



World
Business
Chicago

CHICAGO

GLOBAL INNOVATION & TECH HUB

CORENET
November 2018

Photo: Sunset Views by Christopher



400

MAJOR CORPORATE HQ'S
WITH 1,000+ EMPLOYEES



34

FORTUNE 500 HQS

32

S&P 500 COMPANIES

A STRONG CORPORATE BASE OF NEW AND EXPANDING COMPANIES



GRUBHUB



connectedhealth



NOKIA



method.



Beam SUNTORY



glassdoor

KraftHeinz



GRAINGER.



HYATT



DURACELL



DISCOVER



Google

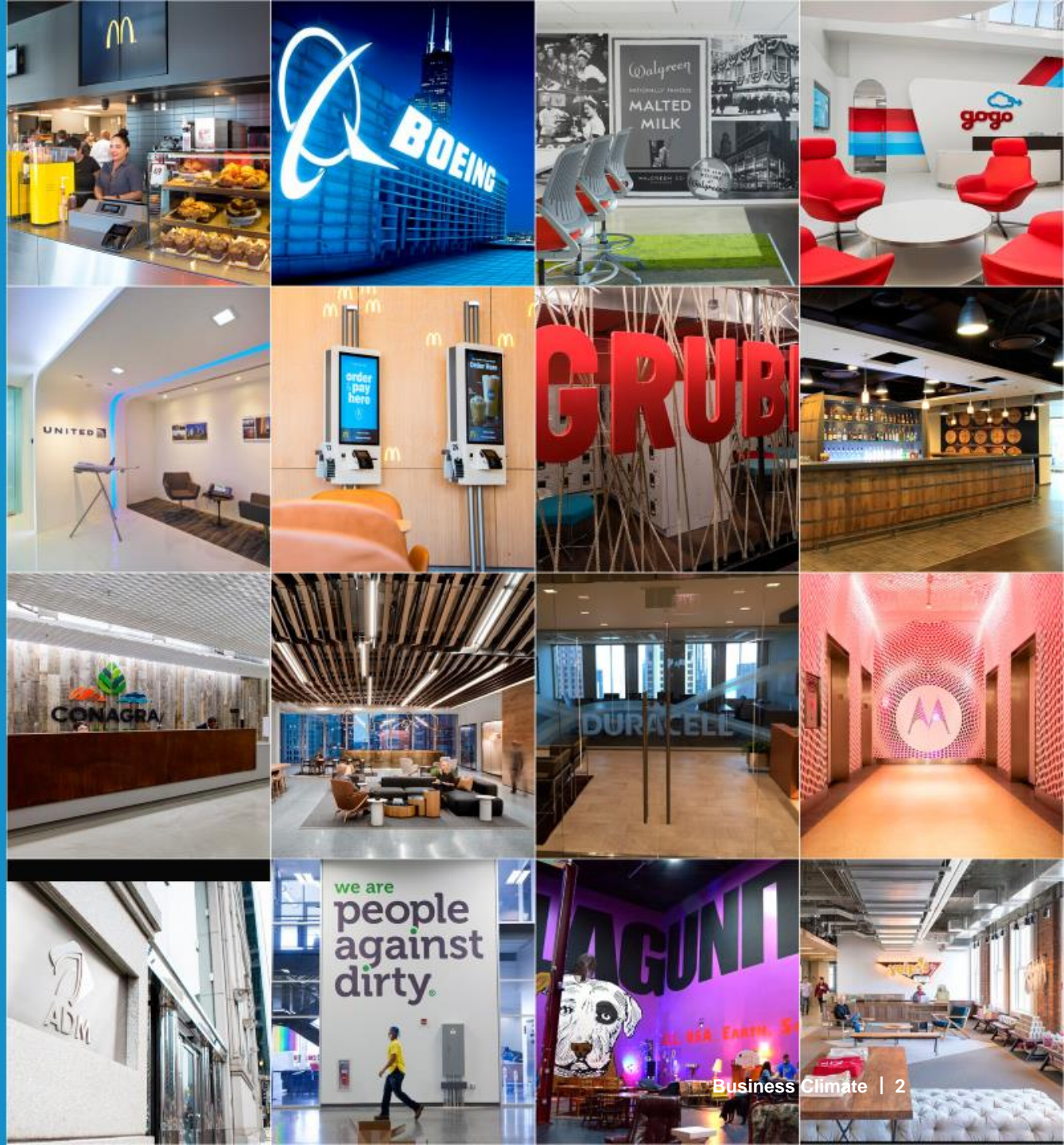




Photo: *Chicago's Frozen Shadows* by Mike Lavoie

MARKET ACCESS

Expansion and reinvention are a core part of Chicago's identity and helped establish the city as a global economic powerhouse.

AN ECONOMIC POWERHOUSE: CHICAGO'S ECONOMY IS ONE OF THE WORLD'S LARGEST AT \$609 BILLION GRP

Chicago is ranked among the **world's 10 most competitive cities for business**

Home to some of the **world's top schools** for business, technology, engineering and design

Among the **top 10** global cities for innovation

9.5 million residents and the most highly educated big city; 39% of 25-year olds+ have a bachelors or higher (vs. 31% national average)

3rd most powerful global city in the U.S.

BUSINESS CLIMATE

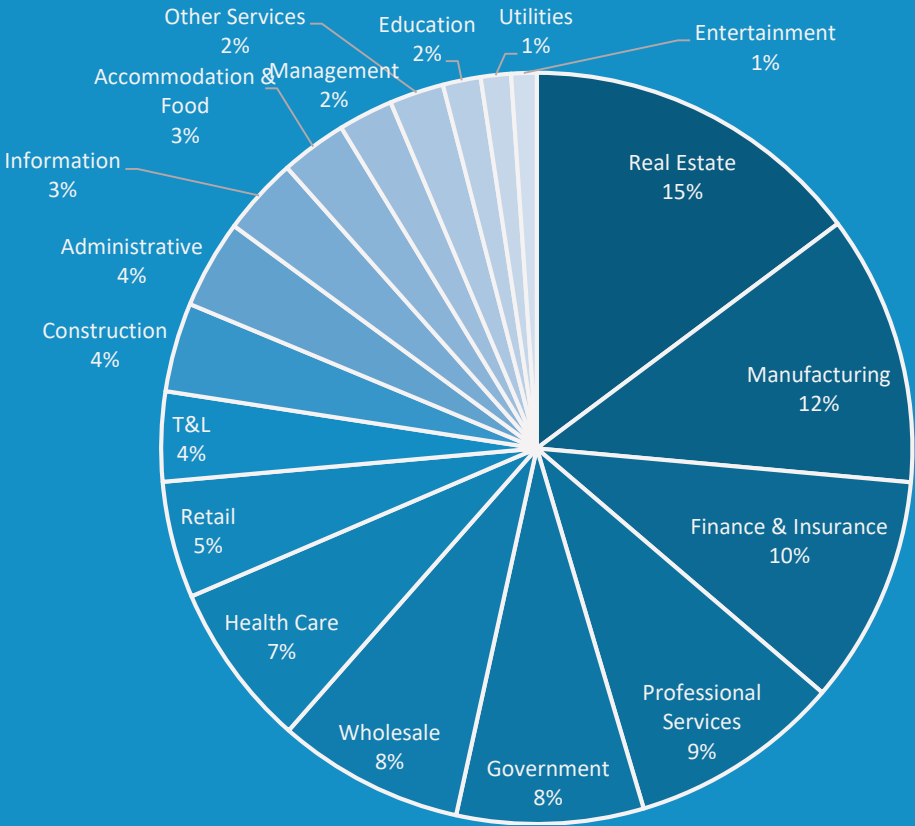
Chicago is **number #1** in corporate expansions and relocations for the last five years with **306 major business** expansions just in 2017.

A diverse economy rivaling other nations, Chicago is the place to locate and grow your company. Ranked top three among peer metro areas for GRP, Chicago is home to 13,800 information technology companies; has one of the largest industrial markets in the nation with 1.1 billion sq. ft. of industrial space; and has the second-largest transportation and logistics industry in the country.



#1 MOST DIVERSIFIED ECONOMY IN THE COUNTRY

Chicago's Industries by GRP (2016)

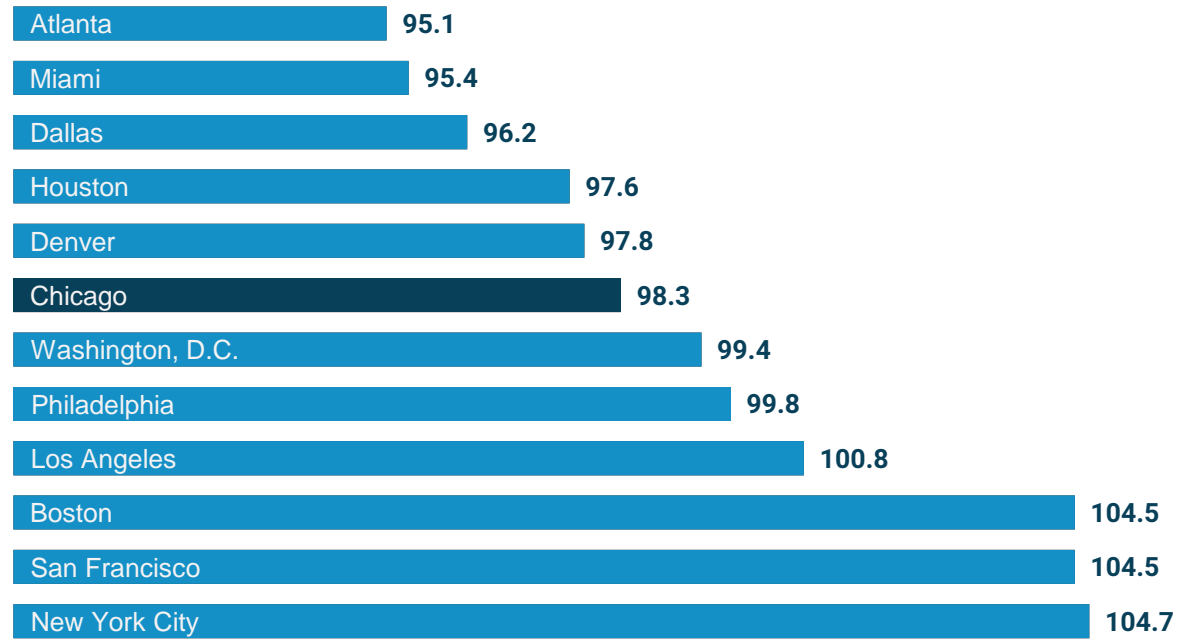


Source: FDI Magazine (2017), Chicago Metropolitan Agency for Planning, Deloitte, Moody's Analytics, U.S. Bureau of Economic Analysis (2016)

COST OF DOING BUSINESS

AN AFFORDABLE, GLOBAL CITY

The cost of doing business index analyzes 26 separate business cost factors including labor, facilities/leases, taxes (corporate, property etc.), transportation, utilities and more.





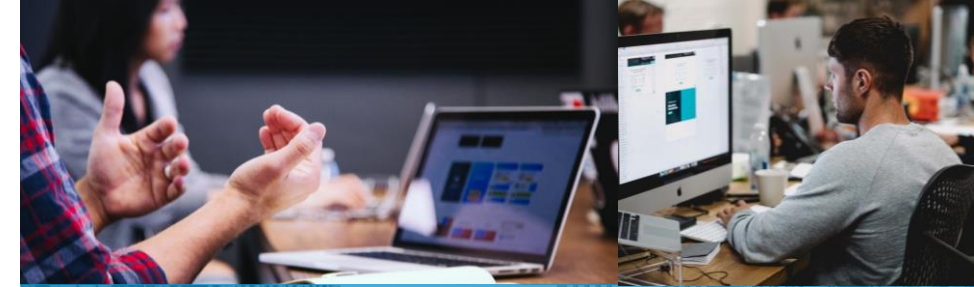
TALENT WITHIN REACH

Chicago businesses have access to the world's best talent, across industries, at a competitive cost. Compared to other cities, we over-index in quantity of business, engineering, IT, and legal professionals.

CHICAGO'S WORKFORCE

With a diversified workforce, businesses can recruit the best talent from any market—whether it's manufacturing, professional services, finance, insurance, wholesale, retail, healthcare, transportation and logistics, hospitality or even moviemaking.

- 3½ million working-age adults are within a 50-minute commute of downtown Chicago, and more than 1.2 million are age 18-34
- We are the best-educated big city in the country: 38.5% of the population over age 24 have a bachelor's degree or higher—more than the national average (31.3%) and is the highest of the five largest U.S. cities
- 1 million college graduates with a bachelor's degree or higher live within one mile of a transit station



13k
CEOs

337k
EXECUTIVE
MANAGERS

700k
ADMINISTRATORS

35k
SOFTWARE
DEVELOPERS

38k
LEGAL
PROFESSIONALS

42k
ACCOUNTANTS

12k
COMPUTER
PROGRAMMERS

68k
ENGINEERS





Photo: mHUB Physical Product Incubator

INNOVATION LIVES HERE

Chicago is ranked among the top 10 global innovation hubs. We're also home to the world's most advanced computing and optical networking facilities, and we have access to \$16 billion in annual university and corporate research.

CHICAGO'S THRIVING INNOVATION ECONOMY

#6 in Top 10 Worldwide Tech Innovation Hubs

2018 KPMG Report

Braintree
A **PayPal** Company

Google

UPTAKE

Trustwave®



1871

TEMPUS



CIVIS
ANALYTICS

facebook

AVANT

334

Average Annual Number of
Startups Founded in
Chicago

Venture Capital Funding (\$M):

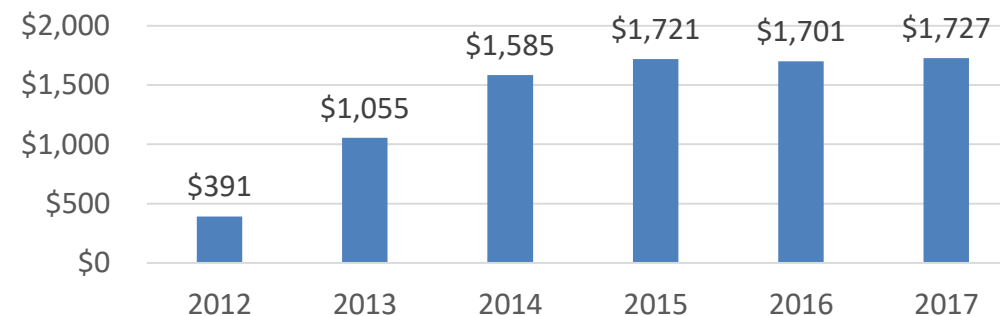




Photo: Chicago by Pedro Szekely

CONNECTIVITY

Our central location and top-ranked global air access provides easy access to the world and nonstop service to more than 200 domestic and international destinations.

CONNECTIVITY BY AIR

Chicago is the Fourth Most Connected Airport in the World — OAG



* Some destinations may be served seasonally

CONNECTIVITY BY LAND

- Chicago is the western hemisphere's premier freight hub.
- 9 major interstate highways
- 6 of the 7 Class I railroads
- 20 active rail-truck intermodal facilities
- 25 percent of all freight trains, and 50 percent of all intermodal trains in the nation, pass through Chicago as the main interchange between western and eastern railroads
- Trucks account for about 1 in 7 vehicles on highways in Illinois, and some facilities in Chicago carry over 30,000 trucks each day



CONNECTIVITY BY NETWORK INFRASTRUCTURE

Chicago companies have access to extremely high-speed connections to the world, given our abundant fiber-optic cabling to all major connections.

- Chicago has exceptional global network connectivity, 82 data centers, and high-bandwidth lines to global data centers
- At 1.1 million sq. ft. growing to 1.8 million sq. ft., Chicago's Lakeside Technology Center is the world's seventh-largest data center and an access point to 40+ leading carriers of the world's telecommunications networks

CONNECTIVITY BY PUBLIC TRANSIT

The Chicago Transit Authority (CTA), Metra commuter rail and Pace suburban bus system serve more than 2 million trips each weekday at a cost per rider that is among the lowest in the country, with a unified fare payment card.

Since 2011, the city has invested \$5 billion in transit improvements, including the reconstruction of one-third of the system's track – 70 miles.

Chicago was the first U.S. rail system to have full 4G coverage in its entire subway system with all available carriers.

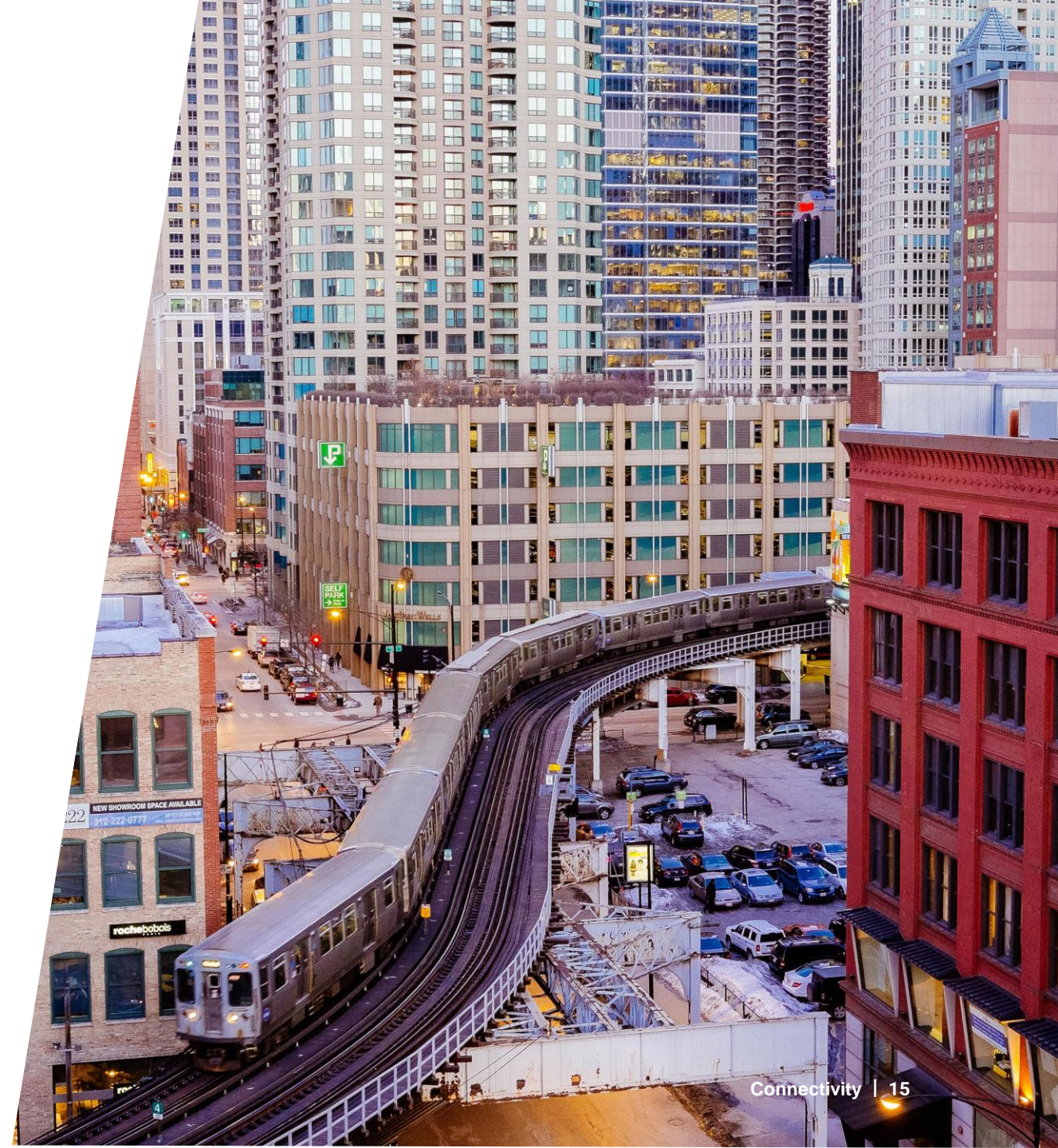




Photo: Millennium Park by Patrick Pyszka, © City of Chicago

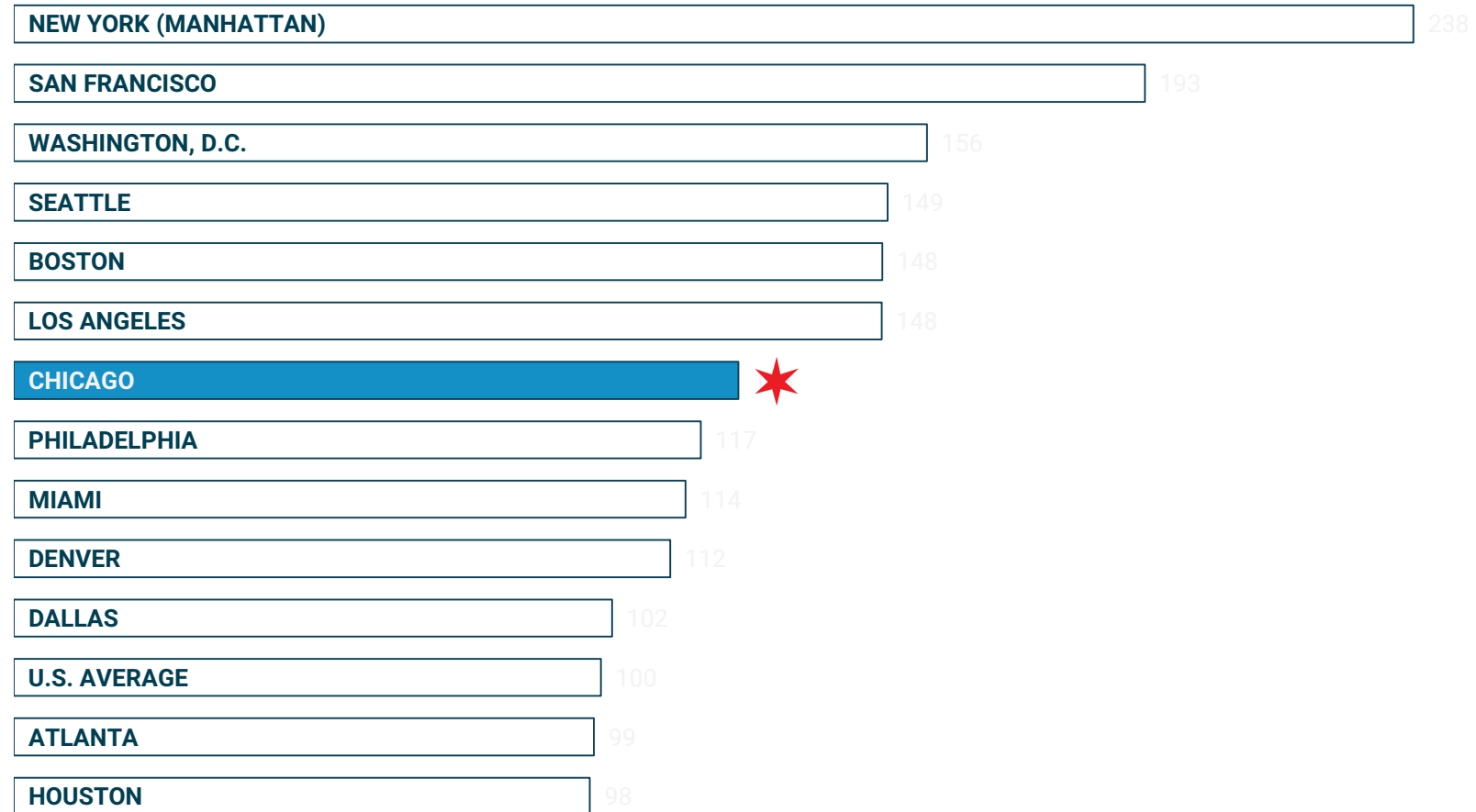
QUALITY OF LIFE

We're "The City That Works." And proud of it. But when our work is done, we're the city that, well, does everything else. Chicago offers a quality of life that attracts and retains talent—and inspires productive people.

OVERALL COST OF LIVING INDEX

A Metro Comparison

The cost of living index measures MSA's across 60 goods and services organized into major categories including food, housing, utilities, transportation, and health care.



We are your one-stop-shop for relocating or
expanding your company in Chicago.

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World
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Chicago

WorldBusinessChicago.com

Why Chicago

❑ *Chicago Business Climate*

While Chicago is winding down large scale manufacturing, technology and innovation services are at an all time high

- Deep bench of support business remains in place and growing from:
 - Professional Services
 - Financial services

❑ *Why is Downtown Chicago so Attractive to Business – Compared to other major US Cities*

- Cost of living
- Commercial real estate
- Major Transportation Hub
- Hours of operation
- University feeder systems
- Wage Index
- Environment risks
- Local and State Incentives
- Amenities
- Work ethic



Why Chicago

□ Why the push from the suburbs to the city

- ***Millennials and generations beyond are continuing to migrate towards the city and surround neighborhoods***

- Closer to work
- Lower tax base
- Increasing levels of education
- Public transit
- Very walkable
- Local amenities
- Individual neighborhoods turned into villages (suburbs in the city)

Since 2014 HQs have moved downtown from the suburbs at a rate 3X compared to CBD to suburban moves

- ***Talent Strategy***

- The changing face of business to technology and services better supported by workforce in the downtown area
- Both entry level and senior level executives find a wide array of sectors to work cross functionally and networking
- Talent influx supports highly desired branding and business growth with efficiencies in proper areas of concentration (sales, marketing, executive presence)
- Flexible multi-talented workforce allows for easier poaching

Why Chicago

❏ *Why the push from the suburbs to the city*

▪ **Refresh**

- Companies using relocation to refresh workplace and workforce
- *Change Management* – Allowing companies to right size work force and align talent
- Major reduction in footprint to align with:
 - Highly efficient workforce
 - Highly remote workforce
 - Eliminating wasted space

▪ **Real Estate Strategy**

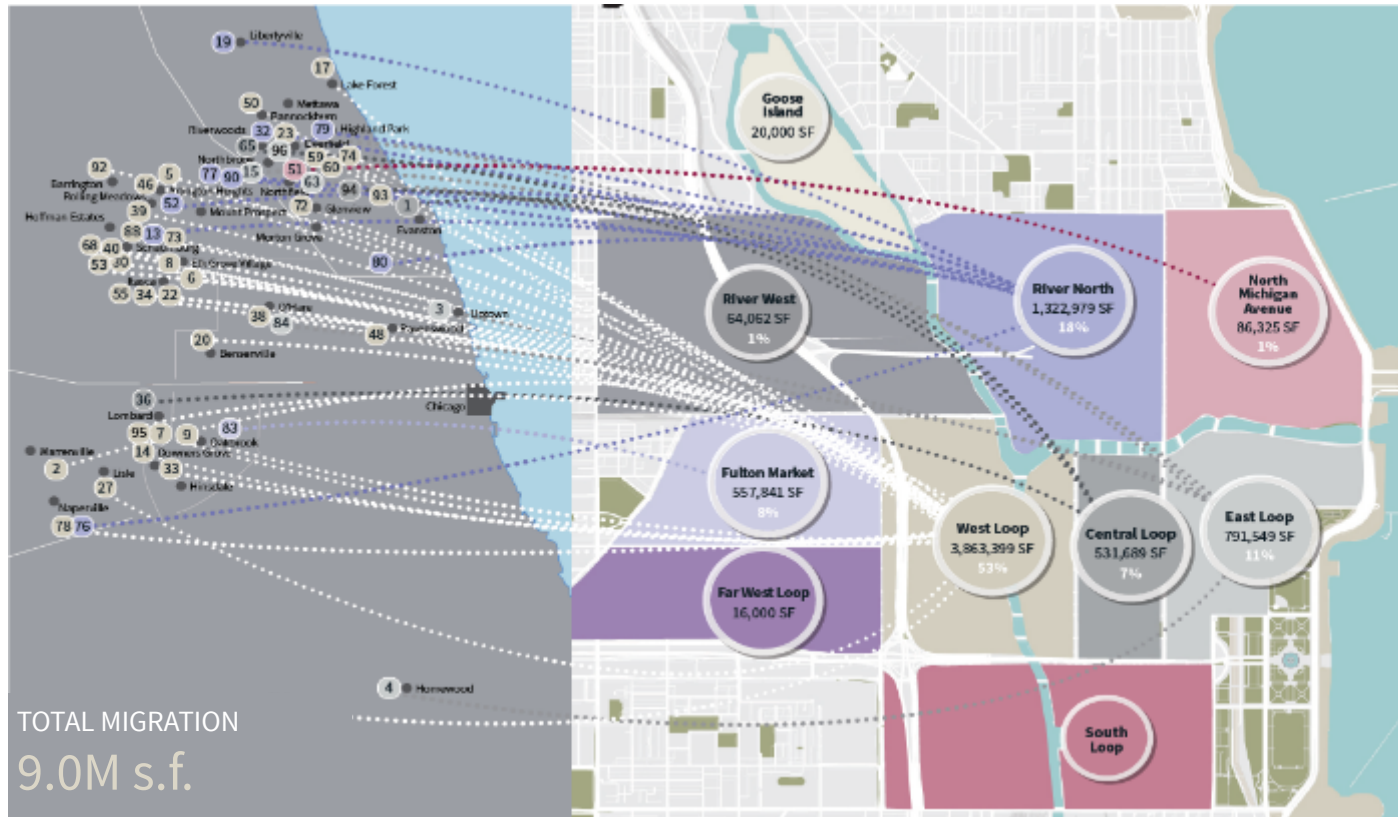
- Highly efficient offices in CBD
- Select HQ office in CBD
- Keep or migrate non-HQ functions



Suburban and out-of-state firms move downtown



9.0+ million square feet of urban migration reduces supply



Vacancy continues to decline in A-/A/Trophy assets....sub 10%

Relocations account for **9.0M** s.f. of absorption since 2008

They occupy **6.2%** of the CBD inventory.

Average Class A face rents in the CBD have increased 20%....concessions still significant

CBD Class A average \$48.19 vs.
Suburbs Class A average \$26.47



570,000 SF



170,000 SF



132,000 SF



91,000 SF



145,000 SF



170,000 SF



135,000 SF



100,000 SF

New CBD HQ Office Towers (2016-2022)



To be Built/Under Construction



Salesforce Center
Wolf Point
1.0M SF



BMO Tower
Union Station
1.3M SF

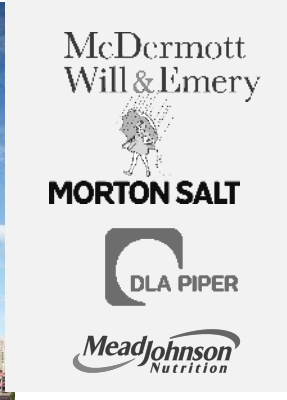


BofA Plaza
110 N. Wacker
1.4M SF

Completed



444 W. Lake St.



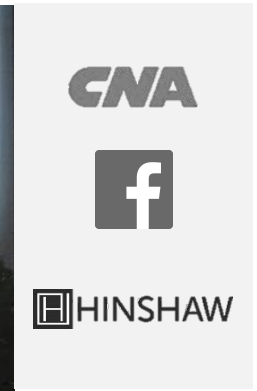
625 W. Adams



150 N. Riverside



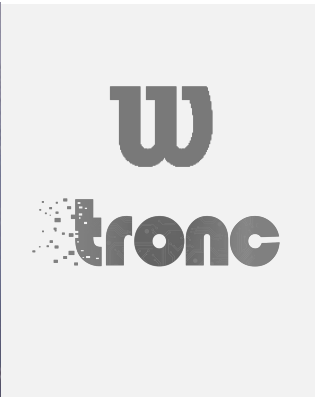
151 N. Franklin



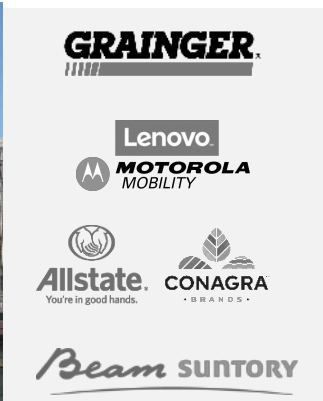
Significant CBD HQ Redevelopments (2014-2020)



Aon Center (2.4M SF)



Prudential Plaza (2.2M SF)



The Mart (3.6M SF)



Post Office (2.4M SF)



Willis Tower (3.0M SF)



350 N. Orleans (1.0M SF)

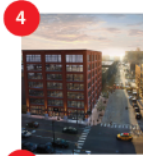
Emerging Fulton Market HQ developments (2015-2022)

2015



1000 Fulton Google

Developer:
Sterling Bay
Total Building Size:
635,000 SF



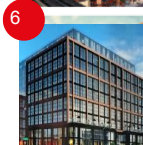
811 West Fulton

Developer:
Shapack Partners
Total Building Size:
63,000 SF



210 North Carpenter

Developer:
Sterling Bay
Total Building Size:
116,792 SF



McDonalds

Developer:
Sterling Bay
Total Building Size:
608,000 SF



1330 West Fulton

Developer:
Sterling Bay
Total Building Size:
290,000 SF



171 North Aberdeen

Developer:
MCZ Development
Total Building Size:
116,792 SF



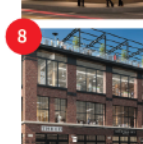
900 West Fulton

Developer: Tucker
Development / Acadia RE
Total Building Size:
91,000 SF



1115 West Fulton

Developer:
McCaffrey Interests
Total Building Size:
52,000 SF



939 West Fulton

Developer:
Thor Equities
Total Building Size:
40,000 SF



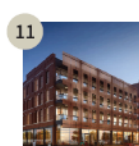
1201 West Lake

Developer:
McCaffrey Interests
Total Building Size:
150,000 SF



905 West Fulton

Developer:
Thor Equities
Total Building Size:
93,000 SF



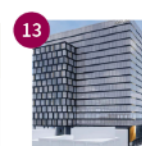
800-820 West Fulton

Developer:
Thor Equities
Total Building Size:
400,000 SF



333 North Green

Developer:
Sterling Bay
Total Building Size:
575,000 SF



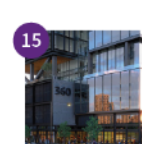
167 North Green

Developer: Shapack /
Focus Dev. / Walton Street
Total Building Size:
725,000 SF



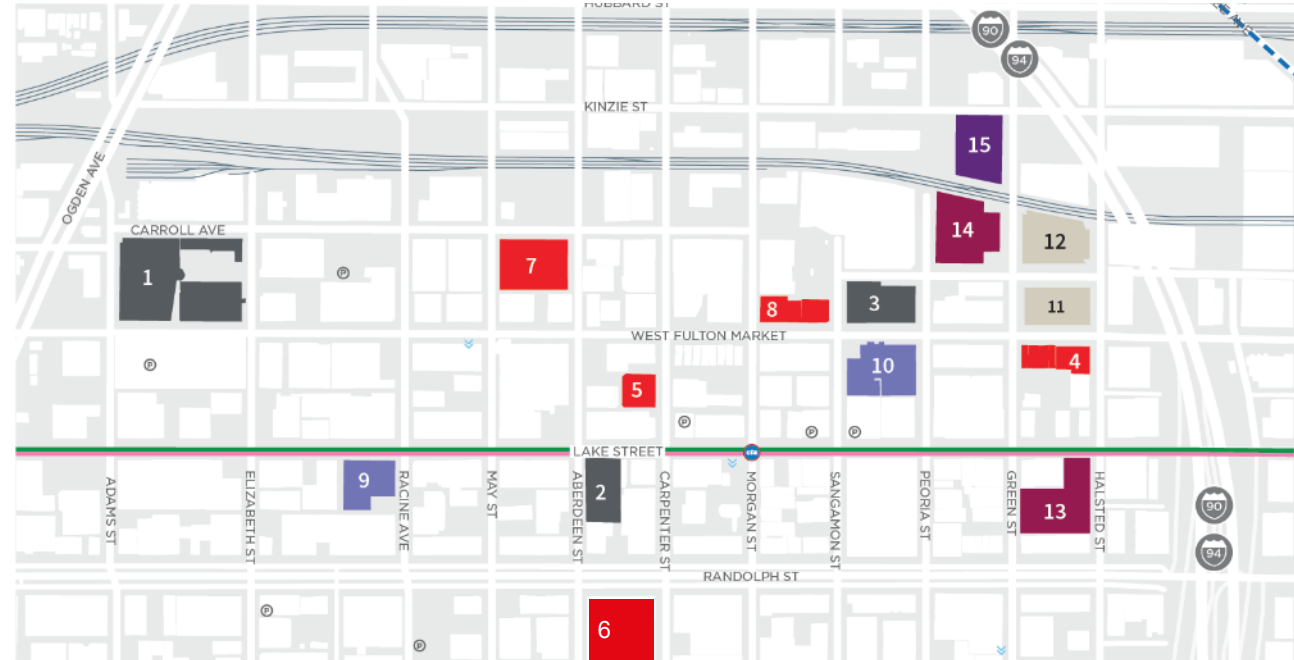
330 North Green

Developer:
Sterling Bay
Total Building Size:
657,184 SF



360 North Green

Developer:
Sterling Bay
Total Building Size:
458,000 SF



2017

2018

2019

2020

2021

2022