

Publications

Q&A with Dennis Shea of *Area Development*

Related Services

Real Estate

Tax and Economic Development
Incentives

Taxation

AUTHORED ARTICLE | Fall 2020

This article originally appeared in the Fall 2020 edition of *Development Incentives Quarterly*.

In this edition of *Development Incentives Quarterly*, we welcome Dennis Shea, publisher & president *Area Development*. Founded in 1965, *Area Development* magazine is considered the leading executive magazine covering corporate site selection and relocation. In this Q&A Dennis discusses the impact of the coronavirus pandemic on economic development.

Talk to us about *Area Development* and what we can expect in the coming months.

We will be following how the election results and the intrigue coming out of Washington will affect economic development but most importantly how COVID-19 will impact new corporate projects and expansions in the months and year ahead. COVID-19 related online content continues to lead as the weekly "most read" articles among our *Area Development.com* audience for the last several months - indicative how central the pandemic is to corporate planning.

We are now many months into the COVID-19 pandemic, so what are your impressions of the status of the economic development industry in this country?

As mentioned above COVID-19 has made its way high into the planning conversation and decision making process as companies begin rethinking their corporate real estate footprint, physical and geographic location(s), workforce deployment, supply chain and logistics strategies and cost of operations. ED professionals need to follow these trends closely so their jurisdictions can be competitive in both attracting and retaining investment.

Has anything in particular surprised you?

The amazing impact of COVID-19 that has accelerated at warp speed eCommerce consumer demand and the subsequent upward pressure on companies to find quality warehouse and distribution space and well situated greenfield locations at agreeable cost to satisfy this growth.

Are there certain industries that have been struggling during the pandemic that you think will come out stronger in the end?

That is hard to answer. Struggling e-commerce products/providers in general I think will benefit from this trying time as they find attention by consumers. More to the point are those industries that will emerge with accelerated growth due to the impact of COVID-19. Three examples:

- Automotive –Sales increasing as public transit is viewed as unsafe, stay at home work increases, and those remaining commuters want to control their travel time , avoid sharing space with others or simply rather drive when necessary . Electric Vehicles are being rushed to market at lower prices and with more choice as consumers/commuters want to save on fuel costs and have a growing acceptance of going green.
- Manufacturing – Increase in 3D and automation technologies as an offset to the disruption of human labor caused by the pandemic.
- Workplace - As remote work at home/offsite increases any technology that supports, protects or enhances this trend will emerge stronger than prior the pandemic.

What do you expect the long term impacts of this pandemic will be on the office industry?

I expect that over the coming year a high percentage of employees will return to offices. Remote work will remain a factor as long as the virus is a prominent issue but companies will take a hard look if everyone needs to be all in one place. Companies have already reacted by planning to disperse staff to new or other facilities in smaller MSA's and away from larger facilities in densely populated and/or expensive C-O-L areas as a hedge against future disruptive health events and in turn improve balance sheets. Staff shifting to offsite workplace and to facilities in multiple markets suggests that it would have a negative effect on office real estate in larger markets and a potential upside to smaller markets and communities.

Finally, a non-pandemic related question: What have your impressions been of the Opportunity Zone program and do you think it has made a substantial impact by encouraging investment in low-income communities?

My opinion is that the jury is still out on the overall impact of the OZ program.