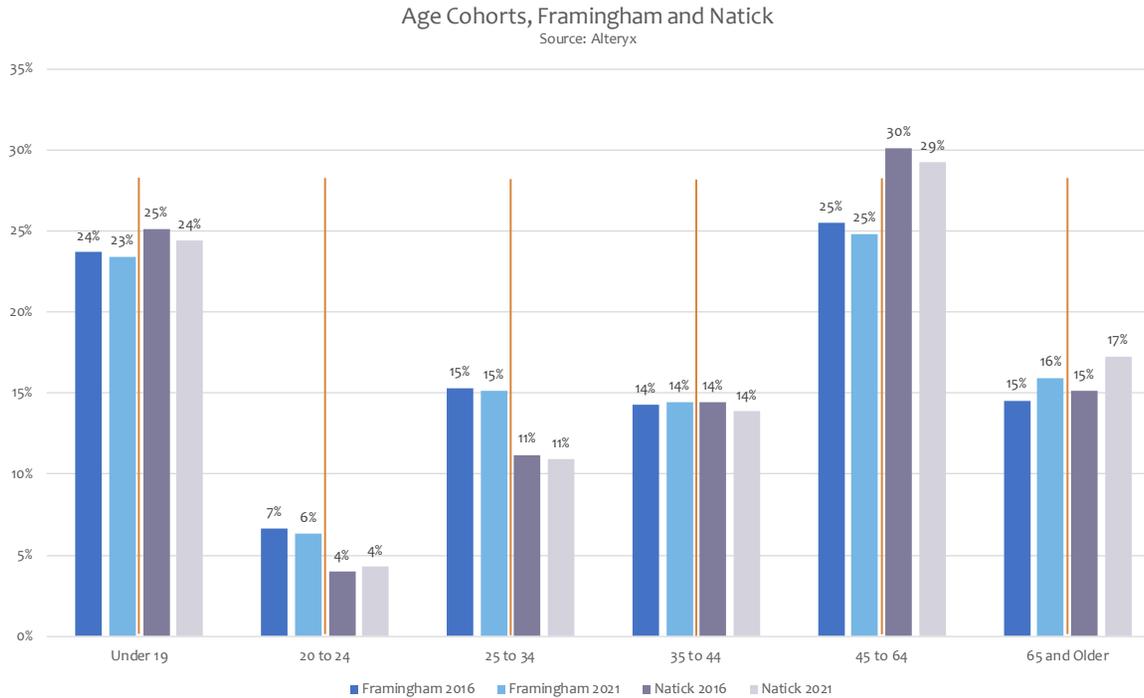


Figure 3.43: Age Cohorts of Framingham and Natick

Looking to the year 2021, both communities are projected to have relatively flat population growth for those residents between 25 and 64 years of age. The cohort expected to grow the most is seniors – defined here as the population 65 years and over (Fig.3.43).

Seniors are an important age group in both communities now and in the future. Estimates for 2016 indicate seniors comprise about 15 percent of the population in both Framingham’s and Natick’s total populations. Between 2016 and 2021, the senior population is expected to grow 10 percent in Framingham and 16 percent in Natick.⁰⁹ This is very much in line with population changes for Middlesex County, where the senior population is expected to grow by 16 percent as well. The growth in the senior population may have an impact on the housing supply, as many seniors would like to age in place, resulting in a lack of housing turnover. Or, conversely, some senior households may look to downsize as the need for larger single family homes diminishes, thereby creating potential demand for smaller housing units and opening up existing housing for turnover.

INCOME

Household income directly correlates with expendable income that can be used to support local businesses. Low household incomes can equate to a lower threshold for spending on housing and goods and services, while households with higher incomes can afford to spend more. The median household income in Framingham is \$71,132 and is expected to grow 19 percent to \$84,866 in 2021. Household incomes in Framingham are more evenly spread across the different income spectrums than in Natick. In 2016, about 17 percent of the population had an income of greater than \$150,000 which is much less than that of Natick, while 38 percent of the population had incomes below \$50,000 (Fig. 3.44).¹⁰

The median household income in Natick is \$99,189 and is expected to grow 16 percent to \$115,181 by 2021. The affluence of Natick is quite apparent. In 2016, 27 percent of the population had incomes over \$150,000 and this is expected to rise to 33 percent by the year 2021. Additionally in Natick, 24 percent of the population had an income below \$50,000 and that percentage is expected to shrink to 21 percent by the year 2021.¹¹

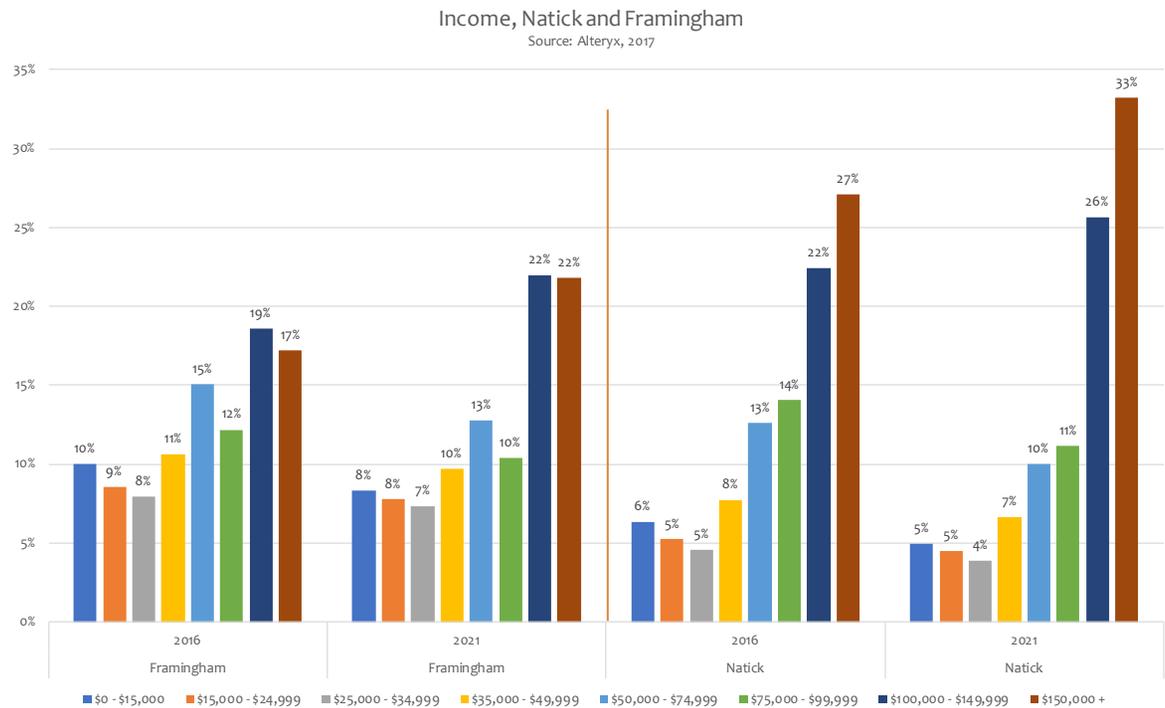


Figure 3.44: Median Household Income of Framingham and Natick.

10 Alteryx and RKG Associates, Inc 2017

11 Alteryx and RKG Associates, Inc 2017

LAND USE ASSESSMENT

Not surprisingly, 73 percent of the land within The Triangle study area is being used for retail or office purposes (Table 3.1).¹² This equates to nearly 600 acres of land, including buildings, parking lots, and internal circulation all related to and supporting, retail and office users. To put this in perspective, the new Assembly Row development (Somerville) - a mix of retail, office, and residential - utilizes forty-five acres of land; meaning thirteen Assembly Rows could fit in The Triangle on the land that is currently serving retail and office users. The vast amount of land dedicated to these uses in The Triangle is in large part due to the number of acres utilized for surface parking and the fact that most of the retail buildings are single-story structures at a lower density.

There are a few multi-family developments in The Triangle, including Nouvelle (Natick), Avalon (Natick), and Lord Chesterfield Apartments (Framingham). The Lord Chesterfield Apartments are made up of five multi-family buildings, while the Nouvelle is condominiums that were constructed as a component of the Natick Mall.

The Framingham side of The Triangle includes about nine acres of single-family residential housing located between Route 30 and Route 9. 533.08 Acres of The Triangle are located in Framingham (66 percent of total) and 273.26 acres are located in Natick (33 percent of total).

Source: Framingham and Natick Assessor's Data, RKG Associates

LAND USE CATEGORY	ACRES OF LAND			
	FRAMINGHAM	NATICK	TOTAL	% OF TOTAL
SINGLE-FAMILY	8.9	0.0	8.9	1.1%
MULTI-FAMILY	15.0	9.1	24.1	3.0%
HOTEL/MOTEL	8.9	22.8	31.7	3.9%
RETAIL	262.9	152.8	415.7	51.6%
OFFICE	137.7	38.7	176.4	21.9%
ENTERTAINMENT	20.4	0.0	20.4	2.5%
INDUSTRIAL	0.0	0.4	0.4	0.1%
RECREATION/CONSERVATION	32.6	1.0	33.7	4.2%
UTILITIES	1.3	0.0	1.3	0.2%
PUBLIC/INSTITUTIONAL	26.9	0.1	26.9	3.3%
SCHOOL	4.2	0.0	4.2	0.5%
RELIGIOUS FACILITY	1.1	0.0	1.1	0.1%
PARKING FACILITY	0.0	33.0	33.0	4.1%
VACANT	12.1	1.6	13.7	1.7%
UNDEVELOPABLE	1.0	13.7	14.7	1.8%
TOTALS¹²	533.08	273.26	806.34	100.0%

ZONING

Within The Triangle there are eleven base zoning districts and four overlay districts that regulate the types of uses and intensity of development, site layout and design, and building dimensions (Fig. 3.45)¹³. While the zoning in both municipalities has no doubt tried to respond to land use changes and market shifts over time, it can be challenging to develop a consistent and coordinated district with this many zoning options. In the case of Natick’s side of the study area, there are six base zones and four overlay districts alone. One section of the Natick Mall property has three different overlapping overlay districts. There are also challenges in both communities with zoning districts that split parcels due to zoning boundaries not following parcel lines. This is best illustrated with the Regional Center (RC) Overlay district boundaries in Framingham.

Permitting authorities in the two municipalities should coordinate on limiting the granting of Variances and Special Permits to ensure that the intent of the Master Plan is not undermined.

The parcels that front along the north side of Route 30 are only partially covered by the overlay district, which can lead to conflicting regulations and a disjointed development pattern. Figure 3.45 shows the location of the base zoning and overlay districts that regulate The Triangle.

ZONING DISTRICT KEY	
Framingham	
M	General Manufacturing
M 1	Light Manufacturing
P	Office/Professional
B	Business
R 1	Single Family
Natick	
IND I	Industrial I
IND II	Industrial II
COMM I	Commercial I
COMM II	Commercial II
RSA	Residential Single-A
HMU I	Highway Mixed-use I
HMU II	Highway Mixed-use II

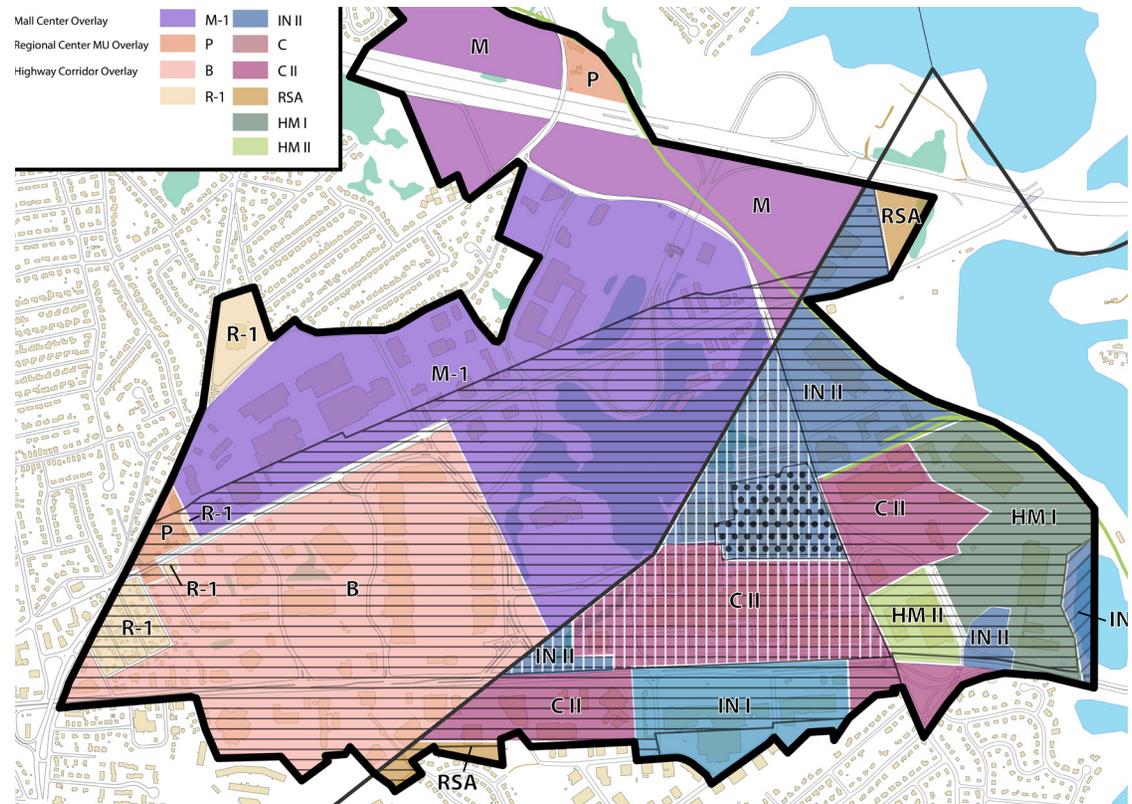


Figure 3.45: Golden Triangle Zoning Map.

13 Zoning information comes from Framingham’s Zoning Bylaw dated May 2017, and Natick’s Bylaw from February 2017

BASE ZONING DISTRICTS

Of the 11 base zoning districts that fall within The Triangle, five base zoning districts cover the Framingham side and six cover the Natick side. About 92 percent of the land in the study area is zoned in districts that allow primarily business/commercial uses or manufacturing/industrial uses. Table 3.2 provides a breakdown of the amount of land covered by each zoning district in The Triangle.

TABLE 3.2: BASE ZONING DISTRICT SUMMARY		
BASE ZONING DISTRICT	ACRES OF LAND	% OF TOTAL
FRAMINGHAM		
BUSINESS (B)	189.6	31.4%
GENERAL MANUFACTURING (M)	90.9	15.1%
LIGHT MANUFACTURING (M-1)	266.4	44.2%
OFFICE AND PROFESSIONAL (P)	10.4	1.7%
SINGLE FAMILY (R-1)	46.1	7.6%
TOTALS	603.4	100.0%
NATICK		
COMMERCIAL-II (CII)	139.5	39.6%
HIGHWAY MIXED-USE (HM-I)	45.1	12.8%
HIGHWAY MIXED-USE (HM-II)	9.4	2.7%
INDUSTRIAL (INI)	34.3	9.7%
INDUSTRIAL (INII)	104.3	29.6%
RESIDENTIAL SINGLE-A (RSA)	20.1	5.7%
TOTALS	352.7	100.0%

Source: Framingham and Natick Assessor's Data, RKG Associates
Note: Acreage differs from Land Use table because zoning district boundaries span public rights-of-way, roads, and water bodies.

PERMITTED USES

The following provides a general description of the uses permitted in each zoning district that apply to The Triangle across both municipalities. The description of uses has been pared down to focus on uses that are in The Triangle today, or those that may be likely to locate here in the future.

NATICK

Natick's base zoning districts allow a mix of commercial, retail, and industrial uses. As-of-right development and the use of special permit vary from district to district depending on the use. The Commercial II zoning district allows the widest range of use types with most commercial uses allowed as-of-right. The two Highway Mixed-use districts require special permits for most uses. In the Highway Mixed-use I district, uses proposed on parcels larger than 200,000 square feet in size are granted additional rights without having to go through a special permit process. This was likely designed to encourage parcel assembly and larger development footprints. Table 3.3 shows uses permitted in each of the six zoning districts on the Natick side of The Triangle.

FRAMINGHAM

Approximately 75 percent of the land on Framingham's side of The Triangle is zoned Business (B) or Light Manufacturing (M-1). The B District is the most flexible of the five districts on Framingham's side. Most commercial and retail businesses are allowed as-of-right, as are sit-down restaurants. Auto-related uses (gas stations, car washes, repair shops) are allowed through special permit, as are hotels and motels. This is the only district in The Triangle across both communities that allows mixed-use through a special permit. Interestingly, none of the districts in Framingham or Natick allow multi-family residential, though Natick has seen some new residential development and Framingham allows for residential development in the B District so long as it is part of a mixed-use development. The Cloverleaf and Avalon Natick residential developments were Chapter 40 (B) projects (Chapter 40 (B) enables local zoning Boards of Appeal to approve housing developments under flexible rules if at least 20-25 percent of the units have long term affordability restrictions).

TABLE 3.3: ALLOWABLE USES IN NATICK'S BASE ZONES

USES	BASE ZONING DISTRICTS					
	COMM. II	INDUS. I	INDUS. II	HWY MU I	HWY MU II	RES. A
RETAIL STORES	P	-	-	-	SP	-
PROFESSIONAL OFFICES	P	P	SP	P***	SP	-
COMM. ESTABLISHMENTS	P	-	-	P***	SP	-
HOTEL/MOTEL	P	-	SP	P***	SP	-
HEALTHCARE FACILITY*	P	P	P	P	SP	-
VEHICAL SHOWROOM/SALES	P	SP**	-	-	-	-
RESTAURANTS	P	-	-	P***	SP	-
INDOOR/OUTDOOR AMUSEMENT	SP	SP	SP	SP	SP	-
REPAIR GARAGE	SP	SP	-	-	-	-
GAS STATION	SP	SP	-	-	-	-
CAR WASH	SP	-	-	-	-	-
AUTOBODY SHOP	SP	SP	-	-	-	-
PRINT SHOP	P	P	P	P	SP	-
LIGHT MANUFACTURING	-	P	P	P	-	-
GENERAL INDUSTRIAL	-	-	P	P	-	-
VETERINARY HOSPITAL	P	-	-	-	-	-
OFF-STREET PARKING	P	P	P	P	SP	P
SINGLE-FAMILY DWELLING	P	P	P	P	P	P
MULTI-FAMILY DWELLING	-	-	-	-	-	-
MIXED-USE	-	-	-	-	-	-
FARM STAND	P	-	-	-	-	P
CHURCHES	P	P	P	P	-	P
SCHOOLS	P	P	P	P	P	P
DAYCARE	SP	SP	SP	SP	SP	SP
MUNICIPAL FACILITIES	P	P	P	P	-	SP
WIRELESS COMMUNICATION	SP	SP	SP	SP	SP	SP

P = Permitted Use

SP = Special Permit

*Anything greater than 2,500 sqft requires a special permit

New development in the Highway MU II requires an overall site plan review and Special Permit from the Planning Board

**Special Permit for salesrooms that include vehicle repair and/or storage on site

***Permitted use if minimum lot area is in excess of 200,000 sq. ft.

TABLE 3.4: ALLOWABLE USES IN FRAMINGHAM'S BASE ZONES

USES	BASE ZONING DISTRICTS				
	BUSINESS	OFFICE/PROF.	LIGHT MANUF.	GEN. MANUF.	SINGLE-FAMILY
RETAIL STORES	P	P	P	P	-
PROFESSIONAL OFFICE	P	P	P	P	-
COMM. ESTABLISHMENTS	P	P	P	P	-
HOTEL/MOTEL	SP	-	SP	SP	-
VEHICAL SHOWROOM/SALES	SP	-	-	-	-
RESTAURANTS	P	SP	SP	SP	-
INDOOR/OUTDOOR AMUSEMENT	P	-	SP	SP	-
REPAIR GARAGE	SP	-	-	-	-
GAS STATION	SP	-	-	-	-
CAR WASH	SP	-	SP	SP	-
PRINT SHOP	-	-	-	P	-
R&D, LAB SPACE	-	-	P	P	-
VETERINARY HOSPITAL	P	-	SP	SP	-
OFF-STREET PARKING	SP	-	SP	SP	-
SINGLE-FAMILY DWELLING	P	P	-	-	P
MULTI-FAMILY DWELLING	-	-	-	-	-
MIXED-USE	SP	-	-	-	-
MUNICIPAL FACILITIES	P	P	P	P	P

There are very few differences between the two manufacturing districts in Framingham other than how industrial uses of differing intensities are treated. In the M-1 District, larger-scale warehousing facilities and recycling/refuse facilities tend to be by Special Permit or not allowed at all. In the General Manufacturing (M) District, many of the heavier industrial uses are allowed as-of-right or a few by Special Permit. Table 3.4 shows uses permitted in each of the five zoning districts on the Framingham side of The Triangle.

OVERLAY DISTRICTS

In addition to the eleven base zoning districts across The Triangle, there are also four overlay districts in total (Fig. 3.45 & Table 3.5). On the Natick side of the study area there are four overlay districts: Regional Center (RC) Overlay, Highway Corridor (HC) Overlay, Mall Center (MC) Overlay, and the Regional Center Mixed-use (RCP) Overlay. On the Framingham side of the Study Area there is one overlay district: the RC Overlay, which was developed in coordination with Natick and has virtually identical regulations. The following provides a brief description of the purpose, regulations, and differences from the base zoning districts they cover. For purposes of this report, the RC Overlay description applies to both Natick and Framingham.

REGIONAL CENTER (RC) OVERLAY (FRAMINGHAM & NATICK)

The over-arching goal for this overlay district is to encourage a mix of uses, including multi-family residential and provide bonus incentives to reward developers for improving property in the area. The unique attribute of the RC Overlay is that it is an attempt at inter-municipal collaboration between Framingham and Natick. After a joint planning effort, both Natick and Framingham adopted similar overlay districts (Regional Center) to try and create a unified district as properties redeveloped over time. The end result has unfortunately been less than satisfactory, as very little mixed-use development has occurred within the overlay district. This may be due to the relatively low density bonuses that can be achieved through developers providing added “public benefits” as part of their project.

Under the RC Overlay, a developer can qualify for bonus floor space by constructing a public park on part of the land, improving pedestrian circulation by building new sidewalks or pedestrian bridges/tunnels, improving traffic flow, providing transit amenities, contributing to off-site affordable housing, or building service roads or driveways that improve internal circulation. Each amenity has its own corresponding density bonus based on how much of the amenity is provided. For example, for every square foot of park space provided, the developer would gain an additional square foot of floor area. For every curb-cut closure, a developer would gain an additional 15,000 square feet of floor area. The maximum density achievable with the bonus provisions is a floor area ratio (FAR) of 0.40.

The RC Overlay district also includes provisions for mutual review of projects. If a project is larger than 50,000 square feet, an applicant in one municipality must submit a set of plans to the other municipality and schedule a meeting with the Planning Board at their request. If the project is less

than 50,000 square feet, the applicant must submit one set of plans to the other municipality and the Planning Board shall receive notification of all hearing dates on the proposed project.

One of the challenges presented by the RC Overlay is the complexity of the regulations. The sections in each municipality's Zoning Bylaw describing the regulations are very lengthy, the calculations for the density bonuses are complicated and the additional requirements such as landscaping and dimensional requirements are considered arduous for the amount of bonus received. It is also difficult to tell which uses are allowed above and beyond uses specifically listed as part of the underlying zoning districts.

HIGHWAY CORRIDOR (HC) OVERLAY (FRAMINGHAM)

The three remaining overlay districts described in this section are all in Natick. The first is the Highway Corridor (HC) Overlay. The HC Overlay District covers a small eleven-acre portion at the eastern edge of the study area. Similar to the RC Overlay, the HC Overlay offers opportunities for density bonuses as a way to encourage parcel consolidation and new development. Based on a review of Section 320 of the Natick Zoning Bylaw and Section III E of the Framingham Zoning By-Law there does not appear to be a significant difference between the regulation governing the RC Overlay and the HC Overlay.

MALL CENTER OVERLAY (NATICK)

The Mall Center (MC) Overlay District was established to provide more flexibility for uses associated with the property that encompasses the Natick Mall. The MC Overlay District was established so as to foster the implementation of significant infrastructure improvements within Natick and improve Natick's tax base. On top of the uses already allowed in the underlying zoning districts and in the RC Overlay, the overlay zoning also allows for hotel and motel use and "shopping mall uses," which are those commonly found in shopping malls. Similar density bonuses apply in the MC Overlay as were described in the section above on the RC Overlay, except the FAR in this overlay can be increased up to a maximum of 0.60. The density bonus is only applicable to one or more parcels equaling forty contiguous acres of land.

REGIONAL CENTER MIXED USE OVERLAY (NATICK)

The Regional Center Mixed-Use (RCP) Overlay District was established to encourage a mix of commercial and residential uses on the property occupied by the Natick Mall. The RCP Overlay appears to have been created to facilitate the development of the Nouvelle Residences. The portion of the RCP development devoted to multi-family housing is permitted by special permit and site plan approval by Natick’s Planning Board.

TABLE 3.5: OVERLAY DISTRICT SUMMARY TABLE	
OVERLAY ZONING DISTRICT	ACRES OF LAND
FRAMINGHAM OVERLAY DISTRICT SUMMARY	
REGIONAL CENTER OVERLAY	351
TOTALS	351
NATICK OVERLAY DISTRICT SUMMARY	
REGIONAL CENTER OVERLAY	329
HIGHWAY CORRIDOR OVERLAY	11
MALL CENTER OVERLAY	110
REGIONAL CENTER MU OVERLAY	18
TOTALS	467

Source: Framingham and Natick Assessor’s Data, RKG Associates

PARKING SCHEDULE

Parking requirements vary between the two municipalities. Natick has lower parking requirements for most key land use categories, while Framingham allows for a reduction in off-street parking space. Natick has a staggered parking ratio for multi-family residents where parking is tied to the size of the unit. For example, a studio or one-bedroom unit would require one space and a two-bedroom would

require one-and-a-half spaces. In Framingham, the parking ratio for all residential development is two parking spaces regardless of type or size.

In Natick, office uses are required to have one space for every 400 square feet of gross floor area (GFA), while Framingham requires more parking at one space for every 250 square feet for non-medical office and one space for every 150 square feet for medical office. The two municipalities are much closer in parking required for retail uses. Framingham requires one space for every 200 square feet of GFA, while Natick requires one space for every 250 square feet. The parking ratios for industrial and R&D uses are quite different, with Natick requiring one space for every 2,000 square feet, while Framingham requires one space for every 800 square feet.

Table 3.6 provides an overview of the parking regulations for uses in both Natick and Framingham.

PARKING REDUCTIONS

In Framingham, the Planning Board may grant a reduction in the number of off-street parking spaces by special permit. In order for the Planning Board to grant a special permit for reduction in off-street parking, the applicant must provide a parking report analyzing parking demand and offering parking demand reduction strategies. These strategies may include landbanking future spaces, a shared parking program, bicycle parking, Low Impact Development (LID), or other on-site amenities that could lead to a reduced demand for on-site parking. There is also a provision in the Framingham's Zoning By-Law that allows for a parking reduction if the development proposal results in a change of use that does not require as many parking spaces as the prior use.

In Natick, there is only one option available to reduce parking in the zoning districts in The Triangle. Applicants have the ability to request a parking reduction through the Special Permit Granting Authority (SPGA) of up to 10 percent if there is a finding of substantial hardship to the applicant. The Town does have a parking “fee-in-lieu” program, but that is only available to developments in the Downtown Mixed-use (DM) and Housing Overlay Option Plan (HOOP) districts.¹⁴

¹⁴ These zoning districts do not cover parcels in The Triangle.

TABLE 3.6: PARKING REQUIREMENT SUMMARY	
USE	SPACES REQUIRED
FRAMINGHAM PARKING REQUIREMENTS	
SINGLE- AND MULTI-FAMILY DWELLINGS	2 PER UNIT
HOTEL OR MOTEL	1 PER UNIT + 1 PER 2 EMPLOYEES
HEALTH CLUB/ENTERTAINMENT FACILITY	1 PER 3 OCCUPANTS
RESTAURANTS	1 PER 3 OCCUPANTS + 1 PER 2 EMPLOYEES
FAST FOOD	1 PER 2 OCCUPANTS + 1 PER 2 EMPLOYEES
MEDICAL OFFICE	1 PER 150 S.F. OF GROSS FLOOR AREA (GFA)
NON-MEDICAL OFFICE	1 PER 250 S.F. OF GFA
SERVICE ESTABLISHMENT	1 PER 200 S.F. OF GFA
RETAIL ESTABLISHMENT	
REGIONAL SHOPPING CENTER	
INDUSTRIAL / R&D	1 PER 800 S.F. OF GFA
NATICK PARKING REQUIREMENTS	
SINGLE- AND TWO-FAMILY DWELLINGS	2 PER UNIT
MULTI-FAMILY DWELLINGS	-
STUDIO & ONE-BED	1 PER UNIT
TWO-BED	1.5 PER UNIT
3+ BED	2 PER UNIT
OFFICES	1 PER 400 S.F. OF GFA
RETAIL STORES AND COMMERCIAL USES	1 PER 250 S.F. OF GFA
RESTAURANTS	1 PER 30 S.F. OF GFA OR 1 PER 3 SEATS
DRIVE-IN RESTAURANTS	1 PER 50 S.F. OF GFA (20 SPACE MIN)
HOTEL OR MOTEL	1 SPACE PER UNIT
INDUSTRIAL / R&D	1 PER 2,000 S.F. OF GFA OR 1 PER 3 EMPLOYEES

*Source: Framingham and Natick Zoning Bylaws
GFA - gross floor area*

MARKET INDICATORS

The following sub-sections offer an analysis of selected economic trends and market indicators in Framingham and Natick. This review presents baseline data and a framework to be considered in identifying redevelopment opportunities within The Triangle.

EMPLOYMENT TRENDS

Between 2010 to 2015, employment in Framingham increased 11 percent from 44,640 to 49,390.¹⁵ This compares to a 3 percent decline in employment in Natick over the same time-period. For this Study, the Framingham NECTA¹⁶ is used as a regional point of comparison to weigh the significance of local indicators in Framingham and Natick. The overall increase in employment within the NECTA was 8 percent, as employment rose from 159,420 to 171,530, between 2010 and 2015.

Looking more specifically at industry sector employment changes, most sectors saw an increase in employment throughout the NECTA, with the exception of manufacturing, wholesale trade, and information services. In Framingham, employment declined in information services; arts, entertainment, and recreation; as well as a small decline in accommodations and food services (Table 3.7). In Natick, employment losses were distributed across more industry sectors, including a 60 percent decline in wholesale trade employment.¹⁷ Within each community, as well as the NECTA, retail employment is strong, although it declined marginally in Natick from 2010 to 2015.¹⁸ Typically, wages and benefits for retail employees lags most other industry sectors.

¹⁵ Throughout most of this narrative, numeric data is rounded for ease to the reader.

¹⁶ NECTA (New England City and Town Area) includes Ashland, Framingham, Holliston, Hopedale, Hudson, Marlborough, Mendon, Milford, Natick, Southbridge, and Sudbury.

¹⁷ This may partially reflect a relocation of the BJ's Wholesale Club HQ from Natick to Westborough.

¹⁸ It is worth noting that employment in some industry sectors may not be fully represented through the ES-202 data due to suppression to protect very large employers. This may be the case in the professional and technical services industry sector.

TABLE 3.7: EMPLOYMENT TRENDS BY NAICS SECTOR FOR FRAMINGHAM AND NATICK, MA

SELECTED NAICS INDUSTRY SECTORS	2010 EMPLOYMENT			2015 EMPLOYMENT			PERCENT Δ 2010-2015 EMPLOYMENT		
	FR*	NK*	NECTA*	FR	NK	NECTA	FR	NK	NECTA
23 - CONSTRUCTION	1,188	458	6,149	1,485	634	9,220	25%	38%	50%
31-33 - MANUFACTURING	3,669	197	25,567	4,655	168	24,957	27%	-15%	-2%
22 - UTILITIES	0	0	474	0	0	552	NA	NA	16%
42 - WHOLESALE TRADE	1,808	1,433	8,554	2,242	569	7,304	24%	-60%	-15%
44-45 - RETAIL TRADE	4,536	6,157	20,088	4,749	5,792	20,544	5%	-6%	2%
48-49 - TRANSPORTATION AND WAREHOUSING	592	147	1,985	1,180	185	2,679	99%	26%	35%
51 - INFORMATION	2,066	0	6,000	1,909	0	5,744	-8%	NA	-4%
52 - FINANCE AND INSURANCE	622	398	3,756	730	378	4,009	17%	-5%	7%
53 - REAL ESTATE AND RENTAL AND LEASING	382	318	1,282	454	221	1,457	19%	-31%	14%
54 - PROFESSIONAL AND TECHNICAL SERVICES	3,897	2,755	14,999	4,076	2,979	17,062	5%	8%	14%
55 - MANAGEMENT OF COMPANIES AND ENTERPRISES	6,855	0	9,838	7,120	210	10,091	4%	NA	3%
56 - ADMINISTRATIVE AND WASTE SERVICES	2,164	1,164	8,183	2,977	1,354	10,292	38%	16%	26%
61 - EDUCATIONAL SERVICES	3,046	1,322	11,605	3,308	1,687	12,488	9%	28%	8%
62 - HEALTH CARE AND SOCIAL ASSISTANCE	7,674	3,077	19,376	8,158	2,988	22,440	6%	-3%	16%
71 - ARTS, ENTERTAINMENT AND RECREATION	321	400	1,931	263	437	2,167	-18%	9%	12%
72 - ACCOMMODATION AND FOOD SERVICES	3,225	1,849	11,018	3,174	1,951	11,216	-2%	6%	2%
81 - OTHER SERVICES, EX. PUBLIC ADMIN	1,070	752	4,407	1,064	662	4,450	-1%	-12%	1%
92 - PUBLIC ADMINISTRATION	1,511	NA	3,825	1,828	NA	4,228	21%	NA	11%
TOTAL	44,637	23,777	159,418	49,387	23,076	171,528	11%	-3%	8%

Source: US Census, MA Labor and Workforce Development and RKG Associates, Inc. (2017).

*FR: Framingham; NK: Natick; NECTA: New England City and Town Area.

As the NECTA includes numerous small communities, a comparison of trends was completed for Framingham and Natick relative to Middlesex County (Table 3.8). Between 2010 and 2015, employment in Middlesex County increased by 9 percent, or about 71,000 employees. This percent increase is slightly less than that of Framingham, but is ahead of Natick over the same time-period.

TABLE 3.8: EMPLOYMENT TRENDS BY NAICS SECTOR FOR FRAMINGHAM AND NATICK, MA, RELATIVE TO MIDDLESEX CO.

SELECTED NAICS INDUSTRY SECTORS	2010 EMPLOYMENT			2015 EMPLOYMENT			PERCENT Δ 2010 - 2015		
	FR*	NK*	MX CO.*	FR	NK	MX CO.	FR	NK	MX CO.
23 - CONSTRUCTION	1,188	458	30,161	1,485	634	38,338	25%	38%	27%
31-33 - MANUFACTURING	3,669	197	76,028	4,655	168	75,750	27%	-15%	0%
22 - UTILITIES	0	0	1,978	0	0	2,197	NA	NA	11 %
42 - WHOLESALE TRADE	1,808	1,433	35,698	2,242	569	34,598	24%	-60%	-3%
44-45 - RETAIL TRADE	4,536	6,157	76,012	4,749	5,792	78,291	5%	-6%	3%
48-49 - TRANSPORTATION AND WAREHOUSING	592	147	19,575	1,180	185	21,249	99%	26%	%
51 - INFORMATION	2,066	0	39,158	1,909	0	42,240	-8%	NA	8%
52 - FINANCE AND INSURANCE	622	398	25,721	730	378	26,202	17%	-5%	2%
53 - REAL ESTATE AND RENTAL AND LEASING	382	318	8,862	454	221	10,013	19%	-31%	13%
54 - PROFESSIONAL AND TECHNICAL SERVICES	3,897	2,755	110,064	4,076	2,979	125,449	5%	8%	14%
55 - MANAGEMENT OF COMPANIES AND ENTERPRISES	6,855	0	23,423	7,120	210	25,134	4%	NA	7%
56 - ADMINISTRATIVE AND WASTE SERVICES	2,164	1,164	48,261	2,977	1,354	53,151	38%	16%	10%
61 - EDUCATIONAL SERVICES	3,046	1,322	87,773	3,308	1,687	93,911	9%	28%	7%
62 - HEALTH CARE AND SOCIAL ASSISTANCE	7,674	3,077	101,247	8,158	2,988	118,590	6%	-3%	17%
71 - ARTS, ENTERTAINMENT AND RECREATION	321	400	10,489	263	437	12,383	-18%	9%	18%
72 - ACCOMMODATION AND FOOD SERVICES	3,225	1,849	53,513	3,174	1,951	61,525	-2%	6%	15%
81 - OTHER SERVICES, EX. PUBLIC ADMIN	1,070	752	26,930	1,064	662	26,284	-1%	-12%	-2%
92 - PUBLIC ADMINISTRATION	1,511	NA	26,371	1,828	NA	26,028	21%	NA	-1%
TOTAL	44,637	23,777	803,060	49,387	23,076	873,709	11%	-3%	9%

County wide, employment declines were seen in the manufacturing and wholesale trade sectors (similar to the NECTA) and in other services and public administration (dissimilar to the NECTA). For the industry sectors experiencing a decline in employment, the percentage losses were nominal. Similar to the NECTA, there were several industry sectors where the county experienced an increase in employment and Framingham and/or Natick realized a decline.

Source : US Census, MA Labor and Workforce Development and RKG Associates, Inc. (2017)
 *FR: Framingham; NK: Natick; MX CO.: Middlesex County

LOCATION QUOTIENTS

One measure of the relative strength of a local economy is measured through the employment Location Quotient (LQ). This takes stock of the employment in any one sector of the local economy as a percent of the total local economy. This is then expressed as a ratio to a much larger area, such as to Middlesex County (Table 3.9). An LQ of 0.8 to 1.2 generally indicates a balance in the local and larger economies for that industry sector. A ratio of less than 0.8 indicates under performance at the local level and a ratio of more than 1.2 indicates an over performance in that industry sector. A high LQ may suggest a competitive advantage, a clustering of like businesses and equate to opportunities for expansion (or a strength). A low LQ may portend opportunities in under-represented industries and an opportunity for relocation or expansion of others (both an opportunity and a potential threat).

For 2010 and for 2015, in both Framingham and Natick, there were several industry sectors where the LQ was strong relative to Middlesex County, notably including the retail sector in Natick and the management sector in Framingham. There were no industry sectors where both Natick and Framingham out-performed the county in 2010 and in 2015. Conversely there were several sectors where the LQ was weak, for both years and in both communities, including the construction, manufacturing, and finance sectors, along with educational services. There were eight industry sectors in Framingham that experienced a drop in their LQs between 2010 and 2015, while there were four such sectors in Natick.

A declining LQ, in Framingham, in such sectors as construction, professional/technical, and arts/entertainment, while the overall county employment in these sectors increased (2010 to 2015), represents a threat to growth for these sectors in Framingham. Additionally, the declining LQ's for these sectors in Framingham are coming from a point of weakness as in 2010 and in 2015 they under-perform Middlesex County. The Framingham retail LQ remained unchanged over the 2010 to 2015 time-period and the county experienced a three percent growth in employment. While Framingham is "holding its own" in this sector the countywide employment growth suggests that Framingham may run the risk of falling behind in the future. Another example includes the accommodations sector where the Framingham LQ is on par with the county, but has declined by nearly 16 percent, while countywide employment has increased by 15 percent; or, Framingham is not keeping pace in this sector. Another industry sector of concern is health services. Although the Framingham LQ out-performs the county, its representation has declined by nearly 11 percent while countywide employment growth has been 17 percent.

As measured by their LQ's, the construction sector and the retail sector in Natick are keeping pace with (or marginally improving relative to) countywide employment gains. One sector of concern is the real estate sector which has declined from out-performing the county in 2010 to just being on par with the county in 2015, experiencing a 31 percent decline in its LQ in a sector with a 13 percent employment growth countywide. This decline is the result of a small loss in Natick's real estate sector employment, and a large gain in Middlesex County's employment figures. The two combined account for the drop in Natick's competitive advantage within this industry sector compared to the County as a whole.

Key

Under

Over

TABLE 3.9: COMPARATIVE LOCATION QUOTIENTS FOR FRAMINGHAM (FR) AND NATICK (NK), RELATIVE TO MIDDLESEX CO.

SELECTED NAICS INDUSTRY SECTORS	2010 LQ		2015 LQ		% Δ 2010-2015 IN LQ	
	FR*	NK*	FR	NK	FR	NK
23 - CONSTRUCTION	0.71	0.51	0.69	0.63	-3.3%	22.1%
31-33 - MANUFACTURING	0.87	0.09	1.09	0.08	25.2%	-4.0%
22 - UTILITIES	NA	NA	NA	NA	NA	NA
42 - WHOLESALE TRADE	0.91	1.36	1.15	0.62	25.8%	-54.1%
44-45 - RETAIL TRADE	1.07	2.74	1.07	2.80	0.0%	2.4%
48-49 - TRANSPORTATION AND WAREHOUSING	0.54	0.25	0.98	0.33	80.6%	30.0%
51 - INFORMATION	0.95	NA	0.80	NA	-15.8%	NA
52 - FINANCE AND INSURANCE	0.44	0.52	0.49	0.55	13.3%	4.5%
53 - REAL ESTATE AND RENTAL AND LEASING	0.78	1.21	0.80	0.84	3.4%	-31.0%
54 - PROFESSIONAL AND TECHNICAL SERVICES	0.64	0.85	0.57	0.90	-9.8%	6.4%
55 - MANAGEMENT OF COMPANIES AND ENTERPRISES	5.27	NA	5.01	0.32	-4.8%	NA
56 - ADMINISTRATIVE AND WASTE SERVICES	0.81	0.81	0.99	0.96	22.8%	18.4%
61 - EDUCATIONAL SERVICES	0.62	0.51	0.62	0.68	-0.2%	33.7%
62 - HEALTH CARE AND SOCIAL ASSISTANCE	1.36	1.03	1.22	0.95	-10.8%	-7.1%
71 - ARTS, ENTERTAINMENT, AND RECREATION	0.55	1.29	0.38	1.34	-31.8%	3.7%
72 - ACCOMMODATION AND FOOD SERVICES	1.08	1.17	0.91	1.20	-15.8%	2.9%
81 - OTHER SERVICES, EX. PUBLIC ADMIN	0.71	0.94	0.72	0.95	0.2%	1.1%
92 - PUBLIC ADMINISTRATION	1.03	NA	1.24	NA	20.5%	NA
TOTAL	NA	NA	NA	NA	NA	NA

Source : US Census, MA Labor and Workforce Development and RKG Associates, Inc. (2017). *FR: Framingham; NK: Natick

EMPLOYMENT PROJECTIONS & SPACE NEEDS

On the other hand, employment in the education sector in Natick, as measured by the change in its LQ, has increased by nearly 34 percent while countywide employment has grown by seven percent.

Employment projections, prepared by the Massachusetts Executive Office of Labor and Workforce Development (EOLWD), for the NECTA were used as the benchmarks for estimating future employment changes in Framingham and Natick (Table 3.10). It is presumed that the two communities' employment bases will experience changes that are similar to the larger NECTA region within each industry sector. For example, if the educational services sector within the larger NECTA is projected to grow 5 percent through the year 2025, it is assumed that a similar percent change would be experienced in Framingham and Natick. Using these inputs and assumptions, it is projected that Framingham's total employment would grow to 51,860 by 2025 and the employment in Natick would grow to 24,230.

Projected employment growth within each industry sector was converted into an annual estimate of space needs (square feet) based on industry standards of how much space an employee may need.¹⁹ The projected employment change between 2015 and 2025 could result in an annual demand for 14,830 square feet of new space in Framingham and 17,600 square feet of new space in Natick. If the projected decline in space demands for the manufacturing sector is excluded, the annual projection for additional space in Framingham would increase sharply.

This projected annual growth in space needs does not necessarily equate to demand for newly constructed space. It is likely that a portion of the additional demand for space may be realized through the increased utilization of existing space, or by vacancies or available properties. Any significant demand for newly built space would likely result from the expansion of existing industries (beyond the market indicators) or entry into The Triangle of new industries.

¹⁹ Space needs standards drawn from Urban Land Institute and others.

TABLE 3.10: PROJECTED EMPLOYMENT AND SF NEEDS FOR FRAMINGHAM AND NATICK								
ESTIMATED EMPLOYMENT AND SF NEEDS BY INDUSTRY SECTOR ANNUAL 2015-2025	FRAMINGHAM				NATICK			
	AVG SF PER EMP	2025 EMPLOY	CHANGE FROM 2015	EST. GROSS ANNUAL DEMAND - SF	AVG SF PER EMP	2025 EMPLOY	CHANGE FROM 2015	EST. GROSS ANNUAL DEMAND - SF
OFFICE / FLEX								
INFORMATION	175	1,989	80	1,403	175	NA	NA	NA
FINANCE/INSURANCE	200	769	39	774	200	398	20	401
REAL ESTATE	200	460	6	118	200	224	3	57
PROF/TECH	175	4,435	359	6,277	175	3,241	262	4,588
ADMIN/WASTE SERVICES	200	3,171	194	3,870	200	1,442	88	1,760
SUBTOTAL		10,823	677	12,442		5,305	373	6,806
INSTITUTIONAL								
HEALTH CARE/SOCIAL ASSIST.	150	8,892	734	11,013	150	3,257	269	4,034
SUBTOTAL		8,892	734	11,013		3,257	269	4,034
COMMERCIAL								
ARTS & ENTERTAINMENT	150	283	20	300	150	470	33	498
RETAIL TRADE	175	4,877	128	2,244	175	5,948	156	2,737
ACCOMMODATIONS/FOOD	175	3,371	197	3,444	175	2,072	121	2,117
OTHER EXC. PUBLIC ADMIN	150	1,143	79	1,181	150	711	49	735
SUBTOTAL		9,674	424	7,169		9,202	360	6,087
INDUSTRIAL								
CONSTRUCTION	150	1,553	68	1,025	150	663	29	437
MANUFACTURING	1,000	4,422	(233)	(23,275)	1,000	160	(8)	(840)
WHOLESALE TRADE	750	2,251	9	673	750	571	2	171
TRANSPO/WAREHOUSING	1,000	1,238	58	5,782	1,000	194	9	907
SUBTOTAL		9,464	(98)	(15,796)		1,588	32	675
TOTAL		38,853	1,737	14,828		19,352	1,034	17,601

Source: US Census Bureau, MA Labor and Workforce Development and RKG Associates, Inc. (2017)

COMMUTING PATTERNS (2010)

In 2010, the total resident workforce in Framingham was 36,117 and nearly one-third of those residents also worked in Framingham (Table 3.11). Approximately 38 percent worked in communities closer to Framingham, with 9 percent each in Boston and in Natick. Data from the American Community Survey (ACS) estimates that in 2010 there were slightly more than 47,210 jobs in Framingham, with 25 percent (11,820) held by Framingham residents. Approximately 5 percent of the Framingham jobs were held by residents of Boston and another 4 percent by residents from Natick. Approximately 50 percent of people employed by businesses in Framingham commuted from a location outside Framingham, Natick and immediate surrounding communities. This may speak to the possibility for employees to relocate and live in Framingham and Natick in the future, providing there is the availability of desired residential stock at affordable price points. Potential changes in commuting patterns will have implications for transportation recommendations in later phases of this Study.

TABLE 3.11: COMMUTING PATTERNS FOR FRAMINGHAM (2010)

WORKERS IN RESIDENCE & PLACE WHERE THEY WORK					JOB IN PLACE & PLACE WHERE WORKERS RESIDE				
WORKERS IN RESIDENCE	#	WORKPLACE	# OF WORKING RESIDENTS	% OF TOTAL RESIDENTS	LOCAL JOBS	#	JOB IN	# OF JOBS HELD BY RESIDENTS	% OF JOBS HELD BY RESIDENTS
FRAMINGHAM	36,117	FRAMINGHAM	11,820	32.7%	FRAMINGHAM	47,212	FRAMINGHAM	11,820	25.0%
		TOP TEN	13,667	37.8%			TOP TEN	12,920	27.4%
		BOSTON	3,152	8.7%			BOSTON	2,318	4.9%
		NATICK	3,151	8.7%			NATICK	1,844	3.9%
		NEWTON	1,352	3.7%			MARLBOROUGH	1,694	3.6%
		WELLESLEY	1,095	3.0%			ASHLAND	1,510	3.2%
		WALTHAM	1,089	3.0%			WORCESTER	1,450	3.1%
		MARLBOROUGH	1,011	2.8%			MILFORD	1,113	2.4%
		CAMBRIDGE	907	2.5%			NEWTON	796	1.7%
		SUDBURY	780	2.2%			SHREWSBURY	788	1.7%
		WAYLAND	573	1.6%			HOPKINTON	743	1.6%
		ASHLAND	557	1.5%			SOUTHBOROUGH	664	1.4%
		REMAINDER	10,630	29.4%			REMAINDER	22,472	47.6%

Source: American Community Survey (2006-2010) ; RKG Associates, Inc. 2017

In 2010, Natick’s total resident workforce was comprised of 17,480 workers and nearly 26 percent held jobs in Natick (Table 3.12). Almost 50 percent of the Natick resident workforce commuted to communities closer to Natick for employment, including nearly 10 percent to Framingham. Approximately 16 percent commuted into Boston for work. Similarly, the ACS estimates Natick had 23,970 jobs in 2010, with nearly 19 percent held by Natick residents and 13 percent held by residents of Framingham. Nearly 50 percent of the jobs in Natick were held by residents living outside of Natick and the immediate surrounding communities. This too may represent an opportunity for residential relocations.

TABLE 3.12: COMMUTING PATTERNS FOR NATICK (2010)

WORKERS IN RESIDENCE & PLACE WHERE THEY WORK				JOBS IN PLACE & PLACE WHERE WORKERS RESIDE					
WORKERS IN RESIDENCE	#	WORKPLACE	# OF WORKING RESIDENTS	% OF TOTAL RESIDENTS	JOBS IN	#	JOBS IN	# OF JOBS HELD BY RESIDENTS	% OF JOBS HELD BY RESIDENTS
NATICK, MA	17,481	NATICK	4,503	25.8%	NATICK	23,973	NATICK	4,503	18.8%
		TOP TEN	8,662	49.6%			TOP TEN	8,095	33.8%
		BOSTON	2,799	16.0%			FRAMINGHAM	3,151	13.1%
		FRAMINGHAM	1,844	10.5%			BOSTON	896	3.7%
		NEWTON	873	5.0%			MARLBOROUGH	643	2.7%
		WELLESLEY	752	4.3%			ASHLAND	637	2.7%
		NEEDHAM	580	3.3%			WORCESTER	619	2.6%
		CAMBRIDGE	516	3.0%			MILFORD	527	2.2%
		WALTHAM	438	2.5%			HOLLISTON	492	2.1%
		WATERTOWN	298	1.7%			FRANKLIN TOWN	405	1.7%
		WESTON	294	1.7%			NEWTON	374	1.6%
		BURLINGTON	268	1.5%			WALTHAM	351	1.5%
		REMAINDER	4,316	24.7%			REMAINDER	11,375	47.4%

Source: American Community Survey (2006-2010) ; RKG Associates, Inc. 2017

RETAIL INDICATORS

Retail development comprises about 45 percent of the rentable square feet of space in The Triangle. Much of that retail development can be found in large-scale retail centers like the Natick Mall, Sherwood Plaza, Shoppers World, and the Cloverleaf Mall. These retail centers are comprised of large anchor tenants (typically clothing and general merchandise stores) and filled in with several smaller retail tenants. Restaurants and drinking establishments total about 82,500 square feet of rentable space in The Triangle, but make up less than 1 percent of the total. Given the amount of retail space in The Triangle, one would expect to see a higher vacancy rate than the 95 percent average occupancy across the Study Area.²⁰ This speaks to the excellent job property owners, managers, and commercial brokers are doing to fill vacant spaces as they come on the market. This also speaks to the desirability of this location. Figure 3.46 highlights the location of retail and restaurant establishments across The Triangle.

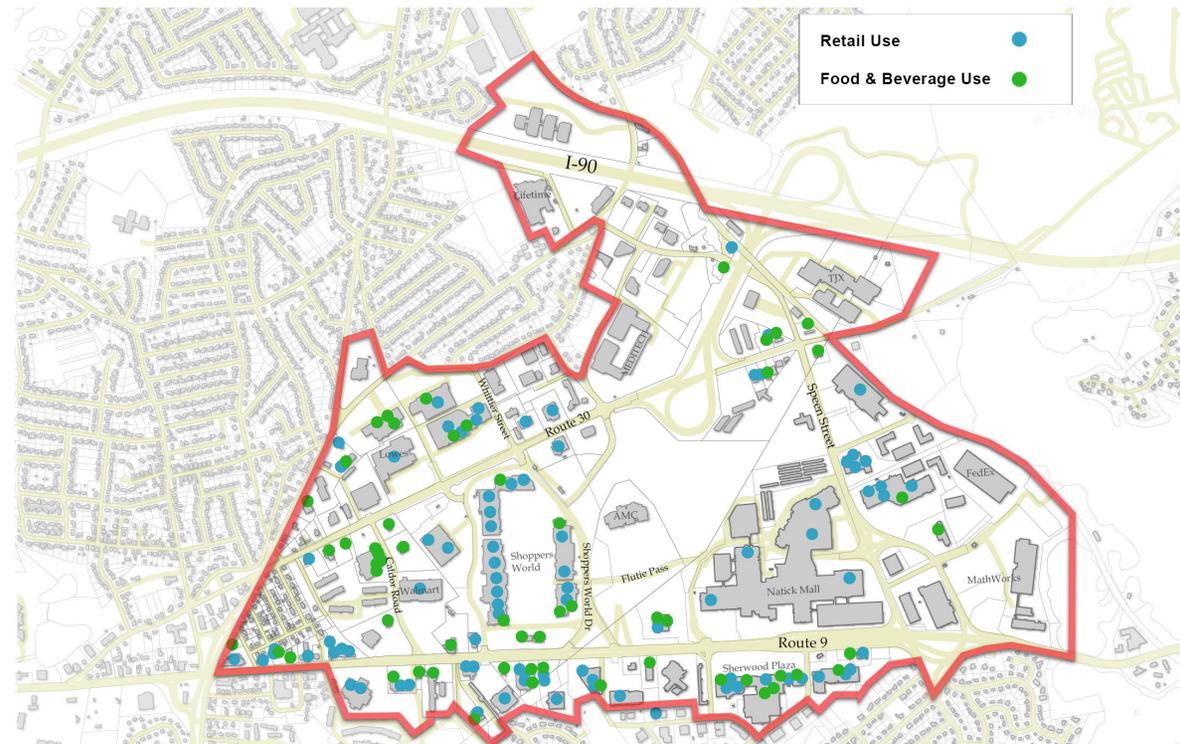


Figure 3.46: Retail and Restaurant Establishments in The Triangle.

20 CoStar, 2017.

03 HISTORY & EXISTING CONDITIONS

Framingham and Natick together far outstrip the national average when it comes to retail square feet per capita. The national average for retail square feet per capita is between 42 and 45 square feet per capita. The two communities combine for an average of 62 square feet per capita, with Natick far exceeding the threshold with a figure as high as 92 square feet per capita (Table 3.13). To gain insight on the retail market and demand generation, RKG reviewed 2016 retail spending demand and sales patterns for Framingham and Natick, organized by selected merchandise/retail lines (Tables 3.14 & 3.15).

Both communities are net importers of retail sales, meaning they are destination draws for retail activity, extending beyond the spending capacities of the local households. This is not surprising considering The Triangle is one of the largest retail destinations in the Commonwealth outside of Downtown Boston. For the two communities, the combined estimate of retail space is nearly 6,700,000 square feet with almost 1,000 stores.²¹

While Framingham is a net importer of retail sales, with local spending exceeding local demand by more than \$418 million, there are still some categories where Framingham is underserved, or where sales leakage is evident. This includes food stores, apparel and accessories, some specialty retail, and dining/drinking.

A similar analysis for Natick indicates that on average the Natick market imports more than \$491 million in retail sales across all merchandise lines. However, as with Framingham, there are some retail sectors that do not meet local household demand, including grocers, some specialty retail, and dining/drinking. There are also some categories where Framingham and Natick out-perform the market and a greater cluster of stores could generate more of a destination for that merchandise line, such as furniture.

New retail demand, or the repositioning of existing retail space in The Triangle, is the result of new household and employee spending, coupled with the potential to recapture a portion of these leaked sales. The increased spending and recapture could lead to additional opportunities for select retail lines. However, it should be noted that some of the store types where sales leakage has been identified may represent “brick and mortar” stores that are experiencing increased competition from e-commerce.

TABLE 3.13: SUMMARY RETAIL METRICS			
RETAIL METRICS (2016 \$)	FRAMINGHAM	NATICK	TOTAL/AVG
RETAIL DEMAND	\$942,246,586	\$694,135,941	\$1,636,382,527
RETAIL SALES	\$1,345,122,535	\$1,184,697,630	\$2,529,820,165
(UNDER)/OVER	\$402,875,949	\$490,561,689	\$893,437,638
HH DEMAND	\$34,890	\$47,753	\$39,391
RETAIL SF	3,370,244	3,296,084	6,666,329
EST. STORES	490	492	982
RETAIL SF / CAPITA	47.69	91.82	62.34

Source: US Census, ESRI, Dun & Bradstreet, ULI and RKG Associates, Inc. (2017)

²¹ This estimate represents a municipality-wide figure, not The Triangle alone.

TABLE 3.14: RETAIL INDICATORS BY MERCHANDISE LINE FOR FRAMINGHAM (2016 DOLLARS)

EST. RETAIL DEMAND & SALES	FRAMINGHAM					
	DEMAND/HH FOR CITY	DEMAND	SALES	(UNDER)/OVER	STORE COUNT	EST. SF OF RETAIL
TOTAL	\$34,890	\$942,246,586	\$1,345,122,535	\$418,596,649	490	3,370,244
FURNITURE & HOME FURNISHINGS STORES	\$1,155	\$31,199,575	\$58,884,137	\$27,684,562	28	235,111
FURNITURE STORES	\$649	\$17,515,799	\$37,250,170	\$19,734,371	14	124,167
HOME FURNISHINGS STORES	\$507	\$13,683,776	\$21,633,967	\$7,950,191	14	110,943
ELECTRONICS & APPLIANCE STORES	\$2,908	\$78,535,859	\$139,918,575	\$61,382,716	49	474,300
BLDG MATERIALS, GARDEN EQUIP. & SUPPLY STORES	\$2,412	\$65,141,460	\$65,689,007	\$547,547	30	171,479
BLDG MATERIAL & SUPPLIES DEALERS	\$2,226	\$60,102,901	\$62,480,672	\$2,377,771	25	156,202
LAWN & GARDEN EQUIP & SUPPLY STORES	\$187	\$5,038,559	\$3,208,335	(\$1,830,224)	5	15,278
FOOD & BEVERAGE STORES	\$8,865	\$239,401,123	\$204,637,282	(\$34,763,841)	47	341,107
GROCERY STORES	\$7,580	\$204,704,395	\$166,539,167	(\$38,165,228)	27	302,798
SPECIALTY FOOD STORES	\$448	\$12,092,596	\$2,282,936	(\$9,809,660)	4	4,521
BEER, WINE & LIQUOR STORES	\$837	\$22,604,132	\$35,815,179	\$13,211,047	16	33,788
HEALTH & PERSONAL CARE STORES	\$2,570	\$69,415,033	\$66,125,446	(\$3,289,587)	31	171,754
CLOTHING & CLOTHING ACCESSORIES STORES	\$2,891	\$78,084,321	\$60,020,983	(\$18,063,338)	58	172,732
CLOTHING STORES	\$2,080	\$56,171,156	\$37,503,038	(\$18,668,118)	37	136,375
SHOE STORES	\$341	\$9,204,300	\$7,176,276	(\$2,028,024)	6	21,746
JEWELRY, LUGGAGE & LEATHER GOODS STORES	\$471	\$12,708,865	\$15,341,669	\$2,632,804	15	14,611
SPORTING GOODS, HOBBY, BOOK & MUSIC STORES	\$1,613	\$43,549,612	\$60,328,008	\$16,778,396	33	259,679
SPORTING GOODS/HOBBY/MUSICAL INSTR STORES	\$1,408	\$38,013,059	\$52,320,072	\$14,307,013	25	232,534
BOOK, PERIODICAL & MUSIC STORES	\$205	\$5,536,553	\$8,007,936	\$2,471,383	8	27,146

Note: Shaded rows indicate merchandise lines where Framingham is underserved, or where sales leakage could warrant new or expanded stores.

TABLE 3.14: RETAIL INDICATORS BY MERCHANDISE LINE FOR FRAMINGHAM (2016 DOLLARS) <i>Continued</i>						
GENERAL MERCHANDISE STORES	\$5,831	\$157,478,929	\$534,736,054	\$377,257,125	19	1,135,972
DEPARTMENT STORES EXCLUDING LEASED DEPTS.	\$4,354	\$117,584,044	\$477,765,783	\$360,181,739	13	946,071
OTHER GENERAL MERCHANDISE STORES	\$1,477	\$39,894,885	\$56,970,271	\$17,075,386	6	189,901
EST. RETAIL DEMAND & SALES	DEMAND/HH FOR CITY	DEMAND	SALES	(UNDER)/OVER	STORE COUNT	EST. SF OF RETAIL
MISCELLANEOUS STORE RETAILERS	\$1,871	\$50,525,160	\$31,006,278	(\$3,798,182)	49	179,298
FLORISTS	\$110	\$2,965,844	\$545,886	(\$2,419,958)	3	1,820
OFFICE SUPPLIES, STATIONERY & GIFT STORES	\$543	\$14,653,181	\$10,622,753	(\$4,030,428)	16	48,285
USED MERCHANDISE STORES	\$112	\$3,017,800	\$4,552,061	\$1,534,261	11	17,178
OTHER MISCELLANEOUS STORE RETAILERS	\$1,107	\$29,888,335	\$31,006,278	\$1,117,943	19	129,193
FOOD SERVICES & DRINKING PLACES	\$4,774	\$128,915,514	\$123,776,765	(\$5,138,749)	146	228,812
SPECIAL FOOD SERVICES	\$182	\$4,907,276	\$1,207,011	(\$3,700,265)	4	3,772
DRINKING PLACES - ALCOHOLIC BEVERAGES	\$247	\$6,673,539	\$3,205,882	(\$3,467,657)	4	8,015
RESTAURANTS AND OTHER EATING	\$4,345	\$117,334,699	\$119,363,872	\$2,029,173	138	217,025

Source: US Census, ESRI, Dun & Bradstreet, ULI and RKG Associates, Inc. (2017)

Note: Shaded rows indicate merchandise lines where Framingham is underserved, or where sales leakage could warrant new or expanded stores.

TABLE 3.15: RETAIL INDICATORS BY MERCHANDISE LINE FOR NATICK (2016 DOLLARS)

EST. RETAIL DEMAND & SALES	NATICK					
	DEMAND/HH FOR TOWN	DEMAND	SALES	(UNDER) /OVER	STORE COUNT	ESTIMATED SF OF RETAIL
TOTAL	\$47,753	\$694,135,941	\$1,184,697,630	\$491,263,144	492	3,296,084
FURNITURE & HOME FURNISHINGS STORES	\$1,610	\$23,396,457	\$154,071,784	\$130,675,327	31	536,006
FURNITURE STORES	\$902	\$13,110,218	\$141,573,361	\$128,463,143	21	471,911
HOME FURNISHINGS STORES	\$708	\$10,286,239	\$12,498,423	\$2,212,184	10	64,094
ELECTRONICS & APPLIANCE STORES	\$4,074	\$59,225,234	\$77,415,479	\$18,190,245	29	262,425
BLDG MATERIALS, GARDEN EQUIP. & SUPPLY STORES	\$3,437	\$49,964,439	\$60,498,528	\$11,235,544	16	154,587
BLDG MATERIAL & SUPPLIES DEALERS	\$3,164	\$45,992,147	\$60,498,528	\$14,506,381	14	151,246
LAWN & GARDEN EQUIP & SUPPLY STORES	\$273	\$3,972,292	\$701,455	(\$3,270,837)	2	3,340
FOOD & BEVERAGE STORES	\$11,869	\$172,532,153	\$133,407,546	(\$39,124,607)	34	224,916
GROCERY STORES	\$10,127	\$147,198,827	\$107,788,034	(\$39,410,793)	17	195,978
SPECIALTY FOOD STORES	\$597	\$8,671,229	\$4,598,856	(\$4,072,373)	6	9,107
BEER, WINE & LIQUOR STORES	\$1,146	\$16,662,097	\$21,020,656	\$4,358,559	11	19,831
HEALTH & PERSONAL CARE STORES	\$3,518	\$51,140,928	\$67,529,061	\$16,388,133	33	175,400
CLOTHING & CLOTHING ACCESSORIES STORES	\$3,941	\$57,291,852	\$206,147,252	\$148,855,400	132	680,764
CLOTHING STORES	\$2,826	\$41,080,045	\$168,970,261	\$127,890,216	92	614,437
SHOE STORES	\$453	\$6,580,102	\$14,880,478	\$8,300,376	20	45,092
JEWELRY, LUGGAGE & LEATHER GOODS STORES	\$663	\$9,631,705	\$22,296,513	\$12,664,808	20	21,235
SPORTING GOODS, HOBBY, BOOK & MUSIC STORES	\$2,179	\$31,674,969	\$49,861,987	\$18,187,018	33	219,845
SPORTING GOODS/HOBBY/MUSICAL INSTR STORES	\$1,897	\$27,568,374	\$48,189,376	\$20,621,002	31	214,175
BOOK, PERIODICAL & MUSIC STORES	\$283	\$4,106,595	\$1,672,611	(\$2,433,984)	2	5,670
GENERAL MERCHANDISE STORES	\$7,926	\$115,216,811	\$285,756,744	\$170,539,933	13	646,319
DEPARTMENT STORES EXCLUDING LEASED DEPTS.	\$5,932	\$86,229,293	\$226,291,555	\$140,062,262	7	448,102
OTHER GENERAL MERCHANDISE STORES	\$1,994	\$28,987,518	\$59,465,189	\$30,477,671	6	198,217
MISCELLANEOUS STORE RETAILERS	\$2,584	\$37,558,205	\$49,196,192	\$11,637,987	58	208,393
FLORISTS	\$166	\$2,414,682	\$1,150,460	(\$1,264,222)	8	3,835

Note: Shaded rows indicate merchandise lines where Natick is underserved, or where sales leakage could warrant new or expanded stores.

03 HISTORY & EXISTING CONDITIONS

OFFICE SUPPLIES, STATIONERY & GIFT STORES	\$747	\$10,855,395	\$13,820,010	\$2,964,615	15	62,818
EST. RETAIL DEMAND & SALES	DEMAND/HH FOR CITY	DEMAND	SALES	(UNDER)/OVER	STORE COUNT	EST. SF OF RETAIL
USED MERCHANDISE STORES	\$155	\$2,257,293	\$2,207,060	(\$50,233)	7	8,329
OTHER MISCELLANEOUS STORE RETAILERS	\$1,516	\$22,030,835	\$32,018,662	\$9,987,827	28	133,411
FOOD SERVICES & DRINKING PLACES	\$6,614	\$96,134,893	\$100,813,057	\$4,678,164	113	187,430
SPECIAL FOOD SERVICES	\$249	\$3,618,072	\$1,295,592	(\$2,322,480)	4	4,049
DRINKING PLACES - ALCOHOLIC BEVERAGES	\$351	\$5,101,312	\$3,578,571	(\$1,522,741)	2	8,946
RESTAURANTS AND OTHER EATING	\$6,014	\$87,415,509	\$95,938,894	\$8,523,385	107	174,434

Source: US Census, ESRI, Dun & Bradstreet, ULI and RKG Associates, Inc. (2017). Note: Shaded rows indicate merchandise lines where Natick is underserved, or where sales leakage could warrant new or expanded stores.

A review of retail properties for lease in The Triangle indicates nearly 96,000 square feet of space available (Table 3.16). Nearly all asking lease rates were advertised as negotiable. Despite the destination dominance of The Triangle for retail activity, some vacant storefronts remain, which is not atypical of any market.

Although a limited sample of offerings, the available 18,800 square feet of retail in Framingham represents an eight-year supply from the previously estimated annual demand over the 2015 to 2025 period, around 2,250 square feet/year. For Natick, the available 77,200 square feet accounts for an approximate 28-year supply from the estimated annual demand of 2,740 square feet.

As noted, retail in The Triangle is a destination draw and the opportunity for additional development likely exceeds this numeric analysis. In any event, the addition of residential and office uses in The

RETAIL MARKET FOR LEASE	TOTAL SF	AVAILABLE SF	AVAILABLE %	ASK \$/SF
FRAMINGHAM				
271 WORCESTER RD	10,000	3,000	30.0%	\$ 27.00
231 WORCESTER RD	2,567	2,576	100.4%	NEG
150 WORCESTER RD	24,400	3,000	12.3%	NEG
140 WORCESTER RD	5,274	2,976	56.4%	NEG
655 COCHITUATE RD	7,200	7,200	100.0%	NEG
SUBTOTAL	49,441	18,752	37.9%	NA
NATICK				
321 SPEEN ST	3,775	3,775	100.0%	NEG
1274 - 1298 WORCESTER ST	333,000	65,000	19.5%	\$ 21.50
1398 WORCESTER ST	8,425	8,425	100.0%	NEG
SUBTOTAL	345,200	77,200	22.4%	NA
TOTAL	394,641	95,952	24.3%	NA

Source: LoopNet Services and RKG Associates, Inc. (2017)

Triangle, as well as in the two communities, would result in an increase in consumer spending demand which could support existing stores/venues as well as serve to attract new ones.

OFFICE & INDUSTRIAL INDICATORS

The Triangle is fortunate to have a healthy mix of large corporate office users and smaller niche office users. The Triangle is anchored by corporate campuses for The TJX Companies, MathWorks, Mediatech, Ameresco and a major distribution center for FedEx. Today, the Framingham side of The Triangle supports most of the office users. Buildings are mostly located in the area around the intersection of Speen Street and Old Connecticut Path.

The Triangle has about 3.2 million square feet of office space within its boundaries. This accounts for about 32 percent of the rentable built space in the area. The MathWorks Lakeside campus that is currently under construction on the Natick side of The Triangle is not reflected in these figures. That campus is expected to build out around 450,000 square feet of office space and bring in 1,600 employees. Figure 3.47 highlights the location of office and medical office users (indicated with blue and red dots, respectively).

TABLE 3.17: OFFICE MARKET TRENDS FOR FRAMINGHAM & NATICK				
OFFICE MARKET METRICS	3RD QT 2013	3RD QT 2014	3RD QT 2015	3RD QT 2016
FRAMINGHAM - NATICK				
TOTAL SF	7,400,007	7,418,417	7,233,839	7,247,673
VACANCY RATE	8.5%	16.4%	11.6%	12.9%
ASK \$/SF	\$ 20.31	\$ 21.41	\$ 21.78	\$ 23.84
ABSORPTION SF	(119,096)	11,264	29,511	25,512
METROWEST				
TOTAL SF	52,793,574	54,083,716	55,919,509	55,953,648
VACANCY RATE	15.1%	16.6%	14.8%	15.9%
ASK \$/SF	\$ 21.06	\$ 22.52	\$ 23.50	\$ 24.19
ABSORPTION SF	(71,313)	49,731	167,786	(177,018)
ALL SUBURBAN				
TOTAL SF	111,522,273	113,074,907	116,336,681	119,042,589
VACANCY RATE	16.3%	17.0%	16.4%	17.4%
ASK \$/SF	\$ 19.59	\$ 21.25	\$ 21.48	\$ 22.24
ABSORPTION SF	(82,830)	548,844	(87,036)	70,603

Over the last four years there was a marginal decline of 2 percent in the office inventory for the Framingham-Natick combined market area. This is compared to a 6 percent increase in the MetroWest region (which includes Framingham-Natick) and an overall increase of 6.7 percent throughout the larger Suburban Boston market. Since 2014, the overall office vacancy rate in the Framingham-Natick market has been declining, with rates hitting a low in 2017 of 9.3 percent.²² This is lower than that of the larger MetroWest market. Conversely, the asking lease rates for the three market areas are similar, low to mid \$20's per square foot, although the greatest percent increase was realized in the Framingham-Natick market at more than 17 percent (Table 3.17).

Source: CB Richard Ellis and RKG Associates, Inc. (2017)

²² Worcester Business Journal, June 22, 2017. "Office Vacancy Rates Strong in Framingham, Natick."

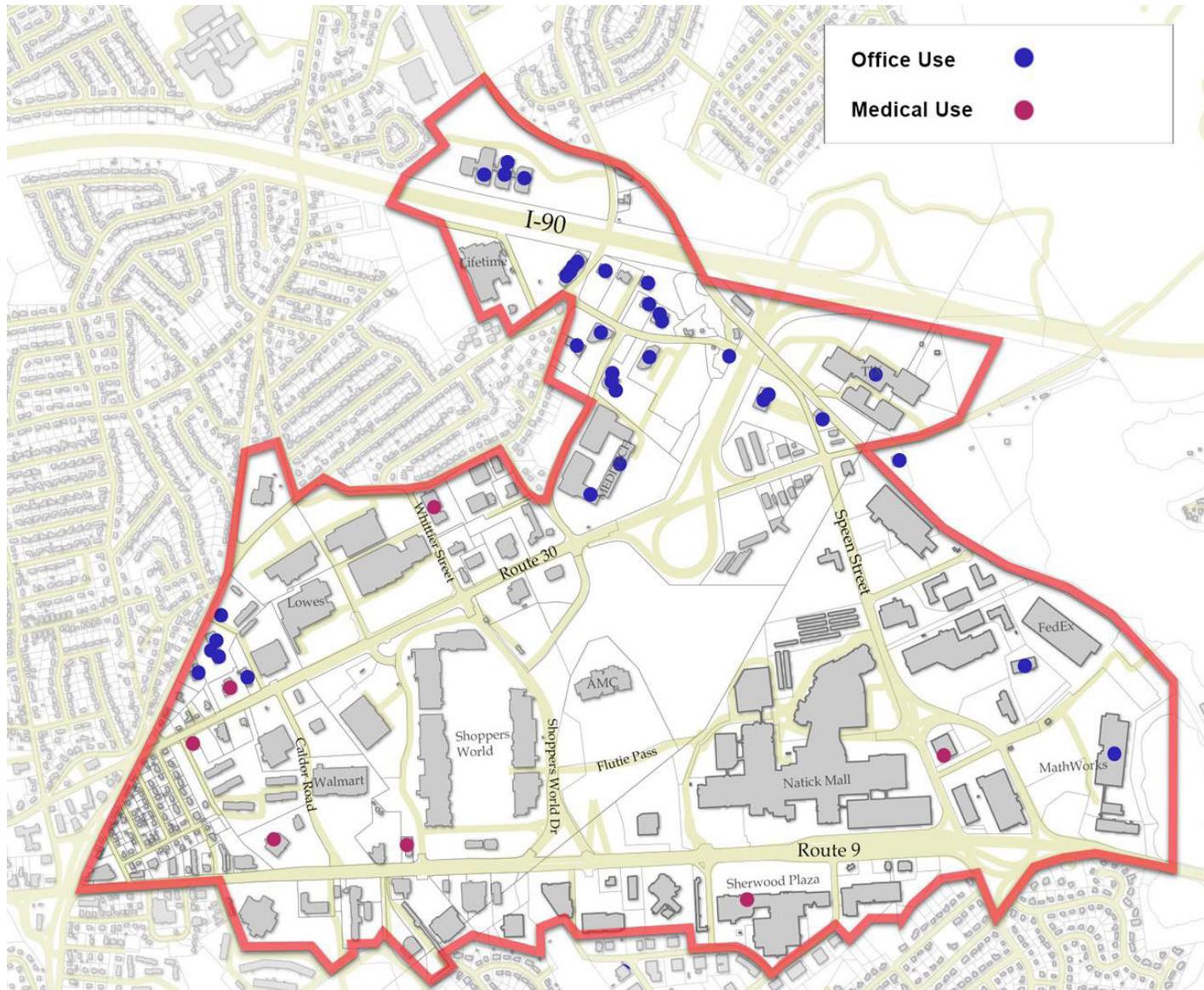


Figure 3.47: Offices and medical offices in The Triangle.

A review of office space for lease from LoopNet listings within The Triangle²³ indicates there is 220,000 square feet available (Table 3.18). Space ranges from as little as 170 square feet to as much as 150,000 square feet. Most of the asking lease rates were presented as negotiable; however, where an actual rate was offered, the average for those properties was around \$22.55/square foot. This is in line with CB Richard Ellis (CBRE) figures for The Triangle for the third quarter (QT) of 2016.

TABLE 3.18: OFFICE SPACE FOR LEASE IN THE TRIANGLE				
OFFICE MARKET FOR LEASE	TOTAL SF	AVAILABLE SF	AVAILABLE %	ASK \$/SF
FRAMINGHAM				
161 WORCESTER RD	120,000	6,537	5.4%	\$ 25.00
233 COCHITUATE RD	8,100	1,600	19.8%	\$ 14.00
260 COCHITUATE RD	26,000	6,534	25.1%	NEG
945 CONCORD ST	17,900	5,000	27.9%	NEG
205 NEWBURY ST	56,865	6,500	11.4%	\$ 22.50
10 SPEEN ST	32,704	170	0.5%	\$ 63.33
1 SPEEN ST	65,293	15,326	23.5%	NEG
20 SPEEN ST	32,709	2,590	7.9%	\$ 25.00
40 SPEEN ST	32,673	5,064	15.5%	\$ 23.00
3 SPEEN ST	74,600	17,435	23.4%	NEG
150 SPEEN ST	10,942	1,741	15.9%	\$ 16.75
550 COCHITUATE RD	450,000	2,000	0.4%	NEG
SUBTOTAL	927,786	70,497	7.6%	NA
NATICK				
1085 WORCESTER RD	5,536	1,510	27.3%	\$ 17.75
TOTAL	933,322	72,007	7.7%	NA

Similar to the office market, there has been a decline in industrial space in the Framingham-Natick market, but the loss was most pronounced between 2013 and 2016, with a decline of about 5 percent. This compares to a 2 percent increase in the MetroWest area and a 0.1 percent decline throughout suburban Boston. The vacancy rate for industrial space has been declining for all three geographies and is less than 10 percent for Framingham-Natick. The MetroWest region is still above 10 percent vacancy. Typical industrial lease rates have risen and are just above \$7/square foot in the Framingham-Natick area. Lease rates are a little higher in the larger MetroWest market and a little lower in the suburban Boston market.

Source : LoopNet Services and RKG Associates, Inc. (2017)

²³ This includes those properties bounded by Concord Street, Speen Street, and along Route 9.

While there is very little industrial space in The Triangle, it is worth noting there is a small industrial park in Natick just south of Sherwood Plaza along Mercer Road, and Strathmore Road.

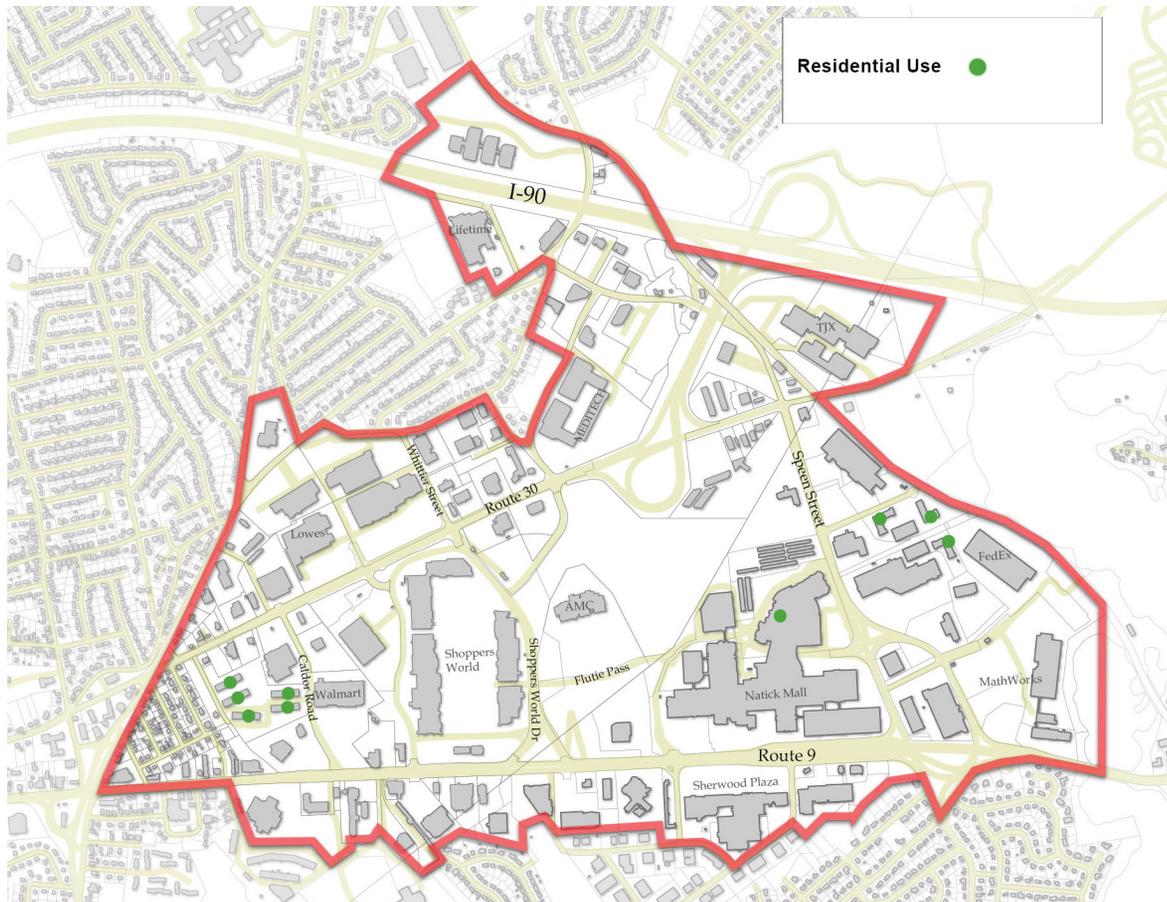
While limited in size and in its ability to expand, this industrial park has become a home for small start-up companies looking for space outside the Boston core where prices and competition for space are driving businesses outward. The continued success and possible future expansion, of this industrial park add to The Triangle's daytime population draw supporting local restaurants and businesses nearby. Table 3.19 summarizes industrial market trends in Framingham and Natick.

TABLE 3.19: INDUSTRIAL MARKET TRENDS FOR FRAMINGHAM AND NATICK				
INDUSTRIAL MARKET METRICS	3RD QT 2013	3RD QT 2014	3RD QT 2015	3RD QT 2016
FRAMINGHAM-NATICK				
TOTAL SF	3,727,169	3,327,169	3,530,143	3,542,858
VACANCY RATE	12.6%	11.7%	11.5%	8.6%
ASK \$/SF	\$ 6.32	\$ 7.17	\$ 6.92	\$ 7.01
ABSORPTION SF	(32,797)	(5,789)	9,499	(25,276)
METROWEST				
TOTAL SF	28,521,321	28,175,063	29,044,907	29,100,417
VACANCY RATE	17.9%	15.1%	13.4%	10.5%
ASK \$/SF	\$ 6.11	\$ 6.41	\$ 6.91	\$ 7.55
ABSORPTION SF	131,410	201,260	57,291	262,302
ALL SUBURBAN				
TOTAL SF	144,137,128	143,191,088	142,855,400	143,934,898
VACANCY RATE	16.1%	14.6%	10.3%	8.3%
ASK \$/SF	\$ 6.56	\$6.83	\$ 6.80	\$ 6.82
ABSORPTION SF	685,204	751,425	785,448	938,744

Source: CB Richard Ellis and RKG Associates, Inc. (2017)

RESIDENTIAL INDICATORS

While the large majority of land in The Triangle is comprised of non-residential uses, the number of multi-family residential units has grown quite a bit over the last ten years with the addition of the Nouvelle condominiums at the Natick Mall and the Avalon (Natick) and Cloverleaf Apartment rental developments. From a multi-family housing development perspective, Natick has about 3.5 times the amount of rentable space as Framingham with more on the way as part of the planned National Development project at the old Sam's Club site (1225 Worcester Street). Currently, 830,000 square feet of rentable space (about 8 percent of the total) in The Triangle is occupied by multi-family residential uses.



The Framingham side of The Triangle includes the Lord Chesterfield Apartments, 250 apartments spread across five two-story buildings built in the early 1970s. A mixed-use project that included a multi-family component was proposed in Framingham at 19 Flutie Pass, which is still vacant. Framingham's western side of The Triangle also includes some single-family neighborhoods that make up about 1 percent of total built square footage. Figure 3.48 identifies multi-family residential use within The Triangle.

Figure 3.48: Multi-family residential use map of The Triangle.

TENURE

Within Framingham there is a close balance between owner and renter-occupied housing, as 52 percent of the housing stock is owner-occupied and 46 percent is renter-occupied. Additionally, 3 percent of the housing stock is vacant. The expected growth in total units between 2016 and 2021 is 1 percent, with owner-occupied units growing also by 1 percent (Fig. 3.49).

Natick has significantly more owner-occupied housing than rental housing. Based on data from Alteryx, about 68 percent of the housing stock is owner-occupied and 30 percent is renter-occupied. Additionally, two percent of the housing stock is vacant. The expected growth in total units between 2021 and 2016 is three percent, with owner-occupied units also growing by three percent.²⁴ These figures are for all of Framingham and Natick.

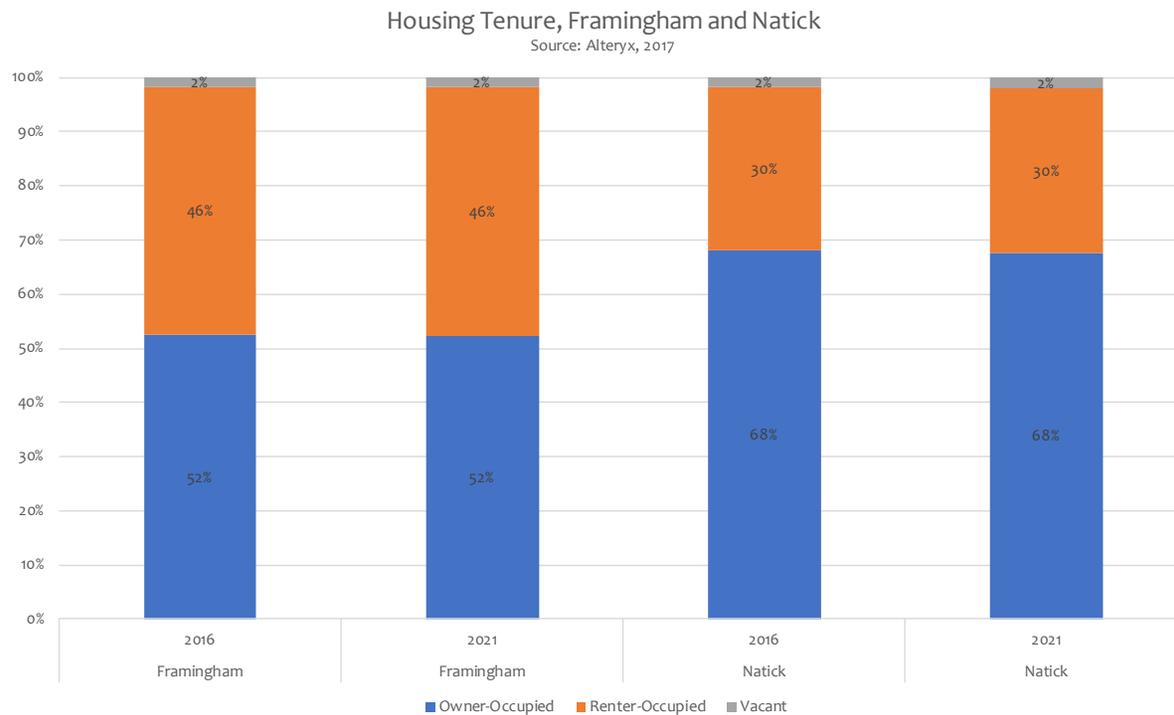


Figure 3.49: Framingham and Natick Housing Tenure (includes all of Framingham and Natick).

UNITS IN STRUCTURE

Across all of Framingham, there is a diverse array of multi-family units. Single-family homes make up 51 percent of the housing stock and multi-family homes account for 49 percent. About 20 percent of the multi-family housing units are in structures with greater than 20 units. The density of housing units in a structure is much greater in Framingham than Natick; nearly 31 percent of housing units are in developments with more than 5 units (Fig. 3.50). Based on Alteryx projections, structures with 10 to 19 units are expected to increase by 3 percent by 2021.

Nearly 63 percent of the housing stock in Natick is comprised of single-family homes. Between 2016 and 2021, the number of single-family homes is expected to increase by 3 percent (the percentage of total units will not change). While multi-family housing plays a role within the community, developments with more than 5 units only account for 19 percent of the total housing stock.²⁵

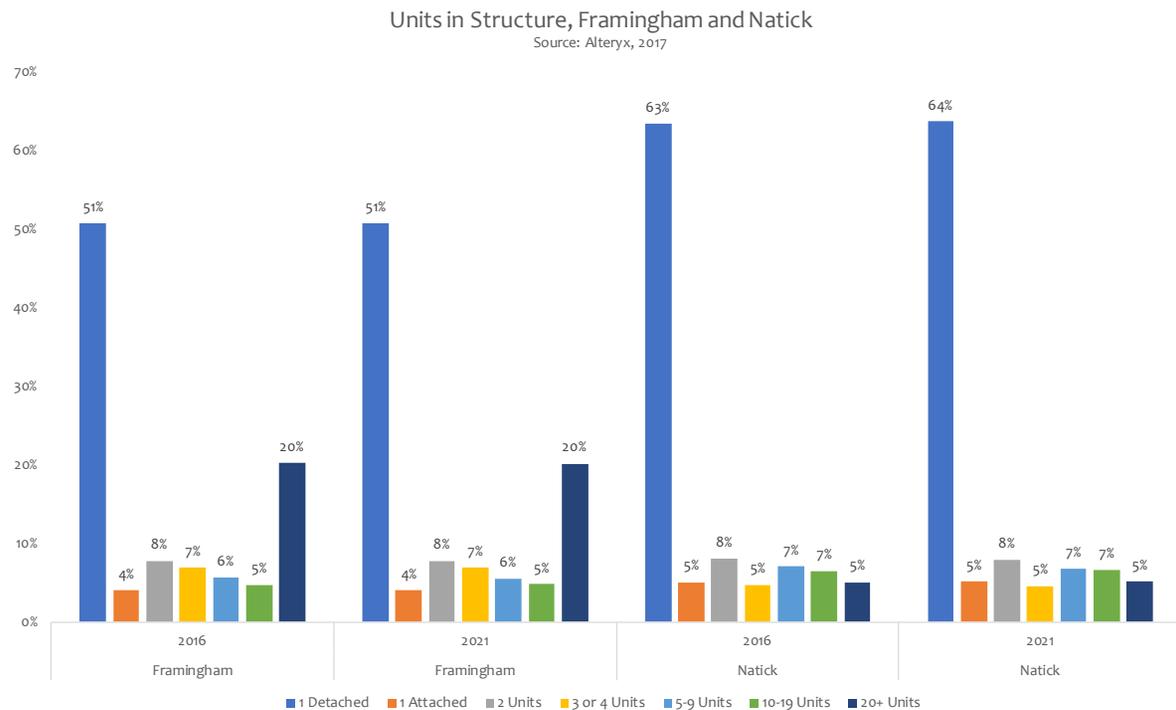


Figure 3.50: Framingham and Natick Units in Structure.

HOUSING VALUE

SINGLE FAMILY HOMES

Data from Warren Information Services indicates that over the 2005 through April 2017 time-period, the median sales value for a Framingham single-family home decreased from \$487,680 to \$410,000, or 16 percent²⁶. Over the same time, single-family sales in Natick increased 9 percent, or by about \$40,000. While the sales values have recovered from the lows realized during the Great Recession, they have yet to reach the peak that occurred just before the Recession (Figure 3.51).

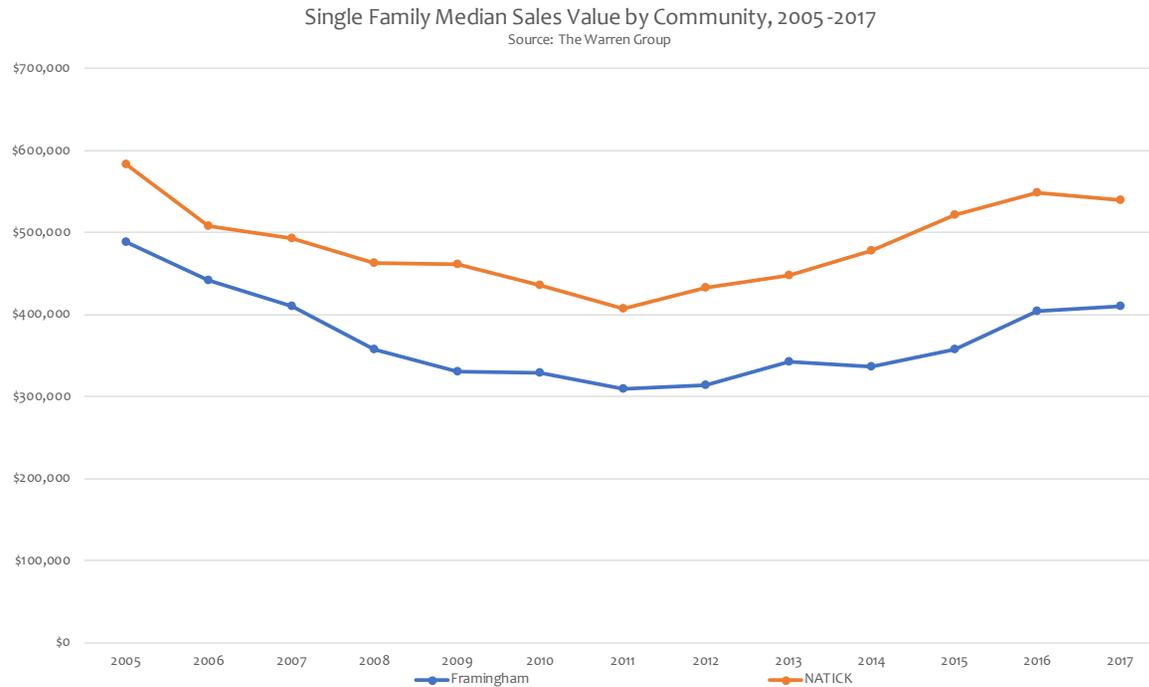


Figure 3.51: Single Family Median Sales Value by Community, 2005-2017.

26 All median sales values have been inflated to 2017 dollars.

CONDOMINIUMS

Between 2005 and 2017, the median value of condominium sales in Framingham declined 30 percent, falling from \$262,890 to \$185,000. The median sales value in Natick decreased 1 percent, falling from \$304,419 in 2005 to \$300,000 in 2017 (Fig. 3.52)²⁷.

Over the 2005 to 2016 time-period, the average number of residential sales in Framingham (single-family and condominium) was 734 units annually. This compares to 524 units annually in Natick. The number of units sold in both communities declined during the Great Recession and current activity (2016) remains below the 2005 activity levels.

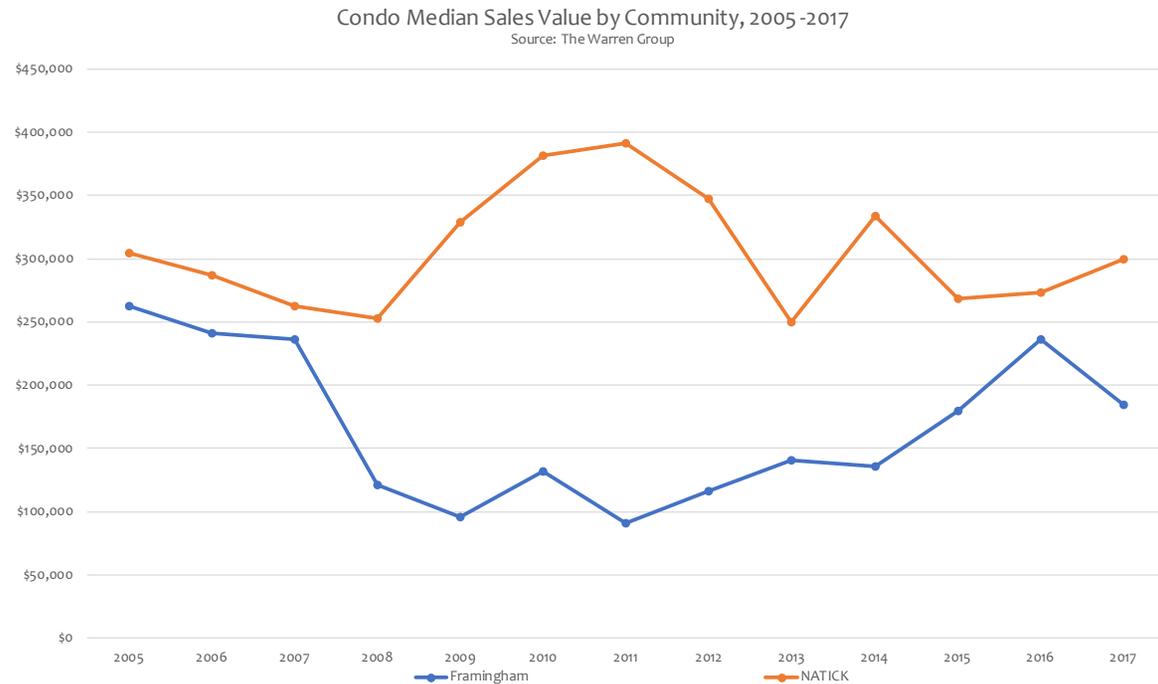


Figure 3.52: Condo Median Sales by Community.

²⁷ All median sales values have been inflated to 2017 dollars.

CONTRACT RENT

Figure 3.53 below presents contract rents for Natick and Framingham between 2000 and 2016. In Framingham, the greatest increase in rents occurred for units with rents greater than \$1,000 per month, a 169 percent increase.²⁸ The sharp increase indicates that rents have risen considerably overtime in Framingham.

In Natick, the greatest increase in rents also occurred for units with rents greater than \$1,000 per month, with a 352 percent increase. This increase is a drastic change, but is understandable given the popularity of Natick and its associated demand for housing, pushing rents upwards.

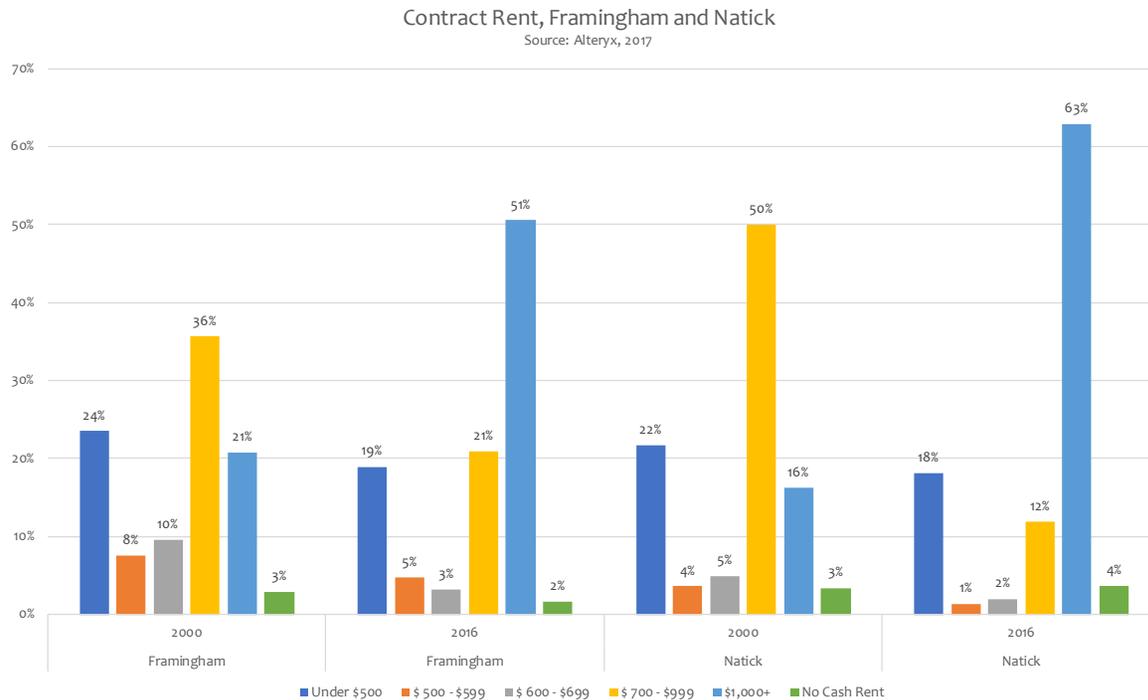


Figure 3.53: Contract Rent.

FORECLOSURES

As the Great Recession began to take hold in 2008, a general trend nationwide was that foreclosure proceedings and actions began to rise. The two metrics that indicate significant foreclosure activity are the foreclosure ratio and the total number of foreclosures. The foreclosure ratio is the ratio between the actual number of foreclosure petitions to the number of actual foreclosure sales. A high foreclosure ratio indicates that a foreclosure was acted upon and the lender has taken possession.

Based on data provided by the Warren Group, as the local housing market improved in Natick and Framingham, foreclosure activity continued to decline (Fig. 3.54). When the Great Recession took full effect in 2009, the foreclosure ratio in Framingham and Natick was 35 percent and 15 percent, respectively. Over the last five years, the foreclosure ratio and number of foreclosures has fallen significantly. In 2016, Framingham and Natick were 10 percent and 4 percent, respectively.²⁹

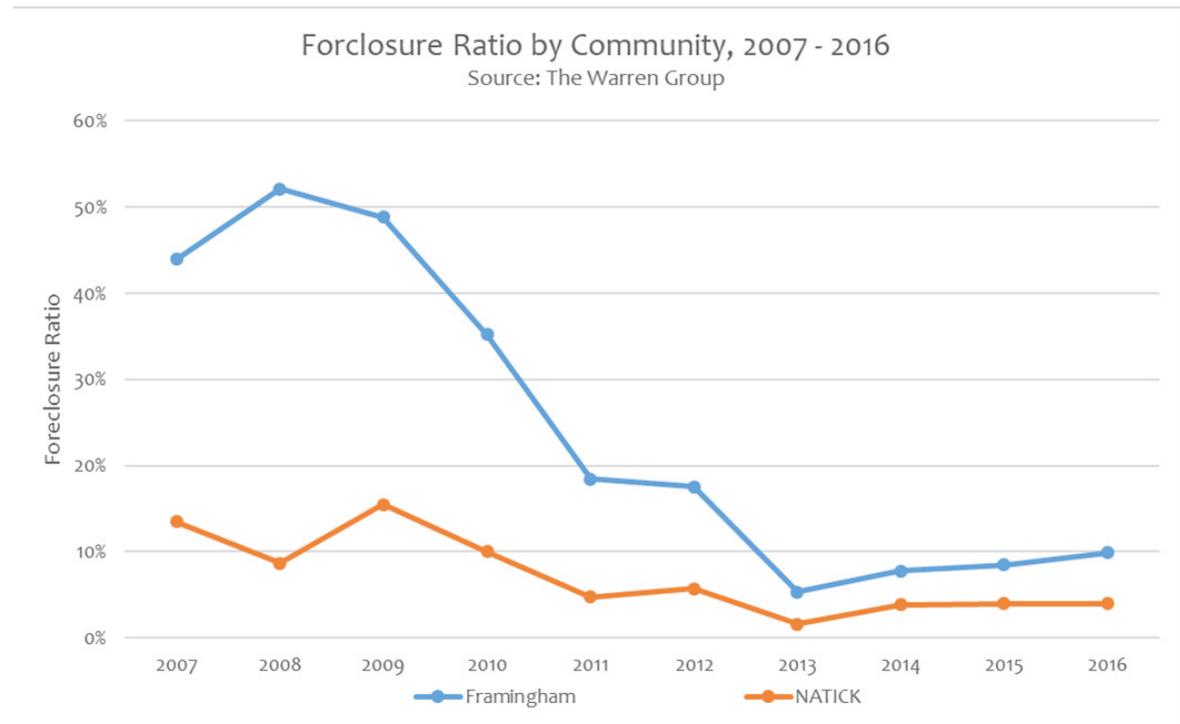


Figure 3.54: Foreclosure Ratio, 2007-2016.

29 The Warren Group, 2017.

BUILDING PERMITS

Building permit data tells the story of general development activity in a community. This data provides the average dollar value of the improvements (expressed as an estimate of construction costs). Significant building costs can indicate either large renovations or new construction. According to available building permit data from the Massachusetts State Data Center, Framingham and Natick permitted 693 and 1,100 respective units of housing between 2006 and 2015. The majority of units permitted were multi-family buildings of five units or greater. Within Natick, there were 708 units permitted in developments of five units or greater between 2006 and 2015, while in Framingham 322 units were permitted in these types of multi-family buildings.³⁰

PROJECTED HOUSING DEMAND

This section estimates annual demand for housing in Framingham and Natick over the next five years based on household forecasts obtained from Alteryx and key characteristics from U.S. Census data. The annual demand is allocated to owners and renters by age, income and pricing. Understanding current and future housing demand is essential to creating a policy that addresses documented needs. The housing demand by tenure analysis provides insights into demographic cohorts that are experiencing changes in demand. This information is essential because it can help to inform decisions about how best to address housing supply, especially in Framingham and Natick where there is a rapid economic transformation and market momentum that is changing the housing landscape. As part of the analysis, Framingham and Natick were aggregated together to determine the total demand generated from the joint economic area.

Aggregate households in Framingham and Natick are forecast to increase to 42,409 in 2021, indicating a net gain of 778 units from 2016. The housing stock is expected to be composed of 59 percent owner-occupied units and 41 percent renter units.

30 *Massachusetts Data Center, 2017*

DEMAND FOR OWNERSHIP UNITS

Table 3.20 shows the estimated change in demand for year-round ownership units in Framingham and Natick between 2016 and 2021. The analysis takes into consideration age (head of household), income and affordable home value.

DEMAND BY INCOME LEVEL

Nearly all the positive demand for year-round ownership units in the combined Framingham and Natick area is derived from households with incomes exceeding \$100,000 (23 percent increase since 2016, or an aggregate increase of 2,303 households). This increased demand holds true across all age groups in the income bracket of over \$100,000, with the highest concentration in the greater than 65 age group.

Conversely, demand for year-round ownership units in Framingham and Natick is projected to decrease at the lower end of the income spectrum. Significant losses are found in the income brackets under \$100,000 per year, especially in the income bracket under \$40,000. Between 2016 and 2021, demand for year-round ownership units is projected to decrease 16 percent for households with incomes between \$75,000 and \$100,000, or a total loss of 504 households. Demand will decrease 12 percent for households with incomes under \$40,000, or a total loss of 723 households.³¹

TABLE 3.20: AGGREGATED FRAMINGHAM & NATICK ANNUAL HOUSEHOLD DEMAND FOR HOUSING 2016-2021					
HOUSEHOLD PROJ.	OWNER HOUSEHOLDS		RENTER HOUSEHOLDS		TOTAL HH'S
	# OF HH'S	OWNER-OCC. %	# OF HH'S	RENTER-OCC. %	
2016	24,482	59%	17,149	41%	41,631
2021	24,885	59%	17,524	41%	42,409
FIVE YEAR GROWTH IN HH	403	-	375	-	778
AVG. ANNUAL CHANGE	81	-	75	-	156
FIVE YEAR CHANGE, %	1.65%	-	2.19%	-	1.87%

Source: Alteryx, U.S. Census, and RKG Associates, 2017

DEMAND BY AGE COHORT

The estimated changes in demand for year-round ownership units by age also yield interesting insights, as shown in Table 3.21. The greatest increase in demand is expected to come from households where the head of household is 65 years or older (12 percent increase from 2016, or a total increase of 692 households). The growth of the senior population may have potential implications on municipal and regional services and priorities. Following the 65 years and over age cohort are households where the head of household is age 55 to 64 (3 percent increase in demand since 2016 or a total increase of 141 households). In both these age cohorts, households with incomes greater than \$100,000 make up the largest increase in demand for ownership units.

On the other end of the spectrum, it is estimated that a decrease in demand for year-round ownership units will come from households where the head of the household is between 45 and 54 years (total loss of 325 households, or 6 percent) and from householders under 35 years of age (total loss of 134 households, or 3 percent).³²

TABLE 3.21 - AGGREGATED FRAMINGHAM AND NATICK ANNUAL OWNER DEMAND BY AGE, INCOME, AND VALUE (2016-2021)

DIFF. 2016 AND 2021	AGE GROUPS					TOTAL	% CHANGE FROM 2016	HOME VALUES BASED ON INCOME
	UNDER 35	35 - 44	45 - 54	55 - 64	GREATER THAN 65			
LESS THAN \$40,000	-154	-125	-207	-161	-77	-723	-12%	UP TO \$190,000
>\$40,000 AND <=\$60,000	-133	-66	-119	-84	-8	-389	-13%	\$150,000-\$285,000
>\$60,000 AND <=\$75,000	-80	-64	-76	-79	15	-284	-14%	\$225,000 - \$360,000
>\$75,000 AND <=\$100,000	-102	-141	-185	-142	67	-504	-16%	\$285,000 - \$475,000
GREATER THAN \$100,000	315	424	261	607	695	2,303	23%	GREATER THAN \$475,000
AGGREGATE TOTAL	-134	29	-325	141	692	403	2%	
% CHANGE FROM 2016	-3%	1%	-6%	3%	12%			

Source: Alteryx, and RKG Associates, Inc. 2017

32 Alteryx and RKG Associates, Inc. 2017

DEMAND FOR RENTAL UNITS

DEMAND BY INCOME LEVEL

Table 3.22 shows the estimated change in renter demand for year-round rental units in Framingham and Natick between 2016 and 2021. Once again, the most apparent change in demand is at the highest income threshold of over \$100,000 per year (24 percent increase since 2016, or a total increase of 1,621 renter households at the income level). For this income bracket, the increased renter demand holds true across all age groups and the highest concentration is in the age cohort of over 65 years.

All other income cohorts are projected to experience a decrease in demand. A large decrease in demand occurs in the income bracket of \$75,000 to \$100,000, with a 15 percent decrease or 315 households. Significant losses are expected in the income bracket containing households with annual incomes less than \$40,000: a loss of 484 households is projected between 2016 and 2021.³³ Based on these projections, demand for apartments will come from the higher end of the rental market and could be an indicator to developers to continue building luxury product.

DIFF. 2016 AND 2021	AGE GROUPS							
INCOME RANGE	UNDER 35	35 - 44	45 - 54	55 - 64	GREATER THAN 65	TOTAL	% CHANGE FROM 2016	HOME VALUES BASED ON INCOME
LESS THAN \$40,000	-117	-79	-136	-103	-48	-484	-10%	\$500 TO \$1,000
>\$40,000 AND < = \$60,000	-82	-41	-82	-56	-2	-264	-12%	\$1,000 TO \$1,500
>\$60,000 AND < = \$75,000	-57	-37	-53	-47	11	-183	-13%	\$1,500 TO \$1,875
>\$75,000 AND < = \$100,000	-63	-93	-112	-93	45	-315	-15%	\$1,875 TO \$2,500
GREATER THAN \$100,000	238	309	194	404	477	1,621	24%	MORE THAN \$2,500
AGGREGATE TOTAL	-81	58	-190	105	483	375	2%	
% CHANGE FROM 2016	-3%	2%	-5%	3%	12%			

Source: Alteryx, and RKG Associates, Inc. 2017

DEMAND BY AGE COHORT

Looking further at the projections by age group, it is estimated that the greatest increase in demand for year-round rental units will come from seniors age 65 and older (12 percent increase), again with the greatest increase projected to take place at the \$100,000 or more income level. Demand for rental units will increase 3 percent for households whose head of household is between the ages of 55 and 64, particularly households with incomes greater than \$100,000. This demand increase is similar to that for ownership units.

As is the case for the change in demand for year-round ownership units in Framingham and Natick, a decrease in demand for rental units is projected to come from households where the head of the household is between 45 and 54 years (5 percent decrease, or total loss of 190 households), as well as those households whose householder is under the age of 35 (three percent decrease, or total loss of 81 households). Demand from householders age 35 to 44 is anticipated to increase by two percent, which could be the result of increasing employment in professional service sectors, or price increases for ownership units outpacing what householders can afford to pay.

Future demand for mixed-use and multifamily development in the Golden Triangle exists. It is likely that the demand for units may first be filled by residents over the age of 55, and then to a lesser degree by younger professionals in their early earning years. A positive outcome of the shifts in living preferences is the types of places and living arrangements that are attractive to younger professionals are also attractive to older residents too. By building exciting, amenity-rich, active, mixed-use neighborhoods, both Towns have the opportunity to capitalize on the demand coming from older residents and also increase their capture rate of younger professionals who may be leaving Framingham and Natick for other locations.

SUMMARY ZONING AND MARKET ANALYSIS FINDINGS

The following findings will provide important guidance to the development of potential development scenarios:

- The zoning in The Triangle consists of eleven base zoning districts and four overlay districts which currently inform existing uses. Considerations regarding future development opportunities and trends may result in recommendations for zoning changes.
- Some municipalities surrounding The Triangle have high median household incomes which provides a robust consumer base for potential retail establishments.
- Large employers occupy a significant amount of existing office space in The Triangle. Consultation with existing users on potential future changes can help align uses to maximize community and economic returns.
- A projected increase in housing demand for both ownership and rental units by demographic groups with incomes above \$100,000 is a catalyst for expanding housing within The Triangle.