

SUBURBAN OFFICES IN SUMMERLIN ON THE UPSWING; WORKING CLOSE TO HOME OFFERS MANY BENEFITS

Many employers, hoping to attract millennials as they age, are trying to marry the best of urban and suburban life, choosing sites in or near suburban communities. “What’s desired downtown is being transferred to suburban environments to attract a suburban workforce,” says Scott Marshall, an executive managing director for investor leasing at CBRE Group.

A great example of the growing trend to move the workplace closer to home is the master-planned community of Summerlin® where many companies, large and small, are moving from the Las Vegas Valley’s urban centers to suburbia where employees have access to walking trails, parks and golf courses – not to mention proximity to a wide variety of living opportunities that will significantly reduce commute times.

“The suburbs are the new city,” said Kevin T. Orrock, president, Summerlin, The Howard Hughes Corporation®. “Every year, more professional services firms and major companies are choosing to put down roots in communities like Summerlin. Downtown Summerlin®, with a plethora of restaurants - from quick service to fine dining, along with retail and entertainment, has made Summerlin even more appealing to businesses seeking to improve the quality of workplace by giving employees more access to the same amenities that enhance quality of life at home.”

Case in point are two major law firms well known in Las Vegas. Ballard Spahr recently moved to the top floor of One Summerlin, the first Class-A office building in Downtown Summerlin; and Greenberg Traurig LLP will soon occupy the top floor of Two Summerlin, the second Class-A office tower at Downtown Summerlin now under construction and scheduled for completion this summer. Both law firms made the decision to leave areas of the valley traditionally considered as centers of business for brand new buildings in the suburbs.

According to Robert Kim, Managing Partner of Ballard Spahr’s Las Vegas office, the firm’s new Downtown Summerlin location is close to where many of its clients work and even closer to where most live. “In addition to the added convenience of proximity to many of our clients, our attorneys and employees feel a strong sense of pride and ownership in One Summerlin, the office tower that has become the central landmark of this fantastic mixed-use destination. It’s hard to put a value on all that our new office affords us, including the 360-degree sweeping views of the valley from the mountains to the Strip; the wide variety of restaurants just steps from our door; and immediate access to an abundance of retail for errand-running before and after work that makes every-day life easier. We are thrilled with our decision to relocate to Summerlin.”

According to National Real Estate Investor, urb-suburban is a mash-up of suburban office locations in walkable settings with easy access to urban-style amenities like transit, housing, restaurants and retail. At Downtown Summerlin, the Regional Transportation Commission recently opened a major transit center by City National Arena, practice facility of the Vegas Golden Knights. Not only is transit on the upswing as a great way to get to and from T-Mobile Arena for hockey games, its use is growing among Millennials who prefer public transportation for environmental reasons as well as affordability and convenience.

Choosing a suburban location was a key driver for Aristocrat Technologies, Inc., an Australian-based company with a high Las Vegas profile and leading global provider of land-based and

online gaming solutions. The company is preparing to move approximately 600 employees later this year to its new headquarters in Summerlin. Currently under construction are two 90,000-square-foot buildings that will comprise the company's new North American headquarters near Town Center Drive and the 215 Beltway.

"The Aristocrat team evaluated a significant number of options for relocation," said Aristocrat Executive Vice President and General Counsel Mark Dunn. "The location we selected in Summerlin will enable us to provide our employees and our customers with a world-class facility in a great suburban location with access to all the amenities that also make the community a great place to live."

Allegiant is another company that recently relocated to Summerlin. The company's corporate headquarters is a unique campus environment comprised of ten buildings housing different operational units – a total of 215,391 square feet of office space on 14 acres of land and housing approximately 1,000 team members.

"Allegiant is not the typical airline, and our headquarters in Summerlin reflects that – both in design, and in its suburban location," said Maurice J. Gallagher, Jr., Allegiant chairman and chief executive officer. "As Las Vegas' hometown travel company, we like being part of the fabric of the community, and working collaboratively in a campus setting – in ways that a traditional downtown office building environment would not afford. The space is a tremendous value, and gives room to grow. And it's convenient for our employees as well as our business partners and visitors. We often hear from Summerlin residents that they enjoy knowing a major airline is being operated right in their backyard."

According to John Chang, first vice president of research services for Marcus & Millichap, now is a real turning point for suburban office. Downtown vacancy rates in U.S. cities dropped from 16% to below 14% between 2010 and 2015. And over the next five years, the majority of millennials will start to move into the age where they're getting married and starting families. When they do that, these suburban locations with amenities and schools are going to be favored. These changing trends have created a boon for some suburban office markets, and at the same time, helped to fuel development and demand for a greater variety of affordable housing and suburban apartments.

At Downtown Summerlin, Constellation is the area's first and now fully leased luxury apartment complex. A second apartment community with nearly 300 residences is planned by The Howard Hughes Corporation to begin construction this year, supporting the growing demand for multi-family suburban living.

"Summerlin, long considered one of the best places to live in Southern Nevada, still owns that distinction today," said Orrock. "And thanks to a growing trend of corporations relocating closer to home, Summerlin is also becoming a great place to do business. With more than 6 million square feet of office and commercial space throughout our community, Summerlin is, indeed, open for business."