

Tech behemoths Facebook, Google planning big Chicago office expansions

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Facebook and Google are mapping big expansions in Chicago, where real estate searches by two of the nation's other technology giants have been the center of attention.

Menlo Park, Calif.-based Facebook is negotiating to lease more than 200,000 square feet in a recently constructed office tower at 151 N. Franklin St. in the Loop, according to sources.

Meanwhile, sources said, Google plans to add more than 100,000 square feet of office space in the city's Fulton Market district, where the company already has a large Midwest headquarters.

Those companies' growth in Chicago comes as city and state officials await Amazon's decision on its planned second headquarters, or HQ2. The Seattle-based company last year announced plans to pick a North American location to add up to 50,000 high-paying jobs, and Chicago in January learned it was among 20 locations still under consideration.

Also in January, Mayor Rahm Emanuel said Chicago would try to lure Apple, which is seeking a new campus that would create more than 20,000 jobs. Cupertino, Calif.-based Apple has remained tight-lipped about potential locations for the campus, and it's unclear whether Chicago is under consideration.

For now, at least, Google and Facebook are the tech behemoths beefing up their presence in Chicago. Many of those companies' existing

employees are in sales.

If the Facebook lease is completed as expected, it would cap a spring to remember for Chicago developer John Buck Co. In May, Facebook signed the largest office lease in San Francisco history, agreeing to fill all of a new, 756,000-square-foot tower developed by John Buck and two partners: Chicago-based Golub & Co. and the asset management arm of MetLife.

How do Amazon HQ2 contenders measure up? We checked the data.

The Chicago deal comes immediately after tenants began moving into John Buck's 35-story tower at 151 N. Franklin St., where CNA Financial is the namesake tenant. Another tenant in the approximately 807,000-square-foot building is law firm Hinshaw & Culbertson.

The largest block of remaining space is the top 10 floors, which have just over 257,000 square feet combined. It's possible Facebook could fill all of that space.

It's unclear whether Facebook also plans to remain in a recently expanded office on Wacker Drive, or whether the spaces will be consolidated on Franklin Street. In October, the Tribune reported Facebook had expanded its space at 191 N. Wacker Drive to more than 100,000 square feet.

A Facebook spokeswoman and John Buck President and Chief Investment Officer Kevin Hites did not respond to requests for comment.

In May, Crain's Chicago Business reported that Facebook has been poaching recruiters from other Chicago companies so the social media company can make hundreds of new hires in the city.

The Franklin Street space would be large enough to accommodate more than 1,000 employees.

Facebook is represented by brokers at Cushman & Wakefield. John Buck is represented by Bill Rolander and Jon Cordell of Newmark Knight Frank.

Google is expanding in Fulton Market, an area that it helped elevate a few years ago when it moved into 358,000 square feet in the former Fulton Market Cold Storage building, which was redeveloped by Chicago's Sterling Bay and renamed 1KFulton.

Google, which has nowhere else to expand at 1000 W. Fulton Market, is leasing 14,000 square feet on the ground floor that once had been planned as retail space for the building, Google spokeswoman Kayla Conti confirmed. She said that space will be used for Google's salespeople to interact with clients.

Just south of 1KFulton, Google is negotiating to take more than 100,000 square feet in a 12-story building Sterling Bay plans to finish building at 210 N. Carpenter St. by late this year, sources said.

Sterling Bay managing principal Andy Gloor could not be reached for comment.

Conti declined to comment on the Carpenter Street lease, or to say whether Google plans further expansion in the neighborhood. She said the Mountain View, Calif.-based company has more than 900 employees in Chicago.

Google is represented by Kyle Kamin and Cal Wessman of CBRE. Sterling Bay and 1KFulton owner American Realty Advisors are represented by Sterling Bay leasing director Michael Lirtzman.

About 60,000 of the Carpenter Street building's 205,000 square feet already has been leased.

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