

## **Boulder Primary Employer Survey June 2021**







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## Introduction

This survey of primary employers was originally planned for the first quarter of 2020 but was postponed due to the pandemic.

Primary employers are those who derive more than 50 percent of revenue from outside of Boulder County and include sectors such as technology, bioscience, aerospace, etc.

The survey was adjusted and expanded to gauge impacts of Covid in addition to feedback on the Boulder business climate in general. Surveys were completed from May 4 to June 1, 2021.





## Methodology

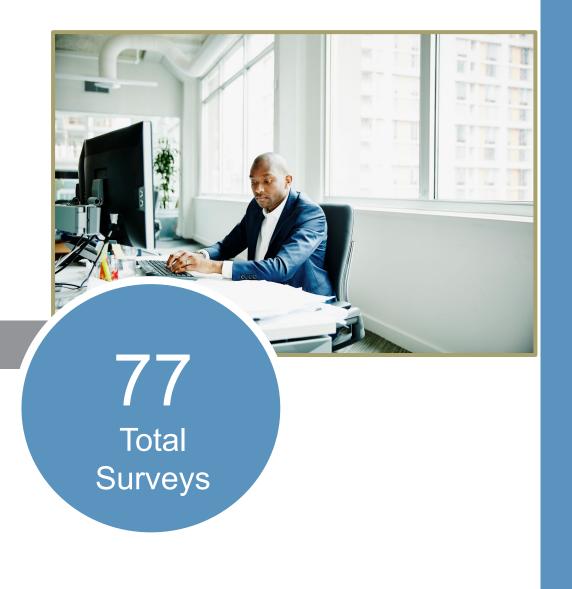
#### **Primary method:**

There are approximately 768 primary employers in Boulder. RRC compiled a list of 3,200 emails using a purchased database from Data Axle, the Naturally Boulder membership list and City of Boulder contacts.

In addition, the Boulder Economic Council created a list of approximately 171 employers from BEC and Boulder Chamber membership rosters.

Surveys were emailed out on May 3<sup>rd</sup> and results collected through June 1<sup>st</sup>. The BEC emailed to their list separately and RRC tabulated the results of both surveys together.

There were 77 completed surveys returned out of an estimated 768 primary employers (extrapolated from CU estimates in 2016 and 2020); given these estimates the results of survey represents approximately 10% of primary employers in Boulder and have a 9.6% margin of error.

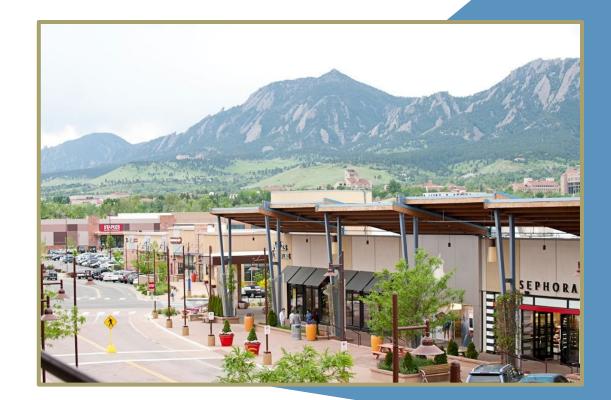


- Covid impacted most businesses in Boulder negatively, but there is significant optimism about the future of the local/regional economy.
- Half of respondents expect to grow their workforce and 30% plan to grow their footprint; compared to 14% who plan to shrink their space.
- Despite cost concerns, Boulder is viewed as a good place to do business, with 73% voicing satisfaction compared to 14% that are unhappy. Companies want to do business in Boulder.





- Over half of respondents believe Boulder is a better place to do business than other cities, which is the same as in 2012; however, 1/3 think it is worse, which is higher than 2012 when 17% said it was worse. This likely correlates to escalating costs and scarcity of space and employees.
- The "Boulder Brand" is powerful but seems to be losing some luster. 1/3 say a Boulder address is good for business which is down from 61% in 2012. Half now say it has little or no effect.





- Employee housing is the dominant challenge, followed by the cost of doing business and finding space. These issues point to a continuing trend of growing companies looking outside of Boulder for affordability.
- The success factors considered most important by businesses are broadband access, affordable space and availability of qualified staff. Boulder rates well for connectivity but is a challenging environment on the other two factors.





- High real estate costs for purchasing and leasing have been an issue in Boulder for decades and are likely a permanent part of the business landscape in the city.
- While employee wages and availability are key issues here, they are also the dominant business challenges nationwide.
  Boulder companies are not unique in dealing with recruiting issues and rising payroll costs; however, the high cost of housing likely amplifies the problem locally.





- Post Covid, 65% of firms report their space meets all or most of their needs. However, this is down from 83% before the pandemic. The number of firms reporting their space met only some or none of their needs increased sharply after Covid to 35%. This is likely due to a shift toward hybrid office models.
- 43% of firms who rent space say they will definitely or probably not renew their lease.
  18% of firms surveyed anticipate moving out of Boulder in 1-3 years which points to more activity in the regional commercial leasing market in 2021-2022.
- Of those firms planning to move, the primary reason is not surprisingly the cost of space.





- Despite the challenges of rising wages and availability, the growing need for talent will continue to fuel hiring with half of firms planning to grow their workforce
- 72% of respondents report that half or more of their employees live outside of Boulder. Larger companies are more likely to have a higher percentage of employees who are in-commuters.





- Remote working was not uncommon before Covid with 53% of firms reporting that 20% or more of employees worked remotely. However, the pandemic caused a major spike. 87% now report that 20% or more of their staff are working remotely which is in sync with national trends.
- In summary, the Boulder brand, quality of life and culture continue to make the city desirable. Companies want to be here and consider it a good place to do business.
  However, the high and rising costs for space, housing and employees will pressure some employers to leave. These pressures are not new to Boulder but seem to be intensifying post-Covid.





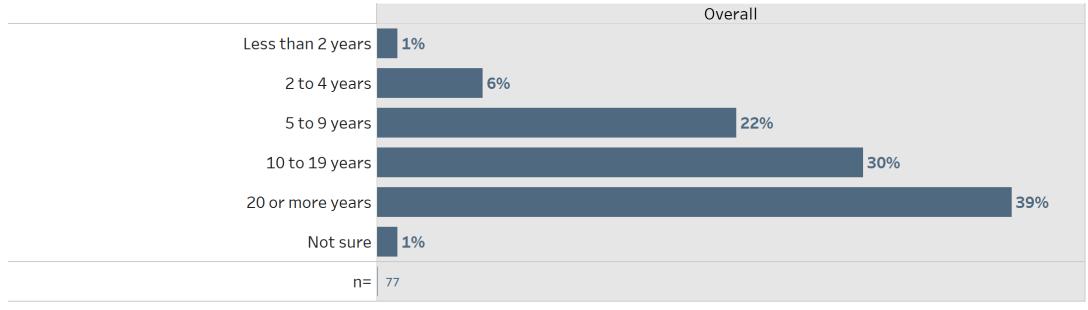
#### **Respondent Characteristics**



## **Years in Boulder**

38% of businesses said they have been in operating in the City of Boulder for 20+ years and 2/3 have been here for 10 years or longer.

Q 4: About how many years has your business been operating in the city of Boulder?

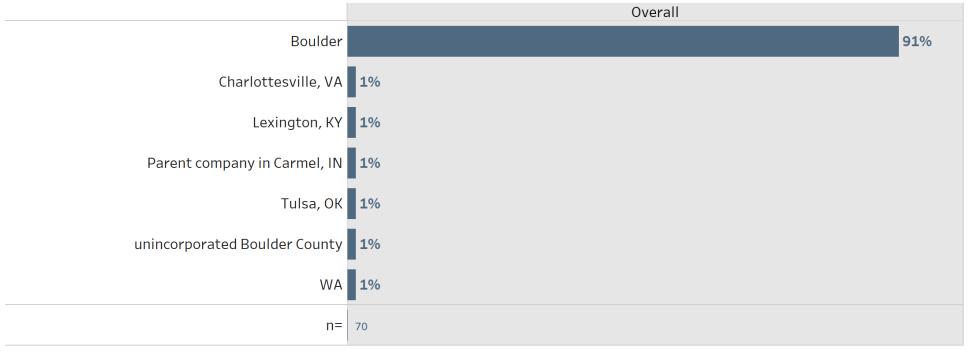




### Headquarters

Most of the respondents are headquartered in Boulder.

#### Q 34: Where is your business headquartered? Other (Please specify)





## **Revenue Sources by Geography**

Collectively, respondents, report that approximately 79% of revenue comes from outside Boulder County with about 60% coming from outside of Colorado.

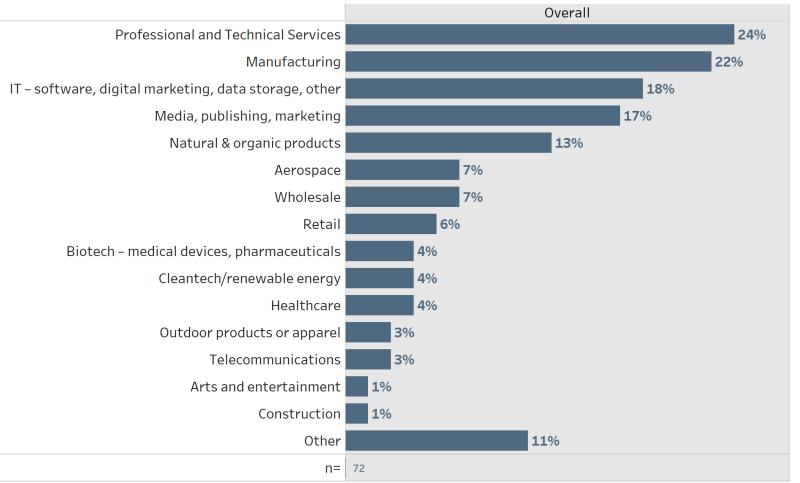
Q 35: Approximately what percentage of the revenue for your Boulder location(s) comes from sales in...

	% Boulder County	% Colorado outside Boulder County	% U.S. outside Colorado	% Countries outside U.S.
0%	28%	21%	19%	54%
1% - 10%	34%	28%	7%	30%
11% - 20%	7%	13%	1%	6%
21% - 30%	3%	16%	3%	4%
31% - 40%	4%	6%	4%	1%
41% - 50%	7%	9%	15%	1%
51% - 60%	3%	3%		
61% - 70%	1%		9%	
71% - 80%	3%	3%	16%	
81% - 90%			15%	1%
91% - 99%			7%	
100%	7%		1%	1%
Avg. 2	21.4%	19.1%	51.6%	7.9%
n= 6	7	67	67	67



## Industry

#### Q 36: What industry is your business in? (Check all that apply)



The survey sample is diversified across industry sectors with professional/tech services and manufacturing the two largest segments.

#### Other specified industries:

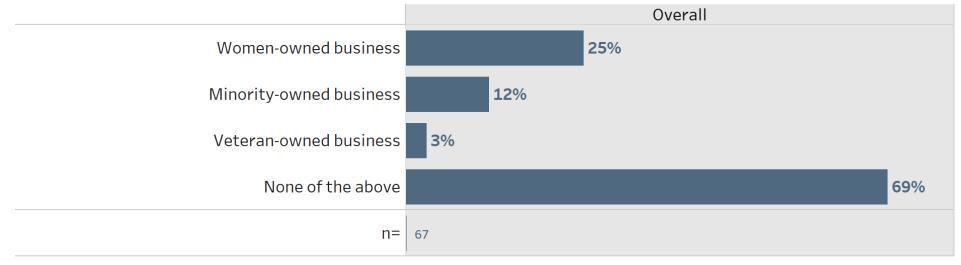
L	Defense
	Climate
	Environmental Nonprofit
	Travel
	Educational non-profit
	Nonprofit
	foodservice equipment and supplies distribution
	Brewing



### **Business Ownership**

31% of those surveyed reported they represented women-, minority- or veteran-owned businesses

Q 37: Which of the following, if any, applies to your business? (Check all that apply)

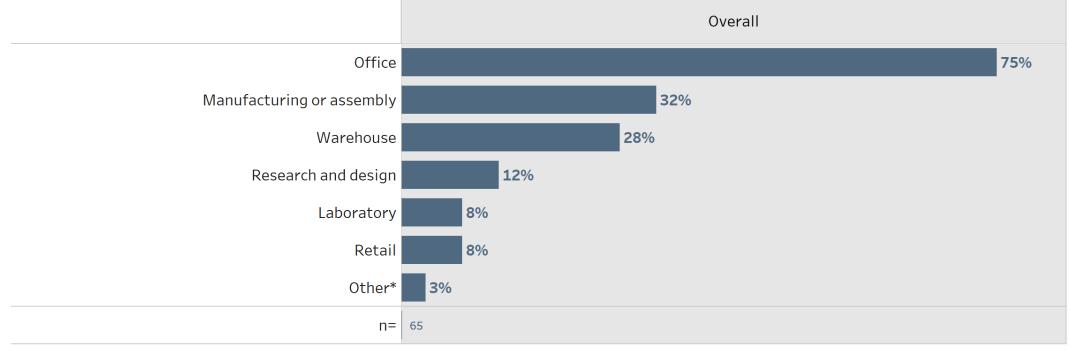




## **Type of Space**

Most of the respondents are office users but manufacturing and warehousing were also represented. Many facilities in Boulder provide both office space and production, research or warehouse functions.

Q 18: What type of space does your business primarily occupy in Boulder? (Check all that apply)



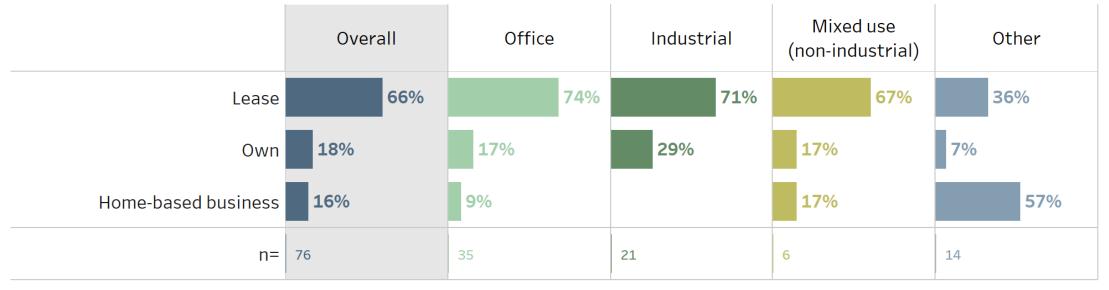
\*Includes home offices and commercial kitchen spaces. Source: RRC Associates



## **Own or Lease**

2/3 of the respondents lease their space in Boulder and about 1/5 own their facility. The remainder are home-based.

Q 17: Does your business own or lease the space it occupies in Boulder? (If more than one location, please answer for your primary facility)



Source: RRC Associates

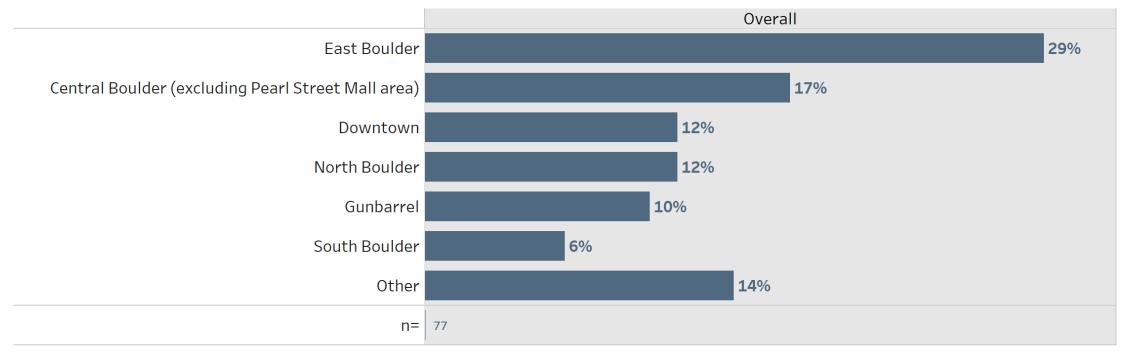
\*mixed-use includes laboratory, research and design and retail



#### **Business Location**

Respondents are geographically dispersed across the city with about 1/4 from East Boulder where business density is highest.

Q 15: Where is your business located in Boulder? (If more than one location, please answer for your primary facility)

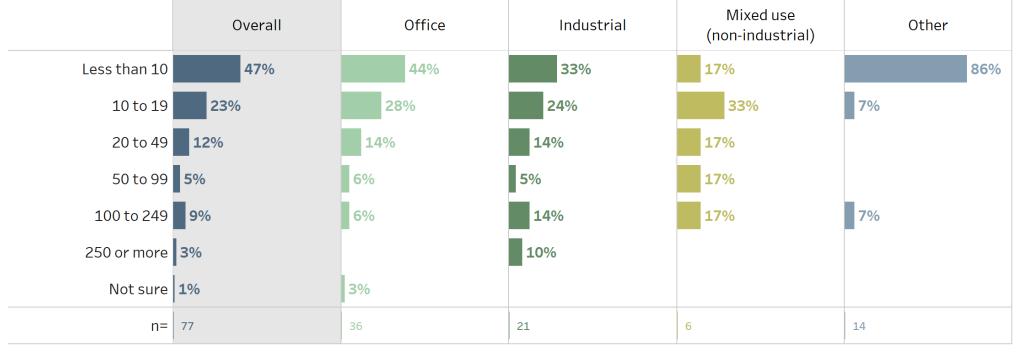




## **Number of Employees**

Respondents are primarily smaller companies with half reporting less than 10 employees and 84% reporting less than 50.

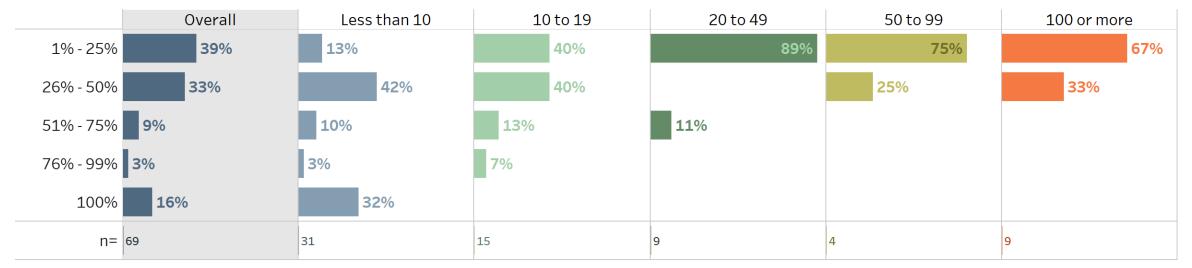
Q 25: Approximately how many employees does your business currently have in Boulder, including those that may be working remotely?





## **Employees Home Location**

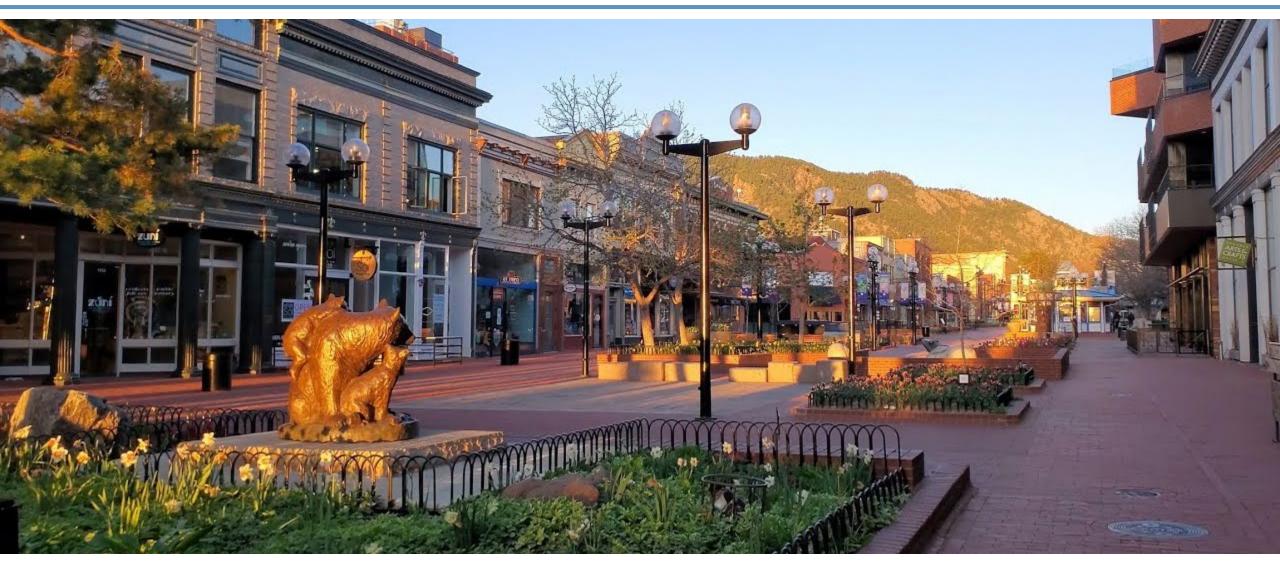
Overall, 72% of respondents report that 50% or less of their employees live in Boulder. While sample sizes are small for larger companies, the data indicate that bigger firms have a higher percentage of workers who commute from outside of Boulder.



#### Q 27: About what percentage of your Boulder employees live in the city of Boulder?



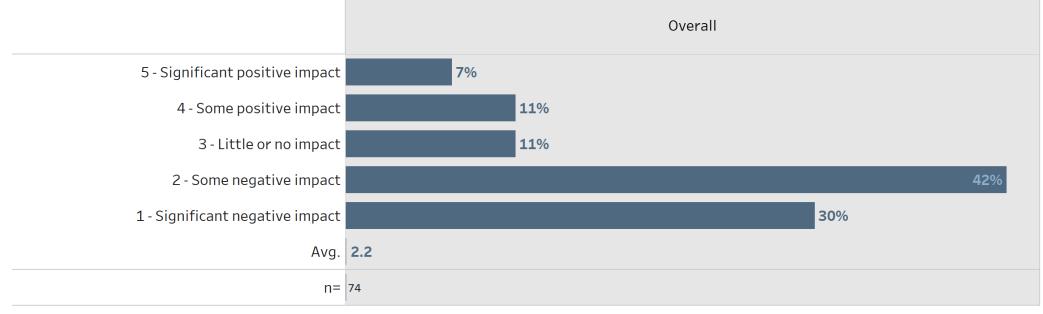
### **Covid Impacts**



## **Covid Impact**

As expected, the pandemic did negatively impact primary employers; almost 3/4 of respondents said it had either some or significant negative impact on their business.

Q 1: Overall, how would you describe the impact of the Covid-19 pandemic on your business in Boulder?





#### **Open-Ended Comments**

**Q2.** Before the COVID-19 pandemic, what were the three biggest challenges facing your business?



When asked "Before the COVID-19 pandemic, what were the three biggest challenges facing your business?" respondents provided a total of 204 open ended responses. Throughout all responses, **staffing issues** (primarily difficulty finding and retaining staff) was the most common theme prior to the pandemic, followed **business growth** and **reduced sales, cash flow, or funding**. Other notable themes included cost of space in Boulder, taxes and other expenses.



## **Open-Ended Comments**

**Q3.** Currently, what are the three biggest challenges facing your business?



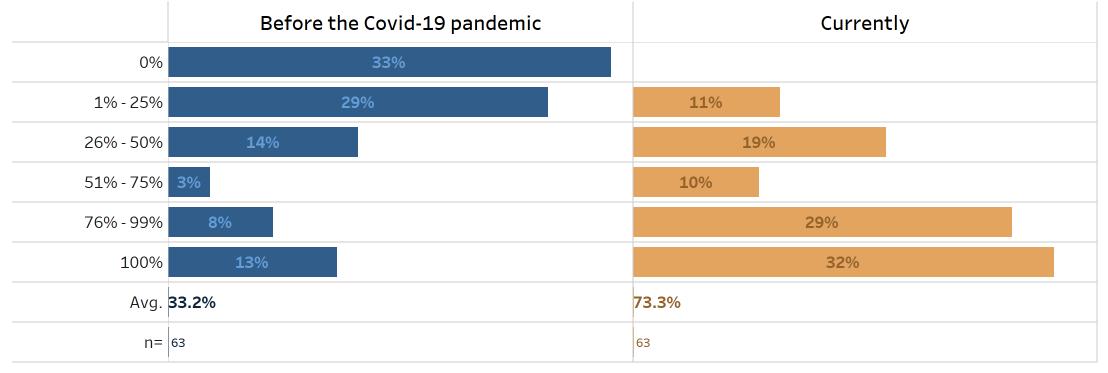
When asked "Currently, what are the three biggest challenges facing your business?" respondents provided 224 open responses. While the primary theme was still **staffing issues**, overall themes were somewhat less diverse than challenges pre-pandemic, with a **loss of business/revenue**, **difficulty with growing**, and **supply chain issues** representing the 2<sup>nd</sup> through 4<sup>th</sup> most common challenges. Notably, a number of respondents also cited a spike in demand as a current challenge as well.



### **Remote Work**

The number of firms with a significant number of employees working remotely jumped sharply. 71% report more than half are currently remote vs. 24% before Covid.

Q 28 & 29: Approximately what percentage of your employees in Boulder worked/work remotely...

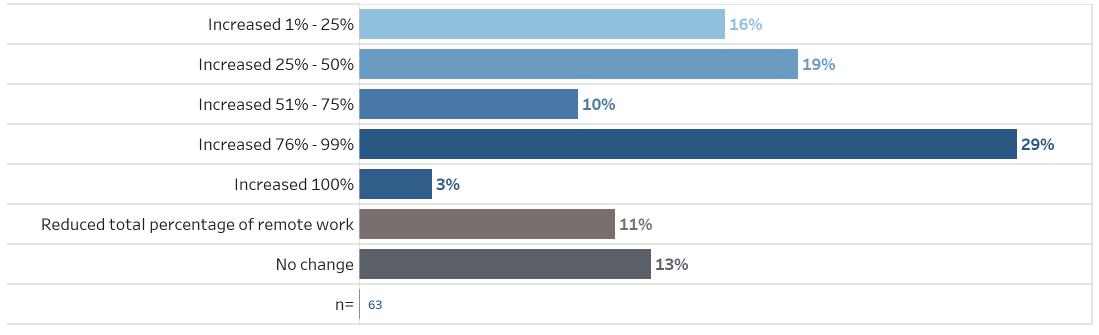




## **Remote Work**

77% of firms surveyed report an increase in remote working now vs. before the pandemic. This is in sync with national trends.

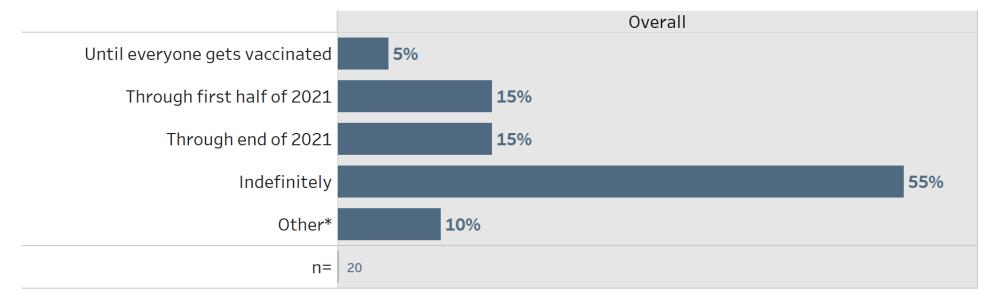
#### Percent change in employees working remotely before and after the Covid-19 pandemic:





#### **Expectation to Continue Remote Work**

More than half of respondents said they would continue to offer remote work opportunities indefinitely for their employees. 30% expect to end the option later in 2021.



Q 30: How long do you expect to maintain remote working opportunities for your employees?

\*Other comments included self employed/no other employees and previously had remote work opportunities. Source: RRC Associates



## **Covid Impact on Workforce Needs**

Even among companies reporting a major negative impact from Covid, just 18% expect to decrease their workforce in the next three years.

1 - Significant negative 2 - Some negative 4 & 5 - Positive Impact 3 - Little or no impact Overall impact impact 51% 54% 50% 65% 27% Increase 36% 38% 25% 32% 45% Remain about the same Decrease 3% 18% 8% 13% Not sure **5%** 8% 13% 9% 77 13 8 31 22 n=

Q 26: Over the next 1 to 3 years, do you expect the number of employees working for your Boulder location(s) to...



## **Post-Covid Expectations**

Just a quarter of respondents expect to return to pre-Covid operating models with nearly two-thirds planning more flexibility or moving mostly to remote working.

Q 31: After Covid-related public health restrictions are lifted, what changes, if any, do you expect to make in your business operations?

	Overall	Office	Industrial	Mixed use (non-industrial)	Other	
Plan to operate using same model used before Covid	26%	19%	38%	50%	14%	
Expect to allow more flexibility and remote working than before Covid	57%	58%	48%	33%	50%	
Plan to operate with most or all work done remotely	13%	14%	5%	17%	21%	
Not sure	3%	3%	5%			
Other	6%	6%	5%		14%	
n=	77	36	21	6	14	

\*mixed-use includes laboratory, research and design and retail



#### **Boulder as a Place to Do Business**



## **Satisfaction of business in Boulder**

Satisfaction with operating a business in Boulder is high with 74% of respondents either somewhat or very satisfied. Just 13% are dissatisfied.

#### Overall Less than 5 5-9 10 - 1920 or more 5 - Very satisfied 38% 41% 30% 17% 47% 4 - Somewhat satisfied 36% 43% 37% 50% 24% 13% 33% 9% 3 - Neutral 24% 3% 2 - Somewhat dissatisfied 8% 12% 9% 7% 1 - Very dissatisfied 9% 5% 7% Avg. 3.9 3.8 3.9 3.8 4.1 17 23 n= 77 6 30

Years in Business

Q 5: Overall, how satisfied have you been with Boulder as a place to do business?



## **Satisfaction with Location**

Overall, more than 3/4 of businesses are satisfied with their location with only 6% unhappy. East Boulder companies tend to be the most content with their location within the city of Boulder.

Q 16: Overall, how satisfied are you with that area as a business location? by Location

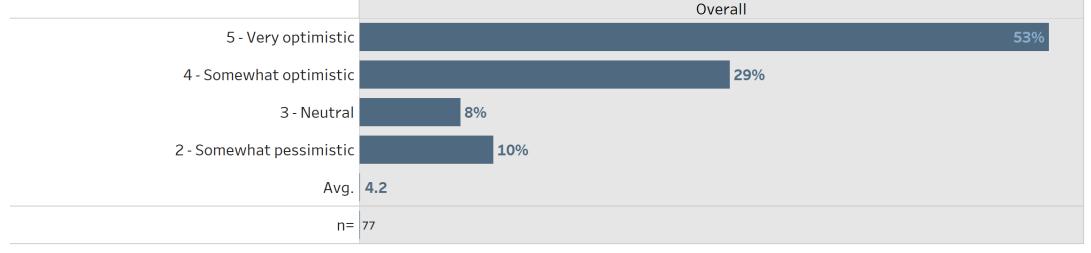
	Overall	East Boulder	Central Boulder	Downtown	North Boulder	Gunbarrel	South Boulder	Other
5 - Very Satisfied	46%	55%	31%	50%	44%	38%	20%	64%
4 - Somewhat satisfied	30%	32%	31%	50%	22%	38%	40%	9%
3 - Neutral	17%	9%	23%		22%	13%	40%	27%
2 - Somewhat dissatisfied	5%	5%	8%		11%	13%		
1 - Very dissatisfied	1%		8%					
Avg.	4.1	4.4	3.7	4.5	4.0	4.0	3.8	4.4
n=	76	22	13	8	9	8	5	11



### **Boulder's Economic Future**

Similar to national and regional surveys, optimism among our sample is high. 82% of businesses are either or somewhat or very optimistic. Just 10% are somewhat pessimistic.

#### Q 6: How optimistic are you about Boulder's economic future?

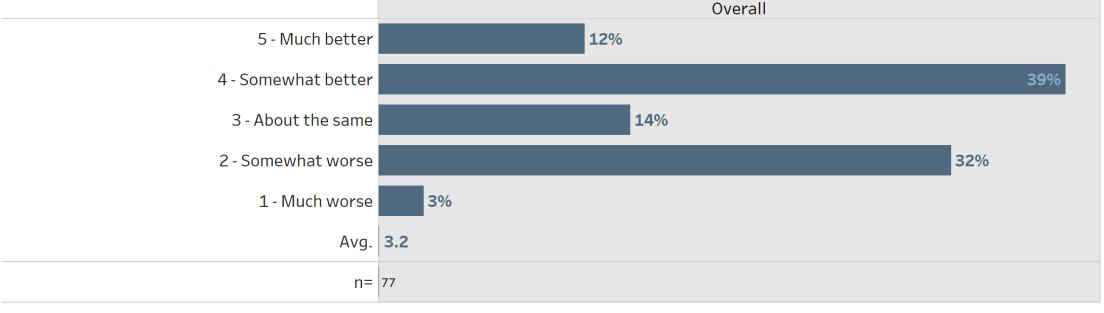




## **Boulder Compared to Other Cities**

Just over half of businesses think Boulder is a better place for companies like theirs than other cities but more than 1/3 think it is worse.

Q 7: In general, how do you think Boulder compares to other cities in the area as a place for businesses like yours?





### **Open-Ended Comments**

**Q8.** How do you think Boulder compares to other cities in the area as a place for business like yours? (Much better, Somewhat better, & About the same)

After rating Boulder as compared to other cities in the area on a scale from "Much better" to "Much worse," respondents were asked to explain their rating.

Of those who rated Boulder as better than other cities, the most common reasons were associated with the **atmosphere and community** in Boulder, including access to a **well-educated workforce**, **supportive community**, **higher average income**, and the **University of Colorado**.

Respondents who rated Boulder as being about the same primarily indicated that their business was not dependent on being in Boulder, while a few comments emphasized the downsides of the city, such as **hiring challenges**, and **cost of living**.



The Boulder business community is very tight knit and in most cases, supportive of each other compared to most other cities. People who live/work in Boulder want to be here, and they tend to root for Boulder companies to succeed.

I think Boulder is on the brink of losing its competitive advantage as place to work as the cost of living is too high for nonprofit employees. We need to do more to make Boulder an affordable and diverse community that will attract and retain talent. We need better transportation infrastructure to make commuting a desired and environmentally sustainable option in the workplace of the future.



### **Open-Ended Comments**

**Q8.** How do you think Boulder compares to other cities in the area as a place for business like yours? (2 – Somewhat worse & 1 – Much worse)

AFFEC

Finally, respondents who rated Boulder as being worse than other cities indicated **high costs** of running a business in the city. This included **tax rates**, **property ownership** and **rental costs**, and **cost of living**. A few comments highlighted city and county restrictions related to Covid.

Cost of rent and living is going up and companies like ours cannot compete with tech firms for salaries. Boulder is following the same trend that we had with our San Francisco operations ten years ago. We eventually had to downsize our presence there and are making plans to downsize in Boulder. Boulder does provide a nice quality of life for staff that can afford it.

property tax on commercial buildings

MANY

Homeless

Many people we compete with are not paying the price to rent in Boulder. Our overhead is 2-3 times most of my competitors.

AVERAGE

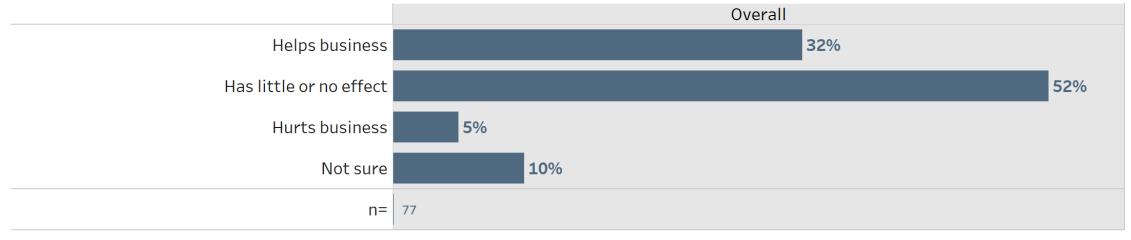
Taxes are obscene. Seems like county Covid restrictions are crushing



### **Boulder Address**

Approximately 1/3 of respondents feel that a Boulder address is positive for their business. More than half feel it has little or no effect and only 5% believe it hurts their business.

#### Q 9: How does having a Boulder address affect your business?





# **Boulder Ratings (1 of 2)**

Boulder was rated strongly for an inclusive and welcoming environment with 44% saying it is excellent or very good. 23% of respondents rate access to business resources well and 44% rate it as good. More than half of respondents rated the ease of doing business as good.

#### Q 10: How would you rate the following in the city of Boulder?

Rating Category	Avg.	n= 1&2	3	4 & 5
Inclusive and welcoming environment	3.3	73 <b>10% 7% 16%</b>	40%	32% 12% 44%
Access to business resources	2.9	70 6% 27% <b>33%</b>	44%	14% 9% 23%
Ease of doing business	2.9	74 5% <b>24% 30%</b>	54%	12% 16%
Clear and understandable City policies/regulations for businesses	2.6	64 <b>14% 27% 41%</b>	47%	9%     13%     5 - Excellent       9%     4 - Very good       3 - Good
Availability of workforce transportation options	2.5	68 <b>22% 29% 51%</b>	34%	7% 7% <b>15%</b> 2 - Fair 1 - Poor



# **Boulder Ratings (2 of 2)**

Employee housing is clearly the biggest negative issue with nearly 2/3 rating Boulder as "poor" in availability. The other major issue is the high cost of doing business here, followed by availability of suitable space and recruiting employees.

#### Q 10: How would you rate the following in the city of Boulder?

Rating Category	Avg.	n=		1	& 2	3		4&5
Ability to find and retain employees	2.4	70	26%	33%	59%	23%	17% 19%	
Availability of suitable space for businesses	2.3	71	28%	30%	58%	34%	6% <mark>8%</mark>	
Cost of doing business	1.8	76	37%	4	45% 82%	17%	1%	5 - Excellent 4 - Very good 3 - Good
Availability of workforce housing	1.5	69	64	.%	25% 88%	12%		2 - Fair 1 - Poor



### **Importance of Boulder Amenities and Characteristics (1 of 2)**

All categories listed were of particular importance to businesses. However, Broadband, cost of space and availability of talent are the dominant priorities for Boulder business. Wage rates, parking access, nearby amenities, diversity and the city's reputation for innovation were also important.

Q 11: Using a scale from 1 to 5, please tell us how important each of the following factors are to your business:

Rating Category	Avg.	n=	1&2	3		4 & 5	
High-speed connectivity/broadband service	4.6	76	4%	7%	16%	74%	89%
Cost of space for businesses	4.5	75	3%	13%	19%	65%	84%
Availability of qualified employees	4.4	72	3%	10%	31%	57%	88%
Employee wage rates	3.9	72	7%	21%	43	3% 29% <mark>72</mark>	%
Boulder's reputation for innovation and entrepreneurship	3.6	76	13% 17%	18%	34%	30% <mark>64%</mark>	
Availability of parking	3.4	76	14% 11% 25%	17%	33%	25% <mark>58%</mark>	
			1 - Not at all important 2	3 4		<b>5 - Very ir</b> Source: RRC	nportant Associates

### **Importance of Boulder Amenities and Characteristics (2 of 2)**

Again, almost all areas showed relatively high importance. Close proximity to a university is of slightly less importance as well as access to public transportation.

#### Q 11: Using a scale from 1 to 5, please tell us how important each of the following factors are to your business:

Rating Category	Avg.	n=	1&2	3	4 & 5
Diversity of local workforce	3.3	74	19% 7% 26%	20%	35% 19% <mark>54%</mark>
Availability of restaurants, shopping, and services	3.3	75	9% 20% 29%	20%	35% 16% 51%
Access to markets and customers	3.3	76	18% 14% 33%	21%	14% 32% <b>46</b> %
Access to public transportation	3.1	73	14% 19% 33%	27%	21% 19% 40%
Access to trails and recreation facilities	3.1	76	20% 17% <b>37%</b>	14%	33% 16% <b>49%</b>
Close proximity to a university	2.9	74	20% 18% <mark>38%</mark>	28%	23% 11% 34%
			1 - Not at all important 2	3 4	5 - Very important



### **Open-Ended Comments**

#### **Q12. What other factors are important to your business?**

33 businesses identified other important factors, including **availability of commercial spaces**, quality of life **amenities**, **community engagement**, and **reliable municipal services** (including utility services, transportation and roadways, and taxes and code enforcement).





### **Ratings of Boulder Amenities and Characteristics (1 of 2)**

Predictably, Boulder rated extremely well on quality-of-life amenities and University access, which points to the city's strong allure to tech and lifestyle employers despite the high cost of space.

Q 13: Using the same list, please tell us how you rate the city of Boulder on the following factors, where 1 = "Poor" and 5 = "Excellent":

Rating Category	Avg.	n=	1&2	3		4&5
Access to trails and recreation facilities	4.8	74		4%	14%	82% <mark>96</mark> %
Close proximity to a university	4.7	73	1%	5%	14%	79% 93%
Availability of restaurants, shopping, and services	4.2	73	3%	14%	38%	45% 84%
Boulder's reputation for innovation and entrepreneurship	4.2	70	3%	20%	26%	51% 77%
High-speed connectivity/broadband service	3.7	72	8% 13%	24%	40%	24% 64%
Access to public transportation	3.5	69	10% <b>12%</b>	43%	29% 169	% <mark>45</mark> %
			1 - Poor	2 3 4	5-1	Excellent Source: RRC Associates

# **Ratings of Boulder Amenities and Characteristics (2 of 2)**

Factors that rated low are cost of space for business, workforce diversity and availability of parking.

Q 13: Using the same list, please tell us how you rate the city of Boulder on the following factors, where 1 = "Poor" and 5 = "Excellent":

Rating Category	Avg.	n= 1&2	3	4 & 5
Access to markets and customers	3.3	69 <b>10% 14%</b>	46%	28% 12% 39%
Availability of qualified employees	3.1	70 7% 19% <b>26%</b>	37%	30% 7% 37%
Employee wage rates	2.9	65 8% 20% <b>28%</b>	51%	20% 22%
Availability of parking	2.8	73 7% 29% <b>36%</b>	41%	21% 3% <mark>23%</mark>
Diversity of local workforce	2.4	65 25% 31% <mark>55%</mark>	35%	6% <b>9%</b>
Cost of space for businesses	2.0	72 35% 39% <b>74%</b>	22%	4%
		1 - Poor	2 3 4	5 - Excellent



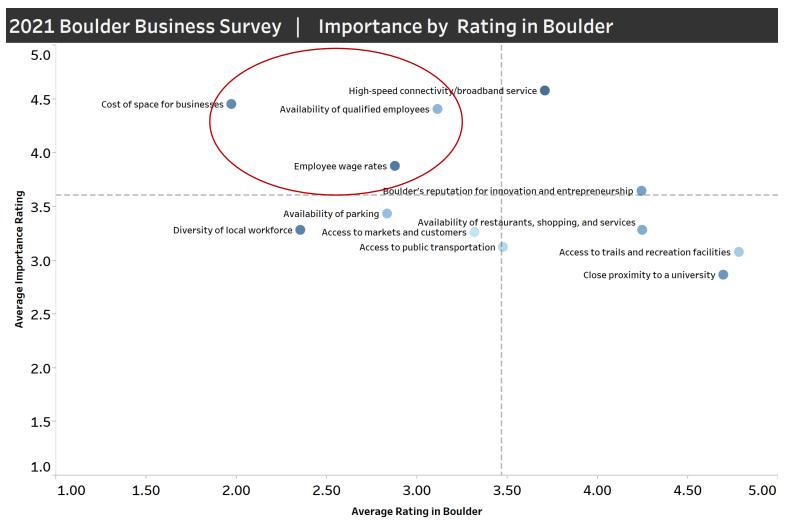
### Importance/Ratings Matrix Description

Average ratings and importance of each factors are displayed on the following slide using the following matrix.

#### High importance/ High importance/ Low rating High rating These amenities are important to most These are key areas for potential businesses and should be maintained in improvements. Improving these areas would the future but are less of a priority for likely positively affect the degree to which improvement as needs are currently business needs are met overall. being adequately met. Current levels of support appear to be These "niche" areas have a small but passionate adequate. Future discussions evaluating whether the resources supporting these interest, so measuring when planning for future improvements may prove to be valuable. amenities outweigh the benefits may be constructive. Low importance/ Low importance/ Low rating High rating

### **Importance/Ratings Matrix**

Cost of space, employee wages and availability of qualified employees are areas that could use improvement





### **Open-Ended Comments**

Q14. What improvements, if any, do you feel are needed to make Boulder a better location for businesses like yours?

23 respondents offered suggestions on how to improve Boulder as a location to own a business. The top suggestions were **increasing affordability** and a focus on **small business**, addressing concerns around **safety and the transient community**, interest in improved **Wi-Fi/broadband**, increasing **diversity** among employees and issues regarding **transportation**.

As noted in a prior comment - access to affordable housing and environmentally sustainable transportation.

Fix transportation options (ie driveability, not just mass transit) Lower the ridiculous property taxes on commercial real estate. Eliminate personal property taxes on items where sales tax has already been paid. Fix all the streets instead of just the ones visible to city council. Deal with the homeless problem

The wifi is actually a huge issue. There's also no diversity but we hire from outside of CO so we, ourselves, have a diverse workforce.





### **Open-Ended Comments**

Q39. Please share other comments or suggestions you have for how the City of Boulder can better support businesses?

When asked for other comments or suggestions you have for how the City of Boulder can better support businesses, there were 18 responses. Of these comments, changes regarding **affordability/cost of doing business**, and concerns around **taxes** were mentioned most often.

It is difficult to run a business and compete on a national level with high wages, high rent and a lot of regulation. Boulder is an amazing community which we have been proud to be a part of for over 20 years, but we need help to stay

We have been very disappointed with the City since COVID. Seriously, a sales tax audit during the lockdown when we were trying to figure out how to reconfigure and survive. And now it's permitting permitting, this is not the speed of business.

We need to offer a great place to live and work that compares very well nationally.





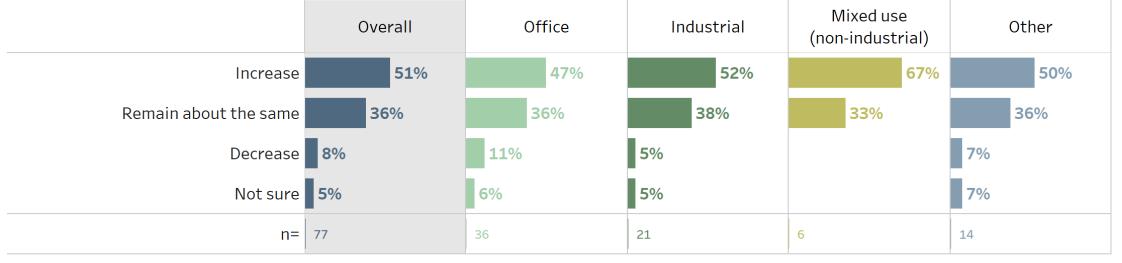
### **Space Needs and Planning**



### **Employees Over Time**

Demand for new employees will be strong over the next 1 to 3 years, with half expecting to grow their workforce and just 8% expecting to decrease.

Q 26: Over the next 1 to 3 years, do you expect the number of employees working for your Boulder location(s) to...





### **Employees Over Time**

#### **By Number of Employees**

While very few respondents of any size expect to shrink their number of employees, those with more than 10 employees are the most likely to increase hiring.

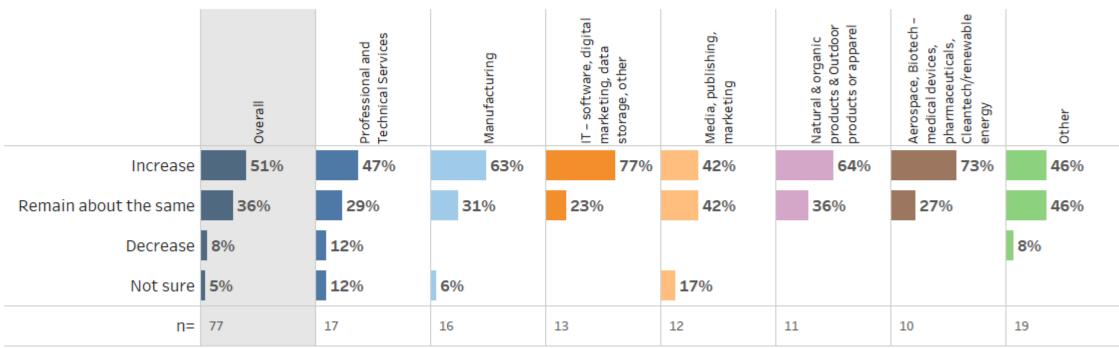
Overall Less than 10 10 to 19 20 to 49 50 to 99 100 or more 51% 28% 83% 67% 50% 67% Increase 36% Remain about the same 53% 11% 22% 50% 33% Decrease 8% 11% 8% 6% Not sure 5% 11% 36 18 9 n= 77 9 4

Q 26: Over the next 1 to 3 years, do you expect the number of employees working for your Boulder location(s) to...



### **Employees Over Time** By Industry Sector

Companies in the various technology sectors are the most likely to be planning expansions in hiring over the next 1-3 years.



Q 26: Over the next 1 to 3 years, do you expect the number of employees working for your Boulder location(s) to...



### **Prior vs. Current Space Needs**

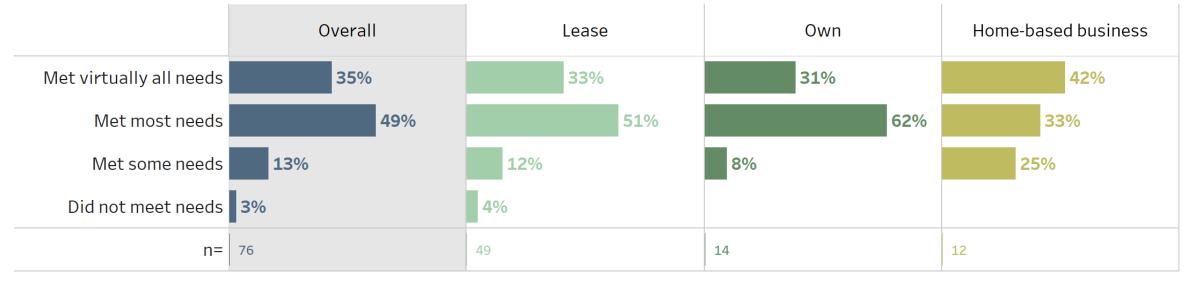
While nearly 2/3 of responding firms say their space meets all or most current needs, this is down from 84% before the pandemic.





### **Prior Space Needs**

Prior to the pandemic, businesses were satisfied with their space, with 84% saying it met their needs and just 3% indicating their space was inadequate.

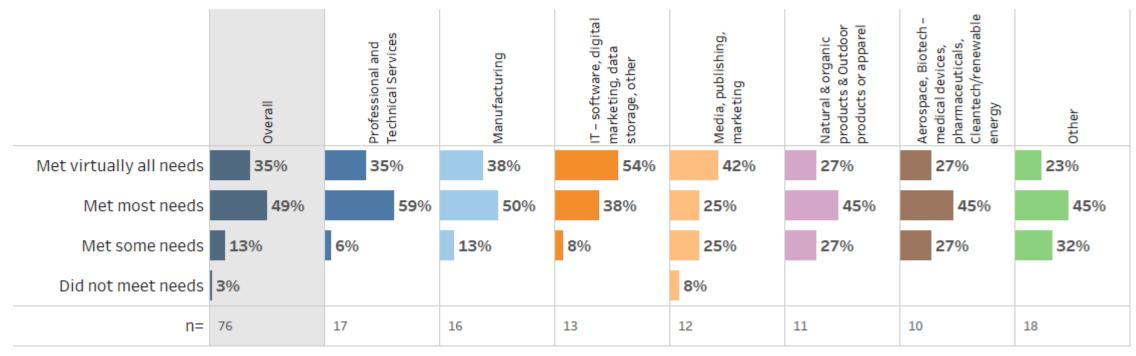


Q 19: Before the Covid-19 pandemic, how well did your space in Boulder meet the needs of your business?



### **Prior Space Needs** By Industry Sector

Tech (including media and marketing) and manufacturing firms indicated the highest levels of satisfaction with their space in Boulder.



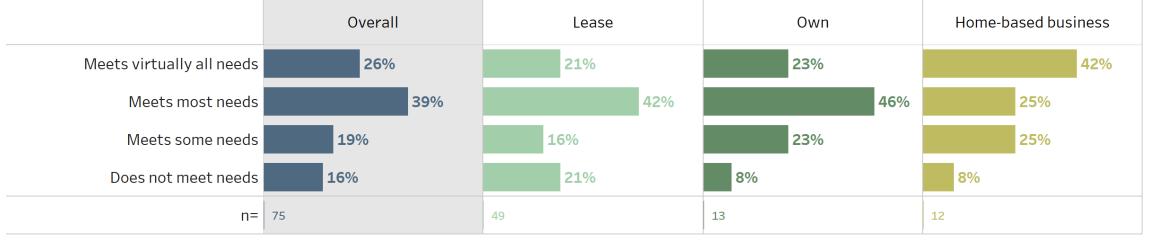
Q 19: Before the Covid-19 pandemic, how well did your space in Boulder meet the needs of your business?



### **Current Space Needs**

Post pandemic, space in Boulder continues to meet most needs but there was a small spike in respondents indicating their facilities are no longer were a good fit.

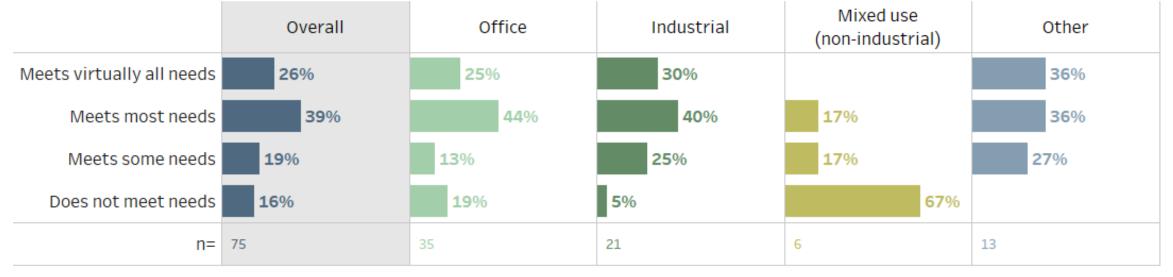




### **Current Space Needs** By Type of Space

Industrial and "other" users were the least likely to report their space does not meet their needs.

#### Q 20: Currently, how well does your space in Boulder meet your business needs?



Source: RRC Associates

\*mixed-use includes laboratory, research and design and retail

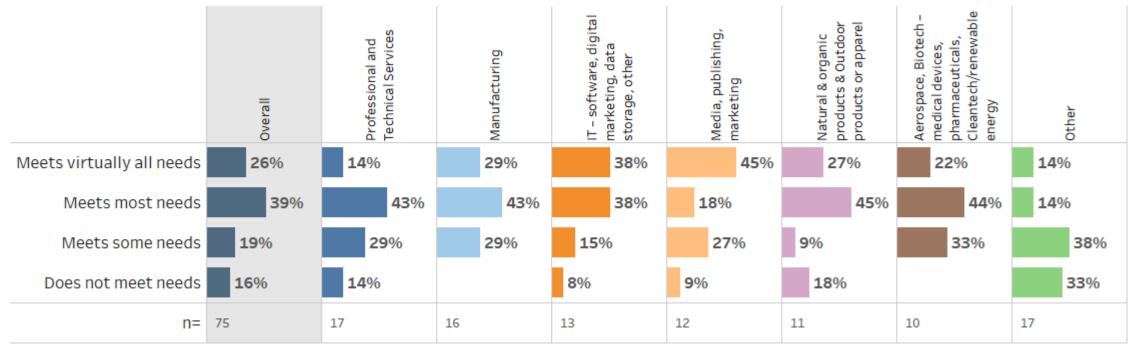


### **Current Space Needs**

#### **By Industry Sector**

All major industry sectors reported their current space meets all or most of their needs. Only those who fell into the "other" category were more likely to not have their needs met.

Q 20: Currently, how well does your space in Boulder meet your business needs?

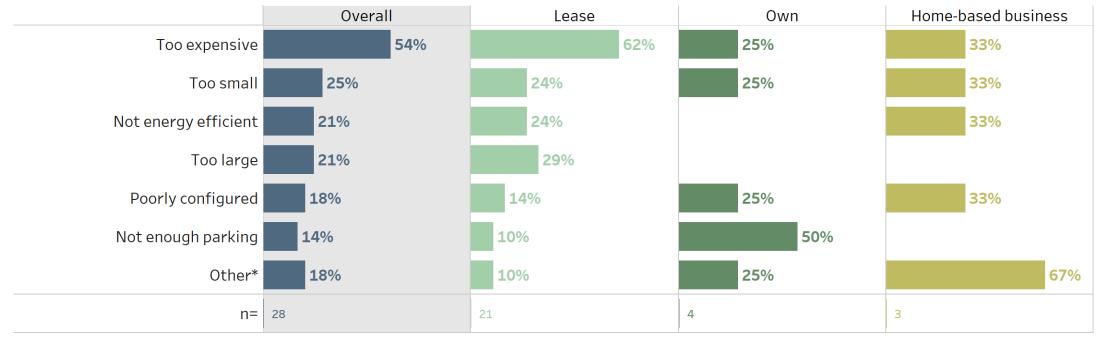




### **Reasons for Not Meeting Needs**

More than half of respondents said the cost for their space is too expensive. A quarter said it is too small and 21% said it is too large. There is also a desire for more energy efficient spaces.

Q 21: What is it about your space that does not meet your business needs? (Check all that apply)





### **Expectation to Change Space**

More than 3/4 of respondents say their space will either remain stable or increase in the near term. Just 14% expect to see a decrease in their footprint. Though the sample size is low, a quarter of respondents with home-based businesses are interested in increasing their space which could indicate a move to outside facilities in the future.

#### Home-based business Overall Own Lease 30% 14% 27% 34% Increase 71% Remain about the same 46% 45% 40% Decrease 14% 14% 18% Not sure 9% 8% 27% 14 11 n= 76

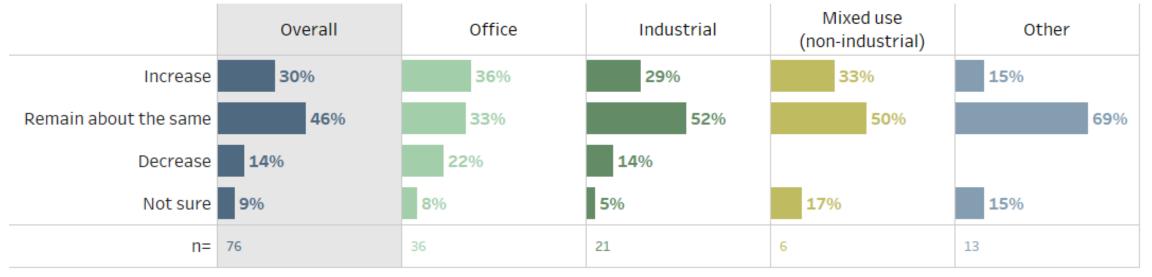
#### Q 22: Over the next 1 to 3 years, do you expect the total space your business occupies in Boulder to



### **Expectation to Change Space** By Type of Space

Office users were the most likely to see a change in their needs in terms of either growing or shrinking their space.

Q 22: Over the next 1 to 3 years, do you expect the total space your business occupies in Boulder to

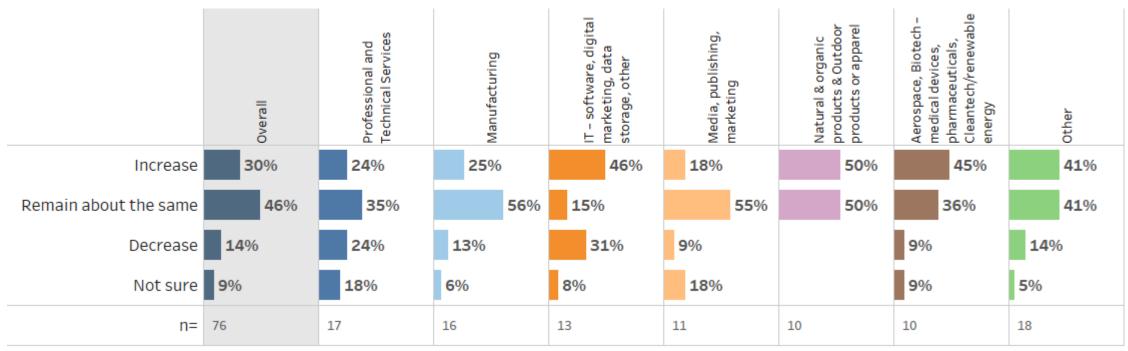




# **Expectation to Change Space**

#### **By Industry Sector**

Tech and natural products firms were the most likely to see their needs for space increase in the coming 1-3 years.



Q 22: Over the next 1 to 3 years, do you expect the total space your business occupies in Boulder to



## **Expectation to Change Space**

#### **By Number of Employees**

Smaller firms (10-19 employees) reported the greatest likelihood to increase their footprint in the near term.

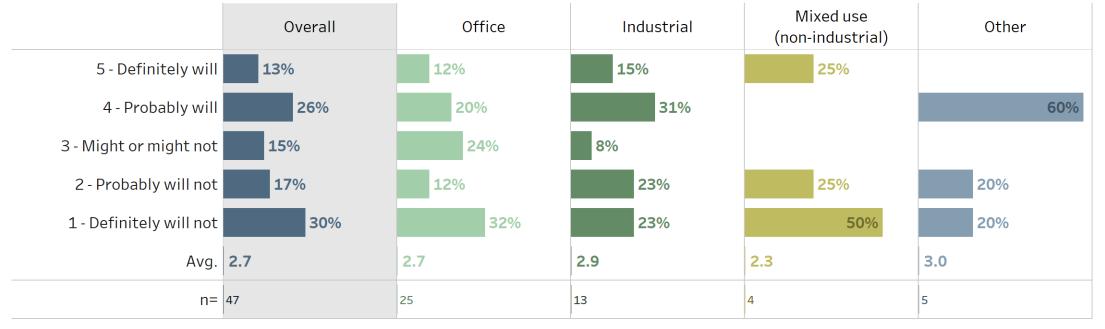
#### Q 22: Over the next 1 to 3 years, do you expect the total space your business occupies in Boulder to

	Overall	Less than 10	10 to 19	20 to 49	50 to 99	100 or more	
Increase	30%	23%	44%	33%	25%	33%	
Remain about the same	46%	51%	33%	44%	<mark>50</mark> %	56%	
Decrease	14%	11%	11%	22%	25%	11%	
Not sure	9%	14%	11%				
n=	76	35	18	9	4	9	



The survey indicates there will be movement within the market, as 47% of respondents who are currently leasing expect to not renew their lease. Industrial firms are most likely to stay in their current space.

#### Q 23: How likely are you to renew your lease when it expires?



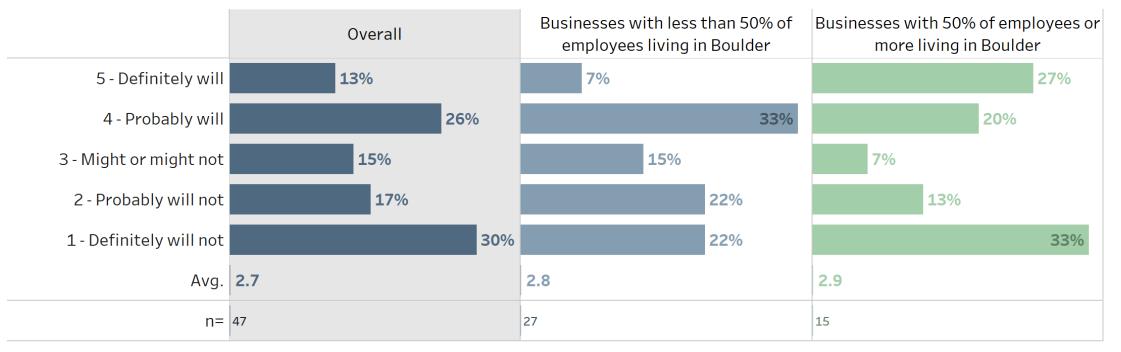
Source: RRC Associates

\*mixed-use includes laboratory, research and design and retail



Businesses with less than 50% of their staff living in Boulder were more likely to report they probably will renew their lease but had a smaller share that definitely will. Businesses with more than 50% living in Boulder were split but had slightly larger shares reporting that they definitely will not renew.

Q 23: How likely are you to renew your lease when it expires?

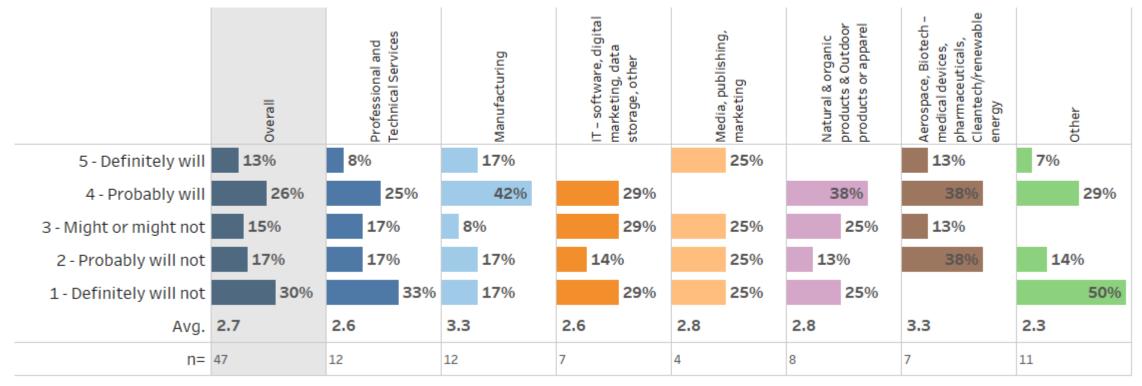




#### **By Industry Sector**

30% of businesses definitely will not renew their lease when it expires. Manufacturing businesses are most likely to renew their lease.

Q 23: How likely are you to renew your lease when it expires?

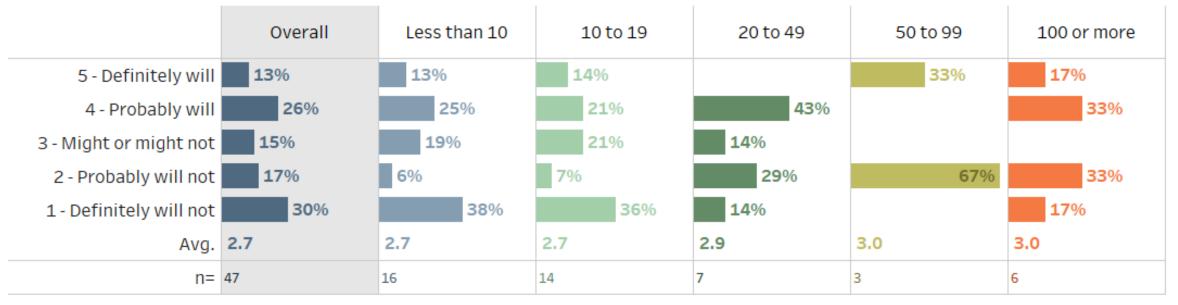




#### **By Number of Employees**

Larger firms (100+ employees) are most likely to renew their lease.

#### Q 23: How likely are you to renew your lease when it expires?





### **Open-Ended Comments**

#### Q24. Why do you anticipate not renewing your lease?

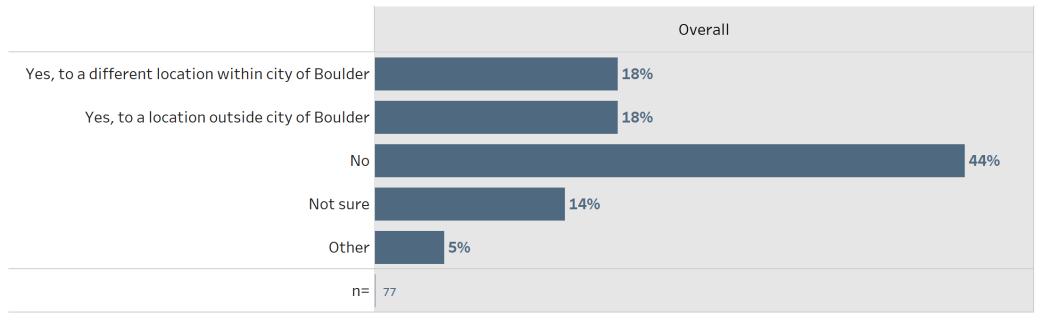
Of the businesses planning on not renewing their lease, 28 responded to the reasons as to why not. The **cost of leasing a space** in Boulder and the need to **reduce square footage** due to the increase of remote work were top answers



### Relocation

About half of businesses expect to stay in the same location and 1/3 expect to move. Those who plan to move are split between moving within Boulder and leaving the city.

Q 32: Do you anticipate moving your business to a new location in the next 1 to 3 years?



Other comments:

Source: RRC Associates

If rent was lower, I'd get an office space

May sublet half my space and permit much more location rotation/remote

Maybe, but within Boulder if we move.

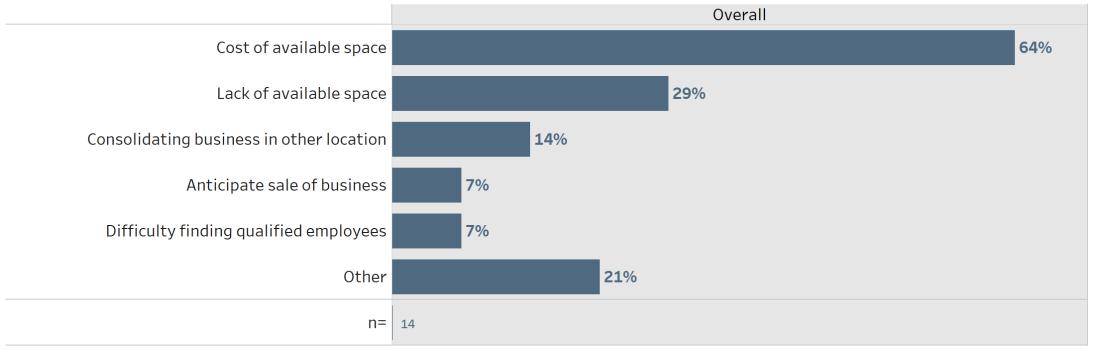
We will add a laboratory and manufacturing facility outside of the city of Boulder while maintaining our downtown corporate office



### **Reasons for Relocation**

Cost of space is the dominant challenge for companies in the survey followed by the lack of suitable space on the market.

Q 33: (If yes, anticipate moving) Why is your business considering moving to a location outside the city of Boulder? (Check all that apply)



Other comments:

Boulder is not conducive to business. But Boulder likes to pretend it is.

Not taking client meeting, rarely need physical space, property taxes are punishing (seriously, like 40-50% of mortgage) Would like to move to a HUB Zone





### **Thank You**

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