

Lisle Baker
Chair, Zoning & Planning Committee
Newton City Council
1000 Commonwealth Ave,
Newton Centre, MA 02459

July 16, 2025

## Dear Chair Baker:

As you know, the chamber was disappointed by your decision not to honor our request to speak with the Zoning & Planning Committee during your July 9 "discussion" about "office tenants that have left Newton or have downsized, and strategies to recruit new commercial office tenants."

If the chamber *had been* invited to speak, I would have said we believe the problem is more dire than the city's Economic Development Director portrayed. Our perspective would have been informed by real-world, ongoing conversations with office property owners, brokers, and tenants in Newton and surrounding communities.

I would have said that the decimated office market is not solely a Newton problem. It's a regional problem and a national problem. Last week, <u>JLL reported</u> a 22.9% office vacancy rate across metro Boston. The national office vacancy rate also <u>hit a new record high</u> in Q2.

However, for a city struggling to fund its schools and other municipal services, attracting new companies would have a big upside for Newton, while losing employers should cause alarm.

I would have urged the council to do everything it can, as soon as it can, to make Newton as attractive as possible to employers at a time when landlords and municipalities are fiercely competing for a smaller pie.

Then, as a starting point, I would have suggested five ways Newton could become more competitive in the office market and, in turn, boost commercial tax revenue.

1. **Build more diverse housing:** A new survey from the <u>Mass Business</u>

<u>Roundtable</u> found housing supply remains employers' No.1 competitiveness concern.

Companies want to locate where workers and customers live. More than ever, they're choosing locations based on talent.



- 2. **Recognize that this is a competition**: Make no mistake: Business attraction is a contest between Newton and everywhere else. The days when you could sit back and gloat about being superior to Somerville, Chelsea, or <a href="Everett">Everett</a> are past. Other communities are actively recruiting companies and bending over to keep them.
- 3. **Speed:** One thing that works against Newton is how long it takes to get anything done, not just for new businesses but for existing ones. Aspire to become the city known for being among the fastest to approve permits, the fastest to approve licenses, and the fastest to complete health, building, and fire inspections.
- 4. **Affordability:** The city is nickel-and-diming our businesses. Rents and taxes are astronomical. So are all the fees businesses pay, especially when you receive slow service in return. Do a top-down review of every fee you collect. Make it less stressful to operate here. Don't talk to us about overrides when you won't even talk with us.
- 5. **Reputation:** Whenever we make major decisions in our personal lives where to live, what car to buy, the best schools we look for recommendations. Employers do the same thing before they decide where to locate: Slow approvals, high operating costs, onerous building and energy codes, and, yes being known as the place where business representatives can't have a seat at the table are just a few of the many ways you're making it hard to compete.

The chamber is committed to having constructive conversations with the council. We believe the chamber can provide expertise that would sometimes complement and other times differ from that shared by the Economic Development Director or EDC.

I'd also suggest that for our property owners, this is a crisis, and not something that should wait to be discussed sometime in the new term.

I was pleased to hear you say, after your "discussion," that you had hoped to find a way to involve the chamber in the future. We're standing by, anxious to have that conversation. Sincerely,

Greg Reibman

President & CEO

Charles River Chamber

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