



BEVERLY ECONOMIC SNAPSHOT

Summary Findings

June 2016



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Executive Summary “Snapshots”

The *Beverly Economic Snapshot* provides an overview of economic conditions and trends in the City of Beverly. It was developed to highlight and promote the City’s competitive economic position within the Metro Boston and North Shore regions at the *City of Beverly Development Showcase* which was held at the Cabot Theater on June 1, 2016.

The snapshot – a collection of stand-alone economic and industry “snapshots” – analyzed the following:

- Socioeconomic Conditions
- Industry and Jobs Trends
- Office and Advanced Manufacturing Trends
- Retail Trends
- Residential Trends

In summary, not only has the City of Beverly’s (and the North Shore’s) economy expanded considerably since 2000, continued economic expansion is projected within the North Shore over the next 5 to 10 years. Beverly is well-positioned to capture this growth for the following reasons:

- High job growth, particularly in its key industry sectors (Eds and Meds, Life Sciences, Creative and Tech), has outpaced the North Shore region since 2000, and is projected to continue through at least 2022
- Beverly is the center of the growing North Shore Life Sciences cluster with over 60 companies and several thousand jobs (many located at the Cummings Center)
- Beverly has a stable, and growing advanced manufacturing base (many in the Cherry Hill Corporate Center)
- Numerous development and/or redevelopment opportunities can accommodate growth – office, advanced manufacturing, retail and residential
- A growing population of young and older adults – Millennials and Empty Nesters – attracted to Beverly’s high quality of life
- Strong regional connections including 5 access points to Route 128; rail service to and from Boston; and access to Boston Logan and Beverly Municipal Airport
- A “Business Friendly” city proactively promoting itself to attract new development and business through a combination of rezoning, permitting practices and coordinated initiatives to market community assets (e.g. Main Streets, the Beverly Development Showcase)

These and other economic characteristics are highlighted on the four “snapshots” on the following pages, as well as in the numerous tables, charts, and bulleted findings in the Appendix.

INDUSTRY & JOBS

BEVERLY

23,000 JOBS



A diversified and growing industry / employment base

Since 2000
3,500 more jobs
in Beverly

Job growth in Beverly is up **18%** over the last 15 years, outpacing the North Shore region (5%) and the State (5%).

New jobs in Beverly represent **42%** of net job increase on the North Shore.

Epicenter of the North Shore Life Science Cluster

60+ companies

1,700 jobs

\$2,000 avg weekly wage

Life Sciences Consortium of the N. Shore

Incubator
NORTH SHORE INNOVENTURES

25 Start-ups Biotech & Cleantech

Lab & Office Biz Assistance Networking

Educated Local Workers

- 45% Bachelors Degree
- 20% Masters Degree
- 20% Technical Training

Tomorrow's Workers



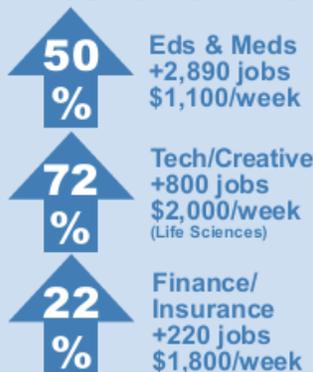
Close and Convenient

- Route 128 / I-95
- MBTA - 30 minutes (Boston North Station)
- Logan (30 minutes) Beverly Regional Airport

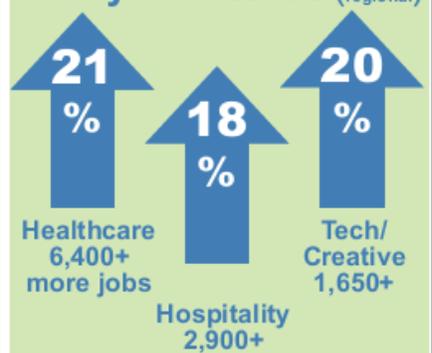
Top 4 Industries

1. Health Care
2. Education
3. Advanced Manufacturing
4. Tech/Creative

Higher wage jobs grew the most since 2000



Job growth projected in key industries (10 year regional)

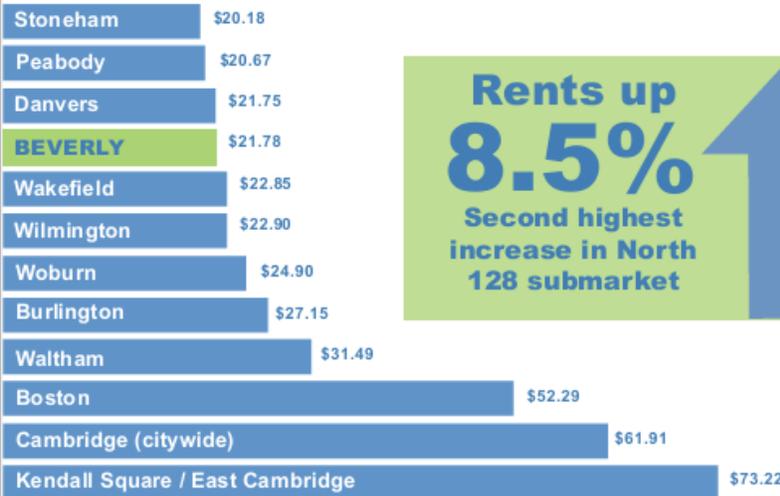


OFFICE / ADVANCED MANUFACTURING

BEVERLY

Beverly office rents are half of those in Boston, a third of those in Cambridge, and only 30 minutes away by train or car

A competitive, connected, more affordable office alternative to Boston and Cambridge



Rents up 8.5%
Second highest increase in North 128 submarket

12% Vacancy
Lowest in 10 years. First spec office since recession breaks ground Summer 2016

As rents in Boston/Cambridge soar, and suburban strongholds like Waltham surpass \$30 psf, the North 128 office submarket and especially Beverly are increasingly drawing life science, clean tech, and creative economy companies.

OPPORTUNITY AREAS



Cherry Hill Corp Center
1.1 million square feet
Manufacturing, Office, R&D
For Sale / Lease: \$20 psf/year

Advanced manufacturing cluster includes semiconductor manufacturer Axcelis Technologies; integrated circuits producer, IXYS; Aero Manufacturing and more.

400 new jobs coming to Beverly as precision instrumentation manufacturer **Krohne USA**, and robotic systems/laboratory device maker **HighRes BioSolutions** move to Cherry Hill.



Cummings Center
2.4 million square feet
Office, Lab, Medical, Incubator
Lease: Mid \$20s psf/year

Two-thirds of Beverly's office space on a mixed-use campus steps from downtown and Beverly Depot (30 min. to Boston's North Station).

570 tenants, thousands of workers, 140+ physicians, creative economy companies, restaurants and more. Cummings Center provides the vital, collaborative environments tech and Life Sciences (30+ companies) crave.



Route 128
500K+ square feet
Class A&B Office, R&D, Industrial
Lease: \$16-\$18 psf/year

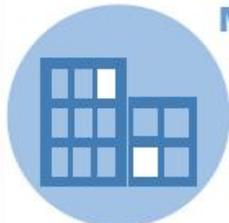
Dunham Road's 114,000sf Class A office building, 550 space parking garage and future development (135K sf breaks ground Summer 2016) provide space for growing companies.

Brimbal Ave/Sohier Rd offer Class B, R&D and flex spaces for start-ups, growing and established companies, and potential opportunities for infill. Cell Signaling, CPI anchor the area.

HOUSING MARKET

BEVERLY

High Demand + Low Inventory Development Opportunity



Multi-family demand high

- ▶ Rental and Condo units
- ▶ Increasing market rents/sales prices
- ▶ 1BR: \$1,500+ 2BR: \$2,000+
- ▶ Strong absorption



Single-family demand high

- ▶ Sales prices at all time highs
- ▶ \$385K Median home price
- ▶ Demand for more units
- ▶ Desirable for families with kids



Projections outpace pipeline

- ▶ 1,000+ households next 10 years
- ▶ Less than 500 units in pipeline
- ▶ Millennials and Empty Nesters
- ▶ Downtown/walkable areas desirable



Residential Opportunities

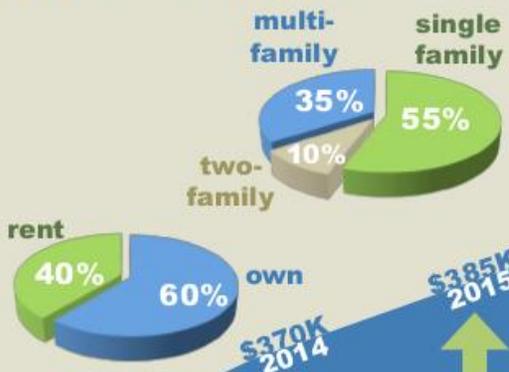
- ▶ Transit-oriented Development
- ▶ Bass River Waterfront
- ▶ Downtown

“...is a great place to live. It has all the benefits of a small town, but also has a big city feel.”



Housing Today

- ▶ 16,800 units
- ▶ Low vacancy
- ▶ 1% built since 2000



Home prices up 15% since 2010



Quality of life drives Beverly's housing market



Beaches



Restaurants



Good Schools



5 Rail Stations



Culture



High \$ Jobs

RETAIL MARKET

BEVERLY

Significant Retail Opportunity

Retail Types	% of Stores	Resident Spending	Beverly Sales	Retail Opportunity
Motor Vehicle & Gasoline	10%	\$208M	\$138M	\$70M
Furniture & Home Furnishings	3%	\$24M	\$6M	\$18M
Electronics & Appliance Stores	9%	\$58M	\$62M	-\$4M
Bldg Materials, Garden Supply	3%	\$34M	\$12M	\$22M
Food & Beverage Stores	9%	\$153M	\$175M	-\$22M
Health & Personal Care Stores	7%	\$55M	\$49M	\$6M
Clothing & Accessories	5%	\$55M	\$11M	\$44M
Sporting, Hobby, Books, Music	5%	\$24M	\$17M	\$7M
General Merchandise	1%	\$94M	\$2M	\$92M
Miscellaneous Retailers	12%	\$27M	\$23M	\$4M
Restaurants and Drinking	35%	\$83M	\$69M	\$14M

Beverly's many shopping districts each offer unique environments that appeal to a variety of consumers

391 Retail Establishments in Beverly

- ▶ Many restaurants: fast, casual, and fine dining options
- ▶ New clothing & accessories and general merchandise opportunities
- ▶ Many consignment retailers and other miscellaneous retailers



Downtown Renaissance: Big Opportunity

New Restaurants & Shops, Theaters, New Residents, Galleries, Montserrat College of Art



Retail Rents: \$15-\$25 psf/year

Retail by Type	Downtown Opportunity
Furniture & Home Furnishings	\$6.7 M
Food & Beverage Stores	\$9.1M
Health & Personal Care Stores	-\$4.7M
Clothing & Accessories	\$17.4M
Sporting, Hobby, Books, Music	-\$1M
General Merchandise	\$36.2M
Miscellaneous Retailers	\$1.4M
Restaurants and Drinking	-\$2.7M

Within 1 mile of downtown:

- ▶ 248 retail establishments
- ▶ \$300M+ resident spending
- ▶ 7,300 households
- ▶ \$77K average HH income
- ▶ 45% Bachelors degree

Downtown Retail Opportunity

- ▶ Clothing & Accessories
- ▶ Specialty Grocery
- ▶ Gift & Hobby
- ▶ General Merchandise



Beverly Main Streets

Beverly Main Streets promotes and enhances Downtown's economic vitality, cultural and historic resources and quality of life.



Beverly Farms Opportunity



Retail Type & Available Spending

- ▶ Boutique clothing: \$4.3 million
- ▶ Gourmet Food: \$11.4 million
- ▶ Restaurants: \$4.5 million

Route 128 Opportunity



Retail Type & Available Spending

- ▶ Grocery: \$107.2M (regional demand)
- ▶ Bldg/Garden Supply: \$11.5M
- ▶ Convenience: 12.7M

Economic Snapshot Summary

Introduction: Why Beverly?

The City of Beverly possesses many attributes essential to attracting, retaining and growing businesses large and small. Not only is the City’s existing job and employment base growing, it is diversified – meds and eds and life sciences, professional tech and creative services, advanced manufacturing, finance and more – and has room to grow and expand within existing or new office and industrial complexes that are connected to the region and beyond by car, bus, train, and even plane.

Beverly’s high quality of life is a major asset. The city’s neighborhoods offer current and prospective residents and potential employees a diversity of environments from which to choose including urban, suburban and waterfront neighborhoods. All are within walking distance or a short drive to high paying jobs; beaches and excellent parks; a thriving cultural scene anchored by Montserrat College of Art and downtown theaters; a popular and growing dining scene; and connections to Boston and beyond via 5 commuter rail stations (more than any other community in Massachusetts), 5 access points to and from Route 128/I-95; and to the world via Beverly Municipal Airport and Boston Logan Airport.

Beverly offers the live, work, play environment that attracts highly-skilled workers and the businesses that employ them, and strong transportation connections to Boston and beyond.



LIVE → WORK → PLAY → COMMUTE

Industry and Employment

The City of Beverly has seen considerable employment growth over the last 15 years. Over 3,500 new jobs were added between 2001 and 2015, for a total of 23,000 jobs as of 2015. Beverly's four largest industry sectors – the critical industries for Beverly's economy – are Health and Social Assistance (6,278 jobs), Educational Services (2,441), Manufacturing (mostly advanced – 1,984 jobs), and Professional and Technical Services (tech and creative – 1,916 jobs).

Beverly's 18 percent employment growth since 2001 far outpaces that of the North Shore as a whole which was up a healthy, but significantly lower 5 percent over the same timeframe. To better put Beverly's impressive job growth into perspective, the 3,500+ new jobs equate to roughly 42 percent of net job increase throughout the North Shore region over the timeframe.

Beverly's job growth is more remarkable when considering that the Great Recession occurred in the middle of the timeframe analyzed. Impressively, Beverly came out of the recession stronger with job growth considerably higher than in the years preceding it. Specifically, total jobs increased 6 percent from 2001 to 2009 compared to 11 percent from 2009 to 2015.

Critical and/or Growing Industries

Not only did Beverly's most important industry sectors grow considerably since 2001, but growth is projected to continue at least through 2022, the last date for which job projections are currently available through the State. Further, many of Beverly's critical industry jobs have high mean wages.

Eds and Meds

Education and healthcare are critical to Beverly's economy with nearly 8,000 jobs combined. Large healthcare employers include Lahey Health (including Lahey Beverly Hospital) and numerous physician practices (many at the Cummings Center); whereas education employers include Endicott College, Montserrat College of Art, several private schools (Landmark School, Shore Country Day, and more), as well as the City of Beverly (Beverly Public Schools).

Life Sciences

According to research completed by the North Shore Workforce Investment Board in 2013, the City of Beverly is the epicenter of the North Shore Life Sciences cluster. Although not generally known within the industry outside of the region, the North Shore Life Sciences industry is comprised of over 130 Life Sciences companies with over 4,000 jobs. Approximately half of these companies are in Beverly – roughly 60 companies as of 2016.

An important component of the North Shore Life Sciences cluster is biotech/cleantech incubator, *North Shore InnoVentures* (NSIV), one of only four such entities in the state incubating businesses in these sectors. Located at the Cummings Center, NSIV is currently home to 25 startup enterprises, and has graduated 5 companies. Supported by state and federal grants, corporate sponsors and other financial assistance, NSIV aims both to accelerate the growth of young tech companies, and support economic development on the larger North Shore through the creation of high-quality, sustainable jobs. NSIV provides office space, shared lab space and equipment, professional services, mentorships, and access to investors.

The Life Sciences Consortium of the North Shore is also a crucial component of the Life Sciences ecosystem. Established in 2012 by NSIV, Salem State University, Endicott College, Gordon College and North Shore Community College, the consortium focuses resources on workforce development and training in the life sciences, promotes collaborative industry support, including internship opportunities to local students enrolled at the consortium schools, and provides resources to foster new business growth. Many students receive hands on training for skilled jobs for which there is high demand, and little training at most Boston area universities (e.g. lab technicians).

Advanced Manufacturing

Although manufacturing jobs on the whole declined since 2001, advanced manufacturing plays an important role in the City of Beverly's economy. More importantly, it is growing, with a cluster centered in the Cherry Hill Corporate Center. Current companies include semiconductor manufacturer, Axcelis; integrated circuit manufacturer, IXYS; Aero Manufacturing and more. These companies account for over 1,000 jobs combined. Nearly 400 more jobs are on the way.

Krohne USA will relocate from Peabody to currently vacant 55 Cherry Hill Drive. The company will renovate the existing 50,000 square foot (sf) structure and add 35,000 sf to house over 100 workers. HighRes BioSolutions, which manufactures automated lab equipment for companies such as Johnson & Johnson, Pfizer and others will relocate from Woburn. The company plans to break ground on a new 80,000 sf facility in July, 2016. When completed, the facility will be home to several hundred workers.

According to Krohne, the labor pool and the quality of life in Beverly and the North Shore, informed their decision to stay on the North Shore, which beat out other highly competitive options both within and outside of Massachusetts. (For more on Advanced Manufacturing, see Appendix.)

Projected Growth

According to job projections by the Massachusetts Executive Office of Labor and Workforce Development, the North Shore region is projected to gain over 20,000 new jobs between 2012 and 2022, many of these in Beverly's critical industries – Healthcare (6,400+ more jobs), Professional and Technical Services (1,650+); Education (970+) and increasingly Accommodation and Food Services (2,900+). Given Beverly's impressive job growth over the last 15 years, available space and/or proposed development/redevelopment, and it's increasingly amenity rich downtown, Beverly is well positioned to capture a significant portion of this growth.

Residential Market

Population and household growth, unit availability and diversity, and quality of life drive housing markets. Beverly is a growing city, with a highly competitive residential real estate market, driven by its high quality of life and strong connectivity to the region.

Population and Household Trends

Beverly has a stable but growing population – 40,340 as of 2014– a slight 1 percent increase since 2000. Although stable in number, the composition of the City’s population has shifted over the last two decades. In particular, “Empty Nesters” (persons 55 and older) and “Millennials” (persons 20 to 34) have increased, up 42 percent and 9 percent respectively, whereas those most likely to have children (persons 35 to 54) have decreased, as has the total number of children. This change in population characteristics is driving current housing demand.

Existing Housing Stock and Market

There were nearly 16,800 housing units in Beverly as of 2014, including single-family units (55 percent), two and three-family units and larger multifamily apartments (14 percent of all units). While the majority of units in Beverly are older – many built before World War II – and in structures with fewer than 4 units, recent and planned or proposed development has primarily been multifamily in and around downtown (based on total units) to appeal to growing market segments interested in urban living. These new units, most of which are apartments, typically rent for between \$1,400 and \$2,000 per month and have rented quickly upon completion.

Beverly’s for-sale market has never been stronger and has exceeded pre-recession peaks. The median price for a single-family home in Beverly as of early 2016 was \$375,000, an all-time high. Competition is fierce, particularly for single-family units attractive to young families, and condos attractive to empty nesters. Brokers report busy open houses and multiple offers exceeding asking prices. Inventories are low for both, and brokers say more units are needed to keep up with demand, particularly for multifamily condominiums (and rentals).

According to developers, Beverly’s walkable downtown and many restaurants are a big draw, as is proximity to jobs at the Cummings Center; however, the biggest draw is proximity to the Beverly Depot Commuter Rail Station, which provides access to Boston in 30 minutes (on express trains).

Good Schools



Beverly has invested heavily in its public school system. The City opened a new high school in 2009, and will soon break ground on a state-of-the-art middle school. This investment has resulted in increasing student enrollment, despite a decrease in school-aged children citywide. More and more families choose to enroll their children, and more are interested in moving to Beverly.

Household and Housing Projections

According to the Metropolitan Area Planning Council (MAPC), the Regional Planning Agency for Metro Boston, up to 1,900 additional households are projected for Beverly by 2030. The majority of these households will be headed by persons 55 and older, with growth also projected in Millennial market segments. Given low unit vacancies, it can be assumed that for each new household in Beverly over the next five to ten years, one new housing unit needs to be developed. More housing needs to be developed to meet demand and further support economic growth in Beverly.

Retail Opportunity

The City of Beverly is not a major regional retail destination for the North Shore like neighboring Peabody and Danvers, which are home to large regional shopping malls (Northshore Mall, Liberty Tree Mall), and numerous big box and chain retailers/restaurants). However, Beverly has several local or specialty retail areas including Downtown, Beverly Farms and North Beverly/Route 128 that hold potential for growth.

Downtown Beverly

Downtown is home to numerous restaurants, cafes, professional service establishments (accountants, attorneys, etc.) and a small but growing number of traditional retailers including clothing stores, gift/specialty shops like Roost and Suburban Bohemia, and a future bookstore (now under construction). While the area is not considered a shopping destination, the potential exists to build upon established and recently opened retail, restaurant and cultural attractions (The Cabot, A&B Burger, Barrel House American Bar, etc.). The 7,300 local households within 1-mile of downtown could support additional clothing and accessories stores, a specialty food/wine store, home furnishings and general merchandise.

Table 1: Retail Opportunity Gap: Downtown (1-mile radius)

Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Existing Number of Businesses
Furniture & Home Furnishings Stores	442	\$9,534,875	\$2,808,957	\$6,725,918	7
Food & Beverage Stores	445	\$61,539,587	\$52,439,640	\$9,099,947	24
Health & Personal Care Stores	446,4461	\$21,632,459	\$26,285,547	-\$4,653,088	16
Clothing & Clothing Accessories Stores	448	\$21,808,125	\$4,398,668	\$17,409,457	11
Sporting Goods, Hobby, Book & Music	451	\$9,480,880	\$10,217,836	-\$736,956	11
General Merchandise Stores	452	\$37,444,545	\$1,265,013	\$36,179,532	3
Miscellaneous Store Retailers	453	\$10,413,283	\$8,991,884	\$1,421,399	28
Food Services & Drinking Places	722	\$33,304,604	\$36,002,791	-\$2,698,187	85

Source: ESRI BAO Green shading indicates sectors where spending could likely support new businesses. Red indicates little/no potential.

Because a strong, established retail cluster does not currently exist in Downtown Beverly, drawing first movers – businesses willing to take the risk of opening a new retail establishment in a relatively untested market – is essential. Retailers like to locate where options exist. Clusters attract shoppers – they are destinations. Thus, despite available spending, the risk is too great for many small operations. A coordinated effort is needed to identify available spaces near to each other and existing shoppers goods stores and recruit complimentary businesses most likely to succeed. One resource available is **Beverly Main Streets**. The organization supports local business growth through rent assistance programs, façade and signage improvement programs (funded by the City), and sponsors numerous events

Beverly Main Streets
 Beverly Main Streets promotes and enhances Downtown’s economic vitality, cultural and historic resources and quality of life.

- Financial Assistance
- Events & Promotion
- Beverly Arts District

throughout the year.

Beverly Farms

Beverly Farms, a high income waterfront neighborhood on Beverly’s eastern boundary has a small village setting with boutique shopping and dining. Based on available spending within 1-mile of the village, Beverly Farms could support additional clothing, home furnishings and restaurants that appeal to nearby high income households, and visitors (particularly in summer months). The area also holds potential to attract visitor spending, particularly those traveling along Route 127, a scenic route popular with Cape Ann tourists.

Table 2: Retail Opportunity Gap, Beverly Farms

Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Existing Number of Businesses
Furniture & Home Furnishings Stores	442	\$2,088,391	\$0	\$2,088,391	0
Food & Beverage Stores	445	\$12,442,289	\$1,050,129	\$11,392,160	1
Health & Personal Care Stores	446,4461	\$4,652,328	\$0	\$4,652,328	0
Clothing & Clothing Accessories Stores	448	\$4,625,948	\$279,005	\$4,346,943	1
Sporting Goods, Hobby, Book & Music	451	\$2,093,695	\$1,063,352	\$1,030,343	1
General Merchandise Stores	452	\$7,837,104	\$1,007,045	\$6,830,059	1
Miscellaneous Store Retailers	453	\$2,265,293	\$377,886	\$1,887,407	2
Food Services & Drinking Places	722	\$7,110,592	\$2,755,770	\$4,354,822	8
<i>Full-Service Restaurants</i>	7221	\$4,337,285	\$1,598,357	\$2,738,928	6
<i>Limited-Service Eating Places</i>	7222	\$2,408,155	\$1,157,413	\$1,250,742	2

Source: ESRI BAO

North Beverly/128

Retail in North Beverly, which has direct access to Route 128, is auto-oriented. The area is more regional in nature and includes regional and national chains like Shaw’s, Chipotle, Modell’s, Staples and more at North Shore Plaza, as well as other smaller shopping centers. Given the area’s proximity to other Route 128- adjacent retail concentrations in Danvers and Peabody and further north in Gloucester, there is little opportunity for new retail. The exceptions are grocery stores and lawn and garden supply. While the new Whole Foods Market planned for Brimbal Avenue will capture the available grocery spending, the opportunity for a garden center or similar establishment remains. There is also spending available for gasoline stations and a pharmacy.

Table 3: Retail Opportunity Gap, 128

Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Existing Number of Businesses
Motor Vehicle & Parts Dealers	441	\$608,501,709	\$935,200,419	-\$326,698,710	147
Furniture & Home Furnishings	442	\$91,686,885	\$82,449,048	\$9,237,837	65
Electronics & Appliance Stores	443	\$218,239,044	\$194,878,682	\$23,360,362	116
Bldg Materials, Garden Equip. & Supply	444	\$130,492,016	\$118,942,504	\$11,549,512	79
Food & Beverage Stores	445	\$578,271,058	\$471,094,125	\$107,176,933	148
Health & Personal Care Stores	446,4461	\$208,364,820	\$195,687,690	\$12,677,130	99
Gasoline Stations	447,4471	\$170,046,174	\$111,979,034	\$58,067,140	46
Clothing & Clothing Accessories Stores	448	\$207,081,554	\$300,131,672	-\$93,050,118	231
Sporting Goods, Hobby, Book & Music	451	\$90,450,801	\$124,544,939	-\$34,094,138	99
General Merchandise Stores	452	\$354,915,179	\$579,141,472	-\$224,226,293	44

Miscellaneous Store Retailers	453	\$100,427,808	\$240,441,562	-\$140,013,754	221
Nonstore Retailers	454	\$75,897,041	\$333,816,038	-\$257,918,997	28
Food Services & Drinking Places	722	\$317,847,689	\$381,375,764	-\$63,528,075	535

Source: ESRI BAO

Quality of Life

Beverly offers a unique quality of life that is attractive to a diversified workforce. As noted during an interview, “Beverly has all the benefits of a small town, but also has a big city feel.”

Beverly has an active, amenity rich downtown. It’s a dining destination and entertainment center anchored by not one, but two theaters – The Cabot and Larcom – which bring artists, musicians, and movies to downtown. Culture abounds with the presence of Montserrat College of Art’s many galleries, lectures, and student populations; as well as numerous events sponsored and run by Beverly Main Streets.

The City offers many beaches, open spaces and natural areas for recreation and relaxation. Within a short drive or train ride are additional beaches and destinations. More affordable, but increasing home prices and rents, make the area attractive to many priced out of communities closer to Boston.

Connectivity and accessibility is among the city’s greatest assets. With 5 commuter rail stations (Beverly Depot, Montserrat, North Beverly, Prides Crossing and Beverly Farms), more than any other community in Massachusetts (outside of Boston), access to and from Boston is convenient and frequent. Beverly Depot offers over 30 inbound and outbound trips to Boston each weekday (and weekend service) – a 30 minute trip. The train also links residents to other North Shore jobs, amenities and activities. For drivers, 5 nearby exits to Route 128 (3 in Beverly) connect city residents to jobs throughout the region, regional workers to Beverly businesses (i.e. Cummings Center), and trucks to advanced manufacturing companies in Cherry Hill. Uber and Lyft are also available – a key amenity in attracting Millennials. Finally, Boston Logan connects residents and businesses to the world and is only a 30 minute drive away. And Beverly Airport offers charter and private plane service.



Development Opportunity

Several priority areas and sites in different sections of the City provide excellent opportunities for development and/or redevelopment. Each area presents unique opportunities for growing market segments – eds and meds, life sciences and biotech, clean tech, and others – to locate in a high quality, amenity rich community attractive to today's workers.

The Bass River Waterfront, the northernmost area of Downtown Beverly is poised to be the next mixed-use walkable, transit-oriented downtown neighborhood. Key opportunities include multifamily residential with ground floor retail, and waterfront dining. The area's industrial history and feel is well suited for a "makerspace" and other artisan and creative industry uses. The area, once developed, will also improve connectivity between Downtown Beverly, the Beverly Depot, and the 570 companies and 4,500 workers at the Cummings Center.

The Cherry Hill Corporate Center is home to a cluster of advanced manufacturing firms, a school, and more. It provides excellent access to Route 128, connecting it to a strong pool of skilled labor that is attractive to tenants, including Krohne, who will relocate to the park in 2017. Several parcels are available for future development.

Dunham Road, as well as areas along Sohier Road and Brimbal Avenue, offer both new and redevelopment opportunities for office, medical, R&D, and advanced manufacturing. Cummings Properties will break ground on a new 135,000 sf office building off of Dunham Road. Rents for the new Class A space is half to two-thirds lower than in other competing markets. Additional sites are available as well.

Appendix

Socioeconomic Profile

Population Trends

- ▶ Beverly has a stable population – up just 1 percent over the last 15 years. Surrounding Essex County and the State are growing faster
- ▶ Despite stable population, Beverly’s age composition has shifted. In particular, “Empty Nesters” and “Millennial” segments have increased, up 42 percent and 9 percent respectively, whereas 35-54 year olds and children under 19 have decreased
- ▶ Although the number of school-aged children is down, total school enrollment is up over the same timeframe. This may be the result of the improving school district over the last decade.

Table A.1: Total Population

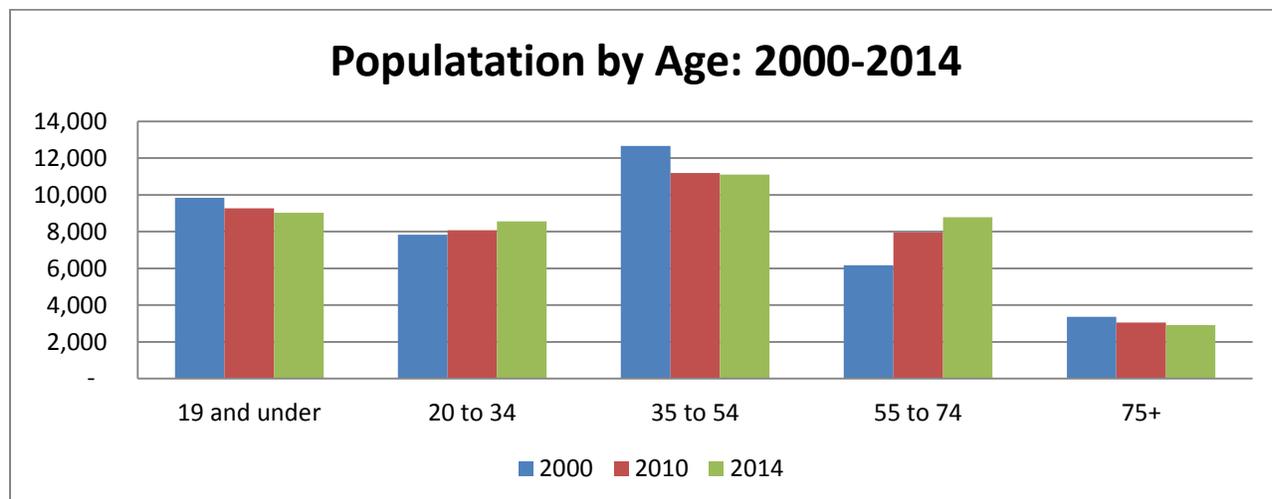
	2000	2010	2014	Change 2000-2014	% Change 2000-2014
Beverly	39,862	39,502	40,370	508	1%
Essex County	723,419	743,159	757,395	33,976	5%
Massachusetts	6,349,097	6,547,629	6,657,291	308,194	5%

Source: Census 2000 and 2010, ACS 2010-2014

Table A.2: Population by Age

	2000	2010	2014	Change	% Change 2000-2014
19 and under	9,844	9,260	9,022	-822	-8%
20 to 34	7,831	8,067	8,556	725	9%
35 to 54	12,654	11,187	11,098	-1556	-12%
55 to 74	6,170	7,944	8,787	2617	42%
75+	3,363	3,044	2,907	-456	-14%

Source: Census 2000 and 2010, ACS 2010-2014



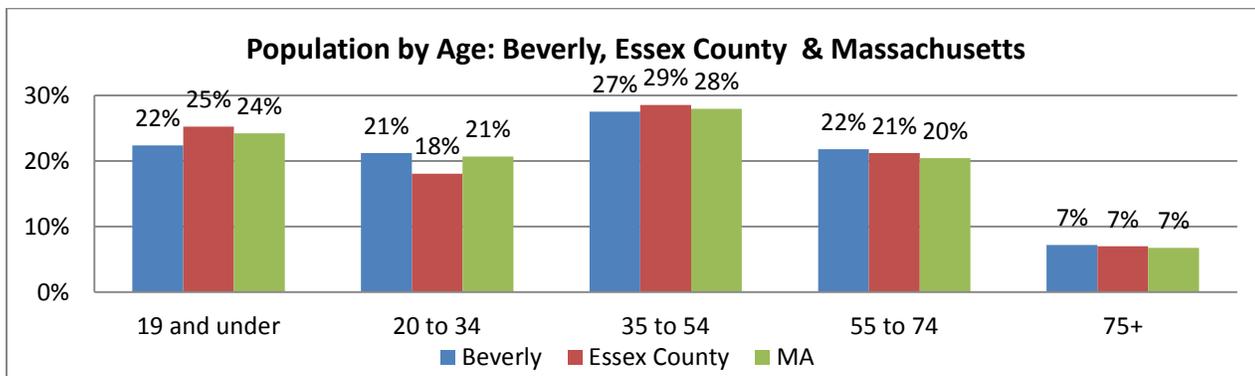
Population by Age: Beverly Compared to Essex County and Massachusetts

- ▶ More Millennials and Empty Nesters: Slightly more 20-34 year olds and 55 to 74 year olds compared to Essex County as a whole
- ▶ Fewer or Smaller Families: Slightly fewer 35-54 year olds (those most likely to have school aged children at home), and slightly fewer children as a percentage

Table A.3 Population by Age, Beverly, Essex County and Massachusetts, 2014

	Beverly	Essex County	MA
19 and under	22%	25%	24%
20 to 34	21%	18%	21%
35 to 54	27%	29%	28%
55 to 74	22%	21%	20%
75+	7%	7%	7%

Source: ACS 2010-2014 Estimates



Population Projections

The Metropolitan Area Planning Council, the Regional Planning Agency for Metro Boston's 101 cities and towns, provides two population projections. One reflects recent trends continued. The other assumes a higher level of growth.

- ▶ Beverly could expect over 1,300 more residents by 2030. Most of the anticipated growth will be persons over 55, and 75. Some growth is anticipated in the "Millennial" segments, but fewer families with kids.
- ▶ 2014 ACS estimates already exceed MAPC's 2020 projections for the Current Trends. Thus, the Higher Growth figure appears to better reflect more recent growth.

Table A.4: Population Projections

	2010	2020	2030	Change	% Change
Current Trends	39,502	39,477	39,859	357	1%
Higher Growth	39,502	40,418	41,796	2,294	6%

Source: MAPC

Table A.5: Population Projections by Age: Beverly

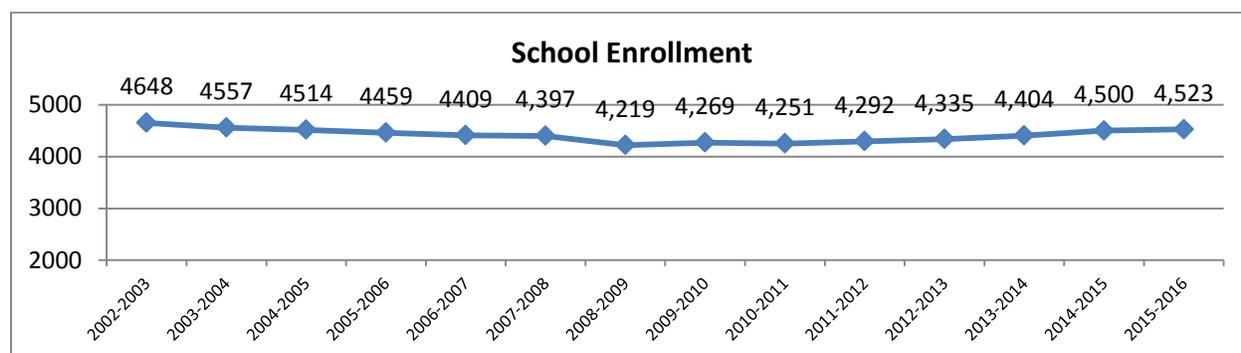
	2010	2020	2030	Change 2010-2030	% Change 2010-2030
19 and under	9,260	8,426	8,700	-560	-6%
20 to 34	8,067	9,160	8,215	148	2%
35 to 54	11,187	9,522	11,028	-159	-1%
55 to 74	7,944	10,465	9,580	1636	21%
75+	3,044	2,846	4,273	1229	40%

Source: MAPC

School Enrollment

- ▶ Since 2002, school enrollment is down 3 percent (-125 students)
- ▶ Enrollment decreased 9 percent (-429 students) in years leading up to the recession (2002-2008).
- ▶ Student enrollment since 2008/2009 ("the bottom") is up 7 percent or 304 students.

As noted earlier, an improved school district is likely the reason for rising enrollment despite declines in school aged children in the city. More families may be choosing public school over the many private schools in the area, and more school choice students go to Beverly schools.



Race and Ethnicity Trends

Beverly is not as racially or ethnically diverse as its surrounding county or the State.

- ▶ Over 90 percent of Beverly's population is White (Non-Hispanic). This is significantly higher than Essex County and the State as a whole, where roughly 75 percent of the population is White.

Table A.6: Race and Hispanic/Latino Ethnicity

	Beverly	Essex County	Massachusetts
White alone	91%	74%	75%
Black or African American alone	2%	3%	6%
American Indian and Alaska Native alone	0%	0%	0%
Asian alone	2%	3%	6%
Native Hawaiian and Other Pacific Islander alone	0%	0%	0%
Some other race alone	0%	0%	1%
Two or more races	1%	1%	2%
Hispanic or Latino (of any race)	3%	18%	10%

Household Trends

- ▶ Beverly gained approximately 175 households since 2000, a 1 percent increase
- ▶ Household growth lagged that of Essex County and the Commonwealth as a whole
- ▶ Beverly has a higher percentage of non-family households – singles and unrelated persons - compared to the County and the State. The City also has fewer family households with children compared to Essex County and the State. These trends are reflected in a lower average HH size.
- ▶ Nearly 1,900 additional households are projected for Beverly by 2030

Table A.7: Households: 2000-2014

	2000	2010	2014	Change	% Change
Beverly	15,750	15,850	15,925	175	1.1%
Essex County	275,419	285,956	286,896	11,477	4.2%
Massachusetts	2,443,580	2,547,075	2,538,485	94,905	3.9%

Table A.8: Household Composition: 2014

	Beverly		Essex County		Massachusetts	
	#	%	#	%	#	%
Total Households	15,925		286,896		2,538,485	
Family Households	9,301	58%	191,407	67%	1,615,062	64%
<i>Families with Children</i>	<i>3,805</i>	<i>24%</i>	<i>85,874</i>	<i>30%</i>	<i>716,290</i>	<i>28%</i>
<i>Married Couples with Children</i>	<i>2,911</i>	<i>18%</i>	<i>57,940</i>	<i>20%</i>	<i>496,844</i>	<i>20%</i>
<i>Families without Children</i>	<i>5,496</i>	<i>35%</i>	<i>105,533</i>	<i>37%</i>	<i>898,772</i>	<i>35%</i>
Non Family Households	6,624	42%	95,489	33%	923,423	36%
<i>Living Alone</i>	<i>5,008</i>	<i>31%</i>	<i>79,431</i>	<i>28%</i>	<i>731,151</i>	<i>29%</i>
<i>Other</i>	<i>1,616</i>	<i>10%</i>	<i>16,058</i>	<i>6%</i>	<i>192,272</i>	<i>8%</i>

Table A.9: Average HH Size: 2014

	Beverly	Essex County	Massachusetts
Average household size	2.4	2.55	2.48

Source: ACS 2010-2014 Estimates

Table A.10: Household Projections: Households by Age 2010-2030

	2010	Status Quo			Stronger Region		
		2020	2030	Change 2010-2030	2020	2030	Change 2010-2030
Total	15,850	16,520	17,072	1,222	16,871	17,809	1,959
<i>Under 35</i>	<i>2,797</i>	<i>3,148</i>	<i>2,783</i>	<i>(14)</i>	<i>3,311</i>	<i>3,010</i>	<i>213</i>
<i>35 to 54</i>	<i>6,150</i>	<i>5,102</i>	<i>5,641</i>	<i>(509)</i>	<i>5,219</i>	<i>6,010</i>	<i>(140)</i>
<i>55 to 74</i>	<i>4,894</i>	<i>6,391</i>	<i>5,832</i>	<i>938</i>	<i>6,444</i>	<i>5,937</i>	<i>1,043</i>
<i>75 and older</i>	<i>2,009</i>	<i>1,880</i>	<i>2,816</i>	<i>807</i>	<i>1,898</i>	<i>2,851</i>	<i>842</i>

Source: MAPC

Income & Education Trends

Beverly households have higher incomes compared to the County and State. Higher incomes are reflected in educational attainment.

- ▶ Median HH income in 2014 was \$73,980
- ▶ Nearly 40 percent of households earn more than \$100,000 annually
- ▶ Over 65 percent of residents 25 and older have at least a Bachelor’s Degree, nearly 20 percent have a Master’s Degree or higher
- ▶ Only 6 percent of residents did not graduate from high school, far lower than Essex County or the State

Table A.11: Income: 2014

	Beverly	Essex County	Massachusetts
Median HH Income	\$73,980	\$68,776	\$67,846
Median Family Income	\$96,514	\$85,919	\$86,132
Average HH Income	\$97,579	\$93,006	\$92,850
Per Capita Income	\$39,471	\$36,035	\$36,441

Table A.12: Income Distribution, 2014

	Beverly	Essex County	Massachusetts
Less than \$25,000	19%	20%	20%
\$25,000 to \$49,999	16%	19%	18%
\$50,000 to \$74,999	16%	16%	16%
\$75,000 to \$99,999	13%	13%	13%
\$100,000 to \$150,000	19%	17%	17%
\$150,000 or more	18%	17%	16%

Table A.13: Educational Attainment

	Beverly	Essex County	Massachusetts
Did Not Graduate High School	5.9%	10.8%	10.5%
High School Graduate	23.1%	26.2%	25.6%
Some College	25.6%	25.8%	24.0%
Bachelors or Higher	45.4%	37.3%	40.0%
<i>Master's or Higher</i>	<i>17.7%</i>	<i>15.1%</i>	<i>17.4%</i>

Source: ACS 2010-2014 Estimates

Industry and Workforce Profile

Beverly Employment: 2015

Beverly has a diversified industry/employment base.

- ▶ 23,000+ jobs are located in Beverly as of 2015. Key industries include :
 - Health Care and Social Assistance
 - Educational Services
 - Manufacturing
 - Professional and Technical Services
 - Retail Trade

TableA.14: Beverly Employment and Wages, 2015

	Jobs	Wages
Total, All Industries	23,031	\$1,113
11 - Agriculture	23	\$2,249
23 - Construction	523	\$1,961
31-33 - Manufacturing	1,984	\$1,246
22 - Utilities	239	\$1,561
42 - Wholesale Trade	656	\$1,416
44-45 - Retail Trade	1,901	\$991
48-49 - Transportation and Warehousing	188	\$1,112
51 - Information	486	\$1,317
52 - Finance and Insurance	1,070	\$1,717
53 - Real Estate and Rental and Leasing	257	\$1,298
54 - Professional and Technical Services	1,916	\$1,439
55 - Management of Companies and Enterprises	222	\$2,943
56 - Administrative and Waste Services	1,152	\$1,073
61 - Educational Services	2,441	\$916
62 - Health Care and Social Assistance	6,278	\$1,089
71 - Arts, Entertainment, and Recreation	500	\$346
72 - Accommodation and Food Services	1,641	\$401
81 - Other Services, Ex. Public Admin	1,291	\$451

Source: EOLWD, 2016

Employment Change 2001-2015

There has been significant employment growth over the last 15 years.

- ▶ Total employment up 18 percent since 2001, or 3,564 new jobs.
- ▶ Beverly's employment base has performed solidly, even during the recession.
 - 2001-2009: Employment up 6 percent
 - 2009-2015: Employment up 11 percent
- ▶ Beverly employment gains outperformed the North Shore region: 18 percent vs. 5 percent growth 2001-2015
 - Beverly's net capture of new employment in North Shore: 42 percent of total net new jobs.
 - Professional and Technical (e.g. Life Sciences) up 72 percent in Beverly (12 percent in WIB Region)
 - 799 jobs equates to 84 percent of net new jobs

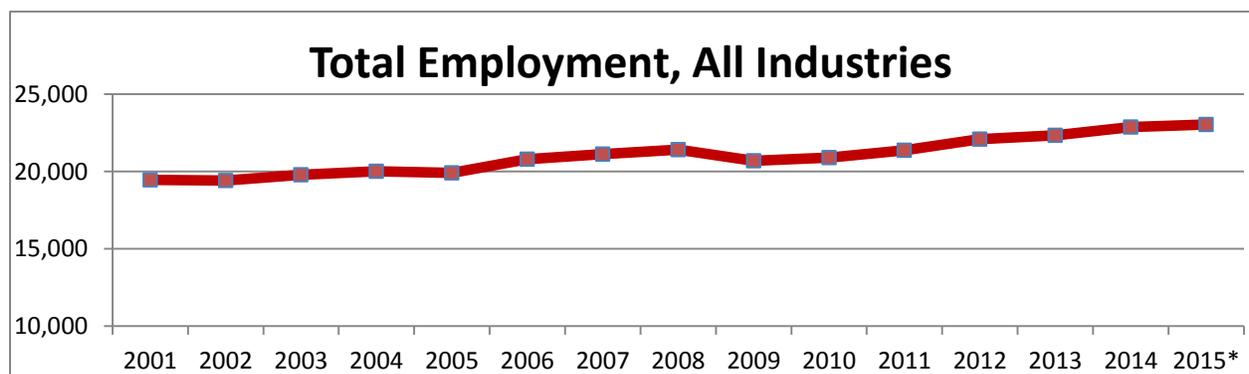
Table A.15: Beverly Employment by Industry, 2001-2015

	2001	2009	2015*	Change 01-09		Change 09-15		Change 01-15	
				#	%	#	%	#	%
Total, All Industries	19,467	20,702	23,031	1,235	6%	2,329	11%	2,329	18%
11 - Agriculture, Forestry, Fishing & Hunting	56	30	23	-26	-46%	-7	-23%	-33	-59%
23 - Construction	461	344	523	-117	-25%	179	52%	62	13%
31-33 - Manufacturing	3,558	2,245	1,984	-1,313	-37%	-261	-12%	-1,574	-44%
22 - Utilities	180	191	239	11	6%	48	25%	59	33%
42 - Wholesale Trade	513	616	656	103	20%	40	6%	143	28%
44-45 - Retail Trade	2,496	2,161	1,901	-335	-13%	-260	-12%	-595	-24%
48-49 - Transportation and Warehousing	228	239	188	11	5%	-51	-21%	-40	-18%
51 - Information	533	708	486	175	33%	-222	-31%	-47	-9%
52 - Finance and Insurance	848	884	1,070	36	4%	186	21%	222	26%
53 - Real Estate and Rental and Leasing	265	217	257	-48	-18%	40	18%	-8	-3%
54 - Professional and Technical Services	1,117	1,324	1,916	207	19%	592	45%	799	72%
55 - Mgmt of Companies and Enterprises	195	337	222	142	73%	-115	-34%	27	14%
56 - Administrative and Waste Services	662	752	1,152	90	14%	400	53%	490	74%
61 - Educational Services	1,777	2,355	2,441	578	33%	86	4%	664	37%
62 - Health Care and Social Assistance	4,056	5,415	6,278	1,359	34%	863	16%	2,222	55%
71 - Arts, Entertainment, and Recreation	437	225	500	-212	-49%	275	122%	63	14%
72 - Accommodation and Food Services	1,027	1,099	1,641	72	7%	542	49%	614	60%
81 - Other Services, Ex. Public Admin	774	1,237	1,291	463	60%	54	4%	517	67%

Table A.16: North Shore WIB Region Employment, 2001-2015

	2001	2009	2015*	Change 01-09		Change 08-15		Change 01-15	
				#	%	#	%	#	%
Total, All Industries	168,141	162,618	176,663	-696	-0.4%	9218	6%	8522	5%
11 - Agriculture, Forestry, Fishing & Hunting	505	424	576	(47)	-9%	118	26%	71	14%
23 - Construction	6,704	6,163	7,418	532	8%	182	3%	714	11%
31-33 - Manufacturing	23,758	16,965	15,616	(4,501)	-19%	(3,641)	-19%	(8,142)	-34%
22 - Utilities	847	801	667	(64)	-8%	(116)	-15%	(180)	-21%
42 - Wholesale Trade	6,729	5,919	4,520	(668)	-10%	(1,541)	-25%	(2,209)	-33%
44-45 - Retail Trade	27,383	25,219	25,959	(1,681)	-6%	257	1%	(1,424)	-5%
48-49 - Transportation and Warehousing	3,269	3,041	3,330	(125)	-4%	186	6%	61	2%
51 - Information	4,208	3,194	4,132	(834)	-20%	758	22%	(76)	-2%
52 - Finance and Insurance	5,584	5,807	5,417	428	8%	(595)	-10%	(167)	-3%
53 - Real Estate and Rental and Leasing	2,102	1,881	1,977	48	2%	(173)	-8%	(125)	-6%
54 - Professional and Technical Services	7,325	7,853	8,177	841	11%	11	0%	852	12%
55 - Mgmt of Companies and Enterprises	1,695	1,643	1,151	48	3%	(592)	-34%	(544)	-32%
56 - Administrative and Waste Services	7,842	6,483	8,793	(631)	-8%	1,582	22%	951	12%
61 - Educational Services	14,241	15,283	14,160	809	6%	(890)	-6%	(81)	-1%
62 - Health Care and Social Assistance	24,986	30,066	36,751	4,104	16%	7,661	26%	11,765	47%
71 - Arts, Entertainment, and Recreation	3,238	3,353	4,958	329	10%	1,391	39%	1,720	53%
72 - Accommodation and Food Services	15,388	15,106	19,310	(185)	-1%	4,107	27%	3,922	25%
81 - Other Services, Ex. Public Admin	6,495	7,635	8,007	871	13%	641	9%	1,512	23%

Source: MA EOLWD, 2016



Growing Industry Segments

- ▶ **Eds and Meds**
 - Health Care and Social Assistance – 2,222 more jobs (55 percent increase)
 - Educational Services – 664 jobs (37 percent increase)
- ▶ **Biotech/Life Sciences and Creative Economy**
 - Professional and Technical Services – 799 more jobs (72 percent increase)
- ▶ **Accommodation and Food Services** – 614 more jobs (60 percent increase)

Declining Industry Sectors

- ▶ **Manufacturing – Loss of 1,574 jobs (-44 percent)**
 - While difficult to separate from employment data available from the State, research and interviews suggest that while “traditional” durable goods manufacturing has been declining for years, higher skilled advanced manufacturing is healthy
- ▶ **Retail Trade – Loss of 595 jobs (-24 percent)**

Employment Projections: North Shore WIB Region

Beverly's most important industry sectors are projected to increase through 2022. Many of these jobs have high mean wages.

- ▶ Professional, Scientific and Technical Services: 1,652 jobs (+20 percent) / Mean Wage: \$80K+/year
- ▶ Healthcare and Social Services: 6,439 jobs (+21 percent) / Mean Wage: \$52K/year
- ▶ Educational Services: 972 jobs (+6 percent): Mean Wage: \$56K/year

Table A.17: Employment Projections, North Shore WIB Area

NAICS Code	Title	Employ 2012	Employ 2022	Change Level	Change Percent	2014 Mean Annual OES Wage	2015 Mean Annual OES Wage
0	Total All Industries	177,518	197,668	20,150	11.40%	\$49,539	\$49,540
23	Construction	5,798	7,369	1,571	27.10%	\$60,496	\$60,497
31-32-33	Manufacturing	25,667	23,096	-2,571	-10.02%	\$62,358	\$62,359
42	Wholesale Trade	5,062	6,000	938	18.50%	\$73,746	\$73,747
44-45	Retail Trade	13,548	14,288	740	5.46%	29,828	29,829
48	Transportation and Warehousing	2,295	2,515	220	9.60%	\$48,768	\$48,769
51	Information	3,896	3,506	-390	-10.00%	\$79,792	\$79,793
52	Finance and Insurance	5,522	6,093	571	10.30%	\$63,677	\$63,678
53	Real Estate and Rental and Leasing	1,835	2,174	339	18.50%	\$48,535	\$48,536
54	Professional, Scientific, and Technical Svs	8,068	9,720	1,652	20.50%	\$80,070	\$80,071
56	Administrative and Support and Waste Management and Remediation	7,356	7,540	184	2.50%	\$40,127	\$40,128
61	Educational Services	16,356	17,328	972	5.90%	\$56,109	\$56,110
62	Health Care and Social Assistance	30,930	37,369	6,439	20.80%	\$52,280	\$52,281
71	Arts, Entertainment, and Recreation	3,168	4,038	870	27.50%	\$39,073	\$39,074
72	Accommodation and Food Services	16,454	19,401	2,947	17.90%	\$25,728	\$25,729
81	Other Services (except Government)	6,452	7,947	1,495	23.20%	\$36,764	\$36,765

Source: MA EOLWD, 2016

Life Sciences Cluster

Beverly is the Center of the North Shore Life Sciences Cluster. (Much of the below data is provided in the North Shore WIB study, *Life Sciences Industry on the North Shore*, May, 2013, with updates provided where information was available.)

- ▶ Over 100 Life Sciences companies in 2013.
- ▶ In 2016, closer to 130. Several are new startups at North Shore InnoVentures. Others have located at the Cummings Center, including two companies from the UK.
- ▶ North Shore Life Science Cluster
 - Average Weekly Wage in 2013: \$2,016
 - Growing Job Base - Average Monthly Employment: 4,000+ (5 percent increase in 5 years)

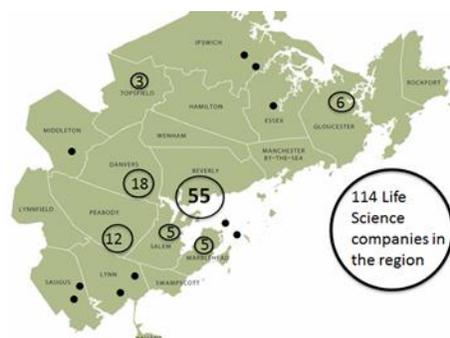


Table A.19: North Shore Life Sciences Employment, 2013

INDUSTRY SECTOR	NAICS	Average Weekly					5 yr % Change	1yr % Change
		Wage						
		2009	2010	2011	2012	2013		
Total, all industries		162,618	164,375	166,357	169,275	171,270	5.3%	1.2%
North Shore Life Science Cluster		3,867	3,820	3,940	3,961	4,073	5.3%	2.8%
<i>Pharmaceutical & Medicine Mfg</i>	3254	562	441	388	387	385	-31.4%	-0.5%
<i>Electronic Instrument Manufacturing</i>	3345	1,473	1,410	1,528	1,519	1,660	12.7%	9.3%
<i>Medical Equipment and Supplies Mfg</i>	3391	616	576	559	558	536	-13.0%	-3.9%
<i>Scientific Research and Devel Svs</i>	5417	866	1,067	1,115	1,143	1,113	28.5%	-2.6%
<i>Medical and Diagnostic Laboratories</i>	6215	350	326	350	354	379	8.3%	7.1%
<i>Merrimack Valley Life Science Cluster</i>		7,258	7,721	8,052	5,491	5,409	-28.7%	-1.6%

Source: North Shore WIB

Table A.20: Life Sciences Wages by Sector, 2013

INDUSTRY SECTOR	NAICS	Average Weekly					5 yr % Change	1yr % Change
		Wage						
		2009	2010	2011	2012	2013		
Total, all industries		\$885	\$905	\$937	\$935	\$948	7.10%	1.40%
North Shore Life Science Cluster		\$1,647	\$1,860	\$1,799	\$1,857	\$2,016	22.40%	8.60%
<i>Pharmaceutical & Medicine Mfg</i>	3254	\$2,084	\$2,302	\$2,493	\$2,573	\$2,548	22.30%	-1.00%
<i>Electronic Instrument Manufacturing</i>	3345	\$1,605	\$2,040	\$1,802	\$1,930	\$2,119	32.00%	9.80%
<i>Medical Equipment and Supplies Mfg</i>	3391	\$1,183	\$1,173	\$1,180	\$1,142	\$1,262	6.70%	10.50%
<i>Scientific Research and Devel Svs</i>	5417	\$1,959	\$2,016	\$2,063	\$2,076	\$2,277	16.20%	9.70%
<i>Medical and Diagnostic Laboratories</i>	6215	\$1,172	\$1,185	\$1,161	\$1,176	\$1,320	12.60%	12.20%
<i>Merrimack Valley Life Science Cluster</i>		\$1,902	\$1,945	\$2,030	\$1,900	\$1,958	2.9%	3.1%

Source: North Shore WIB

Recent IPO

The Beverly Life Science Cluster has recently made news. As reported in numerous publications, including the *Boston Business Journal* and *Boston Globe*, American Renal Associates Holdings, Inc.'s April 2016 IPO was extremely successful, with shares up more than 20 percent in their first day of trading on the NASDAQ. The

company, which is headquartered in Beverly, partners with established physicians to own and operate dialysis treatment centers to provide treatment to patients with the most advanced stage of chronic kidney disease.

Advanced Manufacturing

Although overall, manufacturing jobs are down, advanced manufacturing is doing well in the North Shore and in Beverly.

Small cluster in the Cherry Hill Industrial Park:

- ▶ Axcelis:
 - Company's Advanced Technology Center and world headquarters in the park
 - Semiconductor manufacturing
 - About: provides innovative, high-productivity solutions for semiconductor industry
 - Develop enabling process applications through the design, manufacture and complete life cycle support of ion implantation systems, one of the most critical and enabling steps in the IC manufacturing process
 - Develop 3000 products
 - Ion implanters
 - Purion platform – designed to advance planar and 3D devices
 - 2016 Q1 results above guidance: \$67.5M in revenues, Operating profit \$2.5M, Net Income \$1.9M or \$0.02 per share. Increased market share to 18.3 percent
 - 826 Employees
- ▶ IXYS Integrated Circuits Division
 - Electronics manufacturer – designs, manufactures, and markets high-voltage integrated circuits (ICs) and optically isolated Solid State Relays for the communication, industrial, power, and consumer markets
 - Leading supplier to telecommunications, security, utility metering, and industrial control industries
 - Products sold worldwide
 - Wholly-owned subsidiary of IXYS Corporation: designs, manufactures, and markets semiconductors, and more
 - 200+ employees in Beverly (1,016 employees including subsidiaries)
- ▶ Aero Manufacturing
 - Produces formed and machined high stress metal parts for turbine engines
 - Utilizes more than a dozen metalworking processes and more than 150 machine tools in its production process
 - Over 70 employees
 - 70,000 sf state of the art facility
 - Employ engineers , CNC programmers and machinists to produce products
- ▶ Amphenol PCD
 - Subsidiary of Amphenol Corp
 - For commercial aerospace and military aerospace, as well as medical and industrial cable assemblies

- Designs and manufactures many products – system attachments, junction modules, relay sockets, terminal blocks, rectangular and circular connectors and cable assemblies and adapters.
- 287 full time employees
- \$45.8M annual revenue
- <http://listings.findthecompany.com/l/17362033/Amphenol-Pcd-Inc-in-Beverly-MA>
- ▶ Krohne, Inc. – moving to Beverly in 2017
Krohne is a manufacturer of precision instrumentation. The company, currently in Peabody, will move to the Cherry Hill Industrial park in 2017, and plans to spend approximately \$20M to upgrade the existing 50,000 sf structure, and add on an additional 35,000 sf. When complete, the building will house manufacturing, office and shipping/receiving space. They will employ roughly 100 people – 45 current employees, and will add an additional 54 jobs as they expand at the new facility. Krohne employs a wide range of workers and professions – from lower skill, to high, from technicians, to engineers (all kinds).

Krohne picked Beverly over locations in Massachusetts, the Carolinas, Texas and Louisiana (states where they do a lot of their business), in large part for the quality of the workforce in the North Shore. Their current workers live primarily in the North Shore, including Beverly, but Beverly is attractive for recruiting new workers, particularly from out of the area. Additionally, there are many precision manufacturers working in aerospace, bio pharmaceuticals, and other instrumentation – the larger workforce is solid and well-trained. Additionally, the Cherry Hill location was ideal in that it offers good access to Route 128/I-95. The highway not only makes commuting easy for their workers, but with 15 trucks a day leaving their facility, access is crucial.

Danvers Cherry Hill Tenants include:

- ▶ IMD Millipore – bio/medical manufacturing devices
 - The Process Solutions team provides products that meet the highest quality and purity standards with extensive documentation and services to ensure regulatory compliance. Some of the 15,000-plus products and services include single-use manufacturing, filtration, chromatography and purification, virus reduction, pharma and bio-pharma raw materials, drug delivery compounds, and engineering and validation services.
- ▶ Abiomed – medical device development and manufacturing

Workforce

Labor Force

Beverly has a high labor force ratio, or 1.01:1, meaning there is more than one job located in Beverly for every person in the Labor Force:

- ▶ Population in Labor Force: 22,783
- ▶ Employment: 23,031
- ▶ Labor Force Ratio: 1.01:1

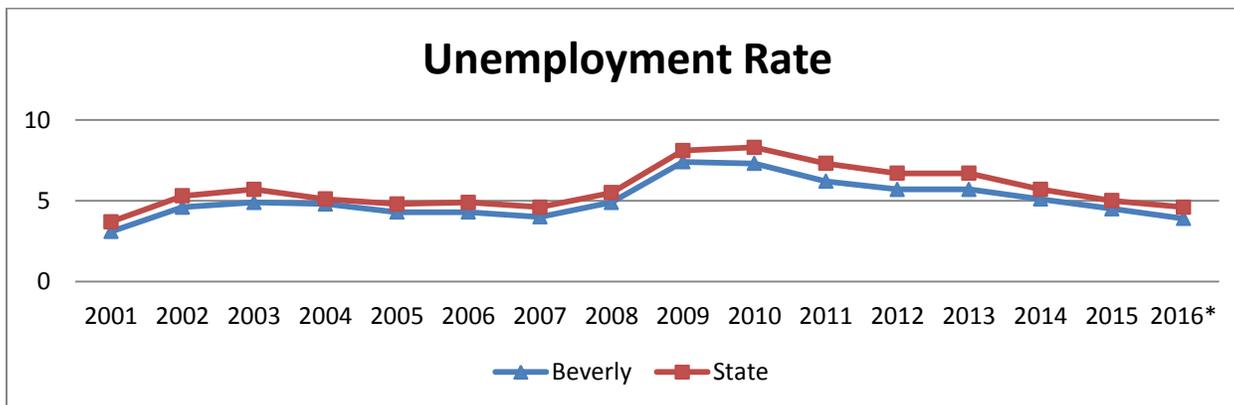
Unemployment

Beverly's unemployment rate is lower than State - consistently lower since 2001. Unemployment peaked in 2009 during the height of the recession, but has fallen considerably since. As of 1Q2016, unemployment was below 4 percent for the first time since 2001

Table A.21: Unemployment 2001-2016, Beverly and Massachusetts

	Beverly	State
2001	3.1	3.7
2002	4.6	5.3
2003	4.9	5.7
2004	4.8	5.1
2005	4.3	4.8
2006	4.3	4.9
2007	4	4.6
2008	4.9	5.5
2009	7.4	8.1
2010	7.3	8.3
2011	6.2	7.3
2012	5.7	6.7
2013	5.7	6.7
2014	5.1	5.7
2015	4.5	5
2016*	3.9	4.6

Source: MA EOLWD



Occupations

Beverly workers' occupations largely align with the top industries in the city (and region) – eds and meds and biotech/tech .

- ▶ 27 percent work in Professional and related occupations which includes physicians, dentists, registered nurses; scientists, biological and life scientists, medical scientists; teachers and more
- ▶ 20 percent work in Management, business and financial operations
- ▶ 13 percent work in Office and administrative support occupations
- ▶ 2 percent work in Production companies

Table A.22: Beverly Occupations, 2014

Occupation	#	%
Employed civilian Population 16 Years and over:	21,491	
Management, business, and financial operations occupations	4,290	20%
Professional and related occupations	5,815	27%
Healthcare support occupations	582	3%
Protective service occupations	328	2%
Food preparation and serving related occupations	1,146	5%
Building and grounds cleaning and maintenance occupations	489	2%
Personal care and service occupations	888	4%
Sales and related occupations	2,387	11%
Office and administrative support occupations	2,732	13%
Farming, fishing, and forestry occupations	53	0%
Construction, extraction, and maintenance occupations	1,280	6%
Production occupations	519	2%
Transportation and material moving occupations	982	5%

Source: ACS 2010-2014

Retail

Current Conditions and Recent Trends

Beverly is unique in that it offers unique retail environments depending on the location in town.

- ▶ Downtown
- ▶ North Beverly – more suburban, auto-oriented commercial area with national chains
- ▶ Beverly Farms – village, boutique and high end
- ▶ Cummings Center – serves workers (need to better connect train and downtown)
- ▶ Most general retail shopping – clothing, electronics and general merchandise – is done outside of Beverly – in nearby Peabody and Danvers

There are pockets of successful retail and especially dining in Beverly.

Good buzz downtown

- ▶ Many successful restaurants
- ▶ New retail – Roost, Suburban Bohemia, Bookstore

Proposed retail projects in Beverly

- ▶ Brimbal Avenue / Whole Foods
- ▶ Ground floor retail in new Beverly Crossing (formerly Windover Development) at Rantoul

Retail Composition: Citywide

According to ESRI, there are 391 retail trade and food and service businesses within the City of Beverly. This includes 256 retail businesses and 135 food and drink businesses.

- ▶ Many restaurants of all kinds: 135 including fast food, casual, and fine dining.
- ▶ Few clothing and accessories options (5 percent of total/21 shops throughout city)
- ▶ Many used merchandise (Misc. Retail)

Table A.23: Establishments by Type

Type of Establishment	Number	Percent
Total	391	100%
Motor Vehicle & Parts Dealers	27	7%
Furniture & Home Furnishings Stores	13	3%
Electronics & Appliance Stores	36	9%
Bldg Materials, Garden Equip. & Supply Stores	13	3%
Food & Beverage Stores	34	9%
Health & Personal Care Stores	26	7%
Gasoline Stations	13	3%
Clothing & Clothing Accessories Stores	21	5%
Sporting Goods, Hobby, Book & Music Stores	21	5%
General Merchandise Stores	4	1%
Miscellaneous Store Retailers	45	12%
Nonstore Retailers	3	1%
Food Services & Drinking Places	135	35%

Retail Opportunity Gap: Beverly Only

- ▶ Appears residents can support more local retail throughout Beverly; however, this is just supply and demand within Beverly. It does not account for shopping options outside of the City.
- ▶ There is actually considerable leakage to other areas

Table A.24: Retail Opportunity Gap: City of Beverly

Industry Group	NAICS	Demand	Supply	Retail Gap
		(Retail Potential)	(Retail Sales)	
Motor Vehicle & Parts Dealers	441	\$162,085,987	\$104,298,619	\$57,787,368
Furniture & Home Furnishings Stores	442	\$24,331,861	\$5,576,431	\$18,755,430
Electronics & Appliance Stores	443	\$57,606,212	\$61,957,024	-\$4,350,812
Bldg Materials, Garden Equip. & Supply Stores	444	\$33,860,054	\$11,827,531	\$22,032,523
Food & Beverage Stores	445	\$153,264,955	\$174,514,894	-\$21,249,939
Health & Personal Care Stores	446,4461	\$55,130,904	\$48,485,783	\$6,645,121
Gasoline Stations	447,4471	\$45,522,215	\$33,551,063	\$11,971,152
Clothing & Clothing Accessories Stores	448	\$54,713,830	\$10,570,951	\$44,142,879
Sporting Goods, Hobby, Book & Music Stores	451	\$23,935,501	\$17,042,468	\$6,893,033
General Merchandise Stores	452	\$94,083,282	\$2,300,817	\$91,782,465
Miscellaneous Store Retailers	453	\$26,548,072	\$22,523,251	\$4,024,821
Nonstore Retailers	454	\$19,889,922	\$17,363,055	\$2,526,867
Food Services & Drinking Places	722	\$83,897,303	\$69,025,526	\$14,871,777

Source: ESRI BAO

Retail Opportunity Gap: Market Subareas**Downtown and the Waterfront – 1-mile radius (hyper local)**

- ▶ Cabot Street serves as the community's "Main Street" with parallel Rantoul (secondary area)
- ▶ Bass River Area prime opportunity for mix of uses, including retail
- ▶ Primary Market: Hyper local, walkable, downtown residents
- ▶ Market Opportunity:
 - Furniture and Home Furnishings

- Specialty Food and Beverage (gourmet market)
- Clothing and Accessories
- General Merchandise
- Gift and Hobby (minimal)
- ▶ Limited or No Market Opportunity
 - Restaurants
- ▶ What we heard: Interviews
 - Restaurants doing well, but are saturated
 - Not enough shopping goods – clothing, accessories, unique retailers
 - Need to attract, but many don't want to be first mover
 - Need critical mass
 - New retail doing well and more on the way – bookstore. But need more
 - Main Streets has good programs – rent assistance, façade improvement
 - City very good to work with. Process is efficient, and personal
 - Good investment opportunity – particularly near the Cabot
 - Bass River – Great opportunity for unique retailers and waterfront dining
 - Store sizes are small in general
 - Lack of on-site parking makes it difficult for some stores (e.g. furniture – need a loading area, or customers don't want to carry far distance)
 - Specialty grocery is in demand, but wine and beer are a key driver, and no package licenses currently available (there is interest)
 - Vacancy is way down over previous years according to interviews
 - “Been great the last 1 to 2 years.”
 - Used to be much less desirable than Salem, but now on equal footing
 - Businesses more and more interested in being here
 - “Business owners from other cities are interested.”
 - Almost no professional office space on upper floors available
- ▶ Rents
 - Cabot (from A&B to the Cabot): low- to mid-\$20s psf/year
 - Other Cabot and Rantoul, \$15-\$18 psf/year
 - Cummings Center (outskirts): Low \$20s psf/year (captive audience)

Table A.25: Retail Opportunity Gap: Downtown

Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
Furniture & Home Furnishings Stores	442	\$9,534,875	\$2,808,957	\$6,725,918	7
Food & Beverage Stores	445	\$61,539,587	\$52,439,640	\$9,099,947	24
Health & Personal Care Stores	446,4461	\$21,632,459	\$26,285,547	-\$4,653,088	16
Clothing & Clothing Accessories Stores	448	\$21,808,125	\$4,398,668	\$17,409,457	11
Sporting Goods, Hobby, Book & Music	451	\$9,480,880	\$10,217,836	-\$736,956	11
General Merchandise Stores	452	\$37,444,545	\$1,265,013	\$36,179,532	3
Miscellaneous Store Retailers	453	\$10,413,283	\$8,991,884	\$1,421,399	28
Food Services & Drinking Places	722	\$33,304,604	\$36,002,791	-\$2,698,187	85

Source: ESRI BAO

Route 128 / Brimbal Avenue

- ▶ Limited opportunity given large concentration of auto-oriented national retailers to the south in Danvers/Peabody
- ▶ Opportunities:
 - Grocery Store (Whole Foods will address this need.)
 - Appliance
 - Local hardware store or Garden Center
 - Pharmacy or similar
 - Gas Station
- ▶ What we heard:
 - North Beverly captures spending from Hamilton/Wenham pass through traffic, and summer tourists heading to Crane’s Beach and other points to the north
 - The area seems to be functioning well - Whole Foods will be a good addition south of 128. North Beverly is all set
 - This area can’t compete with the malls (in Danvers, Peabody, and Lynnfield). Too much competition
- ▶ Rents:
 - North Beverly: Mid \$20s to Mid \$30s

TableA.26: Retail Opportunity Gap, 128

Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$608,501,709	\$935,200,419	-\$326,698,710	147
Furniture & Home Furnishings	442	\$91,686,885	\$82,449,048	\$9,237,837	65
Electronics & Appliance Stores	443	\$218,239,044	\$194,878,682	\$23,360,362	116
Bldg Materials, Garden Equip. & Supply Stores	444	\$130,492,016	\$118,942,504	\$11,549,512	79
Food & Beverage Stores	445	\$578,271,058	\$471,094,125	\$107,176,933	148
Health & Personal Care Stores	446,4461	\$208,364,820	\$195,687,690	\$12,677,130	99
Gasoline Stations	447,4471	\$170,046,174	\$111,979,034	\$58,067,140	46
Clothing & Clothing Accessories Stores	448	\$207,081,554	\$300,131,672	-\$93,050,118	231
Sporting Goods, Hobby, Book & Music Stores	451	\$90,450,801	\$124,544,939	-\$34,094,138	99
General Merchandise Stores	452	\$354,915,179	\$579,141,472	-\$224,226,293	44
Miscellaneous Store Retailers	453	\$100,427,808	\$240,441,562	-\$140,013,754	221
Nonstore Retailers	454	\$75,897,041	\$333,816,038	-\$257,918,997	28
Food Services & Drinking Places	722	\$317,847,689	\$381,375,764	-\$63,528,075	535

Source: ESRI BAO

Beverly Farms – 1 mile (hyper local)

- ▶ Local area could support additional retail in Beverly Farms
- ▶ Some categories likely not to fit in with the quaint, upscale village dynamic
- ▶ Primary Opportunities
 - Home furnishings
 - Specialty Food
 - Clothing & Accessories
 - Restaurants

Table A.27: Retail Opportunity Gap, Beverly Farms

Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
Furniture & Home Furnishings Stores	442	\$2,088,391	\$0	\$2,088,391	0
Electronics & Appliance Stores	443	\$4,933,979	\$0	\$4,933,979	0
Bldg Materials, Garden Equip. & Supply	444	\$3,369,951	\$0	\$3,369,951	0
Food & Beverage Stores	445	\$12,442,289	\$1,050,129	\$11,392,160	1
Health & Personal Care Stores	446,4461	\$4,652,328	\$0	\$4,652,328	0
Clothing & Clothing Accessories Stores	448	\$4,625,948	\$279,005	\$4,346,943	1
Sporting Goods, Hobby, Book & Music	451	\$2,093,695	\$1,063,352	\$1,030,343	1
General Merchandise Stores	452	\$7,837,104	\$1,007,045	\$6,830,059	1
Miscellaneous Store Retailers	453	\$2,265,293	\$377,886	\$1,887,407	2
Food Services & Drinking Places	722	\$7,110,592	\$2,755,770	\$4,354,822	8
Full-Service Restaurants	7221	\$4,337,285	\$1,598,357	\$2,738,928	6
Limited-Service Eating Places	7222	\$2,408,155	\$1,157,413	\$1,250,742	2
Special Food Services	7223	\$164,191	\$0	\$164,191	0
Drinking Places - Alcoholic Beverages	7224	\$200,961	\$0	\$200,961	0

Source: ESRI BAO

Business and Workforce Resources

Beverly is rich in non-profits and resources available to assist new and established businesses and entrepreneurs.

- ▶ City of Beverly: Planning Department, Economic Development Department
 - Assist businesses with approval process
 - Help businesses identify appropriate locations for businesses (e.g. zoning districts)
 - Assist businesses through permitting and licensing process
 - Convene groups in town
- ▶ Beverly Main Streets
 - Economic Development, Promotion, Business Assistance for Downtown
 - Programs – Rent Assistance, Façade and Sign Improvement, Business Advocacy, Fundraising
 - Events – Arts Fest, New Year’s Eve, Block Party, North Shore Bacon & Brew Festival (up to 2,500 people attend)
 - Cultural Arts District
- ▶ North Shore InnoVentures
 - Life Science Incubator
 - 2016: 25 companies currently located at the facility (1-5 people)
 - One of 4 in the State – Others in Cambridge, Worcester and Lowell
 - Facilities:
 - 10,000 sf of furnished offices and labs with \$1M of shared equipment
 - Labs suitable for cleantech chemistry, biotech, pharmaceuticals and diagnostics as well as device development and prototyping
 - Affordable rates, flexible terms
 - Services:
 - Lab Space and Equipment, Finance, Sales/Marketing, Venture Capital Connections, Community of Peers, etc.

- ▶ Beverly Chamber of Commerce
- ▶ North Shore Chamber of Commerce
- ▶ Montserrat College of Arts
 - Internship Programs
 - Networking Events
 - Continuing Education Programs – year round
 - Lectures
- ▶ Endicott College
 - Continuing Ed
- ▶ Salem State University
 - Life Sciences Program/Partnership
 - Nursing School
 - Continuing Education
 - Enterprise Center
- ▶ North Shore Workforce Investment Board
- ▶ North Shore Alliance of Economic Development

Residential Market Conditions

Housing Stock

As of 2014, there were 16,787 housing units in the City of Beverly. There is a good mix of housing unit types to appeal to a variety of housing preferences based on income and generational demand. In general, the mix is similar to Essex County and the State as a whole, with slightly more multifamily, and a bit less single family.

- ▶ More than half of all units are single-family. Slightly lower than the state
- ▶ There are many two-family and triple decker style of housing
 - 19 percent of homes are in the 2 to 4 year old category - slightly lower than county and the State
- ▶ 16 percent in larger multifamily

Table A.28: Housing Type

	Beverly		Essex County		Massachusetts	
	#	%	#	%	#	%
TOTAL HOUSING UNITS	16,787		305,194		2,792,852	
Single-family	9,313	55%	173,867	57%	1,617,890	58%
Two-family	1,645	10%	35,237	12%	286,193	10%
3-4 units	1,586	9%	34,483	11%	308,150	11%
5-9 units	1,428	9%	16,950	6%	167,467	6%
10-19 units	918	5%	13,154	4%	120,608	4%
20 or more units	1,897	11%	31,454	10%	292,011	10%
Other	0	0%	49	0%	533	0%

Source: ACS 2010-2014 Estimates

- ▶ Just over 40 percent of all units were built before 1940, similar to Essex County and the State
- ▶ Only 4 percent of units were built after 2000, several percentage points lower than both Essex County and the State. However, with significant residential either under development or proposed, this percentage will increase in coming years.

Table A.29: Age of Housing Units

Subject	Beverly		Essex County		Massachusetts	
	#	%	#	%	#	%
Total housing units	16,787		307,174		2,816,875	
Built 2010 or later	168	1.0%	1,382	0.4%	16,140	0.6%
Built 2000 to 2009	492	2.9%	20,965	6.8%	212,184	7.5%
Built 1990 to 1999	742	4.4%	21,078	6.9%	209,878	7.5%
Built 1980 to 1989	1,617	9.6%	32,985	10.7%	303,632	10.8%
Built 1970 to 1979	1,685	10.0%	29,385	9.6%	327,539	11.6%
Built 1960 to 1969	1,512	9.0%	30,037	9.8%	292,821	10.4%
Built 1950 to 1959	2,524	15.0%	33,882	11.0%	323,697	11.5%
Built 1940 to 1949	1,093	6.5%	16,874	5.5%	165,734	5.9%
Built 1939 or earlier	6,954	41.4%	120,586	39.3%	965,250	34.3%

Tenure

There is roughly a 60/40 split between owners and renters in Beverly. This is similar to percentages in all of Essex County and Massachusetts.

Table A.30: Housing Tenure

	Beverly		Essex County		Massachusetts	
	#	%	#	%	#	%
HOUSING TENURE						
Occupied housing units	15,925		286,896		2,538,485	
Owner-occupied	9,720	61.0%	180,939	63.1%	1,580,938	62.3%
Renter-occupied	6,205	39.0%	105,957	36.9%	957,547	37.7%

Source: ACS 2010-2014 Estimates

Affordable Housing

The City of Beverly has exceeded the State mandated 10 percent affordability threshold. According to DHCD's Subsidized Housing Inventory, 11.8 percent of units were deed-restricted affordable units (1,946 units).

Inclusionary Zoning

The City of Beverly requires that 12 percent of units in new development be deed-restricted affordable units for households earning at or below 80 percent AMI.

Home Sales Trends

Beverly's housing real estate market has recovered from the recession, with median home prices matching peak 2004/2005 levels as of 2015, and number of sales at an all-time high (619).

- ▶ Single-family home sales are now above pre-recession highs, both in number of sales and median price - \$370,000
- ▶ Condo home sales are below pre-recession highs, both in volume of sales, and price - \$235,000. (7.5 percent below peak)

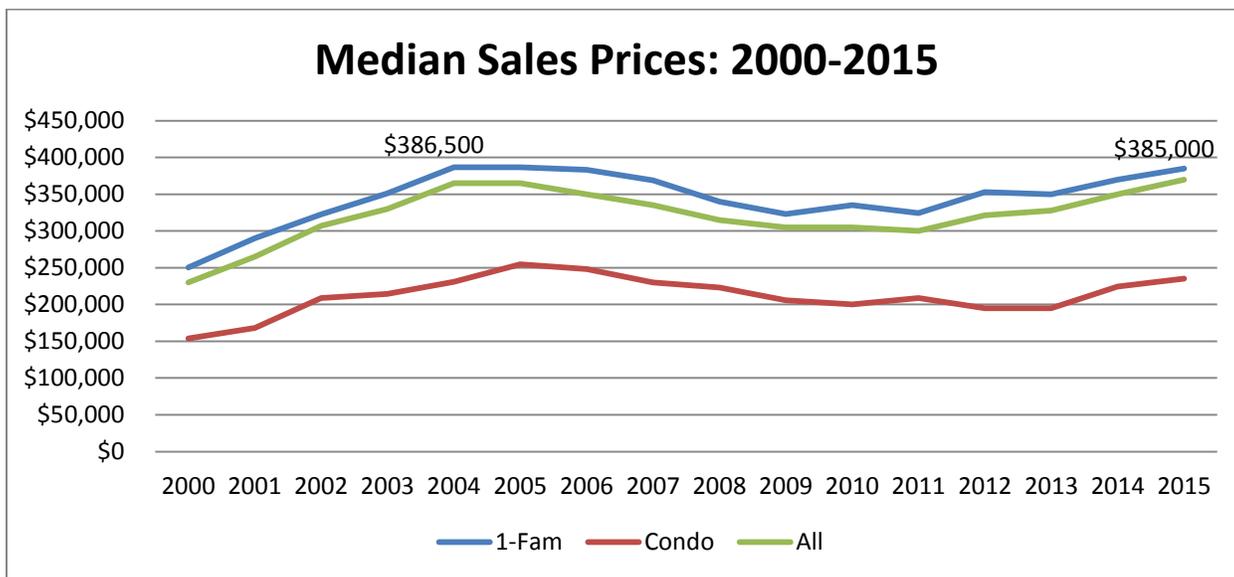


Table A.31: Median Home Sales Prices and Number of Sales

Year	Median Home Sales \$			Number of Sales		
	1-Fam	Condo	All	1-Fam	Condo	All
2000	\$250,500	\$154,000	\$229,950	310	97	510
2001	\$290,000	\$168,000	\$265,000	350	105	576
2002	\$322,500	\$209,000	\$307,250	321	87	498
2003	\$351,000	\$214,450	\$330,000	313	120	537
2004	\$386,500	\$231,000	\$365,000	307	148	581
2005	\$386,500	\$254,500	\$365,000	343	154	591
2006	\$383,000	\$248,000	\$350,000	302	150	541
2007	\$369,000	\$230,000	\$335,000	263	199	533
2008	\$340,000	\$223,250	\$315,000	274	106	445
2009	\$323,250	\$206,000	\$305,000	252	73	390
2010	\$335,000	\$200,000	\$305,000	261	84	411
2011	\$324,250	\$209,000	\$300,000	248	63	388
2012	\$353,000	\$195,125	\$321,500	299	85	484
2013	\$350,000	\$195,000	\$328,000	361	104	553
2014	\$370,000	\$224,250	\$350,000	360	104	560
2015	\$385,000	\$235,000	\$370,000	381	126	619

Source: The Warren Group, April 2016

Broker and Developer Perspective

- ▶ Beverly's real estate market is hot
- ▶ Prices are going up fast this spring
 - Very low inventory, high demand
- ▶ Seeing 50+ at open houses, multiple bids, and nearly everything is getting asking price or more
 - One recent sale \$30,000 above asking
- ▶ Multifamily – rental and for-sale – has great demand
 - Not enough inventory
 - Cummings condo property receiving lots of interest
- ▶ Condo prices seem low, but that's more because there is limited inventory and nothing new
 - Cummings condo sales, when it comes to market, will bring up median a lot

Beverly Crossing (AKA Windover Development)

(company now called Beverly Crossing to distinguish from Windover Construction)

- ▶ Committed to Beverly. Doing all their work (multifamily) in the City.
- ▶ Enterprise Apartments (79 Rantoul) and Burnham Apartments (375 Rantoul) both leased up in under 4 months – faster than projected
 - Speaks to market demand
- ▶ Demand is high for TOD product
- ▶ Enterprise Apartments: 1BR=\$1,550; 2BR=\$1,960
 - Parking, Stainless, Quartz, hardwood (manufactured), w/d, etc.
- ▶ Burnham Apartments: 1BR=\$1,490; 2BR=\$1,740
 - Parking, Stainless, Granite, hardwood (manufactured), w/d etc.
- ▶ Rents competitive (a bit less than TOD product in Salem and Chelsea)

- Salem: 1BR=\$1,900+\$2,100; 2BR=\$2,250
- Chelsea 1 North: 1BR= \$1,900-2,375; 2BR=\$2,390-\$3,360
- ▶ Who is renting?
 - A lot of young people – starting out but gainfully employed
 - Empty nesters
 - Temporary (while looking for a condo or house in Beverly)
 - Some older residents
- ▶ Why Beverly?
 - Train is the big reason (south and north – work and play) – 3rd busiest on entire MBTA system
 - So close to Boston
 - Downtown amenities – restaurants, the Cabot, future retail potential
 - Beaches
 - Cummings Center – lots of walkable jobs
 - Cherry Hill Business Park close

Under Construction

- ▶ McKay School (Beverly Crossing, AKA Windover)
 - 32 units
- ▶ Elliott Landing, Elliott Street (Cummings Properties)
 - 73 Units
 - 1BRs – mid \$300s
 - 2BRs – mid \$500s-\$700s
 - 2BRs + Den – mid \$700s
- ▶ 131 Rantoul – Depot Square Phase III (Beverly Crossing, AKA Windover)
 - 72 units
 - Will be higher end – Spring /Summer 2017
 - Roof deck
 - Ground floor retail – hoping for restaurant and other uses
 - Electric car charging stations

Proposed Development (Major)

- ▶ Congress Street (Beverly Crossing, AKA Windover) - waterfront
 - 62 units permitted
 - Awaiting findings about potential ground contamination.
- ▶ 480 Rantoul – old Friendly's (Beverly Crossing, AKA Windover)
 - 90 units
 - Mixed-use
- ▶ MBTA Site
 - Out for bid

Single-Family Development

- ▶ 92 single-family units throughout city in some form of development and planning

Opportunity Areas

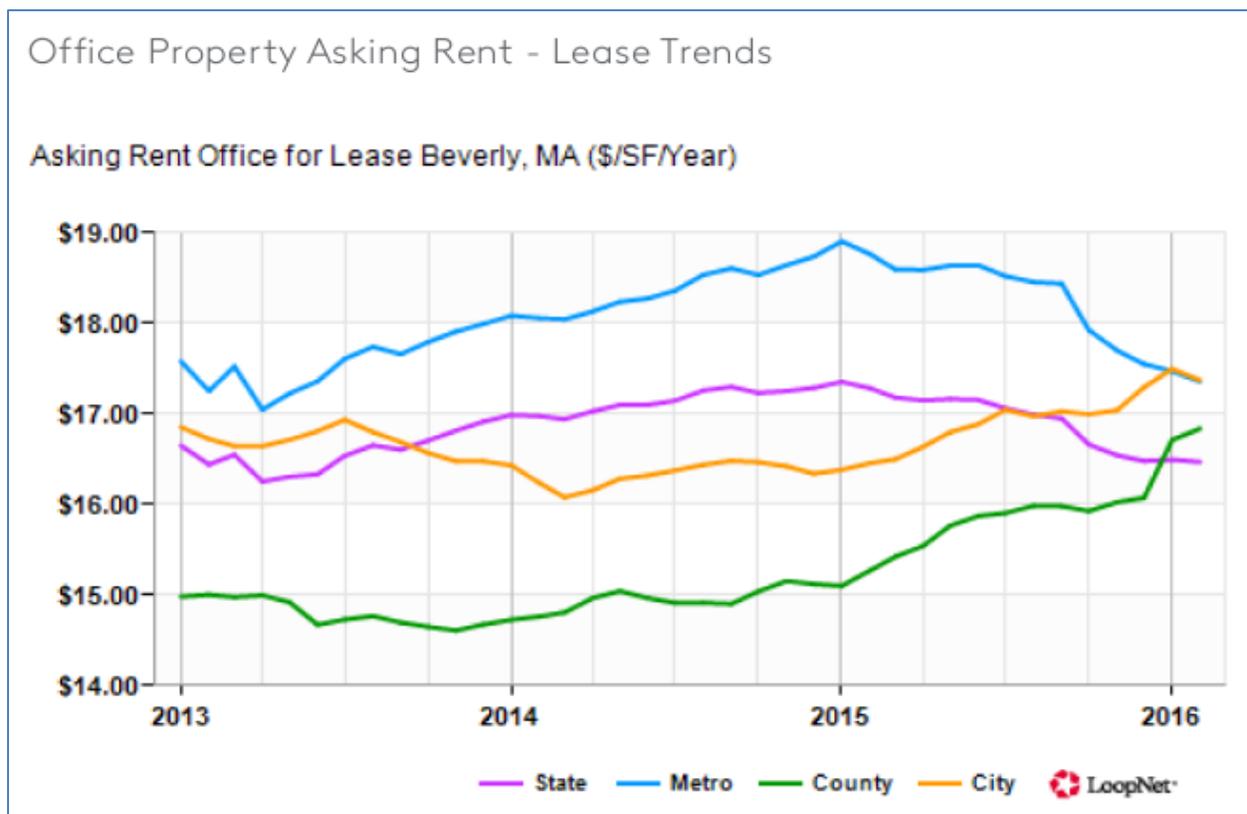
- ▶ Downtown along Rantoul

- ▶ Bass River Waterfront – nearly everyone spoken to said this is the greatest opportunity
 - Many want to see a good mix here. Residential, “artisan” and “maker” industrial, some retail, and waterfront restaurant

Office / Industrial Market

Office

According to LoopNet, the average asking rent for office in Beverly is approximately \$17.37 psf/year. This is up 2.0 percent over the last quarter, and 5.6 percent year over year. This is roughly equal to the Metro Boston average (\$17.36 psf/year), but 5.1 percent higher than county-wide (\$16.84 psf/year), and 5.4 percent higher than the State average (\$16.47 psf/year).



Source: LoopNet

According to interviews and other online research, office rents vary depending on property type and location within the City.

Beverly Office / Lab Space Rents

- ▶ Cummings Center – mid-\$20s psf/year (more info below)
- ▶ Tozier Road Area – \$18-\$20 psf/year
- ▶ Dunham Road (Cummings Property) - \$16-\$18/psf
- ▶ Downtown Professional Offices - \$15-\$20/psf

The Cummings Center

The Cummings Center is home to 2+ million square feet (MSF) of office, lab and retail (and soon residential) at the edge of downtown. There are over 450 tenants, including over 30 life sciences companies, approximately 150 physicians, numerous lawyers, marketing, advertising and other professionals, energy companies and clean tech companies.

- ▶ Attractive to Life Sciences companies who “cluster” around each other for knowledge sharing and networking
- ▶ Home to Biotech/Cleantech incubator North Shore InnoVentures
- ▶ Rents at Cummings Center in the low- to mid-\$20s psf/year – the highest office rents in Beverly
 - Consistent with North of Boston submarket
 - As a large reuse project (with new structures added) some smaller, less desirable spaces (some without windows) that rent for significantly lower
- ▶ 88 percent leased as of May 2016
- ▶ 12 percent vacancy rate, is consistent with the North of Boston office market – see below

North of Boston Submarket

According to Jones Lang Lasalle’s Q1 2016 market report, the North of Boston submarket is benefiting from the high rents and low inventories in the Boston/Cambridge core.

- ▶ Overall vacancy in the North of Boston submarket, which includes Beverly, stands at 12.4 percent, near all-time lows
 - Consistent with Cummings Center
- ▶ Average asking rents: \$23.38 psf gross, up 7.0 percent year-over-year
- ▶ Somerville/Medford are the hottest in the market, with vacancy below 8 percent
- ▶ Tenant interest is high throughout due to convenient location along either I-93 or Route 128
- ▶ Tenants increasingly attracted by the relatively affordable rents, even compared to Waltham/Needham/Burlington submarkets, where rents are now approaching \$40/psf
- ▶ Spec office development occurring in most submarkets given the near-all time low vacancies

Proposed Development

- ▶ 52 Dunham Road (Approved, Construction Summer 2016)
 - Cummings Properties will construct a 135,000 sf office building at 52 Dunham Road
 - Cummings sees the site as an attractive alternative to more expensive locations in and immediately around Boston
 - Site is attractive due to access off of Rt. 128, but also for tenants looking for Class A space in a new building, on a smaller campus than the Cummings Center
 - Rents: \$18/psf (as advertised online)
- ▶ 48 Dunham Road (Proposed)
 - 140,000 sf building
 - Cummings Properties

Opportunity Areas

- ▶ Cummings Center for infill businesses
- ▶ Cherry Hill – Potential sites particularly for biotech or advanced manufacturing
- ▶ Dunham Road – Development already underway. More development will depend on improved connectivity (e.g. potential bridge)

Retail Market

As noted in the industry section, retail employment in Beverly has decreased.

- ▶ Beverly is not a retail destination for the North Shore
- ▶ Strength is the small clusters primarily serving neighborhoods

Downtown

- ▶ Rents
 - Cabot (from A&B to the Cabot): low- to mid-\$20s psf/year
 - Other Cabot and Rantoul, \$15-\$18 psf/year
 - Cummings Center (outskirts): Low \$20s psf/year (captive audience)

Retail Route 128 / Brimbal / North Beverly

- ▶ Rents: Low \$20s to Low \$30s psf/year

Proposed Development

- ▶ 140 Brimbal Avenue: CEA Group
 - 65,000 sf
 - Approved March 2015, modified plan approved January, 2016
 - Whole Foods Market will anchor
 - Meets demand identified in retail gap analysis
- ▶ MBTA Site (out for bid)
- ▶ 131 Rantoul – Depot Square Phase
 - Ground floor retail – hoping for restaurant, and other uses

Future Potential

- ▶ Downtown
 - Infill along Cabot, and more shoppers goods (e.g. clothing, gift)
 - Convenience (resident and commuter) along Rantoul, after road project is completed, including specialty food store
- ▶ Based on retail opportunity analysis, little additional opportunity for regional retail, with the exception of a lawn/garden center and a large supermarket (but the future Whole Foods will likely capture most of the available spending)

Business Friendliness

The City of Beverly was uniformly praised by those interviewed as being extremely pro-business, and easy to work with. Key highlights from interviews:

- ▶ One company, who was looking for a new headquarters, said no other city they met with (throughout the country) was as welcoming as Beverly. “There was incredible cooperation from the City all the way through the process, from Planning to the City Council.”
- ▶ Several mentioned the great partnerships between the City, non-profits (e.g. Main Streets, Montserrat) and business community
- ▶ Others praised City staff for “walking them through what needed to be done” or that the City helped them to identify where a certain type of business could go