

# NEWMARK

## Growth and Competitiveness

Location and Economic Development  
Success Perspectives

March 12, 2026

GLOBAL STRATEGY



# Who is Bob Hess?



- Vice Chairman & Managing Partner, Global Strategy & Consulting
- 40-year veteran location strategy and site selection
- 30+ country field experience, including ASIA, EMEA, LATAM
- 30+ Major FDI and reshore/nearshore projects, including largest German mfg. investment in NAR history and biotech mfg. investment in AsiaPac history
- 2.75 million air miles (and counting); >350,000 in 2022
- 35-year marriage; father to 2 special needs daughters
- 30+ quotes in WSJ and other major trade journals
- 50+ economic development business attraction studies
- Prolific author and publisher of industry thought leadership
- *Investment Advisory Council, U.S. Department of Commerce, Workforce Development Subcommittee (just finished)*
- *Founding member, and shareholder, Site Selectors Guild*
- *MIT, Oxford, Northwestern, Wharton, Harvard CEE Graduate*

# About Newmark – Global Reach



**30%**  
Newmark stock owned by employees / management

**Best-in-market Commitment**

~8,100 Professionals	170+ Office Locations	\$2.9B Annual Revenues
~\$1.7T Transaction Volume 2024	55+ Companies Acquired, Since 2011	96 Years In Business, Founded In 1929

## Recent events impacting our growth at Newmark...

Europe →

Newmark Expands European Data Centre Team with the Appointments of Hamish Smith and Oliver Weston

1 October 2025, 4:01am

USA →

Newmark Acquires Leading Real Estate Consulting and Managed Services Firm, RealFoundations

October 7, 2025 3:25PM

Asia →

Newmark Announces Expansion into India; Sathish Rajendren Hired to Lead Growth in Regional Property and Facilities Management

October 27, 2025 8:45AM

Middle East →

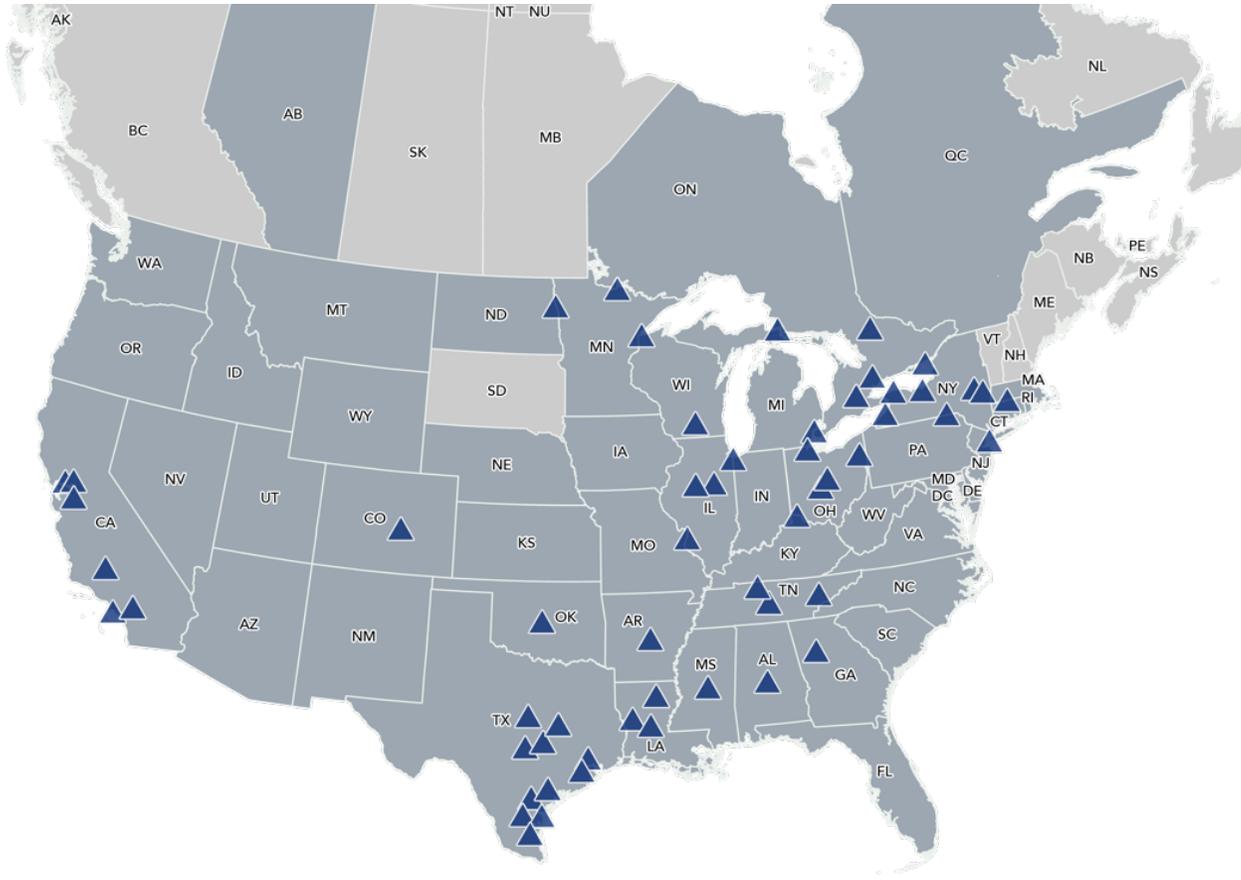
Newmark Expands Advisory Capabilities in the Middle East with Key Hires

October 20, 2025 3:00AM



# Geographic Breadth of Our Consulting Work

## Selected North American Location Work 2023-25



● Visited for Global Strategy Project Work ▲ Economic Development Project location

## Worldwide Global Strategy Work 2023-25

**32 countries visited for project work in the past 3 years:**

- Austria
- Brazil
- Bulgaria
- Canada
- Colombia
- Costa Rica
- Czech Republic
- Finland
- Germany
- Guatemala
- Hungary
- India
- Japan
- Lithuania
- Malaysia
- Mexico
- Morocco
- The Netherlands
- Northern Ireland
- Poland
- Portugal
- Serbia
- Singapore
- Slovakia
- South Korea
- Spain
- Sweden
- Taiwan
- Thailand
- Turkey
- Tunisia
- United Kingdom

# Clients Across Multiple Industries & Asset Types



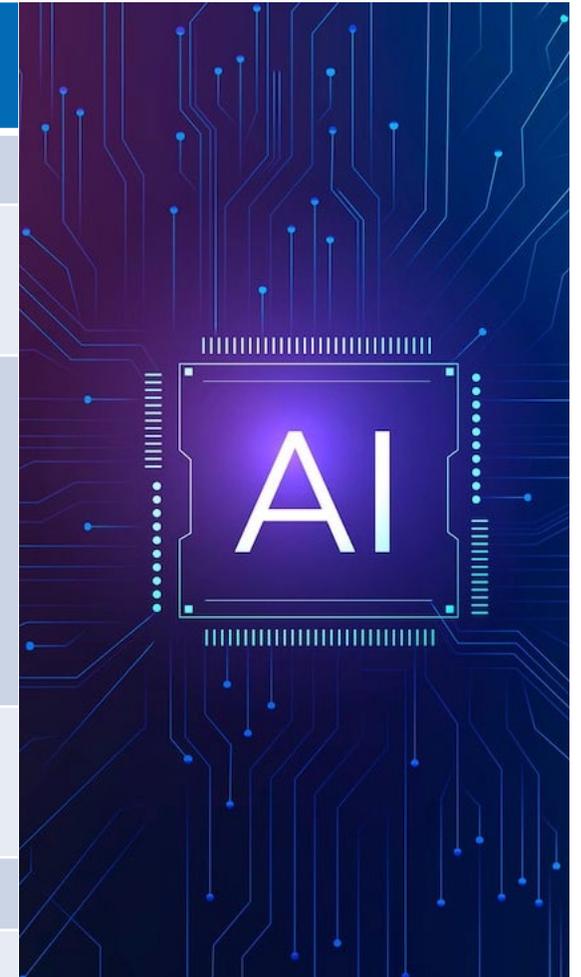
## Problems We Help Solve

- Site selection & community due diligence
- Large manufacturing location optimization
- Expansion & consolidation feasibility
- Total cost of operations, occupancy analysis
- Labor market & talent assessment
- Headquarters location strategy
- BPO & shared services location decisions
- Cost mitigation via incentive negotiations
- FDI / market entry initiatives
- “Stay versus go” location feasibility
- Global footprint optimization & assessment
- Benchmarking studies
- Economic development strategic planning
- Investment Feasibility Analysis

# Looking at Texas: Unfathomable – Maybe Not?

Billionaires and Tycoons and FDI Private Money are Looking!

<b>Purpose / Function</b>	<b>Combined AI Data Center, Advanced Manufacturing Campus and Community of Future</b>
<b>Search Area</b>	Continental United States, Data Centers and Advanced Manufacturing
<b>Location</b>	Proximate to an urban node / ability to produce infrastructure to support large employment base Regulatory Environment – constructive towards development; expedited advanced manufacturing industrial permits including EPA, air, water, and others i.e. wetlands, FAA, archaeological, etc.
<b>Land</b>	Phase 1: 100 square miles for industrial use (multiple projects, multiple states, 500 -1000 acres each Phase 2 – 1,000 square miles “City of the Future” includes potential land for workforce, other community needs Grade – relatively flat, geotechnical and environmental ready for manufacturing Permitting – Air Attainment and avoid proximity to BLM National Parks, other incompatible land use / land leases Ownership – Preference for Federal and State land without constraints e.g. national parks, other reserves lands and exclusions
<b>Power</b>	1 - 2 GW of reliable power by 2028 (36-months); scalable to 3x that within 5 years Redundant grid connectivity Scalable to 7 - 10+ GW long term
<b>Gas</b>	High capacity and pressure pipeline infrastructure for power redundancy, generation
<b>Water</b>	20 - 30 MGD capacity - can include onsite wells, will need to be potable quality



**CEO: “Experts not preferred, only ChatGPT and the like”**

# What's Keeping Us Busy Right Now



**Largest Site Selection Search in US History**



**Datacenters & Supply Chain**

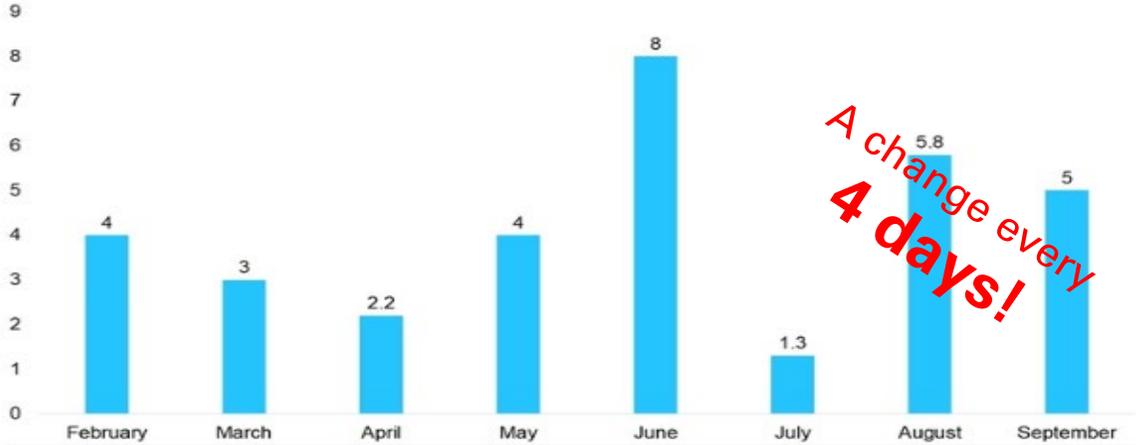


**Mid-size Projects (HQ/Office, Manufacturing)**



**EDOs Strategy (here and abroad)**

## Average # of Days Between Changes in U.S. Tariff Policy 2025



**WSJ**  
<https://www.wsj.com> > Economy > Jobs  
**U.S. Loses 92000 Jobs in Widespread and Unexpected ...**  
 4 days ago – The U.S. lost 92,000 jobs in February, a widespread and unexpected downturn for a job market that continues to struggle across a broad range ... [Read more](#)

**CEW Georgetown**  
<https://cew.georgetown.edu> > cew-reports > skills-shorta...  
**Falling Behind: How Skills Shortages Threaten Future Jobs**  
 Sep 15, 2025 – The US economy is facing growing skills shortages in critical occupations due to an unmet need for workers with the postsecondary ... [Read more](#)

US corporate bankruptcies hit 15-year H1 high: S&P

the busiest port.

# What Does Success Look Like in 2026

As we look ahead to 2026, success in advisory services will depend on several key factors:

- Establishing visibility as a thought leader
- Embracing innovation without hesitation
- Prioritizing speed to value in resource allocations
- Demonstrating certainty and confidence in unique value propositions

In economic development, the most successful locations will be those that integrate development-ready sites, streamlined construction timelines, community acceptance, talent upskilling, and stability. With projects accelerating, certainty—particularly regarding infrastructure—will be vital for success.

Industries to watch in 2026 include data centers, AI technology initiatives, headquarters, fintech, semiconductors, and defense. Conversely, energy-intensive and manufacturing projects may face macroeconomic challenges in various regions.

***While the fundamentals remain unchanged, the margin for error has significantly decreased. Have an aligned attitude about what is possible!***

Source: Newmark Global Strategy Annual Report, LinkedIn post from February 2026



What about Victoria?  
 What is your vision for the near term? Long term?  
 Anchor assets that set the stage for growth?  
 Leadership, measurable goals/KPIs, product (sites and infrastructure) and placemaking, is this moving in lock step? What are the fewer things that you can do better? Are you an AI ready community (you have to be!)

# What is the True State of Site Selection

What is the mindset in the Boardroom? Are capital initiatives needed to compete in peril? Are the true innovators positioning for leapfrog competitive advantage? Is it an economy of winners and losers? Cash and capital – a lot on the sidelines ready to go? AI changing everything – yes it is! The Fed Bank is gone, so its all about Hyperlocalization?

Is it Economic and Political Volatility, Uncertainty, Chaos and Ambiguity on Steroids? Business Owners Despise Uncertainty?

Is it Unique Time for Expansive Thinking, Scalable Ideas, the Unfathomable Reality? AI Disrupting to Position Exponential Gain?

**Planners...Pleasers...Pausers...Paupers:  
Which one of these are you?**



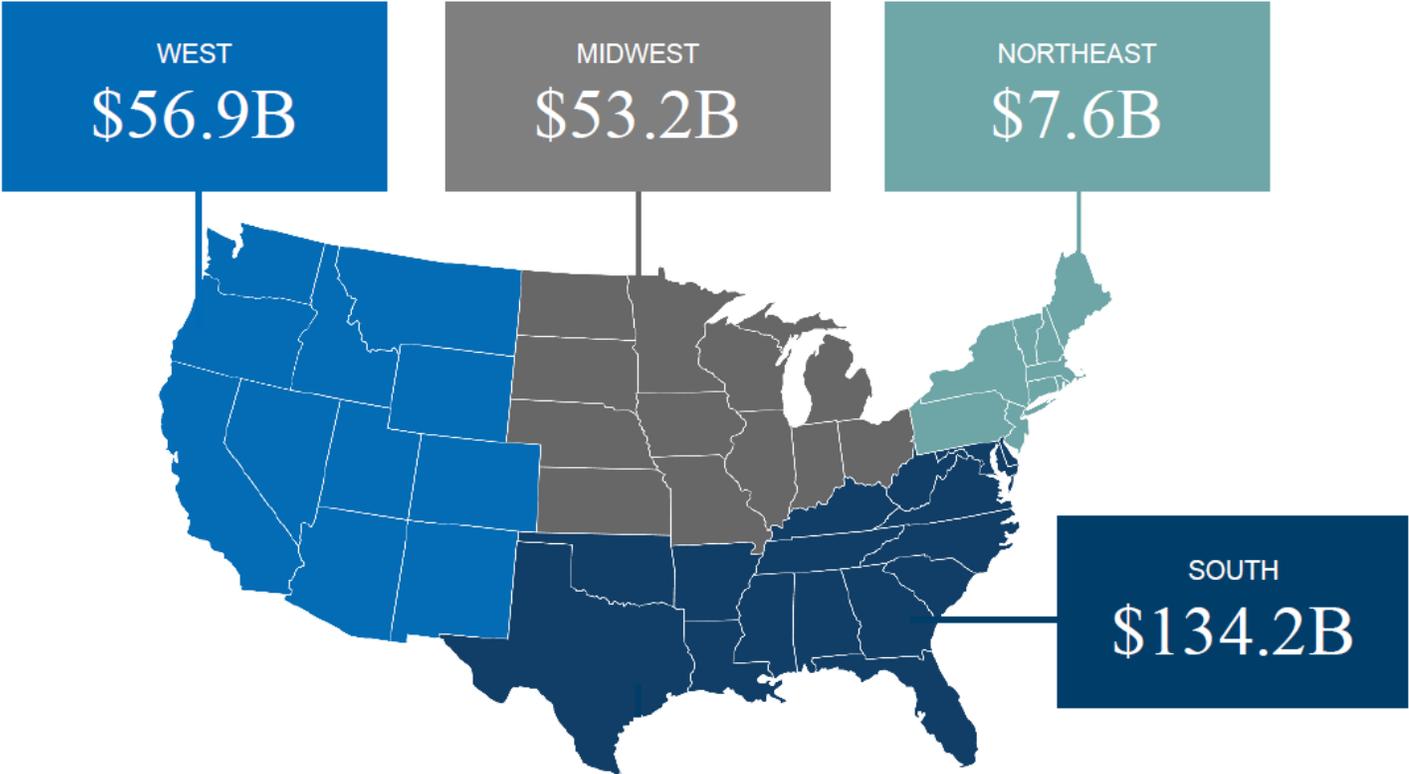
# Your Lucky, its Texas and Geography Blessed



# The South Leads in Manufacturing Construction Spending

Over the past 12 months, Southern States have seen \$134 billion in nominal manufacturing construction spend, more than the rest of the country combined. Within the South, the South Atlantic states just edged out the West South-Central states to realize the largest portion of that spending (\$57 billion)

Private Manufacturing Construction Spending by Megaregion, June 2024 to June 2025



## Texas Prospects Developed

**400+**  
PROJECTS CURRENTLY IN  
THE PIPELINE

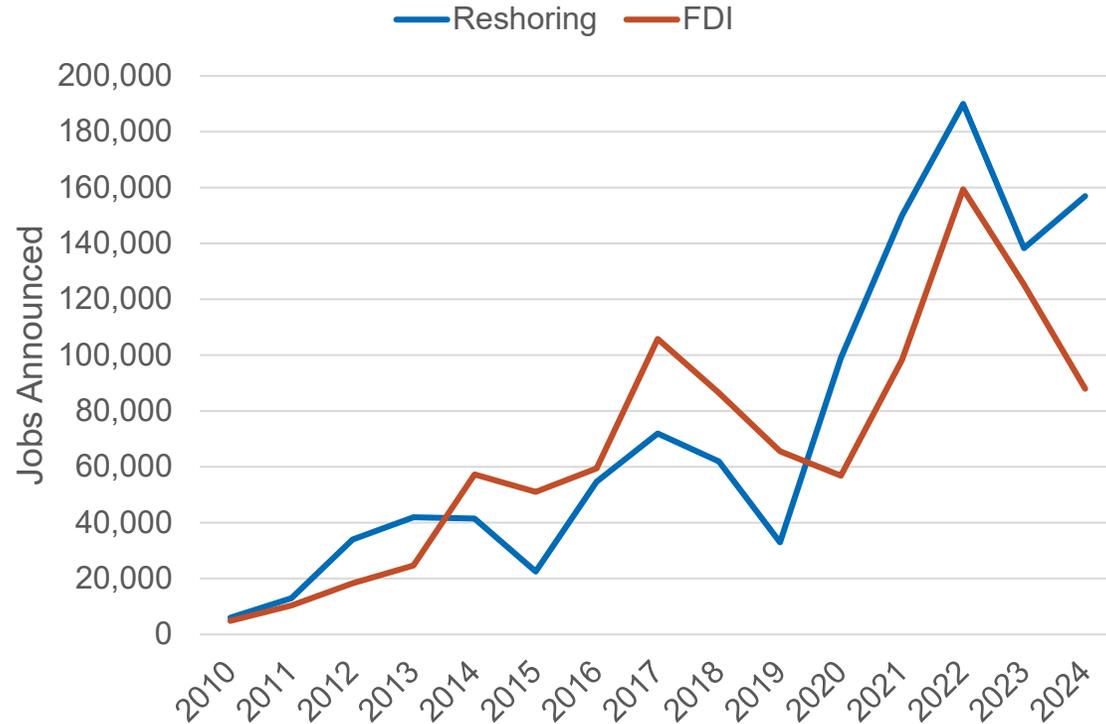
Source: Newmark Research, U.S. Census, August 2025.

# FDI – Reshoring (and Friend-shoring) Continues (ESPECIALLY FOR TEXAS)

Reshoring on the rise, major contributor to job growth. FDI to the U.S. continue to decline.

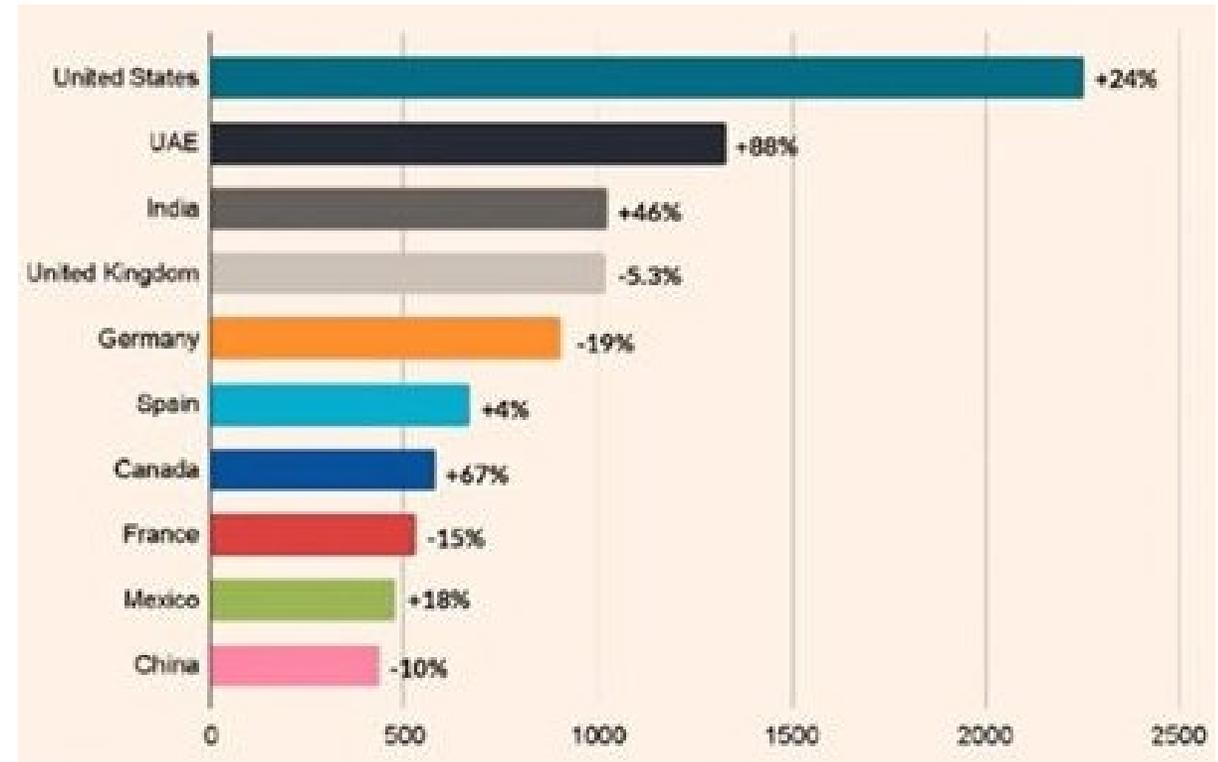
The U.S. has become a **major focus for Foreign Direct Investment (FDI)** in the last five years. Despite a decline in job numbers associated with FDI, the U.S. continues to dominate the inflow of FDI. Communities must be able to market themselves not only to U.S.-based companies, but also to companies looking to establish themselves domestically.

Job Announcements from Reshoring and FDI



Source: Reshoring Initiative, OECD FDI Figures (April 2025), FT Locations, fDi Markets 2025.

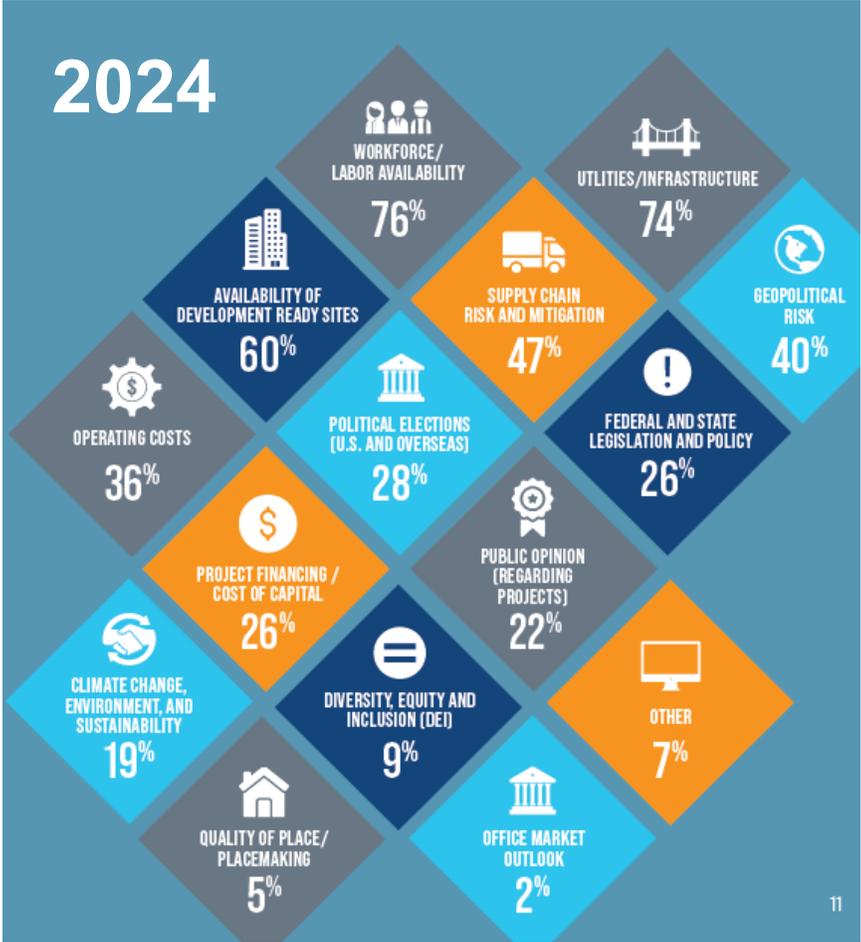
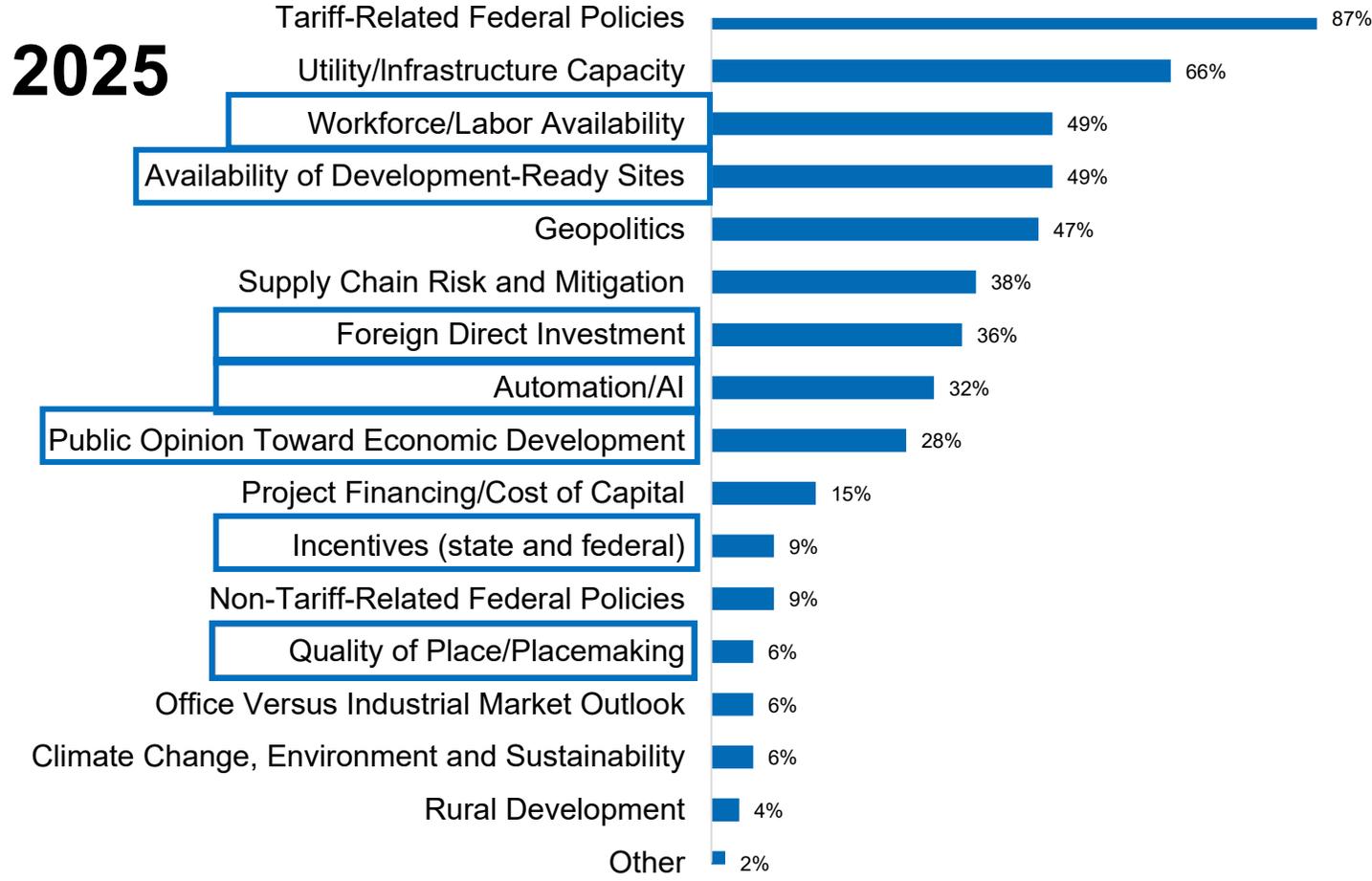
Top Destination Countries by Number of Greenfield FDI Projects in 2024



Note: % = Percentage change 2024 vs 2019-2023 average

# Top Factors Impacting the Site Selection Industry

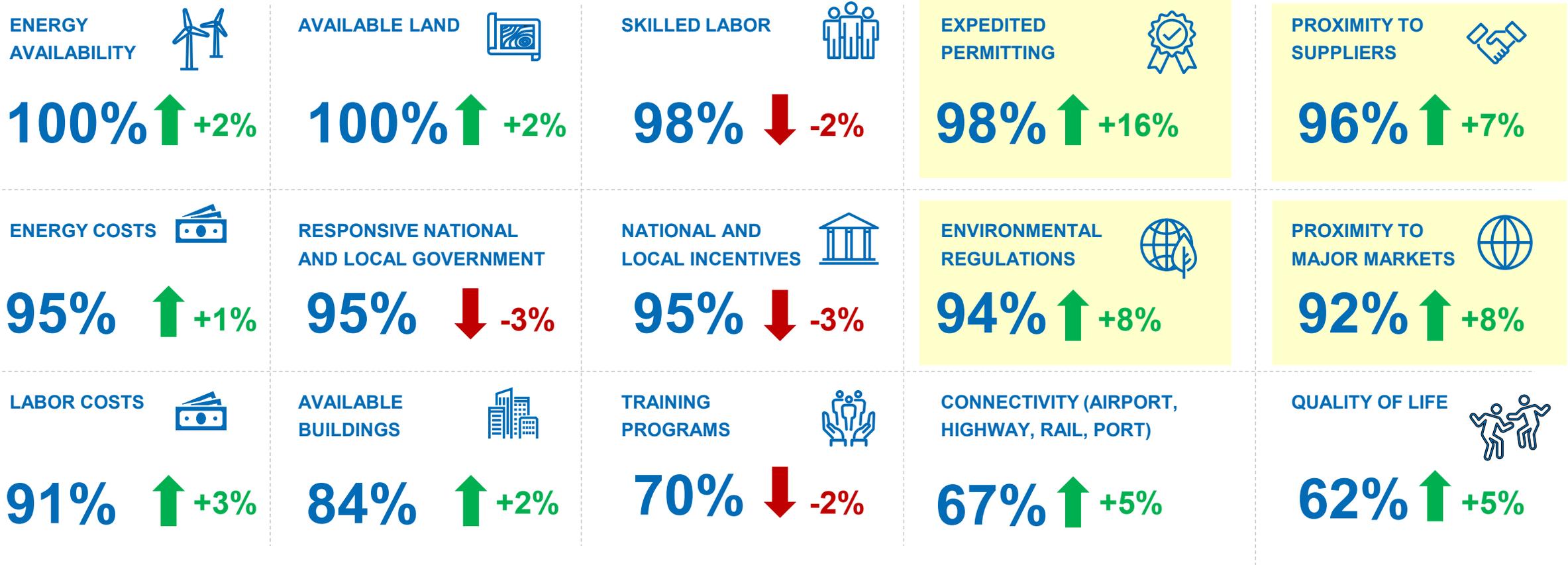
Tariffs, utilities, workforce, sites, and geopolitics dominate the discussion



Source: 2025 State of Site Selection (Figure 3), The Site Selectors Guild.

# Priorities Impacting Site Selection Shift

Priorities in site selection have changed to reflect an increasing focus on speed, certainty, and market access



x% Total share of the “very important” and “important” ratings of the site selector survey ↓ ↑ Change 2025 vs 2024

Source: Consultant Survey, Area Development Corporate Survey, 2025

# Site Selection Process: How Do You Stack Up?

Competitive communities pass multiple screening processes

## A PROCESS OF ELIMINATION

### Filter 1: Fatal Flaws

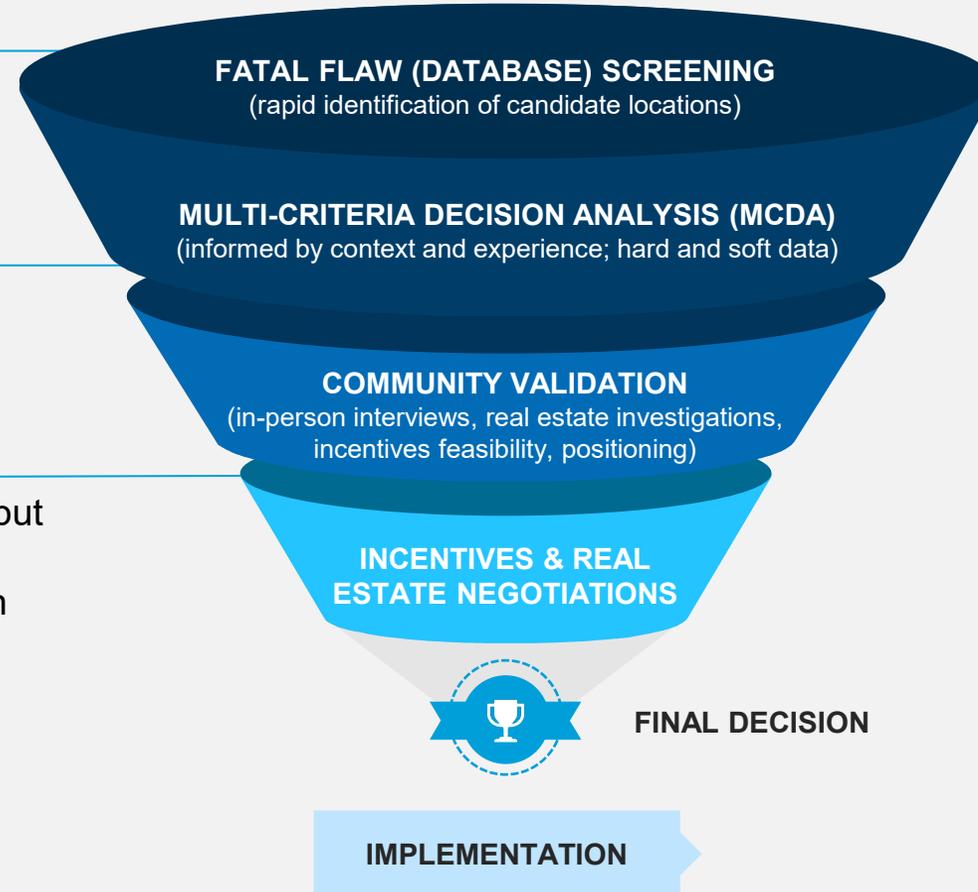
Screen out locations with fatal flaws related to Critical Location Factors, e.g., locations with insufficient alignment

### Filter 2: Serious Flaws

Rule out locations with serious flaws, e.g., locations with key attributes but inadequate infrastructure (physical, talent)

### Filter 3: Controllable Flaws

Consider locations that meet all critical criteria but have manageable issues – flaws that can be remedied or mitigated through negotiations with government officials



# Site Location Critical Factors

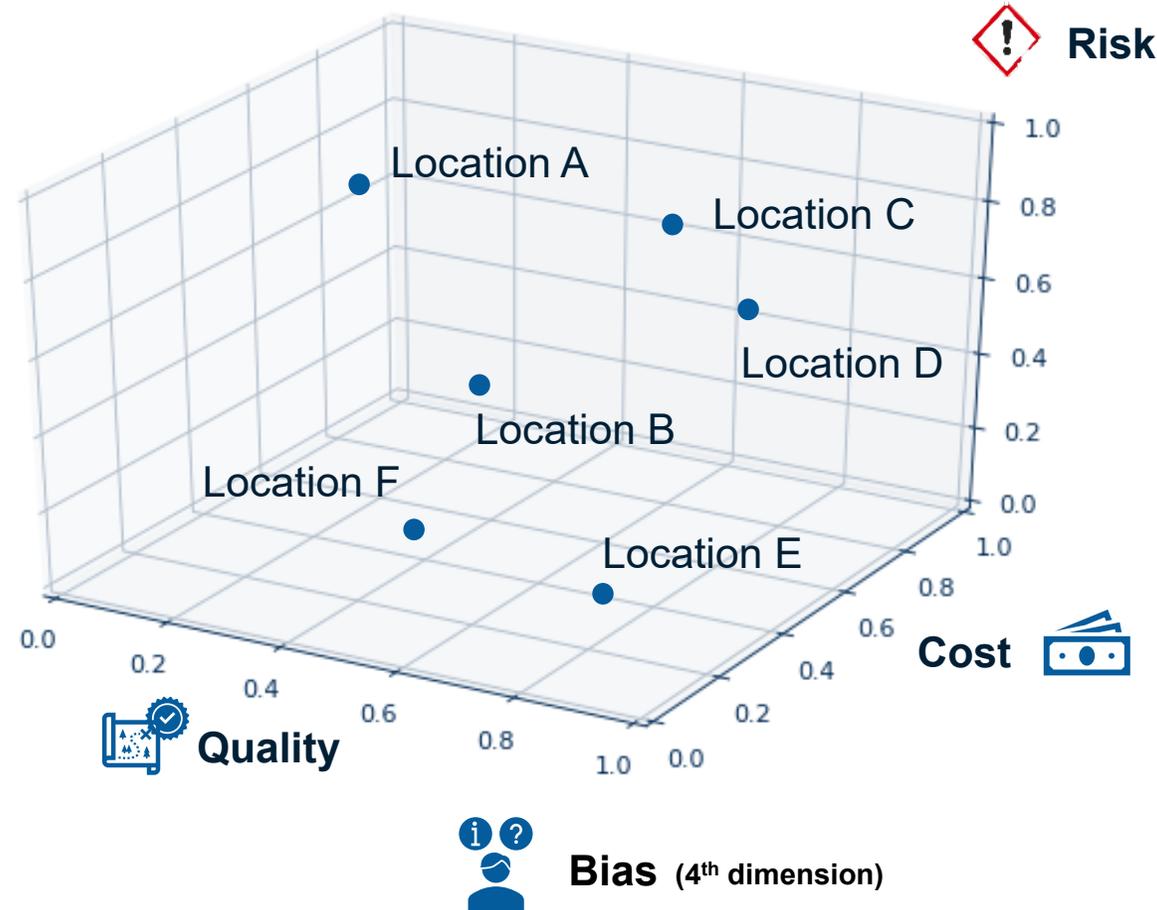
The fundamentals still matter. But complexity is increasing.

## Quality

- Site Suitability & Sustainability
- Labor Quality, Talent Pipeline & Educational Attainment
- Logistics & Connectivity
- Business Climate / Taxes
- Quality of Life / Amenities
- Community Attitude, Experience and “Fit”

## Bias

- Investors / Boards
- Business Unit Competition
- Executive Influence
- Financial Markets
- Customer Preferences



## Risk

- Geopolitics
- Volatility of energy prices
- Poor due diligence
- Timeline risks (permitting, utility infrastructure, etc.)
- Change to investment / business laws or regulations
- Shifting budgets and tariffs
- Construction / SOP Delay

## Cost

- Labor & Fringe Cost
- Land / Real Estate Cost
- Utility cost (e.g., water, sewer, gas & electricity)
- Logistics & Transportation
- Economic Incentives

# Fieldwork Still Matters: True Business Intelligence

**We identify and reach every available site out there...**



**We ask the right questions and reveal hidden costs...**



**We identify risk factors & things that matter...**

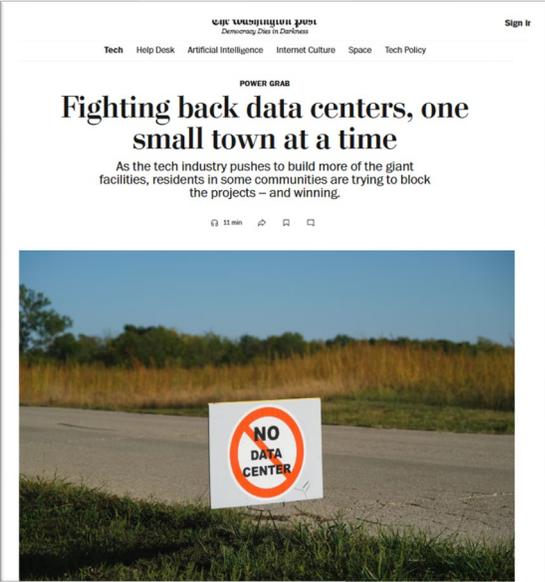


**We conduct personal interviews to understand local realities...**



# Increased Public Scrutiny on Economic Development and Incentives

Can be positive for the project down the road, as long as it is based on real facts and evidence.



For those struggling to keep up with the many acronyms...

- NIMBY** = Not In My Backyard
- NUMBY** = Not Under My Backyard (for tunnels)
- NOOMBY** = Not Out Of My Backyard
- YIMBY** = Yes In My Back Yard
- NOPE** = Not On Planet Earth
- NOTEs** = Not Over There Either
- CAVEs** = Citizens Against Virtually Everything
- NIMEY** = Not In My Election Year
- BANANA** – Build Absolutely Nothing Anywhere Near Anyone

Source: Philips Group

**Indiana CAPITAL CHRONICLE**

COMMENTARY   EDUCATION   ECONOMY   GOVERNMENT & POLITICS   HEALTH & ENVIRONMENT

**ECONOMY**   **GOVERNMENT & POLITICS**

**IEDC forensic analysis highlights lackluster oversight and questionable spending**

BY: WHITNEY DOWNARD - OCTOBER 3, 2025 7:00 AM

**IEDC Forensic Review**

# A New Age of Site Selection

How has the site selection process changed, given our rapidly changing business environment?



**1. Led by identification of scarce assets, followed by optimization**

**2. Project is hyper-local from the beginning**

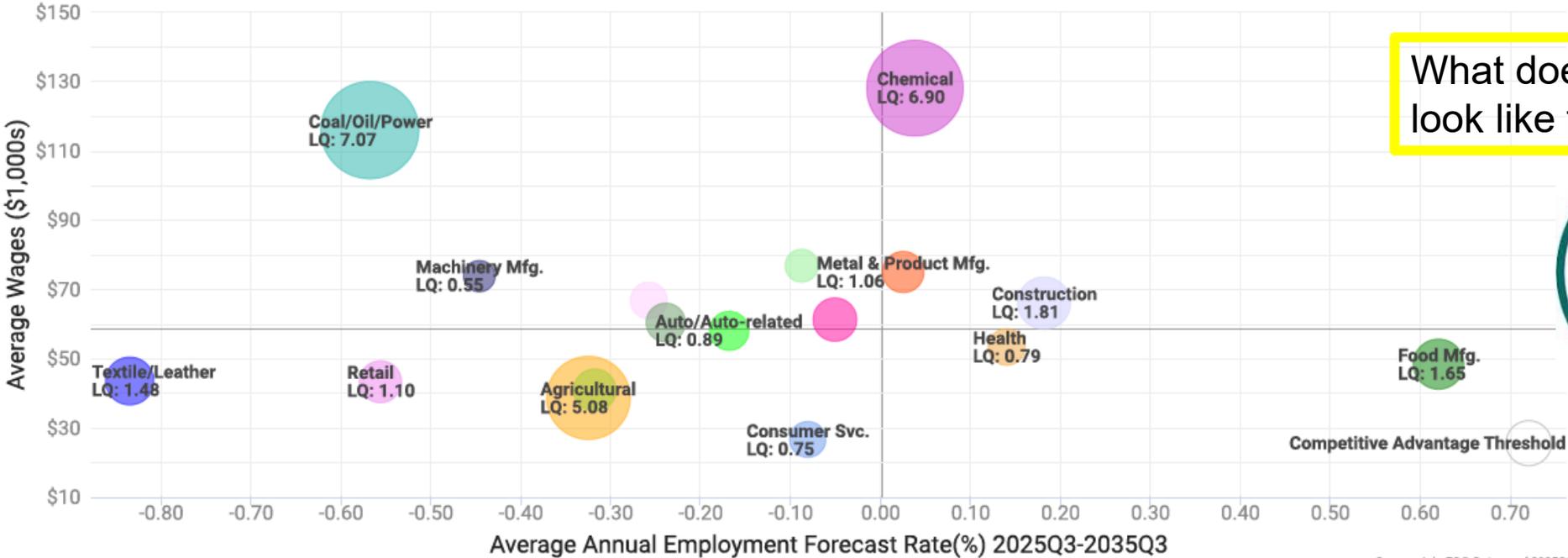
**3. Relationships and credibility are critical**

# Victoria MSA Top Employers / Sectors – What about Business Retention?

How are you taking care of them? What do they need, deep down? How is AI disrupting them (positively / negatively) ?



Industry Clusters for Victoria - Calhoun, Texas Region - 9 counties as of 2025Q3



What does diversification look like for Victoria?



Source: JobsEQ® Data as of 2025Q3

# Targeted Industries of the Future – What about Innovation?

## MRB Advanced Industry Cluster Survey (Module 1 & 2)

1. **Hydrogen generation**
2. Carbon capture and sequestration
3. **Artificial intelligence**
4. **Battery technology**
5. Machine learning
6. **Additive manufacturing**
7. Fiber Optics
8. **Quantum computing**
9. Automation
10. **Smart Grid**
11. **Semiconductors**
12. **Industrial robotics**

## CoE/CAT & Other Govt. Reports

13. **Energy storage**
14. Agricultural robotics
15. Drones
16. Autonomous vehicles
17. **Virtual reality**
18. **Augmented reality**
19. **Artificial intelligence**
20. **Battery design**
21. **Large-scale energy storage**
22. **Nanotechnology**
23. Integrated photonics
24. **Genomics**
25. Bioinformatics
26. **Supercomputing**
27. **3-D Printing**
28. **Cell Therapy**
29. **Gene Therapy**
30. Synthetic Biology

## Newmark Global Strategy

31. **Green hydrogen**
32. **Advanced photovoltaics**
33. Low carbon fibers
34. **EV batteries and battery technologies**
35. **Quantum computing**
36. Blockchain
37. Digital education
38. Digital hospitality
39. **Co-bots**
40. **Additive manufacturing**
41. **Semiconductor manufacturing**
42. Vaccines
43. **Advanced photovoltaics**
44. **Virtual Reality/Augmented Reality**

## ESD & Stakeholder Discussions (Modules 1 & 2)

45. **Quantum computing**
46. Supercomputing
47. Non-single family clean heating and cooling
48. Offshore wind
49. Onshore wind
50. **Energy storage**
51. **Smart grid**
52. **Solar PV**
53. Clean transportation
54. Clean energy recycling
55. **Cell therapy**
56. **Gene therapy**
57. Space security
58. **Green hydrogen**
59. **Zinc batteries**
60. Anaerobic digestion
61. CRISPR
62. Low carbon cement
63. Synthetic graphite
64. Lithium recovery
65. Fintech
66. Proptech

## World Economic Forum Top 10 of 2023

67. **Flexible batteries**
68. **Artificial intelligence**
69. Sustainable aviation fuel
70. Metaverse for mental health
71. Designer phages
72. Wearable plant sensors
73. Spatial Omics
74. Sustainable computing
75. Flexible neural electronics
76. AI-health care

## McKinsey 2024

77. **Robots/co-bots**
78. **3D/4D printing**
79. 5G/Internet of things
80. Distributed cloud infrastructure
81. **Quantum computing**
82. Artificial intelligence
83. Software 2.0
84. Trust architecture
85. Blockchain
86. **Nanomaterials**
87. Cleantech

**Bold** = duplicates

Source: Newmark Research for emerging industries to consider

# Hyperlocalization

Site selection now happens at the micro-market level — down to individual neighborhoods!

## Public Private Partnership

- Evolving Role of the EDO
- Evolving Role of the Private Sector
- Regional Response and Shared Risk and Reward

## Civic Pride Builds Local Ownership of Growth

- Civic pride turns residents into project advocates
- Builds trust, easing permitting and reducing opposition
- Pride-driven communities attract and keep investment



**Among the Uncertainty: Importance of a Strong State and Local Economic Development Group**

# Leadership in Economic Development

Which arrow do you choose?

## From Now to Next: Stakeholder Alignment



Leadership Next Gen Traits Need to Make The Right Arrow Happen  
Faster, Better and with “Unbridled” Passion and Purpose

Faster to Aha!

Source: Bob Hess

Victoria: How Do You Respond to the Growth Challenge?

