
THE STATE
OF SITE
SELECTION
2025
SITE
SELECTORS
GUILD
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> We still have quite a bit of geopolitical unrest globally. So, I think, more than anything, that pushes a lot of demand for, especially, manufacturing capacity back into the United States or North America broadly.
>
> — Seth Martindale, Senior Managing Director, CBRE

A Message from Guild Board Chair Michelle Comerford

Corporate location strategy has entered a new era characterized by the overarching themes of risk, readiness and reputation. My Guild colleagues reveal an industry split between optimism — fueled by the continuing resurgence of U.S. manufacturing, an office market recovery and inbound FDI (foreign direct investment) manufacturing investment — and caution based on potential "project paralysis," driven by unprecedented tariff churn, tightening energy and grid constraints, workforce shortages and alignment, and the politicization of projects and incentives. The common thread: Traditional one-path location playbooks no longer suffice. Scenario planning, reputational risk screening and "speed to operate" have become the decisive variables.

FIGURE 1
Outlook on the State of Site Selection – Sentiment Change Since 2024

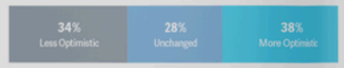
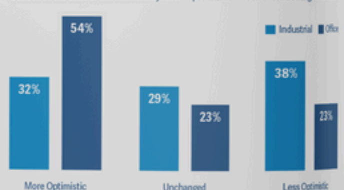


FIGURE 2
Outlook on the State of Site Selection by Sector Specialization – Sentiment Change Since 2024



During the last year, tariffs, global policy volatility and resource- and cost-optimization strategies have impacted the global site selection landscape profoundly. As we think about the new normal of location decisions, certain factors are top of mind among executives and their advisors.

- **Tariff and policy volatility** has shifted many projects from more-linear site selection strategies to multiscenario contingency planning: Some projects are paused or delayed; others have accelerated to preempt policy shifts.
- **Power scarcity and grid timelines** now rival labor as the first two elimination factors. "Behind-the-meter" options and interim "bridge power" are moving from nice-to-have to required elements of a location strategy.
- **Site readiness and speed to market** are nonnegotiable factors for an expanding set of industry sectors — not just data centers and semiconductors, but also life sciences, packaging, building products, and food and beverage.
- **Workforce availability and other talent considerations** — despite infrastructure dominating the headlines — maintains its critical importance in location decisions once viable sites are identified.
- **Risk and reputation** have entered the business case for or against many locations: The political climate, permitting posture, exposure of the Committee on Foreign Investment in the United States (CFIUS) and community acceptance — NIMBY-ism — can tip otherwise sound operational cost models.

These trends have, at best, the potential to influence projects and, at worst, derail projects, regardless of the industry or function. The Site Selectors Guild is again reflecting on the current state of the industry and how current events and changing priorities have impacted and will continue to impact corporate-location decisions. Through the challenges and opportunities outlined in this report, our goal is to help prepare and educate corporate executives and economic development organizations about the best ways to respond and react to an ever-changing environment.

As my Guild colleagues and their respective firms navigate these uncertainties, we will continue to rely on using objective, data-driven and process-oriented approaches that account for the specific and fundamental needs of our clients but in tandem with these global trends. Our goal has always been clear: to mitigate all forms of risk for not only our clients but also for the communities in which they're investing. We hope the 2025 edition of "The State of Site Selection" helps prepare and educate corporate executives and our valued economic development organization partners.

Sincerely,
Michelle Comerford
Site Selectors Guild Board Chair

> "The amount of NIMBY-ism and opposition to just about any sort of development is at a level that I've never seen before."
>
> — Chris Lloyd, Senior Vice President and Director, McGuireWoods Consulting

Reputation, Politics and Community Acceptance

THE GUILD'S TAKE

- **NIMBY-ism has become mainstream,** regardless of sector or function, and community-level opposition is no longer confined to controversial industries or large-scale projects.
- **Guild members are increasingly asked to assess political and legal stability,** incentive reliability and what practitioners call a "social license to operate." The most-sophisticated approaches include implementing early and quiet pulse-checks with local leaders on project fit and tracking reputation risk factors throughout the due diligence process.
- **EDOs have been forced to reimagine their role** as simple project facilitators to sophisticated community-engagement professionals.

No longer widely accepted is the traditional assumption that communities universally welcome economic development. That assumption, originally an economic transaction between companies and local governments, has evolved into a complex social negotiation in which a community's acceptance can make or break even the most economically attractive projects. The question companies now ask has shifted from "What will this cost?" to "Will we be welcome?" This transformation represents a significant change in location strategy and decisions, as reputational risk scoring has become standard practice and a community's resistance increasingly determines project feasibility.

Community-level opposition is no longer confined to controversial industries or large-scale projects. Guild members report that discussions about a "political environment within the state and the community" now occur "almost always,

FIGURE 14

Agreement with the Statement "NIMBY-ism Is at an All-Time High and Is Impacting Site selection and Economic Development Strategies.

(1 = don't agree, 5 = completely agree)

regardless of sector or project type," which is a dramatic change from only five years ago. This change represents a shift in which a community's acceptance has become a universal consideration rather than a sector-specific concern. The phenomenon has spread internationally, with European projects facing cross-border complications as "one country's opposition often pushes projects closer to neighboring borders."

While all sectors are experiencing community pushback, different project types are facing different types of resistance and might require different engagement strategies to convince stakeholders of a project's value. Data centers face backlash over water usage and electricity rate impacts, and residents who live in certain data center-intensive areas are feeling "hemmed in by the structures themselves." Foreign investment projects, particularly from China, encounter political scrutiny layered on top of traditional NIMBY concerns due to ongoing trade tensions. Industrial projects face the classic concerns about environmental impact, pollution, noise, traffic and visual landscape but with heightened community awareness and organization compared to previous decades.

As projects face increasing public scrutiny, companies now routinely ask Guild members to include weighted scores for policy stability, social acceptance, and litigation and permitting exposure in their locational models. This assessment and formalization of community acceptance reflects the recognition that community opposition can derail projects, regardless of their economic merits. Guild members are increasingly asked to assess political and legal stability, incentive reliability and what practitioners call "social license to operate."

According to Larry Gigerich, the passage of the Big Beautiful Bill and the permanency of tax cuts provide more clarity on what the U.S. market will look like in the future. Despite the uncertainty of tariffs, he said the amount of activity with European-based companies considering the United States is as high as he can remember during the last 10 to 15 years. He encourages our economic development partners to continue focusing on the fundamentals.

"The United States continues to be the safest place to invest and, typically, its intellectual property protections are the best," Gigerich said. "Continue those blocking and tackling fundamentals as an economic development professional to have your area be well-prepared, competitive and moving forward."

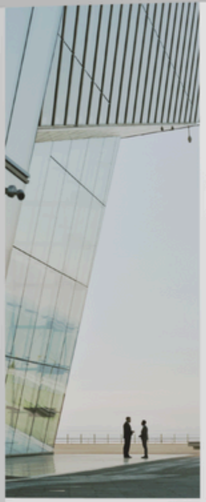
Because of the current policy's volatility, Guild members report having to adapt their — or even adopt new — risk assessment methodologies. Traditional location-decision models typically rely on historical patterns, but current U.S. and global policies have created an environment of "unknown unknowns." This environment has forced consultants to evaluate the impact of federal policies as a probability distribution rather than a fixed assumption, which requires parallel planning and multiple scenarios for potential futures.

97%

Of industrial-focused Guild members agree or strongly agree that uncertainty around tariffs is significantly impacting location decisions.

> **I was not considering other countries like Asia or even Canada very often. Now I am because of the tariffs. We actually lost two projects in the last three months because they said the U.S. was not their best option, given the tariff uncertainty.**
>
> — Taylor Gravois, Principal, CSRS

FIGURE 6
Industrial Sector: Impact of Federal Policies in the Site Selection Process
(1 = strongly disagree, 5 = strongly agree)



Power Supply and the Speed-to-Market Premium

THE GUILD'S TAKE

The most-pervasive theme cited in the research is the constant volatility in tariff policies, which creates what Guild members and other industry professionals describe as "regulatory whiplash."

- **More than 52 percent of Guild members** cite utility and infrastructure capacity as a major concern. The electrical grid is at or near capacity in many markets, and transmission delays of four or more years are a common occurrence.
- **Because the competition for power has intensified between data centers and manufacturing projects,** communities must have sites immediately available with adequate infrastructure to meet the demands and to ensure diversification.
- **Bring Your Own Power (BYOP)** has entered the lexicon when making location decisions, with on-site and adjacent generation — such as solar, engines, hydrogen fuel cells and exploratory small modular reactors (SMRs) — being used to de-risk energy transmission and capacity challenges.

An unprecedented energy crisis has disrupted the traditional site selection process. The previously straightforward consideration of ensuring adequate power supply has evolved into the primary constraint that shapes corporate location decisions. The convergence of expanding AI-driven data centers, reshoring manufacturing and an aging grid infrastructure has created a perfect storm that is forcing companies to rethink how they approach site selection.

More than half of Guild members cite utility and infrastructure capacity as the top factor impacting location decisions, with electrical grids at or near capacity in many markets. The situation has become so severe that transmission delays of four years or more are commonplace. This scenario isn't a temporary bottleneck; it represents a mismatch between growing demand and infrastructure capacity that took decades to build. The crisis now includes concerns for permitting, for grid reliability and for electrical improvements being indefinitely delayed.

Although the United States is not the only option for industrial projects to site, it is often the most-inexpensive site for power needs. For energy-intensive projects, "energy is going to be five times cheaper in the U.S. compared to Europe," according to Guild member Matthijs Weeink. But for labor-intensive projects that require less energy, clients are considering such peripheral locations as Turkey, Morocco and Egypt.

FIGURE 7

Industrial Projects: Agreement with Statements on Utility and Infrastructure Requirements (1 = don't agree, 5 = completely agree)