



Press Release

Date: April 2, 2018

Re: Real Estate Investment Advisory Council
First Quarter Presentation “Making Atlanta Great Again (in the eyes of corporate relocations)”
InterContinental Hotel Atlanta

On Thursday March 29th, The Real Estate Investment Advisory Council brought together a panel of experts for a wide-ranging discussion on the challenges confronting Atlanta in its race for the Amazon headquarters and corporate relocations in general.

A capacity crowd of Atlanta real estate professionals joined together at the InterContinental Buckhead Hotel and were treated to the high-level expertise and experience of:

KC Conway, Chief Economist for CCIM, ACRE Director of Research & Corporate Engagement and author of *Amazon HQ2: A Reset Button for Site Selection*;

Rob Metcalf, International Director for JLL, and lead relocation manager for Mercedes Benz;

Al Nash, CEO, Development Authority of Fulton County, and

Eloisa Klementich, CEO of Invest Atlanta.

The conversation began by first trying to define Atlanta: is it the city, the metropolitan area, or the state, since “Atlanta” is a brand that extends to each. Is there a “core” location of Atlanta anymore? Decades ago, downtown was the easily identifiable core and image of Atlanta. Today, not so easy to pin down.

The conversation moved to each panelist identifying the most key ingredients in bringing corporate relocations to Atlanta.

Conway believes that **workforce availability** has become the key factor driving corporate expansions. At the same time, real estate market conditions, such as real estate values and vacancy rates, have become less critical in the decision process. Companies like Amazon are more concerned about where to find the tens of thousands of skilled employees than traffic counts, office and warehouse availability rates, and facility construction costs. Amazon’s HQ search is more of a workforce search than a geographic selection.

Much of the credit for Georgia's strong showing in workforce availability is the Hope Scholarship, which keeps Georgia's brightest students at Georgia Tech, Emory, UGA and Georgia State rather than leaving to attend Duke, Virginia, Princeton and the like. And those students remain in Georgia and offer employers the critical STEM talent. (*A nod to Zell Miller, who did more than any other individual to keep Georgia students in Georgia*).

InvestAtlanta has worked to bring 45,000 jobs to Atlanta since 2010. InvestAtlanta credits the strengths of Atlanta as:

- Leadership that works together, meaning state and local officials working in concert to keep business as a sharp focus; keeping taxes low, and improving the infrastructure ("we don't have a mayor or a governor that embarrasses us, which is not the case in other locations");
- The universities that produce a highly educated workforce;
- Accessibility – moving people and products efficiently;
- Development – the city's developers who create cool places to live and work.

Real estate professionals rank Georgia attributes differently. Using the Mercedes Benz relocation from New Jersey as a model, the important qualities are:

- Cost of doing business (and solving for overly taxed employees and corporate entity a la New Jersey);
- Qualified workforce;
- Pro-business government;
- And, interestingly, not being seen as a small fish in a big pond; MB was concerned that so many other larger corporate headquarters were already here, it might get lost in the shuffle.

Amazon and the NRA flap

The recent war of words from the Lt. Governor Casey Cagle presents a bad message for Atlanta, and highlights that state politics is fracturing, and stepping out of its governance bounds into the field of business. Georgia and Atlanta had a history of progressive cooperation during the civil rights era, which in large part is why Atlanta is the capital of the South, not Birmingham or Montgomery. But that cooperative spirit is slipping away. And in the mind of the national media, political bickering from the state capitol will be pinned on the Atlanta brand, whether or not it is deserved.

Panelists were split as to whether the Lt. Governor has cost Atlanta the Amazon HQ. On one hand, Amazon's "Atlanta due diligence" efforts and enthusiasm precipitously declined the day after the NRA spat hit the news, a nearly certain sign that the progressive-minded, Seattle-based Amazon has moved on (likely to Northern Virginia).

However, other panelists point out that the business community needs to understand that "government-speak" is not official policy but campaign-season posturing that will be forgotten in a few news cycles. Despite the current media image of the Georgia state house, state and local officials actually work together very well behind the scenes, and are collaborating hard to land the Amazon HQ.

Pivoting back to positive Atlanta attributes, the city's diversity is an important – yet understated – component to Atlanta's success. Diversity via race, gender or age brings out different ways of thinking, and thus causes innovation.

Example: NCR's decision to leave Dayton, Ohio after 100 years. NCR top management noted that its Dayton employees still referred to the company as a maker of cash registers, when the company viewed itself as a provider of point-of-sale solutions for commerce. Senior management felt that a younger, more diverse and innovative culture warranted a move from Ohio to Atlanta. That, and NCR couldn't attract talent to move to Dayton.

REIAC

The Real Estate Investment Advisory Council (REIAC) was established as a nonprofit trade association to provide a forum for the exchange of ideas, concerns and experiences among senior executives who conduct commercial real estate transactions. The Southeast chapter of REIAC was founded in 1994.

REIAC is an exclusive, principals-only national fellowship of top real estate executives that offers superior educational events, networking opportunities and community service. REIAC's institutional quality programs are presented in a social environment where members can share experiences and knowledge with their peers. REIAC events encourage members to broaden horizons and develop personal relationships that further their success within the industry.

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