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Amazon's HQ2 Decision Could Unlock Other Development Announcements, Including Apple And Google



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Officials in the 20 cities on Amazon's shortlist weren't the only ones holding their breath for its HQ2 decision – many companies and property owners were waiting to find out where the e-commerce giant was going to plant a massive new office complex before moving on with their own development plans.

We may soon hear from some of them, perhaps including Apple.

"A lot of companies have had planned expansions and relocations put on the shelf until they see what Amazon decides to do," says John Boyd, a site selection consultant based in Princeton, N.J., who expects we'll see "high-profile announcements in the months ahead in banking and the technology sector."

Beyond seeking to avoid the HR challenges of competing with Amazon for skilled workers, Boyd says some companies have cooled their heels so they could command not only the media spotlight, but also better get the attention of politicians and development officials in the cities on Amazon's short list.

"Clients of ours active in these 20 markets would call me twice a week — 'John, what are you hearing,' " says Boyd, "and a lot of companies are breathing a sigh of relief that they're not going to have to compete with 25,000 highly paid Amazon employees."

One of the most anticipated siting announcements that could come soon is from Apple. The Cupertino, Calif.-based company said in January that it was planning to add 20,000 jobs in the

U.S. over the next five years, and that by the end of the year it would announce a location for a major new campus that will house its customer tech support staff and more.



Apple Holds Launch Event in Brooklyn Getty Images

In sharp contrast to Amazon, Apple has been largely mum on where it's looking. The only public hint the company has given as to the location: it won't be in California or Texas, where Apple already has a significant presence, CEO Tim Cook told ABC News in January.

The company was reported in May to be in talks with officials in North Carolina about Research Triangle Park, a tech hotspot in the Raleigh metro area anchored by NC State, the University of North Carolina and Duke University, where Cook earned an MBA. Local media speculated that the company was planning to hire as many as 10,000 there.

North Carolina lawmakers looking to land both Apple and Amazon subsequently sweetened the state's incentive program to give a company grants equal to 90% of its employees' withholding taxes for 30 years if it invests \$1 billion in the state and creates 3,000 jobs.

However, reports that an announcement was imminent in June didn't pan out. Tom Stringer, a site selection consultant with BDO, doesn't think Apple has held fire due to Amazon, but some have speculated that it was concerned by measures on the ballot for the November elections. An amendment to the state constitution requiring voters to show a photo ID at polling places passed; measures to transfer power from the governor to the legislature failed.

Boyd believes Raleigh is still the front runner for the Apple campus. Apple didn't respond to a request for comment.

Google may have news soon. It reportedly is negotiating to buy or lease an office building under development in Manhattan's West Village; CFO Ruth Porat said Monday at a Wall Street Journal event that the company is planning to double its headcount in New York City to 14,000 over the next 10 years.

Given how close to the vest Google usually is with development plans, Boyd sees the splash in New York as a message. "They could be speeding up there to compete with Amazon in recruiting," Boyd says. "This is a signal to their workforce that they're committed to the city."

In February, Google said in a blog post attributed to CEO Sundar Pichai that the company planned to hire thousands this year and invest in new or expanded offices in nine states: California, Colorado, Illinois, Massachusetts, Michigan, New York, Pennsylvania, Texas and Washington. A Google spokesperson declined to comment on any further expansion plans.

One impact of Amazon's broad selection process is that it froze dealmaking involving premier commercial real estate developments in finalist cities, including Lincoln Yards in Chicago, Suffolk Downs in Boston, the Philadelphia Navy Yard and Miami's Innovation District. "A lot of these highly coveted properties were not marketed at full throttle, because the prospect of millions of square feet of new class A office space and a \$5 billion capital expenditure were dangling in front of these developers," says Boyd. NDAs also made it more difficult to market these properties to other prospects. Those shackles are now off.