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## Harrisburg region attracts back-office operations

By **Jason Scott**, May 20, 2016 at 3:00 AM



Deloitte LLC will bring more than 1,500 employees to Cumberland County, beginning this summer, as construction wraps up on two new office buildings at Route 114 and the Carlisle Pike in Silver Spring Township. - (Photo / Amy Spangler)

The Harrisburg area is on the radar screen for companies in financial services.

Over the last three to six months, more brokers have been asking about available real estate in downtown **Harrisburg** for the financial sector, with most looking for 15,000 to 20,000 square feet, according to Brad Jones, president and CEO of Harristown Enterprises Inc.

At the same time, he has seen large companies such as New York-based accounting firm Deloitte LLP move about 200 jobs into 22,000 square feet in the city this year.

Officials at Harristown, which owns the mixed-use Strawberry Square, are used to fielding calls about downtown restaurant spaces and opportunities for other professional service firms, such as engineering. Technology firms also have been filling up office spaces in Harrisburg.

Inquiries have not traditionally been as strong from the financial sector, Jones said, at least from companies based outside the midstate.

Until now.

"It's quality of life and cost of living," Jones said. "I think it's access to major markets and our transportation

infrastructure. We also have a level of cosmopolitan amenities that is important to some folks.”

## Not surprised

Given the ongoing consolidation and cost-cutting measures in major cities where many large financial institutions are based, Harrisburg and other midstate cities make sense for administrative support operations, said John Boyd Jr., principal of The Boyd Co. Inc., a New Jersey-based firm that specializes in corporate site selection.

“There is unprecedented demand,” Boyd said. “The cost in New York City is prohibitively expensive.”

A recent study by Boyd found that **the Harrisburg area** and Lancaster County were about 20 percent less expensive than New York City. The study compared the cost of operating a corporate back office in 45 metropolitan areas with populations of at least 500,000 people.

Large financial firms are starting to behave more like big employers in other sectors, such as General Electric. They are spreading out back-office jobs across several states.

Beyond operating costs, other factors to consider are the local precedent for hosting back-office operations, the availability of skilled labor and attractive housing options, among other quality-of-life issues, Boyd said.

## Location

Vince DiFilippo, chairman of the Cumberland County board of commissioners, is convinced that proximity to major East Coast markets is the biggest driver for firms such as Deloitte.

As part of its Harrisburg move, the global giant and one of the Big Four accounting firms also is expanding its presence in Silver Spring Township, DiFilippo’s home municipality, while maintaining 45,000 square feet of office space in East Pennsboro Township.

Deloitte will bring more than 1,500 employees to Silver Spring Township, beginning this summer, as **construction wraps up** on two new office buildings at Route 114 and the Carlisle Pike.

Deloitte spokeswoman Jane Broski said the jobs — some relocating from East Pennsboro Township — will be in a number of service areas, including consulting and risk and advisory services.

Steady residential growth in Silver Spring Township also has helped make Cumberland County the fastest-growing county in the commonwealth in recent years. That’s certainly a factor in attracting development, DiFilippo said. “And where they are locating their buildings is where you would want to locate. It’s good infrastructure and the land is zoned for what they are doing.”

The site also is close to Interstate 81, which has attracted other commercial development in recent years. The Delta Pointe business park, a mixed-use development off I-81 and Route 114, has multiple projects in the works.

The recession slowed the pace of development along that corridor. But with Deloitte and the movement at Delta, DiFilippo is expecting increased investment.

“Will it continue? Probably,” he said. “The economy is getting better.”

He also believes greater communication and collaboration among local officials — most notably at the county level after

years of squabbling between commissioners — will entice greater business investment in Silver Spring Township. The financial services sector is one area that could take advantage.

“The fact that the board of commissioners is actually working together is a big plus,” he said. “That does trickle down. **And we have to be proactive.**”

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