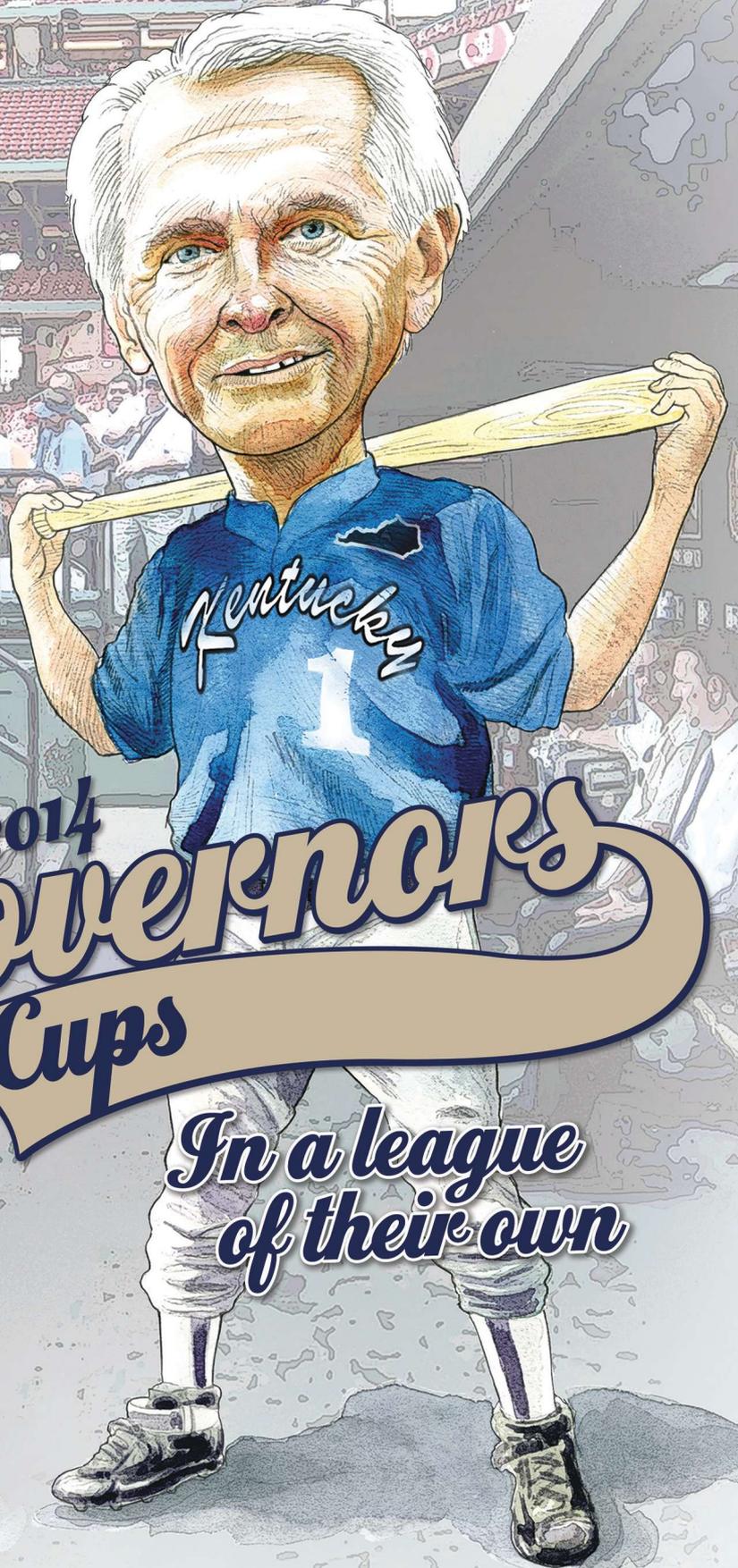
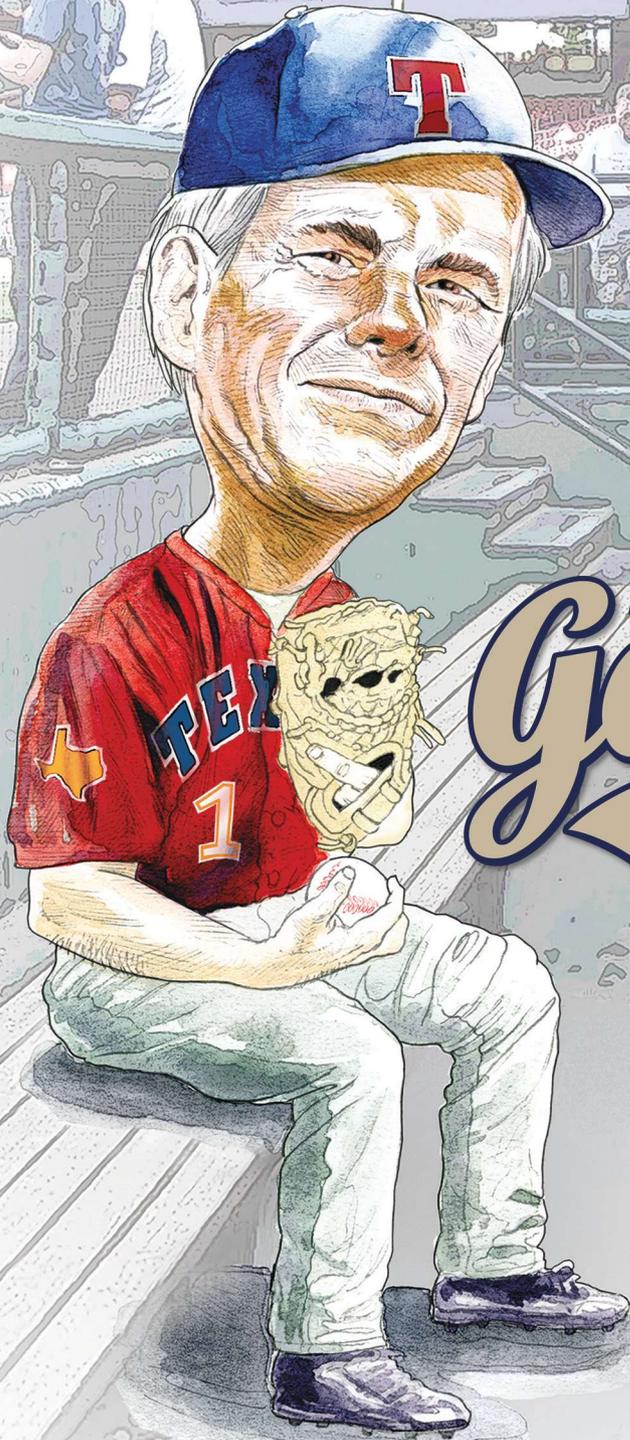


SITE SELECTION

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Buzz in the 'Burbs

For corporate headquarters relocation, suburban office markets are alive and well.

"The reports of my death have been greatly exaggerated."

— MARK TWAIN, JUNE 2, 1897

"The reports of the death of the suburban office campus have been greatly exaggerated."

— JOHN H. BOYD, FEBRUARY 11, 2015

For much of the past year, we have seen a number of high-profile corporate headquarters relocating to our nation's downtown business districts. Cadillac's head office move from Detroit to New York City's SoHo neighborhood was one highly publicized example. Here, the restructuring General Motors Division made it clear that the draw of a vibrant urban setting dovetailed well with the company's new branding direction ("This is not your father's Cadillac") and its desire to be in a location that would appeal to millennials and other young professionals

by JOHN H. BOYD
Principal,
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that share the same affinity for working, living and playing in an exciting downtown environment like Manhattan's SoHo.

Other recent downtown head office moves of note include: Weyerhaeuser in Seattle; Synergy Health in Tampa; Equitable in Pittsburgh; Dakota Software in Cleveland; Sealed Air Corp. in Charlotte; Charles Schwab in San Francisco; Red Lobster in Orlando; Forbes in Jersey City; Total Bank in Miami; and Bridgestone in Nashville. In Tampa, Jeff Vinik, the owner of the NHL Tampa Bay Lightning, is leveraging the downtown narrative and

Some suburbs make their own center cities: KDC's 186-acre CityLine development in Richardson, Texas, will feature four office towers where State Farm is leasing 2 million sq. ft., in close proximity to two major apartment communities, mixed-use retail and Dallas Area Rapid Transit's Bush Turnpike Station.



Images courtesy of KDC and Sunwest Communications



Suburban enclaves like CityLine are becoming less like facsimiles of cities and more like the real thing every day.

specifically targeting corporate headquarters for his ambitious downtown redevelopment project.

Notwithstanding these high-profile downtown moves, the suburban office market is very much alive and well throughout the country. From our work with HR department heads, recruiters and relocation managers, the popular notion that most young Americans want to live in these urban enclaves is more perception than reality. Compared to other age groups, millennials are more likely to prefer downtown living, but it is only a small share.

While millennial recruits and other young transferees are not necessarily interested in golf courses and gated communities, they do like jogging trails, parks and open spaces. Millennials deep down may be suburbanites

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after all, based on a recent survey of the National Homebuilders Association which found that 66 percent of millennials want to live in the suburbs; 24 percent want to live in rural areas; and only 10 percent prefer to live in a city center.

Atlanta, a growing headquarters mecca, is probably the best example of a place where head offices continue to trend to the suburbs. Mercedes-Benz is the latest to choose a suburban Atlanta site with plans to construct its headquarters campus on a 12-acre site in Sandy Springs not far from the planned new

headquarters of Cox Media Group. State Farm, Scientific Atlanta, Home Depot, Pulte, GEICO, e.g., have all made similar choices in various Atlanta suburbs — though some would observe that with the size of Greater Atlanta, some of these neighborhoods have graduated from

suburban to urban.

Corporate headquarters mobility continues at an all-time high. Immune from relocation and restructuring programs in the past, the executive suite is now untethered like never before. It is a growth sector for our site selection firm. The main factors influencing the head office location decision can be gleaned from our acronym “TALIO” for these five drivers: Talent, Access, Lifestyle, Incentives and Operating Costs.

Our head office projects typically include

a mix of downtown and suburban searches, with suburban searches far-outnumbering downtown projects. In one respect, it is a numbers game. While every city has one downtown, it usually has several Class-A suburban office markets suitable to accommodate a head office move. Also, it's no surprise that many downtowns are facing serious quality-of-life and public safety challenges. DuPont's move from its historic headquarters in downtown Wilmington to the Chestnut Run suburbs came at a time when the city was experiencing a high-profile series of violent crimes.

While the downtown lure is real for many companies, it is a trend prone to

overstatement. Indeed, the reports of the death of the suburban office campus have been greatly exaggerated.

Our acronym "TALIO" identifies these five drivers for head office location decisions: Talent, Access, Lifestyle, Incentives and Operating Costs.

huge, 4,000-employee relocation of Toyota's US headquarters from Torrance, Calif., to Plano, Texas, underscores the continued appeal of the suburban office campus. Subaru's decision to build a new head office in Camden shows the power of incentives in the form of the well-funded Grow NJ Fund. Porsche's headquarters move to the new Aerotropolis mixed-use development near the Atlanta airport underscores the importance

Auto Industry Driving Trends

Several recent high-profile relocations by major automakers are worthy of mention here, as they provide a window on head office relocation trends. In addition to Cadillac's move to SoHo and Mercedes-Benz's move to Atlanta, the

of international air service in today's global economy.

Even electric car maker Tesla is having an impact here. Its decision to locate its \$5-billion gigafactory in Reno is raising the profile of suburban office markets in the nearby Carson Valley/Lake Tahoe area — including Minden, Nev., on Boyd's Top 50 List (see below).

Looking at the year ahead, it would be no surprise if other automakers — such as Volvo, BMW or Tata Motors' Jaguar and Land Rover brands — make head office relocation news.

John H. Boyd is the founder and president of The Boyd Co., Inc. Founded in 1975 in Princeton, NJ, The Boyd Co. is celebrating its 40th anniversary in 2015. Site Selection congratulates John and his firm on this milestone.



John H. Boyd

Uptick Up North

Which suburban office markets are increasingly on our clients' radar screens when it comes to high-end corporate office relocations? Below, in alphabetical order, is our Top 50 list, with their respective metro area names in parentheses. Regarding Canada

— where our firm has been especially active over the years — a declining Canadian dollar and certain tax advantages there are causing an uptick in interest by American firms.

TOP 50 SUBURBAN OFFICE MARKETS

Quarry Park, Alta. (Calgary)
 South Henday, Alta. (Edmonton)
 Scottsdale, Ariz. (Phoenix)
 Burnaby, B.C. (Vancouver)
 Carlsbad, Calif. (San Diego)
 Irvine, Calif. (Orange County)
 Redwood City, Calif. (Santa Clara County)
 Roseville, Calif. (Sacramento)
 San Rafael, Calif. (Marin County)
 Santa Barbara, Calif. (Santa Barbara County)
 Santa Cruz, Calif. (Santa Cruz County)
 Santa Monica, Calif. (Los Angeles)
 Sorrento Mesa, Calif. (San Diego)
 Thousand Oaks, Calif. (Ventura County)
 Walnut Creek, Calif. (Contra Costa County)
 Briargate, Colo. (Colorado Springs)
 Lone Tree, Colo. (Denver)

Trumbull, Conn. (Fairfield County)
 Estero, Fla. (Fort Myers)
 Miramar, Fla. (Miami)
 Alpharetta, Ga. (Atlanta)
 Deerfield, Ill. (Chicago)
 Carmel, Ind. (Indianapolis)
 Overland Park, Kan. (Kansas City)
 Waltham, Mass. (Boston)
 North Bethesda, Md. (Washington, DC)
 Owings Mills, Md. (Baltimore)
 Southfield, Mich. (Detroit)
 Eden Prairie, Minn. (Minneapolis/St. Paul)
 Chesterfield, Mo. (St. Louis)
 SouthPark, N.C. (Charlotte)
 Cherry Hill, N.J. (Camden)
 Plainsboro, N.J. (Princeton)
 Minden, Nev. (Reno/Sparks)

Brighton, N.Y. (Rochester)
 Orchard Park, N.Y. (Buffalo)
 White Plains, N.Y. (New York)
 Blue Ash, Ohio (Cincinnati)
 Westerville, Ohio (Columbus)
 Mississauga, Ont. (Toronto)
 Hillsboro, Ore. (Portland)
 Canonsburg, Pa. (Pittsburgh)
 King of Prussia, Pa. (Philadelphia)
 Laval, Que. (Montreal)
 Plano, Texas (Dallas)
 Round Rock, Texas (Austin)
 The Woodlands, Texas (Houston)
 Tysons Corner, Va. (Washington, DC)
 Bellevue, Wash. (Seattle)
 Camas, Wash. (Portland, Ore.)