

TARIFFS,

Reshoring, and the
Real Estate Ripple Effect



Analysis by

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An Industrial Boom Ahead?

The renewed focus on tariffs and their role in reshoring U.S. manufacturing has reignited conversations about domestic production and its ripple effects across various industries. The economic implications of this movement are profound, especially for the commercial real estate sector, as supply chains shift, and domestic production becomes a strategic necessity.

While looking at the potential developments and trends that could shape the future of this market, I believe we are potentially on the cusp of an industrial real estate boom.

What does this mean for construction?

More infrastructure investments across the U.S. It means more demand for skilled labor, materials, and space. This could be a surge we haven't seen in decades reshaping the industrial landscape for years to come.

New tariffs could accelerate the return of manufacturing to the U.S. With it comes demand for modern manufacturing plants, logistics hubs, battery plants, semiconductor facilities, light manufacturing facilities, and specialized production spaces. This shift would create a manufacturing renaissance in the Midwest, Southeast, and beyond and real estate is at the center of it.

But it does stop with industrial...

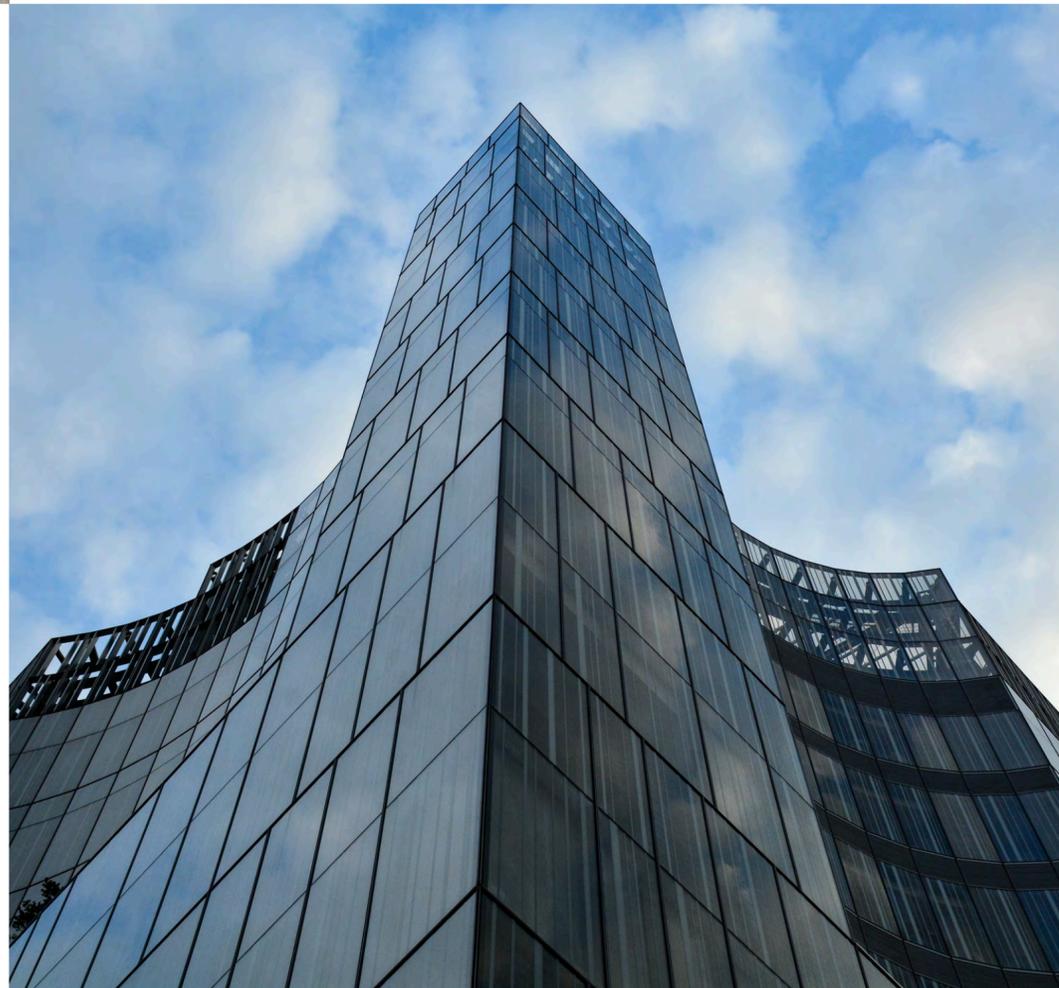


Multifamily

Jobs follow factories and people follow jobs. New manufacturing hubs would bring population growth to secondary and tertiary markets. That means a rise in demand for workforce and affordable housing, particularly in suburban areas that have room to grow.

Office (Yes, Really)

Not your traditional trophy tower in major cities, but mission-critical office space tied to R&D, engineering, and operations near manufacturing centers could be back in volume, especially in suburban corridors with low cost and high connectivity.



Retail

As economic activity increases in these reshored markets, we'll likely see a rise in service-based retail, grocery stores, local restaurants, healthcare clinics and the essentials that are needed to support growing communities.



Hospitality

Temporary construction crews and corporate teams visiting new sites would drive short-term lodging demand near new plants and distribution hubs.

Land & Development

Strategic land near logistics corridors, highways, and rail infrastructure would be snapped up for entitlement, industrial parks, or build-to-suit projects.



Potential Downsides to Watch

Increased construction costs with tariffs on steel, aluminum, and imported goods could raise building costs. With higher demand for industrial construction, a limited labor pool could slow timelines and inflate costs which may eventually trickle down into rents, affecting affordability across sectors, adding tension to an already delicate economic environment.



The real question:

Will the long-term industrial opportunity outweigh the near-term growing pains?

Bottom line

Whether all these tariffs go into effect or not, the broader trend toward economic nationalism and supply chain diversification is real, and the commercial real estate world should be watching and investing accordingly.

There's no one-size-fits-all answer, but one thing is clear, industrial is positioned to lead, and those who prepare now will be the ones who win later.

If you're planning to scale your team or need help filling senior or executive-level real estate roles, feel free to reach out as I am always happy to be a resource.



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