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More than 30 companies considering relocations, expansions in DFW

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The Dallas area is continuing to draw healthy interest from companies outside North Texas.

More than 30 companies from outside area are currently considering a relocation or expansion in the area, according to Darren Grubb, spokesman for the Dallas Regional Chamber.

That follows a strong season for Dallas-Fort Worth. Since September 2017, when Amazon's HQ2 review process began, 40 corporations have announced relocations and expansions within the region.

North Texas is showing signs of robust activity — despite concerns about a slowdown — as the region's business-friendly environment and access to talent attracts more interest, industry experts say.

"It has been anything but a slow start to the year," said Craig Wilson, executive managing director at Cushman & Wakefield (NYSE: CWK), in an email. "There is still a tremendous number of transactions in the pipeline, many of which represent significant expansions for area companies. Additionally, we have seen a resurgence in companies exploring DFW for possible relocation or expansion."

In November, DFW fell short in the most high-profile company expansion in recent memory when Amazon selected New York City and Northern Virginia for a split HQ2 after a months-long process. Still, North Texas grabbed some free publicity as a finalist and also was mentioned in a Wall Street Journal report along with the winning cities in the final days leading up to the decision.

"Locally, I think that there was a very brief 'HQ2 hangover' immediately after the decision was made, but the fact that Dallas made it so far into the competition likely helped further our position for future expansions by other companies," Wilson said.

And tech is a key driver here. Wilson noted that virtually all organizations his firm speaks with are placing an emphasis on the ability to boost technological capabilities.

Separately, there are fresh questions after the Washington Post reported Friday that Amazon (Nasdaq: AMZN) is reconsidering its selection of New York following a wave of opposition from local officials, citing people familiar with the matter.

'Seed offices' can help region

Whatever the case, Grubb said the region had a "strong pipeline of companies" looking to expand or relocate before HQ2 — and that it remains the case now. Still, he said being a finalist late in the process likely elevated and broadened "brand awareness" to include executives, founders, and innovators who may view Dallas in a different light, given Amazon's extended interest in us.

Activity has surged since the beginning of this year after a slowdown in late 2018, according to Chelby Sanders, SVP, CBRE (NYSE: CBRE). The soft patch came amid some challenging trends, including political concerns. She added that 2018 ended with more tenants looking for space than had been at the end of 2017 in the DFW market.

"It's very healthy what we're seeing," she said. "It's not over-exuberance."

Companies with interest in the region vary in size, she said. They might include businesses that prefer 20,000 to 25,000 square feet. Or it might be "seed offices" from larger firms that want around 5,000 square feet, but intend to use the site as a starting point for future expansion.



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Nationally, Dallas and Atlanta remain among the in-demand markets for corporate relocations and expansions, according to a site selector.

“It’s showing that people all over the country are recognizing the opportunities in Dallas-Fort Worth,” she said. “And they want to be a part of it.”

‘Moderately lower’

Still, King White, CEO of Site Selection Group, said the number of selection projects in the pipeline is “moderately lower” than this time last year, but the market remains robust.

“We’re busy,” White said. “We still hear from economic developers that there are projects — big projects — out there. People are still talking about more consolidation and more growth. That seems to be the dominant thing that corporations are trying to implement.”

Nationally, Dallas and Atlanta remain among the in-demand markets for corporate relocations and expansions, White said.

“The hot markets are lower cost, tier one cities, primarily — places where labor costs are less, and the cost of living is reasonable,” he said.