

SSG Names Tucson as Strong Market to Recover From COVID-19

Source: [Site Selectors Guild](#)

Suburbs & Mid-Size Cities Are In, Big Cities Are Out;

Site Consultant Survey Finds Shifting Corporate Location Preferences

July 16, 2020 – Suburban areas and mid-size cities, followed by rural areas, will be the biggest winners of new corporate expansions and relocations, with large urban areas falling to the bottom of the list, according to a survey on the impact of COVID-19. The findings were released today by the Site Selectors Guild, the only association of the world's foremost professional site selection consultants.

Conducted the week of June 29, 2020 in partnership with Development Counsellors International (DCI), the online survey of Guild members aimed to uncover changes and new trends in corporate location strategy brought on by the COVID-19 crisis. The COVID-19 impact survey of Guild members was the second of its kind, with the first conducted in April 2020.

“As advisors on corporate location strategy across all industries, Guild members are the first to see emerging trends and changes in corporate location decisions before they are ever made public,” said Jay Garner, Site Selectors Guild board chair and president of Garner Economics LLC. “This perspective is particularly telling.”

“Everything from physical distancing to changing transit preferences has affected the way that corporations view location decisions,” said Rick Weddle, president and CEO of the Site Selectors Guild. “We hope this insight from our members will help both corporate decision makers and economic developers understand the changing landscape as well as new opportunities.”

The top findings of this research follow below and are available in an [infographic here](#).

Suburbs and Mid-Size Cities Will Be the Next Winners for Corporate Location Projects

The pandemic has brought suburban areas and mid-size cities into the forefront of consideration for future site selection projects and even put rural areas well ahead of large urban areas. When Guild members were asked about locations that are “likely” or “very likely” to be considered by corporations looking to expand, relocate or open new facilities in the next 12 months, 64% chose suburban areas, 57% chose mid-size cities, 31% chose rural areas, and just 10% chose large urban areas.

Consultants indicated that New York would be hit especially hard among the nation's largest cities. Of the consultants who agreed that large urban centers are "not at all" or "unlikely" to be considered for future projects, 100% said that New York City would be among the least likely locations to be considered for future projects in the next 12 months. Los Angeles and Chicago followed with 63% and 42%, respectively.

Consultants were also asked to name specific mid-size cities that would be strong potential candidates for new locations or expansion projects in the next year and named the following cities (presented in alphabetical order):

- Boise, ID
- Colorado Springs, CO
- Columbia, SC
- Columbus, OH
- Greenville, SC
- Huntsville, AL
- Indianapolis, IN
- Kansas City, MO
- Raleigh-Durham, NC
- Reno, NV
- Tucson, AZ

Consultants Report 61% of Site Selection Projects are Moving Forward

Consultants reported an uptick in projects moving forward in June compared to April, with 61% of Guild members reporting that companies are moving forward with site selection projects, a 16% increase since April. Of Guild members surveyed, 34% said that companies are pausing site selection projects, and 5% reported companies are consolidating facilities or canceling site selection projects.

There was also a general consensus that office projects will remain on hold until there is a clearer understanding on what the "office of the future" will look like and footprint requirements. Guild members also indicated that manufacturing will continue to be driven by the need to de-risk the global supply chain. There will be an accelerated rate of reshoring as well as more, smaller regional facilities to mitigate risk.

Majority of Project Activity Predicted To Resume in 2021

When asked to predict when client companies will restart expanding or adding new facilities, 13% of consultants reported that projects had already started moving forward in Q2 2020; however with a rapid rise in COVID-19 cases across the U.S. in June when the survey was conducted, none of the Guild members predicted paused projects would restart in Q3 2020. Twenty-two percent indicated companies will restart projects in Q4 2020, 39% indicated Q1 2021 and 26% indicated after Q1 2021.

Food and Beverage Processing Emerges as Hot Industry, Biotech and Manufacturing Activity Continue to Hold Strong

In both the April and June surveys, Guild members were asked to select the industry sectors that are seeing the most project activity as locations across the globe begin to reopen. In June, the food and beverage processing industry saw the largest increase in project activity when compared to the April survey. The top five most active industries — with comparisons to Guild member selections in April — are listed below:

1. Biotech and Life Sciences – 67% (down from 68%)
2. Advanced Manufacturing – 51% (up from 29%)
3. Food and Beverage Processing – 47% (up from 16%)
4. Transportation and Logistics – 44% (down from 48%)
5. Software and IT – 31% (up from 19%)

Economic Developers Should Begin Shifting Focus Back to Business Attraction

As was reported in the April survey, Guild members believe an economic development organization's (EDO) priority focus in the COVID-19 environment should be on business retention and workforce development/talent attraction. However, there has been a shift in thinking that EDOs can begin to elevate their focus on business attraction as well. When asked what the priorities should be for EDOs – on a scale from 1 (not a priority) to 5 (high priority) – Guild members assigned a rating of 3.6 to business attraction, a considerable increase from the rating of 2.9 in the April survey.

About 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. In the past three years alone, Guild members facilitated the announced creation of approximately 165,000 jobs and \$90 billion in announced capital investment. Guild membership is the highest standard in the site selection industry. For more information, visit siteselectorsguild.com or follow @siteselectguild on Twitter.