

2024

# The State of Site Selection



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## About the Site Selectors Guild & DCI

### The Site Selectors Guild

The Site Selectors Guild is the only association of the world's foremost professional site selection consultants. Guild members provide location strategy to corporations across the globe and for every industry, sector and function. Founded in 2010, the Site Selectors Guild is dedicated to advancing the profession of international corporate site selection by promoting integrity, objectivity and professional development. Members are peer-nominated, vetted, and must demonstrate significant professional location advisory experience. Guild membership is the highest standard in the site selection industry.

In 2023, Guild members facilitated the committed or announced creation of approximately 107,000 jobs and \$101 billion in capital investment by corporate clients, which required location analysis across 74 countries.

### Development Counsellors International (DCI)

Development Counsellors International (DCI) is the leader in marketing places. Since 1960, the agency has worked with more than 500 cities, regions, states, provinces and countries, helping them attract investors, visitors and talent. DCI is a full-service and highly specialized agency focused on economic development, tourism and talent attraction, with expertise in all phases of marketing, including research, branding, strategy, public relations, paid media, analytics and websites. DCI has offices in North America and Europe.



**FIGURE 1**  
THE PERCEPTION OF SHORT- AND LONG-TERM RISK FACTORS

**Risk Categories**

Economic | Environmental | Geopolitical | Societal | Technological



Source: World Economic Forum Global Risks Perception Survey 2023–2024

The perception of these risks, in cooperation with other global megatrends, has direct ramifications that impact the scale, location, timing and volume of corporate investment. My colleagues and I determined these global megatrends have the most impact on location decision-making:

- Trade frictions and global supply-chain challenges
- Changes in the size, growth and structure of populations and the workforce
- Climate change and the increasing amount of extreme-weather events
- Global infrastructure vulnerabilities, particularly electric power
- Evolving public sentiment and shifting levels of support for projects
- Inflationary pressures affecting the cost and access to capital
- A potential political rebalancing with 40 national elections happening worldwide, which will send more than half of the world's population to the polls

Given this global context, it's no wonder that risk and uncertainty are top of mind among my colleagues, our clients and economic development organizations.

“While our focus is on traditional fundamentals for any project, those fundamentals will differ for each client, and it’s also within the context of a rapidly changing world. What might be considered a “basic” factor 10 years ago is much different now in the age of AI and machine learning, remote and contract work, the electrification of everything and the volume and scale of projects.”

— PHIL SCHNEIDER, SCHNEIDER STRATEGY CONSULTING LLC



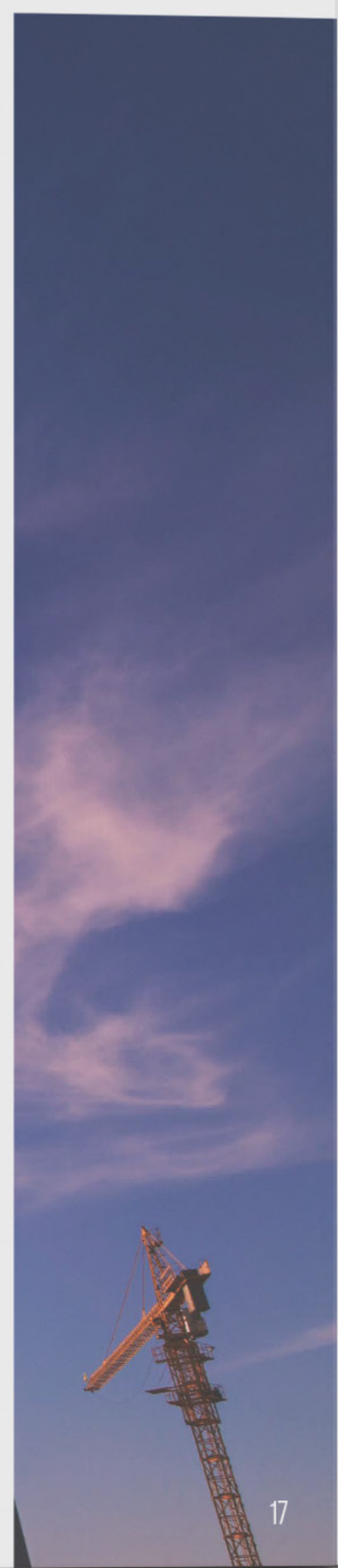
## The State of Real Estate, Sites and Buildings

### The Guild's Take

- A scarcity of developable industrial sites with sufficient utilities and infrastructure is impacting project timelines and the viability of projects.
- The cost and access to capital is limiting the momentum of project activity and is hindering product innovation and entrepreneurship.
- The volume and scale of office projects are unlikely to return to pre-pandemic levels for the foreseeable future, but niche sector opportunities exist.
- Public and private strategies to repurpose vacant office space and sites must be prioritized.

**“In the U.S., the supply of industrial sites with adequate labor, utilities and access has been significantly reduced due to economic growth in the industrial sector over that last 10 to 15 years. In terms of the site selection process, intensified screening of sites at early stages of projects is critically important to verify fatal flaws.”**

— MARK WILLIAMS, STRATEGIC DEVELOPMENT GROUP INC.



74%

of Guild members strongly agree that risks inherent to the global supply chain will significantly impact future industrial projects.

Chris Lloyd, McGuireWoods Consulting LLC, concurred. "The U.S., but also Canada and some degree Mexico, are seen as safe and predictable markets for investment in a time of unprecedented global turmoil and conflict. While each of these markets has challenges, the opportunities there are unparalleled, driven by growing populations, available energy, government policies encouraging economic investment and generally free trade among them."

#### Natural, Human and Geopolitical Risks Threaten the Security of Global Supply Chains

The aforementioned risk factors are also having a profound impact on the stability and security of global supply chains. Beyond geopolitical risks, global manufacturing networks are being disrupted by the threat of both natural and human hazards, including pandemics, natural disasters and criminal activity, such as cartels, pirates and terrorists.

In response, companies will continue to diversify their sourcing and manufacturing networks by expanding to markets that have a lower geopolitical risk, have a reliable infrastructure and are in closer proximity to end markets. The continued falloff in trade between the United States and China will result in companies exploring and expanding to locations that will allow them to rebalance their risk exposure.

FIGURE 14  
INDUSTRIAL PROJECTS: AGREEMENT WITH STATEMENTS ON SUPPLY CHAINS AND LOGISTICS (1 = DON'T AGREE, 5 = COMPLETELY AGREE)



The depth in which my clients are analyzing all aspects of their supply chain to ensure redundancy and alternatives has increased.

4.5

North American manufacturers are increasingly bringing production back to the U.S., Canada, and Mexico/Latin America to reduce their reliance on Asian supply chains.

4.0

My clients are increasingly looking at locations outside their home/domestic countries to extend their supply chains.

3.8