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High-cost headquarters: Pricey Hub offices ranked No. 4

By [Jay Fitzgerald](#)

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Massachusetts policymakers have a lot of work to do if they're going to make Boston a more financially competitive place for corporations to operate a headquarters, a new study indicates.

Greater Boston, which has lost a number of corporations due to takeovers in recent years, is the fourth most expensive metropolitan area for a corporate headquarters, according to a survey by the Boyd Company Inc., a Princeton, N.J., corporate site selection firm.

New York ranked first, followed by San Francisco and Stamford, Conn. The economically booming Las Vegas was the least expensive of the 30 major cities examined in the report.

In all, six of the 10 most expensive cities were in the Northeast region, while California accounted for three cities. The Midwest's Chicago was ranked as the 10th most expensive city.

The study looked at taxes, labor, utilities, office space, construction, corporate travel and other expenses in its analysis. The study based its rankings on the estimated expenses of a theoretical company with about 350 non-executive workers.

John Boyd Jr., a consultant and son of the co-founder of Boyd Company, said the study shows Boston - as well as other Northeast cities - are at a financial disadvantage when it comes to companies thinking of relocating or expanding.

"Our clients are increasingly looking for cities where costs are lower," said Boyd, noting his firm works with such companies as PepsiCo, Time Inc. and other major customers.

In addition, a poll conducted by Boyd showed that executives also closely look at the tort systems and labor laws of states where they may start or expand operations, Boyd said.

The big pluses of Boston - which Boyd estimates costs employers about \$25.35 million a year to operate a headquarters for 350 employees - are its universities and large pool of skilled workers, Boyd said.

Mark Zandi, an economist at Moody's Economy.com, agreed that Boston can leverage those benefits.

But he said high costs here clearly hurt the area's ability to compete with other regions of the country - and world.

The four least expensive U.S. cities were all located in the South or Southwest.

Dallas was ranked 27th, Phoenix 28th, Atlanta 29th and Las Vegas was last - with an estimated \$21 million in annual operating costs for 350 employees.

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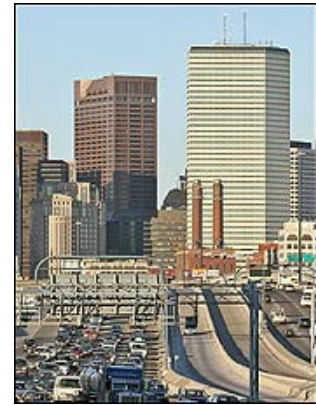
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Jay Fitzgerald has been a journalist and blogger for years. He's now the general economics reporter for the **Boston Herald**.

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Greater Boston is the fourth most expensive metropolitan area for a corporate headquarters, according to a survey by the Boyd Company Inc. (Herald file)

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