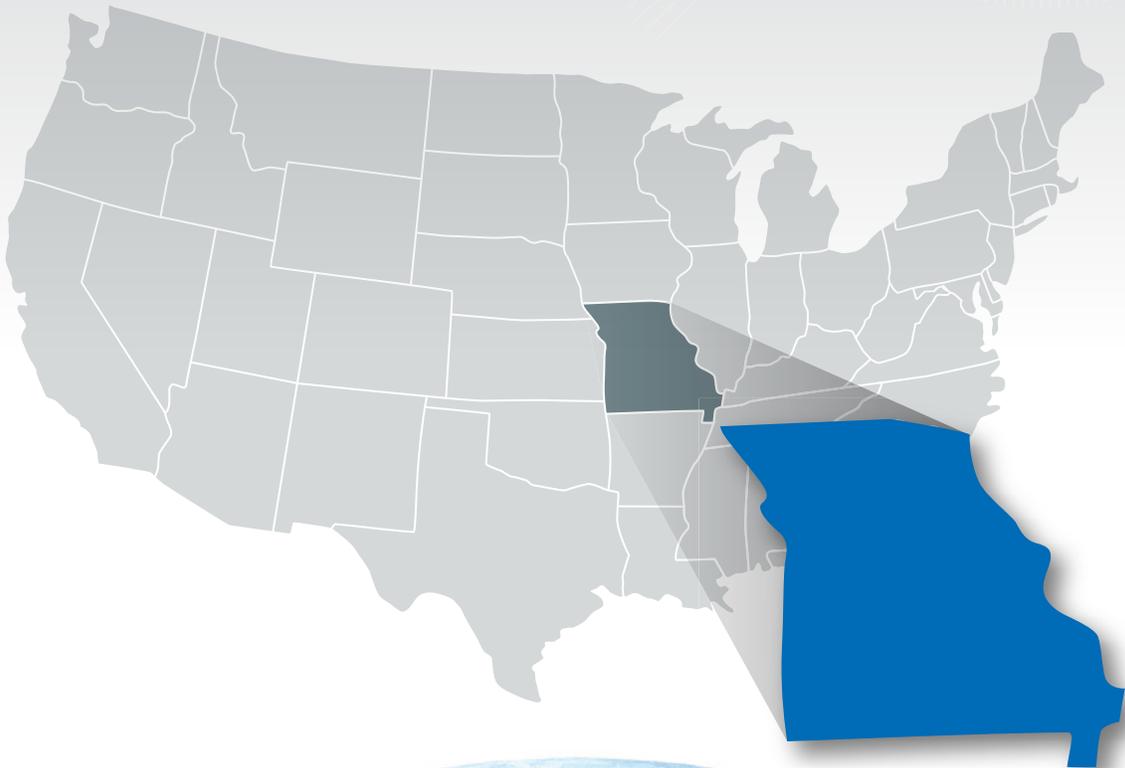


LOCAL MARKET ASSESSMENT

MISSOURI

GLOBAL INFLUENCES & OPPORTUNITIES



NATIONAL
ASSOCIATION of
REALTORS®

Global

MISSOURI

TAKE A CLOSER LOOK



How to find global influences and opportunities in your local market

Missouri sits at the geographic center of the United States population. Its distance from U.S. borders might lead you to believe that it's removed from global influences—until you take a closer look. Being in the middle also gives Missouri relatively easy access to the rest of the country. For example, it's within 600 miles of over half of all U.S. manufacturing plants.

Missouri has long been recognized for its low business costs and high work ethic, in addition to being one of the most tax-friendly states. These qualities have played a strong role in helping it attract businesses and new residents from around the world.

John Sebree, CEO of the Missouri Association of REALTORS® has participated directly in the state's international economic development efforts and sees a strong role for real estate professionals. "Common questions include: What does land cost?, What are contract warehouse rates?, What is the cost of office space? If we bring our families, what is the quality of life?," explains Sebree. "Who can answer all these questions? A REALTOR®. Real estate plays a major role in every global transaction."

Unique Competitive Advantages

Any U.S. agent hoping to "sell" his or her market to the world needs to know how it stacks up against other destinations. Companies and individuals are drawn to Missouri for several reasons, including:

Business - Missouri's companies encompass a strong and diverse set of industries, including biosciences, energy, information technology, health sciences and services, advanced manufacturing and logistics. Its three million+ workforce is better educated than most other states, based on high school graduation rates, while also being home to nationally-ranked universities.

Transportation - Air travelers from Missouri can reach most cities in the U.S. and Canada in less than three hours. Two of the largest U.S. rail terminals are located in Kansas City and St. Louis, linking over 4,000 miles of track in the state, which ranks third in rail carloads carried by state. Plus, Missouri has unmatched access to the two largest river systems in North America.

Foreign-Trade Zones (FTZ) - Kansas City is home to the largest FTZ space in the U.S., with several sites totaling over 10,000 acres of space for storage and processing, plus a half dozen manufacturing subzones

used in the assembly of automobiles, automotive parts, and agricultural chemicals. FTZs are also located in Springfield and St. Louis.

Missouri has another unique feature—more than 30 million square feet of underground storage created from former limestone quarries. Scattered across the state, these facilities offer secure, adaptable and environmentally friendly commercial real estate, perfect for frozen, refrigerated and dry food distribution, records and bulk paper storage, and communications/data centers. (See map on page 2.)

A Global Agenda

Missouri is actively pursuing a global economic growth strategy on several fronts. The **Missouri International Trade & Investment Office**, part of the Missouri Department of Economic Development (ded.mo.gov/exports/services), has been the lead agency for export assistance. With 11 foreign offices around the world, it also plays a major role in generating leads for foreign direct investment (FDI).

The **Hawthorn Foundation** (hawthornfoundation.org) raises money in Missouri's private sector to support economic development activities, including funding for trade missions, marketing and

business recruitment through the Missouri Partnership (see below), expansion of Missouri’s Innovation Campuses, and more. The Hawthorn Foundation includes leaders in business, education, economic development, healthcare and labor.

Created in 2007, the **Missouri Partnership** (missouripartnership.com) leads the state’s business recruitment efforts within and outside the U.S. It offers many free services to businesses considering relocation, including vetting available sites, locating new or existing buildings, compiling information on communities and workforce, determining eligibility for business incentives, coordinating labor training, identifying utility availability and costs, and facilitating meetings with state government agencies and potential strategic partners.

Global Cities Initiative

Missouri’s two largest cities—St. Louis and Kansas City—were both selected to participate in the Global Cities Initiative, a \$10 million, five-year joint project of the Brookings Institution and JP Morgan Chase. The program is designed to help leaders of 28 U.S. metropolitan areas strengthen their economies and compete more effectively in the global markets, while also fostering ties between these areas to trade, invest and grow together.

Each participating city engages in a two-phase planning process, initially focused on the development of an export plan. (As of this writing, Kansas City’s export plan was complete and published at brookings.edu/about/projects/global-cities/exchange, whereas St. Louis’s plan was still in development.)

The second phase involves creation of an FDI plan; ultimately, both plans are rolled up into a comprehensive global trade and investment plan.

i TIP: Missouri real estate professionals can use these plans to understand the key levers being pulled to attract global investment, promote innovation, and build infrastructure—specific to St. Louis and Kansas City—as well as the key players involved in executing each city’s plans. Such insights can be instrumental in identifying and cultivating global business opportunities.

Foreign Direct Investment

Businesses from around the globe have established manufacturing plants, bio facilities, distribution centers and more in Missouri.

Examples include:

Auto industry suppliers

- China’s Yanfeng USA Automotive Trim System invested \$45m in a Riverside manufacturing facility supplying GM and generating 263 jobs
- Spanish firm Grupo Antolin invested \$15.7M in a Kansas City plant supplying Ford and creating 118 jobs

Food processing

- Chinese-owned Smithfield Foods invested over \$860M into the state between 2000 and 2014, mostly into Smithfield Food facilities

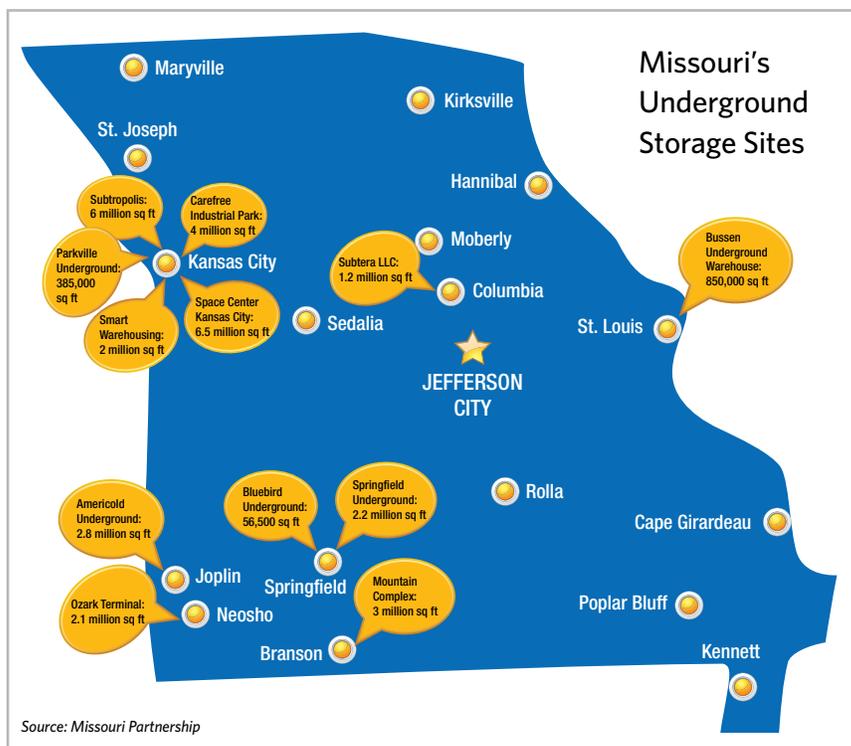
Other manufacturing

- Portuguese LogoPlaste, a plastic bottle manufacturer, invested \$35M in a Kansas City plant and created 110 new jobs
- German Multivac, packagers of food, medical, consumer and industrial products, invested \$7M in Kansas City facilities, creating 50 new jobs

Agricultural technology

- India’s Lacgene Technologies established U.S. headquarters in St. Louis’ Helix Center Biotech Incubator for developing agtech solutions using genetics

i TIP: To identify hundreds of foreign-owned companies across Missouri, visit missouripartnership.com/why-missouri/international-investment/international-companies.



Source: Missouri Partnership

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Foreign Workers

In 2015, companies in Missouri applied for over 6,000 work visas, primarily in the St. Louis and Kansas City areas. Companies in other Missouri cities are also hiring foreign workers, including (according to MyVisaJobs.com) opportunities in:

Jefferson City - 179 visas for primarily IT positions. The biggest employers are Seven Seas Technologies and WiPro LTD

Columbia - 166 visas almost entirely for the University of Missouri, primarily for university professors, but also some medical and IT positions

Springfield - 84 visas, primarily in IT, medical and education, with the largest employers including Mercy Clinic, Missouri State University, and miscellaneous IT firms

TIP: Knowing which companies are hiring foreign workers and reaching out to them with global real estate expertise may create opportunities to assist in their housing needs.

Immigration

Foreign-born residents of Missouri comprise 3.9 percent of the state’s population, making it home to over 230,000 immigrants. Nearly 6 percent of all business owners in Missouri are foreign-born.

The St. Louis Mosaic Project (stlmosaicproject.org), an initiative of the St. Louis Economic Development Partnership, is a noteworthy program aimed at building regional prosperity through immigration and innovation. Recognizing that immigrants are 60 percent more likely to start a business and 130 percent more likely to have an advanced degree, the Mosaic Project’s goal is to make St. Louis the fastest growing U.S. metropolitan area for immigration by 2020.

TIP: The St. Louis Mosaic Project sponsors several different “get connected” programs, including Mosaic Ambassadors (involves activities like visiting ethnic restaurants, distributing fliers, attending public tours, and sharing your knowledge and experience) and its Professional Connector Program (introduces skilled immigrants and newcomers to “connectors” for a cup of coffee and career networking referrals). To get involved and build your own connections, visit stlmosaicproject.org/get-connected.

Missouri’s Universities

In the 2015/16 school year, nearly 3,000 international students attended the University of Missouri (Columbia), representing over 100 countries. Over half these students came from China; the remaining top 10 countries of origin are India, South Korea, Saudi Arabia, Iraq, Vietnam, Brazil, Iran, Taiwan and Malaysia. Many of these

students’ families—particularly those from China—are inclined to purchase property for their student’s use and as an investment. In St. Louis, over 30 percent of Washington University’s 2014 freshman class of 1,734 students arrived from other countries. At nearby St. Louis University, almost seven percent of its 12,914 students come from 77 countries outside the U.S.

According to the Brookings Institution, from 2008 to 2012, foreign students’ payments for livings costs alone approached \$226 million in these metropolitan areas:

Metropolitan Area	Foreign Students	Living Costs
Columbia	3,285	\$38.8 million
Kansas City	4,147	\$41.4 million
St. Louis	8,856	\$118.3 million
Springfield	2,542	\$27.2 million

Innovation

Several of Missouri’s institutions of higher education play an important role in supporting the state’s efforts to drive growth through innovation. Noteworthy initiatives include:

Cortex Innovation Community - Founded in 2002, Cortex serves as the anchor for St. Louis’ growing innovation efforts in bioscience and technology research, development and commercialization. The 200-acre district includes 250 companies housed in several different facilities, plus a mixed use master plan that includes residential areas, a hotel, and a new train station. (cortexstl.com)

BioSTL/GlobalSTL - In 2011, BioSTL emerged as a new regional organization to champion St. Louis’ growth in bioscience. The coalition includes top academic, civic, philanthropic and scientific leaders. Its efforts to support new startups are complimented by GlobalSTL (formerly the St. Louis-Israel Innovation Connection), which recruits international companies to establish a U.S. presence in St. Louis. (biostl.org)

Get Involved

Whether its attracting international companies and workers, inviting foreign students and immigrants, or shaping its economy to deliver innovation to the world market, Missouri is actively engaged in building global connections. These efforts also represent nearly unlimited opportunities for real estate professionals to contribute to and benefit from their own global involvement. 🔍

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Copies of this report and local market assessments for additional states can be found at realtor.org/global/local-market-assessment.