



ILLINOIS CHAMBER
OF COMMERCE

Survey of Illinois
Commercial and Industrial
Real Estate Agents and Brokers

**Opportunities and Challenges
of Doing Business in Illinois:
A Sneak Peak at the Results**

Graphs to Accompany Summary of Results



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Survey of Illinois Commercial and Industrial Real Estate Agents and Brokers

Data collected: 3rd and 4th Quarters, 2008



Conducted by:

Survey Research Office

Center for State Policy and Leadership

University of Illinois at Springfield

Co-Sponsors:



ILLINOIS
ASSOCIATION OF
REALTORS®



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Economic Development Council



General Methodology

- Instrument development – focus group
- Started with contact names for 50 firms
- Recruited within these firms
- Also checked Internet sites for these firms
- Resulted in 188 agents / brokers
- Snowball technique
- Added – resulting in 510 agents / brokers
*assisted by accessing membership lists for:
AIRE, SIOR*
- “Final List” = 458 agents / brokers
(some of these may not be eligible; but used for response rate)

The Respondents and their Firms

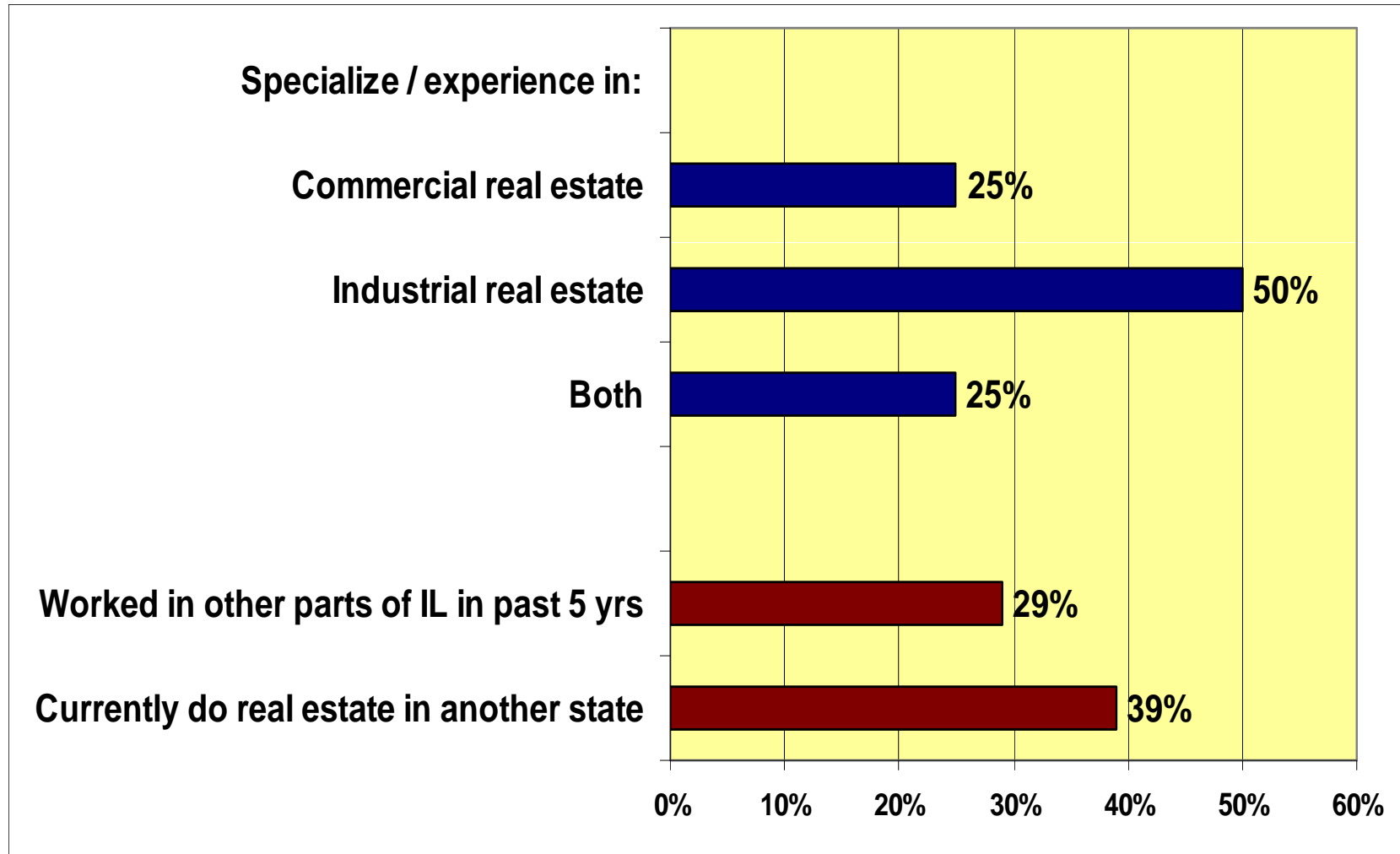
Numbers and Geography: Diverse

Region	“Final” List	Respon- dents % (n)	<i>Response Rate for Location Group</i>	Firms % (n)
City of Chicago	30%	30% (48)	<i>35% rate</i>	22% (19)
Chicago suburbs	51%	44% (70)	<i>30% rate</i>	53% (47)
Down- state	19%	26% (42)	<i>48% rate</i>	25% (22)
<i>Total n</i>	458	160	<i>35% rate</i>	88

Mode: 67% by telephone interview; 33% by web-based questionnaire

The Respondents

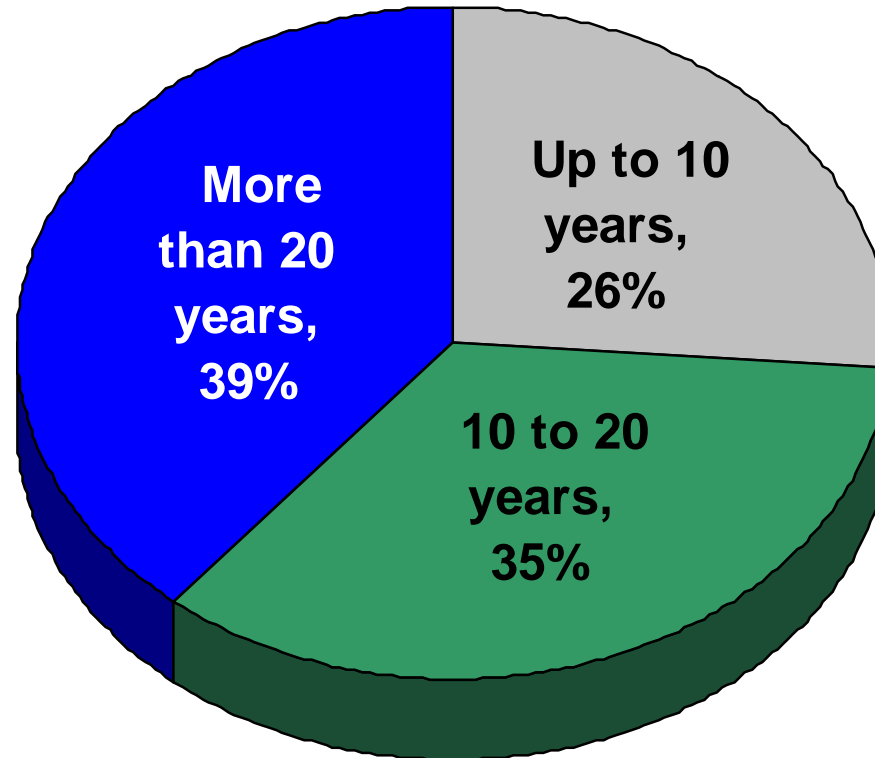
Type and Location of Business



The Respondents

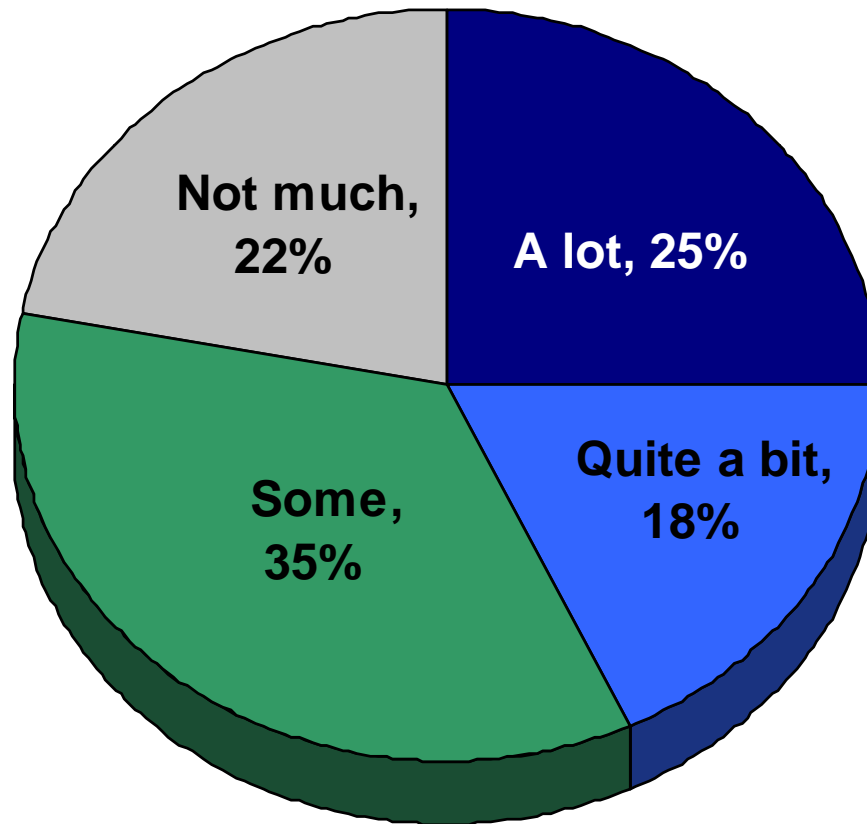
A Lot of Experience Represented Here

Experience: Length of time have done commercial / industrial real estate business in Illinois



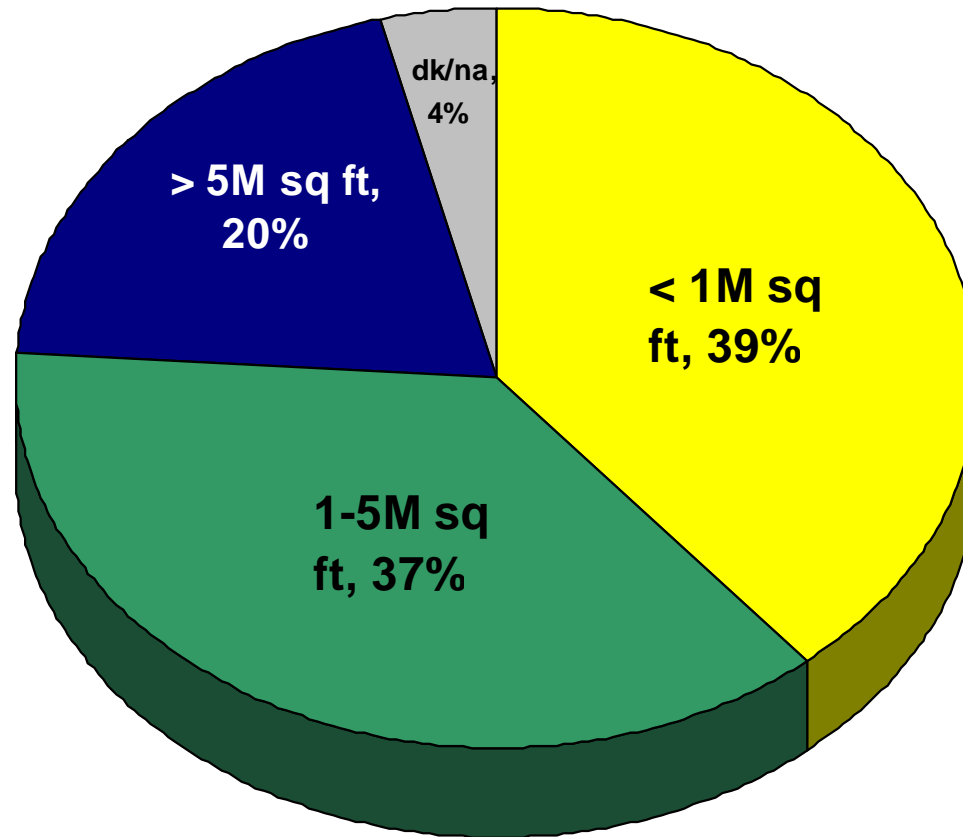
The Respondents

Experience with out-of-state firms: how much experience in last five years?



The Respondents

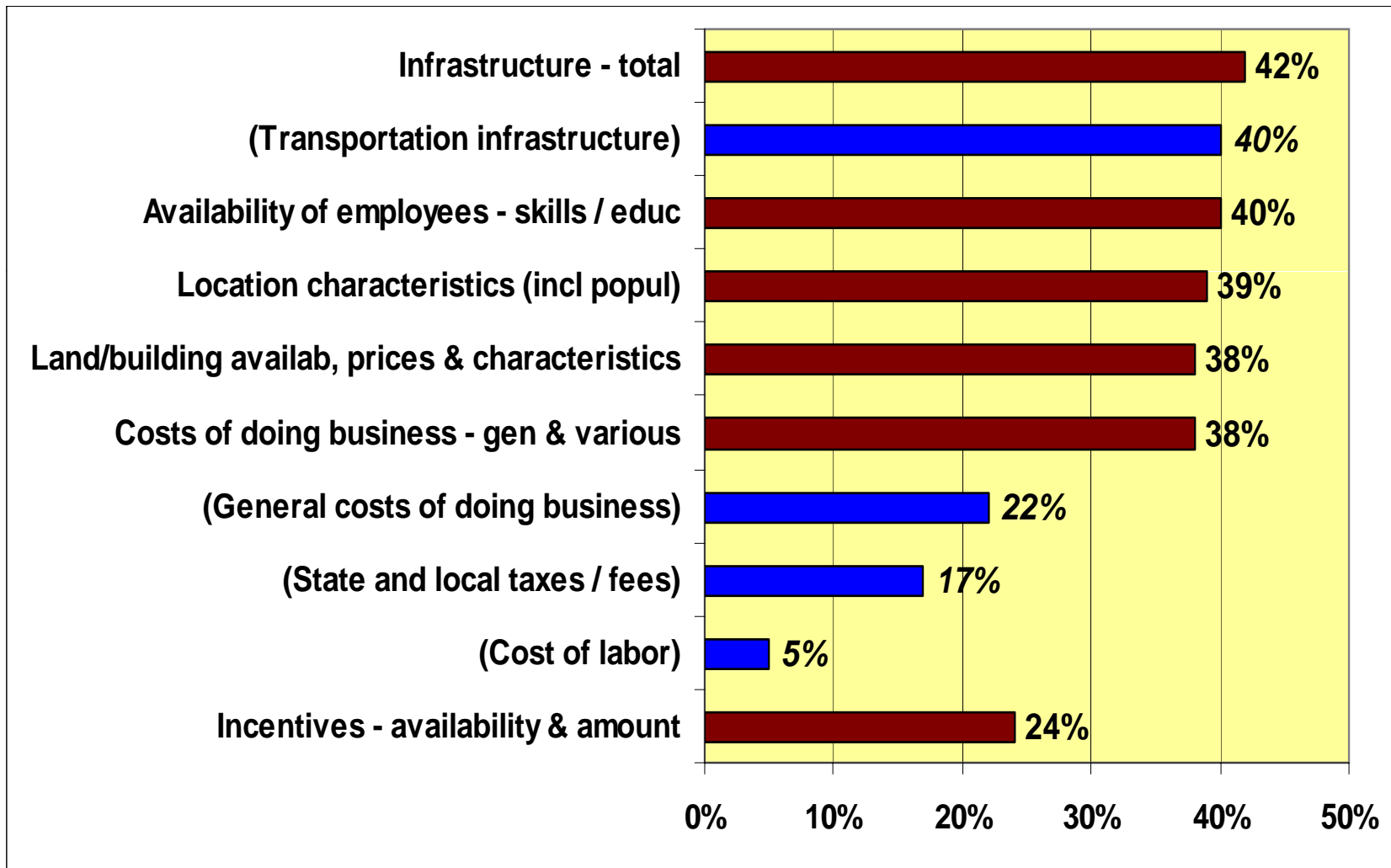
Volume of business: how much square footage in transactions last year for company?



Most Important Factors in Final Site Selection

Open-ended question

Most Important Factors in Final Site Selection: most frequent topics



Factors in Final Site Selection

Closed-ended ratings for 19 factors --

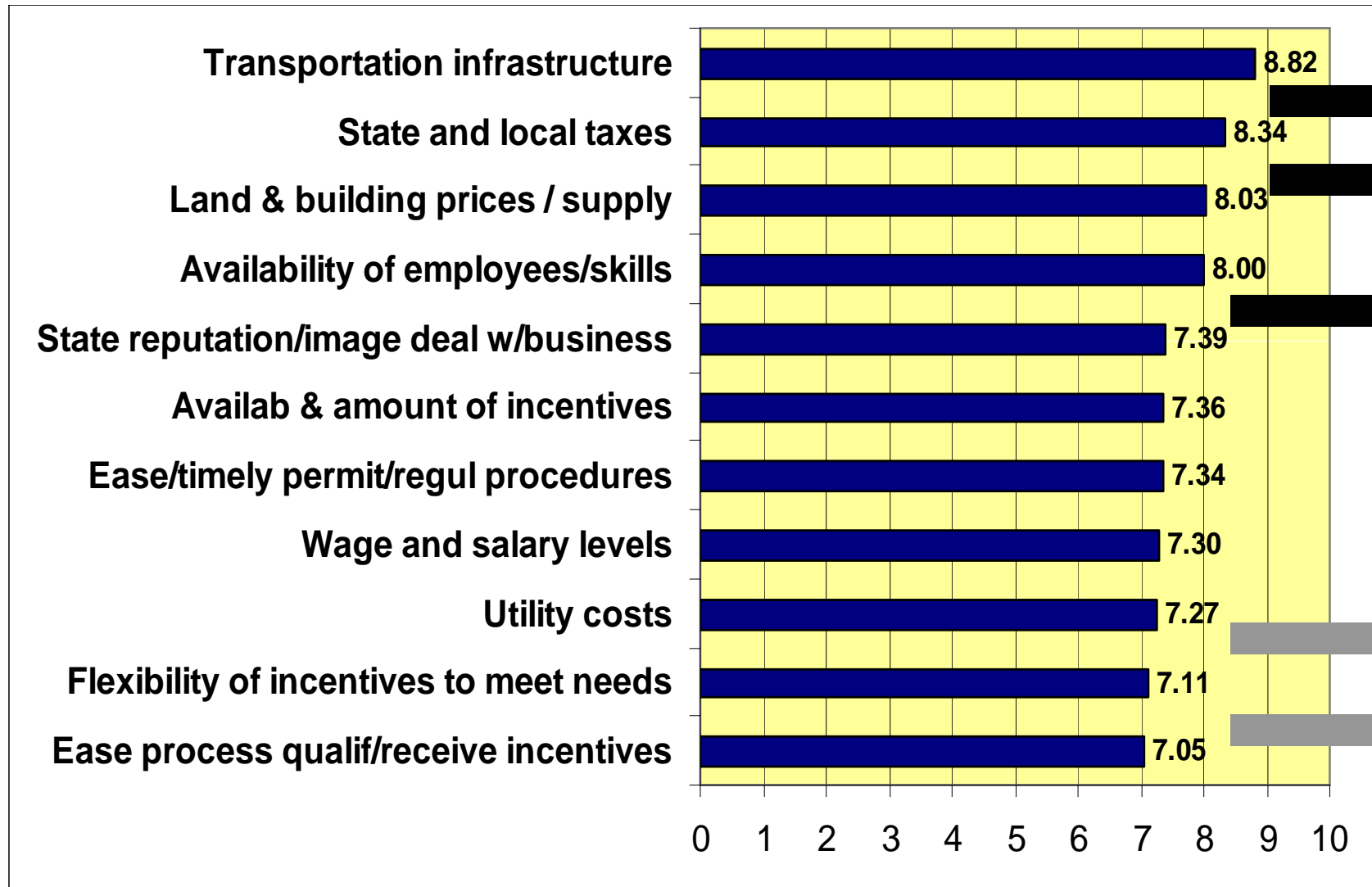
Rate on 0-to-10 Scale:

10 = extremely important

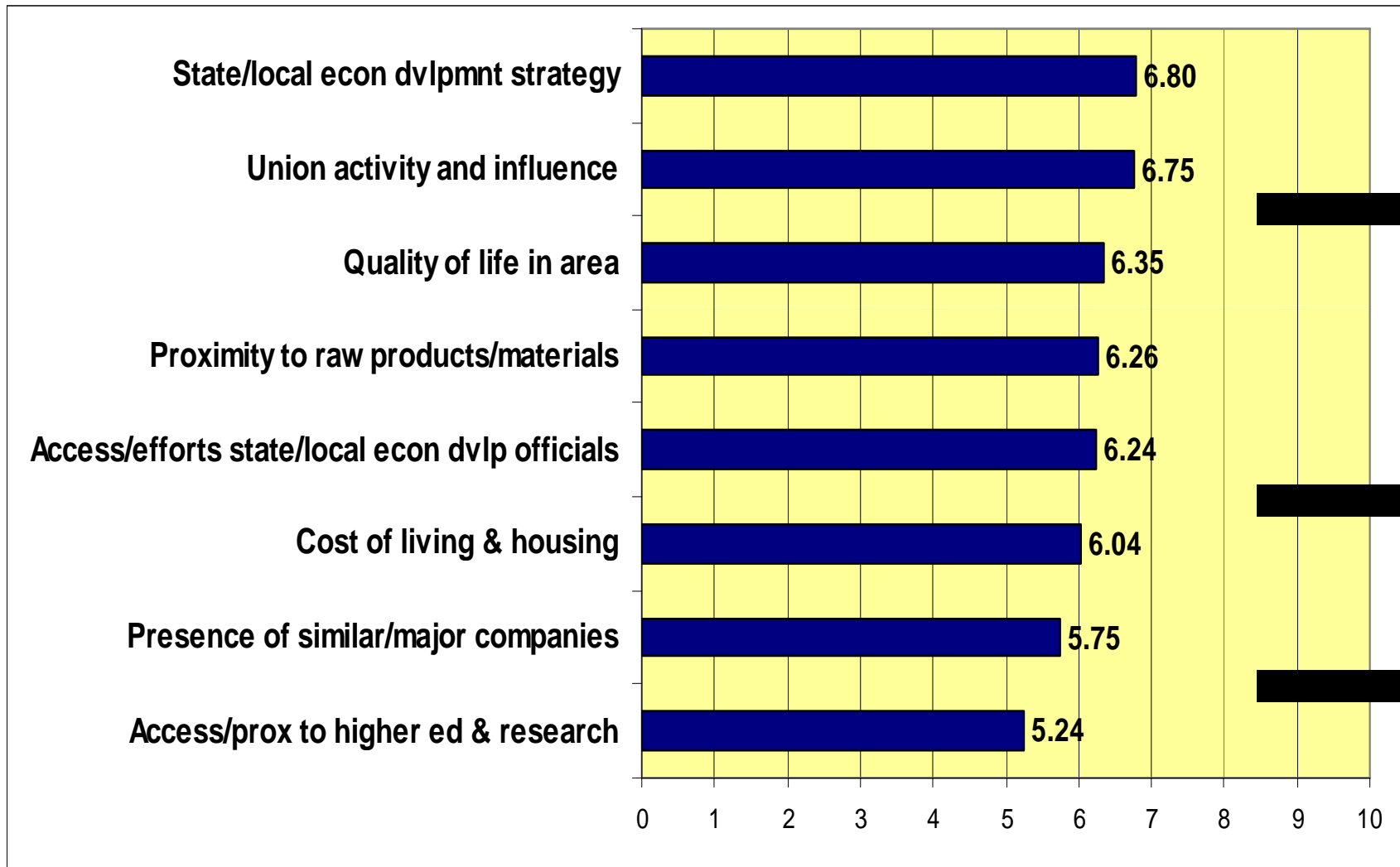
5 = moderately important

0 = not important at all

4 items with mean scores > 8.00; 5 items > 7.25; 2 just above 7.00



2 items with mean scores just < 7.00; 4 items above 6.00; 2 < 6.00



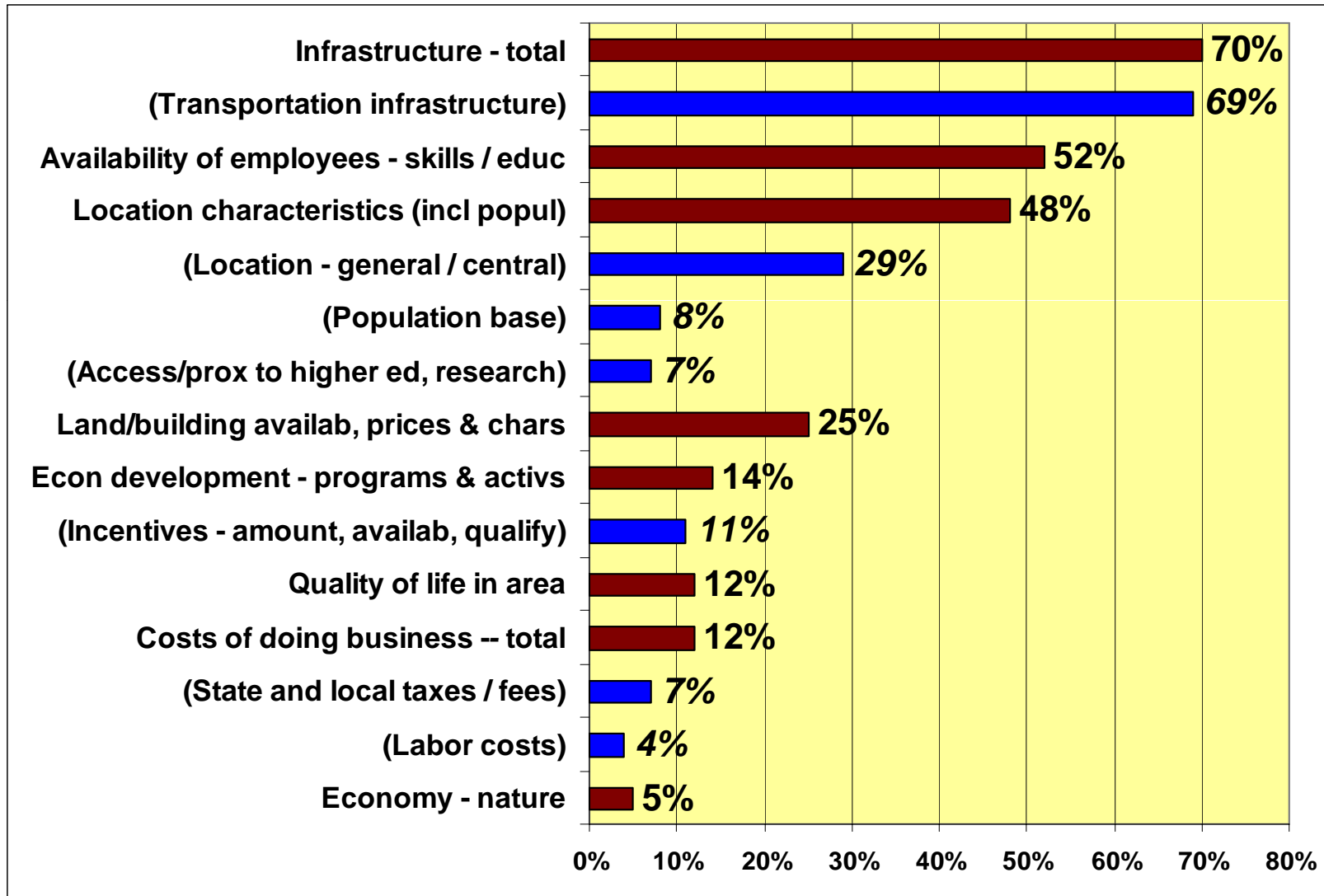
Rankings of the Importance of Factors by Regions

- Great deal of similarity in rankings, particularly between City of Chicago and Chicago suburbs
- 3 factors stand out for differences
 - State's reputation/image in dealing with business: 2nd for downstate; 7th for suburban; 12th for City of Chicago
 - Ease/timeliness of regulatory procedures: 5th and 6th for suburban and Chicago; 12th for downstate
 - Flexibility of incentives: 4th (tied) for downstate; 11th and 12th for Chicago and suburban

Strengths and Weaknesses
of Your Area of Illinois
in terms of Attracting and Competing for
Commercial / Industrial Firms Looking to
Relocate or Expand

Open-ended questions

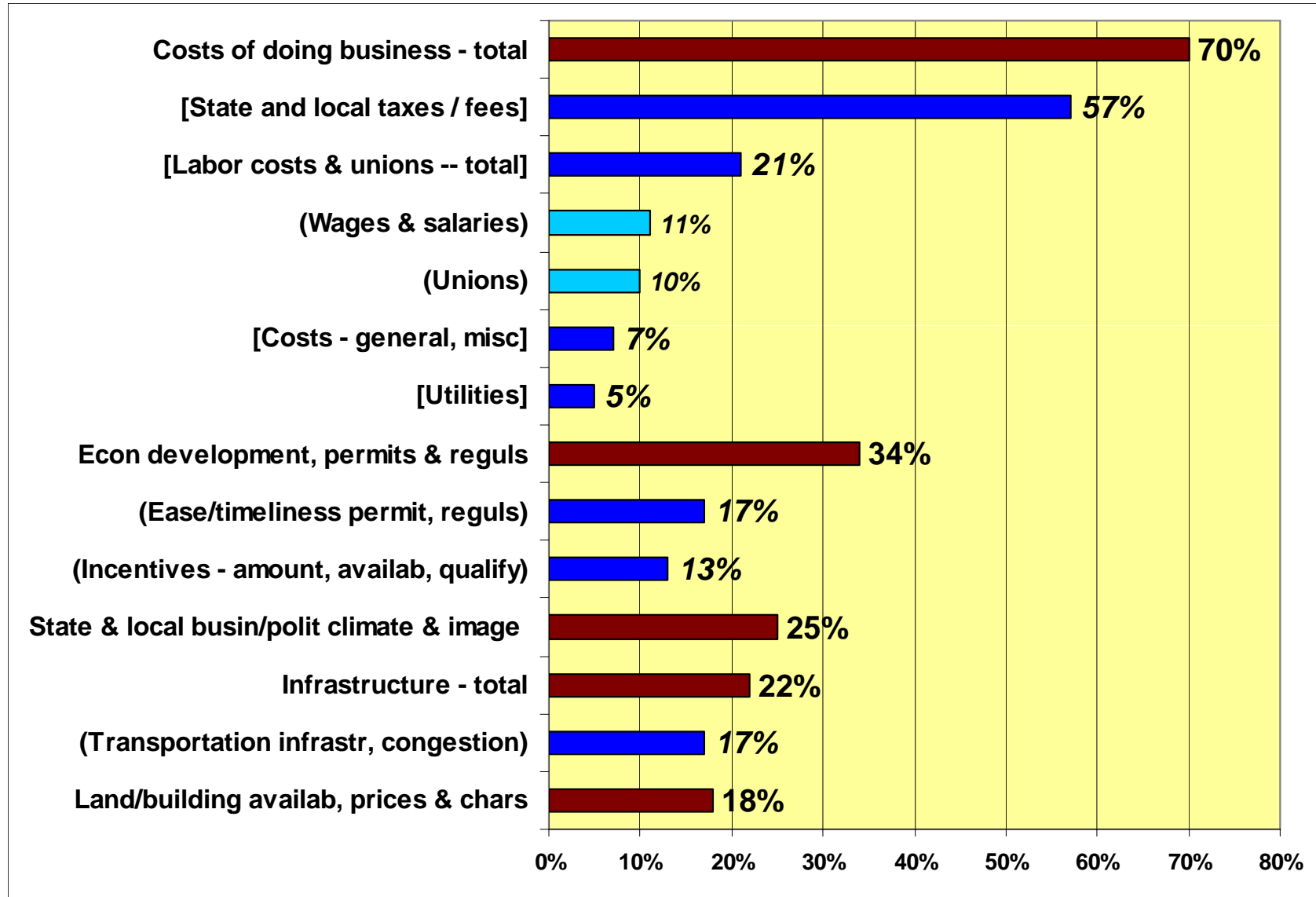
Strengths: most frequent topics



Strengths of Area – by Region *(selected)*

Characteristics	Total	City of Chicago	Chicago Suburbs	Down-state
Infrastructure (total)	70%	68%	78%	59%
Availability of employees – skills, education	52%	54%	55%	44%
Location chars (incl population)	48%	50%	51%	44%
Land/building availab, prices & characteristics	25%	20%	18%	41%
Economic development – programs & activities	14%	16%	6%	26%
Quality of life in area	12%	7%	6%	28%
Costs of doing business – total	12%	4%	13%	18%
Economy – nature of	5%	7%	3%	8%
Cost of living / housing	5%	0%	4%	10%
<i>n of respondents</i>	<i>150</i>	<i>44</i>	<i>67</i>	<i>39</i>

Weaknesses: most frequent topics



Weaknesses of Area – by Region *(selected)*

Characteristics	Total	City of Chicago	Chicago Suburbs	Down- state
Costs of doing business – total	70%	75%	78%	50%
<i>State & local taxes / fees</i>	57%	68%	66%	31%
<i>Labor costs & unions</i>	21%	14%	23%	26%
<i>Wages and salaries</i>	11%	9%	15%	5%
<i>Unions</i>	10%	7%	11%	12%
<i>Workmen's comp; unempl insur; litigation</i>	4%	0%	0%	14%
<i>Costs of doing business– gen, misc</i>	7%	4%	8%	10%
<i>Utilities</i>	5%	9%	5%	2%
Economic development – programs & activities	34%	34%	29%	40%
<i>Ease / timeliness permits, reguls</i>	17%	11%	22%	17%
<i>Incentives – amount, avail, qualify</i>	13%	20%	8%	14%
<i>Access to / efforts of govt officials</i>	6%	4%	5%	10%
State & local business / political climate & image	25%	16%	28%	31%
Infrastructure (total)	22%	25%	26%	12%
Land/building availab, prices & characteristics	18%	16%	22%	14%
<i>n of respondents</i>	151	44	65	42

Attractiveness of Your Area of Illinois to Firms Looking to Relocate or Expand

Closed-ended ratings – Overall and for 19
characteristics (same as factors)

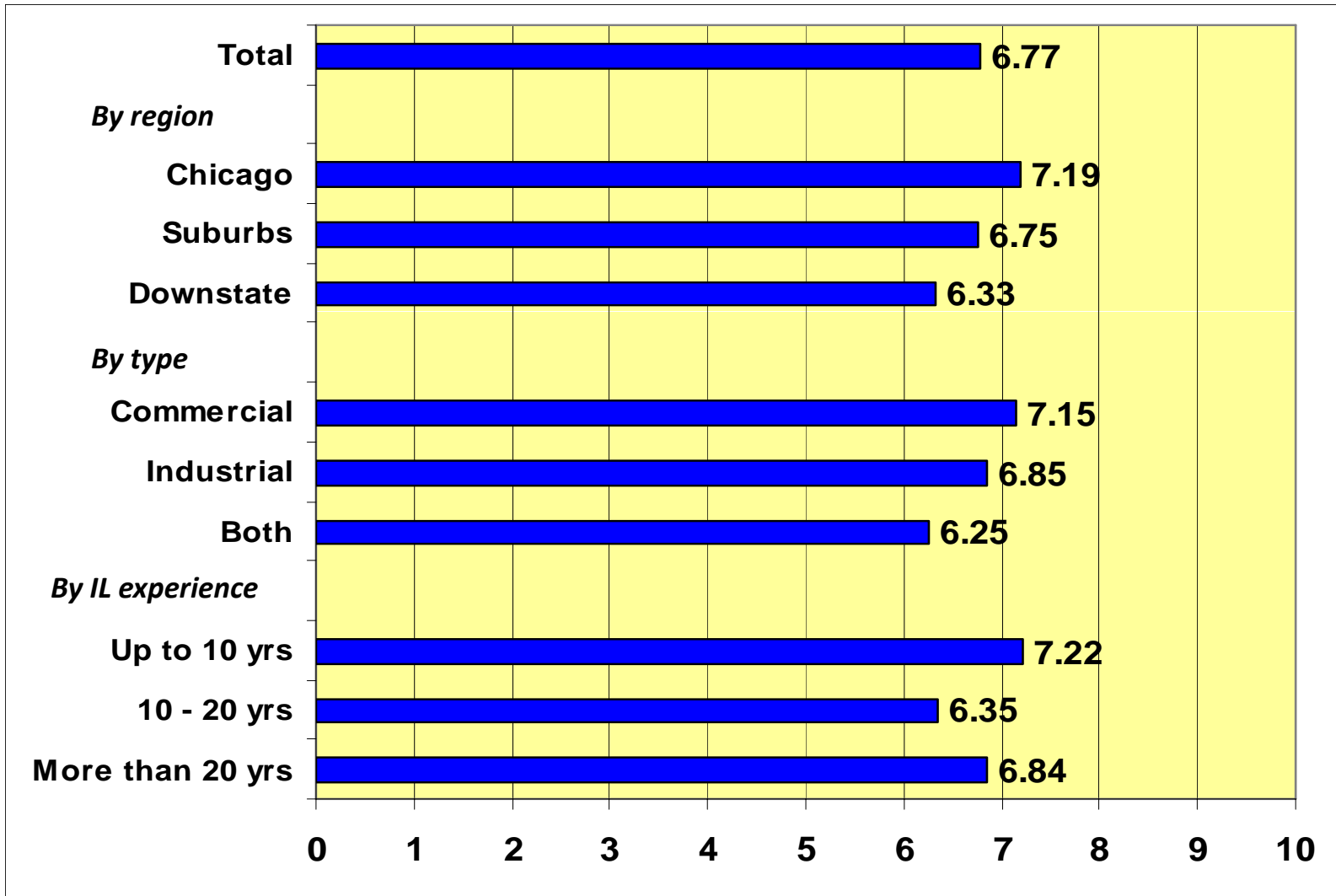
Rate on 0-to-10 Scale:

10 = extremely attractive

5 = moderately attractive

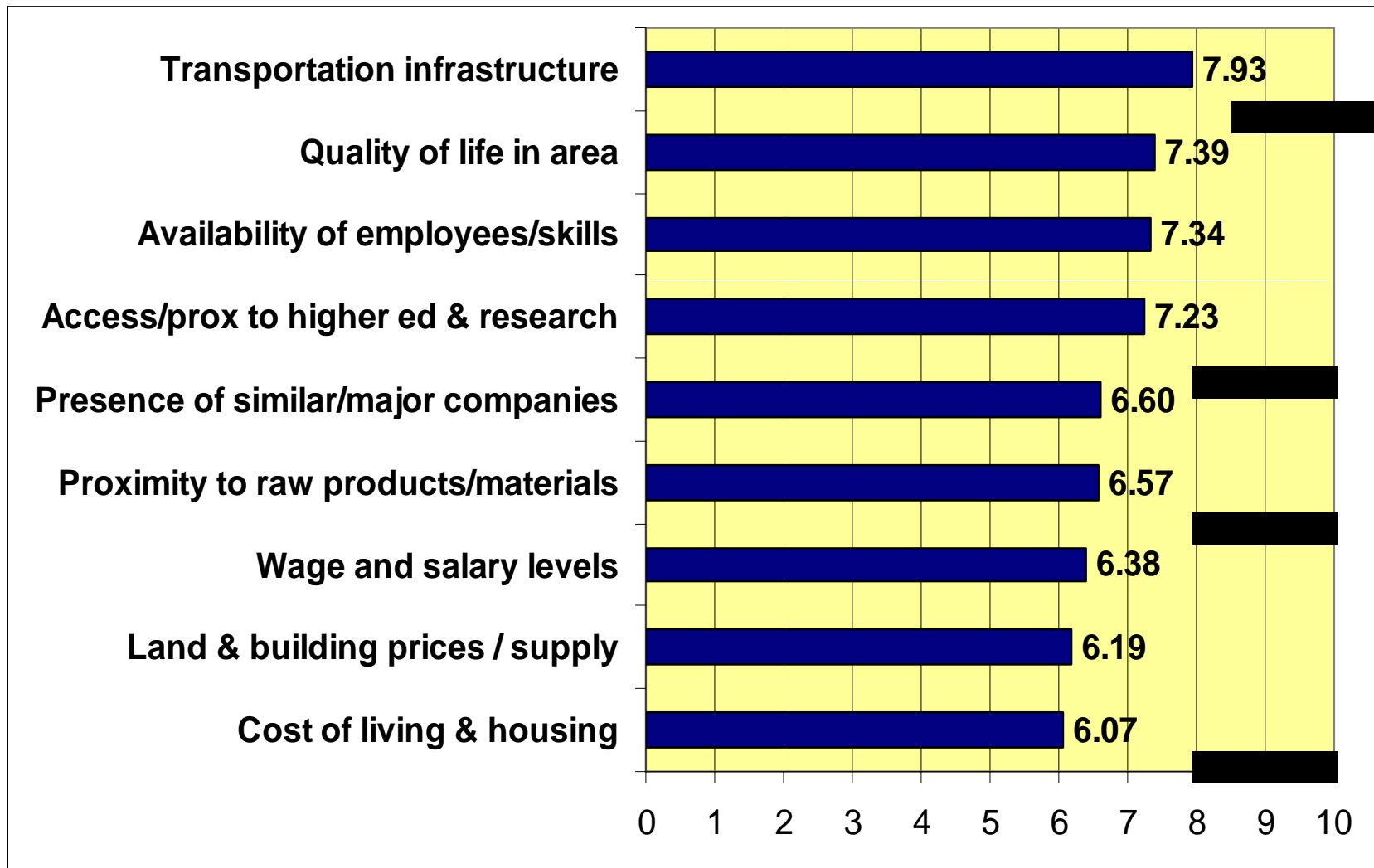
0 = not at all attractive

Attractiveness of Your Area -- Overall

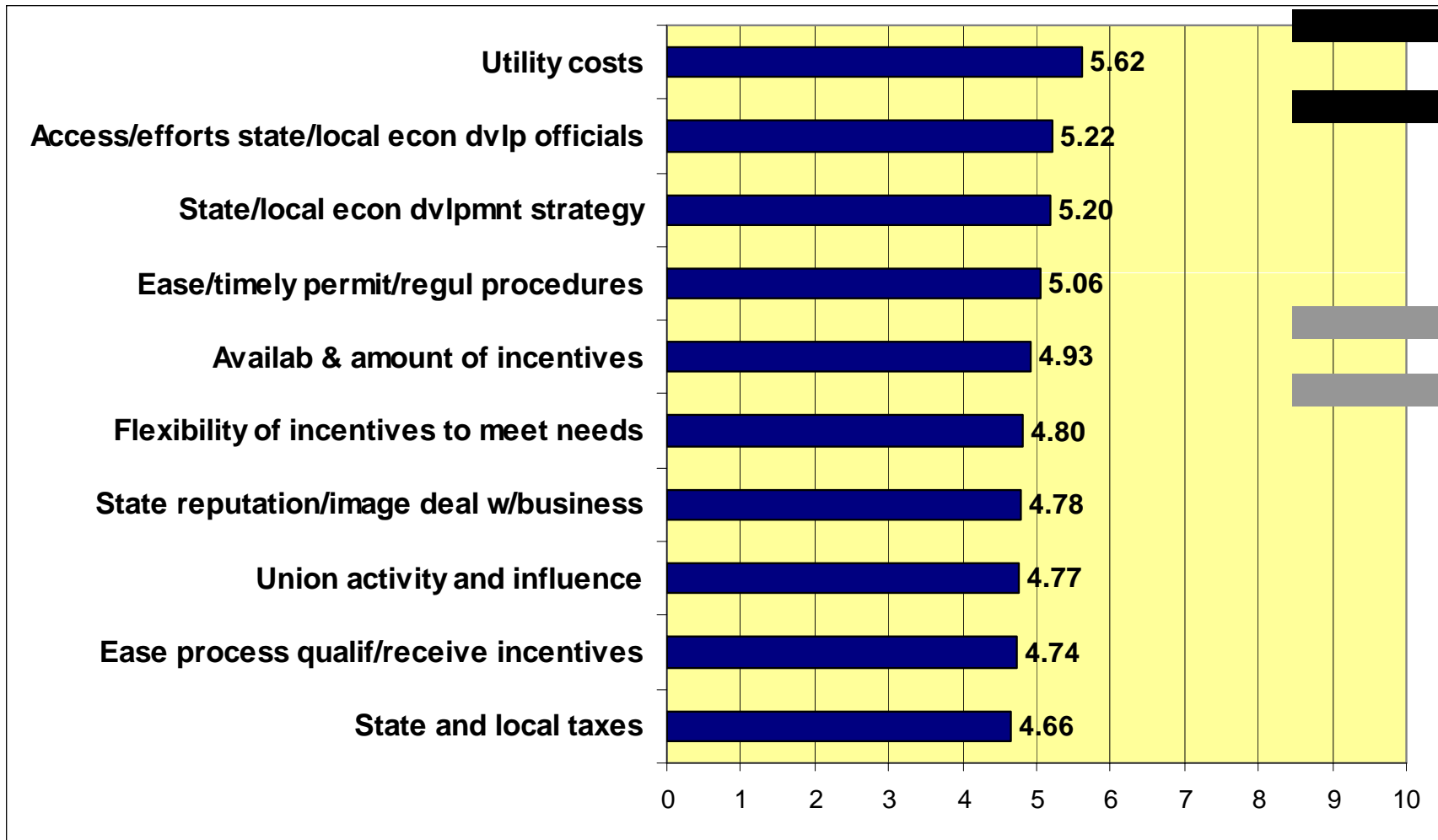


For the 19 characteristics ...

4 items with means > 7.00; 2 items > 6.50; 3 items > 6.00



1 item with mean > 5.50; 9 items with means between 4.66 – 5.22



Rankings of Attractiveness Characteristics by Regions

- Great deal of similarity in rankings, particularly between City of Chicago and Chicago suburbs
- 4 characteristics stand out for differences
 - Two where Chicago area rankings are higher
 - Presence of other/similar companies: 4th and 5th for suburbs and Chicago; 13th for downstate
 - State's reputation/image in dealing with business: 13th for Chicago area; 19th (last) for downstate
 - Two where downstate rankings are higher
 - Flexibility of incentives: 10th for downstate; 17th and 18th for Chicago and suburbs
 - Cost of living & housing: 3rd for downstate; 9th for Chicago area

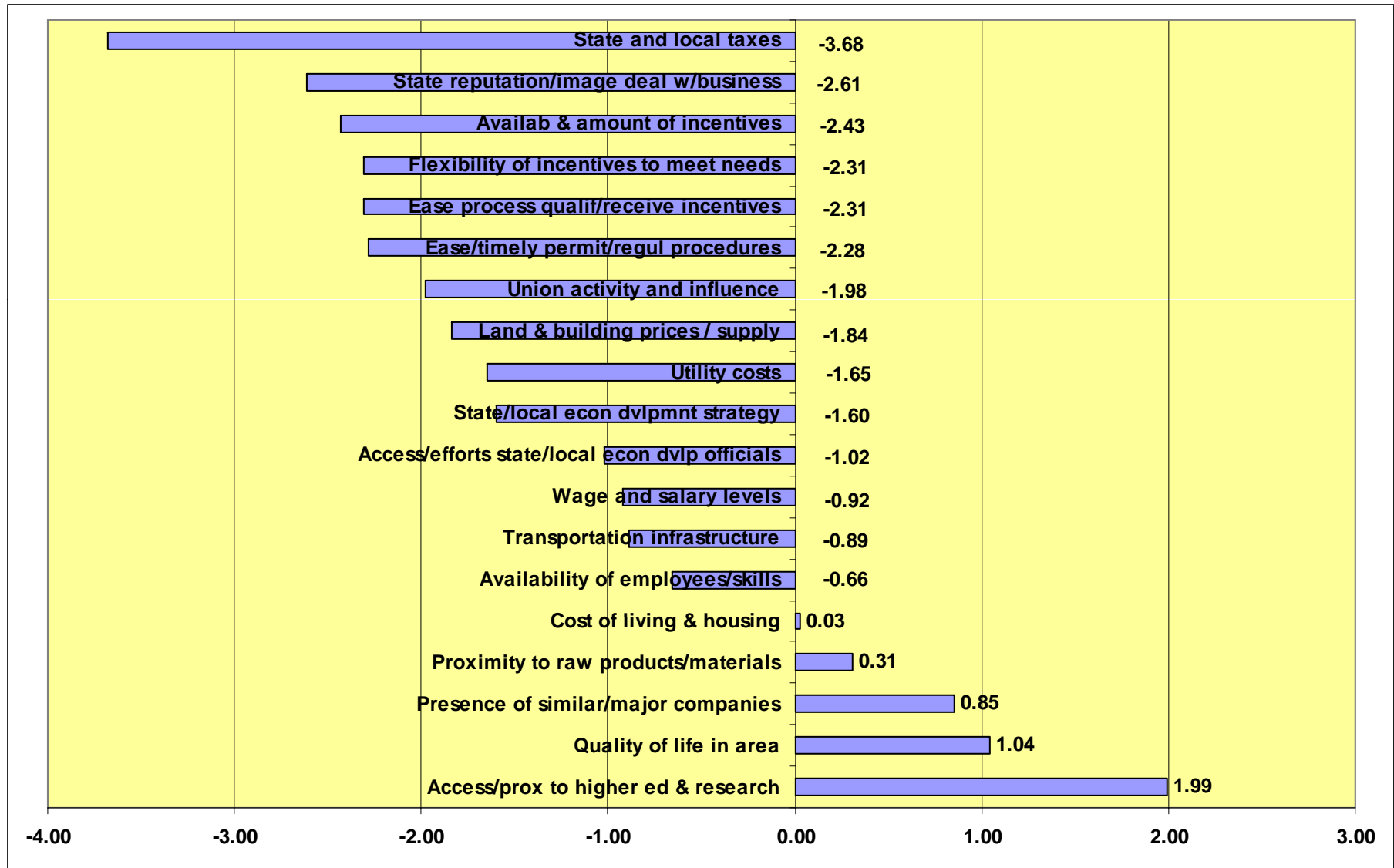
Looking at the Relationship / Differences
between:

Ratings of Importance
and
Attractiveness Ratings
for the Factors / Characteristics

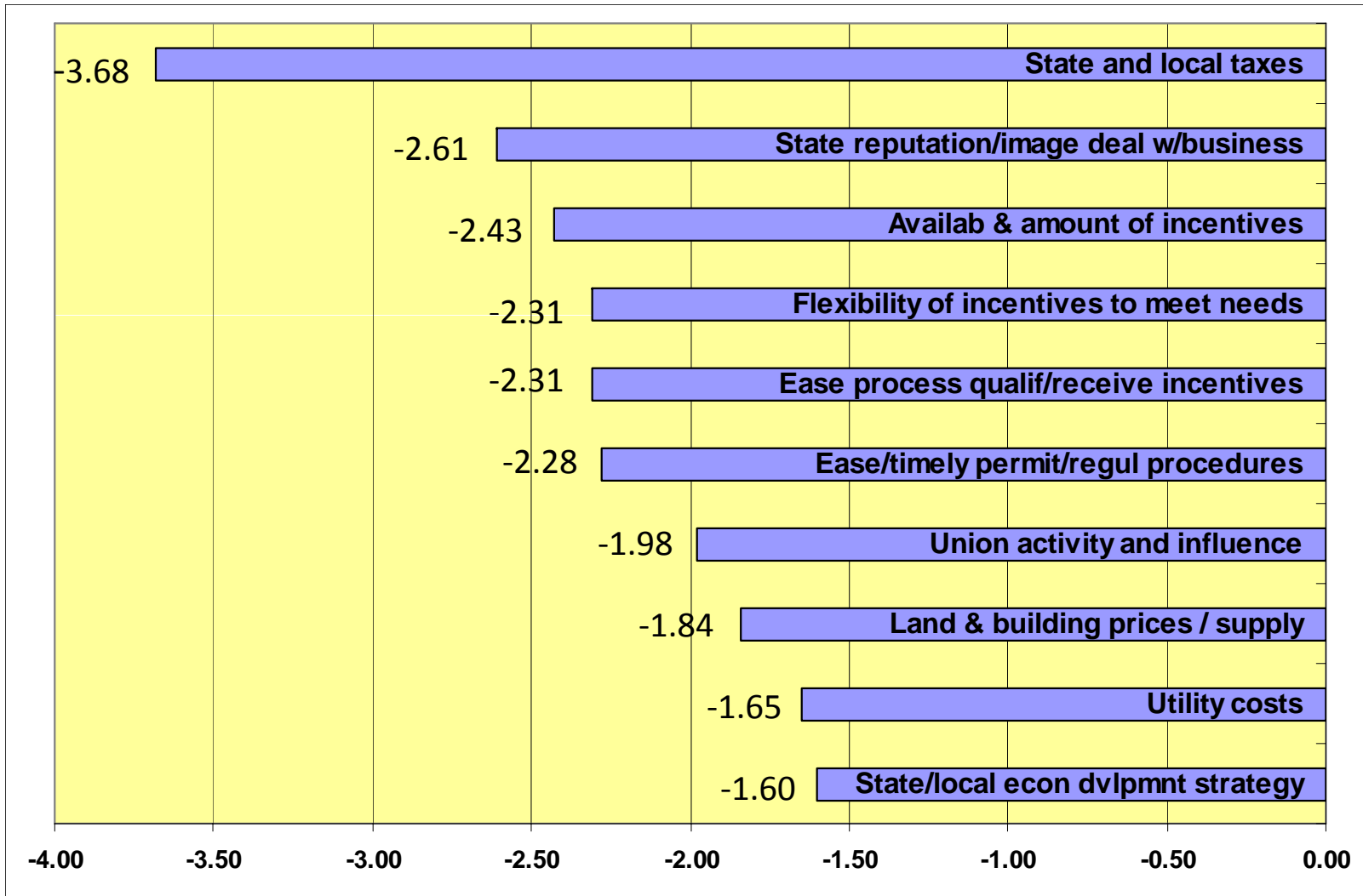
A Relative Measure of Areas

Where Attention Is Most Needed

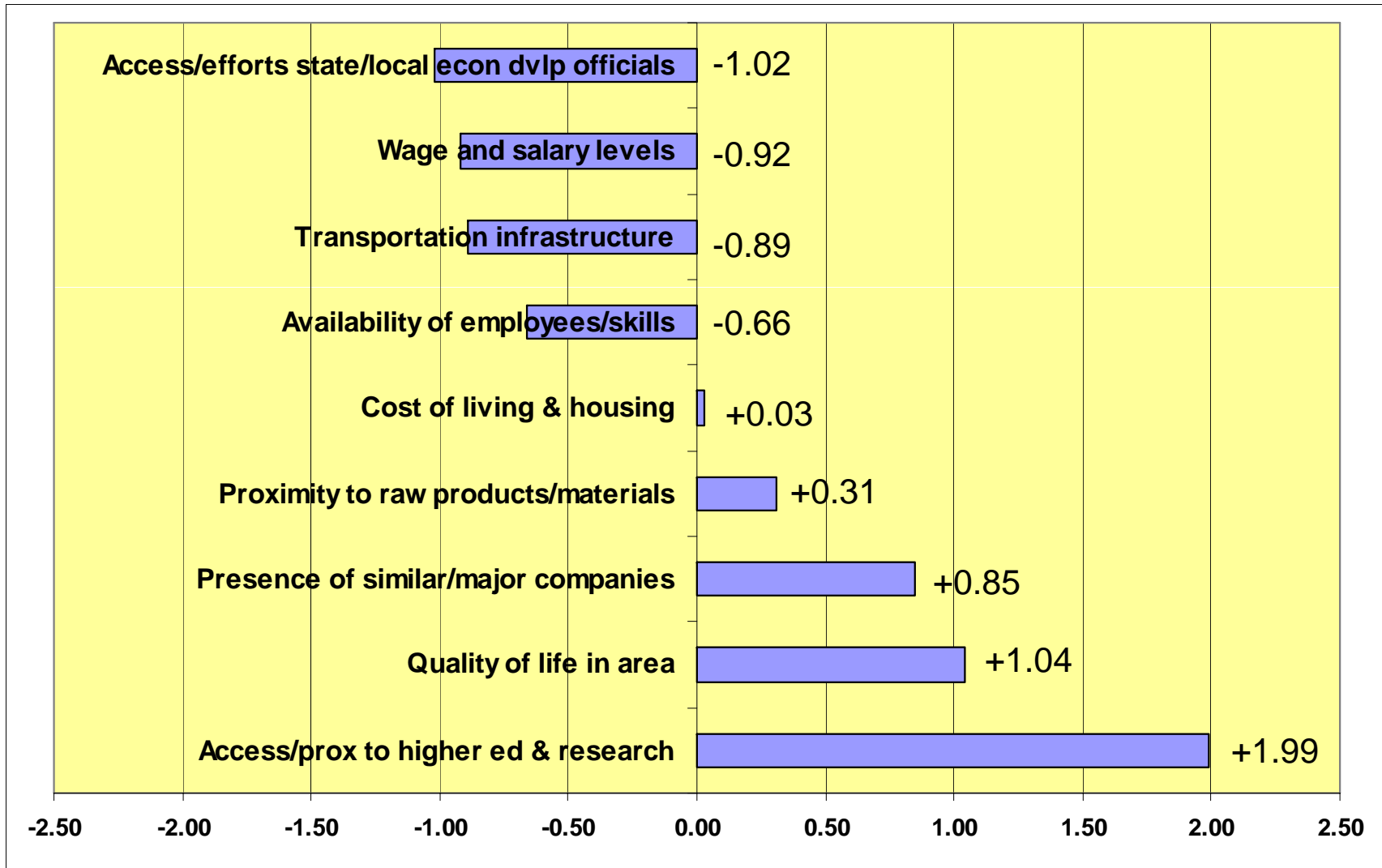
Full Gap Analysis (Attractiveness – Importance)



“Bigger Picture” Gap Analysis



“Bigger Picture” Gap Analysis



All Respondents: Largest Negative Gaps (Attractiveness – Importance)

Factor / Characteristic	Total
State and local taxes	-3.68
State reputation/image deal w/business	-2.61
Availab & amount of incentives	-2.43
Ease process qualif/receive incentives	-2.31
Flexibility of incentives to meet needs	-2.31
Ease/timely permit/regul procedures	-2.28
Union activity and influence	-1.98
Land & building prices / supply	-1.84
Utility costs	-1.65
State/local econ dvlpmnt strategy	-1.60

Chicago: Largest Negative Gaps

(Attractiveness – Importance)

Factor / Characteristic	City of Chicago
State and local taxes	-3.51
Union activity and influence	-2.69
Availab & amount of incentives	-2.44
Flexibility of incentives to meet needs	-2.13
Ease process qualif/receive incentives	-2.03
Ease/timely permit/regul procedures	-1.94
Utility costs	-1.56
State reputation/image deal w/business	-1.51

Chicago Suburbs: Largest Negative Gaps (Attractiveness – Importance)

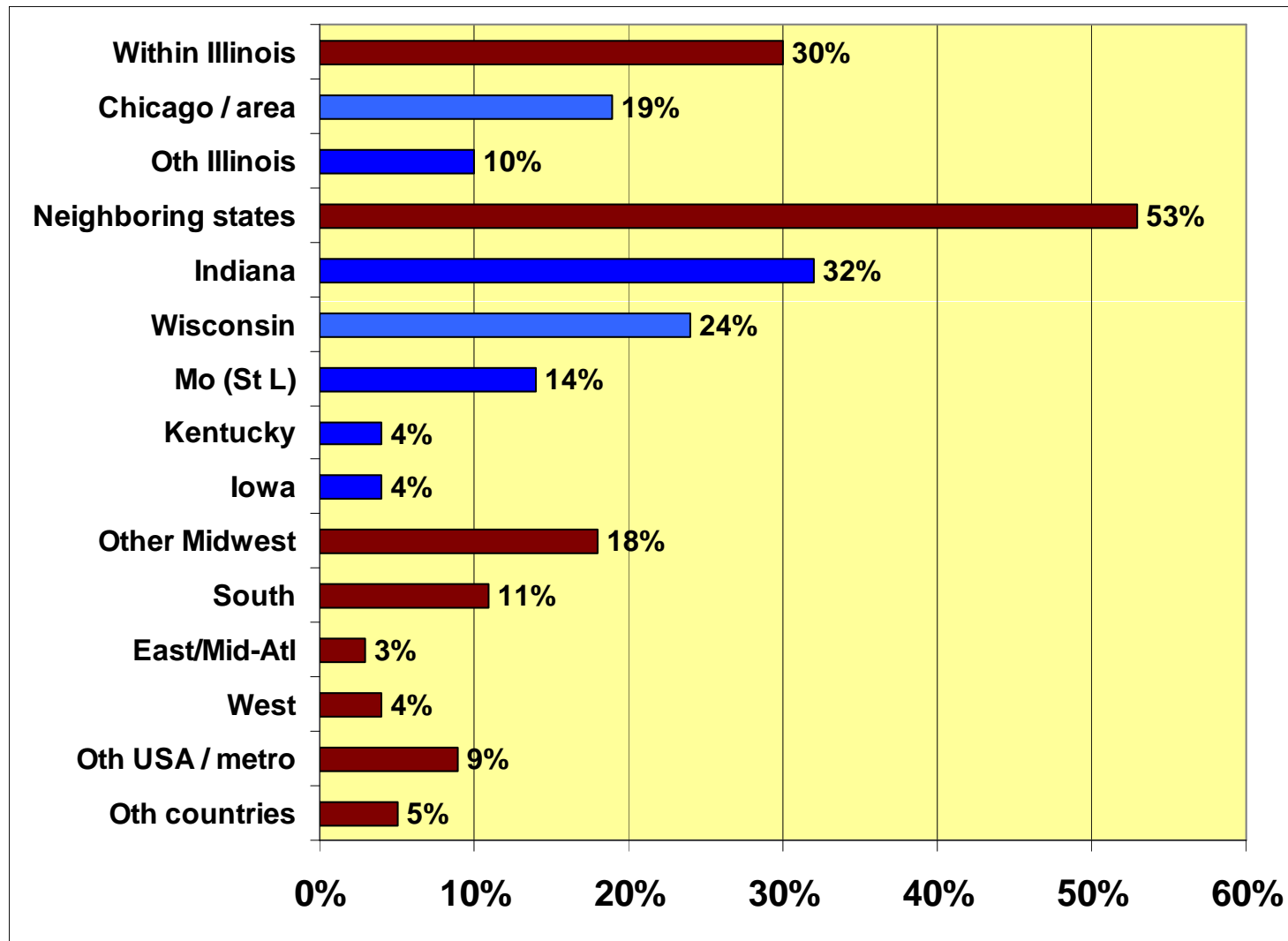
Factor / Characteristic	Chicago Suburbs
State and local taxes	-4.23
Ease/timely permit/regul procedures	-2.83
Land & building prices / supply	-2.67
Availab & amount of incentives	-2.62
Ease process qualif/receive incentives	-2.56
Flexibility of incentives to meet needs	-2.50
State reputation/image deal w/business	-2.41
Utility costs	-1.87
State/local econ dvlpmnt strategy	-1.80
Union activity and influence	-1.63

Downstate: Largest Negative Gaps (Attractiveness – Importance)

Factor / Characteristic	Downstate
State reputation/image deal w/business	-4.13
State and local taxes	-2.95
Ease process qualif/receive incentives	-2.16
Availab & amount of incentives	-2.14
Flexibility of incentives to meet needs	-2.14
State/local econ dvlpmnt strategy	-1.91
Union activity and influence	-1.76
Ease/timely permit/regul procedures	-1.70

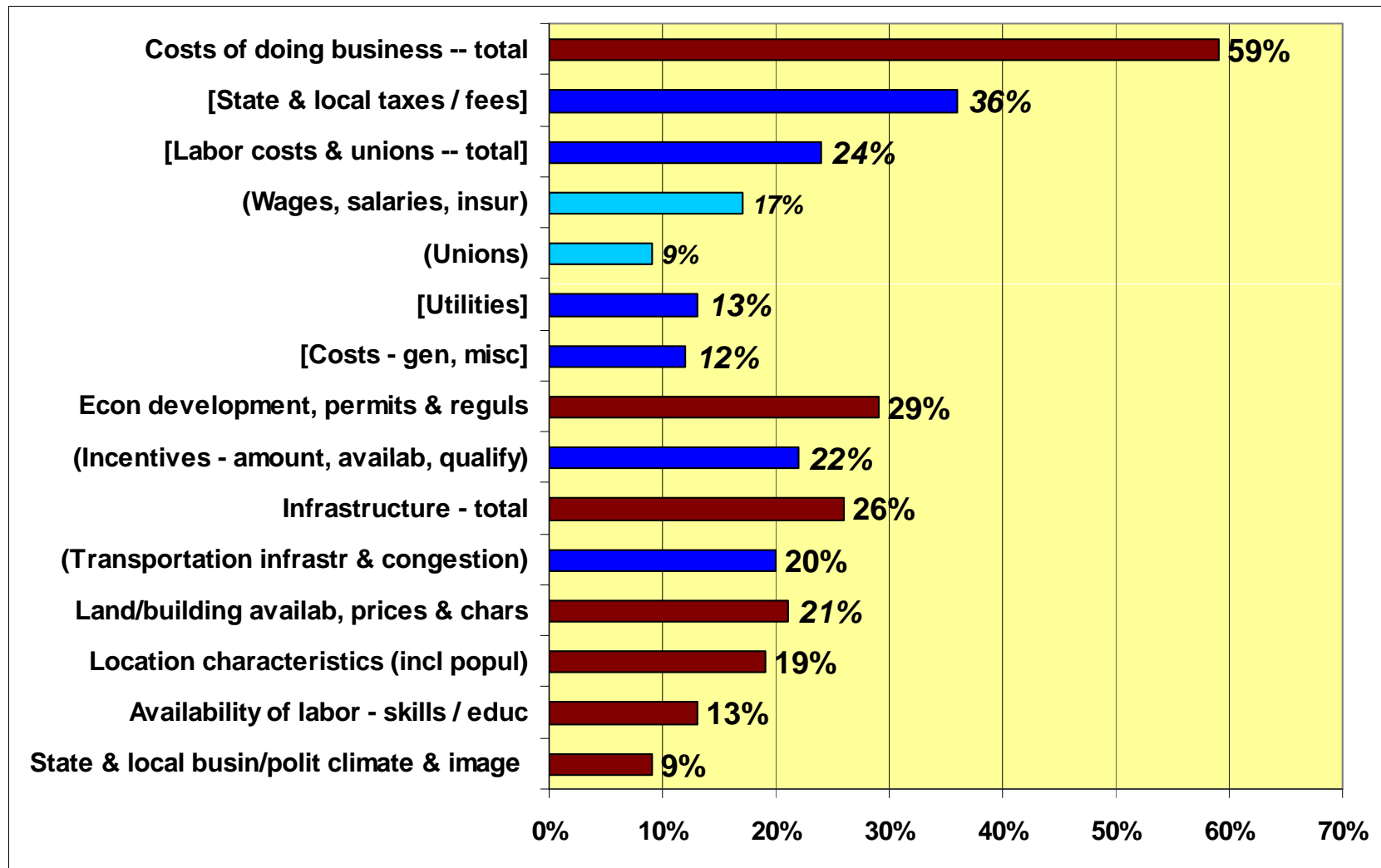
Areas that are Major Competition

(based on 144 respondents, multiple allowed)



What makes them attractive?

(most frequent topics)

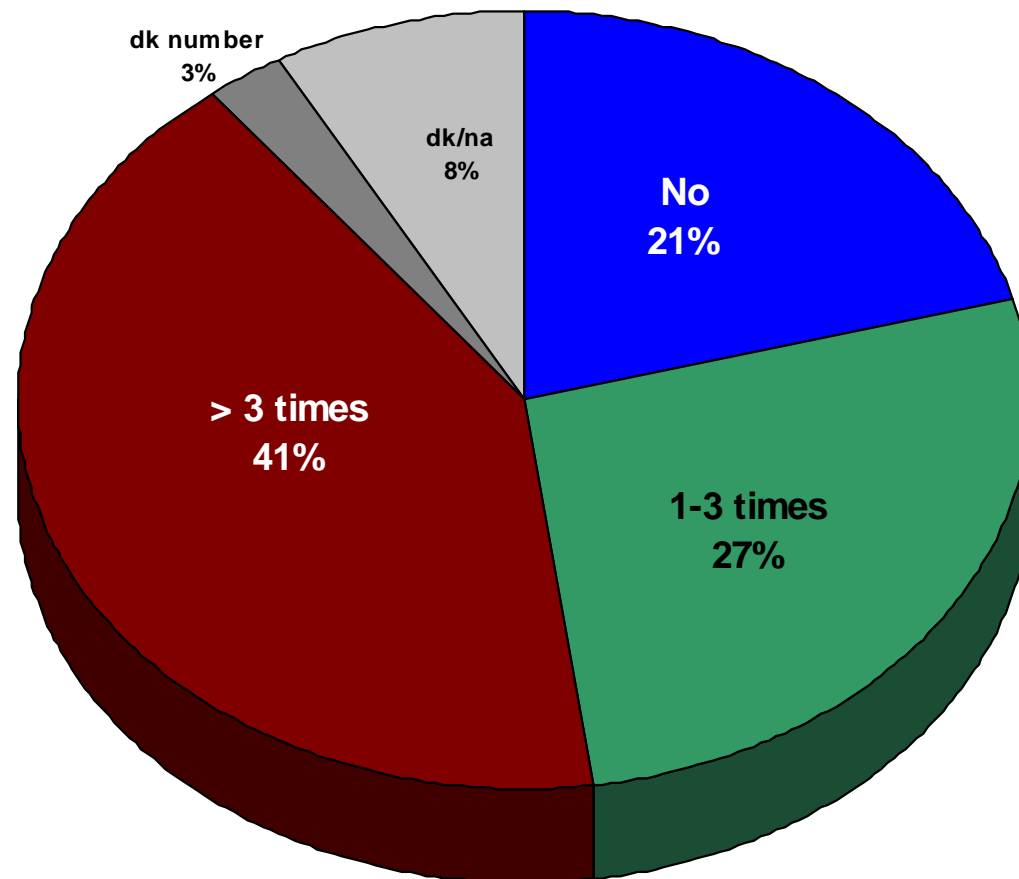


Experience with Firms Choosing a Site Outside of Illinois in Last Five Years

Questions:

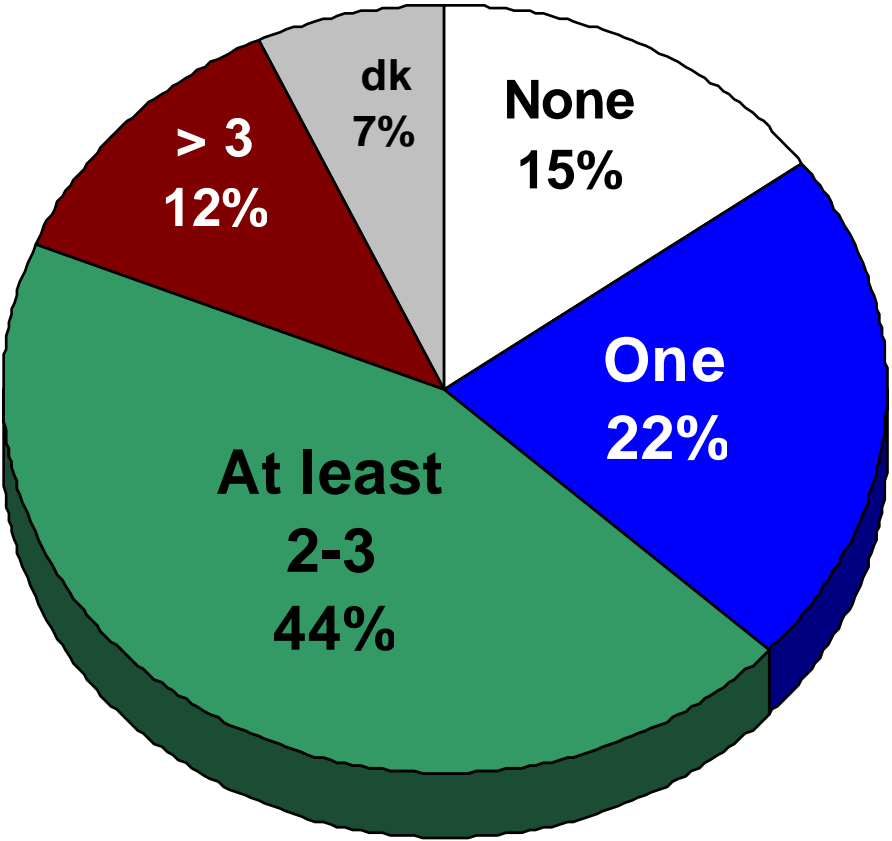
- Have you experienced this? -- number of times
- How many had a location within Illinois?
- Why did they choose a site out of Illinois?
- Could anything (else) have been done?
 - If so, what?
- Where did they go?

Experience inquiry and then firm chose location outside Illinois? *(in last five years)*



71% "yes"

Of the 71% -- how many had locations
in Illinois?



For "none":

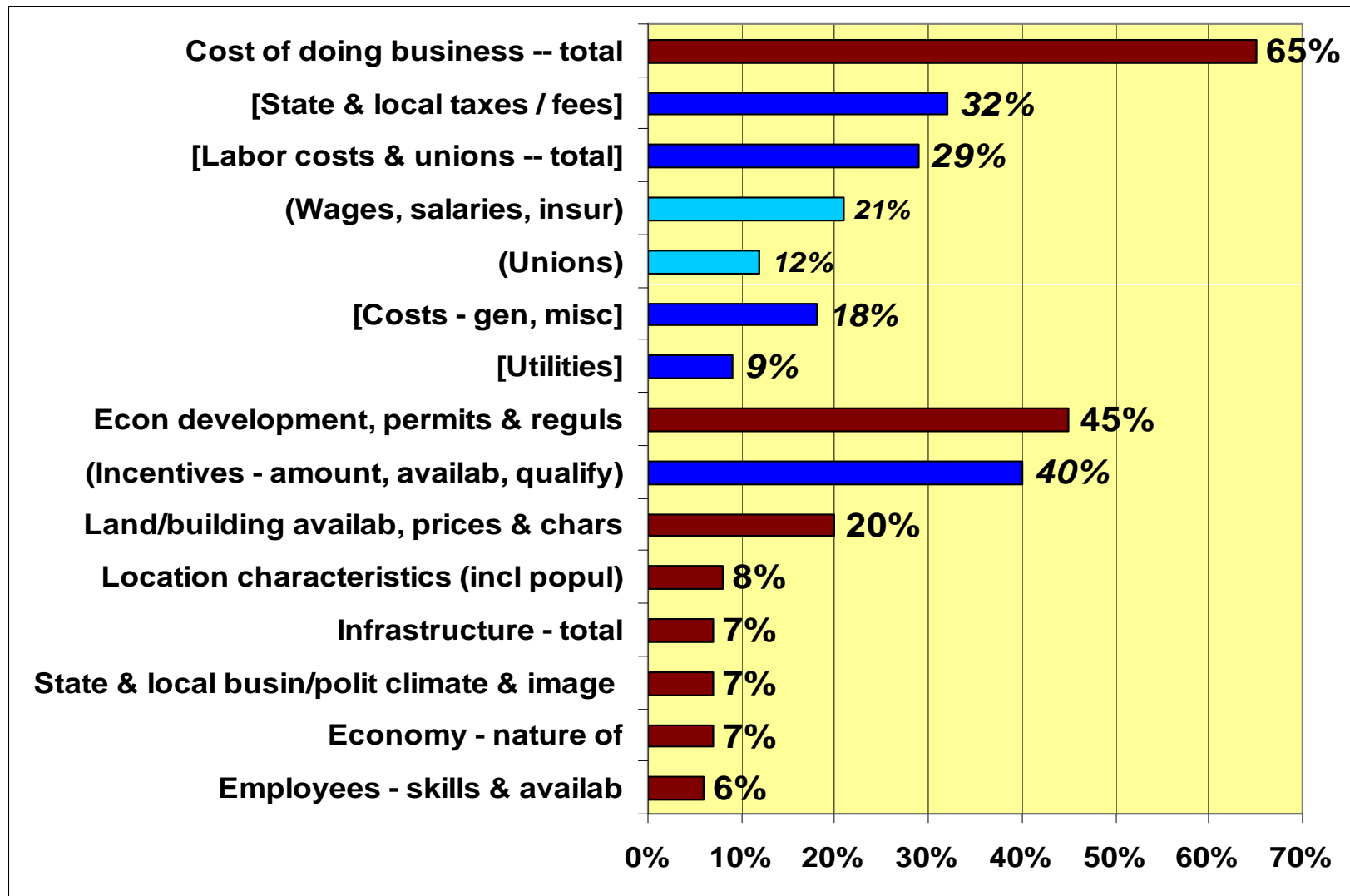
29% downstate vs. 10-11% in
Chicago area

For "none" or "dk":

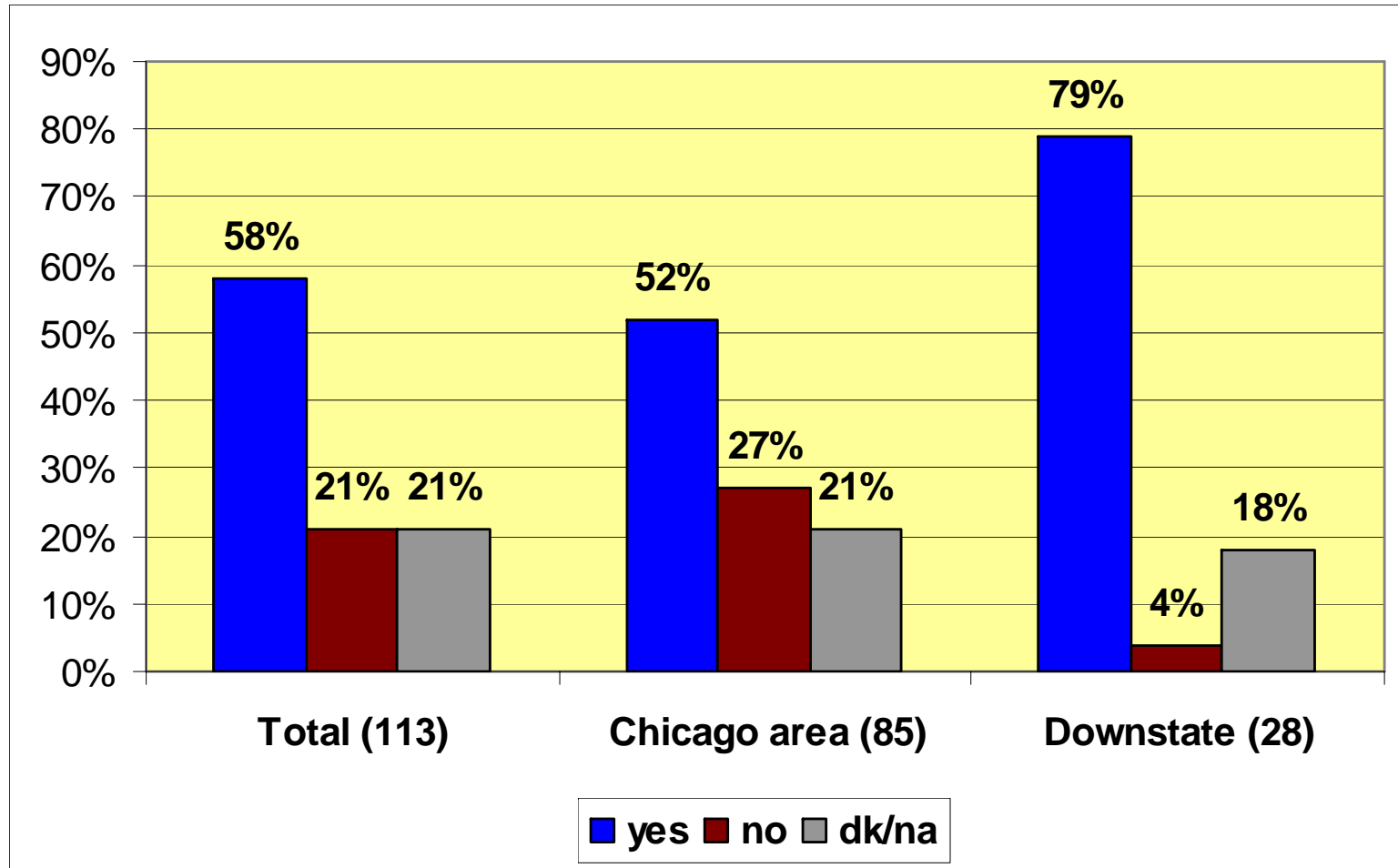
43% downstate vs. 14-16% in
Chicago area

Why did they choose a site outside of Illinois?

(most frequent topics)

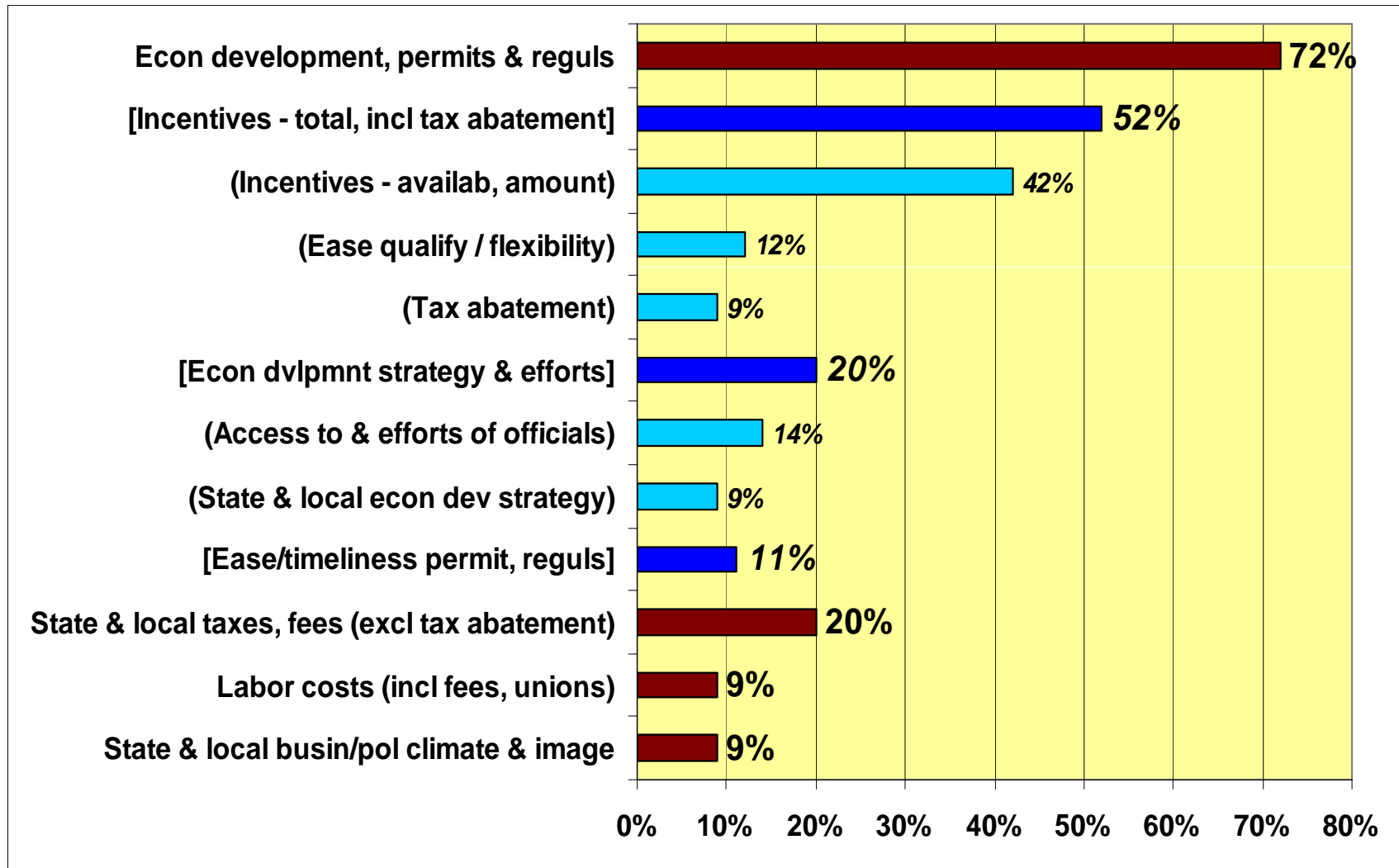


For these, could anything have been done?



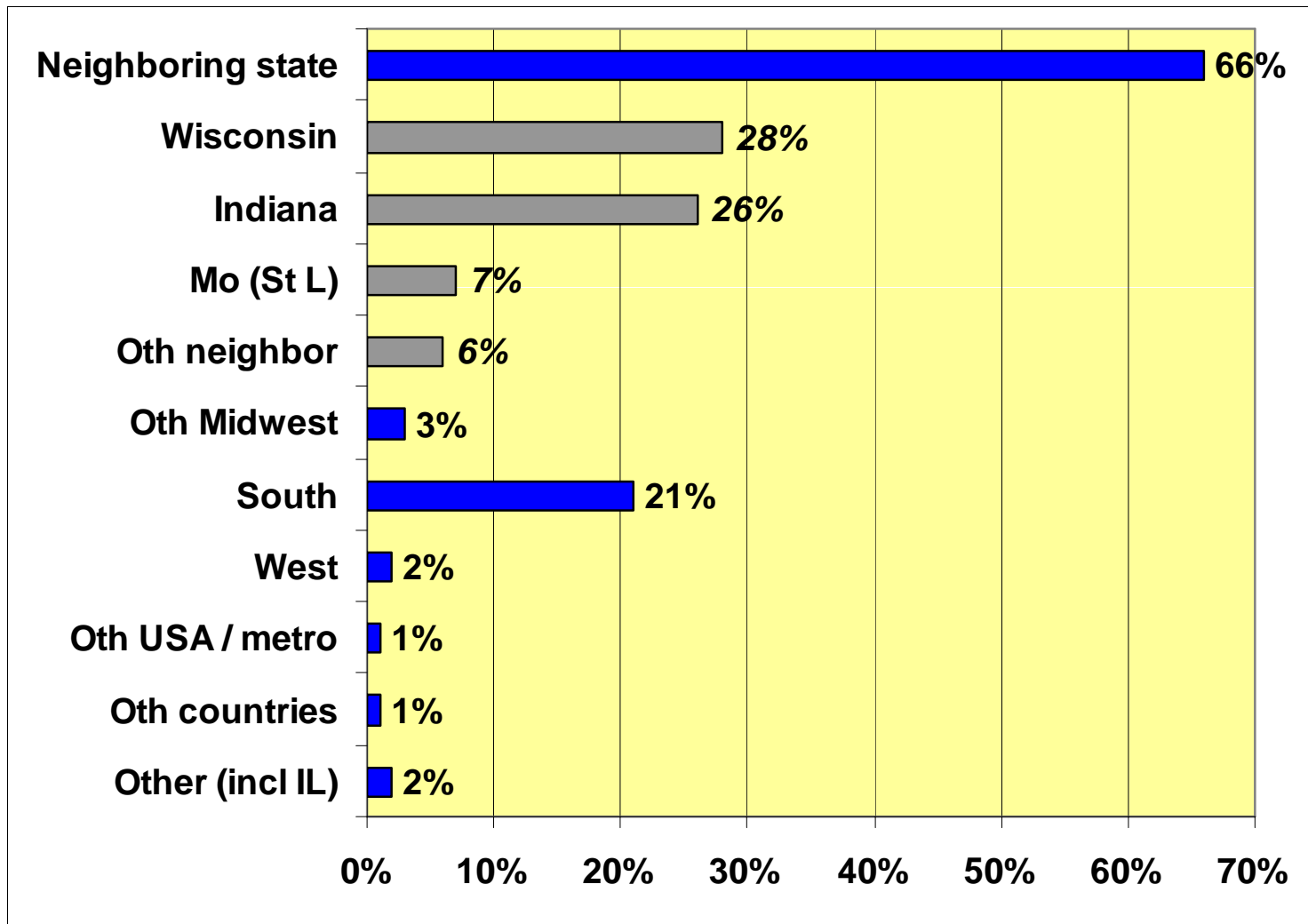
What could have been done?

(most frequent topics)



Where did they go?

(based on 134 responses from 93 respondents)

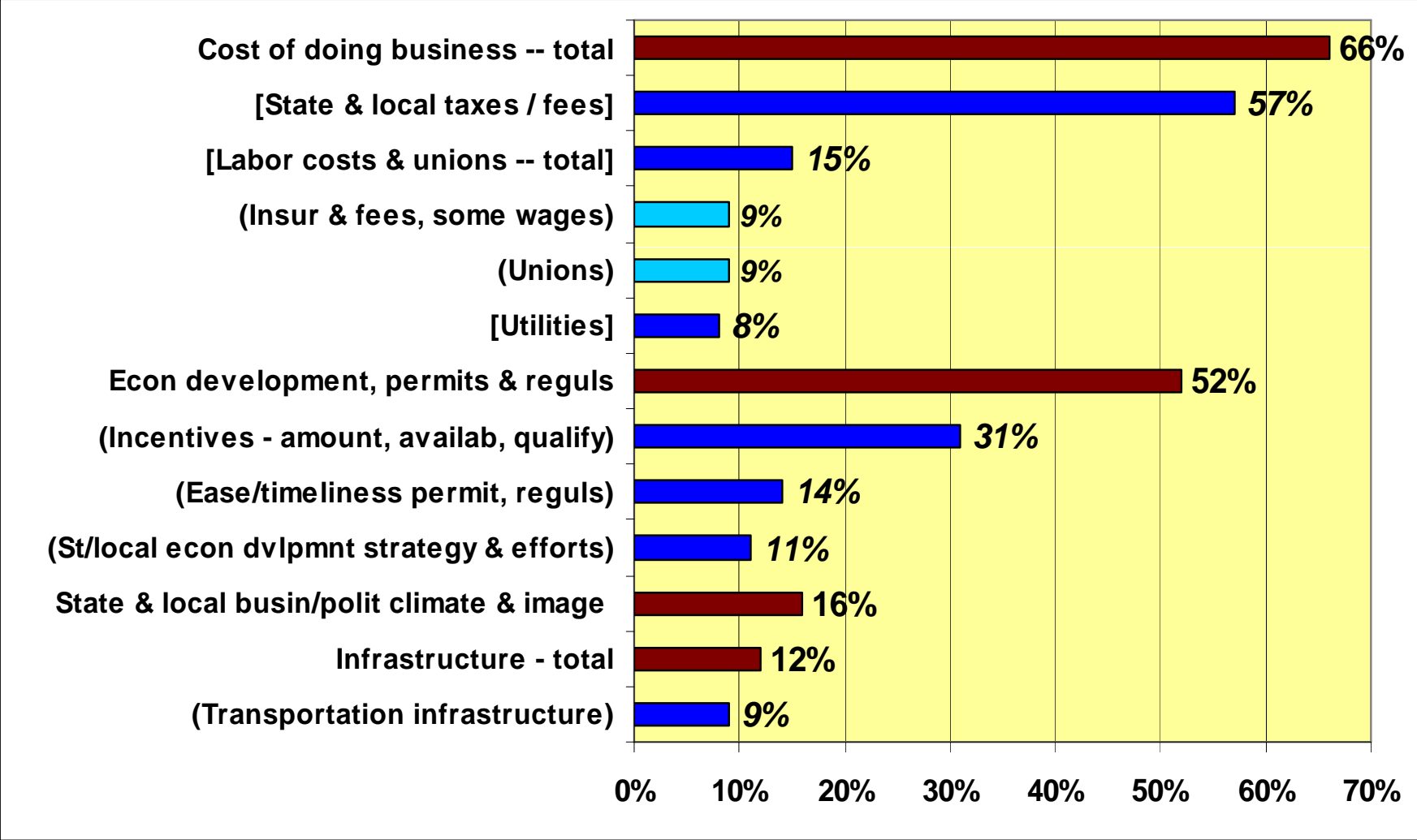


Changes Would Like To See

that would have immediate impact ...

Changes w/immediate impact

(most frequent topics)

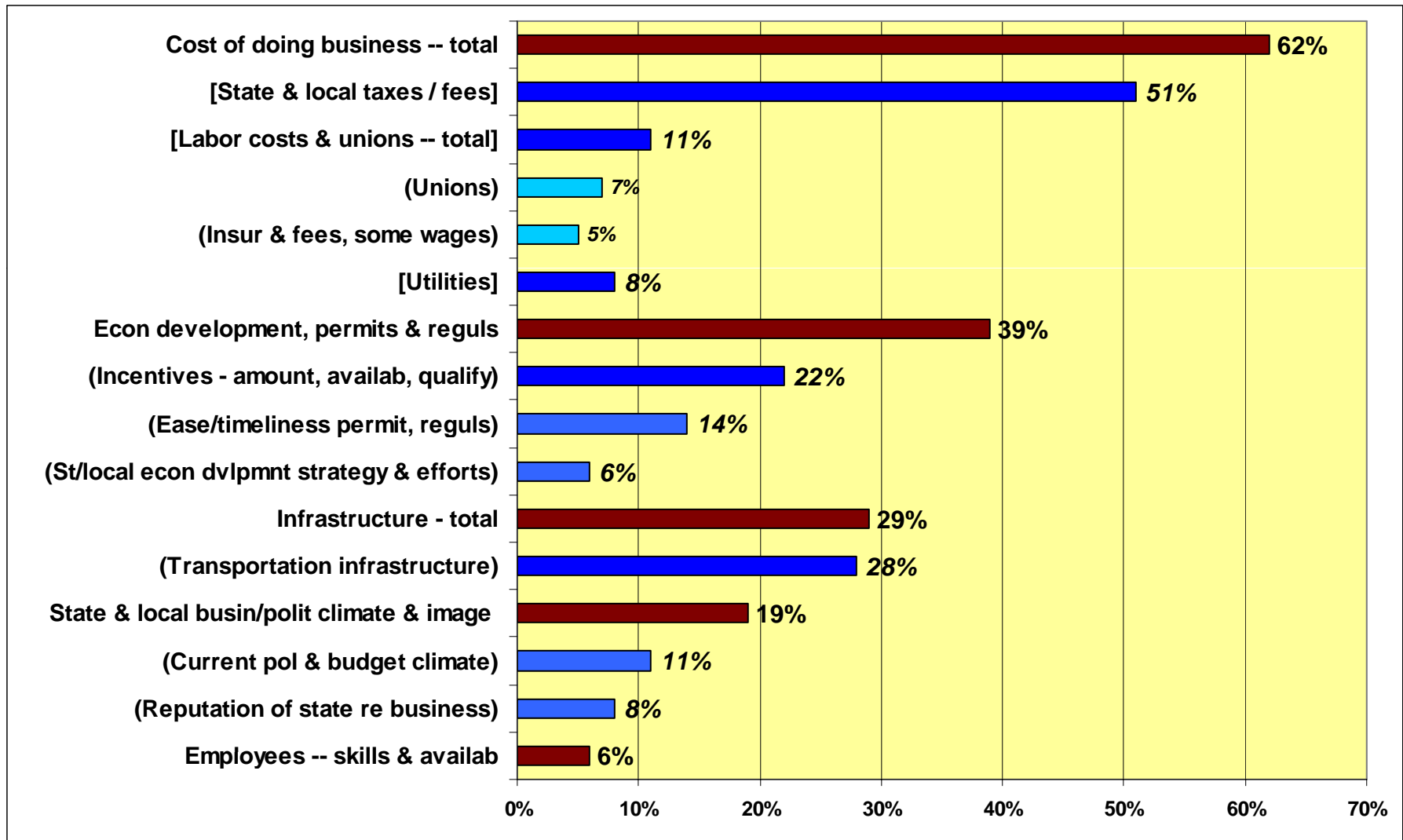


Changes Would Like To See

that would have longer term impact ...

Changes – longer term impact

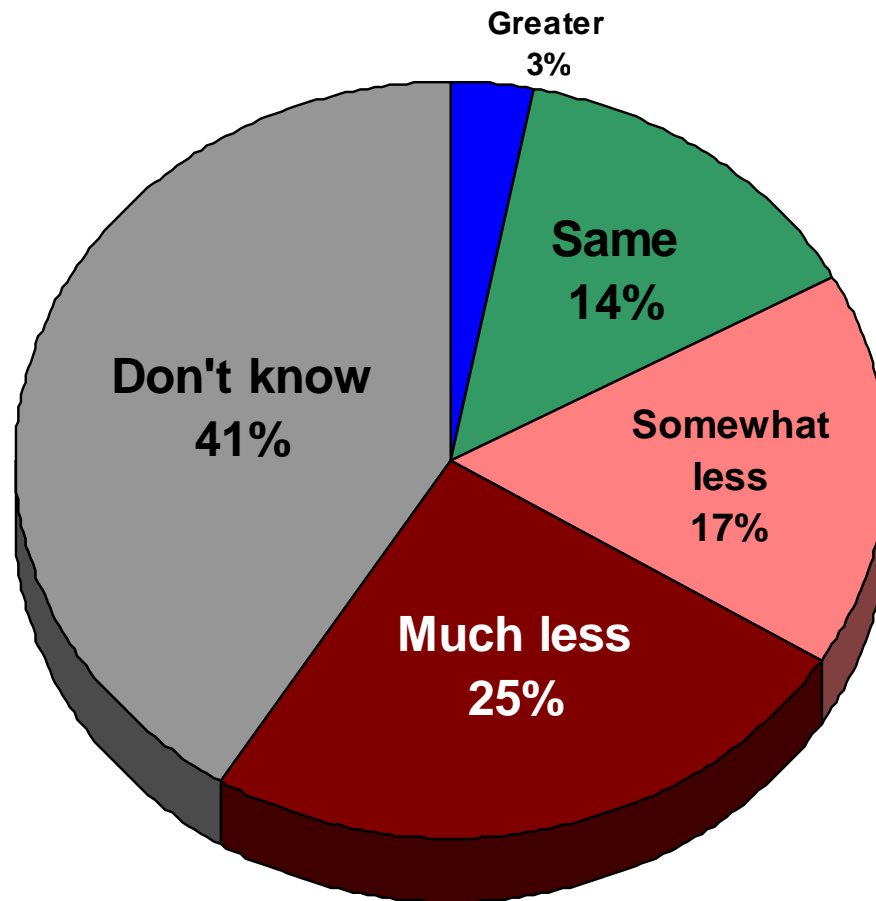
(most frequent topics)



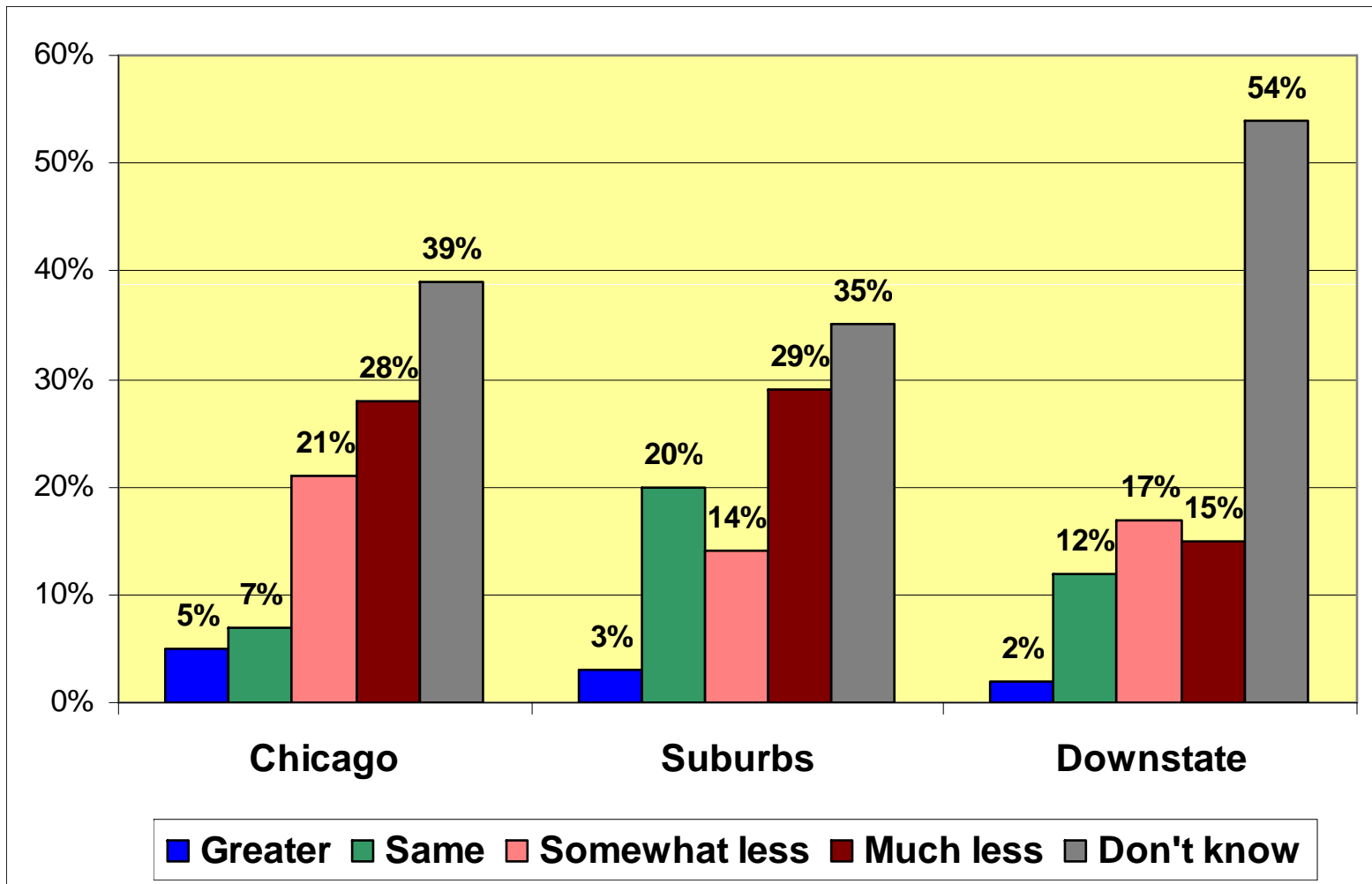
Economic Development Activities and Marketing

Questions ...

How do Illinois state and local marketing efforts compare with major competitors?

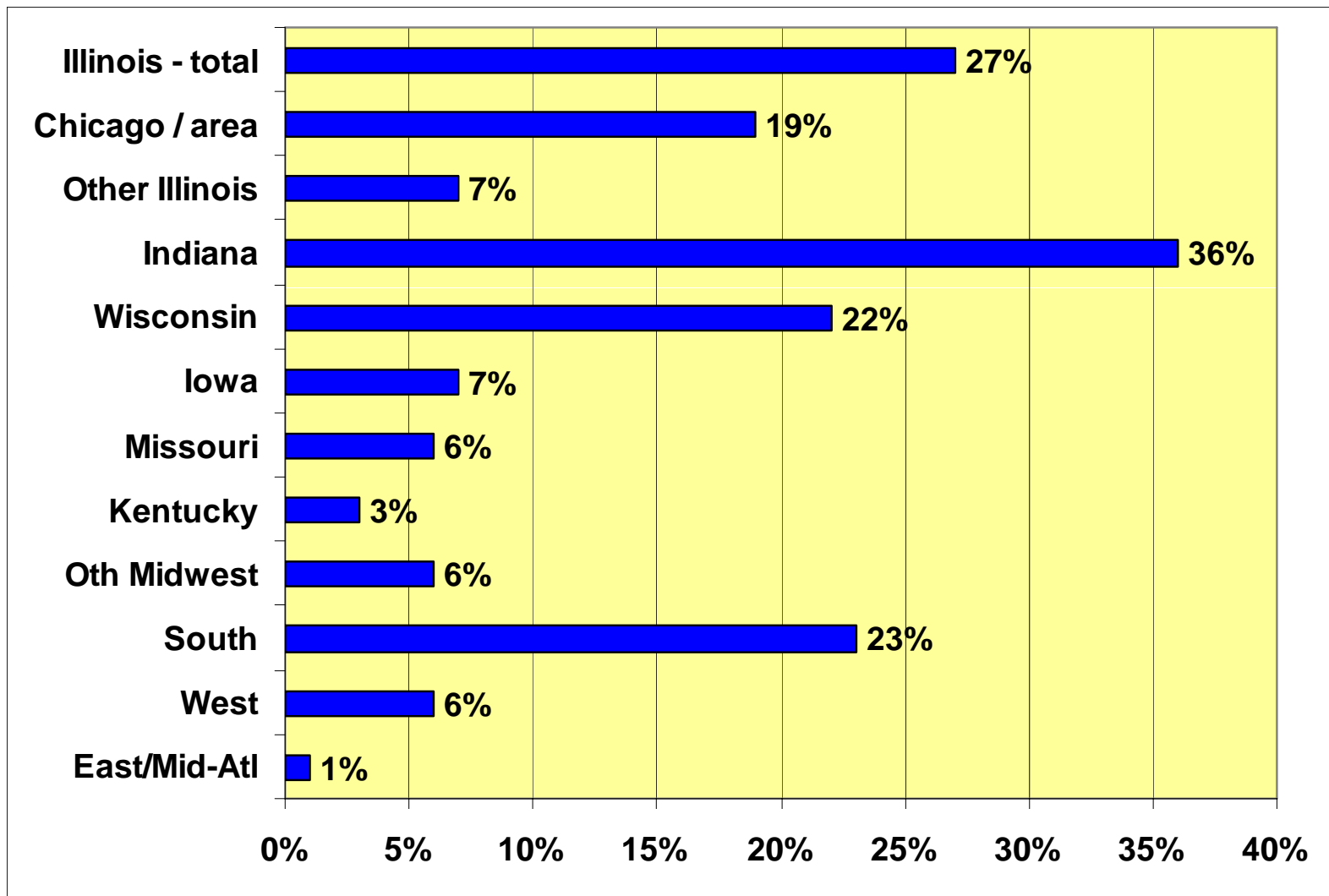


Evaluations of marketing efforts by region



Example of Area(s) with Excellent Marketing

(based on 100 respondents, multiple allowed)





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The End