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## Boston Properties reveals Bay Area tech firms' expansion plans

One of the nation's largest office landlords name-drops ByteDance, Google, Facebook, Amazon on earnings calls

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*Owen Thomas, chief executive officer, Boston Properties in front of the sign at the entrance of the Meta headquarters at 1 Hacker Way in Menlo Park, CA (Getty Images, Boston Properties, iStock)*

Boston Properties is getting specific when it comes to describing tech firms' space needs, naming some of the Bay Area's largest employers on its earnings calls.

Last week, CEO Owen Thomas said Facebook and TikTok owner ByteDance are searching for up to 1 million square feet between them in Silicon Valley. His comments came a quarter after his colleague Douglas Linde said that Google and Amazon are hunting for more space in the region, without being more specific about those companies' plans.

Both executives' comments underscore how Boston Properties, one of the nation's largest office landlords, is using earnings calls to highlight tenant demand for office properties in the country's tech mecca, more than just listing occupancy rates or similar metrics. It's "very unusual" to disclose companies' active space requirements during an earnings call, but it also signals Boston Properties' confidence that it won't alienate the likes of Google or Facebook, said John Boyd, principal at corporate site selection firm The Boyd Company. Both companies rent offices from Boston Properties, with Google leasing more than 800,000 square feet in Cambridge, Massachusetts, as of 2019, the same year Facebook signed a lease for about 75,000 square feet in Northern Virginia.

"I would not be surprised to see other major publicly traded developers adopt a similar approach in the weeks and months ahead," Boyd said. "The market seemed to respond favorably to it." At last check, Boston Properties' stock is up to more than \$116 a share from more than \$114 a share at the start of trading on Oct. 28, the day after its third-quarter earnings call.

Representatives for Boston Properties did not respond to calls or emails seeking comment.

The Covid-19 pandemic has quieted Silicon Valley's typically busy office market, with the region experiencing 1.5 million square feet of occupancy losses last year, according to Colliers data. Yet based on what Boston Properties is saying, some of the area's largest tech companies remain committed to substantially expanding their footprints there despite work-from-home trends induced by the pandemic.

Menlo Park-based Facebook, which rebranded to Meta last week, is looking for 700,000 additional square feet in Silicon Valley, Thomas said during the prepared remarks portion of Boston Properties' earnings call last week. A single office lease of that size would be one of the largest in the Bay Area since the start of the Covid-19 pandemic, rivaling Apple's lease of about that much space in the Silicon Valley city of Sunnyvale that it signed in May.

Meta spokesperson Chloe Meyere said in a statement that "we routinely evaluate our facilities and real estate needs, but don't have anything specific to share." In February 2020, the company leased 115,000 square feet of office space in the East Bay city of Fremont, three months before it said it would allow many of its employees to work from home permanently. It plans to fully reopen its offices to U.S.-based workers in January.

TikTok parent ByteDance, meanwhile, is searching for between about 250,000 and 300,000 square feet in Silicon Valley, Thomas said during last week's call. That amount represents at least a threefold increase in the company's existing footprint in the area, a 78,000-square-foot office in Mountain View that it is subleasing from WhatsApp, according to Cushman & Wakefield data. ByteDance's lease there expires in 2025, according to the property records website CompStak.

"Tenants are committed to the office as their location of choice to collaborate, innovate and train, all critical for their long-term success," Thomas said on the company's earnings call last week. He said the number of workers returning to offices is increasing, though unevenly. "Our

leading region is New York City, which hit 52 percent occupied last week. Our lagging region is San Francisco, which is increasing, but currently at 18 percent.”

If Thomas’ information about ByteDance is accurate, its planned expansion in Silicon Valley comes as the China-based company recently expanded its U.S. footprint with a 44,000-square-foot office lease in Bellevue, Washington. The company is reportedly making a bigger push into the enterprise software sector and announced this week that it was restructuring into six business units. Its chief financial officer recently stepped down to focus on overseeing TikTok, which has more than 1 billion monthly users worldwide, according to Bloomberg.

The short video platform, which enacted a fully remote work model during the pandemic, has not set a return-to-office date. Representatives for TikTok and ByteDance did not respond to an email seeking comment.