If You Build It, Will They Come?

Laura Sidney, Director of Client Strategy, CBRE
Mitch Rudin, Vice Chairman, Mack-Cali
THE EVOLUTION OF SITE SELECTION

TALENT’S ROLE

WHY LABOR

REAL ESTATE INVESTMENT & DEVELOPMENT

A DEVELOPER’S PERSPECTIVE

THE CHANGING NEED FOR REAL ESTATE
LABOR IS CRITICAL IN ANY ECONOMIC ENVIRONMENT
WHERE ARE THE CENTERS OF LABOR?
WHY LABOR
REAL ESTATE DEVELOPMENT & INVESTMENT
WHY LABOR?

- Tap into specialized skills
- Achieve "Employer of choice" status
- Reduce operating costs

Why Labor?

- Taxes: 72%
- Telecom: 15%
- Real Estate: 8%
- Payroll: 5%

Small change = huge impact

$1.00 per hr

$16.64 per SF
QUALITY OF TALENT AND MARKET INTELLIGENCE

WHAT’S HAPPENING ON THE GROUND?

- Is it difficult to find seasonal hires?
- Who are the preferred employers in the market?
- Is there a particular part of town that is more/less attractive than others?
- Is it tough to staff weekend shifts?
TALENT DETERMINES THE MARKET

OCcupiers are making people-centric decisions when selecting markets.

50% Talent availability

40% Access to new markets and customers

36% Quality of location infrastructure and amenities

31% Real estate costs

57% See employee attraction and retention driving workplace strategy

50% Executives choose markets based on talent requirements

44% See skilled labor shortages as a primary challenge facing their organization
A DEVELOPER’S PERSPECTIVE
THE CHANGING NEED FOR REAL ESTATE
QUIZ:
WHAT CITY IS THIS?
MOST DIVERSE
CITY IN THE U.S.

- WalletHub.com 2015 & 2017
1st most livable city in America – TimeOut.com

1st Winner of The Curbed Cup 2016 – Curbed.com

1st of top 5 hippest blocks in… – POST

1st tallest building (under construction) between NJ and Chicago

2nd best mid-sized city (behind Cambridge) with public transportation – Redfin

2nd happiest city to work in – Forbes

5th best city for millennials – Niche.com and Forbes

5th best major U.S. city for public transportation (ranking above Chicago, Seattle, and Miami) – Business Insider

10th among cities where the largest percentage of millennial-led households made over $350,000 a year – Zillow

10th most artistic city in the country – Atlantic Magazine

10th greenest city in the U.S. – Nerdwallet

22nd largest CBD in U.S.
HINT 3

The views…
NEED TO EDUCATE
HIGHEST CONCENTRATION OF TECH WORKERS IN NYC METRO REGION
TALENTED LABOR POOL

COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK

NEW YORK UNIVERSITY

PRINCETON UNIVERSITY

RUTGERS
THE STATE UNIVERSITY OF NEW JERSEY

NJIT
New Jersey's Science & Technology University

STEVENS INSTITUTE OF TECHNOLOGY
THE INNOVATION UNIVERSITY

#13 Best Graduate School for Engineering in Nation
- US News & World Report

#3 Best Online Graduate Computer Information Technology Program
- US News & World Report

#5 Best Colleges in America
- Niche

#21 in schools whose graduates are top-rated by recruiters
- WSJ

Top 100 producer of minority STEM graduates

#9 in the nation for computer science degree
- USA Today
Harborside offers ideal access to all the major tech companies in Manhattan, with seamless transit options—four minutes by PATH, six minutes by ferry.

Harborside is also easily accessible by bus, light rail, and by car.

(Exchange Place Avg. Weekday Riders: 17,131)
(MW Waterway carries more than 32,000 passenger trips per day)
(Avg. Weekday Riders: 51,867)
At 713-feet tall, with 69-stories, and 762 apartments, Jersey City Urby is one of the tallest buildings in Jersey City.

91% leased
Opened March 1, 2017
700+ leases signed

Rental Range:
Studios: $2,650 to $2,895
One Bedrooms: $2,795 to $3,550
Two Bedrooms: $3,695 to $5,190

AFFORDABLE WORKFORCE HOUSING
A COLLABORATIVE COMMUNITY
BRINGING TOGETHER ART, DANCE, AND MUSIC UNDER ONE ROOF.

ARTS, MUSIC, CULTURE
New York Chefs Move Beyond the City

Jersey City’s Dining Scene Has Finally Caught Up

Chef Leah Cohen to launch new anchor restaurant

Harborside, a new development in Jersey City, has snagged talented chef Leah Cohen, the chef/owner of Pig & Khao, to launch a new anchor restaurant.

Piggyback Bar is slated to open at Harborside, 200 Hudson St., next month.

It’s one of several new food and beverage concepts that will open there in the next 18 months, a spokesman for Harborside told Side Dish.
New compelling State incentives are available to tenants moving to Harborside and 101 Hudson Street.

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Gross Annual Benefit/Employee</th>
<th>Gross Annual Benefit/SP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Transit Hub</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>Transit-oriented development</td>
<td>$2,000</td>
<td></td>
</tr>
<tr>
<td>Large numbers of new full-time jobs are eligible:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>251 to 400</td>
<td>$500 - $1,500</td>
<td></td>
</tr>
<tr>
<td>401 to 600</td>
<td>$750 - $1,750</td>
<td></td>
</tr>
<tr>
<td>601 to 800</td>
<td>$1,000 + $5.00</td>
<td></td>
</tr>
<tr>
<td>801 to 1,000</td>
<td>$1,250 + $6.25</td>
<td></td>
</tr>
<tr>
<td>1,001+</td>
<td>$1,500 + $7.50</td>
<td></td>
</tr>
<tr>
<td>Business in a targeted industry: Defense, Energy, Finance, Health, Life Sciences, Logistics, Manufacturing, Technology and Transportation</td>
<td>$500/employee/p.a + $2.50</td>
<td></td>
</tr>
<tr>
<td>Average salary &gt; county's existing average (currently $50,006):</td>
<td>$250 (if 35% over), $500 (if 70% over), $750 (if 105% over) + $1.25 - $3.75</td>
<td></td>
</tr>
<tr>
<td>TOTAL POTENTIAL BENEFIT RANGE (PER EMPLOYEE PER ANNUM)</td>
<td>$7,000 - $9,750</td>
<td>$35.00 - $48.75</td>
</tr>
</tbody>
</table>

Each retained job receives 50% of the new job benefit, not to exceed the capital expenditure.

These are credits per employee offered by the State of NJ (NJS) to be applied against NJS Corporate Taxes. Insurance companies and partnerships are not eligible. Credits may be traded for cash payments with NJS or sold in the market. The benefits are available for up to 10 years and the Minimum Full-Time Employee Requirements are:

<table>
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<tr>
<th>INDUSTRY</th>
<th>MINIMUM NEW/RETAINED FULL-TIME JOBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech start-ups and manufacturing businesses</td>
<td>10/25</td>
</tr>
<tr>
<td>Other targeted industries</td>
<td>25/35</td>
</tr>
<tr>
<td>All other businesses/industries</td>
<td>35/50</td>
</tr>
</tbody>
</table>

For Non-Industrial Tenants, Minimum Capital Expenditure is (Base Building Work, TI and Tenant FFE all count towards this number):

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<th>INDUSTRY</th>
<th>MINIMUM NEW/RETAINED FULL-TIME JOBS</th>
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</thead>
<tbody>
<tr>
<td>Existing Projects</td>
<td>$40</td>
</tr>
<tr>
<td>New Construction Projects</td>
<td>$120</td>
</tr>
</tbody>
</table>

Source: NJEDA
NEW NEIGHBORS

**Newell Rubbermaid**
Newell (Rubbermaid)  99,975 sf
The consumer goods powerhouse, is establishing its new global headquarters in Hoboken, NJ—moving from Atlanta. Jersey City was chosen after a 10-state search because of the depth and age of the labor pool. The cost of the move will be offset with a $27 million tax incentive benefits package from New Jersey.

**Omnicon Group**
Omnicon  79,771 sf
The second largest global advertising/marketing holding company in the world is bringing 415 full-time jobs from Manhattan to Harborside 2 in Jersey City. Omnicom Group received a $39.4 million benefits package from New Jersey.

**Ernst & Young**
168,165 sf
Accounting and financial services giant is moving between 1,000 - 1,300 jobs to 121 River Street in Hoboken. They received a $39.8 million benefits package for the relocation.

**Tory Burch**
93,000 sf
This upscale purse and handbag maker, has been offered a $10.1 million tax incentive to move some of its operations from Manhattan to Downtown Jersey City at 499 Washington Blvd.

**Forbes**
Forbes Media  93,000 sf
Based in Manhattan for decades, the prominent media company relocated 350 jobs across the Hudson River to a mixed-use development site at 499 Washington Blvd. in Jersey City in 2014. They received a $27.1 million benefits package.

**Fidessa**
Fidessa Corporation  51,824 sf
Fidessa Corporation, the American wing of the Fidessa Group, a British financial software systems and service provider, is moving 340 employees to 70 Hudson Street in Jersey City. They will be taking advantage of a $30 million benefits package from the State of New Jersey.

**Jet.com**
Jet.com, online grocery start-up, doubled down on its New Jersey investment in 2016. After announcing it would up the size of its Hoboken headquarters two-fold, the company leased an additional 705,000-square-foot distribution facility in South Jersey to accommodate its growth.

**BNY Mellon**
BNY Mellon Innovation Center
One of 9 centers globally the center facilitates collaboration between business people and technology professionals to develop market leading solutions.
HUDSON RIVER WATERFRONT WALKWAY:
The walkway covers 18.5 linear miles from Bayonne to the George Washington Bridge.
HARBORSIDE TRANSFORMATION

VIEW FROM THE PATH STATION
HARBORSIDE WATERFRONT ESPLANADE

VIEW FROM THE HYATT LOOKING NORTH
THANK YOU!

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